

School-Wide Bonus Program

MEMORANDUM OF AGREEMENT (the “Agreement”) entered into this _____ day of _____ 2007 by and between the Board of Education of the City School District of the City of New York (the “DOE”) and the United Federation of Teachers, Local 2, AFT, AFL-CIO (the “Union”) modifying the existing collective bargaining agreements between the Board and the Union, as set forth more particularly below.

IN WITNESS THEREOF NOW, THEREFORE, it is mutually agreed as follows:

1. As set forth in Article 8L of the Teacher’s 2003-07 collective bargaining agreement, and similar provisions in functional chapter contracts, the New York City Department of Education and the United Federation of Teachers jointly support, and pledge to work together to implement on a pilot basis, a school-wide based bonus program pursuant to which educators will be awarded substantial cash bonuses for student achievement gains.
2. The program will be initiated immediately, with bonuses awarded for achievement gains in the 2007-2008 school year. Subject to the successful solicitation of private funds, which the DOE and UFT commit to work together to raise as soon as practicable, approximately 15% of the City’s highest need schools will be eligible to participate in the program this first year. In consultation with the UFT, the DOE will identify approximately 200 of the highest-need schools in the City. Each will be invited to participate in the program, and the DOE and UFT jointly pledge to work in good faith to encourage them to do so both this year and throughout the life of the program.
3. In future years, if the school-wide bonus program continues, awards will be funded from public appropriations which supplement and do not supplant funds available for collective bargaining.
4. In 2008-09 at least 30% of DOE schools will be eligible to participate in the program. In consultation with the UFT, the DOE will identify approximately 400 of the highest-need schools in the City.
5. Participation in the program will be at the option of each school as determined by a vote of fifty-five percent (55%) of the UFT-represented school staff and with the assent of the principal of the school. The vote shall be conducted by the UFT Chapter in the school, held within six weeks of the announcement of the program and shall be an up or down vote without conditions or restrictions on the terms of the program as set out herein. Each year the bonus program is available eligible schools shall exercise the option to participate (“Participant Schools”) or not by the same voting procedure.
6. A school’s agreement to participate in the bonus program shall be considered, along with other criteria, as a positive factor in determining whether the Participant School is to be phased out or given a year’s moratorium on a possible phase-out. Nothing herein alters applicable law with regard to school closings.

7. Each Participant School will be eligible for a dollar award (“the pool”), which will be distributed to the school as a whole on the basis of the Progress Report or some other neutral criterion derived from the Progress Report.
8. In consultation with the UFT, the DOE will set the criteria for awarding funds to schools. The criteria will provide objective standards /benchmarks aligned with Progress Report factors and the specific details of those standards/benchmarks will be communicated to schools when the program is announced. All Participant Schools that achieve the announced standards/benchmarks shall receive the applicable money award. There shall be no cap or ceiling imposed on the number of Participant Schools receiving the award, provided the school meets the standards/benchmarks. Neither shall the relative standings of the Participant Schools affect their entitlement to the award once they have met the standards/benchmarks.
9. To account for variation in the size of schools, the size of the award each Participant School is eligible to receive will be determined by appropriate objective criteria.
10. The amount of the average per-person award should be sufficiently substantial to make a material difference to each awardee. As outlined below, each Participant School will determine the methodology for distributing any award it earns for school-wide performance. The size of each Participant School’s total award for distribution in 2007-08 shall be the number of full-time UFT-represented employees on the school’s table of organization times three thousand dollars (\$3,000). In light of year-to-year appropriations uncertainties, nothing in this paragraph restricts the ability of the DOE to increase or decrease the total amount set annually for distribution pursuant to the program.
11. Each Participant School will form a compensation committee composed of the principal and a principal’s designee (e.g., an assistant principal) and two UFT-represented staff members elected in a Chapter supervised election by the UFT-represented staff on an annual basis from among volunteers. The compensation committee will determine, by consensus, matters related to both eligibility for and the size of individual awards to UFT-represented staff members. However the compensation committee shall presume that all UFT-represented staff employed at a school that meets the targets for the bonus have contributed to the school’s achievement to some extent and therefore should share in the bonus. If there is no consensus the pool of money will not be distributed to the school.
12. Among the topics each Participant School compensation committee may decide to consider, after receiving guidance from the DOE and UFT, are whether to make equal individual awards to all eligible UFT staff, equal awards to all those in the same title, or whether to make differential awards.
13. In making awards, a compensation committee shall not consider an awardee’s length of service, provided however that it may make particular determinations for individuals who served at the school for less than a full academic year.
14. The school compensation committee shall make its decisions free of pressure from the DOE or UFT.

15. Funds will be awarded to schools as soon as practicable after the DOE's Office of Accountability has received and analyzed the information necessary to make the awards. To the extent such award is made after the beginning of the school year following the year that was the basis for the award, eligible staff who have left the school shall nevertheless share in the award for their contribution the prior year.
16. The pilot school-wide bonus program shall be comprehensively evaluated by a mutually agreed upon outside independent entity which shall provide the parties with a written report and analysis of all aspects of its operation together with associated recommendations for future years the program is in operation.
17. The Chancellor and the President of the UFT, or their designees, will constitute an Oversight Committee (OC) to review appeals of individual awards. However if the awards made by the compensation committee are ratified by a simple majority of the UFT Chapter voting by secret ballot, no appeal may be taken to the OC. The OC may modify a determination of a school compensation committee only if the OC, by consensus, finds that it was arbitrary, capricious or in clear violation of law or of the procedures and standards set out herein.
18. This agreement is contingent on the implementation and passage of the legislation referred to in Paragraph 6 of the October 2005 Memorandum of Agreement between the parties entitled "Pension and Retirement Program."

WHEREFORE, we have hereunto set our hands and seals this _____ day of _____ 2007.

**United Federation of Teachers Local 2
AFT, AFL-CIO**

The Board of Education

By: _____
**Randi Weingarten
President**

By: _____
**Joel Klein
Chancellor**

City of New York

By: _____
**James F. Hanley
Commissioner
Office of Labor Relations**