

REVISED FORMULAS USED TO ALLOCATE REVENUE AMONG COMMUNITY SCHOOL DISTRICTS AND SCHOOLS

I. Description of the subject and purpose of the proposed item under consideration.

Pursuant to Education Law section 2590-r, the Chancellor must develop objective formulas for use in allocating revenue among community school districts and schools. The Department of Education (“DOE” or “the Department”) has developed formulas setting forth the baseline and special categorical weighted Fair Student Funding multipliers (the “FSF Formula Weights” or “formulas”) to allocate tax levy dollars to schools. The DOE uses these formulas, together with an estimate of the total sum of money available to the Department, to provide community school districts and schools with budget allocations for use in the school-based budgeting process set forth in Chancellor’s Regulation B-801.

On April 5, 2012, the DOE issued proposed formulas for the 2012-2013 school year. In them, the DOE proposed changes to the formulas to create greater alignment with college and career ready high school graduation requirements and the Special Education Reform. On April 19, 2012, DOE revised the formulas and Public Notice to correct an error in the originally proposed formulas, which incorrectly stated that the weight for kindergarten students in Integrated Co-Teaching (“ICT”) applied to students in first through fifth grades as well.

The DOE is now further revising this proposed item by revising this Public Notice to describe the use of transitional funding to support the change from special education *classroom* funding to special education *pupil per capita* funding. The formulas themselves have not been changed..

Currently, schools are allocated special education funding based on the number of special education sections they serve. Thus, schools with partially filled sections receive the same amount of funding as schools with completely filled sections. The DOE is changing its implementation of special education funding by transitioning to purely per-pupil funding, in which schools with greater numbers of special education students receive more funding, regardless of the number of sections. As the DOE transitions to this new systems, schools which receive special education classroom funding for unfilled seats in the current school year will receive transition funding for school years 2012-2013 and beyond.

Transition funding will be based on a comparison of the number of special education *pupils* funded in school year 2012-2013 -- and in subsequent transition years -- to the number of special education *seats—filled and unfilled* -- funded in the current school year. Schools will receive annual transition funding if the number of special education pupils funded each transition year falls below the number of seats (filled and unfilled) funded in the current school year.

Transition funding will be capped based upon the maximum number of *unfilled* seats funded in the current school year. In school year 2012-2013, the amount of transition funding will equal 100% of the FSF per capita for “greater than 60% (self-contained)” and “greater than 60% (integrated).” In

subsequent transition years, as schools' experience with per capita funding grows, the amount of transition funding will annually phase down. FSF monies to support transition funding will be provided in a separate allocation called "Special Education Transitional Supplement."

2012-2013 marks the system-wide implementation of the [Special Education Reform](#). Goals of the reform include high academic standards for all of our pupils, special education services aligned to student needs, and exposure to the least restrictive environment that is academically appropriate. Proposed changes to the Special Education Needs Weights in support of the Special Education Reform are as follows:

- ❖ Per capita rather than class funding, regardless of special education service model
- ❖ Increased weight for students receiving special education services during 20-60% of the school day, including multi-SETSS, part-time self-contained ("SC") and part-time Integrated Co-Teaching ("ICT") programs
- ❖ Decreased weight for full-time ICT students across all grades, and a decreased weight for full-time SC students in grades K-8
- ❖ Additional funding for students who are declassified from special education services, in order to support IEP declassification services and the students' transition into general education

Given the need to ensure college and career ready standards for all of our pupils, and the phase-out of the local diploma option for general education students; proposed changes to the Portfolio and Academic Needs Weights to better support students with significant graduation challenges are as follows:

- ❖ Two-tiered per capita funding for Transfer school pupils based on level of graduation challenge
- ❖ New per capita allocation for non-transfer school pupils who demonstrate significant credit accumulation challenges who are admitted through the over-the-counter enrollment process

II. Summary of all public comments received following the last revised public notice.

To date seven commenters have submitted comments related to the proposed special education formula changes since the April 19 revised notice. Several comments focus on the impact of revised ICT and Self-contained weights on compliance with IEP mandates and implementation of Special Education Reform. Another commenter asks whether IEP's will be "driven by budget or need." Several comments ask how the shift to per capita funding from classroom funding would impact schools' ability to maintain ICT and SC classes. One comment noted that increased weight for pupils receiving special education services during 20-60% of the school day would enable schools to provide additional supports associated with pupils transitioning among educational settings. An associated comment asks for extra SETSS teachers to push-in to general education classes which

will now also include students who need ICT support as well as SETSS support. One comment questions if a new funding weight for students declassified from special education services would result in more declassifications. Additional comments are: “Does funding follow each student” and “Are the ‘weights’ the same through New York City.”

Other Comments Unrelated to the Proposal

Multiple comments focused on the special education reform process and cited the following general issues:

- ❖ The reform plan has a disconnect between requiring all schools to accept children that need special education teachers but not all schools have teachers with this certification.
- ❖ What accountability measures will be used to ensure that curricular, instructional and scheduling flexibility will meet the needs of children with disabilities?
- ❖ Many children with special needs have more trouble with transitions than typical children. This plan of having children switch classrooms several times a day in an elementary school setting is ill conceived.
- ❖ This policy does not address how schools will add and subtract children to classes through out the day, especially if classrooms are already filled to capacity.
- ❖ Will additional paraprofessionals be hired to deal with the logistics of moving children with special seat requirements, such as Rifton chairs, around during the day?
- ❖ ATS and SESIS do not currently accommodate the scheduling of pupils in part time situations.

III. Information regarding where the full text of the revised proposed item may be obtained.

For more information, please see the revised proposed FSF Formula Weights, available at:

<http://schools.nyc.gov/AboutUs/leadership/PEP/publicnotice/2011-2012/BudgetAllocationFormula2012>

IV. Further submission of public comment.

Comments can be delivered by e-mail to Budget@schools.nyc.gov, by phone to (212) 374-6754, or by mail to the address set forth in section V.

V. The name, office, address, email and telephone number of the city district representative, knowledgeable on the item under consideration, from whom information may be obtained concerning the revised proposed item.

Name: Karma Wilson
Division: Finance
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Email: Budget@schools.nyc.gov



**Department of
Education**

Dennis M. Walcott, Chancellor

Phone: 212-374-6754

VI. Date, time and place of the Panel for Educational Policy meeting at which the Panel will vote on the revised proposed item.

May 23, 2012 at 6:00pm
Taft Educational Campus
240 East 172nd Street
Bronx, New York 10457