

CFE Analysis of New York City's

Contract for Excellence

Proposed Allocations 2008-09

For the plan released by NYC DOE on July 23, 2008

**Campaign for Fiscal Equity, Inc.**  
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**T**he Campaign for Fiscal Equity, Inc. (CFE) is a leading non-profit organization working to protect and promote the constitutional right to a sound basic education—defined as a meaningful high school education-- for every public school child in the State of New York. CFE was founded in 1993 by a coalition of concerned parents and education advocates who filed the landmark case *CFE v. State of New York*, which established this right. To make this right a reality, CFE works to ensure that the neediest students in low performing schools make academic progress, graduate high school and become active civic participants who can compete in the global economy. CFE works to educate and engage the public and policy makers to ensure that the historic school budget increases, accountability reform and meaningful public participation that resulted from the landmark CFE court decision and law reform are fully implemented.

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**Executive Director**

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Steven Sanders, former chairman of the New York State Assembly's Committee on Education

Heather Lewis, Assistant Professor, History of Education, Pratt Institute

Rodney Saunders, Parent of New York City Public School students

# CFE ANALYSIS OF NYC DOE'S JULY 23, 2008 PROPOSED ALLOCATIONS OF CONTRACT DOLLARS

CFE conducted an analysis of the final distribution of \$359 million in Contract money to 1,349 New York City schools based on data available from the Department of Education's (DOE) website. These schools represent 100 percent of New York City public schools outside District 75. DOE allocated no Contract dollars to District 75 schools. CFE analyzed Contract dollars according to Concentration of Need, discretionary and targeted allocations, Program Area as defined by Commissioner's Regulations, and Grade Organization.

CFE's findings indicate that the final distribution of Contract dollars satisfied the requirement that 75 percent of Contract dollars be allocated to schools with 50 percent of educational need. CFE's findings also suggest that in its efforts to restore the spending power of all City schools to 2007-08 levels, DOE may have supplanted some City dollars with Contract dollars.

The following table, compiled by CFE from DOE data, summarizes the allocation of 2008-09 Contract dollars across the City:

Count of all schools outside District 75	1,439
Percentage of these schools receiving Contract dollars	100%
Enrollment in schools receiving Contract dollars	938,457

Concentration of Need is intended to target Contract dollars to students with the greatest educational need as defined in Commissioner's Regulations. The methodology is described in DOE's School Allocation Memorandum No. 06, FY 09. Each school's Concentration of Need factor is the sum of the percentages of limited English proficient students, students with disabilities, students receiving free lunch, and weighted students with low academic achievement. To determine Need Quartiles, DOE ordered schools from highest to lowest according to Concentration of Need and divided the list into quartiles with roughly equal enrollment. For purposes of these analyses schools in Need Quartiles 1 and 2 are considered Low Need and schools in Need Quartiles 3 and 4, High Need.

To distribute discretionary Contract dollars, DOE calculated a weighted student count for each school by multiplying the Concentration of Need factor by the projected enrollment. DOE allocated \$112.16 for each weighted student in Need Quartiles 1 and 2; \$235.28 for each weighted student in Quartiles 3 and 4. Schools in Quartiles 1 and 2 that were in need of improvement under the State or Federal accountability system got \$198.75 per weighted student.

The July 23 allocations included \$83,933,484 in Contract dollars not previously shown publicly at the school level. The citywide allocations are shown below.

<b>Category</b>	<b>Allocation</b>
Discretionary	\$242,360,263
CTT Programs	\$42,286,626
CTT fringe	\$15,223,185
ASD	\$4,799,557
ELL Summer School	\$2,172,949
Pre-K Full-Day Expansion	\$4,763,118
Multiple Pathways	\$7,000,000
Principal Training	\$10,000,000
Summer School	\$23,158,941
Summer School Fringe	\$6,845,950
Total Contract dollars Allocated to Schools	<b>\$358,610,590</b>
Programs to recruit/retain highly qualified teachers (district level)	\$20,000,000
Total Contract dollars	<b>\$378,610,590</b>

## **THE 75/50 RULE**

Commissioner’s Regulations require that 75 percent of Contract dollars be allocated to schools where the concentration of student need is above the City median. This requirement is referred to as the 75/50 rule. The conclusion of these analyses is that New York City’s July 23 allocations of Contract dollars comply with this requirement.

Table 1 shows the allocations of almost \$359 million in Contract dollars to New York City Public Schools as of July 23. Of these dollars, 74.4 percent were allocated to schools with student need above the City median (Need Quartiles 3 and 4). Table 2 shows that 75 percent of discretionary Contract dollars were allocated to schools above the median in student need. DOE has announced its intention to distribute an additional \$7 million to schools above the median. The effect of this additional distribution is shown below:

### **Effect of Adding \$7 Million to Schools with Above Median Need**

Total Contract \$\$ Allocated to High Need Schools	\$266,753,862
With Additional \$7 Million	\$273,753,862
Total Contract \$\$ Allocated to All Schools	\$365,610,590
Percent of Total Contract \$\$ to High Need Schools	74.9%

**Table 1**  
**Total Contract Dollars Allocated to New York City Schools as of July 23, 2008**

Need Quartile	\$\$ Allocated	Enrollment	\$\$ per student	Weighted Students	\$\$ per weighted student	Percentage	Percentage above/below Median
1	\$32,646,698	234,190	\$139	161,563	\$202	9.1%	
2	\$59,210,029	238,811	\$248	286,069	\$207	16.5%	25.6%
3	\$114,869,413	236,285	\$486	347,741	\$330	32.0%	
4 High Need	\$151,884,449	229,171	\$663	426,149	\$356	42.4%	74.4%
Total Contract \$\$	\$358,610,590	938,457	\$382	1,221,522	\$294	100.0%	

**Table 2**  
**Discretionary Contract Dollars Allocated to New York City Schools as of July 23, 2008**

Need Quartile	\$\$ Allocated	Enrollment	\$\$ per student	Weighted Students	\$\$ per weighted student	Percentage	Percentage above/below Median
1	\$22,088,172	234,190	\$94	161,563	\$137	9.1%	
2	\$38,605,963	238,811	\$162	286,069	\$135	15.9%	25.0%
3	\$82,042,543	236,285	\$347	347,741	\$236	33.9%	
4 High Need	\$99,623,585	229,171	\$435	426,149	\$234	41.1%	75.0%
Total Discretionary \$\$	\$242,360,263	938,457	\$258	1,221,522	\$198	100.0%	

Note: the number of weighted students in each school was based on New York City DOE's calculation of concentrated need used for distributing discretionary Contract dollars and to place schools in the Need Quartiles. The methodology is described in School Allocation Memorandum No. 06, FY 09. In this methodology, the projected enrollment in each school is multiplied by the sum of the percentages of limited English proficient students, students with disabilities, students receiving free lunch, and students with low academic achievement. Students may be counted in more than one category; therefore, the number of weighted students may be greater than the enrollment.

## SUPLANTING CITY DOLLARS WITH CONTRACT DOLLARS

While the July 23 allocation brings DOE into compliance with the 75/50 rule, it leaves open the issue of whether DOE used Contract dollars to supplant City dollars. Section 2576.5b of State legislation on mayoral control states that: "The city amount (expenditures funded by city funds for the support of city school district of the city of New York, not including debt service or pensions) shall not be less than the city amount appropriated in the base year as determined at the time of adoption of the budget for the ensuing fiscal year."

The City has met the requirement to invest no fewer dollars in the schools in 2008-09 than in the previous year by allocating an additional \$400 million. However, according to Chancellor Klein, the schools need an additional \$809 million to maintain 2007-08 services. The supplanting issue relates to the way that DOE allocated funding to restore schools' spending power to their 2007-08 levels. In principle, to avoid supplanting, a district should distribute tax levy and unrestricted State dollars equitably among schools before allocating Contract dollars. The evidence demonstrates that New York City did not apply that principle.

According to DOE's June 30 sam\_04 file, the following additional City, Teacher Legacy and Contract funds were used to ensure a minimum net change of \$0 in each school's Fair Student Funding.

Original Reduction in Fair Student Funding	-\$430,785,026
Teacher Legacy supplement	\$89,070,859
Discretionary Contract Dollars	\$179,196,158
Remaining Reduction	-\$162,518,009
Additional City Funds	\$119,926,378
\$63mm C4E Funds Originally Held Back	\$63,580,328
Funding Increase over FY 08	\$20,988,701

The adjusted allocations on the sam\_04 file appear to be explicitly allocated to supplant reductions in funding from the city. This plan appears to use Contract dollars to supplant NYC dollars provided in FY 08.

## DISTRIBUTION OF THE \$243 MILLION DISCRETIONARY CONTRACT DOLLARS

The May 22 allocation of \$179 million discretionary Contract dollars distributed 32 percent of these funds to schools below the median in student need (Table 3). This distribution did not conform to the 75/50 rule. On June 30 DOE allocated an additional \$63 million Contract dollars to schools. Table 4 documents that more than 95 percent of these Contract dollars were allocated to High Need Schools (schools above the median in student need). The \$63 million in Contract funds were used to ensure a net change of \$0 for 661 schools receiving those allocations. For schools not receiving allocations from the \$63 million, only tax-levy and teacher-legacy-supplement dollars were used to eliminate the deficit.

In the June 30 database, DOE calculated the total discretionary dollars for each school using the Concentration of Need factor and the number of weighted students (Table 5). The distribution of the \$63 million was determined by subtracting the May allocation (from the \$179 million) from the new discretionary total based on Concentration of Need. The May allocations were not changed; they were supplemented as necessary to ensure that each school got the number of discretionary Contract dollars calculated using the Concentration of Need formula.

**Table 3**  
**Allocations of Discretionary Funds as of May 22 by Need Quartile**

Need Quartile	May 22 Discretionary Contract \$\$ Allocated	Enrollment in Quartile	Contract \$\$ per Student	Percentage of Discretionary Contract \$\$
Need Quartile 1 (low)	\$21,868,110	234,190	\$93	
Need Quartile 2	\$35,820,774	238,811	\$150	32.2%
Need Quartile 3	\$57,870,013	236,285	\$245	
Need Quartile 4 (high)	\$63,637,261	229,171	\$278	67.8%
Total	\$179,196,158	938,457	\$191	

**Table 4**  
**Allocation of \$63 Million Contract Dollars Allocated on June 30 by Need Quartile**

Need Quartile	\$63 Million Contract \$\$	Enrollment in Quartile	Dollars per Student	Percentage of \$63 Million Contract \$\$
Need Quartile 1 (low)	\$220,219	234,190	\$1	
Need Quartile 2	\$2,785,014	238,811	\$12	4.7%
Need Quartile 3	\$23,947,198	236,285	\$101	
Need Quartile 4 (high)	\$36,627,897	229,171	\$160	95.3%
Total	\$63,580,328	938,457	\$68	

**Table 5**  
**Discretionary Contract Dollars Allocated to New York City Schools**  
**as of July 23, 2008**

Need Quartile	All Discretionary Contract \$\$ as of June 30	Enrollment in Quartile	Dollars per Student	Percentage of Discretionary Contract \$\$
Need Quartile 1 (low)	\$22,088,172	234,190	\$94	
Need Quartile 2	\$38,605,963	238,811	\$162	25.0%
Need Quartile 3	\$82,042,543	236,285	\$347	
Need Quartile 4 (high)	\$99,623,585	229,171	\$435	75.0%
Total	\$242,360,263	938,457	\$258	

## DISTRIBUTION OF CITY FUNDS

On June 30, DOE also announced the distribution of \$120 million additional City dollars and of \$89 million in teacher legacy funds. The expressed intent of these City dollars together with the discretionary Contract dollars was to reduce to no more than \$0 the net change in school budgets caused by the reduction in Fair Student Funding. While DOE distributed 75 percent of Contract dollars to High Need Schools, 86 percent of the \$120 million new City dollars was distributed to schools below the median in student need (Table 6). The teacher legacy funds, in contrast, were allocated evenly between Low and High Need Schools (Table 7).

**Table 6**  
**Allocation of \$120 Million City Dollars by Need Quartile**

Need Quartile	Additional City \$\$ Allocated on June 30	Enrollment in Quartile	Dollars per Student	Percentage of City Dollars \$\$
Need Quartile 1 (low)	\$55,307,352	234,190	\$236	
Need Quartile 2	\$48,275,490	238,811	\$202	86.4%
Need Quartile 3	\$10,185,275	236,285	\$43	
Need Quartile 4 (high)	\$6,158,261	229,171	\$27	13.6%
Total	\$119,926,378	938,457	\$128	

**Table 7**  
**Allocation of \$89 Million in Teacher Legacy Funds by Need Quartile**

Need Quartile	Teacher Legacy Distribution	Enrollment in Quartile	Dollars per Student	Percentage of Teacher Legacy \$\$
Need Quartile 1 (low)	\$21,787,581	234,190	\$93	
Need Quartile 2	\$21,706,506	238,811	\$91	48.8%
Need Quartile 3	\$23,321,325	236,285	\$99	
Need Quartile 4 (high)	\$22,255,447	229,171	\$97	51.2%
Total	\$89,070,859	938,457	\$95	

The evidence in Table 6 and the tables below supports the finding that to maintain programs at the 2007-08 level, DOE distributed City dollars primarily to Low Need Schools and Contract dollars to High Need Schools. This distinction is important because of the restrictions on spending Contract dollars. With the exception of funds allocated for Maintenance of Effort (MOE), Contract dollars cannot be used to maintain positions funded with City or unrestricted State dollars in the previous year. Therefore, DOE's distribution of City and Contract dollars provides Low Need Schools with greater flexibility to maintain 2007-08 programs.

Additional evidence comes from the distribution of the \$30 million in Contract dollars that regulations allowed DOE to use for MOE; that is, to maintain programs funded by Contract or City dollars in the previous year. As allowed, the City used MOE dollars to fund summer school programs. DOE allocated the MOE funds exclusively to High Need Schools (Table 8) to maintain summer school programs. DOE could have allocated the MOE dollars equally among Low and High Need Schools and maintained summer school programs in the remaining schools in both groups with City or unrestricted State dollars. To maintain the 75/50 distribution, DOE would have needed to replace the \$15 million MOE Contract dollars not allocated to High Need Schools with other Contract dollars. By not dividing the MOE funds equitably, DOE deprived High Need Schools of \$15 million in Contract dollars that might have been used for new or expanded programs to serve at-risk students. This re-allocation of MOE dollars would not necessarily have reduced any school budget; rather it would have more equitably distributed the dollars available for new programs among Low and High Need Schools.

CFE believes that a second distinction between Contract dollars and City and unrestricted State dollars is that fringe benefits for staff hired with Contract dollars must be paid from Contract dollars in the school's budget, while fringe benefits for other staff are paid from the district budget. Fringe benefits for summer school and CTT-program staff funded by Contract dollars were taken from Contract dollars allocated to schools with these programs further reducing the spending power of High Need Schools. Table 9 shows that 72 percent (\$16 million) of fringe benefits to be paid with Contract dollars will be paid by High Need Schools.

**Table 8**  
**Allocation of \$30 Million in MOE Funds by Need Quartile**

<b>Need Quartile</b>	<b>MOE Distribution</b>	<b>Enrollment in Quartile</b>	<b>Dollars per Student</b>	<b>Percentage of MOE \$\$</b>
Need Quartile 1 (low)	\$0	234,190	\$0	
Need Quartile 2	\$0	238,811	\$0	0.0%
Need Quartile 3	\$8,863,828	236,285	\$38	
Need Quartile 4 (high)	\$21,141,064	229,171	\$92	100.0%
<b>Total</b>	<b>\$30,004,891</b>	<b>938,457</b>	<b>\$32</b>	

**Table 9**  
**Allocation of Fringe Benefits Paid by Contract Dollars by Need Quartile**

<b>Need Quartile</b>	<b>Fringe Benefits Paid by Contract \$\$ Distribution</b>	<b>Enrollment in Quartile</b>	<b>Dollars per Student</b>	<b>Percentage of Fringe Benefits</b>
Need Quartile 1 (low)	\$1,927,273	234,190	\$8	
Need Quartile 2	\$4,215,563	238,811	\$18	27.8%
Need Quartile 3	\$5,717,562	236,285	\$24	
Need Quartile 4 (high)	\$10,208,738	229,171	\$45	72.2%
<b>Total</b>	<b>\$22,069,136</b>	<b>938,457</b>	<b>\$24</b>	

## SCHOOL COUNTS ACCORDING TO GRADE ORGANIZATION AND NEED QUARTILE

The largest number of schools (637) included only elementary grades (prekindergarten through grade 6). Because quartiles were determined by enrollment rather than school numbers, the smallest number of schools (132) were in Need Quartile 1; the largest (174) in 2. Junior High-Intermediate-Middle Schools were least likely to be in Need Quartile 1 and most likely to be in Need Quartile 4; the percentages of such schools in those quartiles were 15 and 41, respectively. This finding is consistent with the lower performance of students in grades 6-8 on the State assessments in English language arts (ELA) and mathematics. Because DOE is still using 2005-06 performance to determine quartiles, recent improvements in middle-school performance are not reflected in these quartile designations.

**Table 10**  
**Number and Percent of Schools by Grade Organization and Need Quartile**

Grade Organization	Need Quartile 1	Need Quartile 2	Need Quartile 3	Need Quartile 4	Total
Elementary	132	174	166	165	637
	(21%)	(27%)	(26%)	(26%)	(100%)
High school	67	142	77	58	344
	(19%)	(41%)	(22%)	(17%)	(100%)
Junior High-Intermediate-Middle	40	45	69	109	263
	(15%)	(17%)	(26%)	(41%)	(100%)
K-12	3			1	4
	(75%)	(0%)	(0%)	(25%)	(100%)
K-8	19	16	33	36	104
	(18%)	(15%)	(32%)	(35%)	(100%)
Secondary School	18	31	23	15	87
	(21%)	(36%)	(26%)	(17%)	(100%)
Total	279	408	368	384	1,439
	(19%)	(28%)	(26%)	(27%)	(100%)

## ALLOCATIONS ACCORDING TO GRADE ORGANIZATION

Table 11 shows that schools with middle-level grades (Junior High-Intermediate-Middle) received more Contract dollars per student than schools with any other grade organization. These schools enrolled 18 percent of students but received 21 percent of Contract dollars. The fewest Contract dollars per student were allocated to the four K-12 schools which enrolled only 0.3 percent of City students not enrolled in District 75. Of the remaining grade organizations, high schools received the fewest Contract dollars per student (\$330). The disproportionate allocations to Junior High-Intermediate-Middle Schools are consistent with the relatively low performance of these schools on State assessments.

**Table 11**  
**Total Contract Dollar Allocations by Grade Organization**

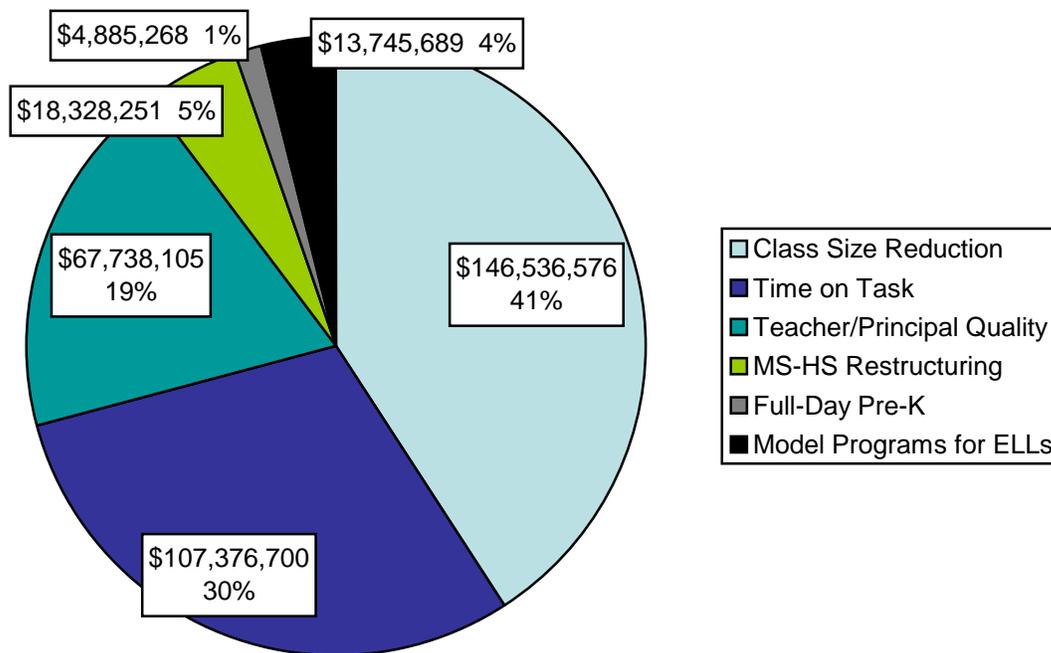
Grade Organization	Total Contract \$\$	Enrollment	Contract \$\$ per Student	Percent of Contract \$\$	Percent of Enrollment
Elementary	\$148,896,046	382,077	\$390	42%	41%
High	\$92,487,338	280,664	\$330	26%	30%
Junior High-Intermediate-Middle	\$75,481,025	164,488	\$459	21%	18%
K-12	\$444,683	3,107	\$143	0.1%	0.3%
K-8	\$27,879,529	70,274	\$397	8%	7%
Secondary	\$13,421,969	37,847	\$355	4%	4%
<b>Total</b>	<b>\$358,610,590</b>	<b>938,457</b>	<b>\$382</b>	<b>100%</b>	<b>100%</b>

## DISTRIBUTION OF CONTRACT DOLLARS BY PROGRAM AREA

The legislation requires that schools use Contract dollars to fund one or more of the following six strategies for school improvement:

- Class size reduction;
- Increasing time on task;
- Improving teacher/principal quality;
- Middle or high school restructuring;
- Providing full-day prekindergarten or kindergarten (Since New York City already had universal full-day kindergarten, funds in this category went to implement full-day prekindergarten programs); and/or,
- Model Programs for English Language Learners (ELLs).

The largest percentage (41 percent) of Contract dollars was allocated for use in reducing class size. A smaller percentage of Contract dollars were allocated for this purpose than in the previous school year, when 59 percent (\$152 million) went to reducing class size. Compared with 2007-08, more Contract dollars were allocated for increasing time on task and improving teacher/principal quality. In that school year, \$48 million and \$40 million, respectively, were allocated for those purposes. Allocations for full-day pre-kindergarten increased from \$182 thousand to nearly \$5 million, a 27-fold increase. For the City as a whole, the number and percentage of Contract dollars allocated by program area is shown in the following chart:



Considering only enrollments in schools that allocated Contract dollars to a program area, schools initiating full-day prekindergarten programs allocated the largest number of dollars per student (\$287). (Note that we cannot determine how many dollars per prekindergarten child were used for this purpose.) With the exception of the prekindergarten programs, more dollars per student were allocated for class size reduction than for any other program area.

**Table 12**  
**Citywide Allocation of Contract Dollars by Program Area**

<b>Program Area</b>	<b>Contract \$\$</b>	<b>Enrollment in Participating Schools</b>	<b>Contract \$\$ per Student</b>
Class Size Reduction	\$146,536,576	561,713	\$261
Time on Task	\$107,376,700	707,753	\$152
Teacher/Principal Quality	\$67,738,105	736,640	\$92
MS/HS Restructuring	\$18,328,251	132,291	\$139
Full-Day PreK	\$4,885,268	17,007	\$287
Model Programs for ELLs	\$13,745,689	156,359	\$88
<b>Total</b>	<b>\$358,610,590</b>	<b>938,457</b>	<b>\$382</b>

### **ALLOCATIONS BY PROGRAM AREA AND NEED QUARTILE**

Schools in each quartile allocated the largest percentage of their Contract dollars to reducing class size (Table 13). The relatively Low Need Schools (Need Quartiles 1 and 2) allocated larger percentages for this purpose than the High Need Schools (Need Quartiles 3 and 4). High Need Schools allocated a larger percentage of their Contract dollars than Low Need Schools to increasing time on task (33 and 31 percent). Schools in all four quartiles allocated the third largest percentage of Contract dollars to improving Teacher/Principal Quality. Only small percentages of Contract dollars were allocated to the remaining three program areas, MS/HS Restructuring, Full-Day Prekindergarten, and Model Programs for ELLs.

**Table 13**  
**Allocations by Program Area and Need Quartile**

<b>Program Area</b>	<b>Need Quartile 1</b>	<b>Need Quartile 2</b>	<b>Need Quartile 3</b>	<b>Need Quartile 4</b>	<b>Total</b>
Class Size Reduction	\$15,359,022	\$29,564,450	\$39,772,923	\$61,840,182	\$146,536,576
	47%	50%	35%	41%	
Time on Task	\$8,835,116	\$12,758,893	\$38,211,328	\$47,571,364	\$107,376,700
	27%	22%	33%	31%	
Teacher/Principal Quality	\$5,810,350	\$11,201,359	\$24,194,496	\$26,531,899	\$67,738,105
	18%	19%	21%	17%	
MS/HS Restructuring	\$1,568,643	\$1,823,141	\$8,710,764	\$6,225,703	\$18,328,251
	5%	3%	8%	4%	
Full-Day PreK	\$821,009	\$2,670,012	\$723,177	\$671,070	\$4,885,268
	3%	5%	1%	0%	
Model Programs for ELLs	\$252,558	\$1,192,174	\$3,256,725	\$9,044,232	\$13,745,689
	1%	2%	3%	6%	
<b>Total</b>	<b>\$32,646,698</b>	<b>\$59,210,029</b>	<b>\$114,869,413</b>	<b>\$151,884,449</b>	<b>\$358,610,590</b>

In the six Grade Organizations, from 11 to 52 percent of Contract dollars were allocated to reduce class size (see Table 14). K-12 schools were unique in allocating less than one-third of Contract dollars to reducing class size. K-12 schools allocated a larger percentage of Contract dollars to increasing time on task than to reducing class size, 65 percent compared with 11 percent. The next highest allocations in all other grade organizations were to increase time on task and to improve teacher/principal quality. Schools in two groups – Elementary Schools and K-8 Schools – allocated Contract dollars to provide full-day prekindergarten. Elementary schools invested the largest percentage of Contract dollars in Model Programs for ELLs.

**Table 14  
Allocations by Program Area and Grade Organization**

<b>Program Area</b>	<b>Elementary</b>	<b>High</b>	<b>Junior High-Intermediate-Middle</b>	<b>K-12</b>	<b>K-8</b>	<b>Secondary</b>
Class Size Reduction	43%	39%	39%	11%	35%	52%
Time on Task	26%	34%	32%	65%	32%	23%
Teacher/Principal Quality	22%	9%	22%	16%	27%	14%
MS/HS Restructuring	0%	15%	4%	8%	0%	8%
Full-Day PreK	3%	0%	0%	0%	2%	0%
Model Programs for ELLs	5%	3%	3%	0%	3%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Table 15 shows, for each grade organization and program area, the number of Contract dollars, the enrollment in schools with that program, and the Contract dollars per student. With the exception of the K-12 schools, the largest investment per student was in class size reduction. High schools invested less in this strategy than grade organizations ending before grade 9. High schools also invested less money per student in improving teacher/principal quality.

**Table 15**

**Total Contract Dollars, Enrollment, and Contract Dollars per Student in Schools with Each Program by Grade Organization**

	Elementary	High Schools	Junior High-Intermediate-Middle	K-12	K-8	Secondary School
<b>Class Size Reduction</b>						
Contract \$\$	\$64,172,092	\$36,348,397	\$29,152,485	\$49,581	\$9,843,049	\$6,970,972
Enrollment in Schools with Program	222,643	178,755	100,827	1,228	35,166	23,094
\$\$ per Student	\$288	\$203	\$289	\$40	\$280	\$302
<b>Time on Task</b>						
Contract \$\$	\$39,005,783	\$31,489,111	\$24,529,390	\$287,417	\$8,983,125	\$3,081,874
Enrollment in Schools with Program	265,676	222,919	133,652	3,107	54,645	27,593
\$\$ per Student	\$147	\$141	\$184	\$93	\$164	\$112
<b>Teacher/Principal Quality</b>						
Contract \$\$	\$33,193,557	\$8,541,570	\$16,366,768	\$70,403	\$7,659,899	\$1,905,909
Enrollment in Schools with Program	296,757	202,893	148,600	430	62,713	25,247
\$\$ per Student	\$112	\$42	\$110	\$164	\$122	\$75
<b>MS-HS Restructuring</b>						
Contract \$\$	\$431,391	\$13,639,754	\$2,979,307	\$37,282	\$130,796	\$1,109,721
Enrollment in Schools with Program	2,976	99,873	17,581	430	2,658	8,773
\$\$ per Student	\$145	\$137	\$169	\$87	\$49	\$126
<b>Full-Day Pre-K</b>						
Contract \$\$	\$4,364,532	\$0	\$0	\$0	\$520,736	\$0
Enrollment in Schools with Program	14,078	0	0	0	2,929	0
\$\$ per Student	\$310				\$178	
<b>Model Programs for ELLs</b>						
Contract \$\$	\$7,728,691	\$2,468,506	\$2,453,075	\$0	\$741,924	\$353,493
Enrollment in Schools with Program	69,580	37,990	32,872	0	11,780	4,137
\$\$ per Student	\$111	\$65	\$75		\$63	\$85

## PROGRAM AREA ALLOCATIONS IN THE 2007-08 AND 2008-09 SCHOOL YEARS

For the 2007-08 school year, DOE allocated almost \$258 in Contract dollars to City schools. Section 6807-C of Education Law passed in January 2008 requires each district with Contract dollars to support and maintain in succeeding years the programs approved by the Commissioner in the base year or use the funds to support new or expanded allowable programs. This section reads as follows:

(vi) each contract for excellence for a school district that was required to prepare a contract for excellence in the base year shall provide for the expenditure of an amount equivalent to the total budgeted amount approved by the commissioner in the district's approved contract for excellence for the base year; provided that such amount shall be expended to support and maintain allowable programs and activities approved in the base year or to support new or expanded allowable programs and activities in the current year.

New York City has provided neither the required documentation showing the actual 2007-08 expenditures of Contract dollars nor documentation of the continuation or replacement of the approved programs initiated in 2007-08. Table 16 compares the proposed allocations of Contract dollars by New York City in 2007-08 and 2008-09.

**Table 16**  
**Contract Dollars Allocations in 2007-08 and 2008-09 by Program Area**

<b>Program Area</b>	<b>2007-08 Contract \$\$</b>	<b>2008-09 Contract \$\$</b>	<b>Total Contract \$\$</b>
Class Size Reduction	\$152,670,808	\$146,536,576	\$299,207,384
Time on Task	\$48,306,500	\$107,376,700	\$155,683,200
Teacher/Principal Quality	\$39,798,746	\$67,738,105	\$107,536,851
MS/HS Restructuring	\$16,894,237	\$18,328,251	\$35,222,488
Full-Day PreK	\$182,240	\$4,885,268	\$5,067,508
Model Programs for ELLs	\$0	\$13,745,689	\$13,745,689
Programs to recruit/retain highly qualified teachers (district level)	\$0	\$20,000,000	\$20,000,000
<b>Total</b>	<b>\$257,852,531</b>	<b>\$378,610,590</b>	<b>\$636,463,120</b>

Under Commissioner's regulations each district is accountable for the continued expenditure of Contract dollars provided in previous years. In 2008-09, New York City is accountable for the expenditure of \$636 million. At the end of four years, DOE will need to demonstrate performance improvements attributable to the total Contract dollars allocated over that time. To this end, it is essential that all districts receiving Contract dollars keep careful electronic records specifying the participation of students in programs funded with Contract dollars. Those records will allow the State to evaluate the effect of Contract dollars on student performance. Documentation of the effectiveness of Contract for Excellence expenditures will be necessary to support the continuation of the program.