

Fair Student Funding & School Budget Resource Guide FY 2015



New York City Department of Education
Division of Finance
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INTRODUCTION

In January 2014, our new Schools Chancellor, Carmen Fariña, unveiled her vision for the Department of Education which highlighted three themes: collaboration, communication, and celebration. These themes are essential to providing quality instruction, engendering professional growth, and most importantly, achieving academic success. In order to make this vision a reality, Chancellor Fariña set forth four pillars which, throughout her career, have served as her guiding principles for educational success and will be a roadmap for the DOE to follow during her tenure. These pillars are:

- Return dignity and respect to the teaching profession;
- Improve student achievement by aligning all instruction to the Common Core standards;
- Engage parents in every aspect of school life; and
- Create new collaborative and innovative models within our City and schools.

Overall, school budget funding will remain stable in FY 2015. While the increased funding from the State has allowed us to expand full-day Pre-Kindergarten and other initiatives, the State still falls short in fulfilling its obligation in other areas. As you know, in 2007, the New York State Legislature and Governor acted on the Campaign for Fiscal Equity Court of Appeals ruling. The State's obligation to ensure every student's constitutional right to a sound, basic education should have ended the unfair distribution of State aid to local school districts. And yet, since 2009, the State has not met the court-ordered obligation to our City and other school districts elsewhere in the State. In Fiscal Year 2015 alone, there is a shortfall of \$2.5 billion of outstanding additional foundation aid to New York City schools. We need this additional school aid to reduce class size, to provide academic intervention in the early grades, and to increase school budgets. We will continue to fiercely advocate for our students' fair share.

As we move ahead, all policies, including Fair Student Funding (FSF), will be assessed to ensure alignment with our vision for successful schools. Looking ahead, the aim for our funding methodologies is to closely align its fiscal initiatives to the principles set forth by Chancellor Fariña in her pillars.

This guide will provide an overview of the fiscal responsibilities of school principals, and offers background of the funding process for your school's major allocation in FY 2015: Fair Student Funding.

CHAPTER 1: PROCESS AND PLANNING

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

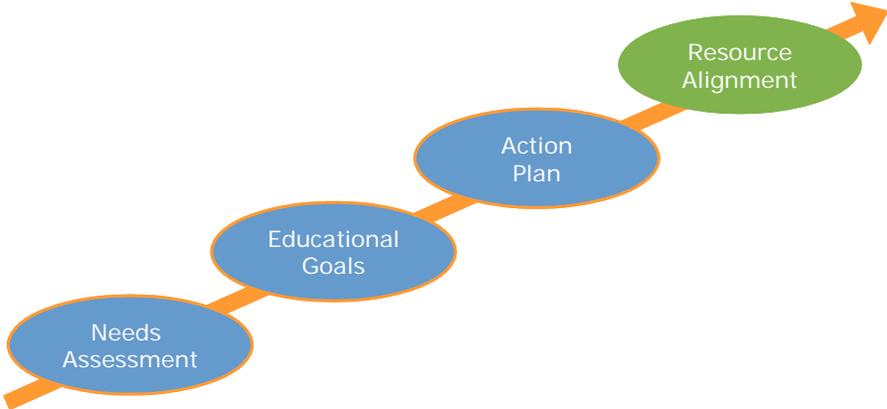
The budget is the product of a collaborative process requiring a clear understanding of the school’s goals for improving student outcomes and its plans for achieving them.

School Planning Process

Vision: Defining the outcomes students are expected to achieve and the pathways available for achieving these outcomes. The vision is the school’s blueprint for how students will achieve college and career readiness through academic experiences.

Rules: Ensuring that the vision is embedded in the relevant policy parameters and practical constraints. This includes academic policies, labor policies, and instructional mandates for special student populations.

Tools: Using data, systems, and structures to create a master schedule aligned to the school’s vision and to assign students to academic programs based on their needs.



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 S/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 identified within the school 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: (<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 (e.g. ATS, STARS, SESIS) to ensure proper data for budget, accountability, and reporting purposes. Schools should engage

in regular review of their student data through the data quality management process.

Please see here:

(<https://wiki.nycenet.edu/display/DataVerification/Data+Quality+Management+Wiki?src=search>) for more information.

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 S/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/rdonlyres/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

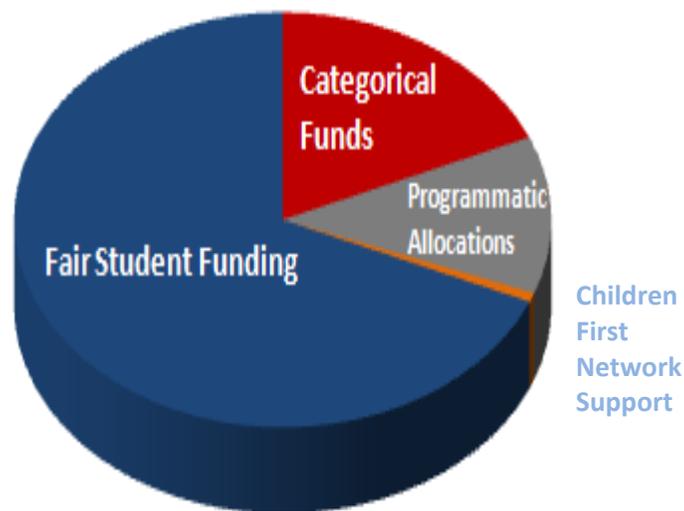
For each school in his or her jurisdiction, the community superintendent shall review the proposed school-based budget, the principal's written justification demonstrating that the proposed school-based budget is aligned with the School's CEP, and the SLT's comments on the principal's written justification, if any. For details and guidance, refer to Chancellor's Regulation B-801 (<http://schools.nyc.gov/NR/rdonlyres/381F4607-7841-4D28-B7D5-0F30DDB77DFA/97060/B8011402011FINAL.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 (FSF) 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. 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 buying academic intervention, 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 her team, including community and high school superintendents, are primarily responsible for all DOE personnel decisions. 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 Teaching and Learning.
- **Policy Implementation and Support:** 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. The Office of Academic Policy and Systems and the compliance team of the General Counsel's Office ensure 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: THE BASICS

INTRODUCTION TO FAIR STUDENT FUNDING

Fair Student Funding (FSF) aims to achieve three major goals: improving student achievement, funding schools equitably, and making school budgets more transparent.

Improve student achievement: This goal is aligned with the second pillar denoted in Chancellor Fariña’s guiding principles. In order for students to excel in the classroom, they must have access to the necessary resources to help them succeed. 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 in an equitable manner. 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).

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 Transparent Way to Fund Schools

Fair Student Funding is based on simple principles:

- School budgeting should fund students 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; and
- 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. Implementation

Our overarching goal is to ensure that all schools receive equal opportunities and resources to educate their children. However, in striving towards this goal, it is imperative that we assess the current status to determine what is working and what needs to be revised. This means that the decision-making process will be a continuous work-in-progress and will result in the gradual implementation of a fair funding formula.

We are committed to improving funding allocations to schools through input from principals, teachers, parents, and school communities.

The realization of FSF 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.

Even in the absence of formula changes, schools may face funding reductions because of changes in programs outside FSF, changes in enrollment, or loss of grant funding.

CHAPTER 4: FAIR STUDENT FUNDING FORMULA

The Fair Student Funding (FSF) 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?

FSF weights provide adequate funding for schools to meet legal and policy requirements. Beyond that, these weights reflect funding for academic needs of 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 objective criteria that can be applied evenly across New York City.

The weights are designed to provide the transparent levels 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 FY 2015

The grade-level and need weights and associated per capita amounts for FY 2015 appear on the chart below. During FY 2014, salaries were unchanged on average from the prior year; therefore the formula for FY 2015 is based on the same teacher salary and use the same base capita as the formula from FY 2014.

Grade-Level and Need Weights for FY 2015

FSF Weight	FSF Component	Per Capita	Weight
Grade Weight Gen. Ed.	K-5	\$ 4,123	1.00
	6-8	\$ 4,453	1.08
	9-12	\$ 4,246	1.03
Grade Weight Special Ed.	K-5	\$ 4,123	1.00
	6-8	\$ 4,453	1.08
	9-12	\$ 4,246	1.03
Academic Intervention	Poverty Count K-12	\$ 495	0.12
	4-5 Well Below	\$ 1,649	0.40
	4-5 Below	\$ 1,030	0.25
	6-8 Well Below	\$ 2,062	0.50
	6-8 Below	\$ 1,443	0.35
	9-12 Well Below	\$ 1,649	0.40
	9-12 Below	\$ 1,030	0.25
	9 - 12 Overage Undercredited OTC	\$ 1,649	0.40
English Language Learners	ELL K-5	\$ 1,649	0.40
	ELL 6-8	\$ 2,062	0.50
	ELL 9-12	\$ 2,062	0.50
Special Education	Single Service <=20%	\$ 2,309	0.56
	Multiple Services 21% to 59%	\$ 5,156	1.25
	FT SC K-8	\$ 4,868	1.18
	FT SC 9-12	\$ 2,408	0.58
	FT ICT K	\$ 8,609	2.09
	FT ICT 1-5	\$ 7,174	1.74
	FT ICT 6-8	\$ 7,174	1.74
	FT ICT 9-12	\$ 7,174	1.74
Post-IEP Transitional Support	\$ 500	0.12	
Portfolio Schools	CTE_Nursing	\$ 1,072	0.26
	CTE_Hlth/Tr/Tech	\$ 701	0.17
	CTE_Business	\$ 494	0.12
	CTE_HomeEc/Arts	\$ 206	0.05
	Academic	\$ 1,030	0.25
	Audition	\$ 1,443	0.35
	Transfer Heavy Challenge	\$ 1,649	0.40
Transfer Non-Heavy Challenge	\$ 859	0.21	

4.2.1. Grade-Level Allocations

Policy

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

FSF Weight	FSF Component	Per Capita	Weight
Grade Weight Gen. Ed.	K-5	\$ 4,123	1.00
	6-8	\$ 4,453	1.08
	9-12	\$ 4,246	1.03
Grade Weight Special Ed.	K-5	\$ 4,123	1.00
	6-8	\$ 4,453	1.08
	9-12	\$ 4,246	1.03

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 (such as more costly science materials); they often take electives that break into smaller classes; and their 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 grade 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 OTC 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 English Language Proficient.

4.3.1. Academic Intervention

FSF Weight	FSF Component	Per Capita	Weight
Academic Intervention	Poverty Count K-12	\$ 495	0.12
	4-5 Well Below	\$ 1,649	0.40
	4-5 Below	\$ 1,030	0.25
	6-8 Well Below	\$ 2,062	0.50
	6-8 Below	\$ 1,443	0.35
	9-12 Well Below	\$ 1,649	0.40
	9-12 Below	\$ 1,030	0.25
	9 - 12 Overage Undercredited OTC	\$ 1,649	0.40

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.

The best way to identify students who are in need of academic support is to review their class portfolios in conjunction with their test scores. This administration believes in assessing a student’s academic performance by examining their overall body of work in lieu of a single test grade. If there are students still struggling, after reviewing their complete body of work, additional instructional supports should be provided. It is important to note that, in keeping with the Chancellor’s four pillars, one of the most effective ways to assist struggling students is to increase the level of student support at all grade levels through Guidance Counselors and implement intervention strategies.

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 Fair Student Funding for Academic Intervention utilizes 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 educating them.
- 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 FSF 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 FY 2010** continue to have their test results revised to align their proficiency using the New York State Education Department’s FY 2010 rescaled cut-scores.
 - Below and Well Below data for pupils in entering grades with test scores for **FY 2011 and FY 2012**, 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.
 - Below and Well Below data for pupils in entering grades with test scores from **FY 2013 and forward** are evaluated against SED revised scaled scores for mandated Academic Intervention Services. FY 2013 exam scores are matched to 2012 Level 1 and Level 2 equivalent scaled scores to determine funding eligibility for below or well below funding weights.

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)..

The poverty student count used in the FSF formula represents the previous year’s poverty data as of mid December, 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 9–14. Qualifying English Language learners and students with disabilities are also eligible to receive these academic intervention weights.

ELA\Math Level or 2013 Matched Level	0	1	2	3	4
0	Missing	WB	B		
1	WB	WB	WB	B	B
2	B	WB	B		
3			B		
4			B		

Students are considered “Well Below Standard” if they:

- Score Level 1 or 2013 Matched Level 1 (“Not Meeting Learning Standards”) on both the State’s English Language Arts (ELA) and Math exam
- Score Level 1 or 2013 Matched level 1 on the ELA exam and Level 2 or 2013 Matched Level 2 (“Partially Meeting Learning Standards”) on the Math exam; or
- Score Level 2 or 2013 Matched Level 2 on the ELA exam and Level 1 or 2013 Matched Level 1 on the Math exam.

Students are considered “Below Standards” if they:

- Score Level 1 or 2013 Matched 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 or 2013 Matched Level 1 in Math and Level 3 or 4 in ELA); or
- Score Level 2 or 2013 Matched Level 2 on both the State’s ELA and Math exam.

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

- Students who score Level 1 or 2013 Matched 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 or 2013 Matched 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.
- For students evaluated against the 2013 exams FSF uses the State matched level 1 and level 2 scores to identify students for AIS funding.
- In line with the New York State Education Department (NYSED) guidance (amended NYS Commissioners Regulation 100.2ee) “to ensure that existing support services remain relevant and appropriate as New York implements the Common Core Learning Standards,” funding for FSF Academic Intervention Services (AIS) captures NYSED approved cut points for required AIS services. For FSF AIS funding, students are evaluated based on the 2013 scale scores that are approximately equivalent on a percentile basis to the level 1 and level 2 cut points in 2012.

	ELA Level 1		ELA Level 2		Math Level 1		Math Level 2	
	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score	2012 Cut Score	Matched 2013 Scale Score
Grade 3	644	264	664	299	663	255	684	293
Grade 4	638	253	671	296	637	243	677	284
Grade 5	648	257	668	297	641	250	676	289
Grade 6	644	256	662	297	640	252	674	289
Grade 7	642	252	665	301	641	253	671	290
Grade 8	629	248	659	302	639	248	674	293

Note: Cut Score is defined as the maximum score required to be classified in a given performance level designation and is obtainable in the 2012 raw score to scale score conversion. Numbers under "Matched 2013 Scale Score" represent the scale score in 2013 that corresponds to the 2012 cut score, and is not the 2013 cut score.

All 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 **Academic Intervention – Heavy Graduation Challenge OTC** weight provides additional funding for non-transfer school pupils who demonstrate significant credit accumulation challenges and who are admitted through the over-the-counter enrollment process.

<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

FSF Weight	FSF Component	Per Capita	Weight
English Language Learners	ELL K-5	\$ 1,649	0.40
	ELL 6-8	\$ 2,062	0.50
	ELL 9-12	\$ 2,062	0.50

Policy

NYSED Commissioner's Regulation Part 154 requires that students identified as English Language Learners (ELLs) - based on the Home Language Identification Survey and their results on the NYSITELL - be provided with an appropriate academic program that enables them to stay on track to meet promotion and graduation requirements. Funding for ELLs is determined by grade level: a K–5 weight, a 6–8 weight, and a 9–12 weight.

ELL students are also fully eligible for the academic intervention, special education and portfolio weights.

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

Programming Considerations

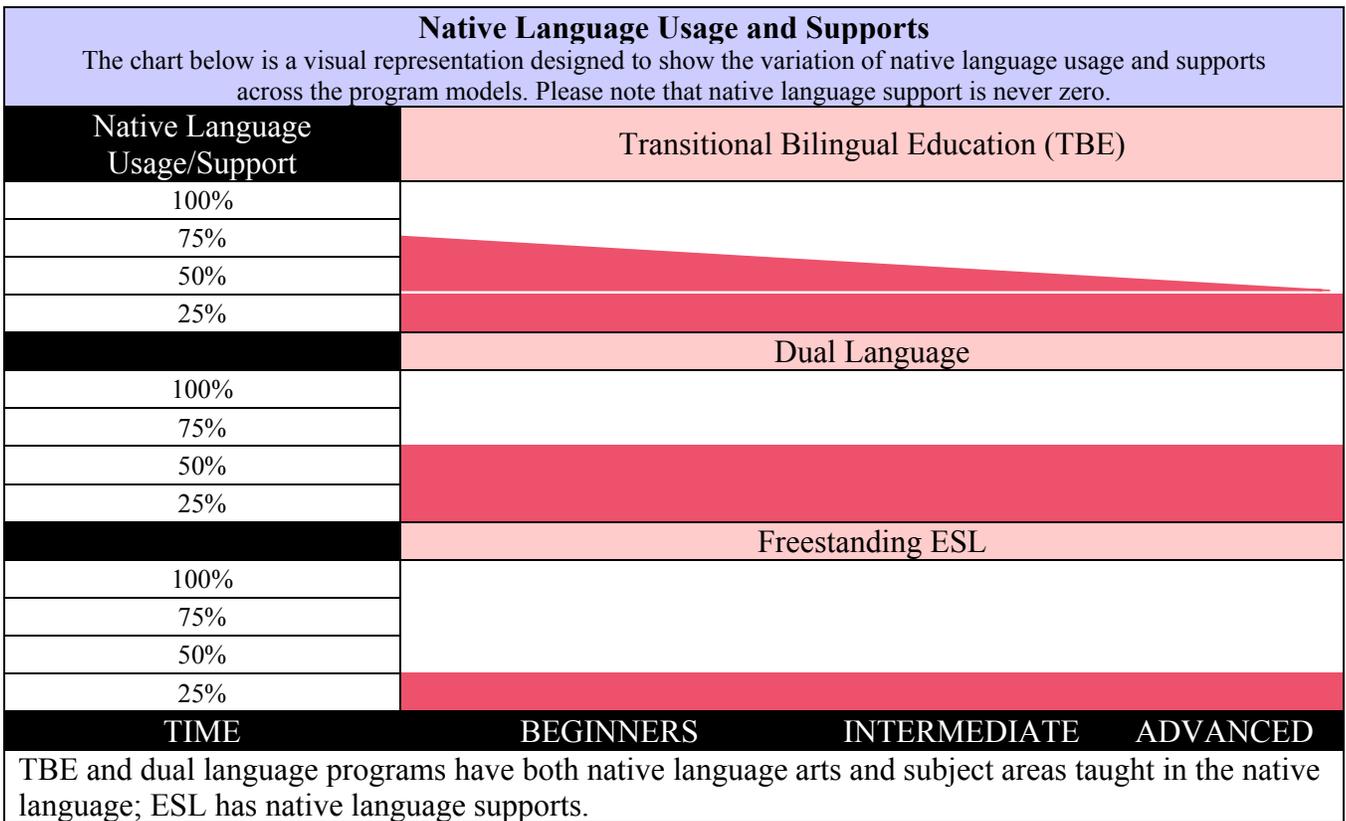
In the New York City Department of Education there are three program options for ELLs: Dual Language (DL), Transitional Bilingual Education (TBE), and freestanding English as a Second Language (ESL). Each of the three program types offers students a course of instruction that enables them to stay on track to meet promotion and graduation requirements, including courses that are aligned to New York State and Common Core Learning Standards, as well as ESL Learning Standards. In DL and TBE programs, students also take courses aligned to Native Language Arts Standards.

- **Dual Language:** DL programs provide instruction in two languages, to support students in achieving and/or maintaining bilingualism. Students become proficient in reading, writing, and speaking in English and in the target language of the program (e.g., Spanish, Chinese). The DL model and amount of instructional time dedicated to each language may vary by school, and is based on student demographics. ELLs receive priority for enrollment.
- **Transitional Bilingual Education:** TBE programs are designed so that students develop conceptual skills in their native language as they learn English. This program includes an ESL component, as well as content area instruction in the native language and English. TBE programs also incorporate a Native Language Arts component, designed to develop communication and academic skills in the native language. As students develop English proficiency, instructional time in English increases and in the native language decreases.
- **English as a Second Language:** ESL programs are offered in all New York City public schools and are taught in English to develop English proficiency. ESL programs may vary across schools, and the amount of instructional time in ESL depends on students' English language proficiency level, which is determined by their scores on the NYSESLAT.

The charts on the next page outline the mandated 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

The ELL identification process includes two parts: the administration of the Home Language Identification Survey (HLIS) to determine the student's home language, followed by the administration of the New York State Identification Test for English Language Learners (NYSITELL) to determine ELL status and English language proficiency level of students whose home language is not English. When parents first enroll their child in a school, the school must administer the Home Language Identification Survey as part of general intake procedures.

Students who are identified as ELLs, as determined by the prior year’s NYSITELL results, are eligible for this funding.

The ELL register data generate the ELL funding for the initial budget release.

4.3.3. Special Education

FSF Weight	FSF Component	Per Capita	Weight
Special Education	Single Service <=20%	\$ 2,309	0.56
	Multiple Services 21% to 59%	\$ 5,156	1.25
	FT SC K-8	\$ 4,868	1.18
	FT SC 9-12	\$ 2,408	0.58
	FT ICT K	\$ 8,609	2.09
	FT ICT 1-5	\$ 7,174	1.74
	FT ICT 6-8	\$ 7,174	1.74
	FT ICT 9-12	\$ 7,174	1.74
	Post-IEP Transitional Support	\$ 500	0.12

Background

Beginning in September 2012, all DOE community schools joined in participating in a Shared Path to Success with 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.

Information about the special education reform and PD opportunities to support the work can be found here: <http://intranet.nycboe.net/SpecialPopulations/SpecialEd/default.htm>.

Beginning in the 2012-13 school year and continuing in FY 2015, 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 FY 2015 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 full time SC versus full time ICT). To the extent that a school's FSF register stays stable; the FSF special education per capita budget will stay stable.

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.

Since the special education enrollment policies continuing in FY 2015 focus on pupils in *articulating grades* or entering schools "*over-the-counter*," large scale changes in the special education per capita budgets for schools are unlikely in FY 2015.

Schools That Formerly Received "Class" Allocations

Continuing in FY 2015, all schools will be funded on a per capita basis for students with disabilities. Schools that received a transitional support supplement in FY 2014, adjusted for increases in their filled seat register, will continue to receive those funds.

- Schools that received funding for unfilled seats in FY 2012 are eligible to receive a transitional supplement in FY 2015. FY 2015 transitional support supplement will be based on FY 2014 funded seats net of register increases.
- Schools with FY 2015 projected registers greater than or equal to their FY 2014 midyear register (filled + unfilled seats) will not receive a supplement, as they will be funded through register growth.
- Schools with FY 2015 projected registers less than their FY 2014 midyear register (filled + unfilled seats) will receive a transitional supplement for the difference between the FY 2015 register and the FY 2014 midyear register, FY 2012 unfilled seats register.
- Schools that participated in Phase 1 of the special education reform and received a transitional supplement in FY 2012 will have their initial FY 2014 midyear registers as the basis for the FY 2015 supplement, and will be funded at the rates set in SAM #30 for FY 2012.
- Non-Phase 1 schools that received funding for unfilled seats will have the FY 2014 midyear register for special education (12/31) as the basis for the FY 2015 supplement, and will receive the FY 2012 FSF rates multiplied by the school's FSF percentage of funding.

- The transitional supplement will be adjusted by the school's FY 2012 percent of formula.
- This allocation will be adjusted at the mid-year adjustment based on the FY 2015 register for special education (as of 12/31/14) in accordance with the provisions set above.

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

- 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, and 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
Single Service: 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
Multi-Service: 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%
Full-Time SC: Greater than or equal to 60% Self-contained	Students with self-contained services (SC service > ICT service) including 12:1, 12:1:1 and 15:1, receiving services for at least 60% of the pupil's program
Full-Time ICT: Greater than or equal to 60% Integrated Co-Teaching	Students with ICT services (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.

Schools must ensure accurate data is accurately entered in SESIS and STARS, including identification of push-in/pull-out SETSS, ICT, and SC courses in students' programs in STARS.

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			Continuing the practice started in FY13, 57% or greater time in ICT in core subject areas		40	90%	
37			(English, Math, Social Studies and Science) in a 35 or 40 period week school will be treated as full-time (>=60%). This adjustment is		40	93%	
38			applicable for only these core classes. Self-		40	95%	
39			contained will continue to be treated as 21%-		40	98%	
40			50%		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 or equal to 60% of their program, there are generally 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 and the IEP needs to be revisited.

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

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

- EXCEPTION continuing in FY 2015: For schools with 7 instructional periods per day [8 periods per day including lunch], if the student receives ICT for all 4 core academic areas (ELA, Math, Science, and Social Studies), then this will be considered full-time (57%).

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 2014-2015 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 New York State approved CTE programs.

Schools meeting the below criteria may apply to the Office of Post-Secondary Readiness for FSF CTE Designation:

- Minimum 90 percent of students are programmed within a CTE sequence
- All fully developed CTE programs must have earned state approval (or likely to have earned approval within the current school year), and the approval must be current. Programs still in development (not yet serving all grades) must be deemed on track for state approval by OPSR
- School's network supports the transition
- School has met performance standards in each of the previous three years
- School's enrollment has not varied by more than 10 percent over the previous three years

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 chart on the next page 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.

Continuing in school year 2014-2015, 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 Fair Student Funding Portfolio Transfer school weights as follows:

- A two-tiered weight for funding Transfer school pupils based on level of graduation challenge was introduced in FY 2013. 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 FY 2014 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.

4.5. How Students Are Counted

Before FY 2014, 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 and grade codes and class codes had to 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).

Continuing in FY 2015, the USPE screen automatically populates with pupil mandate data from SESIS and displays the FSF funding category for both the recommended service and the service actually provided to the pupil based on the pupil program in STARS. 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. Schools should engage in regular review of their student data through the data quality management process. Please see here (link to wiki - <https://wiki.nycenet.edu/display/DataVerification/Data+Quality+Management+Wiki?src=search>) for more information.

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 which are the basis for initial 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 have 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

An allocation adjustment will be made in the middle of FY 2015 to account for the difference between the actual number of students and the projected counts. This update is made for the 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:

DATASOURCE for MIDYEAR ADJUSTMENT			
<i>Registers used for mid year adjustments are net of long term absent pupils.</i>			
<u>FSF Category</u>	<u>School Type</u>	<u>Based on Audited 10/31/2014 Registers</u>	<u>Based on 12/31/2014 Registers</u>
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 and 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	

Schools with an FSF funding percent less than 100% that also experience net growth between their mid-year funded weighted registers in FY 2014 and their mid-year funded weighted registers in FY 2015 will receive an additional allocation bringing the value of that growth to the full per capita, rather than the school's percent of formula. This policy promotes equity by assisting schools funded below the formula in expanding and attracting new students.

Adjustments for register growth from the projected registers to the actual registers are taken by multiplying the net change in register by the per capita associated with the weight, based on the FSF factor by which a school is funded (capped at 100%). Secondly the adjustment to fund actual register growth from FY 2014 to FY 2015 at 100% of formula will be added to the first adjustment for schools with actual net growth.

- All schools with a net increase in weighted register will have their allocations increased by the formula value for these students multiplied by the school's funding percent (capped at 100%).
- 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 funded at 90% of the formula that lose students will have a smaller deduction for these students than if they were funded at 100%.
- Schools with year over year net growth in weighted register but net loss from their FY 2015 projected weighted register to their FY 2015 mid-year funded weighted register will receive both a reduction for the loss from projected to actual registers at their funding percent as well as a separate increase to lift their funding for actual year over year register growth to 100%.
- Schools with a year over year net weighted register decrease but net increases between their FY 2015 projected weighted register and their FY 2015 mid-year funded weighted register will not receive the adjustment for year over year register growth (since there was none), but will receive funding for their growth from projected to actual registers at their FSF percent as they normally would.

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

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

Sample	Weight	Per Capita	Projected Register	Audited Register	Change	Net Impact
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’ FY 2014 mid-year adjustment can be found on the Fair Student Funding School Overview page at

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

The chart below displays all the possible register changes. The chart on the following page provides examples clarifying this new policy.

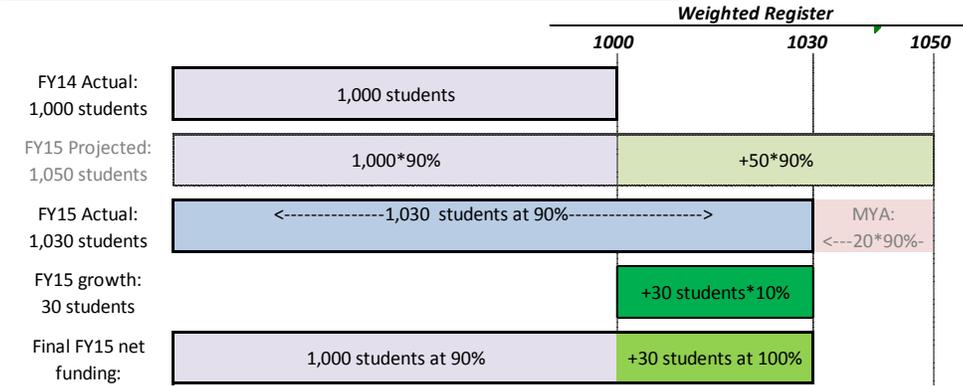
Register Change				
A: FY 2014 MY to FY 2015 Initial (1)	B: FY 2015 Initial to FY 2015 MY (1)	C (A+B): Net FY 14 MY to FY 2015 MY	Post MY adj at formula less school percent of formula	
No Change	Increase	Increase	yes	
	Decrease	Decrease	N/A	
Increase	No Change	Increase	yes	
	Increase	Increase	yes	
	Decrease	No Change	N/A	
			Increase	yes
Decrease		Decrease	N/A	
	No Change	Decrease	N/A	
	Increase	No Change	N/A	
			Increase	yes
			Decrease	N/A
	Decrease	Decrease	N/A	

(1) adj at school % of formula

CALCULATING THE FINANCIAL IMPACT OF REGISTER GROWTH AT 100% OF THE FSF FORMULA

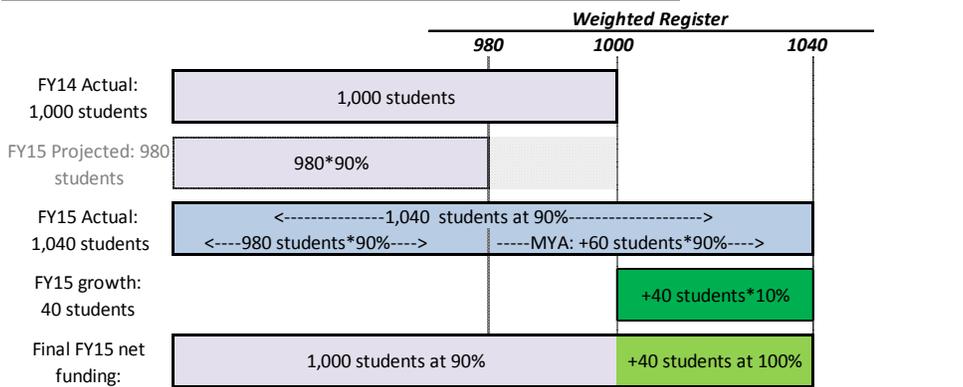
Base Information: The school's FY14 Actual Weighted Register was 1,000 pupils, and its FY15 FSF% is 90%.

School A: Registers increased less than the projected increase



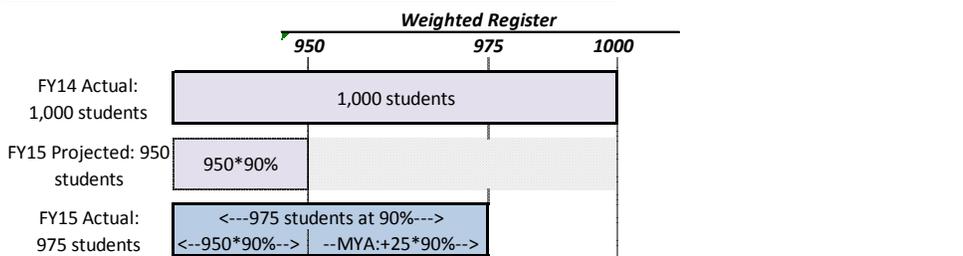
School A was projected to gain registers and was funded at their FSF percent for last year's weighted registers plus 50 weighted registers. However, the school actually received 30 weighted registers above the previous year. The school's funding is adjusted at the mid-year to remove funding for 20 pupils at the school's FSF%. The school also receives a separate adjustment to increase its funding for the 30 student year-over-year gain to 100% instead of the FSF%.

School B: Projected register decrease; actual register increase



School B was projected to lose registers. However, the mid-year showed a gain in registers. The school is funded for each register gained in the mid-year at their FSF%, plus anything above the previous year at 100% of formula.

School C: Register decrease was less than projected decrease



School C was projected to lose registers. However, the mid-year showed a loss not as large as anticipated. The school is funded for each register gained in the mid-year at their FSF%. No additional funding is provided at 100% of formula because the registers are below the previous year's Actual.

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.

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 present 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 FY 2015.

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 2015.

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 FY 2014, 30% of the amount of their FY 2014 mid-year adjustment will be set aside, or

- For schools that had register loss in FY 2013, 15% of the amount of their FY 2013 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 a loss reserve, but could have a gain reserve 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

Schools will again be responsible to roll over deficits to FY 2015 where they cannot pay back funds owed in FY 2014. Schools must plan and take action to pay back their rollover deficit liability, while also right-sizing services in alignment with their FY 2015 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.

Schools should expect that this item will once again be part of the Compliance Checklist for FY 2015:

CL03: Did your school set aside the appropriate level of funding in anticipation of mid-year adjustments, based upon the October 31, 2014 audited register by April 19, 2015?

Refer to SAM No. 37 Rollover Deficits for details of school payback plans.

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

4.7.1. New schools

Schools opening in September 2014 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 2014 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 14, 7% for grades 6 to 8
- Elementary School— county based poverty threshold (if start before grade 4)

Below Standards:

- High Schools—34%
- Middle School—12%
- Secondary Schools—34% if only grades 9 to 12, 12% 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 2014 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: FAIR STUDENT FUNDING IMPLEMENTATION PROCESS, WEB RESOURCES AND ALLOCATION CATEGORIES

In order to balance the sometimes competing priorities of equity and stability, and due to successive years of budget reductions, FSF has not been fully implemented for allocating resources. 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 in FY 2013, each school’s relative position to the full FSF 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 a strong commitment to improving school budget allocations in a way that is equitable and transparent.

5.1. Budget Stability

The DOE FY 2015 budget reflects the Chancellor's core values which are embedded in the four pillars previously discussed in the introduction. This year's budget gives the DOE a unique opportunity to transform our values into historic gains for our public school students. It includes notable investments in the expansion of high quality full day Pre-Kindergarten, after school programs for middle schools, funding for the arts, instructional supports for English Language Learners, technology and facility improvements in schools, program expansion in new district and charter schools, implementation of Teacher Evaluations, and supports for the Close to Home Program for incarcerated students.

Expansion of Universal Pre-Kindergarten

There is \$300 million of new funding to support the expansion of full day high quality universal Pre-Kindergarten programs in DOE and Community Based Early Childhood Centers (CBECCs). Allocations to schools will support full day Pre-K teachers, paraprofessionals, prep period coverage, teacher and para absence coverage, shared planning time for professional development, and OTPS. The allocations for existing programs have been enhanced to include prep period coverage, absence coverage, and shared planning time for professional development. Additional details regarding this allocation can be found in School Allocation Memorandum (SAM) No. 22 Pre-Kindergarten Programs.

Expansion of Afterschool Programs for Middle School Grades

There is \$145 million of new funding to support the expansion of afterschool programs for students in middle school grades. Programs will be operated by the Department of Youth and Community Development (DYCD). Middle schools will be able to access funding to support Extended Use costs following current procedures for processing this expense. Additional details regarding this program will be issued shortly.

Funding for the Arts

There is \$23 million of new funding which will be allocated to schools in 2014-2015 to support arts programming. Additional details regarding central initiatives and school programs will be announced shortly.

UFT Contract

The initial allocations and scheduling guidelines do not reflect any changes due to the recently negotiated contract, which is still in the ratification process. Further guidance will be issued shortly.

Citywide Instructional Expectations

Allocations to schools supporting the implementation of the citywide instructional expectations (CIE) will continue. These expectations are intended to guide school communities as they focus their efforts and resources toward the goal of creating a rigorous and coherent instructional experience for students and educators. Refer to SAM No. 38 Citywide Instructional Expectations for details.

Title I Part A Update

For FY 2015, the New York State Education Department is projecting a reduction of Title I Part A funds for three of the five counties in New York City. The net effect is a projected Title I Part A appropriation that has been reduced by approximately 3.50% from the previous year. Note, this is a preliminary projection and is subject to change once the NYSED releases its allocations to school districts within the state.

For three consecutive years, Title I Part A federal funds for NYC have been substantially reduced, and the impact to schools this year has resulted in an overall reduction of 4.74%. Manhattan, the Bronx, and Brooklyn have been reduced to their hold harmless level. The revenue reduction is also impacted by the census poverty data for formula children between the ages of five to 17, and a decrease in eligible, low income students in public schools. In order to restore and sustain essential services, the NYC DOE will continue to provide the FY 2014 sequestration allocation the FY 2014 level of funding. After backfilling two consecutive years of Title I losses, the department does not have discretionary tax levy resources available to cover the impact of the incremental FY 2015 Title I reductions. Note also that borough based Title I per capita fluctuates each year based on the number of eligible pupils within each borough.

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 continues to be 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.

- FSF Overview
- FSF Details

Samples appear on the following two pages.

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. Details are provided explaining each school's 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>.

FSF OVERVIEW SAMPLE REPORT



☒ Arabic ☒ Bengali ☒ Chinese ☒ English ☒ French ☒ Haitian-Creole ☒ Korean
☒ Russian ☒ Spanish ☒ Urdu

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DOE Home Page > About Us > Funding Our Schools > School Budget Overview

School Budget Overview

Budget Overview For 2014-15 School Year

M020 - P.S. 020 Anna Silver

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[DOE Overview](#)
[Fair Student Funding Details](#)
[2013-2014 School Budget Overview](#)

2014-2015 School Budgets

Overview

The tables in the FY2015 school overview explain the changes from the school's FY2014 base allocations to the preliminary FY2015 Fair Student Funding allocation.

Ensuring Stability

The transition from the prior year to the current year's allocation ensures that schools are allocated the same baselined funds they received in the prior year with adjustments only for changes in the number and needs of students from the prior year. During FY2014 teacher salaries were unchanged on average from the prior year, therefore the formula for FY2015 will be based on the same teacher salary and use the same per capitas as the formula for FY2014.

Funding for new schools is based purely on the FY2015 Fair Student Formula. For continuing schools, the FY2015 FSF Initial Allocation consists of the FY2014 Base FSF Allocations with adjustments for register change, based on the school's percent of formula at the end of FY2014 (i.e., a school at 90% of formula with a register decrease will not lose the value of one full per capita, but rather, only 90% of a per capita value).

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

I. FY14 Revised Base Allocations	a+b+c	\$3,109,552
II. FY15 Fair Student Funding Preliminary Allocation	d+a+fg+h	\$3,086,474
III. FY15 Fair Student Funding Formula at 100%	i	\$3,723,293
FY15 Final Percent of Formula		
{d} FY15 Fair Student Funding Preliminary Allocation - Foundation (\$225,000)	$\frac{(\$3,086,474 - \$225,000)}{(\$3,723,293 - \$225,000)} = \frac{\$2,861,474}{\$3,498,293} = 81.80\%$	
{i} FY15 Fair Student Funding Formula - Foundation (\$225,000)		
<i>Note: Funds in excess of 100% are allocated in TL Funds Over Formula.</i>		
IV. FY15 Initial Fair Student Funding Allocations	d	\$3,086,474
V. FY15 TL SE Transitional Funding		\$11,862
VI. FY15 Current Allocations in Galaxy		

Footnotes

- Calculations may have discrepancies due to rounding display of percentages applied.
- "TL" represents Tax Levy Funding.

FSF DETAILS SAMPLE REPORT



- Arabic
- Bengali
- Chinese
- English
- French
- Haitian-Creole
- Korean
- Russian
- Spanish
- Urdu

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School Budget Overview

Fair Student Funding Budget For 2014-15 School Year

M020 - P.S. 020 Anna Silver

- Expand All & Collapse
- Download to Excel
- Print (*)
- DOE Overview
- School Budget Overview
- 2013-2014 School Budget Overview

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

	i	m	n	o	p o m	q o n	r q m
Fair Student Funding Formula Detail					FY15 Projected		Register Change
Fair Student Funding Weighted Register Formula	FY15 Weight	FY15 Per Capita without Funding for System-wide Teacher Salary Growth*	FY14 Actual Registers Register	Register Salary	Formula	Register	Formula
Adjustment for System-wide Teacher Salary Growth [g]			846.56 x	\$0.00 +	\$0		
Foundation					+ \$225,000		
FY14 Fair Student Formula at 100% [j]					= \$3,723,293		

WALK THROUGH FROM FAIR STUDENT FUNDING WEIGHTED REGISTER FORMULA TO PRELIMINARY ALLOCATION							
FY14 Revised Based Allocations (from Overview page)					a		\$3,109,552
Register Change							
Fair Student Funding Register Formula					s	(\$28,214)	
Change to Preliminary Fair Student Funding Percentage Capped at 100%					t	x 81.80%	
Register Change Allocation Based on School's Percent of Formula					f		(\$23,076)
Adjustment for System-wide Teacher Salary Growth					g		\$0
Foundation for New Schools					h		\$0
FY15 Initial Fair Student Funding Allocations					d=a+f+g+h		\$3,086,474
FY15 Final Percent of Formula		(\$3,086,474 - \$225,000)			j		81.80%
		(\$3,723,293 - \$225,000)					

* Chart of FY15 Per-Capita including System-wide Teacher Salary Growth.
 ** Chart to Calculate 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

The initial allocations and scheduling guidelines do not reflect any changes due to the recently negotiated UFT contract, which is still in the ratification process. Further guidance will be issued upon ratification.

6.1. Background

6.1.1. How Schools Pay for Teachers

Before FSF, we used to fund schools 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, 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 FSF allocation—and schools are responsible for paying their teachers out of that allocation. This way of managing a budget is familiar to families, universities, and businesses.

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 in funding allocations due to the implementation of the FSF formula. The implementation has offered new opportunities for greater flexibility.

Throughout FSF, the following policies preserve many key aspects of the previous approach to funding schools for teachers:

- Through FSF 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 FSF 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 their expense in accordance with the former policy to allocate 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, 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, but will do so in a way that is realistic for their budget.

As an example, prior to FSF, 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	FSF
<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>Budget: Based on student mix Charge: SWA salary \$70k</p> <p>Replacement hire made in FY 2014: \$60k</p> <ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire • Expenses <i>reduced</i> by \$10K in FY 2015 • Effect: Purchasing power <i>increases</i> by \$10k. <i>Savings</i> for FY 2015 can be used for other supports such as mentoring, extended day programs, supplies, and/or intervention <p>Or, Replacement hire made in FY 2014: \$80k</p>

<p>Or, Replacement hire: \$80k</p> <ul style="list-style-type: none"> • Budget increased by \$10k • Expenses increased by \$10k • Effect: none 	<ul style="list-style-type: none"> • Budget is <i>unchanged</i> because of hire • Expenses increased by \$10K in FY 2015 • Effect: Purchasing power <i>decreases</i>: \$10k. <i>Additional</i> cost for FY 2015 funded with tradeoffs made within the school budget
---	--

For collective bargaining increases, schools will be funded for increases in all teachers’ salaries due to collective bargaining (contractual raises) in the concurrent year outside of their Galaxy budget, and in the subsequent year through the funding for systemwide salary growth.

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 FSF 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 will be a lag-time for the effect. 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 2014 salary snapshot	50 teachers Average salary through June 2014: \$64,000	50 teachers Average salary through June 2014: \$68,000
June 2014–February 2015	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 2015 salary snapshot	50 teachers New average salary charged for all teachers through June 2015: \$61,000	50 teachers New average salary charged for all teachers through June 2014: \$71,000
June 2015–February 2015	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 that teacher at the current school-wide average teacher salary, but the school's overall expenses will increase due to the increase in overall 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, 2014. The salaries of those teachers are forecasted for their amounts as of June 30, 2014 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 2014.

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 2014-15 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 FSF 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 FY 2015 projected registers is lower than the FY08 base number of teachers less attrition, then the FY 2015 number is used instead.

Legacy Teacher Salary Supplement
Annual increases for all legacy teachers - Average Teacher Salary Increase for all legacy teachers (allocated separately)
÷
Lesser of [FY08 base teachers - exits and transfers] or FY 2015 projected base teachers

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 2014 school year, one teacher left to be replaced by a new teacher, and four legacy-teachers remain.

**In most cases this will be the FY07 base number of teachers (BNTCH). However, for schools where enrollment has dropped significantly, the FY 2015 base number may be used instead if it is less than the calculation above would be.*

The salary increases due to longevity and differentials during 2014 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 FSF 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 FY 2015 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.

6.5. Technical Notes on Staffing Non-Teacher Positions

Schools will be charged forecast actual salary for non-teaching positions. Forecast 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 2014-2015

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. But 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. 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, 2014 register for school year 2014-15;
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 Network use only—not schools’ use.

6.7. Other Tools for Staffing

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

- [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, including a comprehensive [Teacher Interview Question Bank](#).
- [Open Market Transfer System](#) (OMTS) is an online tool school leaders can leverage to identify and attract current, internal teachers who wish to transfer schools. OMTS helps principals to efficiently review and manage internal teacher applicants. Using a combination of 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.
- [New Teacher Finder](#) (NTF) is an online tool to assist school leaders to identify high-quality, external teacher candidates who may be a fit for their school. NTF provides an abundance of information on external teacher candidates, including certification and background, their

resume, and short-answer responses that provide insight on the candidate's communication and problem solving skills. NTF allows principals to post positions, search for candidates, and cultivate and track candidates via short lists and other tools.

- The [Teacher Staffing Support Team](#), within the Office of Teacher Recruitment and Quality, provides additional support to school leaders and HR Directors to help make them make thoughtful and strategic hiring decisions. Each school has an identified Staffing Support Manager that can support school leaders in recruiting, selecting, and retaining high-quality staff. To contact the Teacher Staffing Support Team, email them at hiringsupport@schools.nyc.gov.
- [The Talent Profile](#) and [Smart Retention Reports](#) are interactive tools that enable school leaders to quickly access, analyze, and reflect on their human capital data. The Talent Profile provides up-to-date data on the number of hires, transfers, and exits of your teaching staff, along the ability to drill down to teacher-level data and compare results to citywide and network averages. The Smart Retention Report, available on the Principal's Portal, provides a detailed look at retention patterns and offers a toolkit of strategies and resources to retain high-performing teachers.
- [Recruitment and Networking Events](#): A number of citywide events are offered throughout the spring and summer by the Office of Teacher Recruitment and Quality. These events provide a unique opportunity for schools leaders to interact with a select group of quality teachers who are interested in working in New York City schools. Information and details about these events will be made available on the [Principal's Portal](#), the [Principal's Calendar](#), and [Principal's Weekly](#).
- [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 2014-15 Approved Budget states that, “school districts that submitted a contract for excellence for the two thousand thirteen - two thousand fourteen school year, unless all schools in the district are identified as in good standing, shall submit a contract for excellence for the two thousand fourteen-two thousand fifteen 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 FY 2015 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 2014-15 Contracts for Excellence discretionary funds are to be used to maintain effort for programs initiated using this funding source in 2013-14. 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 FY 2015

- 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 (Once SED releases official guidelines for FY 2015 funds, this section will be updated).
 - 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 FY 2014 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 SY14 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 FY 2014 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 SY14 class size reductions: Successfully reduced class size at the aggregate school level in SY14, and continue to fund a teacher(s) necessary to maintain a similar class size in SY15. Note: This may not result in an additional class size reduction, but should result in a similar class size as calculated in SY14. This option is only applicable to schools that demonstrated a real class size reduction in SY14.	Maintain Class Size
	Maintain SY14 Pupil Teacher Ratio reductions: Successfully reduced PTR at the aggregate school level in SY14 and continue to fund a teacher(s) necessary to maintain a similar PTR in SY15. Note: This may not result in an additional PTR reduction, but should result in a similar PTR as calculated in SY14. This option is only applicable to schools that demonstrated a real PTR reduction in SY14.	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 FY 2014. Teachers must be supplemental to the number required by contract.	Minimize Class Size growth

Program	Strategy	Galaxy Program Description
Time on Task	<p>Supplementary Before- or After-School Programs:</p> <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
	<p>Lengthened School Year: Supplementary summer school, which may include:</p> <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 	<p>MSHS Instruct Changes</p>
	<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>	<p>MSHS Struct Changes</p>
<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>	<p>Full Day Pre-K</p>
<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>	<p>ELL Innovative Programs</p>
	<p>Teacher Development, Recruitment, and Retention</p>	<p>ELL Teacher Recruitment</p>
	<p>Parental Involvement and Instruction</p>	<p>ELL Parent Involvement</p>

To review prior year State regulations and guidance, please visit <http://www.p14.nysed.gov/mgtserv/C4E/11-14home.html>

CHAPTER 8: CONCEPTUAL CONSOLIDATION IN TITLE I SWP SCHOOLS

8.1. Overview/Background

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 it is consolidating like they are 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 program contributed the specific funds used for a particular activity.

Consolidating Federal funds eases the requirements for accounting for funds from each specific program separately, because a School-wide Program school is not required to distinguish among funds received from different sources when accounting for their use.

A school that consolidates Federal funds in its School-wide Program is not required to meet most of the statutory and regulatory requirements of the specific Federal programs included in the consolidation (e.g., semi-annual time and effort reporting for Title I). 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 word “pool” is used conceptually to convey that a 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.
- That is to say that 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 will be 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 federal-funded allocation categories that are conceptually consolidated? **None** – those allocation categories **do not require** Time and Effort Reports.
- What are the report criteria for federal-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.

Continuing the practice started in FY 2013, 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 FY 2015. Refer to School Allocation Memorandum #35 Salary Subsidy for Excess Staff Hired to Permanent Assignments.

Subsidy-eligible titles included teachers, guidance counselors, social workers, lab assistants, school psychologists, school secretaries, and speech teachers. Staff that changed school or title during the subsidized period effectively cancelled the subsidy; the subsidy does not transfer between schools or titles and cannot be repurposed after separation from service. If separation from service occurs, the remaining subsidy is recouped centrally. The subsidy is suspended while subsidized staffs are on leave, but there is no corresponding extension of the subsidy beyond 8 calendar years, and the basis of the subsidy (the current salary of a person newly hired the year the subsidized person was hired from excess) is not adjusted.

Refer to School Allocation Memorandum #35 Salary Subsidy for Excess Staff Hired to Permanent Assignments.

The MOU with the UFT allows the hiring of excess staff on a provisional basis, without financial incentive, after the Open Market transfer period, which closes on August 7, 2014.

In addition, per the tentative UFT contract, schools that hire ATRs will not have their salary included in the school-wide average salary calculation for 2015-16.