



# Contracts for Excellence

**FY 2022 Proposed Plan:  
*Borough Hearing***

**July, 2021**

# Contracts for Excellence (C4E) Overview

- NYCDOE receives Foundation Aid from the State, making up a portion of the overall budget.
- A November 2006 Court of Appeals decision stated that every public school child in the State has a right to a "sound basic education" and that the State has the responsibility to increase funding for New York City's public schools.
  - As a result of this court decision, the New York State Legislature passed legislation requiring that, for each school district that has at least one school that requires academic progress or is in need of improvement, the school district would receive an increase in foundation aid and a portion of that foundation aid would be subject to the categorical spending requirements of the Contract for Excellence. Funds were first received in the 2007-2008 school year.
  - DOE has not received additional funding subject to the requirements of the Contract for Excellence since FY2012.
  - C4E is a set-aside amount from State Foundation Aid. According to the C4E statute, the amount of the C4E set-aside may not be less than the prior year's set-aside amount, unless the Commissioner expressly establishes a different set-aside amount.
- These funds, under State law, must be distributed to schools that meet certain requirements and must be spent by those schools in designated program areas, as set forth in the Contract for Excellence legislation.

# Contracts for Excellence (C4E) Requirements

## 1. Funds must support specific program initiatives:

- **Class Size Reduction** – *opening additional class sections, creating more classrooms or school buildings, assigning more than one teacher to a classroom, and other approved methods, to facilitate student attainment of State learning standards, with priority given to pre-K through grade 12 students in overcrowded schools, particularly those requiring academic progress, schools in need of improvement, schools in corrective action, and schools in restructuring status*
- **Time on Task** – *programs focusing on students who may require additional or increased individualized attention in order to raise achievement*
- **Teacher & Principal Quality Initiatives** – *programs supporting development & retention of high quality teachers and principals for raising achievement in struggling schools*
- **Middle & High School Restructuring** – *instructional and structural changes in middle and high schools to support class size reduction and raise achievement in struggling schools*
- **Full-Day Pre-Kindergarten Programs**
- **Model Programs for English Language Learners** – *programs aimed at supporting schools in adopting “best practices” for raising achievement among English Language Learners*

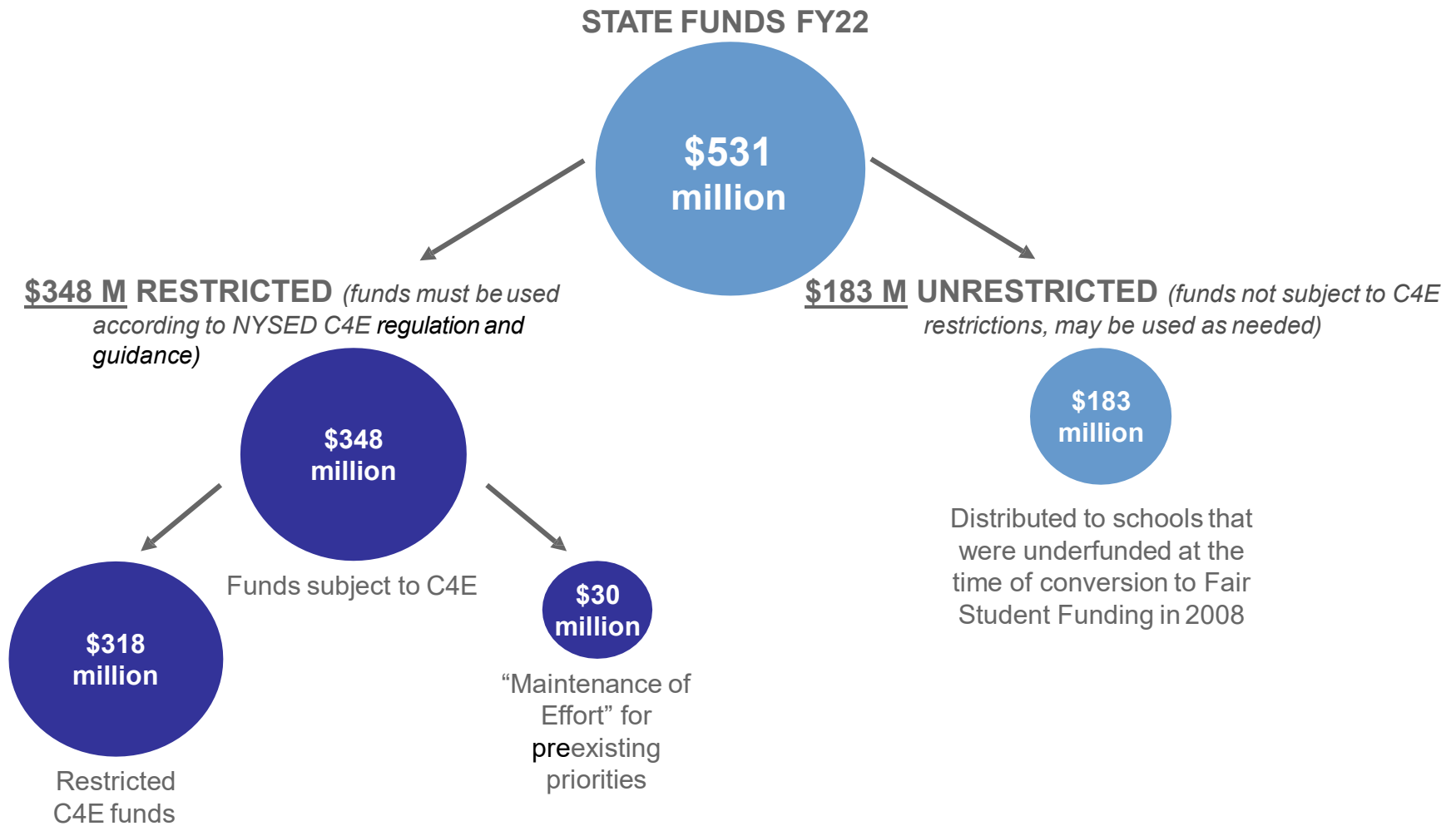
# Contracts for Excellence Requirements (cont'd)

2. **Funds should be used towards meeting schools' overall educational goals as outlined in the School Comprehensive Educational Plan (SCEP) and must be allocated predominantly to students with the greatest educational needs, such as**
  - English Language Learners
  - Students in Poverty
  - Students with Disabilities
  - Students with Low Academic Achievement or At Risk of Not Graduating
  
3. **Funds must supplement, not supplant, local funding or other grants:**
  - Expenditures made using C4E funds must “supplement, not supplant” funding provided by the school district; however, SED has provided guidance explaining that certain expenditures may be paid for with C4E funds even though these programs or expenditures were originally or have been typically paid for by the district or by other grants. For example, if a program had been funded by a different grant, but that grant funding has been cut, then C4E funds can be used to fund the program.
  - For new or expansion of existing programs only

# Contracts for Excellence 2021-2022

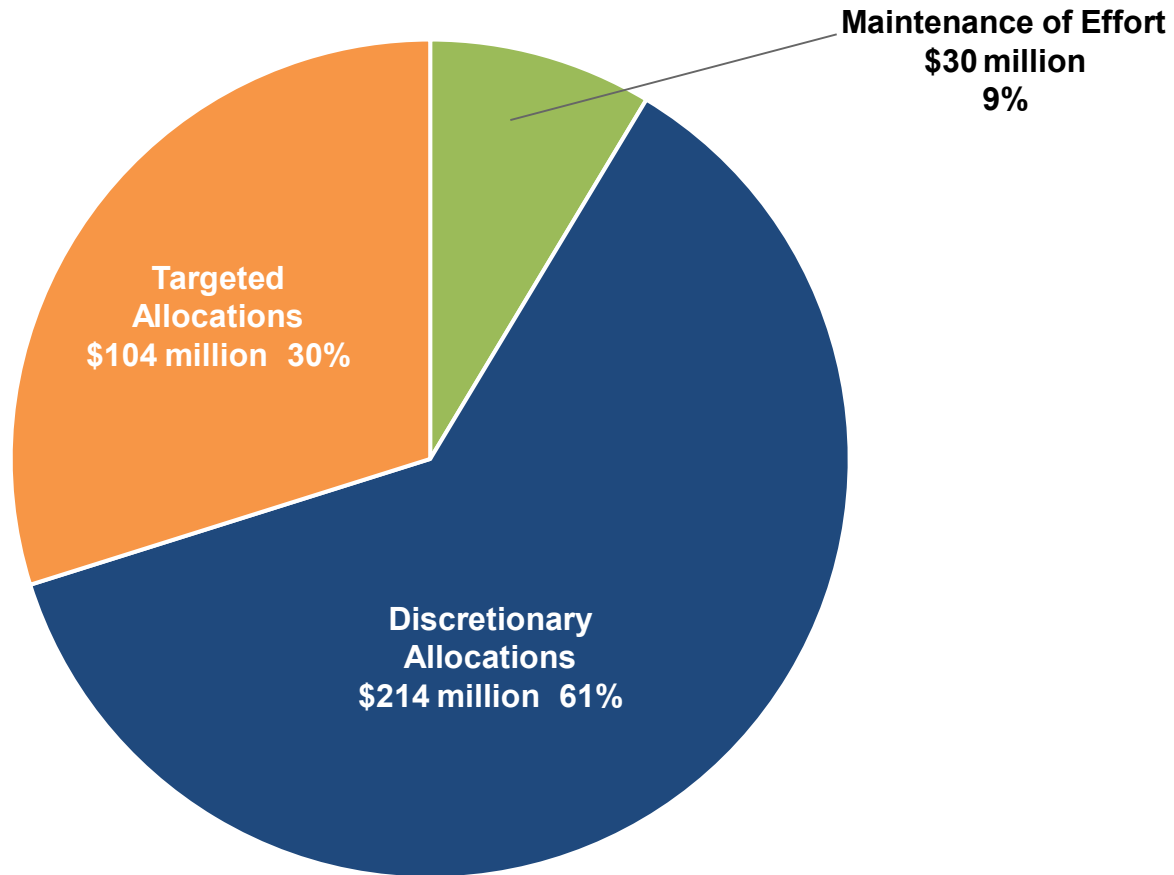
- The New York State 2021-2022 Budget continues Contract for Excellence requirements for New York State and maintains the same funding level for the Contracts for Excellence allocation to local educational agencies (LEAs) as was provided in the 2020-2021 school year.
- For FY 2022, the State has not allocated to NYCDOE any additional C4E funding above the amount it provided in SY 2009-2010. As a result, NYCDOE is in “maintenance of effort” status, meaning that C4E funds will be used to maintain programs that were approved and implemented in prior years.
- The total C4E amount for FY 2022 is \$531 million, out of which \$183 million is embedded in Fair Student Funding, which is the primary funding source for schools. Fair Student Funding is allocated based on each student’s educational attributes, including ELL, Individualized Education Program (IEP), academic proficiency, and poverty status. Information about Fair Student Funding can be found at [https://www.nycenet.edu/offices/finance\\_schools/budget/DSBPO/allocationmemo/fy21\\_22/am\\_fy22\\_fsf1.htm](https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy21_22/am_fy22_fsf1.htm)
- The remaining \$348 million of C4E funding will be distributed to schools through school allocation memos, also known as “SAMs”.
- This presentation explains how the \$348 million is allocated.

# State Funding Breakdown



# NYC's 2021-22 Preliminary C4E Plan

How We Propose to Allocate the \$348 Million Restricted Funds



The FY 2022 Contracts for Excellence allocations described in this plan are preliminary. Funds are subject to a public engagement process and approval by the State Education Department. Please note that distribution of all funds is subject to allocation guidelines as specified in State regulations.

## Discretionary Allocations to Schools

Amount	<p><b>\$214 million</b> in restricted Contracts for Excellence funds were released to 1,400+ schools in June 2021.</p> <p><b>61%</b> of total restricted Contract funds.</p>
Use	<ul style="list-style-type: none"><li>➤ Continuity of service for existing C4E programs.</li><li>➤ However, if a school cannot maintain effort because of significant changes in its student population or its overall instructional strategy, it could choose to reallocate funds to a different allowable program area.</li></ul>



## Targeted Allocations to Schools

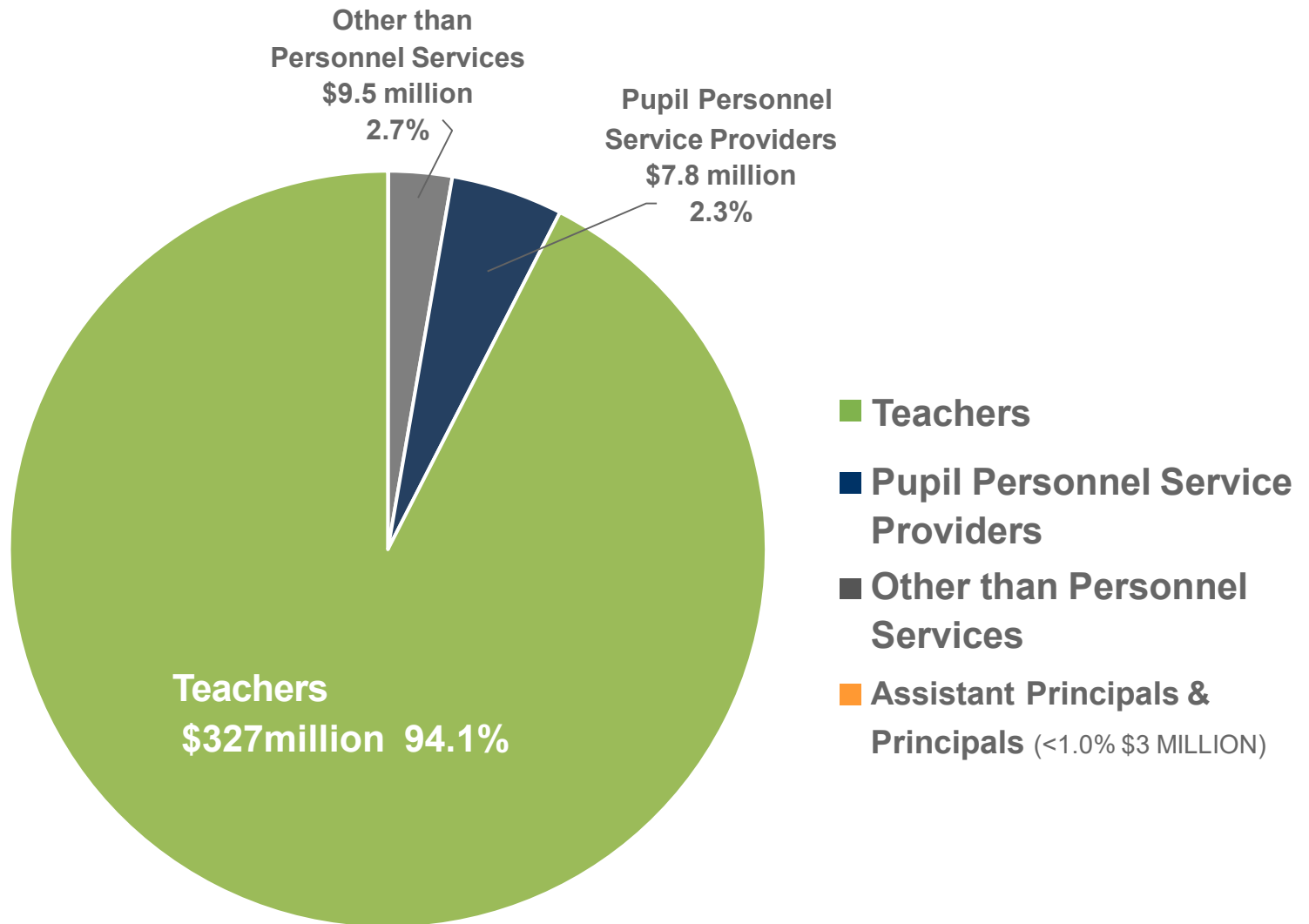
Amount	<p>About <b>\$104 million</b> of C4E funds were targeted for specific programs (see <i>below for types of programs</i>). Schools receiving allocations were chosen based on</p> <p>a) overall student need and b) capacity to carry out the specific programs.</p> <p><b>30% of total restricted Contract funds</b></p>
Use	<p>Funds will be allocated directly to schools for specific programs, including but not limited to:</p> <ul style="list-style-type: none"> <li>➤ \$90.7 million – Integrated Co – Teaching Classrooms (ICT) (Formerly Collaborative Team Teaching (CTT))</li> <li>➤ \$9.0 million – Full-Day Pre-K</li> <li>➤ \$4.7 million – Autism Spectrum Disorder (ASD) Classrooms</li> </ul>

## Maintenance of Effort

Amount	<p><b>\$30 million</b></p> <p><b>9% of total restricted Contract funds</b></p>
Use	<p>The Department proposes to spend these funds to maintain summer programs impacting the students with the lowest academic achievement in the City.</p>

# How C4E Dollars Are Spent

## Expenditures for the \$348 Million Restricted Funds



# Class Size as an Allowable Activity During the 2021 – 2022 School Year

For the 2021-2022 school year, the DOE will continue its efforts to reduce class size, one of the allowable activities for which Contracts for Excellence funds may be spent pursuant to the C4E legislation. Principals may use C4E funds to reduce class sizes or student teacher ratios in their schools.

The New York State Commissioner of Education has determined that the five-year Class Size Plan created in 2007, when the C4E legislation was issued, is no longer in effect.

# Public Comment

We will take public feedback into account in the coming months as we continue to develop a citywide Contracts for Excellence plan.

The deadline for submitting public comments will be September 7, 2021.

The public may comment on any aspect of the plan, including:

- How schools are planning to spend their discretionary funds within the six allowable program areas
- How the DOE is allocating targeted Contract for Excellence funds to schools
- The public comment process

Educators, parents, and all other members of the New York City community may submit their comments by email to [ContractsForExcellence@schools.nyc.gov](mailto:ContractsForExcellence@schools.nyc.gov)