

April 2020

Is the Absent Teacher Reserve Generating New Savings?

The Mayor’s Preliminary Budget for fiscal year 2021 anticipates \$39 million in annual savings beginning next year—15 percent of the total \$259 million expected from the citywide savings plan for 2021—by placing staff in the Absent Teacher Reserve (ATR) pool into permanent positions in schools. The ATR pool includes a group of teachers and other school-based staff who no longer have permanent school assignments. There were 725 staff members in the ATR pool as of January 15th and the number is expected to fall by about 100 next year.

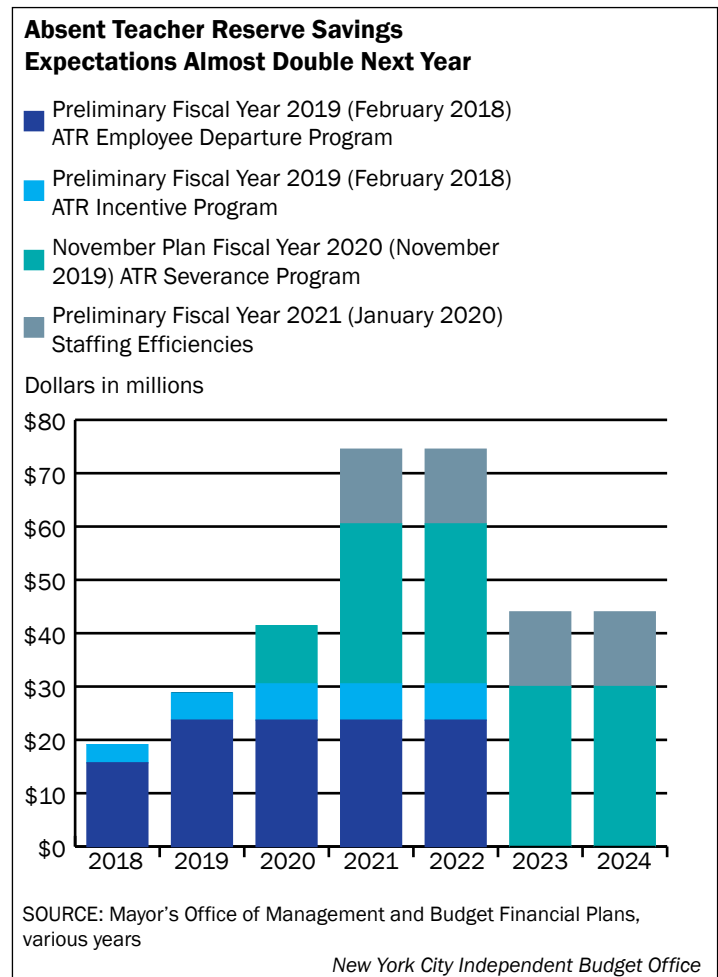
Staff can become part of the ATR because of disciplinary actions, or as the result of decisions affecting a school such as shortfalls in the school’s budget, changes in the school’s configuration, or closure of the school. Although people placed into the pool no longer have permanent school assignments, they maintain full pay, benefits, and rights under their employment contracts. When a staff member goes into the ATR, their salary is funded from the Department of Education’s central budget, rather than from the school they have left. United Federation of Teachers members who have been in the ATR pool for at least one school year can take a voluntary severance package.

Ultimately, there are three possible ways that a person can leave the ATR pool: accepting permanent placement into another full-time position, accepting a severance package, or being absorbed back into their former school. While awaiting a permanent assignment, “excessed” ATR staff can be temporarily reassigned into schools to fill in for teachers who are out sick or on some other type of leave.

Past and Current ATR Savings. The savings in the Preliminary Budget relate to a policy already in place that requires most schools to obtain a waiver to hire from outside the system, which makes hiring out of the ATR pool an easier way to fill openings. Certain positions and some high-needs schools, such as those participating in the Bronx Plan, are exempt from these requirements.

The Mayor’s Office of Management and Budget categorizes the planned ATR reductions as new city savings that result from greater efficiency. Given that the waiver requirements for external hires have been in place for some time, it is not clear that any resultant savings should be counted among the new initiatives in the Preliminary Budget’s citywide savings plan.

The city has included other ATR savings in a number of recent financial plans. Just this past November, the citywide savings plan that was part of the Mayor’s prior



financial plan anticipated roughly \$11 million in savings in 2020, attributable to severance packages accepted by members of the ATR pool. The one-time severance payout per person (\$50,000) was less than the carrying cost of a full-time staff person without a permanent assignment. Savings related to severance packages were expected to rise to \$30 million in 2021 and beyond.

The Mayor’s Preliminary Budget for 2019 also identified ATR-related savings projected to stretch into 2022. The savings stemmed from a combination of employee retirements, early departures, and a policy similar to the de Blasio Administration’s new initiative of moving more provisional staff from the ATR into permanent positions. Total savings expected under the two earlier plans plus savings included in the current Preliminary Budget total more than \$41 million in 2020 and almost \$75 million in 2021.

ATR Costs and Size. When a staff member is excessed from a school budget and shifted to the ATR, funds for that person are released back to the school and the staff member is paid through a “centrally funded excess” allocation that is part of the Department of Education’s central budget. The former staff member continues to be paid centrally until they leave the pool on a permanent basis.

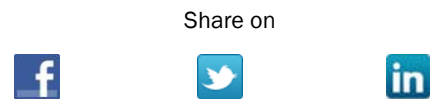
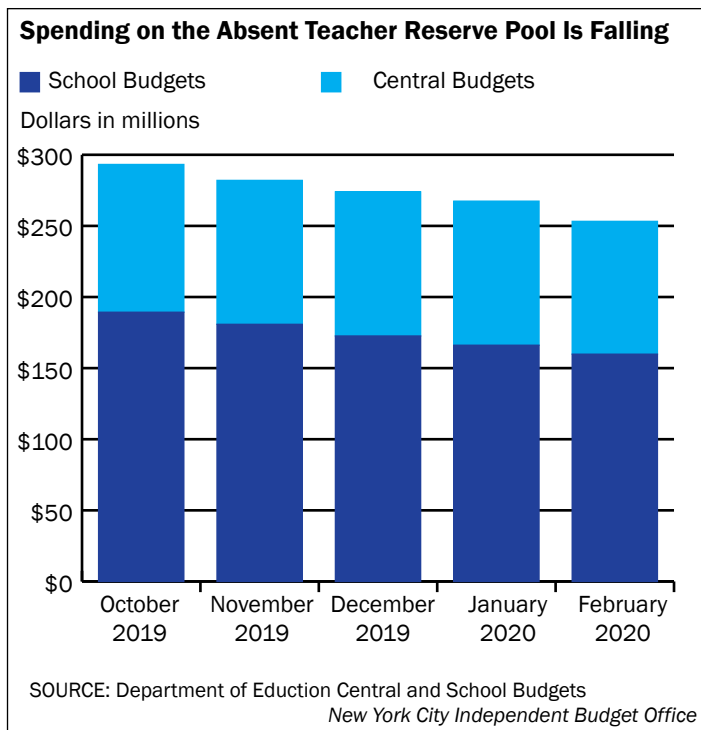
In order to determine the ATR’s current carrying costs, IBO reviewed budget data to identify excess allocations. From October 2019 through February 2020, the centrally funded excess allocations in school budgets have dropped by 16 percent, from \$189 million to \$160 million, and

have fallen in central budgets by 10 percent, from \$104 million to \$93 million. The total of all excessed allocations as of February 2020 was \$253 million, a \$40 million decrease since October. The available information does not allow us to determine how much of the decline is due to ATR staff being successfully moved into new positions and how much is due to people in the ATR pool leaving the school system entirely.

An examination of human resources data for pedagogues—including positions such as teachers, guidance counselors, and principals—shows that the number of positions in the ATR has declined steadily since the 2015-2016 school year. In October 2015, there were 1,341 pedagogues in the ATR pool. By October 2018, that number had fallen by almost 30 percent to 940 pedagogues. The de Blasio Administration told IBO that the size of the ATR pool was 725 in January and should fall to about 625 next year.

As the size of the ATR pool has declined steadily over the past several years, it is unclear whether the savings from efficiencies included in this Preliminary Budget are truly that, or simply a reflection of an ongoing trend. Moreover, as the size of the pool is expected to decline, it will be harder for the city to realize recurring ATR savings in the future.

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