Fair Student Funding Working Group
Final Report

Submitted by the Fair Student Funding Working Group
to the Chancellor of NYC Public Schools
on
November 4th, 2022

Table of Contents

Introduction and Context:

As New York City continues to move towards a state of recovery after the COVID pandemic, it is clear that our city's children, in particular those in our most vulnerable communities, need to remain at the center of our recovery efforts. We, as a city, must continue to focus on how we are distributing resources to all schools, with a focus on driving resources equitably and towards communities that have been historically marginalized and disproportionately impacted by the pandemic. We recognize, as well, the context of our system, which has historically warehoused resources in wealthier and more privileged communities and that our public school system remains troublingly segregated.

This report represents the culmination of three months of work by the Fair Student Funding (FSF) Working Group. The time that we had to undertake this work was truly not enough. More ongoing public engagement is necessary to deepen understanding of the formula and address its inequities. We expect that the NYC Public Schools' leaders, including the Chancellor, will continue to support our efforts in the long-term, including creating more transparent approaches to public engagement and revision of the Fair Student Funding Formula (FSF). This is the only way to ensure a continual focus on driving resources, equitably, to our most vulnerable students.

Additionally, we recognize that when funding is integrated into the formula, those resources are given to the school and allocated within the school at the discretion of the principal, in consultation with the School Leadership Team (SLTs). We ask that as principals and their SLTs consider how to allocate funding within the schools, leveraging these recommendations and investing in resources that will improve outcomes for the population of students the funding is intended to support. We also encourage school-level leaders to involve the students for whom the funding is intended. For instance, one of our recommendations is to develop a weight for Students in Temporary Housing. As school leaders and SLTs consider how to utilize this funding, impacted students should be engaged in order to directly understand what they need and how the resources given to the school can best support them. We ask that communities do this work **with** students. Such engagement is critical, particularly as our system experiences an influx of over 5,500 students from migrant families to date[1]. Local family and community engagement is a critical part of our vision for equity.

Within this report, we share our vision for changes to the Fair Student Funding formula, with the expectation that action will be taken by NYC Public Schools leadership to enact changes for

[1]Amin. (2022, October 18). *NYC grapples with influx of new asylum-seeking students*. Chalkbeat New York. Retrieved November 3, 2022, from https://ny.chalkbeat.org/2022/10/18/23411736/nyc-asylum-seekers-students-budget-bilingual-teachers

the FY24 formula. We share these recommendations while acknowledging that current enrollment in NYC Public Schools is declining – a factor that will significantly influence school budgets. While the recommendations do not address enrollment changes, these changes must be considered along with any changes to the formula in the coming years.

Our Vision for All NYC Schools

Students and teachers must have access to the resources they need to thrive. Without advocacy, schools would not have 100% of their Fair Student Funding; unfortunately, it took almost fourteen years for that to happen. Last year, as schools were buffered from enrollment declines with federal stimulus funding, principals and teachers reported having enough money to help support their student's needs, as shared with members of the Working Group. However, the Working Group believes that this academic year's budget cuts, estimated at $469 million in FSF by the Comptroller's Office, impacting more than three-quarters of all schools, have been devastating for some communities, leading to larger class sizes, less arts programming and some students not receiving mandated services.

Locally, in order to learn how money is allocated to a school community, members can attend the school leadership team meetings (SLT) meetings. The SLT is composed of elected parents, teachers, and the principal. The SLT is required to discuss alignment between the school's budget and its comprehensive education plan (CEP). SLT members can ask the principal to provide an analysis of the budget, highlighting areas where the budget may have increased or decreased from the previous year, comparing the current budget to the preliminary budget (typically provided to principals at the end of May or June) and determining if the needs of all students are being met. Principals can submit appeals for their estimated budgets, based on enrollment numbers, throughout the school year; however, the majority are submitted at the end of June-July.

Another place where advocacy and conversations about school budgets can also occur at the city level is with the Citywide Community Education Councils (CEC) across the city where public comment can be made and CECs can write resolutions in order to advocate for increased funding in our schools. The Chancellor's Parent Advisory Council (CPAC) can also play a similar role, in addition to directly addressing with the Chancellor the ways in which school funding, or the lack thereof, can impact school communities. Both bodies meet monthly and their meetings can be offered remotely to enhance participation.

Finally, the Panel for Educational Policy (PEP) is a legally-mandated governing body of the NYC Public Schools that votes on the Fair Student Funding formula and on the estimated budget proposed by the Mayor. The PEP as a body meets monthly, however the vote for the fair student

funding as a formula typically occurs in the April PEP meetings and the estimated budget proposed by the Mayor is typically voted on in the June PEP meetings. PEP currently offers a remote option for comment.

Community members and advocates can leverage these structures within NYC Public Schools to address the needs of their school communities. Advocacy groups and partners have spent decades advocating for more funding in our public schools. Some of the advocacy includes directly engaging elected officials in understanding the needs of our school communities as they engage the Mayor and formulate a budget for schools. When the Mayor and City Council pass the budget it is essential they are fully aware of the impact on students and schools.

What is Fair Student Funding?

Fair Student Funding (FSF) is the main source of money for most schools. With input from the School Leadership Team, principals decide how to spend these funds to meet basic educational needs. FSF is based on the number of students enrolled at each school and the needs of those students. This budgeting method is called a weighted pupil-funding model. More information about Fair Student Funding can be found on the NYC Public Schools' webpage (https://infohub.nyced.org/reports/financial/financial-data-and-reports).

The Fair Student Funding Working Group

In April 2022, the FY23 Fair Student Funding Formula was brought before the Panel for Educational Policy (PEP) and was not approved by members. In the May 2022 meeting of the PEP, the formula was again brought to vote with no changes, but then approved by the PEP. Then, in that same month, Chancellor Banks announced that he would convene a Working Group to examine the current Fair Student Funding Formula (FSF) for relevance and potential changes. In July 2022, the Working Group began meeting and engaged in a series of virtual and in-person meetings to analyze the current formula and recommend potential changes. The Working Group began its journey by working to understand the current structure of FSF through presentations by internal NYC Public Schools personnel and national experts.

The Working Group met bi-weekly from late July through October of 2022. The majority of members attended each meeting. Minutes were taken in each meeting and all materials presented within the meeting were posted on the NYC Public Schools website at (https://infohub.nyced.org/reports/financial/financial-data-and-reports)

The group elected co-chairs in early August: Dr. Dia Bryant, the Executive Director of the EdTrust–New York and Jasmine Gripper, the Executive Director of the Alliance for Quality Education.

Approach to Finalizing the Recommendations

Throughout the course of the Working Group, co-chairs and members identified proposals for changes to the formula. The NYC Public Schools team developed impact models to show the financial effects of the proposed changes, including how the proposed changes would shift funding at schools across the city, by community school district. After reviewing the in-depth models for ten proposals, the Working Group engaged in a vote in which group members ranked their top choices and assigned point values, based on the ranking. Some members who participated in discussions did not submit the ranked choice survey or take part in the decision to pick the top five recommendations. The group came to a decision that the top five proposals, based on the ranked voting process, would be included in the final report, and then also considered an additional set of models provided by the NYC Public Schools team and the Independent Budget Office (IBO).

It is important to note that not every member of the Working Group agreed with each recommendation and, while we are naming the top five recommendations as outlined below, we do not have whole group consensus on these recommendations. Additionally, prior to voting, the Working Group examined modeling data provided by the NYC Public Schools Team. Models presented to the group generally showed the impact of implementing the proposals if there was no additional funding added to the overall FSF totals. Some members expressed concerns over this zero sum approach to modeling in that it created a set of winners and losers, meaning that the funding provided to schools via the new proposals necessitated withdrawing funding from other schools. Throughout the sessions, members expressed a desire to consider how additional funding allocated to FSF could allow implementation of these new proposals, while maintaining the flow of resources to all schools.

While these were the top five ranked recommendations, members of the group believe that more analysis and community engagement is needed before NYC Public Schools leadership moves forward with any particular recommendation. There is a need to consider the impact on schools in light of declining enrollment and budget cuts that schools have experienced during the 2022-2023 school year, as well as the pending expiration of federal COVID-19 stimulus funding that is currently being used to fund a number of important long-term initiatives.

Process for Community Engagement

On October 11th and October 12th, 2022, a joint group of NYC Public Schools leaders and members of the Working Group conducted four virtual public engagement sessions - two during the day and two in the evening. In the sessions, the NYC Public Schools Leaders, alongside Working Group members, shared an overview of the Fair Student Funding Formula and the proposals being considered by the Working Group for the final report. The sessions allowed the opportunity for questions and answers by participants. Language access was provided for all participants who requested. In the public engagement sessions, community members named the following major items as issues that they wanted to be addressed: insufficient funding for special education classes, insufficient base allocation for schools, lack of transparency and understanding of the formula, increased need-based funding, including for students in temporary housing and that the average teacher salary policy should be considered. The Working Group took these into consideration when reflecting on the goals of the final recommendations.

Working Group Members and Affiliations:

Elected Co-Chairs

Jasmine Gripper, Executive Director, The Alliance for Quality Education
Dr. Dia Bryant, Executive Director, The EdTrust–New York

Members and Affiliations

Panel for Education Policy

Alan Ong (PEP Member)
Dr. Angela Green (PEP Member)
Gabrielle Cayo (PEP Member)
Geneal Chacon (PEP Member representing the Bronx Borough President)
Greg Faulkner (PEP Member)
Dr. Kaliris Salas-Ramirez (PEP Member representing Manhattan Borough President)
Reana Akthar (PEP Member)
Sheree Gibson (PEP Member representing Queens Borough President)
Tazin Azad (PEP Member representing Brooklyn Borough President)
Tom Sheppard (PEP Member elected by Community Education Council Presidents)

Government Leaders and Partners*

Councilmember Rita Joseph (City Council Member and Chair of the Education Committee)
Elizabeth Kennedy (Public Advocate's Office)
Jan Atwell (NYC Council Staff)
Lara Lai (NYC Comptroller's Office)
Masis Sarkissian (NYC Council Staff)
Santa Soriano-Vazquez (NYC Council Staff)
Sarita Subramanian (NYC Independent Budget Office)

*While government partners participated in the Working Group learning and deliberations, they did not vote in the Working Group's ranking of the policies, nor should this report be viewed as the position of their organization.

Parents

Charlie Huang (Citywide Council on English Language Learners)
Constance Asiedu (Citywide Council for District 75)
Ellen McHugh (Citywide Council on Special Education)
Lilly Chan (Citywide Council on English Language Learners)
Maria Villalobos (Community Education Council 10)
Paullette Ha-Healy (Citywide Council on Special Education)
Ted Leather (Citywide Council on High Schools)

Advocates and Experts

Chris Caruso (Community Schools Expert)
Dr. Dia Bryant (Elected Co-Chair of the Working Group, Ed Trust: New York)
Jasmine Gripper (Elected Co-Chair, Alliance for Quality Education)
Dr. Marguerite Roza (Georgetown University)
Marina Marcou O'Malley (Alliance for Quality Education)
Michael Athy (Former NYC Public Schools Principal)
Randi Levine (Advocates for Children of New York)

New York City Public Schools Employees and Labor Partners

Elizabeth Haela (NYC Public Schools Teacher)
Henry Rubio (Council of School Supervisors and Administrators)
Joanne Buckheit (NYC Public Schools Principal)
Mark Cannizzaro (President, Council of School Supervisors and Administrators)
Mary Vaccaro (United Federation of Teachers)
Melessa Avery (NYC Public Schools Principal)
Michael Mulgrew (President, United Federation of Teachers)

NYC Public Schools Central Employees who supported the Working Group**

Chief Operating Officer Emma Vadehra
Deputy Chancellor Kenita Lloyd
Benjamin Schanback
Erin Gehant
Rana Khan
Tatiana Tresca
Katie Jedrlinic
Xavier E. Edwards
Elizabeth Hoffman
Amallia Orman
Karma Wilson
Jeff Minck
Steven Sherman
Ruju Vyas

**NYC Public Schools staff supported the Working Group, but were not members of the Working Group.

I. What do students and schools need?

The Working Group was convened at the end of July 2022 and given the following charge: Review and make recommendations relating to the Fair Student Funding formula, including the categories, types of students, grade levels, and weights within the formula, in order to best meet the needs of students citywide, while keeping equity at the core of the work.

On Tuesday, October 4th, 2022, members of FSF Working Group convened in person at the Tweed Courthouse to participate together in an in-depth discussion of proposed changes to the Fair Student Funding formula. As a part of the work of the day, the group also engaged in a visioning activity to name what the group believes that students and schools need. Below is a summary of the group's discussion about what students and schools need. This list is not meant to be an exhaustive list of all supports and services needed.

● Funding for Mandated Services and Targeted Supports for: English Language Learners, students with disabilities, students in temporary housing, students in foster care, and students living in poverty ● Mental Health (Guidance counselors, social workers and psychologist) ● Social emotional learning supports and the use of culturally responsive and sustaining pedagogical practices ● Intervention service: Occupational Therapy/Physical Therapy, Tutoring, Speech ● Community School funding ● Equitable funding salaries for teachers ● 100% Curriculum funding ● Budget reserve for special circumstances	● Arts budget ● 3K & Pre-K Universal ● Early intervention/ Tutors & Coaches ● Culturally responsive curriculum ● Career and technical education expansions ● Small class sizes ● Bilingual Teachers ● Libraries & Librarians ● Enrichment Programs ● Flexibility in funding ● Career pathways ● Language access for parents ● Access to food and clothing ● Transportation ● After school opportunities ● Substitute incentive pay for working in high poverty schools ● Support for chronic absenteeism

The elements above are listed in random order. No one has been considered more important than the other. Instead, they should be considered essential elements of a fully functioning school.

II. Working Group Recommendations

A. Immediate Recommendations for Changes to the Fair Student Funding Formula

Below are the recommendations from the Fair Student Funding Working Group. From July 2022 through October 2022, the Working Group engaged in a process of context building on the Fair Student Funding Formula, including engagement with national experts on weighted student funding policies from around the country. Additionally, the group requested and examined demographic data and robust modeling of proposals from the NYC Public Schools Team. The group reviewed analyses of the impact of each of our proposals on NYC schools. The Working Group then voted to make final decisions on the proposals. Finally, once the top five models were determined by vote, the Working Group further requested modeling data to confirm final decisions and assess the impact of recommendations on all NYC schools.

Below are the top five proposals that the group identified as needing to be included in this report. Within each recommendation is a proposed solution that includes modeling information provided by the NYC Public Schools team. We have included the low and high versions of the modeling, where relevant and the specific weighting values that were modeled. Included in each recommendation is a scatter plot that shows the correlation between sending funding to higher-poverty students and the proposed model. The scatter plots all utilize the net zero/high model (more information is available in the appendix of NYC Public Schools' modeling) to provide a common comparator for the relative impact of this model on sending funding to higher poverty students. Further, the source of quantitative data within the recommendations is the NYC Public Schools modeling deck, which is included in the appendix of this report. Sources of other data are noted within the report, where relevant.

Additionally, the NYC Public Schools team noted that all models and associated costs are based on FY 2023 projected registers. If included in the formula in FY 2024, actual impacts and costs will vary based on FY 2024 projections. Dollar values refer to impact on school budgets only and do not include fringe and related costs.

1. Add a new weight for students in temporary housing
2. Add a poverty weight
3. Add a weight for schools that have high concentrations of English Language Learners, students with disabilities, students in temporary housing, students in foster care, and students living in poverty
4. Increase the base foundation funding
5. Eliminate the specialized academic weight

Recommendation 1: Add a new weight for students in temporary housing

Background Context and Rationale:

During the 2021-22 school year, one in every ten students in New York City schools spent time living in temporary housing.[2] Students in temporary housing face significant obstacles to school success. Homelessness often uproots children from their systems of support and exposes them to high levels of stress. In addition to the trauma of housing loss, children may have been exposed to other traumatic experiences, such as domestic violence, which is a primary driver of homelessness in New York City. Our City has also seen a recent influx of students and families arriving from other countries seeking asylum entering the shelter system. These stressors exacerbate the challenges that children living in poverty already face.

While school can serve as a key source of stability for students, the City places most families in shelters far outside their neighborhoods. Last year, only 61% of families were initially placed in a shelter in the same *borough* where their youngest child had been attending school prior to the family entering the shelter.[3] As a result, families must decide between long commutes to school and transferring schools. When students transfer schools, they must adjust to unfamiliar peers and teachers, new schedules and routines, different curricula and teaching styles, and varying school environments, in addition to adapting to a new living situation.

The barriers faced by students in temporary housing often lead to high rates of chronic absenteeism and disparities in academic outcomes. In 2020-21, students in temporary housing dropped out of high school at nearly three times the rate of their permanently housed peers; only 71% graduated in four years (compared with 82% of permanently housed students); and 46% were chronically absent (compared with 28% of permanently housed students), missing at least one out of every ten school days.[4] Students living in shelter—94% of whom are Black or Hispanic—face even greater obstacles. In 2020-21, students living in shelters dropped out of high school at more than three times the rate of their permanently housed peers; only 60% graduated in four years; and 64% were chronically absent.[5] Even before the pandemic, only 29% of 3rd through 8th graders in temporary housing, and 24% of students in shelter, scored proficient in reading on the 2019 state exams.[6]

---

[2] *See* Advocates for Children of New York, *Student Homelessness in New York City 2021-22*, Retrieved Oct. 2022, *from* https://www.advocatesforchildren.org/sites/default/files/library/nyc_student_homelessness_21-22.pdf, based on data obtained from the New York State Education Department.

[3] *See* NYC Mayor's Office of Operations, *Fiscal Year 2022 Mayor's Management Report – Homeless Services*, page 236, Retrieved Oct. 2022, *from* https://www1.nyc.gov/assets/operations/downloads/pdf/mmr2022/dhs.pdf

[4] Data obtained from the New York City Department of Education.

[5] Data obtained from the New York City Department of Education.

[6] Data obtained from the New York City Department of Education.

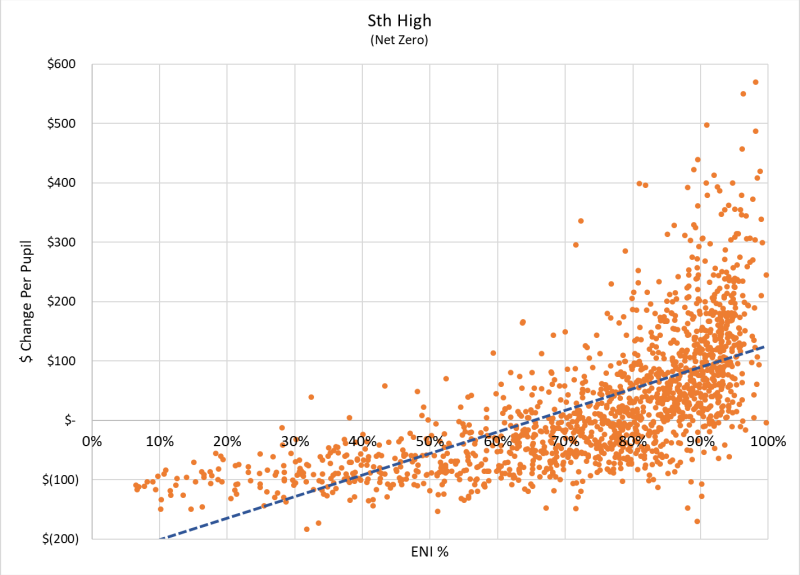
Problem:

While NYC schools receive federal funding to support students in temporary housing, and some schools receive funding for targeted initiatives to support students in temporary housing, the FSF formula currently does not include a per pupil weight for students in temporary housing. Thus, schools do not receive any additional FSF funding to help meet the needs of students in temporary housing.

Proposed Solution and Impact:

The Fair Student Funding Working Group proposes adding a new weight to the FSF formula specifically for students in temporary housing to ensure that schools receive additional resources to help meet the needs of this student population. While principals have discretion as to how to use their FSF allocation, the intent of this recommendation is for schools to use this added funding to help ensure students in temporary housing attend school on a regular basis and receive the academic and social-emotional support they need. For example, schools could put the funding toward hiring a social worker; partnering with a community-based organization to provide mentoring and other supports; funding targeted academic supports; or funding individualized, strengths-based outreach and support to families and students in temporary housing.

The Working Group looked at two potential FSF weights for students in temporary housing. The lower model adds a weight of .12 for each student in temporary housing and the higher model adds a weight of .24 for each student in temporary housing.



If no new funding were added to FSF, this change would shift funding from approximately 700 mostly lower-poverty schools to mostly higher-poverty schools.

The districts that would benefit the most from this added weight are Districts 5, 6, 7, 9, 23, and 32—each of which has a student population in which more than 15% of students are living in temporary housing. This scatter plot shows how the

high, net zero model will drive funding towards schools with a higher percentage of students living in poverty.

The cost of adding a .12 weight is roughly $42 million. The cost of adding a .24 weight is roughly $85 million.

Recommendation 2: Add a poverty weight

Background Context and Rationale:

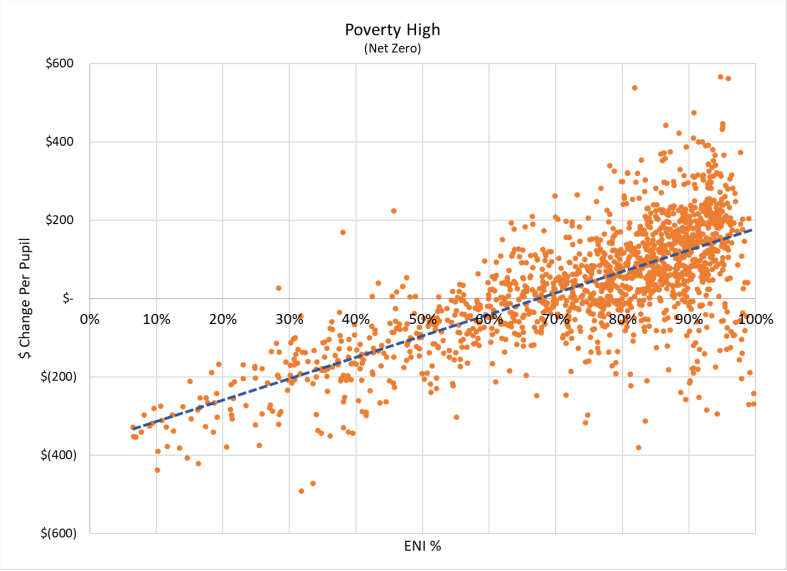
The Working Group is clear on its focus in driving resources to our city's most vulnerable students. Again, as the city moves towards recovery from the COVID pandemic, many families are experiencing increased economic hardships that are not adequately addressed through the formula. Adding a poverty weight would more directly provide resources to students in poverty all throughout the city.

Problem:

The Working Group believes that resources provided to schools for students in poverty within NYC Public Schools are insufficient. The Fair Student Funding Formula should have a poverty weight to more adequately support these students and allow them to thrive.

Proposed Solution and Impact:

The Fair Student Funding Working Group proposes adding a poverty weight to the Fair Student Funding Formula to provide funding to schools based on individual student poverty levels, as defined by student qualification for free lunch. We propose the following two options:



Low: Adding a poverty weight to 0.06 beginning in or after fourth grade, and increasing the poverty weight to 0.18 (from 0.12) for schools beginning before fourth grade.

High: Adding a poverty weight to 0.12 beginning in or after fourth grade, and increasing the poverty weight to 0.24 (from 0.12) for schools beginning before fourth grade.

Creating/increasing poverty weights pick up approximately 550,000 students in poverty, or 70% of our K-12 student body – so this weight leads to a fairly broad distribution of funding. The scatter plot demonstrates how this model will drive funding towards more high poverty schools, given the high model in a net zero impact.

As a result, for many schools around the average level of poverty, if no funding is added to the formula, this proposal essentially takes funding away from the grade weight that all students receive to give it back in the form of the poverty weight, if the net-zero approach is undertaken for this recommendation. The large number/percentage of students in poverty means even a small new weight, has a significant cost.

The cost of the low model is roughly $138 million and the cost of the high model is roughly $276 million.

Recommendation 3: Add a weight for schools that have high concentrations of English Language Learners, students with disabilities, students in temporary housing, students in foster care, and students living in poverty

Background Context and Rationale:
Adding a concentration weight would provide additional funding to schools with the highest concentrations of needs. Populations of students which would be identified under Concentration Weights could include students in poverty, students with disabilities, English Language Learners, students in temporary housing and students placed in foster care.

Problem:
Hundreds of thousands of New York City students have been impacted by poverty and housing insecurity. Additionally, New York City continues to welcome refugees and immigrants from all over the world creating greater levels of need for English language instruction to support these students. Many schools do not have sufficient funding in order to adequately meet all of their students' Individualized Education Program (IEP) mandates and adequately support students with disabilities. Each of these student populations have unique arrays of needs and there are many students who have more than one of these needs. Schools can struggle to support students within these populations, especially as many students have compounded needs.

Proposed Solution and Impact:

The Fair Student Funding Working Group proposes adding a variable amount of funding for schools that are in the top third of concentrations for student needs. Schools that have high concentrations of students with disabilities, English Language Learners, students living in poverty, students in temporary housing, and students in foster care would receive this proposed additional funding.

The concentration weight would allocate a variable amount of funding based on the concentration of individual students' needs within a particular school. This recommendation recognizes the well-documented impacts that compounded student needs have on school communities. Schools serving students with a greater myriad of needs require more resources to support these populations than weights at the individual student level provide. Some school districts, including the District of Columbia's Public Schools, have already adopted measures similar to this recommendation in their school funding formulas[7].

The concentration weight creates a new index based upon need as calculated by the percent of student in temporary housing, students in poverty, ELLs, and students with disabilities. In this model, the neediest one-third of schools are then identified to receive additional funding. Schools that receive the most funding under this weight have a high number of students with multiple needs – even a very high poverty school may not qualify if there are few other needs. This scatterplot shows the impact of allocating funding towards higher poverty schools with this new weight for the tiered/high model of concentration weights. Schools that receive the most funding under this weight have a high number of students with multiple needs – even a very high poverty school may not qualify if there are few other needs.

The criteria of schools identified for the concentration weight recommendation would be based on their overall proportion of student needs. Each student with a need classified under this recommendation would receive one point in the overall budget, plus a fractional point based on the overall proportion of their need for each need identified. Once calculated, the schools with the highest mode of points (needs) would be averaged per their actual student population.

Based on the modeling provided by NYC Public Schools, adopting this recommendation into the Fair Student Funding formula would distribute greater allocations to approximately 508 schools which have been identified as being within the top third of concentration of student needs being considered. Schools which have lower concentrations of student needs would receive fewer funds.

---

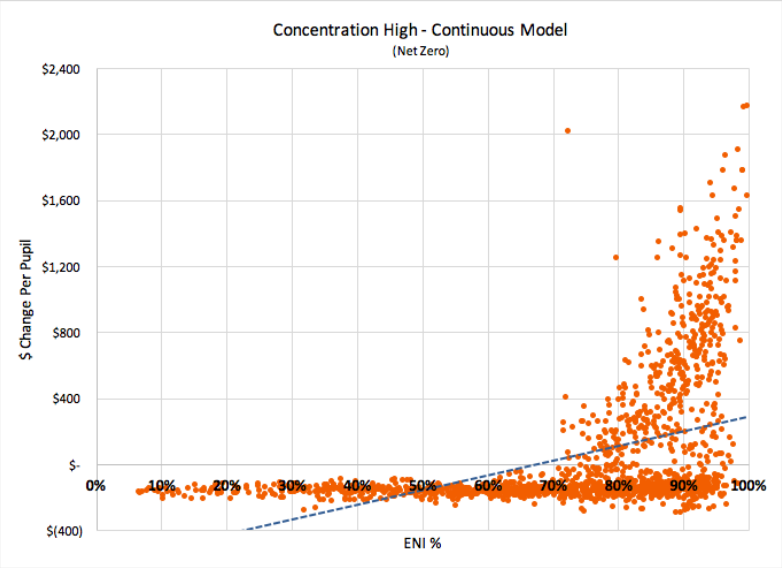
[7] Coffin. (2022, May 13). *Charts of the week: The impact of new at-risk concentration funding at the school level - D.C. Policy Center*. D.C. Policy Center. Retrieved November 3, 2022, from https://www.dcpolicycenter.org/publications/impact-new-at-risk-concentration-funding-school-level/

The cost of the low model is $60 million and the cost of the high model is $120 million.

Breakdown of Continuous v. Tiered Funding Approaches

The NYC Public Schools team modeled two approaches to this funding recommendation. All the numbers cited in the section below are based on the "low" version of the model. The scatterplots are based on the "high" model, for reasons of comparison across models, as noted in the opening of this section of the report.

Continuous Model:
This approach is similar to the approach utilized for the Academic Recovery ARPA federal stimulus funding distributed to schools within the last two academic years. Schools that qualify would be allotted funds on a variable per capita basis. The per capita increases as the needs of school communities increase. This proposal would cultivate a greater opportunity for schools with the highest concentrations of need to receive additional funds. However, considering the multitude of variables and their respective weights, this model could make budget planning more difficult for principals.

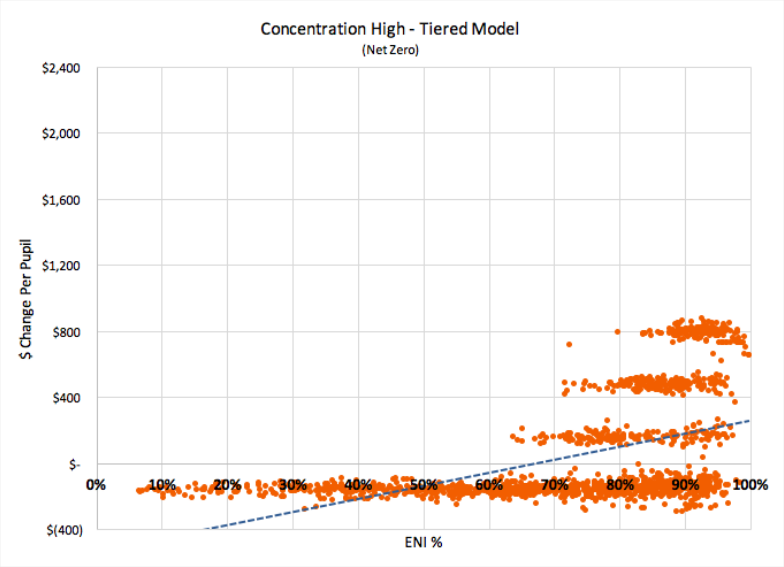


This model would streamline funds into schools identified as being within the highest third concentration of needs. The average dollar amount of projected financial gains under this continuous model would be $108,000 per year for the schools in the top third while the average reduction would be $42,000 per year for schools that fall outside of the top third concentration of need. The net impact of this model would be moving $46 million from approximately 1,100 schools to approximately 400 schools. The scatterplot above shows the impact of allocating funding towards higher poverty schools with this new weight for the continuous/high model of concentration weights.

Tiered model:
This approach creates three tiers based on concentrations of need with different per capita cutoffs. Schools that qualify for funding would receive an additional per pupil amount, with a

multiplier for higher tiers, depending on students' range of needs. This model was designed to ensure that all schools that qualify receive additional net funding that is fixed. For planning purposes, this would aid principals as funding would be more predictable and less variable. However, this model is less exact in its allocations to schools and could potentially blunt the distribution of funding to students in the highest third concentration of needs.

Based on the "low" model provided by NYC Public Schools, the average dollar amount of projected financial gains under the continuous model would be $108,000 per year for the schools who benefit while the average reduction of funds would be $42,000 per year for schools which do not have high concentrations of need. The net impact of this model would be reallocating $46 million from approximately 1,100 schools to approximately 400 schools. The average dollar amount of projected financial gains under the tiered model would be $88,000 per year for the schools who benefit while the average reduction of funds would be $44,000 per year for schools that do not have high concentrations of need. The net impact of this model would be reallocating $45 million from approximately 1,000 schools to approximately 500 schools. The shift in funds would result from a transfer of funds from generally low poverty schools to high poverty schools. However, there may be schools with a high concentration of students in poverty who would see a reduction in funding because they have few students with multiple needs outside of poverty. For example, these schools may have very few students who are English language learners, have special needs or live in temporary housing. The scatterplot above shows the impact of allocating funding towards higher poverty schools with this new weight for the tiered/high model of concentration weights.



Recommendation 4: Increase the base foundation funding

Background Context and Rationale:

The Fair Student Funding formula was implemented in 2007 and has had the same base foundation amount since then. Currently, the FSF only provides funding for two administrative

positions, e.g., the principal and a secretary. There is no consideration of school size in the FSF base foundation funding - all schools receive the same base amount of $225,000.

Having a base foundation amount that is higher will allow all schools to begin building the staff they need from an equal starting point. At the same time, a determination of what is an adequate base amount must be made regardless of size of the school. This may mean that there is a minimum enrollment for schools at different levels, elementary, middle and high school, so they can provide the educational experience and programming that NYS requires. Later in the report, the group indicates a policy recommendation to define the minimum size of the school.

The principle of equity requires schools to have more than just an adequate set of resources for students to provide a sound basic education. Providing a high quality, enriching education that meets the needs of every child and allows them to thrive, no matter their own starting point and background, requires more funding than NYC's current Fair Student Funding Formula provides.

Problem:
The current base foundation funding of $225,000 is too low to help schools operate functionally, all things being equal. And by equal we mean, "the basic needs that every school must address to provide the basic minimal education for each student", recognizing the fact that additional funding is required to address vast, additional needs of populations of students and the changing requirements of schooling.

The base foundation funding for each school should provide for the basic requirements that every school must have in place to operate. This "floor" of funding helps to ensure a stable and more level playing field, as a starting place. Expectations of schools today outweigh their needs, compared to 2007 (which is when the current base foundation funding amount was determined), given increased need for mental health services and counseling, technology, and curriculum that meets 21st century expectations. These needs come with the understanding that personnel are required to meet them.

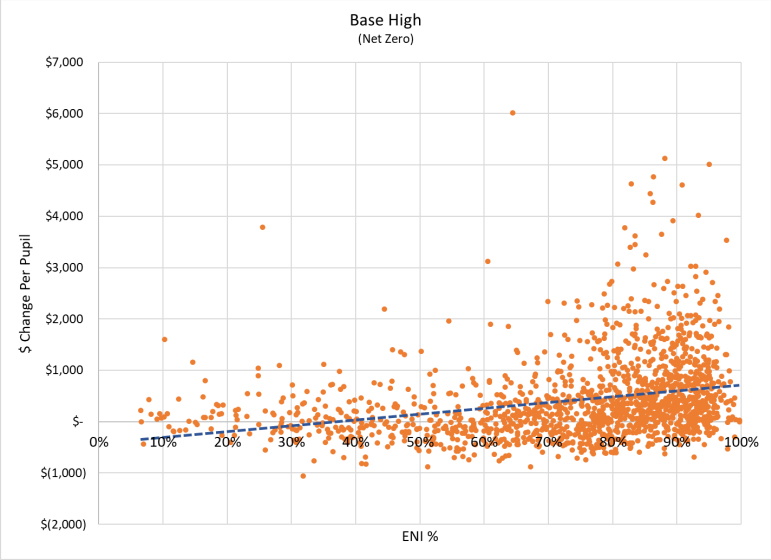
Additional funding sources could help support additional tutoring and expanded learning, mentors, work-based studies, English language instruction, and interventions for students.

Proposed Solution and Impact:
The Fair Student Funding Working Group proposes increasing the base foundation amount for schools to adequately fund positions to operate each school. This should include administrators and support staff positions that every school requires to operate. The Working Group also would like to direct readers to our vision for what schools and students need, noted earlier in the report, with regards to this recommendation. We intend that the recommendation for

increasing the base funding ensures that these increased funds be directed to hiring critical school positions, including social workers, guidance counselors and other critical staff that otherwise would be excessed when budget cuts are enacted.

The Working Group considered two options for this recommendation - a low and a high model. The low model proposes raising the base weight of $225,000 by $105,000 the approximate cost of a social worker, which would increase the base weight of $330,000 per school. The high model proposes raising the base weight by $345,000, the approximate cost of a social worker, guidance counselor and Assistant Principal, which would create a new total base weight of $570,000 per school.

This is one of the largest changes modeled in terms of dollar values and has a more significant negative impact on larger schools. In a zero sum scenario, this change necessitates reducing per pupil funding and shifting that money to the increased base equally across all schools.



If no additional funding is available to fund this recommendation, increasing the base weight will result in a net transfer of funds from larger schools (those with student populations greater than 500) to smaller schools (those roughly under 500).

The ten largest schools in the city (2 of which are specialized academic high schools) lose an average of $712 per pupil or $2.7 million per school. This scatter plot shows that the impact of increasing the base foundation amount has a relatively modest effect on moving funds from lower poverty to higher poverty schools in the high model.

The total cost of this recommendation is approximately $160 million for the low model and $526 million for the high model.

Recommendation 5: Eliminate the specialized academic high school weight

Background Context and Rationale:

Many people in the Working Group believe that funding through the Fair Student Formula should be done in a more equitable manner that drives more resources to high-needs schools. A

weight for specialized academic high schools does not necessarily align with this overarching vision for increased equity. Further, when put to a ranked choice vote, this recommendation surfaced as one that many Working Group members believed should be included within the top five. The Working Group believes that there are insufficient resources to allow schools that are not designated as "specialized academic high schools" to offer accelerated academic work. The Working Group agrees that the specialized high school weight should be more equitably distributed to allow other schools across the city to provide more rigorous advanced coursework. The recommendation for elimination of this weight is an effort to support expansion of Advanced Placement and other accelerated coursework into other schools.

Problem:
The distribution of the portfolio weight funding amongst this small group of schools is not transparent. Some schools carry state designations as specialized academic high schools and others have been grandfathered into receiving this funding with unclear criteria. Further, there are schools throughout New York City who want to offer additional, accelerated academic coursework, but are unable to access the portfolio weight.

Proposed Solution and Impact:
The Fair Student Funding Working Group proposes removing portfolio funding for the specialized academic weight and adding it to the Fair Student Funding pool, in particular, to support the implementation of accelerated coursework in more schools across New York City. There are only 13 schools receiving the specialized academic weight; these schools also tend to be large schools. The impact of removing this weight is significant for the specialized academic high schools. These schools receive, on average, $2 million from the specialized academic weight, with Brooklyn Tech, Stuyvesant, and Bronx Science receiving $8 million, $4.3 million and $4 million, respectively. Under this recommendation, these schools would no longer receive this additional funding. The Working Group wants to note that the ideal impact of this recommendation would be in the shift of resources from these few schools to many other schools across the city to support advanced coursework for a broader reach of students.

The Working Group proposes removing this weight and associated collective bargaining funding, which would provide approximately $26 million to support accelerating learning across a broader diversity of schools, beyond just the specialized academic high schools.

Additional Recommendation from the Co-Chairs: Reconvene the group to address the prioritization of the thoughts/ideas that were beyond the top five recommendations

Given the breadth of interest in some of the additional recommendations that fell outside of our top five recommendations, the Co-Chairs recommend that we reconvene the group after the submission of the final report to address the prioritization of the thoughts/ideas that fell outside of the top five. We propose that members of the group also consider an approach to public advocacy to address the issues most relevant to the stakeholder group they represent to demonstrate our commitment to prioritizing the other proposals discussed, but not included in the report. We acknowledge that there has been significant community interest in providing additional feedback on the proposals and that after the report is finalized, there may be an interest in providing some additional feedback on which of the other proposals should be considered to inform any decision making that the NYC Public Schools Leadership should undertake. We understand that because these pieces will not be a part of the original report, they might not be able to meet the timelines necessary to be enacted for FY24. However, we do want to take the time to provide additional guidance and recommendation to NYC Public Schools leadership on how to consider these additional proposals in their strategic planning.

Further, as the public engages with this report and considers the proposals, the Working Group welcomes them to submit feedback to the Fair Student Funding inbox at FairStudentFunding@schools.nyc.gov.

B. Recommendations for Policy Changes

Throughout the course of this process, the Working Group noted that there needed to be additional policy recommendations that came from the Working Group that did not just focus on how money flows through the Fair Student Funding Formula. From the start of the group's work, it was clear that the Fair Student Funding Formula is one part of a broader policy context that impacts schools. Below are additional policy recommendations that arose from the Working Group.

Small Schools Recommendations

As outlined in an analysis provided by NYC Public Schools on demographic changes, enrollment declines have impacted New York City public schools disproportionately in the low income neighborhoods of Central Brooklyn, Northern Manhattan and the South Bronx, the prevalence of small schools has grown. According to NYC Public Schools data, currently 13% of NYC Public Schools enroll fewer than 200 students—a number that has more than doubled in the past 15 years. Districts with higher concentrations of small schools correlate with the districts experiencing the steepest declines in enrollment where disproportionate numbers of Black students are exiting the school system. For example, in central Brooklyn, in both Districts 16 and 23 where roughly 70% of students are Black, at least 50% of schools have fewer than 200 students. Those same districts have seen enrollment declines of greater than 18% since 2017[8].

Many small schools have relatively large levels of per pupil funding. This is due to the preset FSF base amount that every school receives averaged across a small number of students. However, given the small population of students at these small schools, the total amount of FSF the school receives may still not be enough to support robust investments in staff and resources. Increasing the base amount, one of the recommendations in this report, can help small schools hire additional staff such as social workers that they might otherwise lack sufficient funding to support. In a zero sum model for increasing the base amount, there is a net transfer of funding from the 500 largest schools to the 1000 smallest schools citywide.

Should long term declines in enrollment continue however, increased investment in schools with less than 200 students may only prolong an inevitable decline in funding to levels that cannot sustain increasingly small schools. Given that these schools largely serve high need students, it is incumbent on NYC Public Schools to find longer term solutions to the growing numbers of small schools. Therefore, this Working Group recommends that NYC Public Schools

[8] NYC Public Schools. (2022, September 29th). *Fair Student Funding Working Group #6.* NYC Public Schools. Retrieved November 3, 2022 from https://infohub.nyced.org/docs/default-source/default-document-library/fsf-working-group_meeting-6_092922_updated-enrollment-data_public-facing.pdf

set a definition for financially sustainable school size and a plan to address schools that fall below that threshold as part of the larger effort that will go into planning for implementation of the new New York State class size law.

Public/Community Engagement Recommendations

Additionally, while the group did conduct a process of community engagement, the Working Group believes that this was not adequate. Given the Working Group's belief in the need for NYC Public Schools to engage in more transparent approaches to explaining how schools are funded, we ask that the NYC Public Schools team commit to further community engagement around changes to the Fair Student Funding Formula. This is critical, particularly as the changes recommended by the Working Group are considered and as part of a broader approach for increasing the transparency of their communication to schools and families about how schools are funded.

The Working Group implores the NYC Public Schools teams, in future public outreach efforts, to engage communities that are not typically engaged, including low income communities, communities in which students in temporary housing reside, communities that have not typically organized and others that are rarely represented in typical public engagement approaches. Additionally, the Working Group asks that NYC Public Schools to begin the outreach work immediately.

Authentic Student Engagement

From the inception of the Fair Student Funding (FSF) Working Group, members predicted the substantial limitations we would face in revisiting and revising the existing formula while adhering to a 3-month timeline. To reconvene the group, as proposed by the Co-Chairs, seems most appropriate in order to: 1) engage youth voice more authentically, 2) honor recommendations that fall outside of the top 5 ranked choices, and 3) create more recommendations that account for vulnerable student populations, with student input. After the report's final submission, we urge other members and New York City Public School's leadership to dissect what youth participation means and how we can intentionally engage students.

We, as the two and only students in this working group, are not unfamiliar with navigating adult-dominated spaces and have done so in multiple levels of NYC Public Schools, aside from the FSF Working Group. Our experiences equip us to share promising practices to empower youth and sustain youth engagement in decision-making spaces.

We ask for the following:

1. **To inform students about FSF and how it serves them.**

Policies are often informed, created, and presented using unnecessarily dense language, which leaves students likely to struggle with grasping the complexities of the formula, despite having an overview of FSF in the NYC Public School's information hub. A lack of effort to explain how two-thirds of school funding works to the population most impacted almost seems purposeful, but does not have to drag forward. Informing students about FSF allows us to pinpoint support existing in our schools dedicated to meeting our individual needs. In doing so, we can share whether the funding allocated to meet our needs is currently effective or not, suggest improvements, and also voice new needs in a constantly changing system, with the added factor of real-world chaos.

2. **To recognize that simply having a "seat at the table" can be tokenizing.**

We must distinguish between students participating in decision-making spaces solely to occupy "a seat at the table," which breeds the potential for tokenism, from students equipped in the forms of knowledge, access, and allyship to engage effectively in platforms as change agents for equity. It is rare that we feel we possess the same influence as our adult counterparts, even when we technically occupy space, if the power dynamics between youth and adults remain the same. Until we move beyond tokenizing practices, the challenges for young people to make meaningful contributions will be stunted in environments where policy is created.

3. **To commit to youth-adult partnerships and learn with and from us.**

We urge adults to reject rigid power dynamics that grant them, and only them, power to inform, create, and lead. We need to create space for student voice, and we do not mean putting students on the spot to speak without preparation. Both adults and youth need to unlearn what we may be used to, and develop new approaches, to enter into authentic partnering. It is crucial to provide youth-adult partnership training in order to cultivate this dynamic within policy working groups, and at all levels of decision-making. We hope this will allow youth and adults to leverage their unique expertise, and do their parts in contributing to a larger conversation surrounding deeply embedded inequities. To support a partnership, we ask adult members in this and future policy working groups to participate in youth ally training to better support students in these spaces.

And finally, by contributing to this report, we do not mean to suggest that our experiences in this process felt meaningful; or that we successfully penetrated a structure that fails to support students. However, we do hope other members, the public, school communities, and DOE leadership recognize the importance of these practices and look to enact them.

III. Summary and Appreciation

The Co-Chairs wish to express their profound appreciation for all of the Working Group Members and the significant work was poured into this process for the past three months. We also want to express sincere appreciation for the NYC Public Schools Team that provided robust and responsive models to our proposed solutions and COO Emma Vadehra for her leadership support throughout.

It is our hope that this report will be utilized by both the Chancellor and NYC Public Schools leadership as they consider how to make NYC schools more equitable and support the needs of all students, especially our most vulnerable students. It is important that changes to the formula cannot be considered in isolation; we always have to look at the whole picture in school funding to ensure we are meeting our goals and that there are no negative, unintended consequences. We also hope that this process has truly empowered our Working Group members to continue their advocacy for increased equity and transparency in the NYC Public Schools budgeting processes.

We appreciate everyone who takes the time to read our report and look forward to seeing the changes ahead. For a more detailed explanation of the proposed costs and financial impacts across the system, please refer to the documents in the Appendix.

IV. Appendix

NYC Public School's Modeling of the Impact of the Top Five Proposals

Referenced throughout the document the NYC Public Schools modeling deck shows the combined impact of the top five proposals across NYC schools. This modeling was developed by the NYC Public Schools team.

NYC Independent Budget Office's Modeling of the Impact of the Top Five Proposals

Also referenced within the report, the Independent Budget Office's modeling provides an additional analysis of the top five proposals. This modeling was developed by the New York City Independent Budget Office (IBO).

NYC Department of Education

Modeling the Impact of the Top Five Proposals

Overview: Some context on this modeling

- This deck includes a quick overview of the impact of the individual proposals, and then moves to the combined models.
- Because the proposals could be designed and sized in a variety of ways, we modeled a low version and high version for each one, except the specialized high school recommendation.
- Given the WG's interest in ensuring funds are going to higher need schools and communities, we shared correlation with poverty for each individual proposal and the combined proposals, so you can see how each proposal drives funding to students in higher poverty schools. The steeper the trendline in a graph, the stronger the correlation is.
- Per the WG's feedback, we have modeled assuming current funding levels ("net zero") and showing the cost (and poverty impact) if new dollars are added.
- Finally, we shared some sample analyses of the impact on these changes across some example schools, in addition to the overall impact on districts across the city.

Friendly reminder: These are examples and not necessarily the only way to implement these recommendations, but we hope they are helpful. Any Qs, you know where to find us! :)

Overview: Summary of deck

- **Slides 4-6/Individual proposals:** Overview of the various **individual proposals** we've modeled including low and high versions (4), their correlations with poverty (5), and other notes on implementation/impact (6).
- **Slides 7-9/Combined model:** The new **combined** model at its low and high variations (7), including net-zero vs. new funding models (8), and overall impacts on high- and low-poverty (9).
- **Slides 10-12/Combined models additional impact:** Charts and graphs on the new **combined** models, including average impacts in various size and poverty quintiles (10), sample schools (11), and overall impacts by district (12).
- **Appendix Slides:** Each model graphed against poverty rates (14-17).

What did we model?

We modeled integrating four of the top five proposals using both lower and higher impact models. For the only proposal removing funding, eliminating the specialized high school weight, did not include a low/high model. For more detail on below models and their impact alone, please see the full modeling slides here and here.

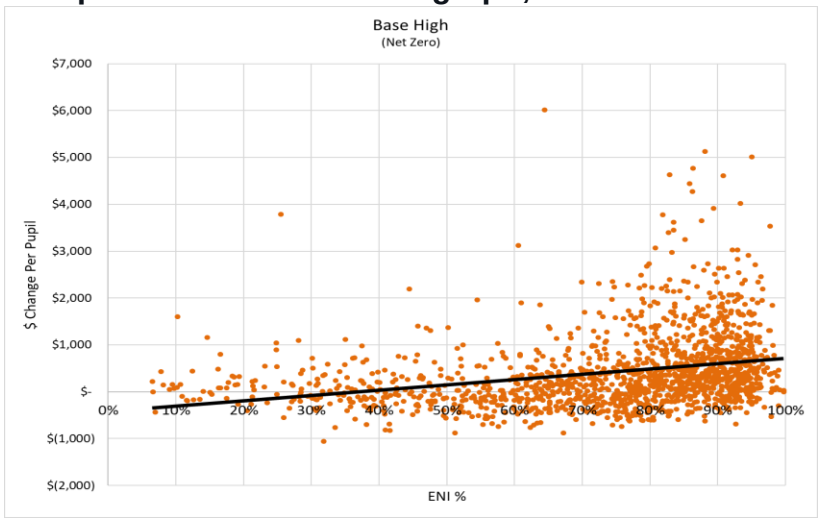
This includes low/high versions of:

- Increasing the base weight (presented originally in Meeting #5)
  - Low: Raise base weight by $105k (roughly enough for a social worker, for example) to $330k/school.
  - High: Raise base weight by $345k (roughly enough for a social worker, guidance counselor, and Assistant Principal to $570k/school.
- Creating a Students in Temporary Housing (STH) weight (presented originally in Meeting #5)
  - Low: Adding an STH weight at 0.12
  - High: Adding an STH weight at 0.24
- Increasing the poverty weight (high model presented originally in Meeting #6)
  - Low: Adding a poverty weight to 0.06 beginning in or after fourth grade, and increasing the poverty weight to 0.18 (from 0.12) for schools beginning before fourth grade.
  - High: Adding a poverty weight to 0.12 beginning in or after fourth grade, and increasing the poverty weight to 0.24 (from 0.12) for schools beginning before fourth grade.
- Creating a concentration weight (low model presented originally in Meeting #6)
  - Low: Creating a concentration weight totaling $60 million
  - High: Creating a concentration weight totaling $120 million

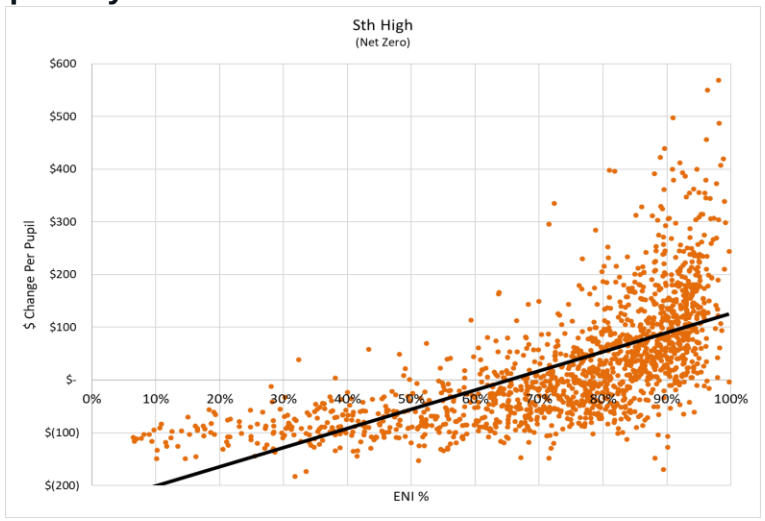
Note: The low model for the poverty weight, and the high model for the concentration weight, were not presented in earlier meetings. However, we included them for this modeling exercise to allow the WG to have options to consider at the low and high end.

Impacts of individual models against school poverty rates

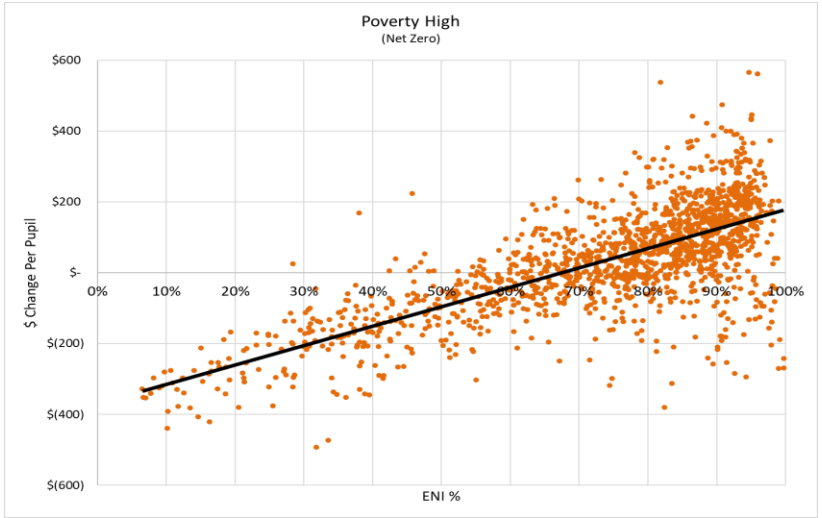
Excepting removing the specialized high school weight (more on this later), all of these models, if self-funded within FSF, are generally directed at higher-poverty schools at the expense of lower-poverty schools -- to differing degrees. **The steeper the trendline in the graph, the more correlated to poverty the model is.**



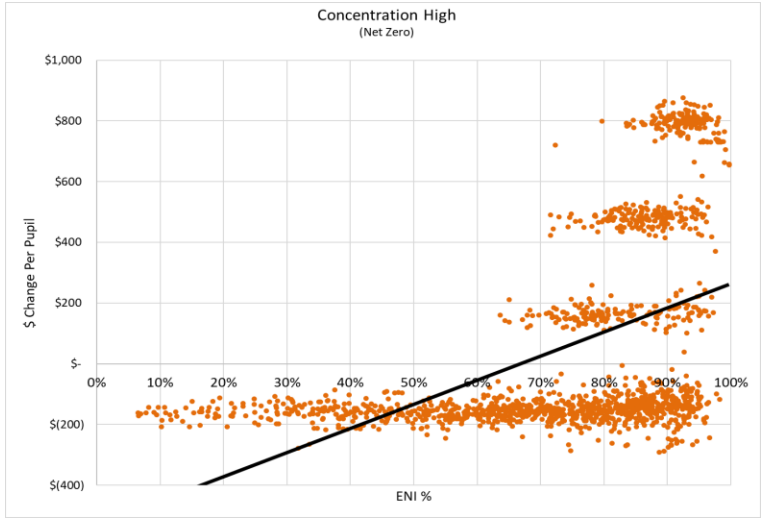
8% of the variation across schools can be explained by poverty.



42% of the variation across schools can be explained by poverty.



51% of the variation across schools can be explained by poverty.



23% of the variation across schools can be explained by poverty.*

*The concentration weight component of the combined model is based on the tiered option – see Slide 11 of Meeting 6

General impacts of individual models, systemwide

- If no funding is added to the formula, increasing the base weight is a net transfer of funds from larger schools (schools roughly over 500) to smaller schools (schools roughly under 500).
  - This is one of the largest changes modeled in terms of dollar value – at over $500 million in the "high" model – and the impact to larger schools is significant. The 10 largest schools (of which 3 are specialized academic HS) lose an average of $712 per pupil or $2.7 million per school.

- Creating an STH weight picks up approximately 67,000 STH students in the formula, or 9% of our K-12 student body.

- Creating/increasing poverty weights pick up approximately 550,000 students in poverty, or 70% of our K-12 student body – so this weight leads to a fairly broad distribution of funding.
  - As a result, for many schools around the average level of poverty, if no funding is added to the formula, we are essentially taking funding away in the form of the grade weight to give it back in the form of the poverty weight.
  - The large number/percentage of students in poverty means even a small new weight – in this instance, 0.06 as modeled in the "high" model, or ~$250 per student, has a cost of over $135 million.

- The concentration weight creates a new index based upon need as calculated by the percent of STH students, students in poverty, ELLs, and students with disabilities. In this model, the neediest one-third of schools are then identified to receive additional funding.
  - Schools that receive the most funding under this weight have a high number of students with multiple needs – even very high poverty school may not qualify if there are few other needs.
  - We used the tiered model presented in Meeting #6 for these calculations.

Now to the New Combination Model: Toplines

The "Low" model has a $375 million impact on the FSF formula.

The "High" model has a nearly $1 billion impact on the FSF formula.

Proposal	Model #6: Low	Model #7: High
Increasing the Base Weight	$160,187,525	$526,564,200
Students in Temporary Housing	$42,996,385	$85,992,771
Poverty Weight for all grades	$138,325,699	$276,651,398
Concentration Weight	$60,000,000	$120,000,000
Remove Specialized Academic Weight ($20m plus associated CB)	-$26,220,313	-$26,220,313
Sum of Proposals	**$375,289,297**	**$982,988,056**

The overall impact to high poverty schools and small schools is very significantly positive.

Without new funding, the overall impact to low poverty schools and large schools is very significantly negative.

The overall impact to specialized high schools, many of which already fall into both categories, is even more so. There are only 13 schools receiving the specialized academic weight, and they also tend to be large schools, so the combined impact to these schools is significant. These schools receive $2 million on average from the specialized academic weight, with Brooklyn Tech, Stuyvesant, and Bronx Science receiving $8.0 million, $4.3 million, and $4.0 million respectively.

Modeling for New Funding and No New Funding

The high and low combined proposal were modeled in two ways, per the WG's feedback:

1. Assuming no new funding ("net zero")
2. The cost with new funding

Model	Low (6)	High (7)
New Funding (a)	6a: $375 M	7a: $983 M
No new funding (b)	6b: $0	7b: $0

With no new funding, these models reduce the per capita weights to pay for new policies, except:

- SE weights are adjusted + ELL weights are maintained to continue to meet mandates.
- Academic Intervention weights are maintained.

Net Zero Changes to weights	6: Low	7: High
Grade Weight	-$508,668,546	-$1,332,345,765
ICT	$120,013,835	$314,349,935
SC	$19,343,071	$50,664,934
Academic Intervention Services	$0	$0
ELL	$0	$0
Portfolio	-$5,977,656	-$15,657,160
Total Weight Change for Net Zero	**$375,289,297**	**$982,988,056**

Combined Model Impacts

All versions overall transfer funds from generally low-poverty schools to high-poverty schools, although different proposals do this to different degrees.

Below summarizes the impact of each combined model, considering (1) how many dollars are shifted, from which schools to which schools; and (2) how correlated these shifts are with poverty levels.

- **Low Model New Funding (6a):** This change removes $22 m in funds from 13 schools (Specialized Academic) and adds $398 m in funding to 1,512 schools (net change=$375 m).
  > Least progressive: $1,205 more per pupil on average per percentage point increase in poverty at the school.
- **Low Model Net Zero (6b):** This change removes $113 m in funding from the FSF per capita formula from 530 schools and reallocates it to 995 schools.
  > 127% more progressive than Model 6a: $2,735 more per pupil per % point increase in poverty.
- **High Model New Funding (7a):** This change removes $17 m in funds from 13 schools (Specialized Academic) and adds $1,000 m in funding to 1,512 schools (net is $983 m).
  > 6% more progressive than first model (Model 6a): $1,276 more per pupil per % point increase in poverty.
- **High Model Net Zero (7b):** This change removes $269 million in funding from the FSF per capita formula from 526 schools and reallocates it to 999 schools.
  > 142% more progressive than Model 6a: $2,920 more per pupil per % point increase in poverty.

Combined Model Impacts by Poverty & School Size "Quintile"

Economic Need Index (ENI) Quintile 1 is our lowest poverty one-fifth of schools. ENI Quintile 5 has our highest poverty one-fifth of schools. Below is the average per student impact of each of these models for schools at each poverty quintile.

ENI Quintile	# of schools	ENI Range	Total Register (FY23 Projected)	6a. Low New Funding per student	6b. Low Net-Zero per student	7a. High New Funding per student	7b. High Net-Zero per student
1	304	6.5% - 59.8%	201,092	$ 161	$ (360)	$ 657	$ (709)
2	304	59.9% - 75.7%	187,304	$ 416	$ (85)	$ 1,052	$ (261)
3	304	75.8% - 84.2%	156,336	$ 538	$ 46	$ 1,340	$ 51
4	304	84.3% - 90.8%	111,999	$ 762	$ 305	$ 1,891	$ 693
5	304	90.8% - 99.7%	102,359	$ 926	$ 455	$ 2,254	$ 1,021

Size Quintile 1 is our smallest one-fifth of schools. Size Quintile 5 is our largest one-fifth of schools. You can see the impacts by size quintile below.

Size Quintile	# of schools	Size Range	Total Register (FY23 Projected)	6a. Low New Funding per student	6b. Low Net-Zero per student	7a. High New Funding per student	7b. High Net-Zero per student
1	307	51 - 226	49,577	$ 1,117	$ 657	$ 3,071	$ 1,866
2	304	227 - 337	86,257	$ 798	$ 334	$ 2,073	$ 857
3	305	338 - 447	118,929	$ 634	$ 166	$ 1,625	$ 399
4	305	448 - 639	162,098	$ 487	$ 1	$ 1,241	$ (30)
5	304	641 - 5,949	342,741	$ 282	$ (237)	$ 751	$ (610)

Sample Schools

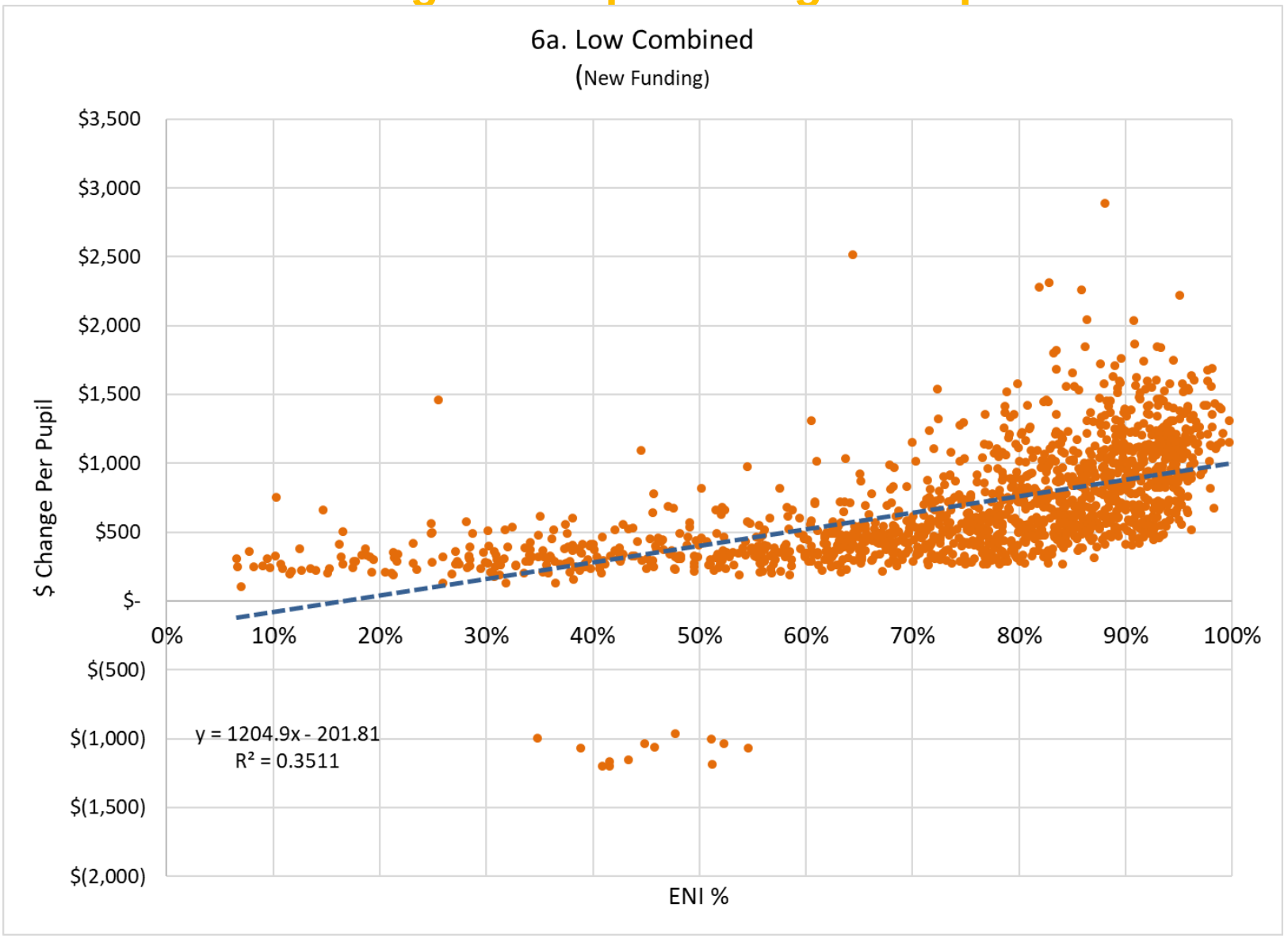
	Brooklyn Tech HS	Frank Sinatra HS	P.S. 39 Francis J. Murphy Jr.	JHS 292 Margaret S. Douglas	Harbor Heights School	P.S. 086 Kingsbridge Heights
Grades Served	9-12	9-12	K-5	6-8	6-8	K-6
District/Boro/No.	13K430	30Q501	31R039	19K292	06M349	10X086
SY 2022-2023 Proj. Register	5,949	857	462	354	57	1,143
Free Lunch %	50%	27.4%	79.8%	91.1%	90.7%	82.4%
Current FSF Budget	$40,239,631	$7,622,600	$3,957,268	$3,672,456	$897,444	$9,977,120
Model 6a (Low, New Funding) Impact	-$7,051,808 *-18%*	$171,566 *2%*	$209,149 *5%*	$239,876 *7%*	$164,562 *18%*	$1,083,631 *11%*
Model 6b (Low, Net-Zero) Impact	-$11,015,552 *-27%*	-$538,860 *-7%*	$14,329 *0%*	$107,330 *3%*	$126,943 *14%*	$563,916 *6%*
Model 7a (High, New Funding) Impact	-$5,981,486 *-15%*	$478,337 *6%*	$553,504 *14%*	$614,958 *17%*	$464,331 *52%*	$2,302,467 *23%*
Model 7b (High, Net-Zero) Impact	-$16,363,644 *-41%*	-$1,382,466 *-18%*	$43,216 *1%*	$267,783 *7%*	$365,796 *41%*	$941,187 *9%*

District tables

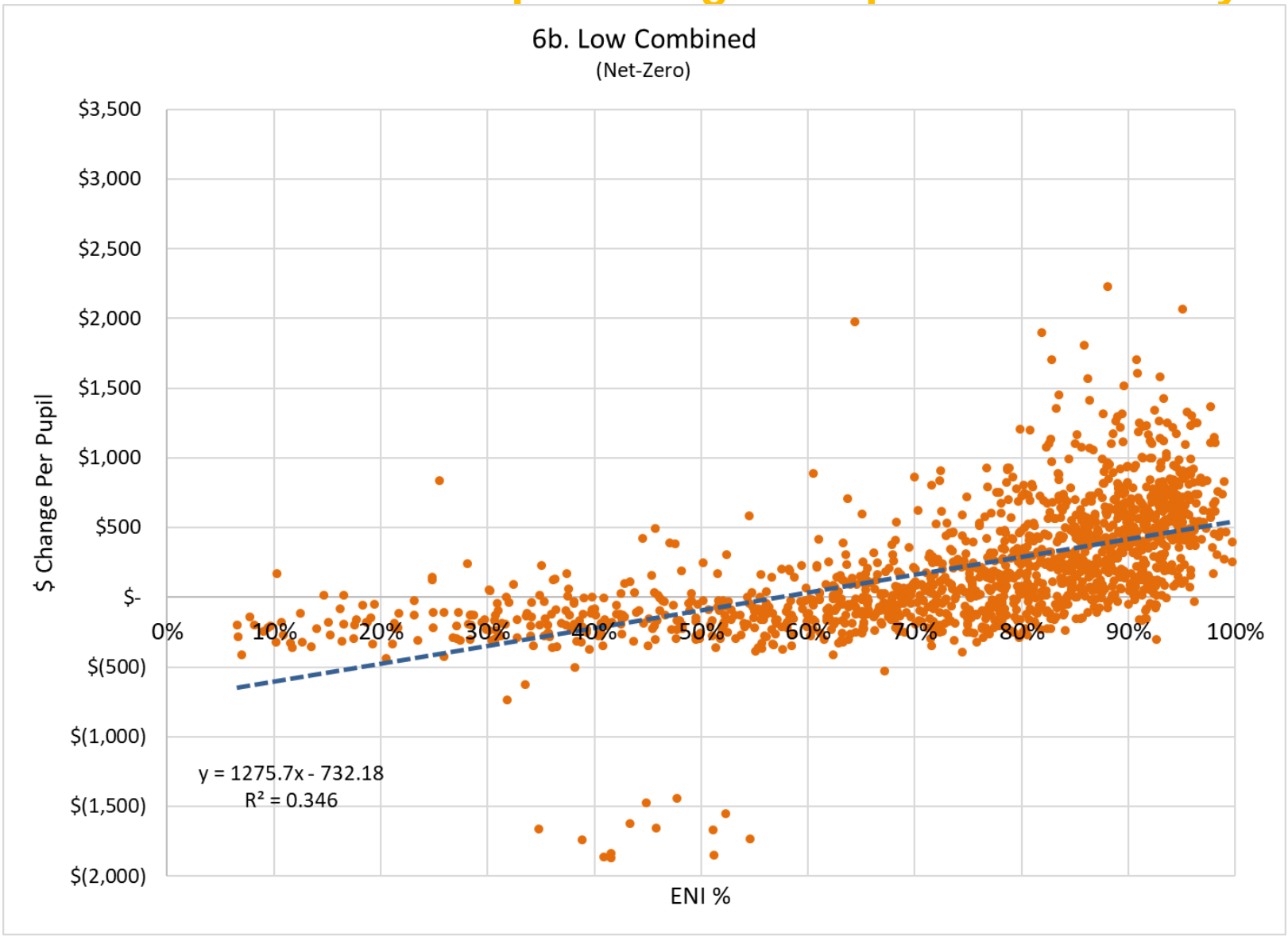
District /Boro	6.a Low New Funding			6.b Low Net-Zero			7.a High New Funding			7.b High Net Zero		
	$ Change	$ Change Per Pupil	% $ Change Per Pupil	$ Change	$ Change Per Pupil	% $ Change Per Pupil	$ Change	$ Change Per Pupil	% $ Change Per Pupil	$ Change	$ Change Per Pupil	% $ Change Per Pupil
1 M	$ 4,824,184	$ 542	6.0%	$ 1,042,687	$ 117	1.3%	$ 13,930,330	$ 1,565	17.3%	$ 4,025,527	$ 452	5.0%
2 M	$ 17,179,818	$ 333	3.9%	$ (9,509,585)	$ (184)	-2.2%	$ 54,973,435	$ 1,064	12.6%	$ (14,933,607)	$ (289)	-3.4%
3 M	$ 7,676,417	$ 450	5.3%	$ (1,165,040)	$ (68)	-0.8%	$ 21,301,898	$ 1,248	14.7%	$ (1,856,360)	$ (109)	-1.3%
4 M	$ 7,372,318	$ 738	8.2%	$ 3,150,597	$ 315	3.5%	$ 18,665,610	$ 1,868	20.7%	$ 7,607,737	$ 761	8.4%
5 M	$ 5,864,193	$ 774	8.1%	$ 2,294,890	$ 303	3.2%	$ 16,272,704	$ 2,148	22.5%	$ 6,923,697	$ 914	9.6%
6 M	$ 12,466,670	$ 775	8.1%	$ 5,158,434	$ 320	3.4%	$ 31,152,817	$ 1,936	20.4%	$ 12,010,495	$ 746	7.8%
7 X	$ 11,053,273	$ 825	8.5%	$ 5,019,761	$ 375	3.8%	$ 27,514,786	$ 2,053	21.1%	$ 11,711,324	$ 874	9.0%
8 X	$ 13,765,627	$ 656	7.2%	$ 4,289,155	$ 204	2.2%	$ 34,426,760	$ 1,641	18.0%	$ 9,605,220	$ 458	5.0%
9 X	$ 21,497,053	$ 919	9.6%	$ 10,460,838	$ 447	4.7%	$ 52,323,319	$ 2,237	23.3%	$ 23,416,373	$ 1,001	10.4%
10 X	$ 24,024,019	$ 586	6.5%	$ 3,312,028	$ 81	0.9%	$ 63,949,928	$ 1,560	17.3%	$ 9,699,406	$ 237	2.6%
11 X	$ 16,503,720	$ 562	6.4%	$ 2,464,904	$ 84	1.0%	$ 41,390,211	$ 1,410	16.1%	$ 4,618,611	$ 157	1.8%
12 X	$ 13,794,731	$ 871	9.0%	$ 6,344,362	$ 401	4.2%	$ 33,808,939	$ 2,135	22.1%	$ 14,294,329	$ 903	9.4%
13 K	$ 206,846	$ 11	0.1%	$ (9,580,635)	$ (522)	-6.5%	$ 13,808,857	$ 752	9.3%	$ (11,827,305)	$ (644)	-8.0%
14 K	$ 7,276,304	$ 525	5.8%	$ 830,481	$ 60	0.7%	$ 20,783,284	$ 1,500	16.7%	$ 3,899,864	$ 282	3.1%
15 K	$ 10,804,021	$ 433	5.0%	$ 119,798	$ 5	0.1%	$ 29,111,174	$ 1,168	13.4%	$ 1,126,193	$ 45	0.5%
16 K	$ 4,350,270	$ 888	9.2%	$ 2,133,992	$ 436	4.5%	$ 11,810,278	$ 2,411	25.0%	$ 6,005,225	$ 1,226	12.7%
17 K	$ 10,927,915	$ 655	7.4%	$ 1,979,887	$ 119	1.3%	$ 28,480,923	$ 1,708	19.4%	$ 5,043,525	$ 302	3.4%
18 K	$ 6,128,572	$ 662	7.2%	$ 1,561,542	$ 169	1.8%	$ 16,718,942	$ 1,806	19.6%	$ 4,756,609	$ 514	5.6%
19 K	$ 13,046,574	$ 763	8.2%	$ 5,415,048	$ 317	3.4%	$ 33,123,861	$ 1,938	20.8%	$ 13,134,750	$ 768	8.2%
20 K	$ 17,305,433	$ 414	5.0%	$ (3,978,798)	$ (95)	-1.2%	$ 40,695,135	$ 974	11.8%	$ (15,054,243)	$ (360)	-4.4%
21 K	$ 12,995,950	$ 407	4.9%	$ (3,330,516)	$ (104)	-1.3%	$ 31,400,139	$ 983	12.0%	$ (11,363,460)	$ (356)	-4.3%
22 K	$ 10,978,133	$ 406	5.1%	$ (2,738,883)	$ (101)	-1.3%	$ 27,364,506	$ 1,013	12.7%	$ (8,564,211)	$ (317)	-4.0%
23 K	$ 6,194,256	$ 937	9.7%	$ 3,334,134	$ 504	5.2%	$ 16,174,281	$ 2,447	25.3%	$ 8,682,816	$ 1,314	13.6%
24 Q	$ 23,333,049	$ 490	5.8%	$ (1,674,358)	$ (35)	-0.4%	$ 55,106,273	$ 1,156	13.6%	$ (10,395,148)	$ (218)	-2.6%
25 Q	$ 10,807,673	$ 342	4.2%	$ (5,895,458)	$ (187)	-2.3%	$ 29,699,646	$ 940	11.6%	$ (14,050,543)	$ (445)	-5.5%
26 Q	$ 7,979,421	$ 292	3.9%	$ (6,570,858)	$ (241)	-3.2%	$ 20,555,846	$ 753	9.9%	$ (17,555,420)	$ (643)	-8.5%
27 Q	$ 15,747,180	$ 446	5.3%	$ (1,192,836)	$ (34)	-0.4%	$ 40,012,338	$ 1,133	13.5%	$ (4,358,320)	$ (123)	-1.5%
28 Q	$ 12,340,686	$ 369	4.6%	$ (5,379,491)	$ (161)	-2.0%	$ 32,126,380	$ 962	12.1%	$ (14,287,739)	$ (428)	-5.4%
29 Q	$ 10,060,004	$ 498	6.0%	$ (432,582)	$ (21)	-0.3%	$ 26,339,483	$ 1,304	15.6%	$ (1,143,545)	$ (57)	-0.7%
30 Q	$ 14,720,056	$ 448	5.5%	$ (2,609,556)	$ (79)	-1.0%	$ 36,335,618	$ 1,105	13.5%	$ (9,055,503)	$ (275)	-3.4%
31 R	$ 16,449,301	$ 303	3.7%	$ (7,942,988)	$ (146)	-1.8%	$ 44,748,532	$ 824	9.9%	$ (19,141,723)	$ (353)	-4.2%
32 K	$ 7,615,630	$ 819	8.9%	$ 3,089,045	$ 332	3.6%	$ 18,881,823	$ 2,030	22.1%	$ 7,025,425	$ 755	8.2%

Appendix

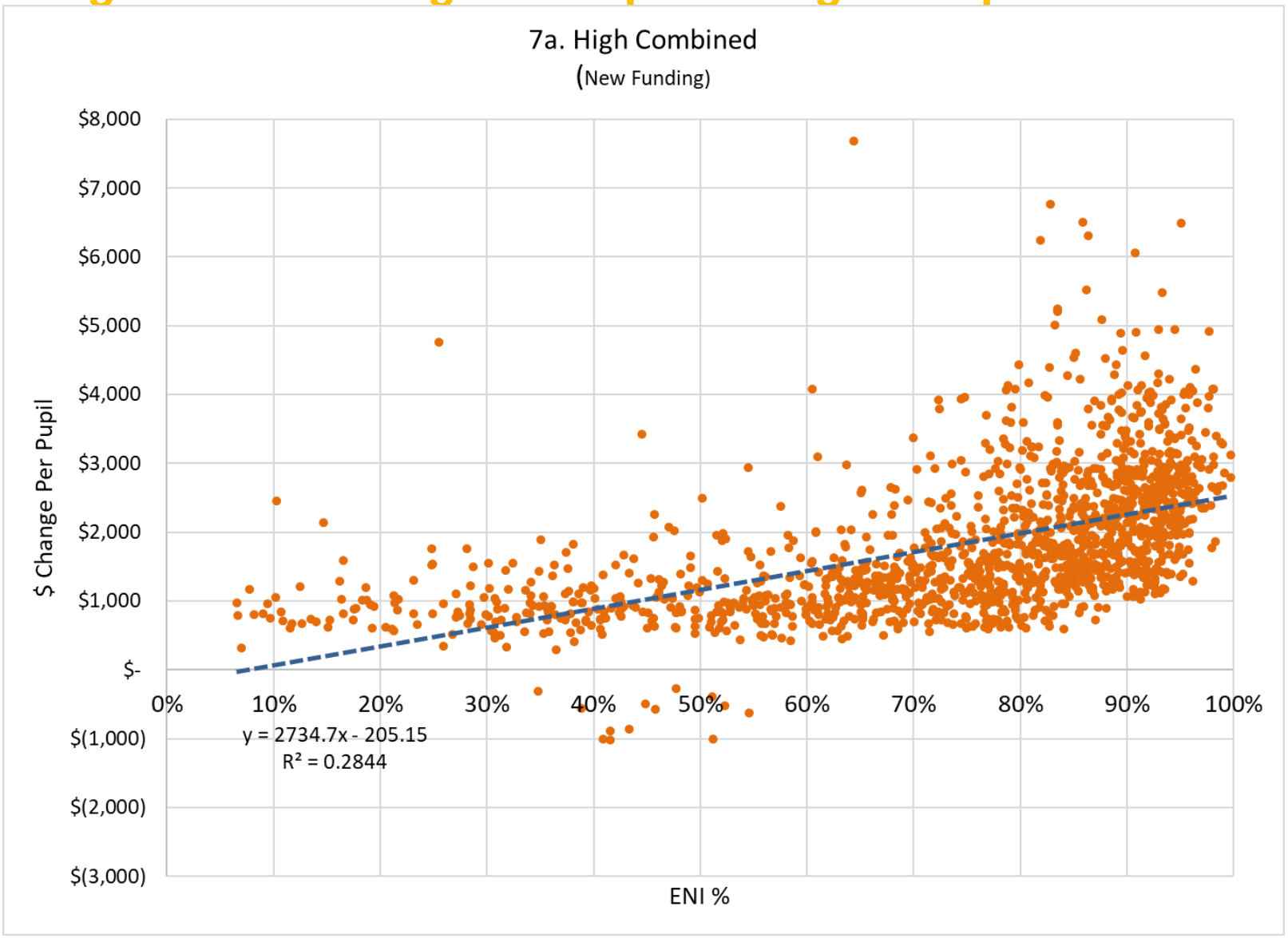
6a: Low New Funding Per Pupil Change compared to Poverty



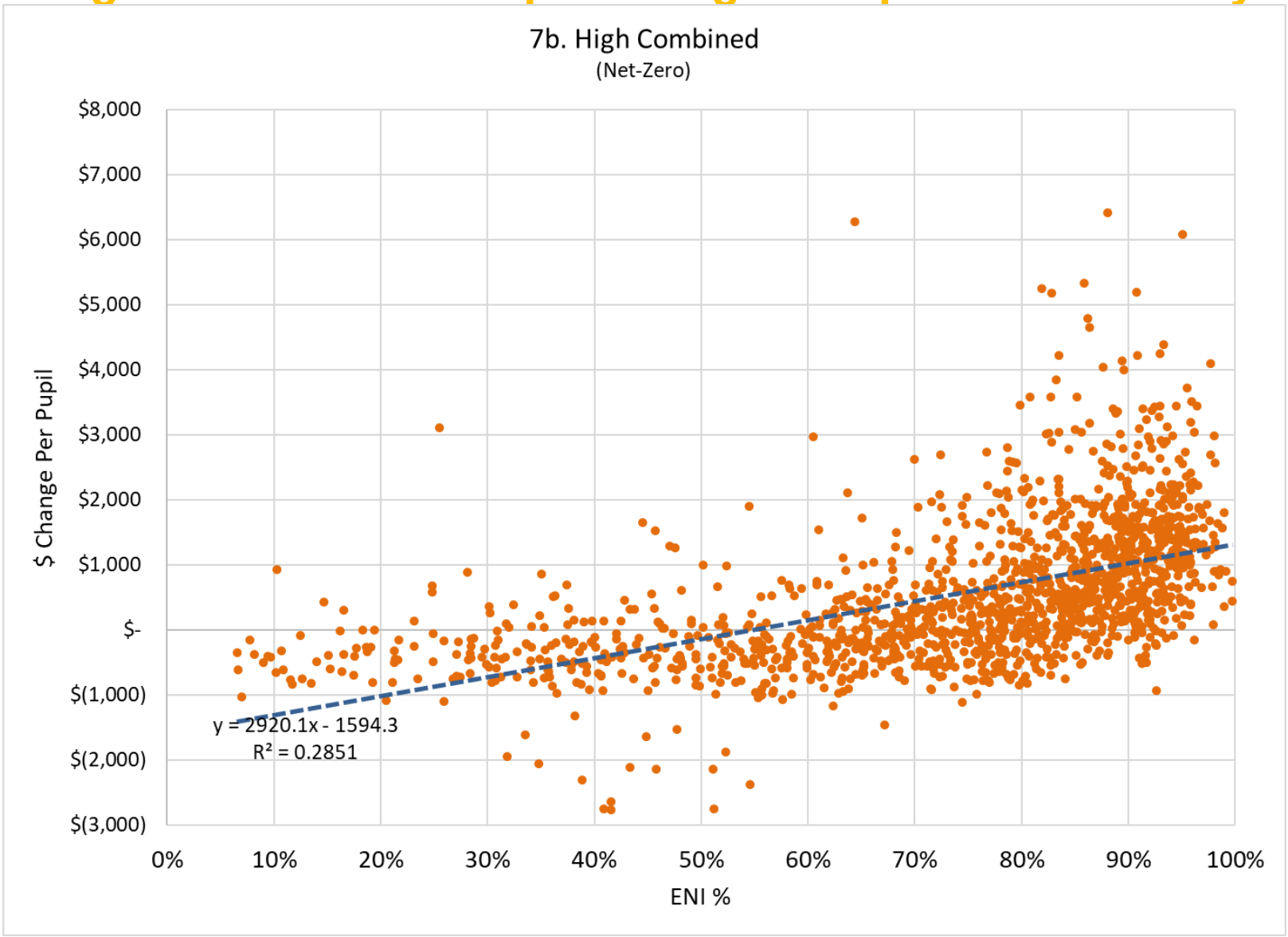
6b: Low Net-Zero Per Pupil Change compared to Poverty



7a: High New Funding Per Pupil Change compared to Poverty



7b: High Net-Zero Per Pupil Change compared to Poverty



IBO SIMULATIONS OF FIVE HIGHEST-RANKING FAIR STUDENT FUNDING TASK FORCE RECOMMENDATIONS

Sarita Subramanian and Yolanda Smith
NYC Independent Budget Office
October 26, 2022

What is Fair Student Funding (FSF)?

- The Department of Education (DOE) distributes the largest pot of discretionary funds to schools based on the characteristics of students who attend.
- Currently the formula factors in:
  - The grade level of the student—every student in the school is counted in this category.
  - All other weights are additive to the respective grade weight base.
- Each characteristic or need, carries a weight that is relative to the base need—an elementary school student—and an associated per pupil amount.
  - For the 2022-2023 school year, the base per pupil amount is $4,197.19 and the weight is always 1.0.
  - High school students have a weight of 1.03, translating to $4,322.70 per pupil.
  - Middle school students have the largest base weight of 1.08, with $4,533.31 per pupil.

Additive Need Weights Currently in FSF

- Academic Intervention weights account for the performance of students at the school *prior* to when they enter based on standardized test scores and vary by the current grade level of the student and whether they scored below standards or well below standards.
  - For students who do not have prior test scores, poverty is used as a proxy.
- English Language Learner (ELL) weights account for additional programming used to service those students (English as a New Language or Bilingual programs), includes funding for recently former ELLs who have been tested and found to be proficient in English, and students with interrupted formal education.

Additive Need Weights Currently in FSF

- Special Education weights account for the time students receive special education programs (less than 20 percent of the time, 21 percent to 59 percent of the time, or greater than 60 percent of the time) and the type of setting they are in (in classrooms with peers with and without disabilities in integrated classrooms with no more than 12 students with disabilities, or in self-contained classrooms with only other students with disabilities) with additional distinctions by grade level.
- Portfolio weights account for specializations for particular high schools and the cost of programming for those. These include:
  - Schools with career and technical education programs, split into four tiers
  - Thirteen specialized academic schools
  - Three specialized audition-based admissions schools
  - Transfer high schools that serve under-credited and overage students that require additional supports to graduate

FSF Weights and Per Pupil Funding for 2022-2023

FSF Category Type of Pupil Need and Grade Span	Weights	FY 2023 Per Capita
Grade Weight - All Pupils: K-5	1	$4,197.19
Grade Weight - All Pupils: 6-8	1.08	$4,533.31
Grade Weight - All Pupils: 9-12	1.03	$4,322.70
Academic Intervention - Poverty*	0.12	$503.66
Academic Intervention - 4-5 Below	0.25	$1,048.77
Academic Intervention - 6-8 Below	0.35	$1,468.91
Academic Intervention - 9-12 Below	0.25	$1,048.77
Academic Intervention - 4-5 Well Below	0.40	$1,678.45
Academic Intervention - 6-8 Well Below	0.50	$2,099.66
Academic Intervention - 9-12 Well Below	0.40	$1,678.45
Academic Intervention - 9-12 Heavy Graduation Challenge OTC	0.40	$1,678.45
English Language Learner - K-5 Freestanding English as a New Language (ENL)	0.40	$1,678.45
English Language Learner - 6-12 Freestanding English as a New Language (ENL)	0.50	$2,099.66
English Language Learner - K-5 Bilingual	0.44	$1,846.76
English Language Learner - 6-12 Bilingual	0.55	$2,308.45
English Language Learner - K-5 Former ELL (Commanding)	0.13	$545.63
English Language Learner - 6-12 Former ELL (Commanding)	0.12	$503.66
English Language Learner - K-12 Student with Interrupted Formal Education (SIFE)	0.12	$503.66
Special Education Programs – Low Intensity <=20% (SING)	0.56	$2,350.68
Special Education Programs – Moderate Intensity 21% to 59% (MLT)	1.25	$5,248.93
Special Education Programs - K-8 Less Inclusive >=60% (SC)	1.18	$4,956.12
Special Education Programs - 9-12 Less Inclusive >=60% (SC)	0.58	$2,451.51
Special Education Programs - K More Inclusive >=60% (ICT)	2.09	$8,764.65
Special Education Programs - 1-12 More Inclusive >=60%	1.74	$7,303.71
Special Education Programs - K-12 Post IEP Support	0.12	$503.66
Portfolio High Schools - CTE Tier 1	0.26	$1,091.31
Portfolio High Schools - CTE Tier 2	0.17	$713.71
Portfolio High Schools - CTE Tier 3	0.12	$503.11
Portfolio High Schools - CTE Tier 4	0.05	$209.54
Portfolio High Schools - Specialized Academic	0.25	$1,048.77
Portfolio High Schools - Specialized Audition	0.35	$1,468.91
Portfolio High Schools - Transfer - Heavy Graduation Challenge	0.40	$1,678.45
Portfolio High Schools - Transfer - Regular Graduation Challenge	0.21	$874.73

* Poverty funds eligible pupils in all grades for schools beginning before 4th grade, i.e. K-5, K-6, K-8, K-12;where test scores are not available for students in incoming grades.

Lump Sum Amounts for Every School

- In addition to the weights for student characteristics and need, every school also receives two lump sum amounts.
- The foundation amount is $225,000 for every school, and is intended to cover the cost of a principal and secretary—this amount has remained the same since the formula was introduced in 2007-2008.
- A collective bargaining adjustment is provided for each school based on the actual salaries of its teachers.
  - Because the formula funds schools based on the citywide average teacher salary, schools with teachers whose salaries exceed that amount are provided a lump sum amount to cover those costs.

What are the Top Five Ranked Recommendations as Initially Voted by the Task Force?

- Increase the base foundation amount that every school receives ($225,000)
- Add a new weight for students in temporary housing
- Add a poverty weight for all students in poverty in a school
- Add a school concentration weight, factoring in students with high-needs (poverty, English Language Learners, students with disabilities, and students in temporary housing)
- Eliminate portfolio weight for specialized academic schools and add those funds to the FSF pot (13 schools received $19.5 million this school year)

Key Differences Between DOE and IBO Modeling

- Details on DOE's Modeling is available here.
- DOE has modeled each of these changes with a net-zero cost, which means reductions must occur elsewhere in the formula; IBO has not imposed that restriction.
  - IBO's modeling would require that additional funds be used to disburse funding through FSF.
- DOE has simulated adjustments to the collective bargaining lump sum amounts.
  - IBO's modeling keeps the lump sum amounts as they currently stand, as we do not have data on what is used in those calculations for each school.
- For two of the proposed recommendations, IBO has used different assumptions than what DOE has presented: increasing the base foundation amount to each school and estimating the weight for students in temporary housing.

Proposed Recommendation #1: Increase the Base Foundation Amount

- Currently the base is intended to cover the average salary for a principal and secretary, which has remained at $225,000 since 2007-2008. IBO's current estimate for the combined average salaries of these positions is $241,000.
- The task force is considering adding more positions to the base. IBO modeled adding several combinations of the following positions with their average salaries:
  - Assistant Principal, $142,000
  - Staff Nurse, $74,500
  - School Social Worker, $106,000
  - Guidance Counselor, $113,000
  - School Psychologist, $105,000
- NOTE: IBO's modeling does not factor in additional collective bargaining costs

Proposed Recommendation #2: Add a Weight for Students in Temporary Housing (STH)

- IBO estimates the per pupil funding for STH to be about $1,400, meaning a weight of 0.33 relative to the base FSF weight.
  - Our estimate includes the targeted Title I STH citywide per capita: $1,022.62
  - Estimating a per pupil from other dedicated programs for STH allocated based on the concentration of students in particular schools (includes city tax levy funds that funds Bridging the Gap social workers, state funds for Attendance Improvement Dropout Prevention, and federal funds—Title IV and McKinney Vento Homeless Assistance Grants): $376.60.
- This includes programs currently allocated outside of FSF through other School Allocation Memoranda

Proposed Recommendation #3: Add a Poverty Weight

- IBO's modeling uses the same assumptions as DOE's: This adds one weight of 0.12 for all students in poverty in grades K-12 at the school.
- NOTE: Schools that receive the academic intervention weight for students who do not have prior test scores would still receive the poverty proxy weight.

Proposed Recommendation #4: Add a School Concentration Weight

- Shares of students with any of the following needs will be captured by a concentration weight for the school:
  - Students in poverty
  - ELLs
  - Students in temporary housing
  - Students with disabilities
- DOE additionally models students in foster care and while IBO has requested that data, we have not yet received it.
- DOE and IBO allocated $60 million across all schools, dividing the funds using two methodologies.
  - For context, aside from the poverty proxy for academic intervention needs, the largest amount of funds distributed through a weight category in the 2022-2023 FSF is $57 million.

Proposed Recommendation #4: Add a School Concentration Weight

- The concentration weight is modeled using two methodologies.
- A continuous model, where each school essentially receives its own weight based on their relative share of high-needs students.
- A three-tier model, where schools are split into three equal groups. Based on total funding of $60 million, IBO estimates that the lowest tier receives $43.77 per pupil, second tier receives double that ($87.54 per pupil), and the third tier receives three times that ($131.31 per pupil).
  - NOTE: The per pupil amounts are calculated based on *all* students in each school.
  - While unlikely, it is possible that adding this weight might incentivize schools to enroll higher concentrations of high-needs students, particularly for schools near the top of a tier. The continuous model makes this incentive less likely as there are not explicit cutoffs as in a tiered model.

Proposed Recommendation #4: Calculating the School Concentration Weight using the Continuous Model

- IBO follows DOE's methodology to calculate the relative concentration for each school.
- The share of each group of high-needs students is calculated at each school.
- Each student with that high-need characteristic is given a weight of 1 + the share of that group of high-needs students in the school.
- Then, we add up all the high-need student calculations and then divide by total enrollment to calculate a concentration index for each school.
- Finally, we divide each school's concentration index by the maximum index value the school with the highest concentration to calculate each school's *relative* concentration—this yields a value between 0 and 1, which can be thought of as each school's share of the concentration of high-needs students relative to the highest need school.
- $60 million is then allocated proportionally based on the sum of the relative concentrations.

Example of Continuous Method Distribution Based on Schools' Relative Concentration Index

- The $60 million pot for the concentration weight is divided by the sum of relative school concentrations to calculate a per index-point calculation, which is then used to calculate each school's allocation based on their relative school concentration index.

	Relative Concentration Index	School Concentration Continuous Weight Allocation
School 1	0	$ -
School 2	0.05	$ 285,714.29
School 3	0.1	$ 571,428.57
School 4	0.15	$ 857,142.86
School 5	0.2	$ 1,142,857.14
School 6	0.25	$ 1,428,571.43
School 7	0.3	$ 1,714,285.71
School 8	0.35	$ 2,000,000.00
School 9	0.4	$ 2,285,714.29
School 10	0.45	$ 2,571,428.57
School 11	0.5	$ 2,857,142.86
School 12	0.55	$ 3,142,857.14
School 13	0.6	$ 3,428,571.43
School 14	0.65	$ 3,714,285.71
School 15	0.7	$ 4,000,000.00
School 16	0.75	$ 4,285,714.29
School 17	0.8	$ 4,571,428.57
School 18	0.85	$ 4,857,142.86
School 19	0.9	$ 5,142,857.14
School 20	0.95	$ 5,428,571.43
School 21	1	$ 5,714,285.71
Sum of relative concentrations:	**10.5**	**$ 60,000,000.00**
Per index-point distribution of funds:		$ 5,714,285.71

Proposed Recommendation #4: Calculating the School Concentration Weight using the Tiered Model

- Using the concentration index for each school, we divided schools into three equal groups: tier 1, tier 2, and tier 3.
- Total enrollment for each school was then multiplied by the tier in which they belong, essentially doubling and tripling the count of a school's enrollment if they belonged to tier 2 or 3, respectively.
- A tiered per capita was calculated by dividing $60 million by the sum of the weighted enrollments.
- Each school's allocation was calculated by multiplying the weighted enrollment by the tiered per capita amount.

Example of Tiered Method Distribution Based on Schools' Relative Concentration Index

- The tiered per capita for Tier 1 was calculated by dividing $60 million by the total weighted enrollment of 1,370,805 students.

Concentration Index Group	Number of Schools	Total Enrollment	Weighted Enrollment (Total Enrollment*Relative Concentration Group)	Weighted Enrollment* Tiered Per Capita	Actual Per Capita within Group	Per Capita Factor
1	508	330,560	330,560	$ 14,468,578.68	$ 43.77	1.00
2	509	246,881	493,762	$ 21,611,914.17	$ 87.54	2.00
3	508	182,161	546,483	$ 23,919,507.15	$ 131.31	3.00
Total	**1,525**	**759,602**	**1,370,805**	**$ 60,000,000.00**		
Total for Concentration Weight			$ 60,000,000.00			
Tiered Per Capita (For Tier 1)			$ 43.77			

Proposed Recommendation #5: Eliminate the Specialized Academic Weight

- IBO models this by setting the weight to 0.
- IBO does not model the collective bargaining effect of eliminating these funds, since the decrease in funding would likely lead to staffing changes. Without knowing which positions would be affected, we do not project those changes.

Results of IBO Simulations: Total FSF Budget

- First we report on the aggregate impact of the five proposals collectively on the total FSF budget across all schools.
- Recall the aggregate impact of adding the concentration weight is $60 million regardless of how those funds are distributed to schools.
- Adjusting the base foundation amount to reflect current average principal and secretary salaries, and incorporating the other four proposals, would require adding a net $433 million to the total FSF budget.
- The simulations IBO presents range from adding a minimum of $433 million to a maximum of $1.3 billion to the total FSF budget for 2022-2023—currently at $6.5 billion.
- This translates to a percent increase in total FSF funds of 7 percent to 19 percent.

Results of IBO Simulations on Total FSF Budget

Eliminate Specialized Academic Weight, Add Poverty Weights, Add STH Weights, Add Concentration Weight, and Potential Changes to Staff Included in Base Foundation as Below:	Additional FSF Funding Needed	Proposed Total FSF Budget	Proposed Increase Over FY23 FSF Budget
Principal + Secretary	$433 million	$7.0 billion	7%
Principal + Secretary + AP	$650 million	$7.2 billion	10%
Principal + Secretary + AP + Social Worker	$811 million	$7.3 billion	12%
Principal + Secretary + AP + Guidance Counselor	$822 million	$7.3 billion	13%
Principal + Secretary + AP + Social Worker + Guidance Counselor	$984 million	$7.5 billion	15%
Principal + Secretary + AP + Social Worker + Guidance Counselor + Nurse + School Psychologist	$1.3 billion	$7.8 billion	19%
Principal + Secretary + Social Worker + Guidance Counselor	$767 million	$7.3 billion	12%
Principal + Secretary + Social Worker + Nurse	$708 million	$7.2 billion	11%
Principal + Secretary + Social Worker + Guidance Counselor + Nurse	$881 million	$7.4 billion	14%

Results of IBO Simulations: School-Level FSF Budgets

- The median change in a school's FSF 2022-2023 budget simulating the five proposals ranges from an increase of $311,000 up to $852,000.
- Because of the proposal to eliminate the specialized academic weight, one of those schools could lose between $1.8 million to $2.6 million depending on changes made to the composition of the base foundation amount and on how the concentration weight is implemented.
- Depending on which changes are implemented, some schools could gain more than $3 million compared with their 2022-2023 FSF budget.

Results of IBO Simulations on School-Level FSF Budgets

Eliminate Specialized Academic Weight, Add Poverty Weights, Add STH Weights, Add Concentration Weight, and Potential Changes to Staff Included in Base Foundation as Below:	Median Change in FSF School Budget*	Minimum Change in FSF School Budget*	Maximum Change in FSF School Budget*
Principal + Secretary	$245,000-$255,000	-$4.3 million--$4.1 million	$1.8 million-$1.9 million
Principal + Secretary + AP	$387,000-$396,000	-$4.2 million--$3.9 million	$1.9 million-$2.1 million
Principal + Secretary + AP + Social Worker	$493,000-$502,000	-$4.0 million--$3.8 million	$2.0 million-$2.2 million
Principal + Secretary + AP + Guidance Counselor	$500,000-$509,000	-$4.0 million--$3.8 million	$2.0 million-$2.2 million
Principal + Secretary + AP + Social Worker + Guidance Counselor	$606,000-$615,000	-$3.9 million--$3.7 million	$2.1 million-$2.3 million
Principal + Secretary + AP + Social Worker + Guidance Counselor + Nurse + School Psychologist	$785,000-$795,000	-$3.8 million--$3.5 million	$2.3 million-$2.5 million

* Ranges represent school-level budget changes when using either the continuous or tiered methodology for the concentration weight.

Results of IBO Simulations on School-Level Budgets

Eliminate Specialized Academic Weight, Add Poverty Weights, Add STH Weights, Add Concentration Weight, and Potential Changes to Staff Included in Base Foundation as Below:	Median Change in FSF School Budget*	Minimum Change in FSF School Budget*	Maximum Change in FSF School Budget*
Principal + Secretary + Social Worker + Guidance Counselor	$464,000-$473,000	-$4.1 million--$3.8 million	$2.0 million-$2.1 million
Principal + Secretary + Social Worker + Nurse	$425,000-$435,000	-$4.1 million--$3.9 million	$1.9 million-$2.1 million
Principal + Secretary + Social Worker + Guidance Counselor + Nurse	$538,000-$548,000	-$4.0 million--$3.8 million	$2.1 million-$2.2 million

* Ranges represent school-level budget changes when using either the continuous or tiered methodology for the concentration weight.

FSF Historical Budget History and Other Budget Considerations

- Since 2016-2017, the total FSF budget has ranged between $5.8 billion to $6.8 billion in 2021-2022, the first year all schools received full FSF funding.
- Some of the funding IBO used to calculate the total support for students in temporary housing include funds distributed to schools in school allocation memoranda other than FSF, some of which are state and federal funding sources, and $13.8 million in city tax levy funding including the Bridging the Gap program to provide social workers.
  - Title I School Allocation
  - Title IV Programs
  - Attendance Improvement Dropout Prevention
- Collective bargaining adjustments for the additional staff IBO simulated in the base foundation amount could require much more funding, depending on the positions included.

IBO Analysis of Projected Foundation Aid for 2023-2024

- In response to inquiries by Task Force members about what Foundation Aid is used for, IBO analyzed the proposed expenditures for 2023-2024, when the proposed changes to the FSF formula are intended to be implemented.
- About 60 percent is planned for classroom instruction and another 11 percent is planned for associated fringe benefit costs for those personnel—a total of $6.5 billion.
- About 23 percent is planned for pass-through payments to charter schools, special education pre-K contracts, contract schools, and nonpublic schools—a total of $2.1 billion.

Dollars in millions

BUDGET CATEGORY	PROJECTED FY24 EXPENSE	EXPENSE BUDGET	FOUNDATION AID SUPPORT	FOUNDATION AID SHARE
General Education				
401/402 (General Ed)	$7,539	24%	$3,072	34%
Special Education				
403/404 (Special Ed)	$2,676	9%	$1,553	17%
423/424 (Special Ed Inst Support)	$735	2%	$283	3%
421/422 (Citywide Spec Ed)	$1,426	5%	$316	3%
Early Education				
407/408 (UPK)	$1,922	6%	$0	0%
409/410 (Early Education)	$534	2%	$0	0%
Remibursable Programs				
481/482 (Categoricals)	$2,271	7%	$242	3%
Subtotal Classroom Instruction	***$17,103***	***55%***	***$5,466***	***60%***
Non Instructional Services				
438 (Pupil Transportation)	$1,565	5%	$217	2%
439/440 (School Food)	$530	2%	$8	0%
Buildings Support				
435/436 (School Facilities)	$1,066	3%	$78	1%
442 (School Safety)	$389	1%	$10	0.1%
444 (Energy and Leases)	$671	2%	$62	1%
Subtotal NonInstructional Services	***$4,221***	***14%***	***$375***	***4%***
Pass-Through Payments				
406 (Charter Schools)	$2,892	9%	$1,308	14%
470 (Special Ed PreK Contracts)	$929	3%	$261	3%
472 (Contract Schools)	$910	3%	$549	6%
474 (Nonpublic Schools)	$79	0%	$0	0%
Subtotal Pass-through Payments	***$4,810***	***15%***	***$2,118***	***23%***
Administration				
415/416 (Regional Admin)	290	1%	102	1%
453/454 (Central Admin)	290	1%	36	0.4%
Fringe				
461 (Fringe Benefits)	4,436	14%	1,048	11%
Subtotal Systemwide Costs	***5,016***	***16%***	***1,186***	***13%***
TOTAL	**$31,150**	**100%**	**$9,145**	**100%**

Questions?

- If you have any questions, please email:
  - Sarita Subramanian, Assistant Director of Education, saritas@ibo.nyc.ny.us
  - Yolanda Smith, Senior Budget and Policy Analyst, yolandas@ibo.nyc.ny.us