

Public Comment Analysis

Date: May 28, 2014

Topic: Formulas and Method Used to Allocate Revenue among Community School Districts and Schools

Date of PEP Vote: May 29, 2014

Summary of Proposed Item

Annually, the New York State Education Law and Chancellor's Regulation B-801 require the Chancellor to develop objective formulas for use in allocating the DOE's share of revenues among its community school districts and schools (known as the "FSF Formulas Weights" or "formulas"). On April 14, 2014, the DOE issued proposed formulas for the 2014-2015 school year. In them, the DOE proposed no changes to the formula used to allocate dollars in 2013-2014.

Summary of Issues Raised and Significant Alternatives Suggested

The public comments received since the DOE posted the FSF Formula Weights are summarized as follows:

Comments Related to the FSF Weights:

Comments concerned the rationale behind the portfolio weights for specialized high schools, the ICT weights for Middle Schools, the lack of a weight for dual campus sites, and the demonstration of the year over year changes in the FSF weights, and are summarized as follows:

- The FSF Formula weights for 2015 have remained the same. Why?
- Why do specialized schools receive so much more funding?
- Dual cited school should be given heavier weights in the funding formula due to having to duplicate many services.
- Middle schools are not being supported with the implementation of the DOE's Special Education Reform because we are not given funds for ICT teachers' prep periods. We are expected to absorb the cost in FSF allocation.
- In previous years, FSF proposals were accompanied with an explanation of year over year changes and other details; if such a document exists for this year's proposal, would it be made public?

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Comments Related to School Based Budgeting:

The public comments are summarized as follows:

- Are allocations based on student enrollment, even in charter schools?
- Will schools be receiving additional money in budgets to support them?
- Has the DOE ever thought about eliminating the date that a school loses funds for students who leave a school and letting those funds follow the student to whatever school they will be attending?
- Will funding follow students entering/transferring after cutoff date?
- At what time does the money stop following the students?
- Does it mean that if a large number of students leave a school, the school will be in deficit?
- Does it matter if a child is coming from a charter school to a district school?
- Will the school receive the funding for the student?
- Are parents still able to have voice in the way money is spent at the school level?
- How can we determine if the money is actually being used for the needed services?
- Does the superintendent review each school's budget regularly in order to note if the money is being spent as required?
- How does the DOE ensure that the funds attached to a particular student are all used to benefit that particular student?

General comments:

Several comments related to the impact of funding on student performance, school accountability for students requiring AIS services, the PEP process, and transitional funding, and are summarized as follows:

- What has been the impact of the C4E funds on student achievement citywide and in specific schools? Can the budget presentation show how specific funding directly impacts student performance citywide and in specific schools?
- In regard to AIS – is there any penalty against the school if student performance does not improve?
- Why does the budget presentation focus on the FSF AIS or C4E that represent only a tiny fraction of the Department's overall budget?

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Analysis of Issues Raised and Significant Alternatives Proposed

Comments Related to the FSF Weights:

With respect to the first comment, review of the budget allocation formula for FY2016 is underway to allow sufficient time for policy analysis and input from school communities and stakeholders.

With respect to the second comment, high schools with State or centrally approved specialized programs receive additional funding to support their enhanced academic programs. The weights provide tiered funding to support the following instructional models:

- Career and Technical Education (CTE) -- All students are engaged in state approved CTE sequences of instruction that integrate rigorous academic study with workforce skills in specific career pathways. The tiered structure of the CTE funding reflects the relative cost factors necessary to operate different CTE programs of study. The significant factors reflected in this structure are: class size requirements, equipment and materials, and industry training for teachers.
- Specialized Academic – Funding supports the increased course loads in specialized academic high schools.
- Specialized Audition – Funding supports audition schools in which all students within the school participate in the equivalent of a five-year sequence through two double periods daily of study in their art form.
- Transfer - Provides academic & social and emotional supports for students with greater academic challenges in small high school designed to re-engage students who have dropped out or are over-age and under-credited for grade.

With respect to the third comment, the DOE undergoes annual review of the funding formula to evaluate the needs of unique school types. Evaluation of schools with dual campus sites indicates a very wide variety of needs with non-uniform cost structures. We will continue to engage these school types to explore opportunities for funding.

With respect to the fourth comment, full funding for the first ICT teacher including the contractual 0.4 coverage for middle school teachers is provided in the grade weight; full funding for the second ICT teacher, including the contractual 0.4 coverage for middle school teachers, is funded in the Middle School ICT weight.

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With respect to the fifth comment, no changes to the FSF Formula or weights are proposed for FY15. The proposed methodological change is expected to have minimal impacts outside of typical annual fluctuations in AIS counts.

Comments Related to School Based Budgeting

With respect to the first comment, initial FSF allocations to district schools are based on projected and prior year registers. Funding for projected registers is adjusted for student enrollment at the school. Allocations for charter schools are based on student FTEs which represents the percentage of the year the student is enrolled in the charter school.

With respect to the second comment, funding for students is finalized based on audited registers on October 31, and Individualized Education Programs for Students with Disabilities as of December 31st.

With respect to the third comment, the October 31st funded register for district schools was established to provide stability for schools, which have limited opportunity to adjust staffing to changing enrollment numbers after the 15th day of school. Adjustments after October 31st would adversely impact many schools with highly mobile pupil populations.

With respect to the fourth comment, funding does not transfer between district schools after the snapshot date. If a student transfers from a charter, the charter school does not receive funding for the percent of the year the student is not enrolled.

With respect to the fifth comment, funding for each FSF weight is based on registers at distinct points in time; “grade weight” and “portfolio” funding is based on October 31st registers; “special education needs weight” funding is based on IEP services on December 31st; and ELL and AIS funding is based on prior year registers.

With respect to the sixth comment, when schools are projected to lose register, they begin the year with a smaller initial budget. The schools are not entitled to funding associated with students who do not materialize by the date of the funding snapshot. Schools are not put in deficit, but are given time to adjust for funding losses.

With respect to the seventh and eight comments, schools receive funding for students enrolled in their school on the date of the funding snapshots, regardless of whether they come from another district school, a charter school, or enroll from outside of the DOE system.

With respect to the ninth comment, parents have voice in the way money is spent at the school level through the School Leadership Team (SLT). The SLT works in collaboration with the school principal to develop the school’s comprehensive education plan and budget plan.

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With respect to the tenth comment, school budgets are available through each school's webpage, including the Financial Table of Organization which details the school's current spending plan.

With respect to the eleventh comment, the budget is scheduled in accordance with the school's Comprehensive Education Plan which is reviewed and approved by the superintendent.

With respect to the twelfth comment, while allocations are based on student counts within weighted academic need profiles, schools must meet all mandated instructional needs, in accordance with contractual obligations. Remaining funding is spent to meet instructional priorities in line with the school's comprehensive education plan.

General Comments

With respect to the first comment, given the wide range of instructional strategies and investments, school environments, and student factors, direct causal impact from funding to student achievement is very difficult to isolate.

With respect to the second comment, additional supports are given to struggling schools based on performance on a variety of City, State and Federal indicators.

With respect to the third comment, C4E and total budget information are given for context around the proposed budget allocation formula. The DOE budget and C4E are vetted through separate public engagement processes.

Proposed Budget Allocation Formula

There are no changes to the proposed budget allocation formulas for the reasons set forth above and to allow more time for substantial review of the allocation methodology. The item will be presented to the PEP on May 29, 2014.

The proposed allocation formulas can be obtained at:
<http://schools.nyc.gov/AboutUs/leadership/PEP/publicnotice/2013-2014/May2014BudgetFormula>