

SCHOOL ALLOCATION MEMORANDUM NO. 36, FY 14

DATE: June 6, 2013

TO: Community Superintendents
High School Superintendents
Children First Networks
School Principals

FROM: Michael Tragale, Chief Financial Officer

SUBJECT: Centrally Funded Excess

For the second year in row, schools have not received any year-over-year cut in Fair Student Funding. Given the flat budget condition, schools are expected to ensure that sufficient resources are devoted to meet all mandated and contractual obligations, and are also expected to maintain current staff with available resources. In addition, for the most part, school average salaries are stable year-over-year. Schools are responsible to manage salary costs.

In the extraordinary circumstance that schools meet the criteria described below, schools may excess staff that will then be funded from the allocation Centrally Funded Excess Staff (CFES). All requests for CFES will be carefully evaluated. **In particular, excessing of teachers, guidance counselors, or social workers must be limited so as not to deplete overall department resources.** Excessing of assistant principals or parent coordinators will not be allowed. Principals are reminded that excessing is not a permissible way to deal with unsatisfactory teachers.

Guidelines for Receiving Centrally Funded Excess Staff Funds

Schools are eligible to receive CFES only if they meet both of the following thresholds. The evaluation of financial criteria is based on the school's completed FY14 budget in Galaxy. Note that the financial eligibility thresholds have been revised for FY14.

1. Excess Reason Threshold:

Schools will be considered eligible to receive CFES only if at least one of the following excess reasons applies:

- *Register Loss:* Schools experiencing a register loss of at least 3.5 percent when compared to the audited October 31, 2012 register for school year 2012-2013.
- *Grade Loss:* Schools experiencing loss of grade from prior year

- *Grant Funding Loss:* Schools that can demonstrate a significant *unanticipated* loss or reduction to grant funding
- *Mid-year Deficit Rollover:* Schools where the amount of funds they were not able to pay back for register loss in FY13 exceeds 40% of their FY14 average teacher salary. SAM 37 provides additional detail on the FY13 deficit rollover policy.

If none of these reasons apply, a school must continue to fund all their active staff.

Where schools are excessing to align staffing levels with anticipated register loss between the 2013-2014 projected register and 2013-2014 anticipated actual register, schools are expected to schedule freed up tax levy dollars in the register loss set-aside.

2. Financial Threshold:

In addition to complying with the excess reasons stated above, schools must demonstrate that they are unable to self-fund all staff. Each school's budget will be considered in its entirety when assessing its ability to self-fund staff. Schools must complete scheduling their initial allocation in Galaxy and meet all checklist requirements, to the fullest extent possible, before central funding for excess actions can be considered.

School Type and Size

In evaluating financial criteria, schools are evaluated based on comparisons to schools of similar type and size. The school type and size levels have been refined for FY14 as delineated on the table below.

Financial Benchmarks

The percentile used to evaluate FY14 CFES requests has been lowered from last year. The following criteria will be applied to make this assessment:

- After scheduling for all mandated and contractual obligations, schools' scheduled amounts cannot cumulatively exceed weighted pupil per capita thresholds based on data from similar schools by type and size in the following areas:
 1. OTPS (excluding NYSTL)
 2. Per Diem
 3. Per Session, Secretaries, School aides, DC37 Para's, Family workers, Business Managers, and other F-status and H-bank titles – this is referred to as the “cumulative” criteria for excessing
- The thresholds are calculated at the 20th percentile of schools' FY13 spending within major flexible allocation categories divided by their FY13 FSF actual weighted student register for each of the twelve school type and size categories below. To account for fixed-cost inflation of small-school per-capitas, per capitas for schools with a weighted register below 250 were adjusted to reflect a weighted register of 250.

Level	Size-Level Group (By FSF-Weighted Register)	Per Diem per weighted capita	OTPS per weighted capita*	Cumulative for Excess per weighted capita
EL	Small (<= 400)	\$30.43	\$106.07	\$303.13
EL	Medium (<= 760)	\$48.37	\$104.80	\$264.65
EL	Large (<= 1,300)	\$45.29	\$75.95	\$232.22
EL	Huge (> 1,300)	\$60.43	\$91.04	\$232.67
MS	Small (<= 375)	\$25.05	\$88.85	\$263.57
MS	Medium (<= 750)	\$34.31	\$84.12	\$239.48
MS	Large (<= 1500)	\$37.49	\$60.04	\$211.38
MS	Huge (> 1500)	\$54.45	\$59.69	\$175.19
HS	Small (<= 425)	\$14.39	\$201.46	\$430.05
HS	Medium (<= 800)	\$21.95	\$145.59	\$323.13
HS	Large (<= 1700)	\$26.67	\$115.90	\$297.77
HS	Huge (> 1700)	\$31.90	\$50.85	\$276.91

- Schools that self-fund summer school site costs are expected to absorb the cost of excesses at least up to the value of the amount used for site costs.
- Scheduled vacancies must be inappropriate for proposed excess staff.
- Any unscheduled balances will be reviewed to determine if they are appropriate to fund proposed excess staff, except that school budgets must also:
 - Accommodate returns from leave and sabbatical;
 - Accommodate Register Loss Set-Aside.
- Increases in the levels of support staff from prior year levels will be reviewed.

Staff Who Were Funded with CFES in FY13:

All staff who were funded with CFES in FY13, including those who were removed from school payrolls to serve in the Absence Teacher Reserve, must be re-evaluated for CFES in school year 2013-2014. Schools must demonstrate compliance with the guidelines above before Centrally Funded Excess Staff funds can be provided for these staff. The school may have had staff go on leave, retire, resign or transfer via the Open Market transfer system, thereby creating the personnel need and financial capacity to re-absorb the excess staff. The school may have register gain or other resources available to maintain such staff in their school.

Impact on Schools Receiving CFES Funding for Excess Staff

Funding for Centrally Funded Excess Staff is a loan to schools and is subject to repayment. Accruals in CFES funding will be removed from schools periodically throughout the year.

Schools receiving CFES will:

- be restricted in the amount of ASA register growth they can receive,
- be required to fund the "register loss set-aside" if applicable,
- not be eligible to participate in the DPPI unless the CFES is fully repaid,
- have all vacancies reviewed to determine whether CFES-funded staff can be used to fill these vacancies,
- be required to use new allocations and attrition savings to offset CFES funding, and
- have transfers of funding from PS to OTPS closely scrutinized by CFNs.

Please contact your CFN if you have questions regarding this SAM.

[Click here to download a copy of the School Allocation Memorandum.](#)

MT: af