

Chancellor's Budget Working Group Member Report

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Introduction

This report is presented in response to Chancellor Banks' May 18, 2022 call for a Budget Working Group:

“ ...To guarantee engagement and transparency, we commit to forming a working group that's inclusive of PEP members, who will work with us to ensure that schools are funded equitably... You have my word in connecting and doing that-working together with feedback from most recent report and parents, students, and members of the community...”

Such a request cannot be fulfilled by a mere survey of weights present or absent from the Department of Education's (DOE's) current Fair Student Funding (FSF) formula. Engagement at such a limited level requires agreement that the status quo is fundamentally fair, efficient and sound with only some minor tweaks being needed; akin to rearranging deck chairs on the RMS Titanic. Rather, acknowledgement that FSF is part of a larger procedure for school funding-Budgeting- and that Budgeting is itself part of a larger strategy for sustainable school improvement is required to ensure coherence in any analysis.

A metacognitive approach requires selection between two differing viewpoints of the *raison d'être* for the DOE: is it the “Department of Employment” whose function is to provide jobs to as many employees and contractors as possible or is it the “Department of Education” whose function is to provide the best education to the children of New York City?

Opting for the latter definition, this approach requires consideration of the entirety of the DOE's budget, currently estimated at \$38 billion not including additional portions drawn from other City agencies (DoHS; NYPD; DoH; etc.) nor the \$20 billion of activities of the School Construction Authority (SCA) with the guiding questions of whether such immense resources are being directed toward providing the best education to the children of New York City and why such a reportedly small percentage (of just the operational portion of the \$31 billion budget) is fed into FSF?

The limited time, data, and resources available for this study require us to leave those questions on the table for later inquiry; presumably to the delight and relief of those enjoying the status quo. Questions that can be addressed are why more funds already allocated to schools are not allocated through FSF and how can fairness, equity, and suitability for sustained improvement be inculcated within FSF.

The fact that only 65-67% of school budgets derive from FSF and that a small percentage of all funds allocated to schools come through FSF after a decade-and-a-half, underscore the reluctance of the DOE to fully embrace school-based student-centered funding. This emphasis on Central control of funding over school-level budgeting deprives the DOE from realizing the potential benefits that the overall school improvement plans of which FSF is a mechanism can bring and sustain.

Increasing FSF to 80% or 90% of a school's revenues does not require additional funds; rather it requires repositioning of billions of dollars currently allocated through other, often capricious means. Increasing schools' dependence for funding on the numbers and types of students served incentivizes raising student performance and widening access for all students. Proper controls attached to FSF can ensure correct usage of funds while enabling schools to target programs to the needs of their communities; something not feasible with top-down, “one size fits all” dictates. Schools will either deservedly flourish or perish under such a system with the long-term result of providing families with numerous good choices beyond what can be offered by the charter and private school sectors.

Note: This report was prepared after analysis of NYS Education Law (2590); Chancellor's Regulation B-801; the FSF Guide for the last 3 years; School Allocation Memos (SAMs) for the last 2 years; and the report issued in 2021 by the FSF Task Force. It is further informed by personal experience as a principal and through consultations with parents, teachers, principals, and other DOE staff.

I. Adjustments to Fair Student Funding (FSF) Valuations & Allocations

A) FSF Allocation & Components

1. Equality in Actual Allocation of Calculated Base FSF Values

Background:

Page 14 of the FSF Guide (Guide) states that "...Since the inception of Fair Student Funding, the DOE has maintained the goal of fully and fairly funding all schools...." This position is detailed on page 17 of the Guide which states:

"FSF weights provide adequate funding for schools to meet legal and policy requirements. Beyond that, these weights reflect funding for academic needs of students across New York City. In particular, the weights are designed to do two things:
Meet the needs of students who need the greatest support; and
Reflect objective, transparent funding methodologies that can be applied evenly across schools."

However, since its inception, FSF's allocation has not been fair. Although calculation of funding values based on universally applied weights and resultant dollar values was performed equally, the actual percentages of FSF allocated to schools has never been at an equal rate. Further, there has been no published SAM nor section of the FSF guide to rationalize why different schools received different percentages of the same formulaic needs-based calculation within the same fiscal year. In short, it remains arbitrary and creates a class system among schools ranging from a low of 79% of funds to a high of 130%. Previous inquiries to the DOE concerning this inequality have been responded to with a rationale that New York State (NYS) was not fully funding the DOE. However, no response was ever received as to why all schools were not receiving the same percentage of FSF in a given year nor as to why further reductions to non-school staff and expense were not explored to free more funds toward fulfilling FSF allocations.

Increasing the FSF allocated percentage to 100% was the major recommendation made by the FSF Task Force in their report from April, 2021 and, despite the ostensible increase to 100% enacted for the 2021-2022 school year and continued into 2022-23 (Guide pages 11 & 43), inequalities persist. The most blatant of these inequalities, funding of a select group of schools above 100% of their calculated FSF, began in 2008 and continues into 2022-23 as Funds Over Formula (Guide pages 14,16 & 44).

Recommendations:

- (i) Effective for 2022-23, all schools receive 100% of their calculated FSF weighted calculations. Among high schools, this will require adjustments to FSF allocations of 02M: 416; 545; 560; 565; 586; 605; 03M: 492; 541; 05M: 692; 09X: 412; 413; 10X: 434; 696; 13K: 595; 14K: 685; 28Q: 687; and 30Q: 580.
- (ii) The Guide should be amended to include: "The percent of weighted, calculated FSF allocated to schools will be uniform. In years where it is necessary to allocate less than 100% of the calculation, all schools will receive the same percentage. In years where it is possible to allocate more than 100% of the calculation, all schools will receive the same percentage." This practice will promote integrity in FSF.

2. Criteria-Based Allocation of FSF High School Portfolio Values

(a) Career & Technical Education (CTE)

Background:

At its heart, FSF should fund students, not schools nor staff. However, the Guide refers to “Portfolio High Schools” on pages 18, 20 and 38 rather than “Students in Portfolio Schools & Programs,” with page 20 even classifying “High School Portfolio” as a needs-based weight. Since the inception of FSF, the awarding and allocation Portfolio funding has exuded favoritism which has been vigorously defended and perpetuated by the Budget Office and has contributed heavily toward constructing a class system among schools.

Recent changes to the Guide eliminated reference to the New York State Education Department (NYSED) as being the approver of CTE programs, but this editing cannot change the fact that only the NYSED (not the NYCDOE) approves CTE programs which then enable schools to issue CTE-endorsed diplomas to graduates. Obtaining and maintaining NYSED approval of programs requires extensive work including establishment of Industry Advisory Boards, annual updating of curricula, specialized teaching licenses, provisions of Work-Based Learning (WBL) opportunities, and student success on industry-approved examinations.

Despite the need for NYSED approval to issue CTE-endorsed diplomas, the Budget Office has continued to provide CTE Portfolio Funding and Funding for Academic High Schools with CTE programs to schools with no NYSED approved programs and with no intention of securing approval while simultaneously denying one school (26Q495) CTE Portfolio Funding for no reason and with no explanation. In School Year 2022-23, 9 schools will receive \$2.8 million in CTE Portfolio Funding without having any approved NYSED CTE programs; perpetuating a fraud on students who select these schools in order to earn these industry-recognized credentials (02M135; 02M546; 05M157; 07X259; 17K122; 17K751; 18K617; 29Q243; & 30Q258). An additional \$1.4 million will be allocated under SAM 3 for academic high schools with CTE programs that have no approved CTE programs (02M300; 02M489; 02M519; 03M299; 05M362; 05M692; 06M467; 06M468; 10X237; 10X284; 10X439; 11X508; 13K412; 14K477; 15K519; 17K548; 20K490; 22K425; 24Q485; 25Q525; 27Q302; 27Q400; 29Q326; 30Q286; 30Q445; & 30Q501).

Recommendations:

It is long-past time that criteria for schools receiving Portfolio Funding be established and for this funding to be allocated to schools who serve the intent of this supplementary money. If CTE funding is part of FSF, then as a weight attached to students, the per capita allocation should be equal for students in so-called “designated CTE schools” and those participating in “CTE programs in academic high schools” (which are currently funded at lower rates per student through SAM 3).

The current CTE multi-tiered weights (when properly retitled as below) reflected on page 38 of the Guide are sufficient if only schools with NYSED approved CTE programs (both currently designated as “CTE Portfolio Schools” and as “CTE Programs in Academic Schools”) are allocated these same weights based on the number of students enrolled in such approved programs and thus funding outside of FSF for CTE Programs in Academic Schools (SAM 3) is eliminated:

Students in Portfolio Schools & Programs: CTE	Weight
CTE Tier1	0.26
CTE Tier 2	0.17
CTE Tier 3	0.12
CTE Tier 4	0.05

(b) Specialized Academic High Schools

Background:

Hecht-Calandra designates three high schools as being “Specialized Academic” (02M475; 10X445; & 13K430) and one as being “Specialized Audition” (03M485). Hecht Calandra solely addresses admissions methodology and does not require additional funding be awarded these schools. The DOE has provided substantial additional funding through the “Specialized” Portfolio designation since FSF’s beginning-all **while denying other schools 100% of their basic FSF funding**. As an example, the Bronx High School of Science will receive \$1,048.77 per student in excess and over its FSF needs-based calculation for being specialized; about \$3.1 million in additional funding depending on final enrollment figures.

Page 39 of the Guide provides criteria for “Specialized Academic” portfolio status that could be exceeded by numerous schools:

“Specialized Academic: This category captures academically challenging high schools with supplementary instruction and assessments, including higher course/credit loads and AP courses.”

The capricious nature of the DOE’s awarding of Specialized Academic Portfolio Funding is further brought to light when we consider that, in addition to the approximately \$12.8 million awarded annually to these three schools through Portfolio funding, an additional \$7.8 million in academic specialized school portfolio funding is provided to another ten schools that are **not specialized high schools under Hecht-Calandra**; again-all while other schools were not even receiving 100% of their basic FSF allocations:

DBN	2021-2022 Specialized Academic Amt	Basis for Portfolio \$
02M475	3,541,302.00	Hecht-Calandra-uses SHSAT
10X445	3,063,289.00	Hecht-Calandra-uses SHSAT
13K430	6,197,278.00	Hecht-Calandra-uses SHSAT
05M692	520,221.00	Bloomberg Addition- uses SHSAT
10X696	405,203.00	Bloomberg Addition- uses SHSAT
14K449	878,994.00	Bloomberg Addition- uses SHSAT
28Q687	545,546.00	Bloomberg Addition- uses SHSAT
31R605	1,418,209.00	Bloomberg Addition- uses SHSAT
01M696	660,565.00	Unknown
02M376	514,945.00	Unknown
15K684	721,767.00	Unknown
24Q299	696,442.00	Unknown
25Q525	1,388,663.00	Unknown

Despite numerous requests, the DOE has refused all efforts to provide either an explanation or the criteria used to award these schools this additional specialized portfolio money. As many other schools could meet or exceed these schools’ performance standards without the exclusionary practices and other barriers to entry for which these are famous, the possible reasons for these schools improperly receiving funds while other schools were starved for funds can lead to some very dark political and racial conclusions. At any rate, the expansion of exclusionary practices, even by the above schools using admissions methods other than the Specialized High School Admissions Test (SHSAT), seems at odds with the administration’s stated goals of equity in access and excellence for every school.

There is a small but vocal constituency that supports continuation, or even expansion of tracking, including specialized high schools segregated by admissions test scores. The previous and current administrations have pursued the issue of specialized high schools incorrectly by funneling substantial sums of money into tutoring and similar programs designed to increase the numbers and percentages of non-White and non-Asian students being offered seats in these schools via their performance on the Specialized High School Admissions Test (SHSAT).

Recommendations:

(i) Movement on revising Hecht-Calandra is a New York State issue, but it is in the NYCDOE’s power to limit its impact on its other schools and rationalize criteria to incentivize accelerated learning. A first move would be to defund Specialized Academic Portfolio from all schools except those three designated by Hecht-Calandra (02M475; 10X445; & 13K430); all three of which would be prohibited from receiving additional portfolio funds through CTE.

(ii) A second step is to enact a three-year right-sizing of these three schools to 100% of the 2019-20 SCA Blue Book capacities (02M475-2,941; 10X445-2,569; & 13K430-4,789; total: 10,299) while maintaining the current weight for students enrolled in these schools per page 18 of the Guide (0.25).

(iii) A third step is to refocus all other schools’ admissions priorities and incentivize their efforts toward facilitating success across all NCLB/ESSA subgroups through addition of these weights:

Open Admissions Weight	Proposed
Diversity in High School Admissions	0.1
Weight is awarded for each new student admitted in the prior year (from July to the October audited register) appearing on the audited register who was not admitted through test-in, screened, audition, interview, continuing 8 th grader, zoned or geographic priority methods.	

Rising Tide Weight	Proposed
High School Achievement Gap Targeted Elimination	0.1
<p>Eligibility:</p> <p>(a) School must have at least 10% of students from at least 7 of these subgroups on its prior year audited register: Male students, female students, Asian students, Black students, Hispanic students, Native American students, Native Hawaiian/Pacific Islander students, White students, Students With Disabilities, English Language Learners, Students Living In Poverty.</p> <p>(b) If any students of the “10%+” groups (above a) were 10% or more below the school’s “All Students” prior year group’s performance for the combined College Readiness Index (CRI) plus College & Career Preparatory Course Index (CCPCI) plus four year graduation rate (maximum of all three being 300%), then:</p> <p>(c.) The school is awarded this weight for each student in the same subgroup for the upcoming year.</p>	

Achievement Sustainability Weight	Proposed
Accelerated High Schools	0.25
For schools not receiving Specialized Academic or Specialized Audition Portfolio Funding whose graduates in the prior year exceeded the Citywide Average for combined performance on the prior year’s College Readiness Index (CRI) plus College & Career Preparatory Course Index (CCPCI) plus four year graduation rate (maximum of all three being 300%) by 10% or more, this weight will be applied to all students on the audited register.	

(iv) The above initiatives toward equity in high school can be further supported through an incentive for middle schools:

Middle School Acceleration Weight	Proposed
Regents & LOTE Checkpoint A	0.2
Weight is awarded based on number of students passing (inclusive of Safety Net) 1+ Regents or LOTE Checkpoint A examinations creditable toward high school graduation in the previous school year.	

(c) Specialized Audition High Schools

Background:

Hecht-Calandra designates one high school as being “Specialized Audition” (03M485) and addresses admissions methodology but does not require additional funding. The DOE has provided substantial additional funding through this “Specialized” Portfolio designation since FSF’s beginning- all **while denying other schools 100% of their basic FSF funding**. 03M485 will receive \$1,468.91 per student over its FSF needs-based calculation; about \$3 million additional depending on final enrollment, at a weight greater than Specialized Academic Portfolio schools.

Page 39 of the Guide provides criteria for “Specialized Audition” portfolio status that could be exceeded by numerous schools:

“Specialized Audition: All students within the school participate in the equivalent of a five-year sequence through two double periods daily of study in their art form. Students in these schools are admitted through a screening process that involves a performance audition or a portfolio review. Students take and pass a Comprehensive Exit Exam in the art form of choice in grade 12 and receive the Arts Endorsed Diploma.”

The capricious nature of the DOE’s awarding of Specialized Audition Portfolio Funding is further brought to light when we consider that, in addition to the approximately \$3 million awarded annually to this school through Portfolio funding, an additional \$3.5 million in audition specialized portfolio funding is provided to another five schools that are **not specialized high schools under Hecht-Calandra**; again-all while other schools were not even receiving 100% of their basic FSF allocations:

DBN	2022-2023 Specialized Audition Amt	Basis for Portfolio \$
03M485	3,031,831	Hecht-Calandra- audition
02M408	659,541	Unknown
02M519	677,158	Unknown
02M531	321,691	Unknown
30Q501	1,258,856	Unknown
10X442	543,497	Unknown

Recommendations:

(i) Movement on revising Hecht-Calandra is a New York State issue, but it is in the NYCDOE’s power to limit its impact on its other schools and rationalize criteria to incentivize accelerated learning. A first move would be to defund Specialized Academic Portfolio from all schools except 03M485 which would be disallowed from receiving additional portfolio funds through CTE.

(ii) A second step is to enact a three-year right-sizing of 03M485 to 100% of its 2019-20 SCA Blue Book capacities (2,452).

(iii) A third step is to adjust the weight for specialized audition to equal that of specialized academic:

Students In Portfolio Schools: Specialized	Current	Proposed
Specialized Academic	0.25	0.25
Specialized Audition	0.35	0.25

(d) Transfer High Schools

Background:

Page 38 of the Guide provides two weights for portfolio transfer schools:

Description	Weight	Per Capita
Portfolio High Schools - Transfer - Heavy Graduation Challenge	0.40	\$1,678.45
Portfolio High Schools - Transfer - Regular Graduation Challenge	0.21	\$874.73

With definitions provided on the Guide’s pages 39 & 40:

“Transfer: Small high schools designed to re-engage students who have dropped out or are over-age and under-credited for grade. The Heavy Challenge weight for transfer school pupils is aligned to student need. This weight applies to over-age and under-credited (OAUC) based upon the combinations of pupil’s age, credits, and Regents passed upon entry to the transfer high school. These counts are aligned to the OAUC designation in the Transfer High School Quality Reports. Students in Transfer High Schools that are not OAUC are counted for the “Regular Challenge Transfer School Weight.

Age	Transfer HS Over-Age Under-Credited Criteria
16	Under 11 credits; or Under 22 credits and zero Regents passed.
17	Under 22 credits; or Under 33 credits and zero Regents passed.
18	Under 33 credits and four or fewer Regents passed
19 or older	Under 33 credits; or Under 44 credits and four or fewer Regents passed; or Two or fewer Regents passed.

Non-transfer schools are also eligible for a weight for students deemed to be “Heavy Graduation Challenge OTC” (currently 0.40/ \$1,678.45) as detailed on page 23 of the Guide:

“To ensure college and career ready standards for all of our pupils, the Academic Intervention-Heavy Graduation Challenge OTC weight provides additional funding for non-transfer school pupils who demonstrate significant credit accumulation and Regents exam proficiency challenges and who are admitted through the over-the-counter enrollment process...The below table demonstrates the combination of age, credits accumulated, and number of Regents passed in order to meet the Heavy Graduation Challenge OTC weight.”

Age	Transfer HS Over-Age Under-Credited Criteria
16	Under 22 credits and two or fewer Regents passed.
17	Under 22 credits; or Under 33 credits and three or fewer Regents passed.
18	Under 22 credits; or Under 33 credits and four or fewer Regents passed; or Under 44 credits and one or fewer Regents passed.
19 or older	Under 33 credits; or Under 44 credits and one or fewer Regents passed.

Over-the-counter students are those who were admitted to the school outside of the high school admissions process between July and the register audit.”

Funding students with the same characteristics differently just because of the school or type of school they attend is anathema to FSF and funds the school rather than the student. As with the disparity between CTE Portfolio and CTE in Academic High School funding, the differing criteria for Heavy Graduation OTC Weight should be the same regardless of whether the student remains in a traditionally configured or transfer school. In either environment, the additional interventions provided to the students are similar and the accountability for the students' success is also.

The provision of a "Regular Graduation Challenge" Weight (currently 0.21/ \$874.73) to all students in transfer schools not covered by the "Heavy Graduation Challenge" is a further example of misapplication of FSF in that again-a school rather than students-are being funded.

Recommendations:

(i) A student deemed to be a "heavy graduation challenge" retains that characteristic regardless of what type of school he/she attends. The criteria should be uniform:

Age 16: 22 or fewer credits earned OR passed fewer than 3 Regents needed to graduate;

Age 17: 33 or fewer credits earned OR passed fewer than 3 Regents needed to graduate;

Age 18+: 44 or fewer credits earned OR passed fewer than 3 Regents needed to graduate.

(ii) The weight "Regular Graduation Challenge" should be eliminated.

3. FSF Weights

(a) Current Weights

Based on the admittedly abbreviated study we were able to conduct, these weights, per page 18 of the Guide, would appear to be adequate as-is to support the services intended:

FSF Weights	Current Weight
Grade Weights	
Grades K-5	1.00
Grades 6-8	1.08
Grades 9-12	1.03
Academic Intervention	
Below Standards 4-5	0.25
Below Standards 6-8	0.35
Below Standards 9-12	0.25
Well Below Standards 4-5	0.4
Well Below Standards 6-8	0.5
Well Below Standards 9-12	0.4
Special Education	
Post-IEP Transitional Support	0.12
English Language Learners (ELL)	
Freestanding ENL K-5	0.4
Freestanding ENL 6-12	0.5
Bilingual K-5	0.44
Bilingual 6-12	0.55
Commanding K-5	0.13
Commanding 6-12	0.12
Students with Interrupted Formal Education (SIFE) K-12	0.12

(b) Proposed Changes to Current Weights

(i) Rationalization of Criteria for Poverty Weight

Background:

The persistent disparity in Title I allocations for counties serviced by the DOE indicate this Federal program alone cannot be a sole source to address the needs of students living in poverty. SAM 11 details:

	Citywide Average	Bronx	Kings	New York	Queens	Richmond
Cut-off	N/A	60%	60%	60%	60%	54.99%
Per Capita	\$1,022.62	\$1,270.75	\$1,112.04	\$1,084.21	\$645.78	\$1,154.39

Although the per capita Title I allocations vary as much as 97% (comparing Queens to the Bronx), the annual income level under which families must fall is the same throughout New York City:

Number in Household	Annual Gross Income	
	Free	Reduced
1	\$ 17,667	\$ 25,142
2	\$ 23,803	\$ 33,874
3	\$ 29,939	\$ 42,606
4	\$ 36,075	\$ 51,338
5	\$ 42,211	\$ 60,070

Number in Household	Annual Gross Income	
	Free	Reduced
6	\$ 48,347	\$ 68,802
7	\$ 54,483	\$ 77,534
8	\$ 60,619	\$ 86,266
Each Added	\$ 6,136	\$ 8,732

The current methodology for the DOE's FSF's Poverty Weight is summarized on page 21 of the Guide:

"...Eligibility for Poverty Weight

Students enrolled at schools that begin before grade 4 (e.g., all K-5, K-8, and K-12 schools) qualify for the poverty weight if they also qualify as in poverty based on the Family Income Inquiry Form (as submitted to the Office of Food and Nutrition Services) and/or receive public assistance (according to data provided by New York City's Human Resources Administration)...Pupils are deemed free lunch eligible if there is a completed income eligibility form below the poverty income threshold for the child or the student is receiving public assistance that has the same or lower income requirement as free lunch (e.g. SNAP, TANF)... Schools receive the poverty weight for all eligible pupils regardless of whether the school meets the Title I eligibility cut-off."

The disappearance of the weight in 4th grade and beyond and its replacement based on real or inferred test scores to qualify under Academic Intervention does not fully address the impact of poverty on students' achievement nor their social, emotional well-being. Regardless of test scores, students living in poverty will face numerous obstacles to progress and achievement, often including the need to care for siblings or work themselves. This can cause fluctuations in student performance directly tied to poverty.

Recommendations:

A K-12 weight for students living in poverty equal to the current weight of 0.12 utilized for students in lower grades (Guide, page 23). should be created separate from Academic Intervention. The basis for this should be the student's status as Free or Reduce Lunch Eligible for (from above) or receipt of assistance (SNAP, TANF). As prior year's statistics used for projections would be audited for enrollments on October 31st, schools would focus on maximizing families' participation by submitting forms at school's opening in September. Parents who are reluctant to submit forms or self-disqualify due to concerns about governmental consequences or out of the belief that they earn too much to qualify would need annual education as to the value of turn-in rates and the positive outcomes that can occur from participation including district-wide increases in Title 1 allocations; school-wide Title 1 possibilities; community building; and personal savings for families in terms of waivers from testing and college application fees.

(ii) Adjustments to Special Education Weights

Background:

Costs to provide services to students with disabilities, including those for personnel, have increased at far higher rates than other costs. Specificity of IEP-mandated services also can create breakage in programming that cannot be corrected. The previous FSF Task Force sought to address this incorrectly through “dedicated streams” and “lock boxes.” To the contrary, increased flexibility is called for.

Recommendations:

To ensure realistic allocation of funds to fulfill mandated services, a three percent (3%) increase in the weights (Guide, page 18) for the below characteristics is recommended:

FSF Weights	Current Weight	Proposed Weight
Special Education		
Low Intensity <=20%	0.56	0.58
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
Moderate Intensity 21% to 59%	1.25	1.29
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
Less Inclusive >=60% K-8	1.18	1.22
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
Less Inclusive >=60% 9-12	0.58	0.6
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
More Inclusive >=60% K	2.09	2.15
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
More Inclusive >=60% 1-5	1.74	1.79
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
More Inclusive >=60% 6-8	1.74	1.79
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		
Special Education	Current	Proposed
More Inclusive >=60% 9-12	1.74	1.79
3% increase proposed to ensure delivery/address breakage in SC, ICT & SETTS programming		

(iii) Incorporation of Special Education Services Currently Allocated Separately

Background:

Pages 32-33 of the Guide details the categorization of SE categories based on the total time for Special Education Teacher Support Services (SETSS), Integrated Co-Teaching (ICT), and/or Special Class (SC) programs recommended on students' Individualized Education Plans (IEPs). However, the Guide then goes on to state that:

“...The allocation does not include funding for indirect SETSS, or for the below IEP Related Services (as these services are funded through discrete allocations), therefore, these services are not included when calculating the time spent receiving special education services:
-Time spent in related services (e.g., counseling, speech, OT, PT).
-Time spent receiving other IEP aids and services (e.g., IEP paras, adaptive physical education, and assistive technology).”

Recommendations:

Depending on the number of students with IEPs requiring related services, schools can encounter issues balancing scheduling with academics. Schools also have expenses in providing these services beyond the costs associated with professional salaries involved which are not realized by School Allocation Memos (SAMs) 16-19 & 21 which outline current parameters and amounts of this currently supplemental funding.

It is recommended that time (percentage of week) spent scheduled for related services be included in the categorization of students whose IEP mandates them. Doing so would be less complicated than adding yet another weight to FSF and would make the school more accountable in ensuring the students receive these related services when monthly audits of the percentages of services rendered are conducted.

(iv) Summary of Recommendations to Current FSF Weights (from Guide Page 18):

FSF Weights	Current Weight	Recommended Change
Grade Weight		
Grades K-5	1.00	None
Grades 6-8	1.08	None
Grades 9-12	1.03	None
Academic Intervention	Current	Recommended
Poverty K-12	0.12	see above
Below Standards 4-5	0.25	None
Below Standards 6-8	0.35	None
Below Standards 9-12	0.25	None
Well Below Standards 4-5	0.40	None
Well Below Standards 6-8	0.5	None
Well Below Standards 9-12	0.4	None
Heavy Graduation Challenge OTC 9-12	0.40	see above
Special Education	Current	Recommended
Low Intensity <=20%	0.56	0.58
Moderate Intensity 21% to 59%	1.25	1.29
Less Inclusive >=60% K-8	1.18	1.22
Less Inclusive >=60% 9-12	0.58	0.6
More Inclusive >=60% K	2.09	2.15
More Inclusive >=60% 1-5	1.74	1.79
More Inclusive >=60% 6-8	1.74	1.79
More Inclusive >=60% 9-12	1.74	1.79
Post-IEP Transitional Support	0.12	None
Name change from "Portfolio Schools" to "Students in Portfolio Schools & Programs" (FSF FY 2023 Guide pg.37) as funding is per student and to incorporate changes recommended.		
Students In Portfolio Schools & Programs	Current	Recommended
CTE Tier1	0.26	see above
CTE Tier 2	0.17	see above
CTE Tier 3	0.12	see above
CTE Tier 4	0.05	see above
Specialized Academic	0.25	see above
Specialized Audition	0.35	0.25
Transfer Heavy Graduation Challenge	0.40	see above
Transfer Non-Heavy Graduation Challenge	0.21	Eliminate
English Language Learners (ELL)	Current	Recommended
Freestanding ENL K-5	0.40	none
Freestanding ENL 6-12	0.5	none
Bilingual K-5	0.44	none
Bilingual 6-12	0.55	none
Commanding K-5	0.13	none
Commanding 6-12	0.12	none
Students with Interrupted Formal Education (SIFE) K-12	0.12	none

(c) Proposed Additional Weights

(i) Rationalization of Support for Students in Temporary Housing & Foster Care

Background:

Students in Temporary Housing (STH) are not specifically defined in the Guide, however the DOE's website (<https://www.schools.nyc.gov/school-life/special-situations/students-in-temporary-housing>) provides details from the McKinney-Vento Act:

“A student who lives in any of the following situations is considered in temporary housing under the McKinney-Vento Act:

Doubled up (with friends or relatives because they cannot find or afford housing)

A shelter or transitional shelter,

A hotel/motel,

A car, bus or train,

A park or public place, or

An abandoned building

This includes unaccompanied youth who do not have a fixed, adequate, and regular nighttime residence. Unaccompanied youth are students not in the physical custody of their parent or legal guardian; this includes young people who have run away from home, have been kicked out of their homes, or have been abandoned by parents.

There is no age limit for unaccompanied youth, but these students are most often in their teens.”

Similarly, Students in Foster Care (SFC) are not specifically defined in the Guide, however the DOE's website (<https://www.schools.nyc.gov/school-life/special-situations/students-in-foster-care>) provides this definition:

“Foster care is 24-hour substitute care for children placed away from their parents or guardians by a child welfare agency. This includes, but is not limited to, children living in foster family homes, foster homes of relatives, group homes, emergency shelters, residential facilities, childcare institutions, and pre-adoptive homes.”

The similarity of the situations of STH and SFC is that students in either category may experience housing instability at any time during the school year. There is also fluidity between the two categories. Currently, FSF does not have weights for these categories despite the facts that they are attributable to students (rather to schools) and do impact students' abilities to participate and achieve.

Limited funding for these students is currently provided through set-asides of Federal Title I funding (SAM 11) and through the New York State Attendance Improvement Dropout Prevention (SAM 43). Page 13 of the Guide describes the portion of Title I Federal funds to be set-aside for assisting Students in Temporary Housing (STH):

“...The Title I Students in Temporary Housing (STH) set-aside is additive to a school's Title I SWP or TA allocation and is equal to the level of the borough per capita for all schools, regardless of Title I status. Schools will receive additional funding to support STH-related services for each Title I student. Funding in the STH set-aside must be spent on eligible activities to support STH-related services for each STH student...”

Unfortunately, the same Borough per capita is applied to these Title I set-asides, further widening the disparities among the Boroughs cited previously concerning Title I. SAM 11 laboriously details the uses of STH funds which, for School Year 2022-23 total \$71,961,706 for an estimated 68,714 students (average per capita: \$1,163.69) including \$2,117,448 allocated to 1,962 students who attend schools not funded through FSF:

“Students in Temporary Housing (STH)

In accordance with the federal McKinney-Vento Homeless Assistance Act and Chancellor's Regulation A-780, schools must identify, serve, and report on students residing in temporary housing (STH). In addition, ESSA requires all STH students to be Title I eligible, regardless of the school they attend. Both Title I and non-Title I schools will receive one full Title I per capita allocation for STH students. The Title I STH Set-Aside for Title I schools is now additive to a school's Title I SWP or TA allocation. Schools will now receive additional funding to support STH-related services for each Title I student.

The funds allocated for these pupils should be used to assist STH children in meeting the State's challenging academic content and academic achievement standards as well as assisting them when they have urgent needs. Since the number of STH children can change regularly, schools must carefully track this number to determine whether there has been an increase in need. Title I STH funds will be allocated in a distinct allocation category. In all cases, schools must select a program description in Galaxy to identify funds that are being spent for STH students. Program descriptions have been updated to the following list for use in FY 2023.

Program Descriptions
STH after school enrichment programs
STH after school student program fees or tutoring
STH coats, emergency clothing
STH emergency / weekend food
STH hygiene kit / personal care items
STH medical / dental / vision services
STH mental health emergency intervention services
STH parent engagement events
STH school day academic supports
STH school day field trip costs
STH school supplies
STH school uniforms
STH technology equipment and peripherals
STH emergency transportation costs
STH attendance improvement student supports

Title I and Non-Title I schools will receive the same county per capita for their STH pupils. Title I funding for STH students in Citywide Special Education programs are included in this allocation. All schools are responsible to use these designated Title I funds to cover emergency supply needs for the entire year, and should reserve funds for needs that may arise throughout the entire school year. Schools may spend amounts greater than the allocation on STH pupil using other resources. The Students in Temporary Housing (STH) website provides guidance on STH pupils, and how these funds can be used to meet their needs, as well as restrictions...”

Beyond Title I set-asides, more disjointed funding related to STH is offered by SAM 43 which allocates State Attendance Improvement Dropout Prevention (AIDP) resources to support mandated services and programs for students living in temporary housing. Problematically, these allocations involve the Office of Community Schools (OCS), adding another layer of expense while clouding accountability for provision of services to students.

Recommendations:

STH and SFC have needs which directly impact their ability to perform academically and develop socially which cannot be addressed by the modest sums provided through Title I set-asides or Poverty Weights or the convoluted attendance-focused allocations of SAM 43. Just taken alone, these students' frequency in transferring among schools requires massive efforts to address. As such, termination of the Title I set-aside (Federal and NYS Waiver required) and the AIDP allocations of SAM 43 is recommended in favor of a separate weight for students in these categories is proposed, equal to the proposed K-12 Poverty Weight:

FSF Weights	Current Weight	Recommended Change
Students in Temporary Housing or Foster Care		
Grades K-12	N/A	0.12

(ii) Incorporation of New & Anticipated New Resources into FSF

Background:

Page 12 of the Guide details initiatives, “some of which may be managed by Central”:

- “\$49 million for contracted school nurses to continue to provide nursing at all DOE school buildings
- \$33 million to expand career pathways programming
- \$11 million to expand bilingual education classes and supports
- \$11 million to expand parent engagement and translation and interpretation services
- \$10 million for new digital teaching and learning experiences
- \$59 million for CBO provided violence interruption activities in high needs schools
- \$7 million to expand literacy and dyslexia programming
- \$2 million to expand gifted and talented programming”

Additionally, page 12 of the Guide indicates that \$236 million above the normal summer budgets was allocated for Summer Rising programs.

Interestingly, page 8 of the Guide says:

1.1 Fiduciary Responsibilities of the Principal

It is the Principal’s responsibility to approve budget, payroll, procurement and purchasing transactions. Principals must ensure that all transactions support educational priorities or expenditures are related to the “business of Education.”

The principal must ensure that all expenditures align with allocated funding levels... Principals must follow program guidelines and regulations, have strong internal financial controls in place, and follow timekeeping rules and regulations. If a principal chooses to delegate such authority, it should be to trusted and trained staff. Principals however must remain aware that they are ultimately responsible for all actions taken on their behalf by their designees...

All transactions should be fully documented and are subject to audit by both internal and external control bodies such as the City and State Comptroller, State Education Department, Federal Department of Education, and private accounting firms contracted by the DOE or other oversight bodies to ensure proper controls.

Principals are reminded that fiscal management is a priority, and they will be held accountable for their budgetary decisions

This is reinforced on the Guide’s page 48 which states:

“...We hold principals accountable for one thing above all: student achievement... The bottom line for a principal will always be simple: make the decision that will get the best results for your students..”

However, the above centralized design and management of millions of dollars in “initiatives” would seem to contradict the Guide’s statement on page 14

“School leaders, not central offices, are best positioned to decide how to improve achievement...”

Recommendations:

Other than the need for press releases and rewarding of political supporters, there is no reason for any of the above “initiatives,” or others surely to follow, to be funded separately from FSF. Mechanically, these funds can be awarded to schools to enhance current weights for students in the targeted categories or can be created as temporary new weights as needed. The concepts of direct funding and management of programs by Central, along with the previous FSF Task Force’s concept of “lock boxes” disregards the above articles of faith concerning principals’ accountability and undermines their authority.

Due to the short-term nature of their particular funding source, some of the initiatives that are currently not contained within FSF are best added as temporary weights, such as for one or two years, so that they do “follow the student” while putting schools on notice as to their sunset provisions. Elimination of funding outside of FSF including that allocated under SAM 2, SAM 4, SAM 13, SAM 24, SAM 30, SAM 33, SAM 36, SAM 37, and SAM 45 should be immediate.

Successful pursuit of “student achievement” metrics as detailed herein is incentive and motivation enough for principals to allocate such purposed funds as they do with currently established weights within FSF. Allocation of such programmatic funding within FSF will also make budgeting transparent and less prone to favoritism while making comparisons among schools and populations feasible.

(iii) Other Proposed Additional Weights

(a) Overutilization Temporary Weight

Background:

The enrollment capacity for each school is set by the School Construction Authority and is adjusted annually via onsite visits and the Principal Annual Space Survey (PASS). 2019-20, a recalculation based on new methodology increased capacities for most schools an average of 10%. Although this resulted in fewer schools appearing to be over-utilized (i.e. enrollment/ capacity in excess of 100%), some glaring examples of overcapacity remain as do numerous examples of underutilization. OSE does not take utilization into account when assigning students but should. Challenges to promoting students’ physical health, the ability to maintain reasonable scheduling, and the provision of services on a multi-session basis all result from overutilization.

Recommendation:

A weight should be awarded for each student enrolled as of the prior year’s audited register in excess of a school’s SCA Blue Book Target Capacity (excluding trailers & temporary spaces). Such a weight will enable schools to properly provide services and will serve as incentive to OSE to rationalize their placements of students with the goal of universal 100% utilization.

Over Utilization Weight: All Schools	Proposed
Over 100% Enrollment Vs. Capacity	0.1

(b) Educational Impact Temporary Weight

Background:

The ramifications caused to existing schools when new schools are opened or when schools’ grade levels are expanded are not even discussed in the Educational Impact Statements (EIS) issued to the Panel for Educational Policy (PEP) when such additions or new schools are voted upon. Despite numerous requests to include these often foreseeable consequences, District Planning and other DOE offices proceed without regard to the impact their SCA-inspired decisions

Recent examples include the enrollment decline at Grover Cleveland High School (D24) accelerated by the opening of Maspeth High School whose mission was to relieve overcrowding at Forest Hills High School-which remains overcrowded. Similar examples can be found throughout the City with several more (e.g. Gotham Tech & Bryant High School) in progress.

Recommendation:

Within each District for K-8 and Superintendentcy for 6-12 and High Schools, schools that may be affected by the introduction of a new school or extension of grades in another school should be identified and the possible effects be taken into account in all future EIS. This is just good planning. Affected schools require additional temporary support for their students to bolster existing programs and services or to initiate new ones to avoid enrollment declines once the new school or grades open-usually a lead time of two to three years.

A temporary weight, for the years in between approval and opening of a new neighboring school or grade should be awarded to potentially affected schools.

Educational Impact Weight: Identified Schools	Proposed
All students	0.1

(c) Contract for Excellence (C4E) Inclusion

Background:

C4E funds derive from the NYSED and, as summarized on Page 11 of the Guide, “The funds must also be spent by schools according to the City’s Contract for Excellence with the State...” Page 54 of the Guide provides these details and indicates some funds will be allocated on a discretionary basis:

“...The discretionary allocations that schools receive via C4E (SAM 05), are subject to the Contracts for Excellence provisions. Other funds earmarked for Contracts for Excellence – including funds for increases in Integrated Collaborative Team Teaching (ICT) enrollment, Autism Spectrum Disorder (ASD) and full day Pre-Kindergarten classrooms –are not covered in this guide and will be addressed in a separate document, which will be posted on the C4E website. Discretionary allocations will be made through the “Contracts for Excellence FY09” or “Contracts for Excellence FY09 HS” allocation categories in Galaxy. Details regarding this allocation can be found in SAM 05...”

Some clarification for the use of C4E funds is offered on pages 54-55 of the Guide:

“8.1. How Funds Should Be Spent

All FY 2023 Contracts for Excellence discretionary funds are to be used to maintain effort for programs initiated using this funding source in 2021-2022. It may be challenging for schools to maintain effort where changes in its population may render a program unsustainable. In those cases, schools may choose to initiate a new program or expand an existing program using these funds. However, any program funded with Contracts for Excellence dollars-whether maintenance of effort or new/expanded-must adhere to the following provisions and is subject to State Education Department (SED) monitoring to ensure compliance.

8.1.1 Program Area Requirements

C4E dollars must be spent to support programs and activities in the following six program areas: .

Class Size Reduction;

- Student Time on Task;
- Teacher and Principal Quality Initiatives;
- Middle School and High School Restructuring;
- Full-Day Pre-Kindergarten; and
- Model Programs for English Language Learners/Multi-Lingual Learners ...

8.1.2 Students with the Greatest Educational Need

C4E funds must be used to predominantly serve students with the greatest educational need, including:

- English Language Learners/Multi-lingual Learners (MLs/ELLs) and students with limited English proficiency;
- Students with disabilities;
- Students in poverty; and
- Students with low academic achievement.”

Finally, page 55 of the Guide provides guidance on usage of C4E funds:

8.1.3 Supplement not Supplant

C4E funds are supplemental and generally may not be used to cover the costs of programs and personnel previously funded with tax levy dollars. However, there is an exception: C4E can be used to fund an expense if the school can document and demonstrate that due to cuts in tax levy funding, the programs or personnel would have been cut “if not for the availability of C4E dollars. Note that even in this “if not for” situation, the expenditure still must meet all of the programmatic requirements of C4E...”

Pages 56-58 of the Guide and SAM 05 provide examples of C4E usage, all of which can be cross-referenced to the student subgroups cited in the above “8.1.2 Students with the Greatest Need;” all of whom have existing weights under FSF.

As discretely allocated to schools, rather than to students, C4E funds can often miss the mark in serving the students toward whom these funds are meant. Often, combining FSF and C4E funds can prove challenging and leave schools with partially funded or scaled down efforts. Interestingly, the Guide’s Page 7-8 describe the school budgeting process as a collaborative process involving School Leadership Team (SLT) participation; Chancellor’s Regulation A-655; and the school’s Comprehensive Education Plan (CEP)-a document noted for its heavy participation from Superintendents. However, the same document’s page 14 states:

“School leaders, not central offices, are best positioned to decide how to improve achievement...”

While page 48 explicitly states:

“...We hold principals accountable for one thing above all: student achievement...
The bottom line for a principal will always be simple: make the decision that will get the best results for your students..”

Recommendations:

After negotiation with the NYSED, C4E funds should be allocated as part of FSF-ideally as line items in Galaxy denoting “C4E” supplements to FSF weights. Thus, a school would have a calculation for “Students in Poverty” and “C4E Students in Poverty,” etc. This alignment of funds would encourage targeting of funds, identify students in the targeted groups, and result in more efficient use. As C4E funds can vary annually, maintenance of them as separate calculations within FSF would not affect the City-derived portions of these calculations.

(iv) Summary of Recommended Additional FSF Weights

These are the recommended additional FSF weights:

Academic Intervention	Proposed
Poverty K-12	0.12
Open Admissions Weight	Proposed
Diversity in High School Admissions	0.1
Rising Tide Weight	Proposed
High School Achievement Gap Targeted Elimination	0.1
Achievement Sustainability Weight	Proposed
Accelerated High Schools	0.25
Middle School Acceleration Weight	Proposed
Regents & LOTE Checkpoint A	0.2
Students in Temporary Housing or Foster Care	Proposed
Grades K-12	0.12
Over Utilization Weight: All Schools	Proposed
Over 100% Enrollment Vs. Capacity	0.1
Educational Impact Weight: Identified Schools	Proposed
All students	0.1

B. Fairness & Efficiency in Calculation of FSF's Components

1. Incorporation of Collective Bargaining Increases into Citywide Average Teacher Salary

Background:

Page 15 of the Guide describes:

"3.2.1 How FSF Works

FSF is allocated to each school based on three components:

- 1) a formula that accounts for the number and instructional need attributes of students at the school, valued at the cost of providing these services at the citywide average salary, excluding collective bargaining related increased costs,
- 2) Collective Bargaining related increases reflecting costs based on the number and salaries of current staff..."

Though not the only component utilized to calculate base FSF, the citywide average teacher salary is the most impactful. As seen in recent allocations, it is also variable with an overall decrease for 2022-2023 (Guide pages 15, 17, 43). Page 48 of the Guide further details that:

"...The formula's grade and need weights are built to allow a school to pay its base teachers at the Citywide Average (CWA), meaning schools receive adequate funding for a mix of junior and senior teachers. In years when teacher salaries increase on average citywide, funds are added equitably to every school's allocation by the number and weighting of their pupils to compensate for growth in CWA teacher salaries..."

Included in FSF but not included in base calculations of CWA are Collective Bargaining Increases (CBI) which, instead of being included in the base per capita per student are allocated in a lump sum at the opening of a school year (Guide pages 17, 43, & 50) which is initially based on prior year and subject to adjustment. This CBI is further defined in schools' FSF Details pages as:

"Collective Bargaining (CB) for staff includes the cumulative impact of CB increases for all FSF funded staff on the school payroll as well as Per Diem, Per Session, Pro Rata, Prep Period Coverage and 6th Period Coverage.

The State Aid Funding of FSF Floor Raise represents the additional CB associated with the State Aid Funding of FSF Floor Raise.

The CB for Register Change represents the adjustment to each school's cumulative CB increases and is calculated at the FY 2023 Preliminary Adjusted FSF Funding Percent, capped at 100% for weighted register growth, and uncapped for weighted register decreases."

Recommendations:

CBI lump sum allocations can amount to as much as 30% of a school's revised base allocation of FSF. A decent estimate of the CBI for FSF funded staff is known when the Budget Office is initially calculating its initial budget, inclusive of the amounts likely available for allocation to schools via FSF. As such, elimination of the separate lump sum allocation in favor of including any CBI into Citywide Average Teacher Salary (and therefore into the base FSF allocation) is recommended.

Such incorporation of CBI into Citywide Average Teacher Salary will encourage better planning at the school level as the true cost of pedagogues is clarified. Although they have no direct input, principals, superintendents, and other administrators will also become more invested in the results of future Collective Bargaining Agreements (CBAs) negotiated by the DOE's Office of Labor Relations (OLR) and in monitoring non-salary expenses at the school level.

2. Equitizing The Debiting of Average Teacher Salary

Background:

In attempting to remedy a perceived inequity, the designers of FSF created another which has dire consequences for some schools while favoring others. Page 48 of the Guide explains it thusly:

“Chapter 7-STAFFING

7.1. Background

7.1.1 How Schools Pay for Teachers

Before FSF, we used to fund schools based on the teachers hired. This meant that we gave more money to schools for having more experienced and higher-paid teachers. Conversely, we gave less money to schools for having lower-paid teachers who are less experienced. At two schools with 100 teachers each, one with teachers earning an average of \$90,000 and one with teachers earning an average of \$100,000, the funding difference could reach \$1 million. That difference was especially troubling when we knew that the school with lower-salaried teachers likely had greater professional development needs...

... To address this inequity, with the implementation of FSF, schools began to be funded based on the needs of their students, not the salaries of their teachers. Under this approach, a school no longer receives less money because it has less experienced teachers. Schools receive an allocation based on their students—their FSF allocation—and schools are responsible for paying their teachers out of that allocation. This way of managing a budget is familiar to families, universities, and businesses...

The formula’s grade and need weights are built to allow a school to pay its base teachers at the Citywide Average (CWA), meaning schools receive adequate funding for a mix of junior and senior teachers. In years when teacher salaries increase on average citywide, funds are added equitably to every school’s allocation by the number and weighting of their pupils to compensate for growth in CWA teacher salaries...”

As schools are funded on the basis of the CWA, debiting school budgets for teacher salaries based on the CWA would be equitable. However, the DOE penalizes schools for having teachers on staff whose salaries exceed the CWA. As explained on page 51 of the Guide:

“7.3 The School-Wide Average Salary

The school-wide average (SWA) salary is the amount schools are charged for the cost of every teacher for the entire year. It reflects the full savings (or cost) for teachers hired in the prior year. The school-wide average salary is calculated by taking a snapshot of all active teachers at a school as of February 2022. The salaries of those teachers are forecasted for their amounts as of June 30, 2023 to capture longevity, steps, and salary differentials. The forecasted salaries for the teachers are totaled and then divided by the number of active teachers as of February 2022...”

It is not unusual for two schools to be debited widely differing amounts for the same teacher with the same licensure and same seniority and academic qualifications. This limits the “purchasing power” of schools with higher SWAs, which are caused by seniority raises negotiated at the Central level, not at the school level. The possible effects teachers could have on school’s SWA remain a deterrent to hiring experienced teachers. This was a principle reason for experienced teachers remaining in the Absent Teacher Reserve (ATR) pool for over a decade after their schools had closed or downsized.

Page 49 of the Guide crosses the line into fiction when inferring that principals have any say in the salaries of their teachers other than to not hire more senior ones, in effect suborning age discrimination:

“7.2 Gradual Transition

7.2.1 Principals are responsible for costs of new hires

With the greater control over budgets, principals have more opportunities and responsibilities. Schools can choose how to combine their investments in different types of teachers, services, and supports to improve student achievement. Principals will invest in great staff but will do so in a way that is realistic for their budget.

Previously, the school was effectively not charged for the increased salary costs. In many ways, the school was also penalized for hiring a less experienced teacher...”

Finally, page 50 of the Guide ensures that few, if any, people will understand this calculation with language constituting a conspiracy against the common person:

“...The school is also accountable for funding any raises (teacher salary steps, or education differentials) in future years for the teachers they hire. However, for schools with raises that are on average lower than or equal to the system wide change in the average teacher salary, after accounting for attrition, the funding adjustment schools receive through the adjustment to the per capita for the SWA teacher salary change fully offsets their increased costs.

Schools are not responsible for the cost of CB raises. Schools are funded for CB increases in teacher salaries and in the salaries of all other staff funded by FSF via a lump sum added to their FSF allocation. To align the CB allocation in FSF to the changing needs of the school, the dollars are adjusted for the weighted register change from FY 2022 to FY 2023. In instances where schools have both CB for staffing per weighted capita which is less than the citywide average, and a projected register loss, then CB for register loss has been capped in these schools at a maximum of the citywide average...”

Recommendations:

As CB increases are dealt with in the preceding section, these recommendations apply to the CWA and SWA calculations of FSF. The CWA, as enhanced by the inclusion of CB as detailed hereinabove, should be used both as a component of allocations to schools under FSF and as the debiting figure for teachers’ salaries. CWA variations tied to grade spans of schools may be appropriate, but the current SWA system for debiting salaries should be halted immediately.

2. Equitizing The Debiting of Other Salaries

Background:

Sadly, FSF currently debits school budgets for non-pedagogues on the basis of actual salaries rather than citywide averages. Page 51 of the Guide notes these as:

“...Schools will be charged FY 2023 forecast actual salary for non-teaching positions charged to FSF and other discretionary allocations. Forecast actual salary takes into account any known and predictable salary events for the fiscal year, such as steps, longevity, differentials, and CB increases. Examples of titles scheduled at forecast actual salary in Galaxy are as follows

- Principals and Assistant Principals
- Guidance Counselors
- School Secretaries
- School Aides
- H-Bank Administrative Staff, such as Parent Coordinators, Computer Techs and School Business Managers...

Schools will be fully funded for the CB of all FSF funded non-teaching staff on payroll in the same lump sum through which they will receive the money to cover the CB of their teaching staff...”

Once again, schools have no say in the CBAs which dictate the salary levels of these employees but are penalized for their effects. It is interesting to note that the ability to debit staff to budgets using CWAs is available to the DOE as is further exemplified on page 51 of the Guide:

“...Education paraprofessionals (ed para) are charged at the citywide average for all ed paras. As ed paras are frequently assigned to work in various types of programs, and may be reassigned throughout the school year, using the citywide average ensures schools always know how much the ed para will cost...”

Recommendations:

Both for purposes of allocation calculation and of debiting schools’ budgets, citywide averages for all staff titles, inclusive of CB increases, should be utilized in FSF per the above example shown by Education Paraprofessionals. These rates can be adjusted annually.

4. Adjustment to FSF Foundation Allocation

Background:

Currently, schools receive FSF foundation allocations of \$225,000.00 described on the Guide's page 19:

"4.2 Foundation

All schools receiving FSF, regardless of registers or type, will receive a lump-sum foundation of \$225,000. The dollars are not tagged to particular positions so that schools, rather than central administration, determine whether they need more or less core administrative staff, teachers, or other services. Schools can finance additional administrative staff using resources from the per-student allocations, other allocations such as parent coordinators, and other programmatic supports provided on a per-school basis..."

In this ongoing era of Covid-19, the previous concept behind FSF foundation (a principal and a school secretary) requires examination. For a school to exist properly on paper, a principal, a school secretary, at least one assistant principal, a parent coordinator, and a social worker are the minimum requirements prior to staffing for instruction and activities.

Recommendations:

Utilizing citywide averages as detailed above, each school should be funded for FSF foundation for a principal, a school secretary, at least one assistant principal, a parent coordinator, and a social worker. This would eliminate funding currently allocated separately under SAM 09 and SAM 18.

5. Change of General Policy Toward FSF

Background:

At this writing, there are over 50 School Allocation Memos (SAMs) issued for School Year 2022-23 by the Division of Finance, including the mammoth 61 page Fair Student Funding Guide. Many of these SAMs describe funds distributed to schools outside of FSF which itself is covered by 2 SAMs. 18 SAMs are grouped as describing “internally Restricted Funds;” 8 are considered “Other Special Education Funds;” 4 handle “Budget & Technical Adjustments;” 9 are grouped as “Stimulus Funding;” and 19 are considered “Externally Restricted Funds.” Collectively, these SAMs prescribe funding and procedures for billions of dollars.

Estimates provided by the Division of Finance indicate that typically, 65-67% of schools’ budgets derive from FSF with the balance being provided via funding from other sources as described in these SAMs.

The DOE has yet to realize the sustained school improvements that can be obtained when an aligned policy is implemented. This is due, in part, to politically-driven changes to admissions policies and, in part, to the continued hoarding of resources away from the FSF formula by Central. Central, by initially underfunding even the basic FSF allocations for 14 years and by continuing to withhold billions through “funding outside of FSF” as described in the above-referenced SAMs, has made no progress in increasing the overall percentages of school budgets provided by FSF. Although this may provide increased control over funds’ allocations, it retards the measurable progress that a coherent and student-based funding system promises.

Recommendations:

A two-level analysis followed by ongoing reviews is required in order to ensure that the DOE is getting all it can from its version of weighted student formulas: FSF. Whether these analyses are conducted internally or through the Independent Budget Office (IBO) or Comptroller’s Office, the mindset and zeitgeist with which the DOE needs to be inculcated is:

- have all non-school aspects of the annual budget been minimized?
- have as many funded sources as possible been conceptually consolidated or converted into FSF?
- have all non-FSF allocations been minimized?

As demonstrated hereinabove, ongoing practices and temporary initiatives can be included into FSF weights, ensuring that the targeted students receive the intended benefits. Accountability for their proper use is readily available to the DOE through audits of Galaxy and by examining student performance results. If the DOE actually believes its own stated goals for FSF from page 14 of the Guide:

“...Empower school leaders:

DOE strives to keep FSF stable from year to year, so principals are able to anticipate and plan for changes in future years. FSF allows for principal discretion on the use of dollars and gives schools the opportunity to make the best choices for their students...”

then maximizing the dollars realized within the FSF framework and the percentages of school budgets derived from it are of paramount importance.

II. Adjustments to FSF- Related Budget Procedures

A) Projections

Background:

Increasing the accuracy in projections that lead to FSF calculations is key toward providing stability in funding and supplying early information concerning enrollment patterns and trends. Page 40 of the Guide provides this description of procedures around projections:

“4.5.1 Grade, Special Ed, and Portfolio Weights: Projected Enrollment

Principals review the projected register developed for their schools by the Office of Student Enrollment (OSE) and have an opportunity to appeal the projected registers based on their own data, each spring. The projected registers and appeal process is done via a web-based register tool. The outcome of this annual process yields the register projections for each school, **which are the basis for initial funding of general education students, students with disabilities and the high school portfolio weights.**”

The reality is that the FSF-impactful projection process is one-way from OSE to principals with few revisions ever resulting from principals’ appeals, despite the provision of verifiable data. As the process progresses, this often leads to inadequate planning and budget appeals which can further complicate school openings. In the lead-up to school year 2022-2023, this issue became critical as numerous schools were provided with unjustifiably low projections and braced themselves for last minute hiring and rescheduling due to higher than budgeted projections. Understandably, these low projections were seen by some as a subterfuge to avoid providing 100% FSF; a provision which Central steadfastly opposed until 2021-2022.

Recommendations:

Starting for SY 2023-2024: Initial projections provided to schools by the DOE Office of Student Enrollment (OSE) should be required to obtain principal and school level SLT agreement before being finalized. In cases where OSE and the school cannot agree, a decision from the school’s Superintendent, whose role is already stipulated in the Guide (pages 8-9), would suffice.

B) Adjustments to FSF Via Appeal (Pre-Audited Register)

Background:

Even in cases where there is agreement in Spring between OSE and a school concerning the numbers and types of projected students, changes in conditions can materially affect actual enrollments in Fall. During the enrollment/ graduation period, either OSE or the school may determine that the school will exceed or not meet the agreed-upon projection (from above). Currently, this is also a one-sided process requiring the school to file an appeal for register growth loans or having register loss set-asides determined by OSE & Budget. Per the FSF Guide, page 43:

“5.2 Register Reserve Policies in the Initial Allocation

Register Loss and Register Gain Reserves will once again be established, however they will be half of the set aside amounts as determined by the following parameters:

Register Loss Reserve

Schools with register loss in either of the last two years will have a “Register Loss Reserve Set Aside” automatically scheduled in their Galaxy TO based on the greater of the following calculations:

For schools with register loss in FY2022, 15% of the amount of the FY2022 mid year adjustment will be set aside

For schools that had register loss in FY 2021, 7.5% of the amount of their FY 2021 mid-year adjustment will be set aside.

Register Gain Reserve

Funding for 50% of projected register growth will be held in reserve on school budgets. Applies only to open schools; new schools and mergers will not have any funds set aside.

In addition to the above, all schools will have 0.125% of their FSF allocation placed in the Register Loss Reserve set aside.

Schools will work with their DSLFT to release reserved register loss funds when actual register growth is evident...”

Recommendations:

For schools anticipating Fall enrollment greater than projected:

Schools not already in fiscal deficit (see below) can request register gain funds in July by notifying Budget, OSE, and their Superintendent, whose role is already stipulated in the Guide (pages 8-9), and providing data to support their revised estimates of Fall enrollment. If the Superintendent approves, the additional calculated funds will be released to the school with a proviso concerning MYA (see below). Schools already in fiscal deficit may, subject to Superintendent’s approval, receive such additional funding with 25% set aside in reserve until actual register growth is evident.

For schools anticipating Fall enrollment less than projected:

Schools will conference with their Superintendents in July to determine if a set-aside or return of advanced funds is appropriate. OSE and Budget will then be notified by the Superintendent.

C) Changes to FSF Mid Year Adjustment (MYA)

Background:

Currently, Mid-Year Adjustments (MYA), whereby schools' projected enrollments and budgets are compared with actual enrollments and needs, are done in several phases. The Guide's page 47 provides this explanation:

"...Chapter 6 – MID-YEAR ADJUSTMENTS

6.1 Mid-Year Register Adjustment (MYA)

The MYA aligns the FSF preliminary allocation with actual registers. In conjunction with the FSF adjustment, schools will also receive a SAM 20 Specialized Program adjustment (BSE, ACES, IREAD and Access) for special education unfilled seats. The MYA includes the net impact of the FSF adjustment plus the SAM 20 adjustment.

Further information regarding the MYA process for FY 2023 will be disseminated after the start of school.."

Theoretically, a school which has exceeded projections (for number of students and/or for the funding categories of students) is due additional funds after MYA. Conversely, a school which has not met projections owes money back to Central. This determination is made after audits for students with low or no attendance through October (ALOHA Audit) and for students discharged in November (ANDI Audit). Schools with specially funded programs such as BSE, ACES, IREAD, and Access are audited twice (as of October 31st and as of December 31st) as are all schools' populations of special education and English Language Learner students.

Unfortunately, the current actual procedure is not so simple nor transparent. As an example, the FSF Guide for School Year 2020-2021 took 5 pages plus a separate memo to complicate and obscure what seems to be a straightforward annual adjustment. In effect, schools due additional funds rarely get 100% of the amount owed and get their partial additional allocations only after the above audits, a look-back to the previous school year, and further adjustments. When additional funds come, they are generally in February-March, too late to be used for the current school year.

Schools which ultimately show a deficit usually receive quicker treatment, with Central seeking to take back funds immediately and, in cases where this is not possible, putting the offending school on a close watch and single or multi-year payment plan, depending on the amount involved.

Schools with deficits at the end of school year 2021-2022 had their debits forgiven due to the ability of the DOE to tap Federal stimulus funds to make them whole. This is a most unique situation and schools have been notified not to expect such treatment in school year 2022-2023. As the Guide's page 44 summarizes:

"5.3 Rollover Deficits for Schools Unable to Pay Back Mid-Year Register Loss

Each year, schools are responsible for rollover deficits where they did not pay back funds owed for register loss in the prior fiscal year. However, last year, in recognition of the pandemic-driven enrollment declines, register relief allocations were provided to fully offset funds schools owed for mid-year register adjustments for larger than projected register loss. These funds were allocated in FY 2022 SAM 86 School COVID-19 Register Relief Mid Year Adjustment...No deficits will be rolled into FY 2023. Federal stimulus funding will support deficit rollover relief for FY 2023, and schools are expected to use deficit relief funding for eligible purposes as per school CEPs.."

Recommendations:

Due to the annual timing of audits and their results, the issue of MYA is inextricably linked to that of roll-over which is discussed below. It is recommended that schools due additional funding after MYA be allocated 100% of such late-arriving funds immediately upon completion of audits.

To promote fiscal responsibility, it is further recommended that subsequent to the ALOHA and ANDI audits (and separate BSE, ACES, IREAD and Access audits) the provisions for calculation of MYA per the 2023 FSF Guide page 47 & SAM 20 be reinstated for school year 2022-23 with repayment provisions per the 2021 FSF Guide and an anticipated updated issuance of SAM 34.

D) Changes to Roll Over Policies

Background:

Historically, there has been no set policy concerning the ability of schools to roll unused funds forward into the next fiscal year. The types and amounts of funds that can be rolled forward change each year; with some years having dollar caps; some years having per capita limits; some years having no allowance for roll overs; and no years having had any connection between school performance and the ability to roll funds forward. This becomes particularly wasteful when schools have allocated funds to ordering goods or services which cannot be delivered by the DOE's cut off dates; thus requiring cancellation and return of the committed funds to the DOE.

For schools practicing efficient management of resources while meeting or exceeding performance targets, the ability to know in advance that funds not spent can be rolled forward for use in summer or the following Fall can enable multi-year planning and avoid the "use it or lose it" spending frenzy that often occurs in Spring. Tying the ability to roll over with performance targets further incentivizes schools to focus their spending where it will do the most good for the most students.

Recommendations:

All schools that receive additional funding through a Spring allocation as part of MYA should automatically be empowered to roll an amount up to equal to such additional allocation forward for use in the following Summer or the subsequent school year. This provides a better choice than "use it or lose it" for these late-arriving funds and will enable the school to bolster Summer or Fall programs.

Each August, the Chief Academic Officer (CAO) should issue performance cut-off levels (academic targets) to establish eligibility for roll over in the upcoming year based on objective data from the just concluded school year, to each school via the Superintendents. Schools meeting or exceeding these established performance cut-offs should be allowed to roll funds forward, if any are remaining, at the end of the school year; and schools that do not meet these established performance cut-offs must return all unspent funds.

Schools that face roll over deficits should not merely be scolded and put onto a payment plan. Examination of the deficit's causes and the school's performance are needed to determine if the funding was adequate and proper and what adjustments may be needed going forward. In extreme cases where staff and budget right-sizing attributable to lowered enrollment or to mismanagement is substantial and indicates further erosion, serious consideration of school closure or consolidation should commence.