



May 13, 2011

Department of  
Education

*Dennis M. Walcott, Chancellor*

## **SUMMARY OF CHANGE IN FSF IMPLEMENTATION**

In 2007-2008, Fair Student Funding was implemented by comparing FSF Formula allocations to what school budgets would have been using the prior budgeting approach. If a school's funding under the prior budgeting approach was greater than funding under FSF, then the school received additional funding in order to "hold it harmless" from the change to the FSF funding system. If funding under the FSF was greater than under the prior approach, then the school received an FSF "Increment" to bring FSF funds up to approximately 55 percent of the difference between the FSF formula allocation and the prior budgeting approach allocation (with a maximum increase of \$400,000).

As a result, total FSF funding for each school equaled a certain percentage of the allocation level it would have received if the FSF Formula had been applied without reference to the prior budgeting approach. For example, schools receiving FSF Base + FSF Increment funding had total FSF allocations that fell below 100% of the amounts they would have received had the FSF Formula been applied without reference to the prior budgeting approach. Conversely, schools receiving FSF Base + FSF Hold Harmless funding had a total FSF allocation above 100% of the amount they would have received had the FSF Formula had been applied without reference to the prior budgeting approach.

This method preserved immediate year-over-year financial stability in schools in 2007-2008 and anticipated a gradual transition to the FSF formula budgets over time. Over time, all schools would come to receive total FSF funding equaling 100% of the amount the FSF Formula generated. Year-over-year budget reductions since the original implementation of FSF have delayed this transition. Today, schools continue to receive total FSF funding that falls within a percentage under or over what the FSF formula would have generated, based upon the 2007-2008 condition.

For the 2011-12 school year, the plans to change the implementation of the FSF Formula Weights by using city tax levy funding -- provided by New York City to the DOE to cover the loss of Federal American Recovery and Reinvestment Act (ARRA) funds -- to increase allocations for schools now receiving FSF amounts that fall below 100% of the FSF formula. These schools would thus receive a proportionally higher share of the total available DOE budget than they have under the previous implementation of FSF.