

Fair Student Funding & School Budget Resource Guide FY 2014

New York City Department of Education
Division of Finance
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TABLE OF CONTENTS

	PAGE
CHAPTER 1: PROCESS AND PLANNING	1
1.1. Fiduciary Responsibilities of the Principal	
1.2. School Leadership Teams	
1.3. Children First Network Support and Approval	
1.4. Role of Superintendents	
CHAPTER 2: THE DEPARTMENT OF EDUCATION’S OVERALL BUDGET	4
2.1. How are School Budgets Funded?	
2.2. Children First Funds	
2.3. Information on Other Funding Streams	
CHAPTER 3: FAIR STUDENT FUNDING BACKGROUND	8
3.1. The Basics: A Fair and Transparent Way to Fund Schools	
3.2. Gradual Implementation to Preserve Stability	
CHAPTER 4: FAIR STUDENT FUNDING FORMULA	10
4.1. Foundation	
4.2. Grade-Level Allocations	
4.3. Needs-Based Allocations	
4.4. High School Portfolio	
4.5. How Students Are Counted	
4.6. Mid-year Adjustments	

4.7. Special Rules for New Schools, Transfer Schools, and Phase-Out Schools

CHAPTER 5: CONTINUING THE TRANSITION TO FAIR STUDENT FUNDING 43

5.1. Budget Stability

5.2. Online Budget Reports

5.3. Galaxy Allocation Categories

CHAPTER 6: STAFFING 49

6.1. Background

6.2. Gradual Transition

6.4. The School-Wide Average Teacher Salary

6.3. Legacy Teacher Funding

6.5. Technical Notes on Staffing Non-Teacher Positions

6.6. Excessing

6.7 Other Tools for Staffing

CHAPTER 7: CONTRACTS FOR EXCELLENCE (C4E) 59

7.1. How Funds Should Be Spent

7.2. Guidance for FY 2014

CHAPTER 8: CONCEPTUAL CONSOLIDATION IN TITLE I SWP SCHOOLS 66

8.1 Overview/Background

8.2 Consolidating Funds in a School-wide Program

8.3 “Conceptual” Consolidation

8.4 What Does This Mean?

8.5 Galaxy Cost Factors for Conceptual Consolidation

8.6 Time and Effort Reporting

CHAPTER 9: ABSENT TEACHER RESERVE SUBSIDY FUNDING

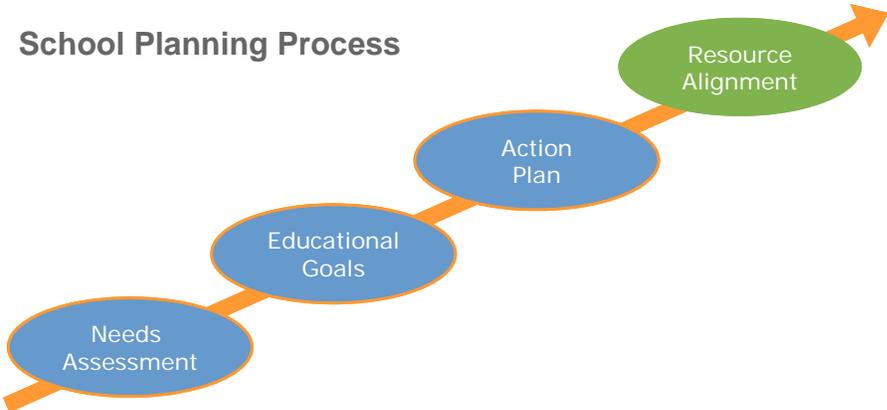
69

9.1 Absent Teacher Reserve Subsidy Funding

CHAPTER 1: PROCESS AND PLANNING

School planning is crucial to use resources effectively and improve student achievement. Key steps to the planning process each year include setting out the school’s goals and objectives and strategy to achieve them through the Comprehensive Education Plan (CEP), Principal Performance Review (PPR), and Quality Review self-evaluation.

The budget is the product of a collaborative part of the school planning process requiring a clear understanding of the school’s goals for improving student outcomes and its plans for achieving them.



The budget is subject to ongoing change throughout the year to maintain alignment with school needs and staffing changes. Major changes in program plans or delivery models require that the CEP also be updated to align the school’s plans, actual program implementation, and budget.

1.1. Fiduciary Responsibilities of the Principal

The principal is the authorizing official for all budget, payroll, and purchasing transactions for the school. It is the responsibility of the authorizing official to approve budget, payroll, and purchases that support educational priorities or expenditures related to the “Business of Education.”

The principal must ensure that all expenditures are in alignment with allocated funding levels, and is responsible for resolving any over-expenditures and disallowances. Disallowances are expenditures which are not permitted under the guidelines of the program funding those expenditures. When disallowances are identified, appropriate alternative funding must be aligned within the school budget to pay for those costs. As the authorizing official, the principal must follow program guidelines and regulations, have strong internal controls in place, and when designating such authority to only trusted and trained staff, be aware that he or she is ultimately responsible for all actions taken on their behalf by their designees.

Internal control is broadly defined as a process to safeguard assets utilized by DOE schools to educate students. Management and other personnel use internal control procedures designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding of assets;
- Effectiveness and efficiency of operations;
- Reliability of financial reporting; and
- Compliance with applicable laws and regulations.

Principals should refer to the Office of the Auditor General (OAG) website for guidance and training on internal controls. (<http://schools.nyc.gov/Offices/GeneralCounsel/OAG/TrainingProcess/default.htm>)

All transactions should be fully documented and are subject to monitoring and audit by both internal and external control bodies such as the City and State Comptroller, State Education Department, Federal Department of Education, and private accounting firms contracted by the DOE, or other oversight bodies, to ensure proper controls.

Principals are reminded that fiscal management is a priority and they will be held accountable for their budgetary decisions.

1.1.2. Student Data

Student data must be updated and maintained in **all** systems to ensure proper data for budget, accountability, and reporting purposes. Where student data is not updated in accordance with published deadlines, school funding may be at risk.

1.2. School Leadership Teams

The principal is responsible for developing the school-based budget, after consulting with the School Leadership Team (SLT), and ensuring that it is aligned with the CEP. The SLT is responsible for developing the school's CEP and ensuring that it is aligned with the school-based budget. SLTs must use a consensus-based decision-making process. For details and guidance, refer to Chancellor's Regulation A-655 (<http://schools.nyc.gov/NR/ronlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/82007/A655FINAL1.pdf>).

1.3. Children First Network Support and Approval

The Children First Network staff is ready to assist principals and their designees in the development of the initial budget and ongoing management of budget changes throughout the year. Children First Network budget liaisons are responsible for review and approval of all budget modifications submitted by principals or their designees on the Galaxy Table of Organization.

1.4. Role of Superintendents

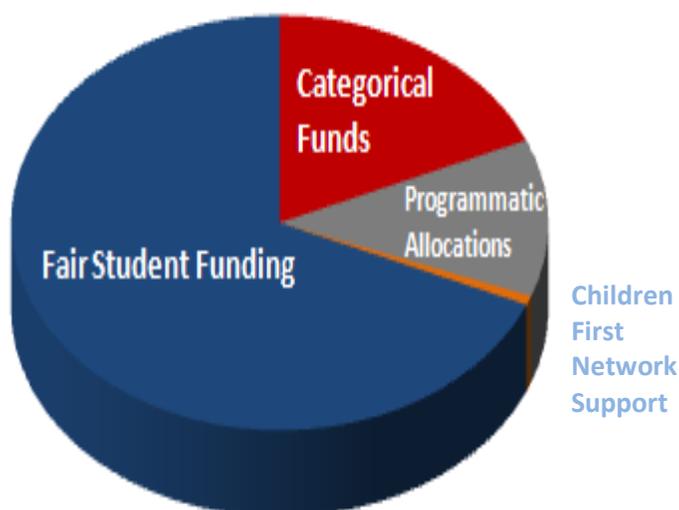
For each school in his or her jurisdiction, the community superintendent shall review the proposed school-based budget, the principal's written justification demonstrating that the proposed school-based budget is aligned with the school's CEP, and the SLT's comments on the principal's written justification, if any. For details and guidance, refer to Chancellor's Regulation B-801 (<http://schools.nyc.gov/NR/ronlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/97060/B8011302011FINAL.pdf>).

CHAPTER 2: THE DEPARTMENT'S OVERALL BUDGET

2.1. How Are School Budgets Funded?

Below is a listing of major categories of school allocations. Each allocation is explained more fully in the School Allocation Memoranda (SAM) found on the Division of Finance's website: <http://schools.nyc.gov/Offices/DBOR/AM/default.htm>.

Funding Streams to Schools



Fair Student Funding covers basic instructional needs and is allocated to each school based on the number and need-level attributes of students at the school, adjusted for the school's funding percentage. All money allocated through FSF can be used at the principals' discretion. See Chapter 3 and 4 for additional details.

Note: Schools in District 75 and programs in District 79 do not receive a Fair Student Funding allocation because of their distinct instructional models. They receive funding under a separate methodology.

Categorical Allocations:

- **State and Federal Categorical programs** are restricted by the State or Federal government on how they can be distributed to and used by schools. Examples include Title I, and other programs such as IDEA, Universal Pre-K, and Attendance Improvement/ Dropout Prevention (AIDP). These programs are listed as Externally Restricted Programs in the SAMs.
- **Contracts for Excellence Funds come** from the State as a result of its commitment to increase funding to New York City in 2007-08 and 2008-2009. However, the original planned phase-in of increased dollars has not been realized. These funds must be allocated according to the State's indexing methodology. The funds must also be spent by schools according to the City's Contract for Excellence with the State. Refer to Chapter 7 for more information.

Programmatic Allocations:

- **Internally restricted funds (non-special ed)** includes City initiatives that remain outside of Fair Student Funding because of their unique structure or priority, such as the parent coordinator initiative or new school start-up funds. These funds are often restricted and can only be spent on certain services. These programs are listed as Internally Restricted Programs in the SAMs.
- **Other Special Education Funds** pay for mandated special education support that supplements core classroom instruction services. These dollars are allocated in addition to the funds allocated to schools based on their counts of students with disabilities as part of the Fair Student Funding allocation.

2.2. Children First Funds and operational support

Children First Network Support Funds come from funds formerly controlled by field and central offices. These funds are allocated on a per-school basis. Schools will use these funds to purchase their Children First Network Support Team services each year. Any remaining funds can be used at the principals' discretion to best meet the needs of students.

Schools are required to pay for services provided by their Children First Network. The level of support varies by network, but they all include instructional supports and coaching, help in

using accountability tools, organizational and professional support, and other dimensions of support that relate to a school's educational mission and goals. Each Children First Network offers schools assistance with mandated and operational services related to human resources, payroll, budget and procurement, transportation, food, facilities, safety, extended use, grant management, technology, health, youth services, student suspensions, and some elements of special education.

Any remaining funding is flexible and can be used by principals to meet the needs of their students by purchasing additional services or materials such as academic intervention services, professional development, textbooks, supplies, and other equipment.

The Department provides the following support services at no cost to the schools:

- **Accountability and performance evaluations:** The Chancellor and his team, including community and high school superintendents, hiring, retaining, and exiting Department of Education employees. Community superintendents and high school superintendents perform all statutory duties for the schools in their districts and geographic areas, respectively. This includes appointing principals, acting as the rating officer for principals, reviewing and approving school budgets, and performing all other duties and responsibilities conferred by law. They also play a vital role in the Department's accountability initiative, working closely with the Division of Academic Performance and Support.
- **Compliance:** The Department of Education monitors and supports schools in their efforts to comply with the myriad laws, regulations, and collective bargaining agreements to which all schools are subject. A compliance team, managed by the General Counsel's Office, ensures that schools are in compliance through streamlined reporting and targeted support.
- **System-wide functions related to policy and resource allocation:** The Department of Education continues to make system-wide decisions, ensuring that all standards are rigorous and clear and services are of high quality. It also ensures that resources are allocated fairly and equitably, and implements student enrollment policies that are fair, in the best interest of students, and consistent citywide.

For a comprehensive list of services provided by the Department, please see the Principals Portal homepage of the DOE Intranet at the following link:

<http://intranet.nycboe.net/DOEPortal/Principals/default.htm>

2.3. Information on Other Funding Streams

2.3.1. School Allocation Memoranda

Detailed information on each funding stream's purpose, allocation methodology and spending restrictions can be found online on the Department of Finance website under the School Allocation Memorandum (SAM) section:

<http://schools.nyc.gov/Offices/DBOR/AM/default.htm>.

2.3.2. Reimbursable Handbook

The Reimbursable Handbook was designed as a tool to assist principals and School Leadership Teams in the appropriate use of reimbursable dollars. The overarching prerequisites of reimbursable funding are:

- Expenditures must support the purpose for which the funding was allocated.
- Funds must supplement, not supplant instruction.

The Reimbursable Handbook can be found online at:

<http://intranet.nycboe.net/DOEPortal/Principals/MySchool/Financial/default.htm>.

CHAPTER 3: FAIR STUDENT FUNDING BACKGROUND

Fair Student Funding aims to achieve three major goals:

Improve student achievement: School leaders and communities know best what their schools need for their students to achieve. Fair Student Funding eliminates restrictions on dollars and gives schools the opportunity to make the best choices for their students. Fair Student Funding provides financial incentives for schools to enroll struggling students and rewards schools when they succeed in improving student results by not taking away the funds that would otherwise be reduced due to student improvement. **Move toward equity:** The DOE maintains the vision of gradually fully funding all schools that have historically been funded below the formula. To this end, schools with net increases in their weighted student register as compared to the previous year will have these increases funded at the full formula, even if the school funding is less than the full formula (the weighted register is used in FSF to account for additional resources schools need to serve specific populations of students by providing greater weights for these populations).

The top fiscal priority for FY14 is to put as many resources as possible directly into school budgets. \$13m in additional FSF will be allocated to increase funding equity across schools, to more fully realize the promise of Fair Student Funding.

Make school budgets more transparent: Fair Student Funding enabled the elimination of many complex funding streams, providing most funding to schools in a single, simplified budget allocation.

3.1. The Basics: A Fair and Transparent Way to Fund Schools

Fair Student Funding is based on simple principles:

- School budgeting should fund students fairly and adequately, while preserving stability at all schools.
- Different students have different educational needs, and funding levels should reflect those needs as best as possible.

- School leaders, not central offices, are best positioned to decide how to improve achievement.
- School budgets should be as transparent as possible so that funding decisions are visible for all to see and evaluate.

In keeping with these principles, Fair Student Funding means that:

- Money will follow each student to the public school that he or she attends;
- Each student will receive funding based on grade level;
- Students may also receive additional dollars based on need;
- Principals have greater flexibility about how to spend money on teachers and other investments—with greater responsibility for dollars and greater accountability for results; and
- Key funding decisions will be based on clear, public criteria.

3.2. Gradual Implementation to Preserve Stability

We need to drive more resources into schools that aren't getting their fair share of funds and encourage all schools to perform better. However, we also need to protect what's already working. That's why changes to Fair Student Funding have continued to be implemented gradually.

Since its inception, Fair Student Funding continues to provide a flexible vehicle for public feedback and improvement over time. We have made tradeoffs and tough decisions transparent and have provided extensive data about schools' funding in an accessible form. We are committed to improving Fair Student Funding through input from principals, teachers, parents, and school communities.

The realization of Fair Student Funding has been hampered by the recession and the unrealized promise of funds from the Campaign for Fiscal Equity. Looking ahead, all future plans and funding commitments continue to be contingent on adequate State and City funding.

Aside from formula changes, schools may still face funding reductions because of changes in programs outside Fair Student Funding, changes in enrollment, or loss of grant funding.

CHAPTER 4: FAIR STUDENT FUNDING FORMULA

The Fair Student Funding formula allocates dollars to schools through four basic categories:

- Foundation—a fixed sum of \$225,000 for all schools;
- Grade weights, based on student grade levels;
- Needs weights, based on student needs; and
- Enhanced weights for students in “portfolio” high schools.

Why These Weights?

Fair Student Funding weights are adequate for schools to meet legal and policy requirements. Beyond that, these weights reflect evidence-based judgments about the fairest levels of funding for students across New York City. In particular, the weights are designed to do two things:

- Meet the needs of students with higher grade weights and students who need the greatest support; and
- Reflect fair, objective criteria that can be applied evenly across New York City.

The weights are designed to provide the fairest level of funding for every child’s education.

4.1. Foundation

Foundation

\$225,000 per school

Policy

All schools receiving Fair Student Funding, regardless of registers or type, will receive a lump-sum foundation of \$225,000. The dollars are not tagged to particular positions so that schools, rather than central administration, determine whether they need more or less core administrative staff, teachers, or other services. Schools can finance additional administrative staff using resources from the per-student allocations, and other allocations, such as parent coordinators; and other programmatic supports provided on a per-school basis, such as IEP teachers.

4.2. Grade-Level and Need Weights for FY14

The grade-level and need weights and associated per capita amounts for FY14 appear on the chart of the next page. For FY14, \$2.44 is added per 1.00 student weight to the FY13 amounts, for teacher salary growth. Funding for teacher salary growth is added to the school's formula calculation after all grade-level and need weights have been totaled.

Grade-Level and Need Weights for FY14

FSF Category Type of Pupil/Need	Grade Span	Weights	FY 14 PerCapita including System-wide Teacher Salary Growth
Grade Weight General Education and Special Education Pupils	K-5	1.00	\$ 4,122.55
	6-8	1.08	\$ 4,452.68
	9-12	1.03	\$ 4,245.83
Academic Intervention	Poverty	0.12	\$ 494.71
	4-5 Well Below	0.40	\$ 1,648.60
	4-5 Below	0.25	\$ 1,030.11
	6-8 Well Below	0.50	\$ 2,062.32
	6-8 Below	0.35	\$ 1,442.79
	9-12 Well Below	0.40	\$ 1,648.60
	9-12 Below	0.25	\$ 1,030.11
	Heavy Graduation Challenge OTC	0.40	\$ 1,648.60
English Language Learner	ELL K-5	0.40	\$ 1,648.60
	ELL 6-8	0.50	\$ 2,062.32
	ELL 9-12	0.50	\$ 2,062.32
Special Education Needs Weight	<=20%	0.56	\$ 2,308.88
	21% to 59%	1.25	\$ 5,155.58
	>= 60% SC K-8	1.18	\$ 4,867.98
	>= 60% SC 9-12	0.58	\$ 2,407.91
	>= 60% ICT K	2.09	\$ 8,608.78
	>= 60% ICT 1-5	1.74	\$ 7,173.81
	>= 60% ICT 6-8	1.74	\$ 7,173.81
	>= 60% ICT 9-12	1.74	\$ 7,173.81
Post IEP Support		\$ 500.00	
Portfolio Schools	CTE - Nursing	0.26	\$ 1,071.90
	CTE - Health/Trade/Tech	0.17	\$ 701.02
	CTE - Business	0.12	\$ 494.16
	CTE - Home Economics/Arts	0.05	\$ 205.81
	Specialized Academic	0.25	\$ 1,030.11
	Specialized Audition	0.35	\$ 1,442.79
	Transfer - Heavy Graduation Challenge	0.40	\$ 1,648.60
	Transfer - Regular Graduation Challenge	0.21	\$ 859.18

4.2.1. Grade-Level Allocations

Policy

Every student receives a grade weight determined by his or her grade level:

K to 5 1.00	6 to 8 1.08	9 to 12 1.03
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Elementary school students are the keystone to the Fair Student Funding formula, with the weight projected to cover the cost of basic school services. The elementary school weight is set at the primary weight of 1.00, and it serves as the starting point for the calculation of all of the subsequent Fair Student Funding weights.

Middle school students carry the largest weight due to their large drop-off in student achievement, as well as higher teacher-cost factors. As middle school teachers are entitled to a preparation period and an academic period, 1.4 middle school teachers are needed to cover each class, compared to 1.2 for elementary school classes.

High school students in *grades 9–12* are weighted at a slightly higher level than grades K–5 for several reasons: older students tend to have higher costs for non-personnel items (such as more costly science materials); they often take electives that break into smaller classes; and high schools often require more administrative personnel. This approach is consistent with our historic funding practices and with practices in other cities.

Eligibility

All students receive Fair Student Funding dollars through grade-level weights.

Schools with non-traditional grade configurations receive their base weight funding in more than one category. For example, a K–8 school receives the K–5 weight for the K–5 grades and a 6–8 weight for the 6–8 grades. A 6th grader carries the same weight whether at a 6–8, a K–8, or a 6–12 school.

4.3. Needs-Based Allocations

In addition, students are eligible for needs-based weights for the following characteristics:

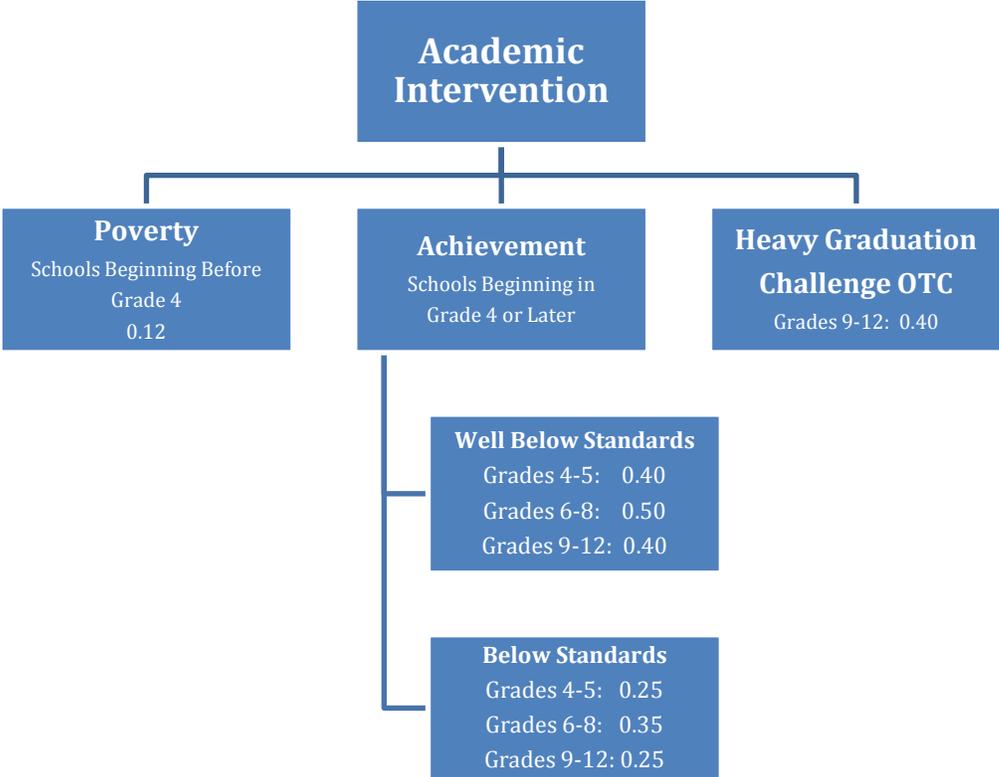
- Academic Intervention, based on:
 - Poverty for schools beginning before 4th grade (Poverty is used to estimate academic need when test results are not available.)
 - Student achievement upon entry for schools beginning in 4th grade or later
 - Over-Age/Under-Credited Over The Counter (OTC) enrollment status
- English Language Learner status,
- Special Education, and
- High School Portfolio.

Incentives to Improve Achievement:

The FSF weights encourage success by allowing schools to get or keep resources when they are successful at improving student achievement:

- > The academic intervention weight gives more money for enrolling low-achieving students. Schools keep weighted funds when students improve.
- > Funding generated by the ELL weight stays in the school the year a pupil scores at a certain level of proficiency in English on the New York State English as a Second Language Achievement Test (NYSESLAT).

4.3.1. Academic Intervention



Policy

Additional funds are targeted to students at the greatest risk of academic failure. This approach is consistent with a large body of research showing that students who are struggling in school require additional supports to succeed.

In general, we believe that the best way to identify students with greater need is to look at their past achievement. Therefore, to the extent possible, we will rely on student achievement data—State Math and English Language Arts exam results—to identify students eligible for additional funding. We will provide additional funding to schools with struggling students.

At the same time, funding students based on their test results could create unintended consequences. For example, if two schools enroll students with low levels of achievement, and one school achieves great results and the other does not, a system that bases funding on student test scores will cut funding for the school that achieved great results, which would be counter-productive.

Based on these considerations, the Department has adopted the following policies:

- Students receive additional weights based on their achievement at *entry* to a school. Based on this methodology, a school will receive additional funding for enrolling struggling students, but will not lose money for success in improving their results.
- Students who attend a school funded with the achievement weight (instead of the poverty weight), but did not enter the school with test score data (i.e., they transferred from another state or country), can receive the weight based on special “missing score” eligibility criteria.
- As the regular citywide first testing occurs in 3rd grade, we can use test data only for schools starting after that grade (i.e., in 4th grade or later). As a proxy for low achievement, poverty is used for schools beginning before 4th grade, although it still is only an estimate of need.
- The Fair Student Funding Academic Intervention Weight methodology looks at all students currently enrolled in a school beginning with grade 4 or higher.
 - Below and Well Below data for pupils in entering grades with test scores **prior to FY10** continue to have their test results revised to align their proficiency using the New York State Education Department’s FY10 rescaled cut-scores.
 - Below and Well Below data for pupils in entering grades with test scores for **FY11 and forward**, do not need to be rescaled as their scores are based on the standard cut-score methodology in effect for the year the student was tested.

Eligibility for Poverty Weight

Students enrolled at schools that begin before grade 4 (e.g., all K–5, K–8, and K–12 schools) qualify for the poverty weight if they also qualify for free lunch (according to ATS lunch form data) and/or receive public assistance (according to data provided by New York City’s Human Resources Administration). These are also the criteria used for Title I eligibility.

The poverty student count used in the FSF formula represents the previous year’s poverty data as of December 31, for the students on a school’s prior year register on October 31.

The poverty rate is based on the number of free lunch eligible pupils divided by student enrollment. Pupils are deemed free lunch eligible if there is a completed free lunch form for the child or the student is receiving public assistance that has the same or lower income requirement as free lunch (TANF and food stamps). Student enrollment is based on the October 31st register, which is audited by Office of the Auditor General. Data for such students can be updated through December 31.

At Universal Free Lunch (USM) schools, the poverty percentage for the school is established in the base year that the school enters the USM program. The school is locked into that percentage for the next three years. For these schools, that percentage is multiplied by the total number of students on the previous year’s school registers at the school by the school’s locked in poverty percentage. Schools receive the poverty weight for all eligible pupils regardless of whether the school meets the Title I cut-off.

Eligibility for Achievement Weight

At schools beginning in 4th grade or later (e.g., all 6–8, 9–12, and 6–12 schools), students receive academic need weights based on their achievement upon entering the school. There are two funding levels—a higher achievement weight for students “Well Below Standards,” and a lower one for students who are below grade level, but closer to proficiency (“Below Standards”). As with the grade-level weights, these intervention weights are higher in grades 6–8 than in grades 9–13. Qualifying English language learners and students with disabilities are also eligible to receive these academic intervention weights.

Students are considered “Well Below Standard” if they:

- Score Level 1 (“Not Meeting Learning Standards”) on both the State’s English Language Arts (ELA) and Math exam; or
- Score Level 1 on the ELA exam and Level 2 (“Partially Meeting Learning Standards”) on the Math exam; or
- Score Level 2 on the ELA exam and Level 1 on the Math exam.

Students are considered “Below Standards” if they:

- Score Level 1 in Math or ELA and do not fall within the categories in the first tier on the other exam (e.g., students who score Level 1 in Math and Level 3 or 4 in ELA); or
- Score Level 2 on both the State’s ELA and Math exam.

ELA\Math Level	0	1	2	3	4
0	Missing	WB	B		
1	WB	WB	WB	B	B
2	B	WB	B		
3			B		
4			B		

In circumstances where one or more scores for a student are missing:

- Students who score Level 1 in ELA or math with a missing score in the other subject will be considered “Well Below Standards.”
- Students who score Level 2 in ELA or math with a missing score in the other subject will be considered “Below Standards.”
-
- Students who have no scores will be weighted in proportion with the rest of the school. For example, if a school with 10% of students who are “Well Below Standards” and 20% “Below Standards” has 10 students missing scores when they enter, the school will receive a “Well Below Standards” weight for one of those students and a “Below Standards” weight for two of those students.

Scores are based on the last result before the student enters his/her current school.

Eligibility for Heavy Graduation Challenge OTC Weight

To ensure college and career ready standards for all of our pupils, and in light of the phase-out of the local diploma option for general education students, the second and final year of the two year implementation, approved by the Panel for Educational Policy in FY 13, revises the Academic Needs Weights and Portfolio Transfer school weights as follows:

- A two-tiered weight for funding Transfer school pupils based on level of graduation challenge was introduced in FY13. The original Transfer weight was split into two weights:
 - **Transfer - Heavy Graduation Challenge**
 - **Transfer - Regular Graduation Challenge**
- In addition, a new weight was created in FY13 for **Academic Intervention – Heavy Graduation Challenge OTC**. This new weight was instituted for non-transfer school pupils who demonstrate significant credit accumulation challenges and who are admitted through the over-the-counter enrollment process.

Two-Year Implementation Plan

- In order to minimize the funding impact, the approved changes were partially implemented in FY13.

- The second and final revision to the weights for **Academic Intervention – Heavy Graduation Challenge OTC** and **Portfolio - Transfer Regular Graduation Challenge** are being revised as follows:
 - Increased funding for **Academic Intervention – Heavy Graduation Challenge OTC** over-aged/under-credited OTC students enrolling in traditional high schools by providing the same weight used for similar students who enroll in transfer schools. This weight will increase from .20 to .40.
 - Reduced funding for **Transfer – Regular Graduation Challenge** school pupils who are **not** over-aged and under-credited based on a weight decrease from .30 to .21
- **Transfer - Heavy Graduation Challenge** is defined as over-aged and under-credited at transfer schools. This weight is not changing for FY14 and remains at .40.

<i>Weight</i>	<i>Pupil Need</i>	<i>FY13</i>	<i>FY14</i>
<i>Academic Intervention</i>	<i>Heavy Graduation Challenge OTC</i>	<i>0.20</i>	<i>0.40</i>
<i>Portfolio Schools: Transfer Schools</i>	<i>Heavy Graduation Challenge</i>	<i>0.40</i>	<i>0.40</i>
	<i>Regular Graduation Challenge</i>	<i>0.30</i>	<i>0.21</i>

4.3.2. English Language Learners

English Language Learner

- K–5: 0.40
- 6–8: 0.50
- 9–12: 0.50

Policy

Experts recognize that English Language Learners (ELLs) have higher educational needs. ELLs who have become proficient in English graduate at higher rates than all other students—more than 60 percent—while more than half of ELLs who never become English proficient drop out of high school.

Funding for ELLs will be determined by grade level: a K–5 weight, a 6–8 weight, and a 9–12 weight. Students in higher grades will receive additional resources for two reasons: as a student ages, the state requires them to receive additional periods of specialized education; and it is more developmentally difficult for older students to master a new language.

ELL students are fully eligible for the academic intervention weight.

The current ELL weight incorporates the former state Limited English Proficiency Program.

Programming Considerations

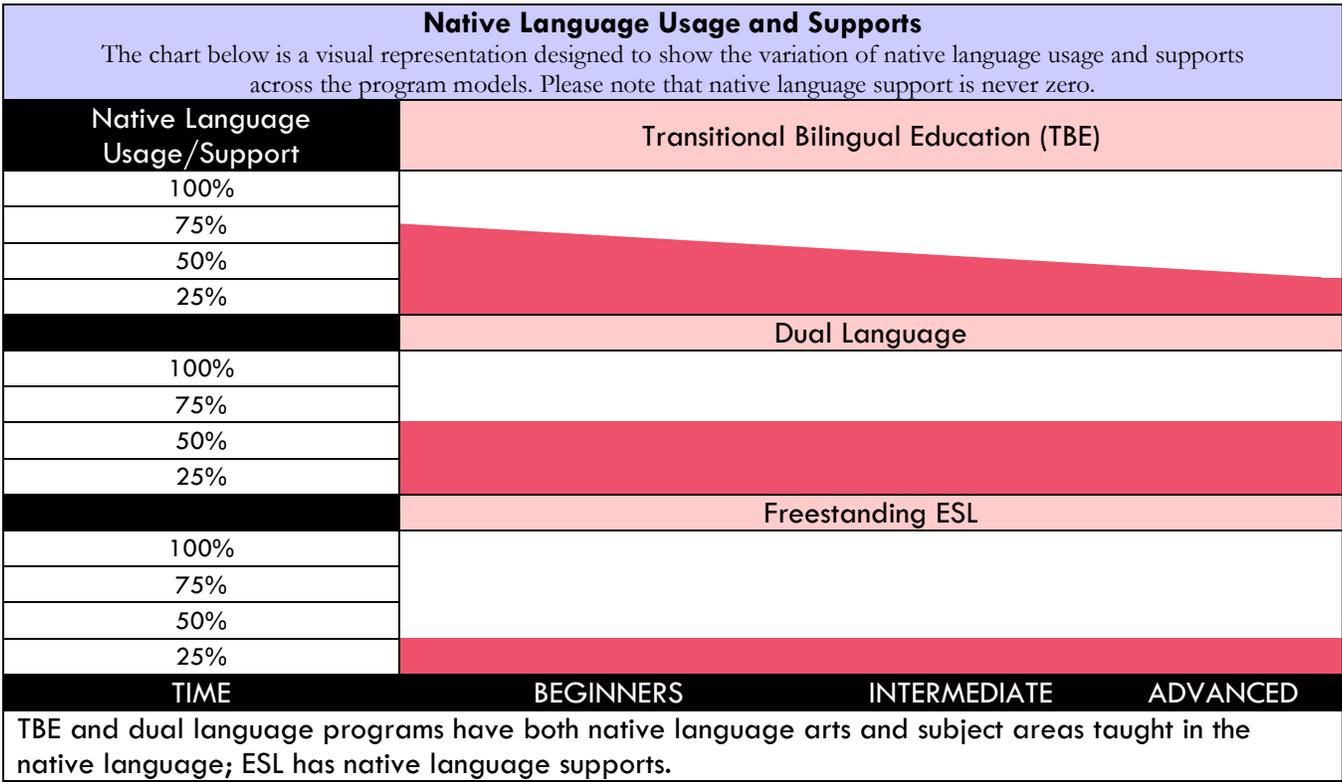
In the New York City Department of Education there are three program options for ELLs: Transitional Bilingual Education (TBE), Dual Language, and freestanding English as a Second Language (ESL). In TBE and freestanding ESL programs, students exit when they reach English proficiency on the New York State English as a Second Language Achievement Test (NYSESLAT). ELLs in Dual Language programs are instructed in two languages from kindergarten through 12th grade. ELLs do not need to exit the program once they reach proficiency.

- **Transitional Bilingual Education:** Standards-based subject matter instruction is provided in the student’s native language with intensive support in ESL. As English proficiency increases, so does the amount of time students are taught in English. English language acquisition is accelerated through ESL, ELA, and NLA.
- **Dual Language:** Two-way DL programs integrate ELLs with native English speakers so that all students develop second-language skills while learning content knowledge in both languages. One-way DL programs afford students of one language group the opportunity to be bilingual. For the ELLs in a DL program, English language acquisition is accelerated also through ESL.
- **English as a Second Language:** Students in ESL are taught in English using ESL methodologies and native language support for a specific amount of time as determined by their New York State English as a Second Language Achievement Test (NYSESLAT) scores.

The charts on the next page outline the units of instruction for each program.

NYS CR Part 154 Mandated Number of Units of Support for ELLs, Grades K-8			
	Beginning	Intermediate	Advanced
ESL instruction for <i>all</i> ELLs as required under CR Part 154	360 minutes per week	360 minutes per week	180 minutes per week
ELA instruction for <i>all</i> ELLs as required under CR Part 154			180 minutes per week
FOR TBE /DL PROGRAMS: Native Language Arts	45 minutes per day	45 minutes per day	45 minutes per day

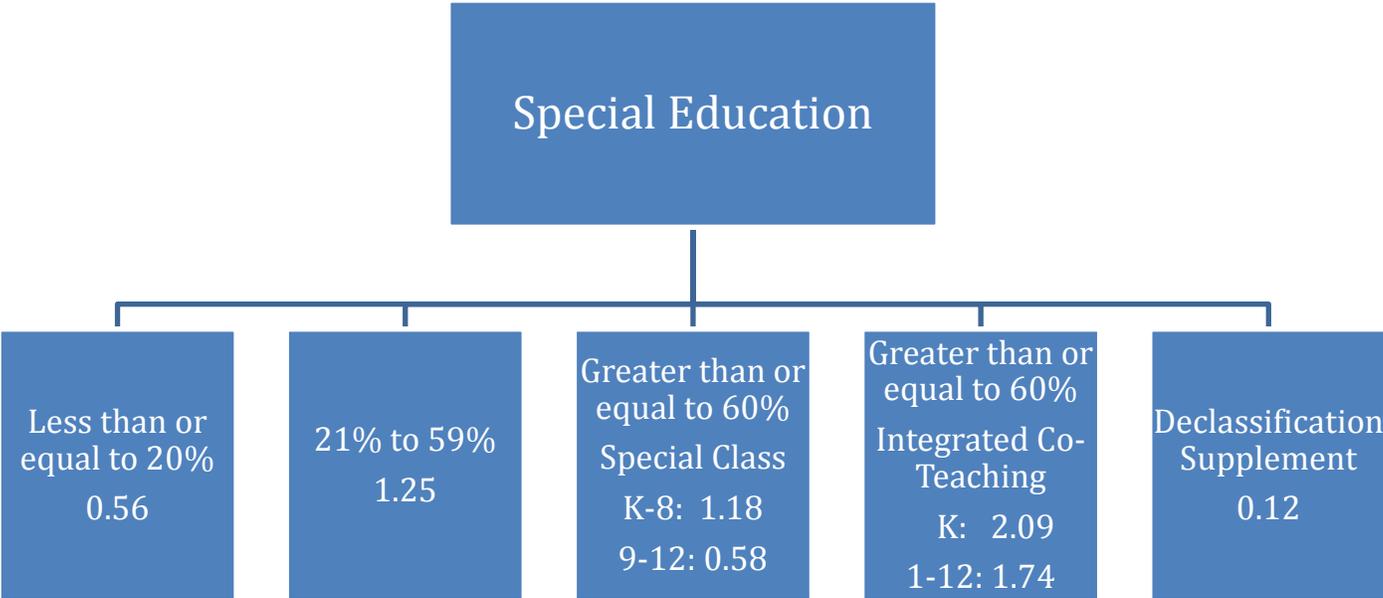
NYS CR Part 154 Mandated Number of Units of Support for ELLs, Grades 9-12			
	Beginning	Intermediate	Advanced
ESL instruction for <i>all</i> ELLs as required under CR Part 154	540 minutes per week	360 minutes per week	180 minutes per week
ELA instruction for <i>all</i> ELLs as required under CR Part 154			180 minutes per week
FOR TBE /DL PROGRAMS: Native Language Arts	45 minutes per day	45 minutes per day	45 minutes per day



Eligibility

Students who are identified as ELLs, as determined by the prior year’s Home Language Survey and LAB-R/NYSESLAT results, are eligible for this funding.

The February register data from BESIS survey (as of the October 31 audited data) generate the ELL funding for the initial budget release.



4.3.3. Special Education

Background

Beginning in September 2012, all DOE community schools are implementing the special education reform which includes policy changes to:

- Ensure that every school educates and embraces the overwhelming majority of students with disabilities that they would serve if the students did not have IEPs¹.

- Hold schools and students with disabilities accountable for goals that are standards-based and reflect Common Core Standards and long-term educational outcomes.
- Leverage the full continuum of services and curricular, instructional and scheduling flexibility needed to meet the diverse needs of students with disabilities.
- Align school accountability measures, funding formulas and enrollment policies and practices with these principles.

To learn more about the special education reform, [please click on this link on the NYCDOE website](#) to the FAQ section of the *Raising the Bar for Students & Schools* documents and publications.

Beginning in the 2012-13 school year and continuing in FY14, students who are entering school in an articulating grade or who are enrolled via the over-the-counter process will have the same access to schools as if they did not have an IEP. This means that schools will be expected to serve students' needs, as indicated on their IEPs. As students will no longer be placed in schools due to program availability, Fair Student Funding is shifting funding for special education away from funding by *class type* and toward funding by *student need*. In doing this, FSF aims to help reinforce that:

Students with disabilities are a wholly integral part of a school, not a separate subset of students. FSF supports the special education reform goal to eliminate the view of special education as strictly prescriptive, immovable, and segregated from the general education classroom.

Students with disabilities are also eligible for grade level, poverty, ELL and academic intervention weights. Funds generated from these weights should be used in addition to the special education weights to support the needs of the student.

The full continuum of services is available to serve students: Schools receive per-student funding based on the number of periods per week that a student requires special education services, rather than funding based on a specific service delivery model. This supports the special education reform goal of increasing schools' flexibility to develop service delivery models or a combination of models tailored to meet the individual needs of the students in the least restrictive setting appropriate for them.

Policy

Schools will receive per-student funding based on the number of periods per week that a student requires special education services. Fair Student Funding will cover only special education program recommendation services in non-District 75 schools.

While promoting innovation and flexibility, the Department is committed to providing all services required by a student's Individualized Education Program (IEP). In addition, the Fair Student Funding allocation process provides for significant year-to-year fiscal stability for schools, while also supporting the goals of special education reform; this is because the FSF allocation process applies the FY14 formulas only to *changes* in each school's pupil register. Consequently, school budgets are adjusted from year-to-year only for register changes in FSF categories (i.e. changes in the number of students in SC versus ICT). To the extent that a school's FSF register stays stable; the FSF special education per capita budget will stay stable.

Funding for FY14

We are instituting data system improvements to more accurately capture alignment of actual versus recommended services for students with IEPs. In FY14, while these system improvements are new, the policy will be to fund the recommended level of service.

Starting in FY15, schools will receive the lower of actual or recommended level of service – this is consistent with past practice, and provides an incentive to ensure that each pupil with an IEP receives all recommended services.

- Delaying funding methodology based on a comparison of actual and recommended services will give stakeholders (schools, CFNs, and central staff) time to:
- Learn the new requirements to ensure served data is captured correctly via STARS,
- Investigate and develop implementation plans for schools not using STARS,
- Establish and put into place a standard path of action when there are discrepancies.

NOTE: Fair Student Funding does not impact District 75, related services (including mandated speech and counseling services), IEP teachers, IEP paraprofessionals and adaptive physical education teachers, assistive technology, and other special education programmatic allocations. Schools are provided with additional allocations outside of FSF for these needs.

Schools That Formerly Received “Class” Allocations

Continuing in FY14, all schools will be funded on a per capita basis for students with disabilities. Schools that received a transitional support supplement in FY13, adjusted for changes in their filled seat register, will continue to receive those funds.

- Schools that received funding for unfilled seats in FY12 will receive a transitional supplement in FY14, adjusted for changes in their filled seat register as of the final FY 13 midyear registers.
- Schools with FY14 projected registers greater than or equal to their FY13 midyear register (filled + unfilled seats) will not receive a supplement, as they will be funded through register growth.
- Schools with FY14 projected registers less than their FY13 midyear register (filled + unfilled seats) will receive a transitional supplement for the difference between the FY14 register and the FY13 midyear register, FY12 unfilled seats register.
- Schools that participated in Phase 1 of the special education reform and received a transitional supplement in FY12 will have their initial FY13 midyear registers as the basis for the FY14 supplement, and will be funded at the rates set in SAM #30 for FY12.
- Non-Phase 1 schools that received funding for unfilled seats will have the FY13 midyear register for special education (12/31) as the basis for the FY14 supplement, and will receive the FY12 FSF rates multiplied by the school's FSF percentage of funding.
- The transitional supplement will be adjusted by the school's FY12 percent of formula.
- This allocation will be adjusted at the mid-year adjustment based on the FY14 register for special education (12/31) in accordance with the provisions set above.

Students with disabilities also are eligible for the poverty, ELL, and academic intervention weights. Therefore, significant resources will be available to fund the needs of these students.

Adjusted Weights from FY13 Will Be Used in FY14

To promote greater consideration of part-time special education services for students when appropriate, the funding weights for part-time programming and full-time programming, the FY13 weights will be used in FY14. For historical context, rates were adjusted in FY13 as follows:

Special Education Category	FY12	FY13	Change
<= 20% (all grades)	0.56	0.56	0.00
21% - 59% (all grades)	0.68	1.25	0.57
>=60%, Self Contained (K-8)	1.23	1.18	(0.05)
>=60%, Self Contained (9-12)	0.58	0.58	0.00
>=60%, ICT (K)	2.28	2.09	(0.19)
>=60%, ICT (1-8)	1.90	1.74	(0.16)
>=60%, ICT (9-12)	2.10	1.74	(0.36)

- These funding formula changes will be applied to net changes in register within each of the FSF categories.
- To provide support for students who have met the goals of their IEP, and no longer need the services provided by an IEP, schools will receive an allocation weight of .12 for post IEP support services.

Eligibility

As per *The Shared Path to Success* definitions of FSF funding entitlements, pupils with disabilities are counted in one of four possible FSF SE categories as determined by the total percent of time in a SETSS, ICT, or SC setting with a special education teacher. The allocation does not include funding for indirect services, or for the below IEP services (as these services are funded through discrete allocations), therefore, these services should not be included when calculating the time spent receiving special education services:

- Time spent in related services (e.g., counseling, speech, OT, PT).
- Time spent receiving IEP support services (e.g., IEP paras, adaptive physical education, assistive technology).

The table below provides a summary of the types of services that map to each category of special education funding:

FSF Category	Possible Services
Less than or equal to 20%	Special Education Teacher Support Services (SETSS), Self-contained or Integrated Co-Teaching (ICT) services for up to 20% of the pupil's program
Between 21% and 59%	Multiple SETSS, or multiple periods per day of Self-contained or Integrated Co-Teaching (ICT) services for greater than 20%, but less than 60%
Greater than or equal to 60% Self-contained	Self-contained students (SC service > ICT service) including 12:1, 12:1:1 and 15:1, receiving services for at least 60% of the pupil's program
Greater than or equal to 60% Integrated	ICT students (ICT service ≥ SC service), receiving services for at least 60% of the pupil's program

The percent of time is determined as number of periods of special education instructional programming divided by the standard full-day academic program. Full-day academic programs are comprised of all periods excluding lunch. Please see the chart on the next page, which defines the criteria for FSF special education funding categories based on 30, 35, and 40 period academic weeks.

No. of Periods	6 Daily 30 Weekly Instructional Period School	Percent of Time in Special Education Setting	7 Daily 35 Weekly Instructional Period School	Percent of Time in Special Education Setting	8 Daily 40 Weekly Instructional Period School	Percent of Time in Special Education Setting	FSF Special Education Category
1	30	3%	35	3%	40	3%	< = 20%
2	30	7%	35	6%	40	5%	
3	30	10%	35	9%	40	8%	
4	30	13%	35	11%	40	10%	
5	30	17%	35	14%	40	13%	
6	30	20%	35	17%	40	15%	
7	30	23%	35	20%	40	18%	
8	30	27%	35	23%	40	20%	
9	30	30%	35	26%	40	23%	21% to 59%
10	30	33%	35	29%	40	25%	
11	30	37%	35	31%	40	28%	
12	30	40%	35	34%	40	30%	
13	30	43%	35	37%	40	33%	
14	30	47%	35	40%	40	35%	
15	30	50%	35	43%	40	38%	
16	30	53%	35	46%	40	40%	
17	30	57%	35	49%	40	43%	
18	30	60%	35	51%	40	45%	
19	30	63%	35	54%	40	48%	
20	30	67%	35	57%	40	50%	
21	30	70%	35	60%	40	53%	
22	30	73%	35	63%	40	55%	
23	30	77%	35	66%	40	58%	
24	30	80%	35	69%	40	60%	>=60%
25	30	83%	35	71%	40	63%	
26	30	87%	35	74%	40	65%	
27	30	90%	35	77%	40	68%	
28	30	93%	35	80%	40	70%	
29	30	97%	35	83%	40	73%	
30	30	100%	35	86%	40	75%	
31			35	89%	40	78%	
32			35	91%	40	80%	
33			35	94%	40	83%	
34			35	97%	40	85%	
35			35	100%	40	88%	
36					40	90%	
37					40	93%	
38					40	95%	
39					40	98%	
40					40	100%	

*Based on a 6 hours 20 minutes School Day
Excluding Lunch, Homeroom, Extended Day, and Before and After School Programs*

For pupils with special education services greater than 60% of their program, there are two funding categories: ICT and SC. The chart below shows funding categories for pupils with at least 60% service. Note that SETSS recommended upwards of 60% is not a valid level of service according to the continuum, and the IEP needs to be revisited.

Where percent of time $\geq 60\%$:			
SETSS	ICT	SC	Funding Category
√			Students should not have this level of SETSS as a recommendation.
√	√		ICT
√	√		ICT
√		√	SC
√		√	SC
√	√	√	ICT, if ICT \geq SC, else SC
√	√	√	ICT
√	√	√	SC
	√		ICT
	√	√	SC
	√	√	ICT
		√	SC

= Majority Service*
 * where % of time ICT = % time SC, funding category is ICT

- EXCEPTION for FY 12-13 and FY 13-14: For schools with 7 instructional periods per day [8 periods per day including lunch], if the student receives ICT for 4 core academic areas (ELA, Math, Science, and Social Studies), then this will be considered full-time for funding purposes. Funding will be included in the FSF allocation.

4.4. High School Portfolio

Policy

At the high school level, we provide students with a portfolio of different education models. Students attending these schools will continue to be eligible for additional funding. Portfolio categories for the 2013-2014 school year are:

- Career and Technical Education;
- Specialized Academic;
- Specialized Audition; and
- Transfer.

Eligibility

Career and Technical Education (CTE): All students are engaged in sequences of instruction that integrate rigorous academic study with workforce skills in specific career pathways. The weight does not include comprehensive high schools with CTE courses or career-themed schools with no formalized CTE programs.

Students will be funded according to a four-tier structure recommended by the Office of Career and Technical Education as follows (a more detailed listing appears on the next page):

- Health (Nursing only)
- Health / Trade & Industry / Technical Education
- Business
- Home Economics and Fine & Performing Arts

The tiered structure of the CTE funding reflects the relative cost factors necessary to operate different CTE programs of study. The significant factors reflected in this structure are: class size requirements, equipment and materials, industry training for teachers, and start-up costs. Tier 1 and 2 programs require significantly lower class size, industry specific equipment and highly specialized and ongoing industry training.

The weights assigned to the remaining tiers account for the proportional class size requirements, the level and frequency of industry training required and the nature of the equipment and materials for the programs in each tier. The tier 3 and 4 programs do not have significant class

size requirements, but still incur equipment and material costs, as well as ongoing industry training needs, that are more significant than traditional schools.

The simple Tier definition labels on the previous page do not adequately capture the range of program pathways encapsulated in each tier. Further explanation is summarized on the *CTE Programs Tiers* chart and detailed program level information can be provided by Office of Career and Technical Education.

CTE Program Tiers

Tier 1 Programs	Tier 2 Programs	Tier 3 Programs	Tier 4 Programs
Nursing	Architecture & Construction: Technical pathways	Architecture & Construction: pre-design and design pathways	Arts, AV, Technology & Communications pathways
Agriculture & Veterinary	Health Science (pathways other than nursing)	Commercial Arts	Business pathways
Aviation Technology	Computer networking and repair	Engineering	Management & Administration
	Cosmetology	Law Enforcement	Finance
	Automotive technology and repair	Hospitality & Tourism	Marketing, Sales, Services
	Culinary	Information Technology relating to business	Media & communications (including some graphics pathways)
			Policy
			Education
			Journalism
			Law studies

Specialized Academic: This category continues to capture academically challenging high schools that have been funded at a higher level in the past.

Specialized Audition: All students within the school participate in the equivalent of a five-year sequence through two double periods daily of study in their art form.

- Students in these schools are admitted through a screening process that involves a performance audition or a portfolio review.
- Students take and pass a Comprehensive Exit Exam in the art form of choice in grade 12 and receive the Arts Endorsed Diploma.

Transfer: Small high schools designed to re-engage students who have dropped out or are over-age and under-credited for grade, as identified by the Office of Post-Secondary Readiness.

Beginning in school year 2012-2013, and continuing to transition in school year 2013-2014, the weight for transfer school pupils is revised to better align resources to student need. The single transfer weight is replaced by a two-tiered weight. The new weights apply to over-age and under-credited (OAUC) pupils based upon the combinations of pupils' age and credits. Older pupils with fewer credits are classified as "heavy" graduation challenges and other OAUC pupils are classified as "regular" graduation challenges.

Revised Two-Tiered Per Capita Funding for Transfer School Pupils

To ensure college and career ready standards for all of our pupils, and in light of the phase-out of the local diploma option for general education students, the second and final year of the two year implementation, approved by the Panel for Educational Policy in FY 13, revises the Academic Needs Weights and Portfolio Transfer school weights as follows:

- A two-tiered weight for funding Transfer school pupils based on level of graduation challenge was introduced in FY13. The original Transfer weight was split into two weights:
 - **Transfer - Heavy Graduation Challenge**
 - **Transfer - Regular Graduation Challenge**
- In addition, a new weight was created in FY13 for **Academic Intervention – Heavy Graduation Challenge OTC**. This new weight was instituted for non-transfer school pupils who demonstrate significant credit accumulation challenges and who are admitted through the over-the-counter enrollment process.

Two-Year Implementation Plan

- In order to minimize the funding impact, the approved changes were partially implemented in FY13.
- The second and final revision to the weights for **Academic Intervention – Heavy Graduation Challenge OTC** and **Portfolio - Transfer Regular Graduation Challenge** are being revised as follows:
 - Increased funding for **Academic Intervention – Heavy Graduation Challenge OTC** over-aged/under-credited OTC students enrolling in traditional high schools by providing the same weight used for similar students who enroll in transfer schools. This weight will increase from .20 to .30.
 - Reduced funding for **Transfer – Regular Graduation Challenge** school pupils who are **not** over-aged and under-credited based on a weight decrease from .30 to .21
- **Transfer - Heavy Graduation Challenge** is defined as over-aged and under-credited at transfer schools. This weight is not changing for FY14 and remains at .40.

<i>Weight</i>	<i>Pupil Need</i>	<i>FY13</i>	<i>FY14</i>
<i>Academic Intervention</i>	<i>Heavy Graduation Challenge OTC</i>	<i>0.20</i>	<i>0.40</i>
<i>Portfolio Schools: Transfer Schools</i>	<i>Heavy Graduation Challenge</i>	<i>0.40</i>	<i>0.40</i>
	<i>Regular Graduation Challenge</i>	<i>0.30</i>	<i>0.21</i>

4.5. How Students Are Counted

Before FY14, grade codes were entered by pupil accounting staff in the school irrespective of the pupil's IEP in SESIS. ATS required that every child have a grade code(s) and class codes be entered separately in CAP and ATS. Schools needed to review discrepancy reports and reconcile the two systems. This data was used to inform the budget office (to determine school FSF allocations), the enrollment office (to determine placement), and CAP (to determine services and first attend dates).

For the first time in FY14, the USPE screen will automatically populate with pupil mandate data from SESIS and will display the FSF funding category for both the recommended service and the service actually provided to the pupil, in accordance with the business rules above. School staff will need to research discrepancies and take corrective action to ensure that students are receiving all services mandated per the IEP.

Schools can use ATS and STARS to verify student and program data and updates can be initiated through the DOE source systems.

The Principals' Weekly Newsletter will have an announcement when the new USPE screen goes live in July 2013.

4.5.1. Grade and Special Ed Weights: Projected Enrollment

Principals review the projected register developed for their schools by the Office of Student Enrollment (OSE), and have an opportunity to appeal the projected registers based on their own data, each spring. The projected registers and appeal process is done in a web-based register tool. The outcome of this annual process yields the register projections for each school that are the basis for funding of general education and students with disabilities.

4.5.2. Need Weight Registers

The Academic Intervention and ELL weight are based on test score data for pupils from the prior year. Principals expressed a strong preference for avoiding downward adjustments on difficult to predict characteristics.

4.6. Mid-year Adjustments

4.6.1. Final Mid-year Adjustments

Mid-year adjustments will be made for grade-level and portfolio weights based on audited registers on October 31. For special education needs, December 31 data is used for all schools, as noted in the following chart:

DATA SOURCES for MID-YEAR ADJUSTMENT			
<i>Registers used for the mid-year adjustment are net of long term absent pupils (LTAs).</i>			
FSF Category	School Type	Based on Audited 10/31/2013 Registers	Based on 12/31/2013 SESIS Data
Grade Weight			
	Elementary (Grades K-5)	X	
	Middle School (Grades 6-8)	X	
	High School (Grades 9-12)	X	
Special Education Needs Weight			
Less than or equal to 20%			
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)		X
Between 21% and 59%			
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)		X
Greater than or equal to 60% Integrated and Self-Contained			
	Elementary (Grades K-5)		X
	Middle School (Grades 6-8)		X
	High School (Grades 9-12)		X
	Post IEP Support		X
Portfolio Weight			
	High School	X	

The Additional Spending Authority (ASA) loan program for register growth and the set aside process for register loss will continue in anticipation of this mid-year adjustment for changes in the schools general education register and register of students with disabilities.

Adjustments are taken by multiplying the net change in register by the per capita associated with the FSF weight by which a school is funded:

- All schools with a net increase in weighted register will receive 100% of the formula for these increases at the mid-year adjustment.
- All schools with a net decrease in weighted register will have their allocations reduced by the formula value for these students multiplied by the schools funding percent (capped at 100%). In other words, schools who currently receive 90% of the formula and lose students will have a smaller deduction for these students than if they were funded at 100%.

An example of the mid-year adjustment calculation for an under-formula elementary school losing register appears below.

Sample Mid-Year Adjustment Calculation for an Under-formula Elementary School Losing Register

<i>Sample</i>	<i>Weight</i>	<i>Per Capita</i>	<i>Projected Register</i>	<i>Audited Register</i>	<i>Change</i>	<i>Net Impact</i>
K–5 grade	1.00	\$4,123	700	688	–12	(\$49,476)
SPED <=20%	.56	\$2,309	30	35	5	\$11,545
SPED >=60%, ICT (Grades K-8)	1.18	\$4,868	40	36	-4	(\$19,472)
FSF Mid-year Adjustment Subtotal =						(\$57,403)
Fair Student Funding Percentage						92%
Final Mid-year Adjustment =						(\$52,811)

Note: The “Fair Student Funding Percentage” for your schools’ FY14 mid-year adjustment can be found on the Fair Student Funding School Overview page at

<http://schools.nyc.gov/AboutUs/BudgetsFairStudentFunding/YourSchoolBudget/default.htm>.

New for FY14

Schools that experience net growth between their mid-year funded weighted registers in FY13 and their mid-year funded weighted registers in FY14 will be funded for that increase at 100% of the formula. For schools with funding percents below 100%, this will be implemented in a post mid-year adjustment. This policy promotes equity by assisting schools funded below the formula in expanding and attracting new students.

- Schools with year-over-year (yoy) net growth in weighted register but net loss between their FY14 projected weighted register and their FY14 mid-year funded weighted register will receive the full formula for the year-over-year net growth in the mid-year adjustment.
- Schools with a year-over-year net weighted register decrease but net increases between their FY14 projected weighted register and their FY14 mid-year funded weighted register will not receive a post mid-year adjustment for yoy register growth, but will instead receive the full formula for the net growth from projected FY14 weighted registers to final weighted FY14 registers in the mid-year adjustment, as they normally would. The chart below displays all the possible register changes.

Specifics on Special Education Adjustments

Revised USPE Screen in ATS and Coding Requirements for Special Education Services for Students with Disabilities

Before FY14, grade codes were entered by pupil accounting staff in the school irrespective of the pupil's IEP in SESIS. ATS required that every child have a grade code(s) and class codes be entered separately in CAP and ATS. Schools needed to review discrepancy reports and reconcile the two systems. This data was used to inform the budget office (to determine school FSF allocations), the enrollment office (to determine placement), and CAP (to determine services and first attend dates).

For the first time in FY14, the USPE screen will automatically populate with pupil mandate data from SESIS and will display the FSF funding category for both the recommended service and the service actually provided to the pupil, in accordance with the business rules above. School staff will need to research discrepancies and take corrective action to ensure that students are receiving all services mandated per the IEP.

Schools can use ATS and STARS to verify student and program data and updates can be initiated through the DOE source systems.

The Principals' Weekly Newsletter will feature an announcement when the new USPE screen goes live in July 2013.

Less than or equal to 20% and between 21% and 59%:

Generally covers combinations of SETSS, Multiple-SETSS, part-time SC, and part-time ICT services.

Data to compare projected register to data taken from Regional Net Register Report (RNRR) in ATS (using data captured from new screen noted above);

- As of December 31; and
- Difference between projected and actual multiplied by the associated per capita.

Greater than or equal to 60% integrated and self-contained:

- Generally covers ICT and self-contained services received for 60% or more of the academic week;

New schools’ Special Education weights (Per Capita Schools):

New elementary and middle schools, as well as high schools, are funded on a per-student basis for students with disabilities based on the following parameters:

- Net register change multiplied by associated per capitas and school FSF funding percent.

Summary of Special Education Mid-Year Adjustment Process	
FSF Special Education Category	All Schools Per Capita Allocations
Less than or equal to 20%	Yes
Between 21% and 59%	Yes
Greater than or equal to 60% Self-contained	Yes
Greater than or equal to 60% Integrated	Yes

Specifics on academic intervention and ELL weights. Adjustments for need characteristics will not be made at the mid-year. As noted above, it is cost-prohibitive to provide for upward adjustments based on register changes without also providing for downward adjustments. Principals have expressed a strong preference for avoiding downward adjustments. In addition, audited data presents the most accurate basis for funding student needs.

4.6.2. Register Reserve Policies

To decrease the risk of hiring more teachers than necessary, should enrollment increases not materialize, and to address unexpected enrollment increases, the following register reserve policies are instituted in FY14.

Note: school budgets will be monitored by the Office of the Chief Financial Officer to ensure sufficient funding is available to cover register loss in the event it should occur. Principals are reminded that fiscal management is a priority and they will be held accountable for their budgetary decisions.

Register Gain Reserve

To lessen the risk of hiring more teachers than necessary, should enrollment increases not materialize, and to address unexpected enrollment increases, funding for projected register growth will be held in reserve on school budgets.

Schools will work with their CFNs to release reserved register growth funds when actual register growth is evident. This policy applies only to currently open schools; new schools and phase-out schools are excluded. Once again this fall, a preliminary allocation adjustment for register loss will take place in advance of the audited register data. Further information about the register adjustment process will be issued before school starts in September. Final adjustments based on audited data will take place in February 2014.

Reserve for Register Loss

Schools with register loss in either of the last two years will have a “Register Loss Reserve Set Aside” automatically scheduled in their Galaxy Table of Organization based on the following business rules:

- For schools that had register loss in FY13, 30% of the amount of their FY13 mid-year adjustment will be set aside, or
- For schools that had register loss in FY12, 15% of the amount of their FY12 mid-year adjustment will be set aside
- Both of these calculations will be offset by any projected growth set aside in the register gain reserve.
- Hurricane Sandy schools will not have reserves established,

Schools will work with their CFNs to release reserved register loss funds when actual register growth is evident.

4.6.3 Rollover Deficits for Schools Unable to Pay Back Mid-Year Register Loss

In FY13 there was a one-time amnesty program whereby no school was responsible to pay back rollover deficits from FY12 and prior years - all payback plans were forgiven and eliminated. Schools will again be responsible to roll over deficits to FY14 where they cannot pay back funds

Schools must plan and take action to pay back their rollover deficit liability, while also right-sizing services in alignment with their FY14 register projection. Principals and their designees should work closely with their CFN to understand the implications of changing registers on an on-going basis from now until registers are stabilized in the fall. Children First Network staff will prioritize budget review and completion for schools with rollover deficits, which will enable schools time to enter rollover deficit payback plans by the budget due date.

Principals are accountable for aligning their schools' budget with the mid-year register adjustment in FY13 per the Compliance Checklist:

CL03: Did your school set aside the appropriate level of funding in anticipation of mid-year adjustments, based upon the October 26, 2012 audited register by April 19, 2013?

Schools should expect that this item will once again be part of the Compliance Checklist for FY14.

4.7. Special Rules for New Schools, Transfer Schools, and Phase-Out Schools

4.7.1. New schools

Schools opening in September 2013 do not have existing budgets and will receive their FSF Formula.

Poverty Weight. Year One new schools are funded using the citywide cutoff level of 60 percent except for sites where the actual poverty information is known, such as for program conversions.

Academic Intervention. Based on information on existing new schools, schools opening in September 2013 are funded based on the following assumptions of their entering students' needs:

Well Below Standards:

- High School—26%
- Middle School—7%
- Secondary—26% if only grades 9 to 13, 7% for grades 6 to 8
- Elementary School— county based poverty threshold (if start before grade 4)

Below Standards:

- High Schools—34%
- Middle School—13%
- Secondary Schools—34% if only grades 9 to 12, 13% for grades 6 to 8
- Elementary Schools—county based poverty threshold (if start before grade 4)

ELL Weights. Based on information on existing new schools, schools opening in September 2013 are funded based on the following assumptions except for sites where the actual student information is known:

- ELL focused schools—100% ELL population
- Non-ELL focused schools—8% ELL population

4.7.2. New transfer schools

Academic. Based on historical information for existing transfer schools, new transfer schools' academic weights are funded based on the following assumptions:

- Well Below Standards—35% of the general education population
- Below Standards—29% of the general education population

ELL. Based on historical data for existing transfer schools, new transfer schools are funded with an assumption of having a population of three percent ELLs.

4.7.3. Phase-out schools

Poverty. The previous school year poverty percentage is applied to the schools projected enrollment to determine the poverty student count for schools that are phasing out.

Academic. The previous school year academic percentage is applied to the schools projected enrollment to determine the academic intervention student count for schools that are phasing out.

ELL. The previous school year ELL percentage is applied to the school's projected enrollment to determine the ELL student count for schools that are phasing out.

CHAPTER 5: CONTINUING THE TRANSITION TO FAIR STUDENT FUNDING

In order to balance the sometimes competing priorities of equity and stability, and due to successive years of budget reductions, we have not yet fully implemented Fair Student Funding for allocating resources. Rather, we are still gradually transitioning to a straight-formula system. Why?

- Since FSF was implemented, the growth in salaries and the increases in mandated costs have exceeded the funding available for FSF due to Campaign for Fiscal Equity (CFE) dollars that DOE never received and budget cuts.

As a result, the Fair Student Funding budgets for a great number of schools are still below the “entitlement” amount based upon full application of the Fair Student Funding formula. When fiscal circumstances permit, DOE supplements allocations to the schools which have been receiving less than the full FSF-predicted amount of funding in order to improve equity among schools. For example, in school year 2011-2012, DOE applied funding provided by New York City to backfill the loss of federal America Recovery and Reinvestment Act (ARRA) funds, to FSF to move schools most below the FSF formula closer to the formula.

In order to balance the often competing priorities of equity and stability, some schools will be over-funded. As started last year, each school’s relative position to the full Fair Student Funding formula is evaluated relative to 100% funding. Schools with funding percentages greater than 100% will receive the dollars greater than 100% in the allocation category “TL Funds Over Formula.”

We maintain our strong commitment to continuing our progress towards equitable funding for all schools. We will continue to value stability in the future while working to bring under-formula schools up to their fair funding level as the fiscal situation permits.

5.1. Budget Stability

For the second consecutive year, schools' Fair Student Funding budgets will not sustain a year-over-year cut.

While the DOE FY14 budget includes a 7.1% increase in State funds, state education support remains well below FY09 funding levels and continues to drop as a share of total DOE funds. The increase includes \$250M restored to the DOE that had previously been associated with the penalty for not having a state-approved agreement for an Annual Professional Performance Review system by January 17, 2013. The continuing rise of system-wide costs for items such as special education mandates, teacher compensation, and register changes, imposes an additional burden on DOE's overall budget. The department has been working diligently to institute efficiencies in central and field budgets in order to help absorb these rising costs and prevent school-level financial impact.

Raising the Floor

In FY14 the DOE will raise the floor for schools with FSF funding below 81% of the formula. Any school with a lower funding percent will be raised to that level. The additional funding will be issued in FSF allocation categories in Galaxy.

Federal Sequestration

In 2011, Congress passed a law (Budget Control Act) indicating that if there is no agreement on a budget to reduce the federal deficit by \$4 trillion — including the \$2.5 trillion in deficit reduction already accomplished over the last few years — close to \$1.2 trillion in automatic, across-the-board spending cuts would start to take effect in 2013. This annual automatic reduction in the federal spending is known as sequestration.

Since Congress did not come to an agreement for 2013, the sequestration cuts for 2013 took effect on March 1. Recognizing that these cuts will impact education and disrupts continuity of services in education programs, the city has provided the DOE \$63M in funding to offset the sequestration to Title I, Title IIA, Title III and IDEA funding. These new tax levy funds will remain separate from other funds in school budgets. These funds are not co-mingled with Fair Student Funding.

Title I, Part A – 2010 Census & Title IIA Updates

Census data collected by the U.S. Bureau of Census is a factor that the USDOE uses to distribute federal education program funding, such as Title I, Part A, to State Education Agencies (SEA). Each SEA, in turn, uses the Census Bureau's school district estimates of the number of underprivileged children who are between the ages of 5 -17 and the annual update of neglected and foster home children to determine each Local Education Agency's (LEA) funding allocation.

The Census data used to determine funding was updated based on the 2010 Census, which affected the education funding allocations in SY2012-2013 (FY13). As a result of this Census update, NYC's final allocation for Title I, Part A for SY2012-2013 was cut by \$40M as compared to the previous school year, SY2011-2012. For SY2013-2014 (FY14), the continuing impact of the Census loss to schools will be compounded by federal sequestration.

For two consecutive years Title II Part A federal funds have been reduced, and the impact to schools this year has resulted in an overall reduction of 6.70%.

However, the NYC DOE, through the City of New York, is attempting to mitigate these cuts by backfilling them with discretionary State Foundation Aid funding to protect essential education programs. As a result, schools will see a minimal change in their FY14 allocation as compared to FY13.

Federal Funding

The FY14 budget is also conditional on anticipated federal revenue. For all federal funding, final school allocations will be subject to final New York State Education Department appropriations to Local Education Agencies and Congressional authorization.

5.2. Online Budget Reports

To increase transparency for principals, families, community members, and other key stakeholders, budget reports similar to the following samples are available for every school.

In response to feedback from schools and CFN staff, and in an effort to provide more transparency and clarity to the FSF budget process, the format of the web reports has been updated. Expandable and collapsible fields and enhanced help descriptions have been added to the online report with the hope that you find these pages easy to read and digest.

- Fair Student Funding Overview
- Fair Student Funding Details

Each report shows the school's pure formula funding level and how it is achieved by displaying how many students receive each kind of weight. This year we are showing the detail behind their funding adjustment from last year to this year.

At the bottom of each report, the school's total funding is shown by bringing in the other allocations that school receives in the initial allocation.

Reports are available at:

<http://schools.nyc.gov/AboutUs/BudgetsFairStudentFunding/YourSchoolBudget/default.htm>.

FAIR STUDENT FUNDING OVERVIEW SAMPLE REPORT





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School Budget Overview

Budget Overview For 2013-14 School Year

M020 - P.S. 020 Anna Silver

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2013-2014 School Budgets

School year 2013-2014 Fair Student Funding (FSF) allocations will reflect the following adjustments from school year 2012-2013:

- School budgets in FY13 remain comparable to FY12 levels due to stable year-to-year City and State revenues.
- New FSF Special Education weights support reforms that meet students' needs through use of the least restrictive, appropriate environments and increased access to the general education curriculum.
- Large scale changes in school budgets due to new Special Education weights are unlikely in FY13 since the revised weights apply only to changes in each school's pupil register.
- Schools that received FSF "class funds" for empty special education classroom seats in the current school year will receive separate transitional funding in FY13.
- To better support high schools pupils with significant graduation challenges, the Transfer School FSF Weight now funds pupils according to their level of need and whether they are over-aged and under-credited (OAU). OAU students enrolling "over the counter" in traditional high schools now receive funding in FY13.

Tables below provide further details and explain the changes to each school's budget.

(*) To print in Internet Explorer, in Paper Options use "Disable Shrink-to-Fit" and in Page Setup and set the print margin to 25

L.FY13 Revised Base Allocations	a+b+c+d+e+f		\$2,821,000
B.FY14 Fair Student Funding Preliminary Allocation	g+h+i+j+k		\$2,033,587
B.FY14 Fair Student Funding Formula at 100%	l		\$0,741,822
FY14 Base Percent of Formula			
$\frac{[B.FY14 Fair Student Funding Preliminary Allocation - Foundation] (\$225,000)}{[B.FY14 Fair Student Funding Formula - Foundation] (\$225,000)}$	=	$\frac{(\$2,033,587 - \$225,000)}{(\$0,741,822 - \$225,000)}$	= $\frac{\$2,008,587}{\$2,516,822}$
Note: Funds in excess of 100% are allocated in TL Funds Over Formula.			
Adjustment to Raise Schools FSF Funding Percent if LMA Than 61%			
FY14 Final Percent of Formula		v	\$10,069
$\frac{[B.FY14 FSF Preliminary Allocation - Foundation + j] (\text{Amounts Raise the Floor})}{[B.FY14 Fair Student Funding Formula - Foundation] (\$225,000)}$	=	$\frac{(\$2,008,587 + \$10,069)}{\$2,516,822}$	= 61.00%
M.FY14 Initial Fair Student Funding Allocations	x = g + v		\$2,073,656
V.FY14 TL SE Transitional Funding			\$33,505
W.FY14 Current Allocations in Salary			

Footnote:

1. Calculators may have discrepancies due to rounding display of percentages applied.
2. "TL" represents Tax Levy Funding.

FAIR STUDENT FUNDING DETAILS SAMPLE REPORT





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School Budget Overview

Fair Student Funding Budget For 2013-14 School Year

M020 - P.S. 020 Anna Silver

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Fair Student Funding Formula Detail	l	m	n	o	p o r m	q o n	r o r m
Fair Student Funding Weighted Register Formula	FY14 Weight	FY14 Per Capita without Funding for System-wide Teacher Salary Growth*	FY13 Actual Register	FY14 Projected Register	FY14 Projected Formula	Register Change	Register Formula
I. Grade Weight			269	286	\$2,447,502	28	\$115,269
Need Weight Total			729	767	\$1,047,428	(4)	\$20,704
II. Academic Inequities			231	224	\$229,072	(7)	(\$2,491)
III. English Language Learner (ELL)			129	120	\$127,712	(9)	(\$12,191)
IV. Special Education Services			94	109	\$910,642	9	\$29,342
V. Portfolio			0	0	\$0	0	\$0
TOTAL FAIR STUDENT FUNDING WEIGHTED REGISTER AND FORMULA			619.27	629.09	\$2,214,770	22.21	\$129,049
Adjustment for System-wide Teacher Salary Growth []				Weighted Register	Salary		
Foundation				629.09	x	\$2.44	+ \$2,089
FY14 Fair Student Formula at 100% []							+ \$225,000
FY14 Fair Student Formula at 100% []							* \$2,741,829

WALK THROUGH FROM FAIR STUDENT FUNDING WEIGHTED REGISTER FORMULA TO PRELIMINARY ALLOCATION

* Part of FY14 Per-Capita includes System-wide Teacher Salary Growth.

† Part in Calculating the Percentage of Time in Special Education.

— Pupils with four core subjects in a seven period day (4/7) are included here.

CHAPTER 6: STAFFING

6.1. Background

6.1.1. How Schools Pay for Teachers

Before Fair Student Funding, schools were funded based on the teachers hired. This meant that we gave more money to schools for having more experienced and higher-paid teachers. The inevitable corollary was that we gave less money to schools for having lower-paid teachers who are less experienced. At two schools with 100 teachers each, one with teachers earning an average of \$70,000 and one with teachers earning an average of \$80,000, the funding difference could reach \$1 million. That difference was especially troubling when we knew that the school with lower-salaried teachers likely had greater needs.

The Funding Gap

School A	School B
X School-wide average salary of \$70,000	X School-wide average salary of \$80,000
100 Teachers	100 Teachers
= \$ 7,000,000	= \$ 8,000,000

To address this inequity, under a policy announced by the Chancellor in May 2007, schools began to be funded based on the needs of their students, not the salaries of their teachers. Under this approach, a school no longer receives less money because it has less experienced teachers. Schools receive an allocation based on their students—their Fair Student Funding allocation—and schools are responsible for paying their teachers out of that allocation.

6.1.2. Student Achievement Is the Bottom Line

We hold principals accountable for one thing above all: student achievement. Principals can never pocket financial “savings”; they can only spend resources on other supports they believe will better serve students. High-quality, experienced teachers contribute enormously to student

achievement. In important ways, they can *lower* costs; rather than needing support themselves, these teachers can offer support to others. In fact, principals have been hiring experienced teachers through the Open Market system at the same or greater rates than newer teachers for just these reasons. The bottom line for a principal will always be simple: make the decision that will get the best results for your students.

6.1.3. Preserving Stability

Schools have not experienced radical changes due to the implementation of the Fair Student Funding formula. They have taken advantage of new opportunities and more flexibility through careful planning.

Throughout the transition to Fair Student Funding, the following policies preserve many key aspects of the previous approach to funding schools for teachers:

- Through Fair Student Funding schools receive adequate funding for a mix of junior and senior teachers. Formula's grade weights are built to allow a school to pay its base teachers at the Citywide Average, meaning the school's teacher salary average can be made up of a mix of new and experienced teachers. Each year funds are added to school's Fair Student Funding grade-level and need weights to compensate for growth in teacher salaries.
- As the salaries of teachers on a school's payroll prior to April 2007 increase, we continue to provide additional funding to cover this expense in accordance with the former policy which allocated funds for each school's teacher salary growth for the base number of teachers. For "base" teachers (the number of teachers needed to meet contractual maximum class sizes), the Department has provided additional funding to cover increases in salary due to longevity, steps and differentials in the past. The additional funding is based on the number of base teachers who were on school budgets as of April 2007 for as long as they remain on those budgets. This protection is linked to specific staff members and funding is issued in the Legacy Teacher allocation.
- We continue to charge schools for all teachers at a single rate, the school's average teacher salary, which is held constant throughout the entire school year. Principals don't have to worry about teacher salaries on a hire-by-hire, real-time basis. And as in previous years, we will adjust the average salary at which teachers are charged each year.
- If schools so choose, they are able to replace departing senior teachers with other senior teachers. If a teacher with a \$75,000 salary retires, then other things being equal, the school will be able to replace that teacher with another teacher earning roughly \$75,000.

6.2. Gradual Transition

6.2.1. Principals are responsible for costs of new hires

As of April 2007, in order to give principals greater control over their schools budgets, the Department no longer adjusts budgets based on the salaries of teachers newly hired into or leaving schools. Schools receive their money based on their students, through the FSF formula, and allocate it as they feel is most appropriate for the school’s bottom line: improving achievement.

With the greater control over budgets that this approach created, principals have both new opportunities and new responsibilities. Schools can choose how to combine their investments in different types of teachers, services, and supports to improve student achievement. Principals will invest in great staff in a way that is realistic for their budget.

As an example, prior to Fair Student Funding, if a principal was choosing between a \$60,000 teacher and an \$80,000 teacher for a *base* teacher position, that principal’s decision changed the schools budget. Absent other salary changes or attrition, the budget rises \$20,000 if the principal chooses the \$80,000 teacher. Previously, the school was effectively not charged for the increased salary costs. In many ways, the school was also penalized for hiring a less experienced teacher.

Old Budgeting System	Fair Student Funding
<p>Budget: Base Teachers at SW Average (Positional) Charge: SW Average Salary of \$70k</p> <p>Replacement hire: \$60k</p> <ul style="list-style-type: none"> • Budget reduced by \$10k • Expenses reduced by \$10k • Effect: none <p>Or, Replacement hire: \$80k</p> <ul style="list-style-type: none"> • Budget increased by \$10k 	<p>Budget: Based on student mix Charge: SWA salary \$70k</p> <p>Replacement hire made in FY13: \$60k</p> <ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire • Expenses <i>reduced</i> by \$10K in FY14 • Effect: Purchasing power <i>increases</i> by \$10k. <i>Savings</i> for FY14 can be used for other supports such as mentoring, extended day programs, supplies, and/or intervention <p>Or, Replacement hire made in FY13: \$80k</p> <ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire

<ul style="list-style-type: none"> • Expenses increased by \$10k • Effect: none 	<ul style="list-style-type: none"> • Expenses increased by \$10K in FY14 • Effect: Purchasing power decreases: \$10k. <i>Additional</i> cost for FY14 funded with tradeoffs made within the school budget
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While there is no known collective bargaining increase for FY14, if an agreement is reached that includes raises for teachers, schools will be funded for increases in all teachers’ salaries due to collective bargaining (contractual raises) through the FSF weights.

The school is also accountable for funding any raises in future years for the teachers they hire. For base teachers on school budgets before April 2007 the department is providing funding to support salary increases. (See section 6.3. for more information.)

It is important to note that the Fair Student Funding formula provides schools with adequate funding for their teachers to have an average salary equal to the city-wide average salary. The grade weights that all students receive are structured to cover base teachers at the city-wide average, as well as cover core programming and other core schools costs.

6.2.2. A one-year lag for many decisions to take effect

When schools replace existing teachers, there is a lag-time for the funding to be effected. Because we continue to charge schools at a fixed school-wide average teacher salary for the year, principals will not immediately feel the impact of replacing existing teachers. The effect of new hires on the school-wide average teacher salary will not be felt until a year later, when the school-wide average teacher salary is adjusted.

For example, if a school hired either a \$60,000 teacher or an \$80,000 teacher *last* school year, the school was charged the same amount, whatever its current average salary is, as determined by the prior year’s salaries. However, *this* school year, the school’s average salary will rise or fall based on the costs of the teachers hired this past year. The school will have roughly \$20,000 more or less left to spend on other priorities this year, depending on whether the school hired the \$60,000 or the \$80,000 teacher.

The policy of lagging the salary impact of hired, transferring, and exiting teachers was made in direct

response to principals' requests for planning time to manage the effects of their decisions. For example, if a principal wants to bring on a more experienced teacher, he or she will have a year to plan for any effect on their total cost.

	School A	School B
February 2013 salary snapshot	50 teachers Average salary through June 2013: \$64,000	50 teachers Average salary through June 2013: \$68,000
June 2013–February 2014	5 teachers retire. Replaced with 5 relatively lower-salary teachers; school is charged \$64,000 for them.	5 teachers retire. Replaced with 5 relatively higher-salary teachers; school is charged \$68,000 for them.
February 2014 salary snapshot	50 teachers New average salary charged for all teachers through June 2014: \$61,000	50 teachers New average salary charged for all teachers through June 2013: \$71,000
June 2014–February 2014	3 relatively higher-salary teachers hired; no teachers leave. School is charged \$61,000 for them.	4 relatively lower-salary teachers hired; no teachers leave. School is charged \$71,000 for them.

The cost to the school remains unchanged in the current year only when the new hires are replacing existing positions. When schools add teaching positions that don't currently exist, the school will pay for the additional teachers at the current school-wide average teacher salary, but the school's overall expenses will increase due to the increase in the overall number of teachers.

6.3. The School-Wide Average Salary

The school-wide average (SWA) salary is the amount schools are charged for the cost of every teacher for the entire year. It reflects the full savings (or cost) for teachers hired over the past year.

The school-wide average salary is calculated by taking a snapshot of all active teachers at a school as of February, 2013. The salaries of those teachers are forecasted for their amounts as of June 30, 2013 to capture longevity, differentials, and collective bargaining increases. The forecasted salaries for the teachers are totaled and then divided by the number of active teachers as of February 2013.

The only teachers not included in a school’s average teacher salary snapshot are those hired from the excess pool under a subsidy program whereby the central DOE will cover the difference between the teacher’s actual salary and the salary of a new hire for eight years (see CHAPTER 9: Absent Teacher Reserve Subsidy Funding). To ensure that schools are not charged for these teachers’ actual salaries for the eight years after they are hired, their salaries are not included in the average teacher salary calculation during the time that they are working under this agreement. Instead, the schools are granted a separate allocation for the difference between their average teacher salary (the amount schools are charged for each and every teacher) and the starting salary of a new teacher.

The SWA salary is charged for all teachers for the entire 2013-14 school year. The Legacy Teacher Supplement covers a portion of the amount that teachers on schools’ budgets as of April 2007 contribute to the SWA annual increase each year because of longevity, steps and differential increases.

$$\frac{\text{Total of Active Teacher Salaries as of January of the Prior FY Year}}{\text{Number of Active Teachers as of January of the Prior FY Year}}$$

6.4. Legacy Teacher Funding

In 2007, the Department committed to funding schools for the increasing costs of longevity, steps and differentials for their base teachers who were on the school’s budget as of April 2007. This funding will be given to schools as a separate allocation, the Legacy Teacher Supplement. It is intended to help ease the transition to charging actual salaries for teachers.

The Legacy Teacher Supplement is calculated the following way:

- The total increase of legacy teachers’ salaries is divided by the number of legacy teachers to get the increase per legacy teacher.
- To the extent that funds are allocated to each school through Fair Student Funding for the system-wide annual growth in teacher salaries for each of their teachers, these extra funds, per teacher are removed from the increase per legacy teacher.

- The adjusted increase per legacy teacher is then multiplied by the number of remaining base teachers at the school to get the total supplement given to the school.
- The number of remaining base teachers is calculated by subtracting the number of teachers that left a school since FY08 (through exits or transfers) from an adjusted number of base teachers in FY08.
- **Note:** If the number of base teachers calculated on the FY14 projected registers is lower than the FY08 base number of teachers less attrition, then the FY14 number is used instead.

$$\begin{array}{c}
 \text{Legacy Teacher Salary Supplement} \\
 \text{Annual increases for all legacy teachers - Average Teacher Salary Increase for all legacy teachers} \\
 \text{(allocated separately)} \\
 \div \\
 \text{Lesser of [FY08 base teachers - exits and transfers] or FY 14 projected base teachers}
 \end{array}$$

Legacy Teacher Supplement Calculation		
Total salary increases		\$ 15,000
Number legacy teachers	/	4
Average salary increase	=	\$ 3,750
Number base teachers*		4
Exits and transfers	-	1
Number remaining base teachers	=	3
Average salary increase	*	\$ 3,750
Total legacy teacher supplement	=	\$ 11,250

Here is a sample school that, for the purposes of simplicity, has had the same five teachers since 2007. Also since 2007, this school has had a calculated base number of teachers equal to four, due to an unchanging student population. In the 2013 school year, one teacher left to be replaced by a new teacher, and four legacy-teachers remain.

The salary increases due to longevity and differentials during 2013 of the four teachers who were at the school prior to April 2007 total \$15,000 after netting out the average citywide teacher salary increase, which is allocated as a funding increase for every school in the Fair Student Funding allocation.

This total is divided by the number of legacy teachers at the school, to give an average increase of \$3,750.

The average legacy increase is applied to all base teachers according to the FY08 count, based on registers at that time, which in this case is four, less the exits and transfers. Since one legacy teacher is leaving this year, the count of base teachers becomes three. This count of base teachers is lower than the FY14 count of projected base teachers, which is still four, therefore the FY08 count with adjustments is used.

The Legacy Supplement given to the school is the product of those three teachers multiplied by the average increase: \$11,250.

**In most cases this will be the FY07 base number of teachers (BNTCH). However, for schools where enrollment has dropped significantly, the FY14 base number may be used instead if it is less than the calculation above would be.*

6.5. Technical Notes on Staffing Non-Teacher Positions

Schools will be charged forecast actual salary for non-teaching positions. The forecasted actual salary takes into account any known and predictable salary events for the fiscal year, such as steps and increments. Examples of titles scheduled at forecast actual salary in Galaxy are as follows:

- School Aides
- Assistant Principals and Principals
- Educational Paraprofessionals
- Guidance Counselors
- H Bank Administrative Staff, such as Parent Coordinators, Computer Techs and School Business Managers, will also have their values calculated using the forecast actual salary model.

When charging teachers and other staff to categorical funding streams, schools will continue to be responsible for fringe benefits.

6.6. Excessing Policy 2013-2014

6.6.1. In general

Principals should always have the ability to choose their teachers. For this reason, we are committed to the 2005 contract reform that eliminated the destructive practice of “bumping” and “forced placement” of teachers, and gave principals control over teacher hiring. That commitment has a corollary: once teachers are in a school, principals are responsible for them. If a principal has a poorly performing teacher, the principal has several appropriate options, but excessing is never one of them. Empowerment means principals bear the chief responsibility for the staff currently in their building.

Continuing last year’s policy, the Department will require schools to maintain all staff, absent the extraordinary circumstances defined below. Such staff must remain on the schools’ Table of Organization in Galaxy.

The Department will only centrally fund excess teachers when thresholds are met:

1. *Register Loss*: Schools experiencing a significant register loss when compared to the audited October 30, 2013 register for school year 2013-14;
2. *Grant Funding*: Schools which can demonstrate a significant *unanticipated* loss or reduction to grant funding (and confirmed by CFN);
3. *Grade Loss*: Schools experiencing loss of grade from prior year (and confirmed by CFN);
or
4. **In addition to the above, schools must demonstrate financial need under the criteria detailed in SAM #36.**

The reason selected should appropriately describe the situation applicable to that person. Additionally, the excess reasons prefaced by letters “CFN” are for CFN use only—not schools’ use.

6.7. Other Tools for Staffing

There are several other tools to help principals manage their staffing responsibilities:

- [New Teacher Finder](#) (NTF) is an online tool intended to assist principals to identify and attract strong, external new teacher applicants who may be a fit for their school. NTF provides an abundance of information on applicants, including a glimpse into the person’s writing ability and problem solving skills through written responses. NTF allows searching,

tracking, and connecting with prospective teachers via useful features such as posting of positions, viewing suggested system matches, and short-listing of candidates.

- [Open Market Transfer System](#) (OMTS) is an online tool school leaders can leverage to identify and attract high-quality, experienced current New York City Department of Education teachers. OMTS helps principals to efficiently review and manage internal teacher applicants. Using a combination of these features, such as assigning applicants to Review Categories and viewing prior service history, saves time and allows for focusing efforts on thoughtful selection. While not required, teacher applicants may include a resume, cover letter, and/or responses to writing prompts.
- [Teacher Recruitment Managers](#). Principals can reach out to Recruitment Managers from the Office of Teacher Recruitment and Quality who can help you identify high quality teachers. For more information on contacting your Recruitment Manager, contact our office at (718) 935-4080.
- [The Talent Profile](#) is an interactive tool that allows leaders to quickly access and analyze human capital data. Features include the ability to drill down to teacher-level data and the ability to compare results to citywide and network averages.
- Recruitment and Networking Events. The Office of Teacher Recruitment and Quality hosts a number of events throughout the summer. These events simultaneously provide an opportunity for schools leaders to meet and interact with a select group of quality teachers, and for teachers to learn more about potential employers and the opportunities available in NYC's schools. Information and details about these events will be made available on the Principal's Portal and the Principal's calendar.
- [The Teacher Hiring Toolkit](#) is a collection of resources that support principals with their approach to staffing teachers. These include useful templates and how-to guides.
- Smart Retention Reports enable principals to reflect on their schools' teacher retention patterns and identify ways to retain high-performing teachers. Reports are available on the Principal's Portal beginning the week of May 20.
- Tenure Notification System (TNS): Principals receive notices and reminders of dates when teachers are scheduled to receive tenure.
- Principals may wish to review the salary schedules under the current collective bargaining agreement, available at:
<http://schools.nyc.gov/Offices/DHR/TeacherPrincipalSchoolProfessionals/Salary/Salary+Step+and+Differential+Schedules.htm>.

CHAPTER 7: CONTRACT FOR EXCELLENCE (C4E)

The Department of Education (DOE) receives a portion of its overall budget in the form of Foundation Aid from New York State. While the State allows some of the increase in year-over-year Foundation Aid funding to be used for growth in general operating costs and investment in ongoing programs, the majority of the increase is subject to the provisions of the “Contracts for Excellence.” New York City schools received Contracts for Excellence (C4E) funds for the first time in school year 2007-08.

The Governor's 2013-14 Approved Budget states that, “school districts that submitted a contract for excellence for the two thousand twelve - two thousand thirteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand thirteen-two thousand fourteen school year.” Funds are to be used to support C4E allowable programs, as approved by the Commissioner.

Please note that to date, SED has not issued official guidelines for the use of FY14 funds. Therefore these guidelines are subject to change when new information is released. Until that time, please follow the guidelines set forth below.

These guidelines only cover the discretionary allocations that schools first received in 2008-09 to spend subject to the Contracts for Excellence provisions. Other funds earmarked for Contracts for Excellence – including funds for increases in Collaborative Team Teaching (CTT) enrollment, Autism Spectrum Disorder (ASD) and full day Pre-Kindergarten classrooms, and English Language Learner (ELL) summer programs - are not covered in this guide and will be addressed in a separate document, which will be posted on the C4E website (<http://schools.nyc.gov/AboutUs/funding/c4e/default.htm>).

Discretionary allocations will be made through the “Contracts for Excellence FY09” or “Contracts for Excellence FY09 HS” allocation categories in Galaxy.

7.1. How Funds Should Be Spent

All 2013-14 Contracts for Excellence discretionary funds are to be used to maintain effort for programs initiated using this funding source in 2012-13. It may be challenging for schools to maintain effort due to the overall budget reductions, and changes in its population may render a program unsustainable. As such, schools may choose to initiate a new program or expand an existing program using these funds. However, any program funded with Contracts for Excellence dollars – whether maintenance of effort or new/expanded – must adhere to the following provisions and is subject to State Education Department (SED) monitoring to ensure compliance.

7.1.1. Program Area Requirements

C4E dollars must be spent to support programs and activities in the following six program areas:

- Class Size Reduction;
- Time on Task;
- Teacher and Principal Quality Initiatives;
- Middle School and High School Restructuring;
- Full-Day Pre-Kindergarten; and
- Model Programs for English Language Learners.

For more information on eligible program options within these six program areas, refer to section 7.2.1 “Appendix A” in this chapter.

7.1.2 Students with the Greatest Educational Need

C4E funds must be used to predominantly serve students with the greatest educational need, including:

- English Language Learners (ELLs);
- Students with disabilities;
- Students in poverty; and
- Students with low academic achievement.

7.1.3. Supplement not Supplant

C4E funds are supplemental and generally may not be used to cover the costs of programs and personnel previously funded with tax levy dollars. However, there is an exception. C4E can be used to fund an expense if the school can document and demonstrate that due to cuts in tax levy funding, the programs or personnel would have been cut “if not for” the availability of C4E dollars. Note that even in this “if not for” situation, the expenditure still must meet all of the programmatic requirements of C4E.

7.2. Guidance for FY14

- Program Codes:

The “program” field drop-down menu in Galaxy displays the names of the program strategies (e.g., Reduced Class Size, Reduced PTR, Summer School) rather than the program areas. Please see Appendix A of this document for descriptions of C4E programs strategies as well as the Galaxy program codes assigned to each.

- Required Documentation (This section will be updated once SED releases official guidelines for FY14 funds.)
 - Schools may be required to provide additional information about proposed program impacts, targeted student populations, etc. at SED’s request.

7.2.1 Contracts for Excellence Program Strategies - Appendix A

The following instructional strategies have been identified by SED as eligible for C4E funding within the six designated program areas. To get FY13 class size calculations, please refer to <http://schools.nyc.gov/AboutUs/data/classsize/classsize.htm>

Program	Strategy	Galaxy Program Description
Class Size Reduction	New Class Room/Reduce Overall Class Size: Hire an additional teacher relative to the student population, teaching independently, to achieve class size reduction <i>at the aggregate school level over SY13 class size calculations.</i>	Reduce Class Size
	Additional Teacher in Existing Classroom: Add an additional Teacher relative to the student population, teaching collaboratively with another teacher, to achieve a reduction in student:teacher ratio <i>at the aggregate school levels over FY13 class size calculations.</i> Please note: Some schools may not have sufficient space to reduce class size through the creation of additional classrooms. In such cases, schools may elect instead to reduce pupil-teacher ratios using team teaching strategies. C4E funds may only be used for true co-teaching models and not for push-in teaching or paraprofessionals.	Reduce PTR
	Maintain SY13 class size reductions: Successfully reduced class size at the aggregate school level in SY13, and continue to fund a teacher(s) necessary to maintain a similar class size in SY14. Note: This may not result in an additional class size reduction, but should result in a similar class size as calculated in SY13. This option is only applicable to schools that demonstrated a real class size reduction in SY13.	Maintain Class Size
	Maintain SY13 Pupil Teacher Ratio reductions: Successfully reduced PTR at the aggregate school level in SY13 and continue to fund a teacher(s) necessary to maintain a similar PTR in SY14. Note: This may not result in an additional PTR reduction, but should result in a similar PTR as calculated in SY13. This option is only applicable to schools that demonstrated a real PTR reduction in SY13.	Maintain PTR
	Minimize growth of class size in SY11 - fund a teacher to minimize the growth in class size that the school would have otherwise experienced given budget cuts. Note: School must demonstrate that these positions would have been cut in FY13. Teachers must be supplemental to the number required by contract.	Minimize Class Size growth

Program	Strategy	Galaxy Program Description
Time on Task	Supplementary Before- or After-School Programs: <ul style="list-style-type: none"> ▪ Additional instruction emphasizing learning standards/subjects required for graduation ▪ New or expanded arts programs ▪ New or expanded CTE programs ▪ Student support services, including guidance, counseling, attendance, parent outreach, behavioral support, study skills 	Before & After School
	Lengthened School Year: Supplementary summer school, which may include: <ul style="list-style-type: none"> ▪ Additional instruction emphasizing learning standards or subjects required for graduation ▪ New or expanded arts programs ▪ New or expanded CTE programs ▪ Student support services, including guidance, counseling, attendance, parent outreach, behavioral support, study skills 	Summer School

Program	Strategy	Galaxy Program Code
Time on Task (continued)	Dedicated Instructional Time: <ul style="list-style-type: none"> ▪ Daily supplemental blocks of time during the regular school day to be used for research-based core instructional programs aligned with learning standards ▪ May include: <ul style="list-style-type: none"> - Response-to-intervention - Individualized intensive intervention - “Micro-targeting” of groups of students to provide instruction at a reduced class size or PTR relative to the school or grade but that does not reduce class size or PTR at the grade or school level. 	Dedicated Instruction
	Individualized Tutoring: <ul style="list-style-type: none"> ▪ Targeted to students who are at risk of not meeting learning standards / not graduating ▪ Supplemental to regular curriculum ▪ To be provided by a certified teacher, paraprofessional, or qualified tutor 	Individualized Tutoring
Teacher and Principal Quality Initiatives	Programs to recruit and retain Highly Qualified Teachers (HQT)	Recruit & Retain HQT
	Professional mentoring for beginning teachers and principals	Mentoring for New Staff
	Instructional coaches for teachers	Teacher Coaches
	School leadership coaches for principals	Leadership Coaches

Program	Strategy	Galaxy Program Code
<p>Middle & High School Restructuring</p> <p><i>For schools with middle or high school grades only.</i></p>	<p>Schools may allocate C4E funding to implement instructional changes that improve student achievement or instructional changes paired with structural changes to the school’s organization.</p> <p>Instructional changes:</p> <ul style="list-style-type: none"> ▪ Designed to provide challenging academic and learning opportunities to students ▪ May include implementation of academic intervention programs 	MSHS Instruct Changes
	<p>Structural changes:</p> <p>Examples: Changes to grade offerings, creation of “academies”, schools within schools, etc.</p> <p>Please consult with your SSO team if you are interested in pursuing this option</p>	MSHS Struct Changes
<p>Full-Day Pre-Kindergarten</p>	<p>Expanding the instructional hours for existing pre Kindergarten programs from half-day to full school day (provided that the school has sufficient space)</p>	Full Day Pre-K
<p>Model Programs for English Language Learners (ELLs)</p>	<p>Please see SED guidance memo for more details about activities allowable under these strategies:</p> <p>http://www.emsc.nysed.gov/mgtserv/C4E/ModelProgramsforLEP-ELLs-Rev7-28-08.htm</p>	
	<p>Innovative Programs for Underserved ELL Populations</p>	ELL Innovative Programs
	<p>Teacher Development, Recruitment, and Retention</p>	ELL Teacher Recruitment
	<p>Parental Involvement and Instruction</p>	ELL Parent Involvement

To review prior year State regulations and guidance, please visit <http://www.p13.nysed.gov/mgtserv/C4E/11-13home.html>

CHAPTER 8: CONCEPTUAL CONSOLIDATION IN TITLE I SWP SCHOOLS

8.1. Overview

Title I School-wide Program (SWP) schools are expected to use the flexibility available to them to integrate services and programs with the aim of upgrading the entire educational program and helping all students reach proficient and advanced levels of achievement.

In addition to coordinating and integrating services, School-wide Program schools may combine most Federal, State, and local funds to provide those services.

By consolidating funds from Federal, State, and local sources, a School-wide Program school can address its needs using all of the resources available to it. This gives a school more flexibility in how it uses available resources to meet the identified needs of its students.

8.2. Consolidating Funds in a School-wide Program

Consolidating funds in a School-wide Program means that a school treats the funds as a single “pool” of funds. The funds from the contributing programs lose their individual identity when they are combined into one flexible pool of funds. The school uses funds from this consolidated School-wide pool to support any activity of the Schoolwide Program without regard to which specific funds are used for a particular activity.

Consolidating Federal funds eases the requirements for accounting for each specific program separately, because schools are not required to distinguish among funds received from different sources when accounting for their use. However, the school must ensure that it meets the intent and purposes of the Federal programs included in the consolidation so that the needs of the intended beneficiaries are met.

8.3. “Conceptual” Consolidation

To consolidate funding in a School-wide Program (SWP), the school does not literally need to combine funds in a single account or pool with its own accounting code. Rather, the School-wide Program school has the use of all consolidated funds available to it for the dedicated function of operating a School-wide Program without regard to the identity of those funds.

- Most, if not all, School-wide Program (SWP) schools in NYC are already conceptually consolidating their Federal, State, and Local funds in support of school-wide

achievement, even though the Galaxy system reports the allocations in separate accounting codes.

- School-wide Program schools receive Title I, and other federal funds, and use them to effectively improve the achievement of all students within their school.

In many cases, however, principals and school leadership team members are not aware of the concept and language of conceptual consolidation, and therefore may not be realizing the full flexibility that consolidation of funding enables.

8.4. What Does That Mean?

If a school “opts in” to conceptual consolidation in their CEP application, they can use their Title I, Title IIA, and Title III funds for any purpose allowable under the cost factor, as long as they uphold the intent and purpose of each program.

- The benefit of conceptual consolidation will be prominent in the ability to fund any title in the cost factor, regardless of what the person is actually doing on a day-to-day basis.
- The flexibility of these funds will help ease the hardship of reduced funding. Having this flexibility in a fund source such as Title I SWP is highly advantageous.

8.5. Galaxy Cost Factors for Conceptual Consolidation

Conceptually Consolidated allocation categories will share one flexible cost factor and will not have filter rules.

It is expected that the six allocation categories below will be approved by SED to be included in conceptual consolidation. Schools and CFNs will be notified when final decisions are made.

- Title I SWP
- Title I SWP School Success
- Title I Translation Services
- Title IIA Supplemental
- Title III Immigrant
- Title III LEP

8.6. Time and Effort Reporting

In accordance with Federal OMB Circular A-87, semi-annual and/or monthly time and effort reports are required from each school and central office.

- What are the report criteria for federally-funded allocation categories that are conceptually consolidated? **None** – those allocation categories **do not require** Time and Effort Reports.
- What are the report criteria for federally-funded allocation categories that are **not** conceptually consolidated?
 - Must disclose staff names, FTE percentage, and salaries.
 - Semi-annual reports are required for fully funded positions. The staff's supervisor signature will suffice as long as that person can attest to the responsibilities of the individual in question.
 - Monthly reports are required for split funded positions and each employee will need to sign the report.

CHAPTER 9: ABSENT TEACHER RESERVE SUBSIDY FUNDING

9.1. Absent Teacher Reserve (“ATR”) Subsidy

In November 2008, the Department of Education and United Federation of Teachers (UFT) agreed to a subsidy program that encouraged schools to hire centrally funded excess staff (CFES) by splitting the cost between central’s and schools’ budgets for 8 years. This agreement expired on December 1, 2010; and no newly hired excess staff will be eligible for any salary subsidy. The salary subsidy allocation continues to be issued for the 8 year period for previously hired eligible staff, based on the parameters outlined below.

To be eligible, schools had to hire UFT staff excessed from phase-out schools, or hire excess staff from other locations on or after November 1 of the calendar year in which they were excessed. The subsidy does not apply to ATRs hired by the school from which they were excessed.

The incentive initially consisted of two components:

- **Incentive #1:** School receives subsidy for difference between the school average teacher salary and a starting teacher salary until 11/15/10. After 11/15/10 central will pay the difference between the average teacher salary and subsequent steps on the salary scale through year 8.
- **Incentive #2:** For those hired on or before 11/10/2010, central provided an additional subsidy of one-half of a starting teacher's salary, through 11/15/2010. Incentive #2 expired on 11/15/2010. No school will receive this funding in FY14.

The latest MOU with the UFT allows the hiring of excessed staff on a provisional basis, without financial incentive, after the Open Market transfer period, which closes on August 7, 2013.

Continuing the practice started in FY13, the subsidy has been allocated directly to schools, rather than passing through the Children First Networks via the Transfer Utility functionality in Galaxy. To streamline the process of adjusting the allocation for staffing changes to subsidized staff (i.e., for subsidized staff that return from leave, take a new leave, or transfer out of the school), central will also be modifying the allocation directly to schools periodically throughout FY14. Refer to School Allocation Memorandum #35 Salary Subsidy for Excess Staff Hired to Permanent Assignments