

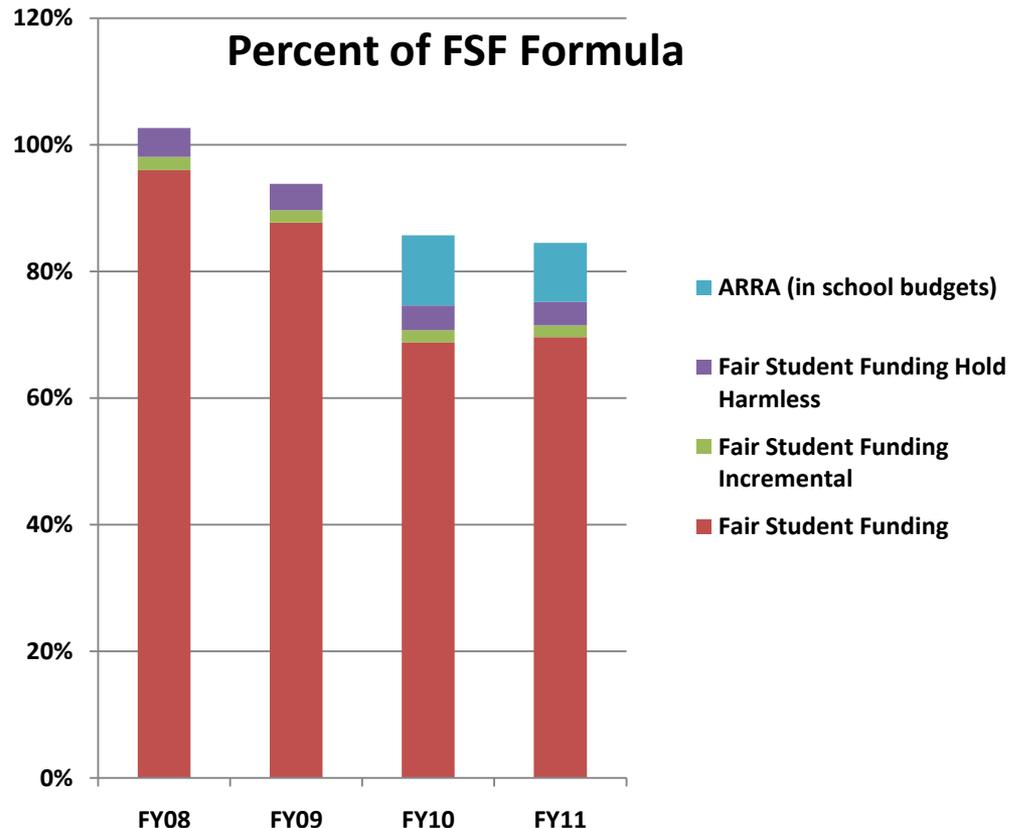
# Panel on Education Policy FSF Formula Vote

Division of Finance

May 18, 2011

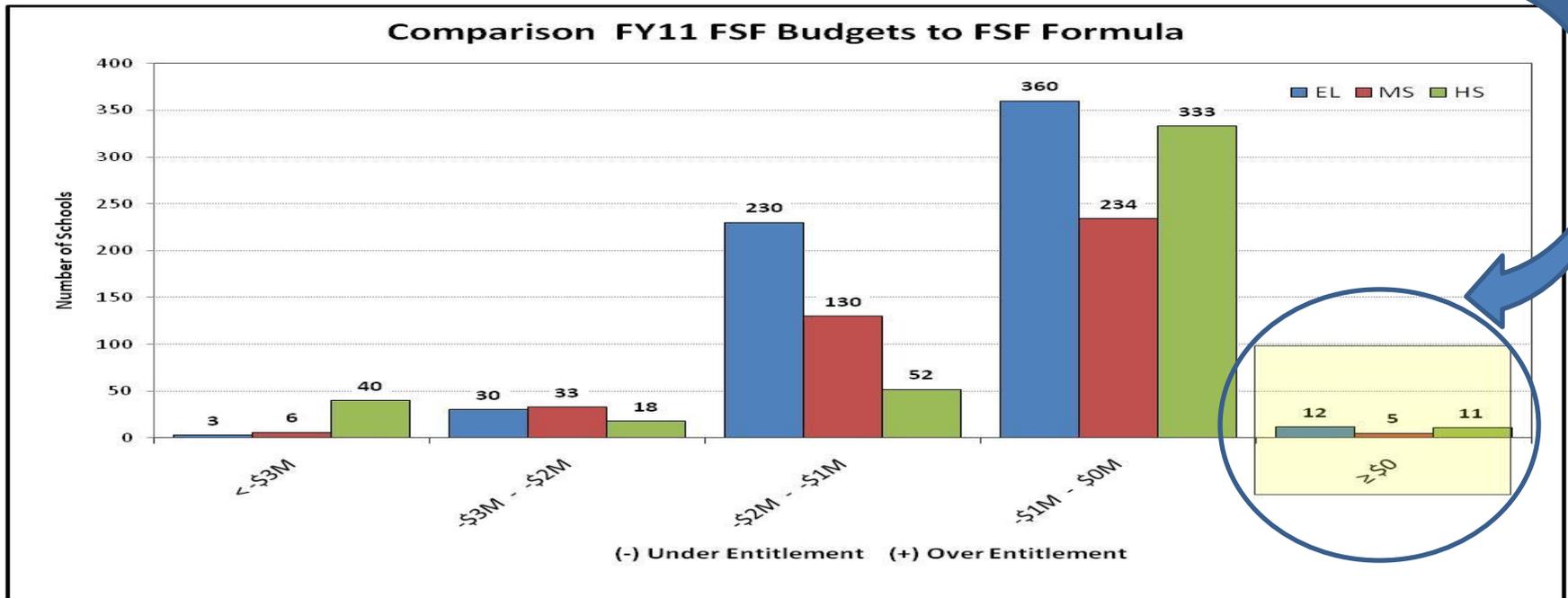
# The History of Fair Student Funding

- FSF was implemented in 2007-2008 to establish a simpler, fairer and more transparent system of school funding that would facilitate improved academic outcomes.
- Since FSF was implemented, the growth in salaries and the increases in mandated costs have exceeded the funding available for FSF due to Campaign for Fiscal Equity (CFE) dollars that DOE never received and budget cuts.
- In FY10 and FY11, total funding remained below the FSF formula level, despite the DOE's use of federal America Recovery and Reinvestment Act (ARRA) funds.



# Current State of FSF: Inequity in the System

- By FY11, most school FSF budgets fell below the FSF Formula, to varying degrees.
- While the FSF need has grown due to higher mandated and teacher costs, school FSF budgets have been stagnant or falling.
- Currently, only 28 schools have budgets equal to or above FSF formula.



# May 18<sup>th</sup> PEP Emergency Vote on FSF Formula

The release of the Mayor’s Executive Budget on May 6<sup>th</sup> clarified FY12 funding and necessitated that the DOE to proceed with proposals currently under consideration.

## Fair Student Funding Changes

### I. Minor Academic Intervention and Special Education Formula Changes:

- Update Academic Intervention Support (AIS) Weights to better support struggling students in accordance with new state standards. The FSF Academic Intervention *Poverty Weight* will change from .24 to .12 and the way FSF counts pupils as proficient will be revised to account for NYS re-scaling of test scores. As can be seen on the chart to the right, the proposed method will bring AIS funding closer to the level of academic need.
- Align Special Education Weights for Self-Contained and ICT with instructional models as outlined in compliance guidance. The SC weight for grades 9-12 will change to support classrooms of 15 pupils instead of the current 12 pupils. ICT weights for all grades except kindergarten will change to reflect classrooms of 12 special education pupils rather than 10 pupils in the current FSF weight. This will decrease the system-wide cost by reducing the need for additional classes while adhering to compliance guidelines.  
NOTE: These changes are within state and collective bargaining guidelines.

FSF Academic Intervention Funding (AIS)	% Academic Need	% AIS Funds Current Method	% AIS Funds Proposed Method
ES	25%	61%	30%
MS	33%	10%	25%
HS	42%	29%	45%
TOTAL	100%	100%	100%

- ### II. The City has restored the loss of federal funds to New York City Schools. The DOE proposes to use these funds to adjust the FSF implementation method to cap the loss for all schools to increase funding to the most under-funded schools.

# Revised FSF Weights

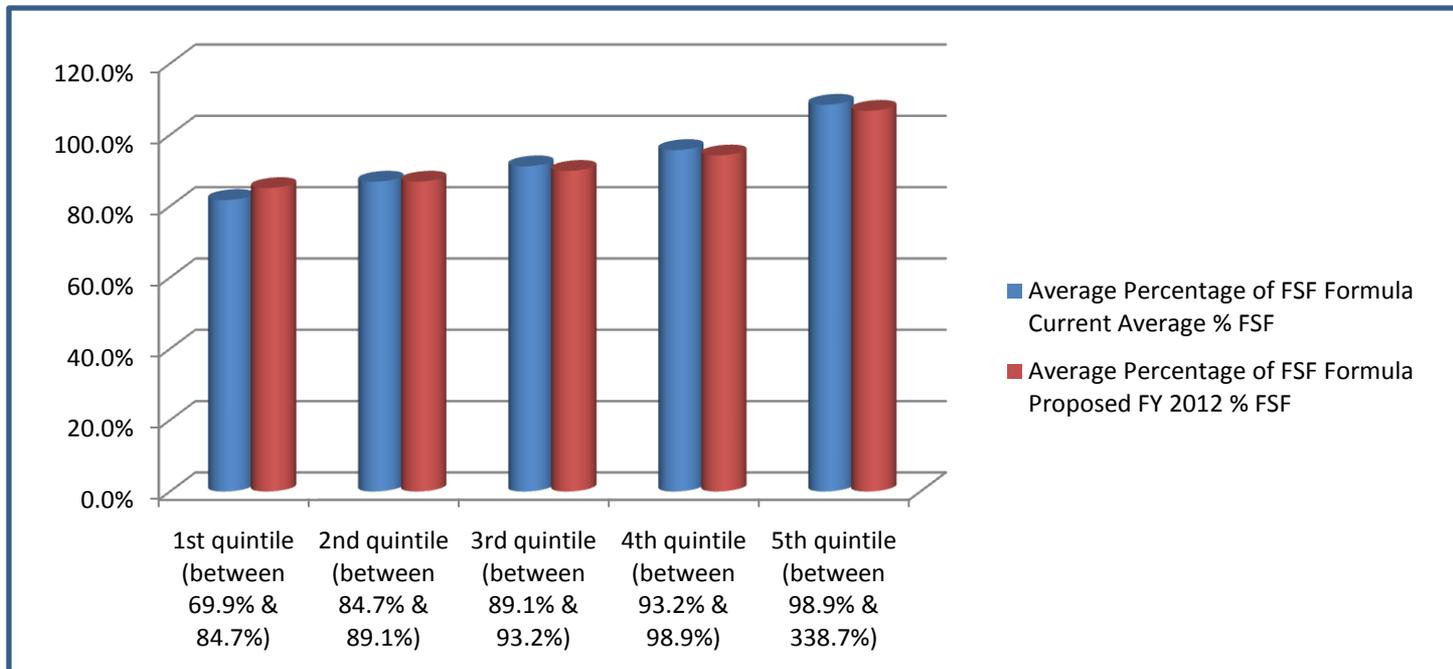
	K	1-5	6-8	9-12
<b>Grade Weights</b>	1.00	1.00	1.08	1.03
<b>Need Weights</b>	K	1-5	6-8	9-12
<b>Academic Intervention</b>				
Poverty	0.12	0.12	-	-
Achievement -- Well Below Standards	-	0.40	0.50	0.40
Achievement -- Below Standards	-	0.25	0.35	0.25
<b>ELL</b>	0.40	0.40	0.50	0.50
<b>Special Education</b>				
Less than 20%	0.56	0.56	0.56	0.56
20% - 60%	0.68	0.68	0.68	0.68
Greater than 60% (self-contained)	1.23	1.23	1.23	0.58
Greater than 60% (integrated)	2.28	1.90	1.90	2.10
<b>Portfolio Weights</b>	K	1-5	6-8	9-12
Specialized Audition Schools	-	-	-	0.35
Specialized Selective Schools	-	-	-	0.25
CTE Schools	-	-	-	0.05 - 0.25
Transfer Schools	-	-	-	0.40
<b>Revised Weight</b>				

# FSF Implementation Adjustment

- These tables show the impact of shifting \$80m of TL Restoration Funds to those schools most below FSF formula, while capping the loss of funding in year one to 1.5% pre-cut.

Average Percentage of FSF Formula

	Current Average % FSF	Proposed FY 2012 % FSF
1 <sup>st</sup> decile (between 70% & 82%)	78.3%	83.8%
2 <sup>nd</sup> decile (between 83% & 85%)	81.7%	85.1%
3 <sup>rd</sup> decile (between 85% & 87%)	85.2%	85.2%
4 <sup>th</sup> decile (between 87% & 89%)	87.1%	87.1%
5 <sup>th</sup> decile (between 89% & 91%)	89.6%	88.2%
6 <sup>th</sup> decile (between 91% & 93%)	91.8%	90.4%
7 <sup>th</sup> decile (between 93% & 96%)	93.7%	92.2%
8 <sup>th</sup> decile (between 96% & 99%)	96.4%	94.9%
9 <sup>th</sup> decile (between 99% & 105%)	100.1%	98.1%
10 <sup>th</sup> decile (between 105% & 339%)	107.7%	106.1%



# Next Steps

## Immediate

- Panel for Education Policy Vote – **May, 18<sup>th</sup>**
- Outcome of PEP vote communicated to the field – **Late May**
- Budget training for network staff and principals – **Late May**
- Allocations issued to schools – **First week in June**

## On-Going and Long-term

- The Division of Finance will assess the need for further changes to FSF after measuring the impact of minor changes in FY 12 and initiate conversations with stakeholders accordingly – **Summer/Fall**