

## SCHOOL ALLOCATION MEMORANDUM NO. 39, FY 2017

**DATE:** July 12, 2016

**TO:** Community Superintendents  
High School Superintendents  
Borough Field Support Center Teams  
School Principals

**FROM:** Raymond J. Orlando, Chief Financial Officer

**SUBJECT:** Centrally Funded Excess

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Schools must devote sufficient resources to meet all mandated and contractual obligations and maintain current staff with available resources. If schools meet the criteria described below, they may excess staff that will then be funded from the Centrally Funded Excess Staff (CFES) allocation.

**All requests for CFES will be carefully evaluated. In particular, excessing of teachers, guidance counselors, and social workers must be limited so as not to deplete overall department resources. Excessing of assistant principals or parent coordinators is not permitted. Principals are reminded that excessing is not an appropriate method to address unsatisfactory staff.**

Note that the system-wide costs for excess staff are a major factor when policies for hiring restrictions are considered so it is important that schools limit excessing to the greatest extent possible, while also considering excessed staff as candidates for any vacancies. Schools with excessed staff whose financial condition improves should reabsorb their excessed staff.

### **Guidelines for Receiving Central Funds for Excessing**

Schools are eligible to receive CFES only if they meet both the Excess Reason and Financial Benchmarks below. The evaluation of financial criteria is based on each school's completed FY 2017 budget in Galaxy.

#### **1. Excess Reasons:**

Schools will be eligible to receive CFES if at least one of the following Excess Reasons applies.

- **Register Loss:** Schools experiencing a projected FY 2017 register loss of at least 3.3 percent when compared to the audited October 31, 2015 register for school year 2015-2016.
- **Multi-Year Register Loss:** Schools experiencing a projected FY 2017 register loss of at least 5 percent when compared to the audited October 31, 2014 register for school year 2014-2015.
- **Deficit Rollover:** Schools where the outstanding amount of the FY 2017 deficit rollover of funds they were not able to pay for FY 2016 register loss exceeds 40 percent of that school's FY 2017 average teacher salary. [SAM No. 34](#) provides additional detail on the FY 2017 deficit rollover policy.

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

Where schools are excessing to align staffing levels with anticipated register loss between original projected and current anticipated registers for SY 2016-2017, schools are expected to schedule freed-up tax levy dollars in the register loss set-aside.

## **2. Financial Benchmarks:**

*In addition to complying with the Excess Reasons stated above*, schools must demonstrate that they are unable to self-fund all staff. Each school's budget will be considered in its entirety when assessing its ability to self-fund staff. Schools must completely schedule their initial allocations in Galaxy and make every effort to meet all checklist requirements before excessing.

The following criteria will be applied to assess which schools cannot self-fund all staff:

- After scheduling for all mandated and contractual obligations, schools' scheduled amounts cannot cumulatively exceed weighted-pupil per-capita thresholds by more than \$32,000. The thresholds are based on data from similar schools by type and size in the following areas.
  1. OTPS (excluding NYSTL, and Title I set-aside Students in Temporary Housing)
  2. Per Diem
  3. Per Session
  4. Unscheduled balances will be reviewed to determine if they are appropriate to fund proposed excess staff.
- Schools that self-fund all or part of summer school site costs are expected to absorb the cost of excesses at least up to the amount used for site costs.
- Scheduled vacancies must be inappropriate for proposed excess staff.
- Increases in the levels of administrative and support staff from prior year levels will be reviewed.

The thresholds remain unchanged from FY 2016, and were determined relative to the 25<sup>th</sup> percentile of schools' spending within major flexible allocation categories divided by their FSF actual weighted-student register except for unscheduled balances where the threshold is zero.

1. To ensure that two schools with slightly different weighted registers do not face dramatically different thresholds and that all thresholds are close to the 25<sup>th</sup> percentile for all registers, the thresholds are determined by fitting a bounded polynomial to a moving percentile fitted to the 25<sup>th</sup> percentile step functions.
2. The thresholds for Per Diem are the greater of the thresholds based on the 25<sup>th</sup> percentiles, as described above, and a linear function that allows, on average, for the 28<sup>th</sup> percentile of the observed relationship between spending on Per Diem and weighted registers by type.
3. To account for fixed-cost inflation, the per-capita amounts for schools with a weighted register below 250 are adjusted to reflect a weighted register of 250.

Per capita thresholds by school type and size are shown below. Specific thresholds for each school are based on the 25<sup>th</sup> percentile of schools of the same level closest to that school by weighted register. Minimums and maximums are presented in the table below for simplicity.

### Excessing Thresholds FY17

Level	Size-Level Group (By FSF-Weighted Register)	Per Diem per weighted capita		OTPS per weighted capita*		Per Session per weighted capita		Under / (Over) Scheduled**	Deficit Roll Set Aside in Excess of Target
		Min	Max	Min	Max	Min	Max		
EL	Small (<= 400)	\$ 66.68	\$ 68.56	\$104.12	\$167.64	\$ 44.80	\$ 45.73	\$ -	\$ -
EL	Medium (<= 760)	\$ 64.99	\$ 66.68	\$ 84.86	\$104.01	\$ 42.36	\$ 45.73	\$ -	\$ -
EL	Large (<= 1,300)	\$ 62.44	\$ 64.98	\$ 83.34	\$ 84.85	\$ 38.19	\$ 45.73	\$ -	\$ -
EL	V. Large (> 1,300)	\$ 58.76	\$ 62.44	\$ 83.64	\$ 91.51	\$ 37.77	\$ 45.73	\$ -	\$ -
MS	Small (<= 375)	\$ 49.76	\$ 50.80	\$112.47	\$124.29	\$ 46.67	\$ 49.37	\$ -	\$ -
MS	Medium (<= 750)	\$ 49.09	\$ 51.01	\$ 79.82	\$112.34	\$ 39.14	\$ 49.37	\$ -	\$ -
MS	Large (<= 1500)	\$ 51.03	\$ 58.41	\$ 62.23	\$ 79.76	\$ 31.76	\$ 49.37	\$ -	\$ -
MS	V. Large (> 1500)	\$ 58.41	\$ 64.40	\$ 54.90	\$ 67.06	\$ 26.90	\$ 49.37	\$ -	\$ -
HS	Small (<= 425)	\$ 28.55	\$ 29.34	\$209.43	\$255.51	\$ 57.44	\$ 62.49	\$ -	\$ -
HS	Medium (<= 800)	\$ 28.15	\$ 31.67	\$140.46	\$209.19	\$ 50.55	\$ 62.49	\$ -	\$ -
HS	Large (<= 1700)	\$ 31.69	\$ 40.41	\$ 87.08	\$140.33	\$ 47.29	\$ 62.49	\$ -	\$ -
HS	V. Large (> 1700)	\$ 40.41	\$ 40.81	\$ 37.59	\$ 89.25	\$ 45.98	\$ 62.49	\$ -	\$ -

To account for fixed-cost inflation of small-school per-capitas, per capitas for schools with a weighted register below 250 were adjusted to reflect a weighted register of 250.

\* Adjusted for OTPS Title I Set-Asides (STH only. Parental Involvement is an excluded AC)

\*\* Adjusted for Hold-Harmless in Process

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RJO: kw