



**Testimony of the NYC Department of Education on Fair Student Funding
Before the City Council Committee on Education**

October 30, 2018

Good afternoon Chairman Treyger and members of the Education Committee. My name is Lindsey Oates, and I am the chief financial officer (CFO) at the NYC Department of Education. Seated with me is Dr. Laura Feijoo, senior superintendent for labor and policy. I want to thank you for the opportunity to discuss this important topic. How we allocate resources to schools is one of the most important concerns for the Chancellor and for me as CFO. Personally, as a public school parent it is also one that is very close to my heart. I look forward to working together with you all to continue to increase the resources allocated to schools to provide all New York City students with an equitable and excellent education.

Guaranteeing all New York City students have access to an equitable and excellent education has been a key focus of this Administration. Under this Administration, we've cumulatively made \$4 billion in new education investments through our Equity and Excellence for All agenda to support our schools and improve student outcomes. This includes over \$800 million over this time period to raise the Fair Student Funding (FSF) "floor" – which is the lowest percentage at which a school can be funded at. This year alone, these floor raises have increased school budgets by over \$350 million. The vast majority of the FSF funding increases have been dedicated to those schools previously receiving funding at or near the floor.

At the beginning of this Administration, the "FSF floor" was 81 percent, with the average school at 87 percent. It has been a top priority of ours and yours to raise the floor every year, and last year, with the partnership of the Council, we were proud to jointly announce a floor of 90 percent, with schools across the city receiving an average of 93 percent of their FSF. Additionally, as part of our targeted investments, our most historically underserved schools, including Renewal Schools, are fully funded at 100 percent. We are grateful to Speaker Johnson and Chairs Treyger and Dromm and the Council for their support and look forward to our continued partnership.

Beyond our increases to FSF, we have also made critical investments to ensure that all students have access to rigorous curriculum and instruction at every grade level. Through our Equity and Excellence for All agenda, our students are starting school earlier with access to free, full-day, high-quality, education for three-year-olds and four-year-olds, through 3-K for all and Pre-K for All. We are strengthening students' foundational skills with Universal Literacy and Algebra for All. And we are providing more support to our students along the way, with College Access for All, Single Shepherd, and Community Schools.

Our investments are yielding real progress. Our graduation rate is at 74.3 percent, the highest it has ever been, while our dropout rate, 7.8 percent, is the lowest it has ever been. College

enrollment and readiness are also at record highs. For the third year in a row, New York City's students outperformed the rest of the State on English Language Arts and we are continuing to close the gap with the State on the State Math exam.

I would now like to speak in more detail about the Fair Student Funding or "FSF" formula. FSF is one of the most important tools that we have to ensure that schools are funded equitably – providing additional resources to schools with higher need students.

Prior to FSF and the centralized decision-making under Mayoral Control, superintendents set the budgets for their schools. As a result, schools were funded differently across and sometimes even within districts. In fiscal year 2008, to meet the goal of education equity, the DOE implemented the FSF formula.

FSF is driven by equity, with student needs at the core of the formula, and the data shows that it's been successful in advancing it. Per capita budgets are higher at schools with high concentrations of students in poverty, students with disabilities, English Language Learners, and schools with lower Math and ELA performance and graduation rates.

FSF distributes funds employing a weighted student funding formula. Simply put, this means that a school's student population – and their needs – determine the majority of that school's budget. The weights in the formula represent the relative funding schools need to meet the instructional mandates for each need. FSF funding starts with funding each pupil based on their grade level. Then needs, or weights, are added into the formula based on the pupil's English Language Learner status, special education needs, academic intervention services, and Career and Technical Education programming, among others. FSF also includes \$225,000 to fund basic administrative expenses such as the principal's and secretary's salaries. In recent years, we have also included collective bargaining costs associated with the staff currently employed by a school.

The formula strategically targets more funding toward schools with the greatest level of need. Data regarding each school's student needs that feed into the FSF formula are updated twice a year in order to be responsive to changing student enrollment and needs.

At the school level, principals work throughout the year with their School Leadership Teams and superintendents to determine the right way to meet these needs for their students. Schools dedicate a majority of this funding towards staff – 96 percent of FSF dollars are spent on pedagogues, including classroom teachers, guidance counselors, social workers, and paraprofessionals.

In addition to raising the floor, every year the DOE evaluates the FSF weights to ensure that they represent the true cost of meeting each student's instructional needs. The DOE consults with superintendents, Community Education Councils (CECs), and ultimately the Panel for Educational Policy (PEP) prior to finalizing weights for the upcoming school year. For example, in fiscal year 2017, the DOE updated its weights for English Language Learners by creating

bilingual weights, weights for students who had achieved English proficiency, and weights for students with interrupted formal education. This directed an additional \$40 million annually in resources to students who are learning English across the system.

The funding for FSF comes from City tax levy and State dollars. Federal funds, as well as State and City funds that have specific statutory requirements or policy mandates designed to meet particular academic and community needs, are not a part of FSF. However, the vast majority of school budgets – approximately two thirds – are allocated via FSF.

In 2007, the promise of new funding owed to the City as a result of the Campaign for Fiscal Equity decision brought the hope of every school receiving 100 percent of its FSF. The thought was, once new funds were received, all schools would be funded equitably. However, as we all know, the State funds never materialized. The remaining obligation from the State to the City is \$1.2 billion in this fiscal year alone. As a result, our system has schools below 100 percent of their FSF. For this reason, you will often hear that a school is funded at a certain percentage of its FSF, meaning that even as we are allocating more resources to our schools than ever before, we are still painfully aware of the gap that remains. That is why, in past years, when State funding was sufficient to cover existing mandates and more, we used the additional funding to increase the FSF floor

The Chancellor has emphasized that our schools must be equitably funded. The DOE always strives to direct any available funds towards the schools who need it most. However, the City simply cannot afford to close the gap alone. It would cost the City approximately \$750 million to raise all schools to 100 percent of their FSF level. In order to achieve this, we need the state to fulfill the promise of the Campaign for Fiscal Equity. We are grateful to the Council for your advocacy in Albany and we look forward to working with you in the coming legislative season to push for that funding.

The DOE is deeply committed to financial transparency. New Yorkers deserve to know that their tax dollars are well-spent, and parents deserve to know that schools have adequate resources to educate their children.

The DOE posts extensive school and department budget information on our website. We publish Financial Status Reports, or FSRs, six times a year which detail department-wide budget changes including the current-year budget and spending. The most recent FSR was published in September, and our website also host over 10 years of FSR archives. We publish every school allocation online with a memorandum explaining its use, as well as an exhaustive guide to FSF. Additionally, for every school, we publish a full accounting of the math behind FSF allocations, each school's allocation and budget updated daily, and a retrospective school-based expenditure report which calculates per pupil spending for every school in the system. All of this information is available on the DOE's website for anyone to download and view.

This year, we've also published school-level budget information in a new report. This report includes – in one spreadsheet – not only FSF information for each school, but also enrollment and staff information, how schools plan to spend their budget, and detailed information on pre-k and Community Schools.

In the coming years we plan to continue and expand this important work so that parents, advocates, and elected officials have access to clear, digestible information about their school's budget. We are committed to this work and look forward to having an ongoing dialogue with you and with the public on the topic.

I would now like to turn to the legislation being considered today.

Intro. 1014-A requires the creation of a report that would include information on all school-level budget allocation and FSF for each school. We support the spirit of this legislation and would like to work with the Council to align reporting requirements with both our school year and fiscal year.

Intro. 1174 creates a task force to review FSF. While we support the spirit of the proposed legislation that seeks to ensure that the FSF is reviewed by a variety of stakeholders, it is important to note that FSF is reviewed each year through a community input process that involves every CEC and the PEP. Each winter, we present, take questions, and receive feedback from every CEC on the FSF weights for the upcoming year. Following their feedback, we propose final weights to the PEP, which votes following a 45-day public comment period. We want to work with the Council to ensure that the proposed legislation aligns with existing processes for input on FSF.

We know that the most important investment a City can make is in its young people. We believe that our investments will help ensure that students in every borough, district, neighborhood, and school have the tools they need to achieve their dreams. With record-high graduation, college enrollment, and college readiness rates, we are seeing evidence of success to build upon. We look forward to working with the Council to ensure that FSF continues to be equity-focused, and that the State fulfills its fiscal obligation and provides funding so all of our schools can be funded at 100 percent FSF.

Thank you again for your time and the opportunity to testify. Laura and I will be happy to answer any questions you may have.



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Testimony of Sarita Subramanian
Supervising Analyst, New York City Independent Budget Office
To the New York City Council Education Committee
Oversight Hearing on Fair Student Funding

October 30, 2018

Good afternoon Chair Treyger and members of the City Council. My name is Sarita Subramanian and I am the supervising analyst for the education team at the New York City Independent Budget Office. Thank you for the opportunity to testify at this oversight hearing on Fair Student Funding and the proposed Reso 569 on amending the formula to incorporate a weight for students in poverty in fourth grade or higher.

In my testimony, I will first discuss an [analysis](#) that IBO published last week describing the shortfall to individual schools' Fair Student Funding budgets over the past five years. Then I will discuss some of the benefits that would result from enactment of the Reso, but also highlight a few concerns and some suggestions for additional items to consider.

Our report mentioned the \$125 million that Mayor de Blasio and City Council Speaker Johnson agreed to add to the Department of Education budget to ensure all schools received at least 90 percent of their full Fair Student Funding entitlement for the 2018-2019 school year. It is important to note, however, that the \$125 million includes funds for health, pensions, and other fringe benefits for school staff, which are typically not included in Fair Student Funding allocations and not reflected in individual school budgets. Because our analysis was focused on Fair Student Funding on the school level, the amounts we reported are more closely aligned with what appears on individual schools' budgets. Roughly \$78 million of the \$125 million announced last spring would be reflected in school budgets, with the balance going for health, pension, and other fringe benefit costs that are budgeted centrally.

IBO looked at each school's budget over the past five years and calculated how much additional funding would have been needed to bring all schools to their full formula amounts. Our analysis showed that the additional funding needed to fully fund Fair Student Funding has been declining in each of the past five years—from \$719 million in 2013-2014 down to \$491 million in 2017-2018.

Focusing on the 2017-2018 school year, our analysis of the 1,533 schools that received Fair Student Funding found that roughly 1,200 schools received smaller allocations than they qualified for under the formula. About 920 schools had shortfalls of \$500,000 or less while the other roughly 280 schools each had shortfalls that exceeded \$500,000. Sixty-three of these schools had shortfalls of \$1 million or more from their full formula-derived amount under Fair Student Funding. Although the 63 schools accounted

for just 5 percent of the schools that were not fully funded, they had a collective shortfall of \$102 million, or more than a fifth of the systemwide gap in full funding. More than three-quarters of these 63 schools were in Queens and Brooklyn, and the majority were high schools. Given that 78 percent of schools remain underfunded 10 years after Fair Student Funding was first implemented, and increased funding from the state has still not materialized, the city's efforts to continue raising the floor for all schools are critical.

Reso 569 calls for additional funding for schools that serve students in fourth grade or higher by incorporating a poverty weight over and above the existing need weights for academic intervention, students with disabilities, and English Language Learners. Currently, poverty is a factor incorporated into the Fair Student Funding formula in the academic intervention weight, but only for elementary schools because state test scores—the preferred measure to identify academic need—are not available until after third grade. If the Reso had been in place last year, it would have brought additional funding for all students in poverty in the 737 schools that did not serve grades K-3, almost half of the schools that received Fair Student Funding. Of the remaining 796 schools that did serve some students in grades K-3, 760 schools would have received additional funding for students in poverty who were in grade 4 or above. The other 36 schools would have received no additional funding because they did not serve any students in grade 4 or above. So while this proposal would bring additional funding for 98 percent of schools, there would probably need to be some additional consideration for the students in poverty in those 36 schools who would not qualify if the intention is to have a weight specifically for poverty, in addition to the academic need weight. Moreover, if the proposed changes are intended to be cost-neutral, that would mean that some other weights would need to be adjusted down in some way.

In addition to adding a poverty weight for students in fourth grade or higher, the Reso calls on the Department of Education to automatically classify all students in temporary housing as in poverty. IBO looked at the more than 103,000 students in the 2016-2017 school year who spent at least some part of the year in temporary housing and found that virtually all of them were already identified as in poverty in our data. Previous IBO reports and testimony have identified the unique challenges faced by students in temporary housing, including challenges that result in substantially higher rates of chronic absenteeism compared with other students. A more direct way of providing additional funds to schools that serve students in temporary housing would be to add a separate weight for these students in the Fair Student Funding formula—similar to the weights that currently exist for students with disabilities and English Language Learners. In that case, either more money would need to be dedicated to Fair Student Funding, or a portion of existing funding to support students in temporary housing that is currently managed centrally at the Department of Education could instead be distributed directly to schools through a revised formula for Fair Student Funding.

Finally, the two Intros under consideration today (1174 and 1014-A) would help improve understanding and provide valuable information regarding this major funding source for schools.

Thank you again for the opportunity to testify and I would be glad to answer any questions you may have.

TESTIMONY OF
THE UNITED FEDERATION OF TEACHERS
MICHAEL MULGREW, PRESIDENT

BEFORE THE NEW YORK CITY COUNCIL
COMMITTEE ON EDUCATION

REGARDING THE OVERSIGHT & TRANSPARENCY OF
FAIR STUDENT FUNDING

OCTOBER 30, 2018

Good afternoon Speaker Johnson, Chairman Treyger and members of the Education Committee. Thank you for inviting me to appear before you today to offer our assessment and collective insights into Fair Student Funding.

My colleagues at the United Federation of Teachers are committed to providing support to our extraordinary teaching force, whom I am honored and privileged to represent, as well as our school communities, which we fight for every day. Today, we advocate for them because we face a number of troubling issues with regard to the funding of our public schools, and I want to address those concerns at this forum.

The reality is this: Fair Student Funding is anything but fair.

On paper, it probably sounded great, but in reality, the so-called “weights” assigned to the various needs of children aren’t at all consistent or realistic.

Per-pupil funding often does not provide equitable or adequate funding, and the exacting nature of a child’s dollar “value” essentially locks schools into decision making that may not work for the needs of that student. We see time and time again that students are shortchanged. When the weights for programs and services are inadequate, it is unrealistic to assume that schools can fully support students or raise student achievement.

As part of this testimony, I will provide some on-the-ground context and real-world consequences for how funding policies play out in our schools, as well as brief descriptions of some possible solutions for your consideration.

We appreciate that the Council is shining a spotlight on this issue, and we want to learn more about Resolution 569, which we understand would give poverty much greater weight in the Fair Student Funding formula.

We also support greater transparency efforts on this issue, and it is our strong hope that teachers’ voices will be a large part of the proposed task force outlined in Local Law 1174. We also look forward to an ongoing discussion on how proposed Local Law 1014-A will dovetail with the fiscal transparency requirements passed last year in Albany.

AN IMPORTANT INVESTMENT

Six months ago, Mayor de Blasio and Speaker Johnson announced a special \$125 million-dollar school aid investment to ensure that every school receives at least 90 percent of the Fair Student Funding that it is supposed to receive. The move helped more than 850 schools in all five boroughs and nearly half of the students in our system.

Said Chancellor Carranza after the announcement, “More funding means more teachers, guidance counselors, and social workers; more professional development; and an opportunity to bring new materials and technologies into the classroom. The increase of the FSF floor is an important step in putting our schools on a path to Equity and Excellence for all, and to addressing unacceptable and historical inequities in the way our schools have been funded.” He’s exactly right.

The UFT fully supported the move as a major step in the right direction, not only because our schools desperately needed the funding, but also because it began to raise public awareness about the shortfalls of the Fair Student Funding formulas themselves.

A PROBLEMATIC BEGINNING

The idea behind Fair Student Funding came from the “education reformers” more than a decade ago who subscribed to a business model - the “widget” approach - where each school would be treated like a fast food franchise instead of as part of a system.

Their thinking was flawed from the start. They designed a cost-based system that attached a dollar amount to each student, using a standardized list of costs for teachers, guidance counselors, secretaries and so on. Every student was assigned a base amount of funding, which they claimed would ensure an equitable distribution of instructional resources and redistribute experienced teachers to high-need schools.

When faced with the fact that children come through our doors with their own unique educational circumstances, the FSF designers also attempted to create a series of weights to attach extra funding to a particular child, based on their needs. Students who are ELLs would get more funding, for example. Students with special needs would as well.

Once each student had been assigned a dollar amount, a computer program added up the total value of a student population and developed a budget for each school. That amount was turned over to principals, who hired teachers and staff, paid for programs and services, and purchased textbooks, technology and classroom materials.

FUNDING SHORTFALLS

A recent look at Fair Student Funding by the Independent Budget Office found that last school year New York City schools faced a shortfall of \$491 million, leaving 1,199 (78 percent) of the 1,533 schools that receive Fair Student Funding with smaller grants than they qualified for under the funding formula.

That’s consistent with the stories about chronic underfunding we hear all the time from teachers and administrators, especially when it comes to special education.

Underfunding is a result of using the Fair Student Funding formulas because while a school may have a group of students who need a special education teacher, therapist or another service provider to work

with them, the amount of money the school receives for that group of students often isn't enough to cover the cost of hiring that person or securing that service.

When that happens, the school has difficult choices to make. If the school is extremely lucky, maybe they have a sympathetic superintendent or an understanding ear at Tweed who will find them a little extra money. More often than not, though, they are forced to remove money from other departments or programs. The worst-case scenario is students don't get their needs met because the school can't afford the staff member or the service.

PENALTIES

What's more, the whole Fair Student Funding system is based on subjecting schools to a schoolwide average salary, as opposed to a citywide average salary. The DOE is computing 1,800 different averages for its schools.

What that means is that schools that create great working environments and successfully retain teachers can be penalized by the FSF formula, because veteran teachers cost more than newer teachers, and schools with higher costs have less flexibility in their budgets.

For example, if a school's average salary is \$75,000, and the school hires a new teacher at \$60,000, the school essentially gets \$15,000. On the other hand, if that same school hires a new teacher with a \$90,000 salary, it's penalized because extra funding must be pulled from another area to cover the additional cost.

That means differences in average teacher salaries often translates into differences in purchasing power – and by extension the number of programs and services available to students. Experienced teachers become an unintended budget liability as a result. It also means principals can be forced to make staffing decisions based on cost as opposed to the quality of candidates or the needs of the school. These misleading averages serve as just one more barrier preventing proper school staffing.

In addition, penalties sometimes take affect at times that seriously hurt schools' ability to function. If a school were to suddenly experience an unexpected dip in registration, or have a large number of students move, the school must pay back the allotment for those children.

EXAMPLES

Cardozo High School in Bayside Queens has 3,700 students, strong academics and a dedicated staff.

With the Mayor and City Council's efforts, Cardozo's funding this year is 90 percent of its Fair Student Funding mark, up from about 87 percent.

But even with that increase students have been shortchanged, staff argue.

Juniors and seniors are offered basic core subjects but not much more. After-school clubs and tutoring have been cut; the math team eliminated; math and science research courses ended. Current teachers will teach extra courses because it is cheaper than hiring additional staff.

The school used to offer science classes five days a week with a lab. It now offers science classes four days a week, plus a lab. Cardozo has cut guidance counselors and has fewer librarians and deans than a school this size needs.

“A couple years ago our senior students staged a protest march because of cuts to Advanced Placement classes. They were passionate, but it didn’t restore the classes, and each year we lose more ground,” said Dino Sferrazza, a social studies teacher and UFT chapter leader at the school. “We’ve cut support for students who need extra help. We’ve eliminated AP courses. We need more guidance counselors, librarians. We need working radios. We are a good school, but we need to be treated fairly. We’re not, and you can never get a straight answer on why.”

Leon M. Goldstein High School in Brooklyn has an experienced and a talented team of teachers dedicated to their students and school. That should be seen as a bonus. But in the backwards world of NYC public school funding, a group of experienced teachers who want to stay at a particular school is a liability.

“It is an insane system. Most people would think you would build in incentives to keep experienced staff. But here, there is a disincentive to do that,” said Mike Schirtzer, a social studies teacher at the high performing school. “If we put students first, the budget would be simple – we will give you funds for one teacher for so many children.”

Instead class sizes hit the caps, after-school programs get sliced and the number of guidance counselors and social workers dwindle.

The principal of the school, Scott Hughes, when asked why his school consistently faces budgetary squeezes, offered a hypothetical story to illustrate the school’s current reality. “In the current funding formula, if a clone of Goldstein High School existed on the other side of Sheepshead Bay, where the amount and needs of the students were identical, and the other school had the same exact type of staffing – with 60 teachers overall and where the only difference was that in the other school the average teacher salary was just \$5,000 less than our school’s average teacher salary, the other school would have an additional \$300,000 they could use to support the identical group of students (with additional staff, tutoring/after school opportunities, etc.). ...Many parents assume that as we are a both a high performing school and a school with 50 percent of our students being economically disadvantaged that we must be awash with money – and this simply isn’t the case.”

The Cinema High School in the Bronx has a unique four-year film program infused into all of the schools’ academic programs. The approach is working – last year’s four-year graduation rate was 96 percent, some 20 points above the NYC average.

Yet because budget projections did not match the number of actual incoming students, the school was short necessary funds, and so vital staff was exceeded – let go.

A social studies teacher was exceeded; a single teacher is responsible for the physical education instruction of more than 300 students. The school is also missing vital equipment for its film program and is in need of replacing aging technology for all of their classes.

The loss of staff affects teaching assignments and makes implementing the school’s new Advanced Placement offerings as part of the Mayor’s AP For All program more difficult. And most devastating to

the school's mission as The Cinema School, the film department leader may eventually need to switch to teaching English courses instead of sharing his 20 years of film experience.

"The kids deserve the funding. If a kid comes to school, the courses and services should be there. What we have now is a crazy bureaucratic mismatch. This system must work for the accountants, but certainly doesn't work for students," said Bill Linville, a math teacher who offers AP statistics at the Cinema School for the first time ever. "We need to get this funding problem figured out. A high school called The Cinema School needs to provide the full range of film courses," he said.

As you can see, the real price of FSF is paid for by the students who lose programs and resources.

TITLE I

The designers of Fair Student Funding attempted to redistribute resources from so-called "over-funded" schools to under-funded schools, shifting resources to schools serving high-need students. But the fundamental flaw with that thinking was a failure to recognize that *most* of our public schools are Title I schools. In fact, more than 700,000 students — overwhelmingly African-American and Hispanic — attend the 1,265 city schools where Title 1 funds help defray the costs of teachers, guidance counselors, aides and administrators.

Fair Student Funding essentially takes money away from some high-needs students and giving it to others. What that meant is if you were a Title I school that had made some progress in retaining veteran teachers, lowering your class sizes and bringing in special programs and services for your students, you were penalized for your progress and saw some of that money redirected to other schools.

LACK OF OVERSIGHT

One of the biggest goals put forward by the so-called reformers was the empowerment of principals in the budget process. Because the process has been anything but transparent, our schools continue to be vulnerable to poor decisions.

Principals use their flexibility to come up with strategies to gain purchasing power and attrition savings. Some do so in pursuit of noble goals. Some administrators whose schools desperately need programs and services or building upgrades can game the system and hire inexperienced educators to keep salary costs down and use funding elsewhere.

Unfortunately, some administrators are known to use that same strategy, so they can pay for their own staffers and pet projects at the expense of other unmet needs in the building. These administrators might feel budgetary pressure to target senior teachers with discipline or unfair evaluations. Some principals have also deliberately bypassed their School Leadership Teams, which should have a hand in creating school budgets.

No matter what their motives, though, these strategies put our students at a disadvantage. And all of this is possible because there are few rules in place and little oversight of school budgets. One of the only protections are class size limits set by the UFT contract. Without those rules, you would certainly see classrooms of 40 to 50 students.

RECOMMENDATIONS

School budgeting should fund equity for the highest-need students; create a level playing field for all schools; deliver on the promises of transparency and simplicity; and preserve essential staff positions. That begins with a formula that drives funding to the needs of the students, instead of trying to fit all students' needs into a formula.

1. A CORE STAFFING FOUNDATION

At a minimum, every school should have a basic staff allocation – a core foundation – of teachers and other staff. That means a teacher for every set number of students, created using student-to-teacher ratios to achieve class sizes stipulated in the UFT contract. Every school must have a guidance counselor for every set number of students, a nurse, a secretary, a librarian, a social worker and so on. It also makes sense to create incentives for principals who retain experienced educators rather than punish them budgetarily.

2. USE REAL SALARIES

Schools should receive the actual cost of the staff member they employ so the budget disadvantage is removed from the equation. There should never be a budget loss or penalty to a school when a higher-salaried teacher is hired. That may also require the dollar amounts for student weights to be increased.

3. FUND EVERY SCHOOL AT 100 percent

Schools should know that they're getting the funding needed, and that begins with every school receiving 100 percent of the formula. Schools can always make the case to receive more funding, and we certainly have schools that need an extra boost, but no school should receive more to the detriment of another.

4. MORE OVERSIGHT

The UFT wholeheartedly supports the legislation under consideration today to increase reporting on school budgeting. As it stands now, there's a lack of transparency and data on how money is spent. Right now, schools are left to their own devices and DOE budget approvals are largely pro forma.

5. EMPOWER School Leadership Teams

We are once again calling on the DOE to commit to more meaningful participation of School Leadership Teams as it relates to school budgeting. Too many times, school administrators improperly engage the members of School Leadership Teams in the creation of Comprehensive Educational Plans, or in reviewing school budgets. Most School Leadership Teams hardly discuss budget issues at meetings except to occasionally vote on funding new supplies or a school project.

What's more, even though School Leadership Team members are entitled to see a copy of the school budget, principals will rarely distribute them unless it is specifically requested by a parent or a UFT member. As a result, School Leadership Teams cannot effectively carry out their obligation to ensure that the school administration's allocation of scarce resources align with the goals of the School Leadership Team. It should be mandatory that a copy of the school budget be distributed and discussed at the beginning and end of the school year.

Taking it a step further, School Leadership Teams should have a budget report as a permanent agenda item at all meetings, and all School Leadership members need training on how to read a school budget, and how different funds may be allocated. This will allow for more transparency in how school funding is used, and will ensure a true collaboration on the school budget process that includes all members of the

School Leadership Team. When people come together to create a budget with different points of view, the school creates a powerful way to improve the outcome.

6. COLLABORATE

At the macro level, a steering committee is needed – management, labor, elected officials, advocates and outside education finance experts – to monitor and measure the formulas and recalibrate them when necessary.

FINAL THOUGHTS

If New York City is to continue with Fair Student Funding, let's take this opportunity to make much-needed modifications so it is based on honest and true cost factors and so it doesn't have a disparate impact on the high-need communities it sets out to help. We can look at the issues facing school administrators, teachers and leadership teams. This base of knowledge can serve as the perfect platform to improve a system with the potential to significantly expand the educational opportunities for the city's children. We have all the tools we need to fix these problems if we work together. Not taking the time to revise this program now amounts to something worse than unfair funding; it will lead to the profound loss of resources for children who need them the most.

TESTIMONY

**NYC COUNCIL COMMITTEE ON EDUCATION
CHAIRMAN, Mark Treyger**

Oversight – Fair Student Funding

**Presented on
Tuesday, October 30th, 2018**



**The Council of School Supervisors and Administrators
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Good afternoon Chair Treyger and distinguished members of the Education Committee. My name is Mark Cannizzaro and I am the President of the CSA (Council of School Supervisors and Administrators). We represent some 16,000 in-service and retired principals, assistant principals, educational administrators, early childhood directors and assistant directors at CBO centers.

We would like to thank you once again for holding this vital hearing that directly impacts our schools and our 1.1 million students. When I last testified on May 24, 2018 at the Executive Budget hearing before a joint committee of Finance and Education, I stated that we appreciated your efforts in providing an additional \$125 million to bring our schools to 90 percent of the city's funding formula. However, those efforts were simply the first step.

Clearly, we must now bring the formula up to a full 100% so that none of our schools are short-changed. Furthermore, we must ensure that no school is penalized for the salaries of their teachers, unfilled seats, and the type of special needs services offered. We are ready and willing to work with you Mr. Chair, the chancellor, and any other necessary parties to finally erase the current funding inequities and truly bring Fair Student Funding to all schools.

New York City is one of 30 districts across the country to use this type of weighted funding system. About \$6 billion of DOE's \$30.8 billion flows through the formula, which is designed to cover schools' basic expenses - most importantly, teacher salaries.

However, for the last 10 years, Fair Student Funding has not lived up to its promise. The formula is neither "fair" nor adequate to fully fund our schools, and to date, this inadequate formula has never even been fully funded at 100 percent. As a result, schools are still being short-changed hundreds of thousands of dollars, and in some cases over a million dollars of necessary funding. This of course affects our city's schools in a variety of detrimental ways. For one example, we have some schools that are without an assistant principal, which leaves the school vulnerable when the principal must leave school grounds for an emergency. This poses a serious safety concern for the school, which, in light of many recent tragic events, is more troubling than ever before.

Not only does the current system short-change our schools, but it ties up our principals with time-consuming budget appeals throughout the summer and unnecessarily hinders their ability to begin planning rich educational programs for the following school year.

Rather than continually putting blame on the State for not funding our schools through Foundation Aid and Campaign for Fiscal Equity, it's time we establish resources within the City to appropriately fund our schools. If this was a real priority for the City, the administration would have already established a solution to resource our schools at 100 percent. The City needs to stop making excuses and find a way to get this done.

The Chancellor was right when he said the following: "New York City understands that public education is not an expense but an investment, and we are continuing to put our money where

our mouth is by investing in our kids, families and public schools. More funding means more teachers, guidance counselors and social workers; more professional development; and an opportunity to bring new materials and technologies into the classroom. The increase (in FSF funding) is an important step in putting our schools on a path to Equity and Excellence for All, and to addressing unacceptable and historical inequities in the way our schools have been funded.”

We whole-heartedly agree with the Chancellor that our schools are investments, not expenses, and we whole-heartedly believe that if we are to have true equity and excellence for all, we must address funding inequities. CSA continues to be an active advocate for all our schools, and we look forward to collaborating with the Council and the DOE to finally make FSF truly fair and equitable for all schools by providing 100 percent funding.

Last, we stand firmly with Chair Treyger’s Int. No. 1014-A, which would require the DOE, or the Office of Management and Budget, to submit and post a machine-readable, sortable, and searchable bill on spending allocations, including fair student funding for schools citywide three times a year. This is a common sense and transparent bill that we strongly support.

Thank you.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. 569

in favor in opposition

Date: October 30, 2018

(PLEASE PRINT)

Name: Sarita Subramanian

Address: 110 William St, 14th Floor, New York NY

I represent: NYC Independent Budget office 10038

Address: 110 William St, New York NY 10038

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: President Michael Mulgrew

Address: UFT

I represent: 52 Broadway, 14th

Address: Flr

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: Oct 30, 2018

(PLEASE PRINT)

Name: Mark Cannizzaro President

Address: CSA President 40 Rector St

I represent: Council of School Supervisors & Admin

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 10/30/18

(PLEASE PRINT)

Name: Thomas Sheppard

Address: 2777 Schley Ave. #2A Bx, NY 10465

I represent: Title I Committee, PS41

Address: 3352 Olinville Ave. Bronx NY

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Laura Feijoo

Address: ~~41 Prescott St~~ 52 Chambers St
NY, NY 10007

I represent: DDE

Address: _____

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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 10/3/2019

(PLEASE PRINT)

Name: Lindsey Gates

Address: 52 Chambers St

I represent: NYC DOE

Address: 52 Chambers

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lindsey Gates

Address: 52 Chambers St

I represent: NYC DOE

Address: 52 Chambers St.

Please complete this card and return to the Sergeant-at-Arms