

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON EDUCATION

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October 30, 2018  
Start: 1:12 p.m.  
Recess: 3:38 p.m.

HELD AT: Committee Room - City Hall

B E F O R E: MARK TREYGER  
Chairperson

COUNCIL MEMBERS: Alicka Ampry-Samuel  
Inez D. Barron  
Joseph C. Borelli  
Justin L. Brannan  
Andrew Cohen  
Robert E. Cornegy, Jr.  
Chaim M. Deutsch  
Daniel Dromm  
Barry S. Grodenchik  
Ben Kallos  
Andy L. King  
Brad S. Lander  
Stephen T. Levin  
Mark Levine  
Ydanis A. Rodriguez  
Deborah L. Rose  
Rafael Salamanca, Jr.  
Eric A. Ulrich

## A P P E A R A N C E S (CONTINUED)

Lindsey Oates, Chief Financial Officer  
New York City Department of Education

Dr. Laura Feijoo, Senior Superintendent of Labor  
and Policy, NYC Department of Education

Sarita Subramanian, Supervising Analyst, Education  
Team, NYC Independent Budget Office, IBO

Mark Cannizzaro, President of Council of School  
Supervisors and Administrators, CSA

Mike Mulgrew, President United Federation of  
Teachers, UFT

2 [sound check] [pause] [gavel]

3 CHAIRPERSON TREYGER: We apologize for  
4 the delay. We were trying to get a quorum of nine  
5 members for a quick vote on a resolution, but seeing  
6 the absence of a quorum—[shushing for quiet]

7 SERGEANT-AT-ARMS: [interposing] Quiet,  
8 please.

9 CHAIRPERSON TREYGER: Seeing the absence  
10 of a quorum, we will—we will just go right to the  
11 hearing. We try our best to accommodate members, but  
12 if members don't show up, we have to proceed and move  
13 forward. Okay, so—[pause] [gavel]

14 SERGEANT-AT-ARMS: Quiet, please. Thank  
15 you.

16 CHAIRPERSON TREYGER: Good afternoon. I  
17 am Council Member Mark Treyger and Chair of the  
18 Education Committee. Thank you for joining us today.  
19 I'd like to thank the members of the Committee who  
20 are here, Council Members Deutsch, Kallos, Cornegy,  
21 Cohen and Grodenchik. Today's oversight hearing is  
22 on fair student funding. We will also hear testimony  
23 on three pieces of legislation I am sponsoring:  
24 Proposed Introduction No 1014-A, Introduction 1174  
25 and Resolution 569. To be clear, we are not voting

2 on these bills today. I will talk more about this  
3 legislation shortly after some opening remarks. I'd  
4 like to welcome Lindsey Oates, DOE's Chief Financial  
5 Officer. This is Lindsey's first time testifying as  
6 the CFO at DOE, and I very much look forward to  
7 working with you this year. One of my primary  
8 concerns as Chair of the Education Committee is  
9 ensuring schools have the funding they need to  
10 support and educate students. That is why I traveled  
11 to Albany last year to advocate for increased state  
12 funding to support a fully funded fair student  
13 funding formula. However, state funding last year  
14 fell short of meeting this goal. So, I advocated to  
15 DOE and the Administration that it is our  
16 responsibility as a city to fully fund all school  
17 budgets if the state cannot meet its obligation. I  
18 am very happy to say that the Administration did  
19 listen last year, and provided \$125 million to raise  
20 the FSF Funding for—from 87 to 90%. However, this is  
21 not enough. We cannot pick and choose to fund some  
22 schools at 100% of their FSF entitlement, and not  
23 others. We do not have a school system that is built  
24 on equity when the Mayor's priorities dictate which  
25 schools gets 100% of their funding. The

2 Administration has made funding choices I would like  
3 to challenge. How do you decide to only support  
4 renewal and community schools with 100% FSF? How do  
5 you decide to open new schools with 100% FSF, but not  
6 provide additional resources to schools that have  
7 been struggling financially for years? I also  
8 support community schools, and funding new schools at  
9 100%, but I support all schools being fully funded so  
10 that every school can provide the array of academic  
11 and supportive services that students need to learn  
12 and thrive. A fully funded FSF formula should enable  
13 schools to provide the complete range of educational  
14 programs students need, and I know this funding has  
15 the biggest impact on students in schools. With  
16 adequate funding, schools have real choices on to  
17 best support their students. Social workers and  
18 guidance counselors can be hired. Additional support  
19 for vulnerable students to overcome barriers to  
20 learning can be provided. Enrichment programs in the  
21 arts and sciences can be offered. These services  
22 should not be a rarity in schools. These shouldn't  
23 be hard choices for principals. These programs and  
24 supportive services should be provided to every  
25 student in every school. For example, a school in

2 Brooklyn has the biggest gap to reach 100% FSF at  
3 \$5.8 million. Let me repeat: A school in Brooklyn  
4 has the biggest gap to reach 100% FSF at \$5.8  
5 million. That is a lot of money for a school. That  
6 money can support entirely new counseling divisions  
7 or academic programs. It's approximately 10% of the  
8 school's budget. So, you have to ask how is this  
9 school operating without this funding? How is this  
10 school able to support students' educational needs?  
11 Out of a \$32.3 billion budget, \$16.8 billion is being  
12 used to support Fair student funding. This is a lot  
13 of money, larger than some city agencies' entire  
14 budgets, and after 10 years of FSF, there are still--  
15 Council Members, please. [pause] And after 10 years  
16 of FSF, there are still 1,169 schools receiving less  
17 than 100% of their entitlements. This is not  
18 acceptable, and that brings me to another point I  
19 would like to make about today's hearing. We're here  
20 today not just to advocate for increased resources to  
21 school budgets, but also to examine the FSF formula  
22 itself and determine if this is really the best way  
23 to fund schools. Do we need to add weights for  
24 students with educational barriers not captured in  
25 the formula? For example, a poverty weight is only

2 used as a proxy for academic performance before  
3 fourth grade, but should we take poverty into account  
4 for students in all grades? What about students in  
5 temporary housing? Don't they face educational  
6 barriers we can address in this formula? I do not  
7 necessarily have an answer to these questions but  
8 it's time we talked about it to make sure this is the  
9 best method to support the educational needs of all  
10 students. According to DOE's own estimate, it would  
11 cost \$756 million to fully fund school budgets  
12 including the pension and fringe costs for teachers  
13 in schools. This number is growing larger every  
14 year. So why hasn't this been done yet? In a budget  
15 of \$32.3 billion it seems like an obvious choice to  
16 me. As I stated earlier, we will also hear testimony  
17 on two related bills and a resolution, which I am  
18 sponsoring. Proposed Intro 1014-A would require a  
19 single reporting bill on Department of Education  
20 spending allocations including fair student funding  
21 for schools citywide. This bill would increase  
22 transparency over DOE's budget by requiring a machine  
23 readable, sortable and searchable reporting bill on  
24 spending allocations for all schools to three times  
25 per year. Introduction 1174 would create a fair

2 student funding task force including representatives  
3 from DOE, OMB, the Council, principals, teachers and  
4 advocates who specialize in working with vulnerable  
5 student populations to review and make  
6 recommendations relating to the formula used by DOE  
7 to determine school funding. The task force would  
8 consider the categories, types of students, grade  
9 levels and weights that will best result in funding  
10 allocations to meet the needs of the most vulnerable,  
11 and these recommendations will be presented to the  
12 Mayor, to the Chancellor and to the City Council.  
13 And finally, Resolution 569 calls on the DOE to  
14 factor in poverty as a weight in the Fair Student  
15 Funding formula for schools beginning at fourth grade  
16 or later. I would like to remind everyone who wishes  
17 to testify that you must fill out witness slip, which  
18 is located on the desk of the sergeant-at-arms near  
19 the—near the desk in the back of the room. To allow  
20 as many people as possible to testify, testimony will  
21 be limited to three minutes per person. I also want  
22 to state again that we will not be voting today on—on  
23 the legislation that I just described. I'd like to  
24 thank education committee staff for their work in  
25 preparing for this hearing, Beth Golub, Jan Atwell,



2 Kolima Johnson, Elizabeth Hoffman, and Caitlin  
3 O'Hagan, and finally, I'd like to thank my staff Anna  
4 Scaife, Vanessa Ogle and Eric Feinberg. I think  
5 we've been joined by additional members, Council  
6 Member Rose, Council Member Barron and Council Member  
7 Borelli, [background comments] and Council Member  
8 Brannan. Okay, so since we quorum, we can quickly do  
9 the vote, and we'll get right to the testimony.  
10 [background comments] Okay. So, the Education will  
11 be voting on Resolution 358 sponsored by Council  
12 Member Cumbo calling upon the city of New York to  
13 eliminate the disparity in compensation paid to  
14 teachers, staff and directors at community based  
15 Early Learn New York City centers as compared to the  
16 compensation paid to the Department of Education  
17 instructors for similar employment. The Committee  
18 first heard resolution 358 at a joint hearing with  
19 the General Well-General Welfare Committee Chaired by  
20 Council Member Levin on June 27<sup>th</sup>. We heard  
21 testimony from DOE, ACS, Unions Parents, advocates  
22 and others. I hope my colleagues will join me in  
23 voting for this resolution as the city has an  
24 opportunity to fix disparity right now as Early Learn  
25 services that were once under ACS are moving to DOE,

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2 giving DOE oversight over the full system of Early  
3 Childhood programs. With that, I'll ask the  
4 Committee Clerk to call the vote.

5 CLERK: William Martin, Committee Clerk,  
6 roll call vote Committee on Education, Resolution  
7 358, Chair Treyger.

8 CHAIRPERSON TREYGER: I vote aye.

9 CLERK: Ampry-Samuel.

10 COUNCIL MEMBER AMPRY-SAMUEL: I vote aye.

11 CLERK: Barron.

12 COUNCIL MEMBER BARRON: I vote aye.

13 CLERK: Cohen.

14 COUNCIL MEMBER COHEN: Aye.

15 CLERK: Cornegy.

16 COUNCIL MEMBER CORNEGY: Aye.

17 CLERK: Deutsch.

18 COUNCIL MEMBER DEUTSCH: Aye.

19 CLERK: Kallos.

20 COUNCIL MEMBER KALLOS: For the third  
21 time today, aye on all.

22 CLERK: Rose.

23 COUNCIL MEMBER ROSE: Aye.

24 CLERK: Grodenchik.

25 COUNCIL MEMBER GRODENCHIK: Aye.

2 CLERK: Brannan.

3 COUNCIL MEMBER BRANNAN: Aye.

4 CLERK: Borelli.

5 COUNCIL MEMBER BORELLI: Aye.

6 CLERK: By a vote of 11 in the  
7 affirmative, 0 in the negative and no abstentions,  
8 Resolution 358 has been adopted by the committee.

9 [pause]

10 CHAIRPERSON TREYGER: And thank for my  
11 colleagues. One last thing before we ask the  
12 Administration now to testify is that I very much, as  
13 I mentioned in my remarks, commend the Mayor, the  
14 Chancellor working with us in the Council because  
15 Speaker Johnson, Chairman Danny Dromm, myself and—and  
16 the Council made funding FSF a big priority in the  
17 last budget, and \$125 million I certainly a  
18 significant investment in our schools, and we greatly  
19 appreciate that. But I must also state before we  
20 begin that I've heard from a number of school  
21 communities that they are FSF increases were also  
22 evap—evaporating because of increased individual  
23 school costs particularly when it comes to the issue  
24 of veteran teachers, and their salaries. The schools  
25 are responsible for paying the average cost of the

2 teacher's salary in the building, and the system  
3 currently almost penalizes schools for maintaining  
4 experienced veteran teachers that mean so much to our  
5 school communities. And so, some schools are actually  
6 in the red or they saw their FSF increase completely  
7 evaporated because they had to pay for the average  
8 cost increasing to cover the cost of teacher's  
9 salaries. So, the system almost creates this dynamic  
10 where some schools are afraid to continue hold onto  
11 the cost of veteran teachers and prefer rookie  
12 teachers because the salaries are lower and it lowers  
13 the average cost. That's—that's a twisted system,  
14 and so this—that's something that I would like to  
15 also have addressed during this hearing today. We  
16 need to make Fair Student Funding more fair, and to  
17 make sure schools actually appreciate and actually  
18 see an increase in their school budgets. So, with  
19 that, I would like to swear in the-[background  
20 comments] Oh, we've also been joined by Council  
21 Member Ampry-Samuel and Council Member Dromm.  
22 [background comment] They could vote quickly. As  
23 well I think-- Yes.

24 CLERK: Resolution 358, Council Member  
25 Dromm.

2 COUNCIL MEMBER DROMM: I vote aye.

3 CLERK: The vote is now at 12.

4 CHAIRPERSON TREYGER: Yes, we'll swear in  
5 the panel.

6 LEGAL COUNSEL: Please raise your right  
7 hand. Do you swear to tell the truth, the whole  
8 truth and nothing but the truth in your testimony  
9 today, and to respond honestly to Council Members'  
10 questions?

11 LINDSEY OATES: Yes.

12 LEGAL COUNSEL: You may begin.

13 LINDSEY OATES: Good afternoon, everyone.  
14 Good afternoon, Chairman Treyger and members of the  
15 Education Committee. My name is Lindsey Oates, and I  
16 am the Chief Financial Officer of the New York City  
17 Department of Education. Seated with me is my  
18 colleague, Dr. Laura Feijoo, Senior Superintendent of  
19 Labor and Policy. I want to thank you for the  
20 opportunity to discuss this important topic: How we  
21 allocate resources to schools is one of the most  
22 important concerns for the Chancellor and for me as  
23 CFO. Personally, as a public school parent, it is  
24 also one that is very close to my heart. I look  
25 forward to working together with you to continue to

2 increase resources allocated to schools to provide  
3 all New York City students with an equitable and  
4 excellent education. Guaranteeing all New York City  
5 students have access to equitable and excellent  
6 education has been a key focus of this  
7 administration. Under this administration we have  
8 cumulatively made \$4 billion in new education  
9 investments through our Equity and Excellence for all  
10 agenda to support our schools and to improve student  
11 outcome. This includes over \$800 million over this  
12 time period to raise the fair student funding floor,  
13 which is the lowest percentage at which a school can  
14 be funded. This year alone these floor raises have  
15 increased school budgets by over \$350 million. The  
16 vast majority of FSF—of the FSF funding increases  
17 have been dedicated to those schools previously  
18 receiving funding at or near the floor. At the  
19 beginning of this administration the FSF floor was  
20 81% with the average school at 87%. It has been a  
21 top priority of ours and yours to raise the floor  
22 every year, and last year with the partnership of  
23 this Council we were proud to jointly announce a  
24 floor of 90% with schools across the city receiving  
25 an average of 93% of their FSF. Additionally, as

2 part of our targeted investments [door bangs] at our  
3 most historically underserved schools including  
4 renewal schools are fully funded at 100%. We are  
5 grateful to Speaker Johnson and Chairs Treyger and  
6 Dromm and the Council for their support and look  
7 forward to our continued partnership. Beyond our  
8 increases in FSF, we have also made critical  
9 investments to ensure that all students have access  
10 to rigorous curriculum and instruction at every grade  
11 level. Through our Equity and Excellence for All  
12 agenda, our students are start—are starting school  
13 earlier with access to free full day high quality  
14 education for 3-year-olds and 4-year-olds. Through  
15 3-K for all and Pre-K for all. We are strengthening  
16 students' foundational skills with universal literacy  
17 and Algebra for all. We are providing more support  
18 to our students along the way with College Access for  
19 All, Single Shepherd and community schools. Our  
20 investments are yielding real progress. Our  
21 graduation rate is at 74.3%, the highest it's ever  
22 been while our drop-out rate, 7.8% is the lowest it's  
23 ever been. College enrollment and readiness are also  
24 at record highs. For the third year in a row, New  
25 York City students out-performed the rest of the

2 state on English Language Arts and are continuing to  
3 close the gap with the state on the state math exams.  
4 I would now like to speak in more detail about the  
5 Fair Student Funding, our FSF formula FSF is one of  
6 the most important tools we have to ensure our  
7 schools are funded equitably providing additional  
8 resources to schools with higher need students.  
9 Prior to FSF, and the centralized decision making  
10 under mayoral control, superintendents set budgets  
11 for their schools. As a result, schools were funded  
12 differently across and sometimes even within  
13 districts. In Fiscal Year 2008, to meet the goal of  
14 education equity, the DOE implemented the Fair  
15 Student Funding formula. FSF is driven by equity.  
16 The students' needs are at the core of the formula,  
17 and the data shows that it's been successful in  
18 advancing it. Per capita budgets are higher at  
19 schools with high concentrations or students in  
20 poverty, students with disabilities, English Language  
21 Learners and schools with lower math and ELA  
22 performance and graduation rates. FSF distributes  
23 funds employing awaited student funding formula.  
24 Simply put, this means that a school student  
25 population and their need determine the majority of



2 that school's budget. The weight in the formula  
3 represents the relative funding schools need to meet  
4 the instructional mandates for each need. FSF  
5 funding starts with funding each pupil based on their  
6 grade level. Then needs or weights are added to the  
7 formula based on the pupil's English Language Learner  
8 status, Special Education needs, academic  
9 intervention services, career and technical education  
10 programming among others. FSF also includes \$225,000  
11 to fund based administrative expenses such as the  
12 principles and secretaries salaries. In recent years  
13 we have also included collective bargaining costs  
14 associated with the staff currently employed at the  
15 school. The formula strategically targets more  
16 funding towards schools with the greatest level of  
17 need. Data regarding each student's or each schools  
18 students' needs feed into the FSF formula and are  
19 updated twice a year in order to be responsive to  
20 changing student enrollment and needs. At the school  
21 level, principals work throughout the year with their  
22 school leadership teams and superintendents to  
23 determine the right way to meet these needs for their  
24 students. Schools dedicate a majority of this  
25 funding towards staff. Ninety-six percent of FSF

2 dollars are spend on pedagogue including classroom  
3 teachers, guidance counselors, social workers and  
4 paraprofessionals. In addition to raising the floor,  
5 every year the DOE evaluates the FSF weights to  
6 ensure that they represent the cost of meeting each  
7 student's instructional needs. The DOE consults with  
8 superintendents, community education counsels and  
9 ultimately the panel for education al policy prior to  
10 finalizing the weights for the upcoming school year.  
11 For example, in Fiscal Year 2017, the DOE updated its  
12 weights for the English Language Learners by creating  
13 bilingual weights, weights for students who had  
14 achieved English proficiency and weights for students  
15 for with interrupted formal education. This  
16 directive meant an additional \$40 million annually to  
17 resources—and resources to students who are learning  
18 English across the system. The funding for FSF comes  
19 from city taxi levies and state dollars. Federal  
20 funds as well as state and city funds that have  
21 specific statutory requirements or policy mandates  
22 designed to meet particular academic and community  
23 needs are not part of FSF. However, the vast  
24 majority of school budgets, approximately two-thirds  
25 are allocated by FSF. In 2007, the promise of new

2 funding owed to the city as a result of the Campaign  
3 for Fiscal Equity decision brought the hope of every  
4 school receiving 100% of its FSF. The thought was  
5 once new funds were received, all schools would be  
6 funded equitably. However, as we all know, the state  
7 funds never materialized. The remaining obligation  
8 from the state to the city is \$1.2 billion in this  
9 fiscal year alone. As a result, our system has  
10 schools below 100% of their FSF. For this reason,  
11 you will often hear that a school is funded at a  
12 certain percentage of its FSF, meaning that even as  
13 we are allocating more resources to our school than  
14 ever before, we are still painfully aware of the gap  
15 that remains. That is why in past years when state  
16 funding was sufficient to cover existing mandates and  
17 more, we used the additional funding to increase the  
18 FSF floor, The Chancellor has emphasized that our  
19 schools must be equitably funded. The DOE always  
20 strives to direct any available funds towards the  
21 schools who need it most. However, the city simply  
22 cannot afford the gap alone. It would cost the city  
23 approximately \$756 million to raise all funds to  
24 100%--all schools to 100% of their FSF level. In  
25 order to achieve this we need the state to fulfill

2 the promise of the Campaign for Fiscal Equity. We  
3 are grateful to the Council for your advocacy in  
4 Albany, we look forward to working with you in the  
5 coming legislative season to push for that funding.  
6 The DOE is deeply committed to financial  
7 transparency. New Yorkers deserve to know that their  
8 tax dollars are well spent, and parents deserve to  
9 know that schools have adequate resources to educate  
10 their children. The DOE posts extensive school and  
11 budget information on our website. We publish  
12 financial status reports or FSRs six times a year,  
13 which detail department wide budget changes including  
14 current year budget and spending. The most recent  
15 FSR was published in September and our website also  
16 hosts over 10 years of FSR archives. We publish  
17 every school allocation online with a memorandum  
18 explaining its use as well as an exhaustive guide to  
19 FSF. Additionally, for every school, we publish a  
20 full accounting of the math behind FSF allocations.  
21 Each school's allocation and budget is updated daily,  
22 and a retrospective school based expenditure report,  
23 which calculates per pupil spending for every school  
24 in the system. All of this information is available  
25 on the DOE's website for anyone to download and view.

2 This year we've published school level budget  
3 information in a new report. This report includes in  
4 one spreadsheet not FSF information for each school,  
5 but also enrollment and staff information, how  
6 schools plan to spend their budget and detailed  
7 information on Pre-K and community schools. In the  
8 coming years we plan to continue to expand this  
9 important work so that parents, advocates and elected  
10 officials have access to clear, digestible  
11 information about their school's budgets. We are  
12 committed to this work and look forward to wo having  
13 an ongoing dialogue with you and the public on this  
14 topic. I would now like to turn to the legislation  
15 being considered today. Intro 1014-A requires the  
16 creation of a report that would include information  
17 on all school level budget allocations and FSF for  
18 each school. We support the spirit of this  
19 legislation and would like to work with the Council  
20 to align reporting requirements with both our school  
21 year and our fiscal year. Intro 1174 creates a task  
22 force to review FSF. While we support the spirit of  
23 this legislation, it—that seeks to ensure that the  
24 FSF is reviewed by a variety of stakeholders, it is  
25 important to note that FSF is reviewed each year

2 through a community input process that involves every  
3 CEC as well as the panel. Each winter we present,  
4 take questions and receive feedback from every CEC on  
5 the FSF weights for the upcoming year. Following  
6 their feedback we propose final weights to the panel,  
7 which votes following a 45-day public comment period.  
8 We want to work with the Council to ensure that the  
9 proposed legislation aligns with existing processes  
10 for input on FSF. We know that the most important  
11 investment a city can make is in its young people.  
12 We believe that our investments will help ensure that  
13 students in every borough, district, neighborhood and  
14 school have the tools they need to achieve their  
15 dreams. With record high graduations, college  
16 enrollment and college readiness rates, we are seeing  
17 evidence of success to build upon. We look forward  
18 to working with the—working with the Council to  
19 ensure that FSF continues to be equity focused and  
20 that the state fulfills its fiscal obligation, and  
21 provides funding so that all of our schools could be  
22 funded at 100% FSF. Thank you again for your time  
23 and the opportunity to testify. Laura and I will be  
24 happy to take any questions you may have.

2 CHAIRPERSON TREYGER: Thank you. I just  
3 want to note that we've also been joined by Council  
4 Members Levine and Lander and give them the  
5 opportunity to vote on Resolution 358 as well.

6 CLERK: Council Member Clint-[coughs]  
7 Council Member Lander.

8 COUNCIL MEMBER LANDER: [off mic] I vote  
9 aye.

10 CLERK: Council Member Levine.

11 COUNCIL MEMBER LEVIN: Thank you, Mr.  
12 Chair. I vote aye as well.

13 CLERK: The vote is now at 14.

14 CHAIRPERSON TREYGER: Thank you. Thank  
15 you, Ms. Oates for your testimony. This is sort of  
16 just a historical background first. Are you aware of  
17 anyone in the DOE currently who actually worked on  
18 creating the original FSF formula, and have you  
19 spoken to them and gotten information about what went  
20 into the process? What did the process look like?  
21 How long did it take to come up with that formula?  
22 Because I understand it-it-it was created after the  
23 CFE lawsuit. So, if you can just speak to that, I'd  
24 be curious to hear some background on that.

2 LINDSEY OATES: Sure. So, there are a  
3 few folks that remain in our office who are part of  
4 the original creation of the FSF formula, and I  
5 believe the process was a very time consuming  
6 process, and a thoughtful process that involved  
7 engagement of a variety of different stakeholders.  
8 There was—I should say tremendous consideration for  
9 what the different weights should be as well as not  
10 only what the demographic characteristics should be  
11 of the weights, but what the calculations of the  
12 weight themselves should be, and as a reminder, the  
13 Fair Student Funding formula as I said in my  
14 testimony was created both after mayoral control, but  
15 also in direct response to the anticipated new  
16 funding that we would receive from the Campaign for  
17 Fiscal Equity, which is the—the lack of those  
18 resources, and foundation aid have resulted in our  
19 situation today.

20 CHAIRPERSON TREYGER: Right. When you  
21 said that it was created with a variety of  
22 stakeholders, which stakeholders?

23 LINDSEY OATES: I believe there was  
24 consultation that occurred between certainly  
25 internally with the guidance of all of our internal



2 city partners. I can't speak to the specifics of who  
3 was engaged at the time, but I can look into it, and  
4 certainly get back to you

5 CHAIRPERSON TREYGER: I would appreciate  
6 that, and you said it was time consuming. When was  
7 FSF implemented?

8 LINDSEY OATES: FSF was implemented in  
9 Fiscal Year 2008.

10 CHAIRPERSON TREYGER: And the CFE lawsuit  
11 decision was--?

12 LINDSEY OATES: 2007.

13 CHAIRPERSON TREYGER: So, it took a year  
14 for that formula to be created?

15 LINDSEY OATES: It was a significant  
16 change, as you know, in the way schools were funded,  
17 and so I think there was a lot of thoughtful process  
18 to ensure that schools were not harmed in the  
19 transition of the old school budgeting ways to the  
20 new, and Laura who was a principal at the time could  
21 probably speak to what that felt like at the school  
22 level.

23 DR. LAURA FEIJOO: [off mic] I was  
24 working as-[on mic] I was actually a principal in the  
25 days when everything was sort of line items, and it

2 was specific, and a lot of the conversations in the  
3 transition are around how do we budget funds to  
4 support—to specifically support the goals identified  
5 in the school leadership team for the Comprehensive  
6 Education Plan, and so by bucketing those funds and  
7 providing fair student funding for the actual  
8 students you had in your school, and weight it in  
9 that way, you were provided with a more reasonable  
10 estimate of what it took to educate kids.

11 CHAIRPERSON TREYGER: Right and do you—do  
12 you remember, Dr. Feijoo, did you begin with 100% of  
13 FSF?

14 DR. LAURA FEIJOO: So, I was actually a  
15 principal before 2003, and I joined at the time  
16 Chancellor Joel Cline's team in 2003. So, I was the  
17 Superintendent in 2003. So, that was prior to the  
18 actual budgeting. As the superintendent, I could  
19 certainly say to you that I think schools felt more  
20 supported in the ways that they could use funds that  
21 weren't specifically line items.

22 CHAIRPERSON TREYGER: Right, and Ms.  
23 Oates, when the system was—when FSF was implemented  
24 did every public school in New York City receive 100%  
25 of their entitlements?

2 LINDSEY OATES: That's not my  
3 understanding.

4 CHAIRPERSON TREYGER: What is your  
5 understanding?

6 LINDSEY OATES: My understanding is that  
7 they started at a floor, and we ultimately did not  
8 receive the funding that we needed. There was one  
9 year we received an additional amount of foundation  
10 aid, which then we quickly as a nation went into the  
11 Recession, and ultimately did not receive the--

12 CHAIRPERSON TREYGER: Did any schools  
13 start at 100% of their FSF?

14 LINDSEY OATES: So, when--yes. Yes.

15 CHAIRPERSON TREYGER: Alright, and when  
16 you look at the list today, you still see inequities  
17 because there are some schools that at 100%. There  
18 are some schools at over 100% and there's reasons for  
19 that, which I--which I have read through, but there  
20 are schools that are still at 90%, and these gaps are  
21 significant in terms of cost in dollars. So, for my  
22 colleagues, it's just very important to understand  
23 that FSF or the city tax levy dollars is probably the  
24 most precious funding stream for a school. It gives  
25 the school the greatest flexibility in terms of

2 investments in that school building. With other  
3 funding streams like Title I and others, there are  
4 stringent guidelines on the use of those dollars.  
5 This-this stream, which was created after the  
6 Campaign for Fiscal Equity Lawsuit allows principals  
7 and school communities to make key targeted  
8 investments, social workers, guidance counselors,  
9 additional Aps, art programs, music programs, this is  
10 a very, very important funding stream for our  
11 schools. FSF has now been in use for ten years. Do  
12 you believe the formula has resulted in equity in  
13 funding across the city?

14 LINDSEY OATES: Yes, yes I do--yes I do.  
15 Our data shows that we are funding students with the  
16 highest needs with more-more funding.

17 CHAIRPERSON TREYGER: Well, we're going  
18 to challenge some of that because some of it--some of  
19 the--the weights I think are--are questionable, which  
20 leads me to my next question: What is the  
21 methodology used by DOE to determine the appropriate  
22 FSF weights?

23 LINDSEY OATES: So, the weights--thank you  
24 for the question. I'm going to get a bit weedy.  
25 There are many weights, as you know. There are about

2 five different buckets of weights, general ed grade  
3 weights, academic intervention weights, English  
4 Language Learner weights, Special Education weights,  
5 and portfolio school weights, and I can walk through  
6 what the distinctions are for all of those, but  
7 schools can receive more than—or excuse me. Students  
8 can receive more than one weight. If they are a third  
9 grader that is an English Language Learner, as well  
10 as a Special Ed student, they will receive weights  
11 for all of those different types of things. So, it's  
12 not just one weight per student. You will receive a  
13 weight associated with all of the needs and that is,  
14 you know, makes up the registers in your school. So,  
15 the General Ed weights, the grade weights, I should  
16 say, count for General Ed and Special Ed students.  
17 There's a K to 5 weight, 6 to 8, 9 to 12. Those  
18 different weights fund classroom teachers as well as  
19 basic OTPS cost and general sort of support for those  
20 teachers. Again, it's—it's supposed to fund the  
21 instructional needs in the classroom. Academic  
22 intervention weights fund academic intervention  
23 services, supplemental instructional supports and  
24 interventions, push and pull out teachers, et cetera.  
25 English Language Learners, this is the set of weights

2 that most recently changed. As a result of CR Part  
3 154 from the State a couple of years ago, which  
4 changed the instructional time requirements  
5 associated with the need of students as well as  
6 adding some new distinctions to this population, but  
7 in general, these weights provide the teacher to  
8 provide these services as well as reduce class sizes  
9 as well as sort of the mandates for students who are  
10 transitioning out of the ELL designation. We also  
11 create a weight for students with interrupted formal  
12 education. Those students, as you can imagine, have  
13 very unique needs, and so there--there is now a weight  
14 to support those specific needs for students. The  
15 Special Education needs weight provide funding to  
16 support the self-contained and ICT classroom models,  
17 which have lower class size as well as a multiple  
18 teacher model. They also provide coverage for some  
19 academic intervention services. The Portfolio of  
20 School Weights provide weight--funding for CT Programs  
21 and some transfer schools, et cetera. Those are what  
22 the weights are designed to fund, and--and they're  
23 again supposed to support the basic instructional  
24 classroom needs of the school.

2 CHAIRPERSON TREYGER: How is the initial  
3 weight of \$4,084.80 cents set?

4 LINDSEY OATES: So, that's as—that's is a  
5 dollar valued that is calculated by our office every  
6 year. We look at the average teacher's salary  
7 without collective bargaining associated with it, and  
8 we end up calculating the per capita based on the  
9 number students that--

10 CHAIRPERSON TREYGER: [interposing] You  
11 look at the citywide average salary or the building  
12 salary?

13 LINDSEY OATES: We look at the citywide  
14 average salary.

15 CHAIRPERSON TREYGER: But the build—the  
16 school building is being charged the average building  
17 salary, not the citywide average salary.

18 LINDSEY OATES: Correct.

19 CHAIRPERSON TREYGER: So, isn't that a  
20 problem?

21 LINDSEY OATES: We think that schools in  
22 general—our experience is that schools hire teachers  
23 based on their level of experience and what their  
24 specific school needs, and not necessarily based on

2 the financial constraints in their budget, and Laura  
3 can speak to—to that decision making process.

4 DR. LAURA FEIJOO: So, certainly. So,  
5 when you're looking for a teacher, you're looking for  
6 the right teacher for that program and for that  
7 class, and for the needs of the school, and if the  
8 average teacher's salary is not something you're  
9 considering when you're hiring teachers, you want to  
10 find the right teacher, the best teacher for that  
11 program. Over time, if your average teacher's salary  
12 is a little bit higher because you have a few more  
13 experienced teachers, those are benefits associated  
14 with that. Otherwise, more less experienced teachers  
15 who come on board also have needs in terms of  
16 development and being ready. And so, I think  
17 principals are always looking for the best possible  
18 teacher for their school, and they're not weighed  
19 into thinking about whether the average teacher's  
20 salary is going to go up over time because you're  
21 certainly looking for the best people for each  
22 position and every position.

23 CHAIRPERSON TREYGER: Dr. Feijoo, are you  
24 suggesting that principals have not shied away



2 because of budgetary constraints from veteran  
3 teachers because of cost?

4 DR. LAURA FEIJOO: I would absolutely say  
5 that when you have a highly experienced teacher, you  
6 are getting the benefit of their experience, and I  
7 would also argue that not every experienced teacher  
8 and every inexperienced teacher leads you to a  
9 conclusion about their quality. I think teacher  
10 quality can span from a new teacher to an experienced  
11 teacher, and there shouldn't be a categorization that  
12 his or that is better. There are great people out  
13 there.

14 CHAIRPERSON TREYGER: Well, I-I agree.  
15 It's just I am relaying what I'm hearing directly on  
16 the ground from school communities. Not from  
17 advocates, not from unions from my direct  
18 conversations with educators on the ground that some  
19 schools were even afraid that they couldn't even open  
20 because they were so much in the red because of-of-  
21 this is an issue that I think needs to be addressed  
22 because it's my understanding that in the past they  
23 did account for the average-the city wide average  
24 salary. They used to be called-it's a unit of  
25 appropriation. That's-that's from having some

2 professors that had historical knowledge and from  
3 hearing from—from folks. So, I think we need to  
4 revisit this issue, but I—I would like to—to move on.  
5 Does the DOE consult with any external organization  
6 or stakeholders in determining any of these FSF  
7 weights?

8 LINDSEY OATES: So, as I said in my  
9 testimony, we consult with the CECs every year. We  
10 go through rather and exhaustive process when—during  
11 the winter leading up to initial school budget  
12 allocations to make sure that each CEC is briefed on  
13 what the Fair Student Funding formula is for the  
14 upcoming school year, and the—there is a 45-day  
15 public comment period for the weights posted prior to  
16 when the panel votes on it. We do have members of  
17 our staff that participate on National Fair Student  
18 Funding Committees to learn about best practices. I  
19 shouldn't say Fair Student Funding, weighted student  
20 funding. This is a model that's used throughout the  
21 country, and so we are trying to keep up to date with  
22 what is best practices in this regard nationally.

23 CHAIRPERSON TREYGER: Well, I mean I—I  
24 can't speak for all CECs, but those who I work with  
25 had concerns about some of the weights and I'll get

2 right into it. In January 2007, DOE released a Fair  
3 Student Funding Guide that explains why FSF was  
4 created and describes the intentions of the weights  
5 within the formula. According to the guide, poverty  
6 was intended to be a weight all grades based on free  
7 lunch and public assistance data provide by HRA.  
8 According to the guide, experts recognize that  
9 poverty brings greater need. For example, the CFE  
10 report found that poverty had an especially  
11 substantial influence on costs. However, today  
12 poverty is only used as a proxy for academic  
13 performance before fourth grade and is not a weight  
14 for all grade levels. First, can you explain why is  
15 this the case and has DOE considered adding poverty-  
16 adding a poverty weight beyond the-the third grade?

17 LINDSEY OATES: So, I-I appreciate your  
18 advocacy for this high needs part of our population.  
19 We are aware that this is an active conversation here  
20 and in other places. We believe that our formula is  
21 designed to fund students' needs and it does, in  
22 fact, fund students' needs. Schools with  
23 concentrations of greater student needs receive more  
24 funding. That said, this is an active work stream,

2 and I think we'll have more to say on this topic in  
3 the coming months.

4 CHAIRPERSON TREYGER: I would like to  
5 work together on this issue because--

6 LINDSEY OATES: interposing] Yes.-

7 CHAIRPERSON TREYGER: --as we see also  
8 the number of students in temporary housing have  
9 increased, and this is an issue that we-we must  
10 address. I notice that there's also a wait for CPE  
11 schools. Is that correct?

12 LINDSEY OATES: Yes.

13 CHAIRPERSON TREYGER: What constitutes a  
14 CTE school?

15 LINDSEY OATES: CTE--well, let me--let me  
16 let Laura talk to that piece.

17 DR. LAURA FEIJOO: Career and Technical  
18 Education are schools who have a sufficient number of  
19 programs that are geared towards areas of  
20 certification for students in, you know, medical  
21 billing and other CTE areas.

22 CHAIRPERSON TREYGER: Right, but that  
23 also requires that the programs are certified to be  
24 CTE, and in order for a program to be certified CTE,

2 you need a number, a certain number of teachers who  
3 are certified to teach CTE. Is that correct?

4 DR. LAURA FEIJOO: Yes.

5 CHAIRPERSON TREYGER: And is it also  
6 correct that this remains a major challenge for the  
7 DOE to have teachers and schools become certified in  
8 CTE. Is that correct?

9 DR. LAURA FEIJOO: So, the challenge is  
10 actually the certification process.

11 CHAIRPERSON TREYGER: [interposing]  
12 Correct.

13 DR. LAURA FEIJOO: That's a state  
14 process.

15 CHAIRPERSON TREYGER: Right.

16 DR. LAURA FEIJOO: And so, recently the  
17 state is using other methods in which we can certify  
18 professionals in the fields so that they can be  
19 teachers in this area. The certification process is  
20 one that's owned by the state and we need to make  
21 sure our teachers are certified even if they have the  
22 capacity to teach these in those areas. But there is  
23 some flexibility with that, and we have been able to  
24 secure people in the field who also have state  
25 certification to teach those areas.

2 CHAIRPERSON TREYGER: Okay, in the  
3 interest of I guess my colleagues' time I should—I'll  
4 turn to them for some questions as well. Sitting  
5 very patiently Council Member Barry Grodenchik.

6 COUNCIL MEMBER GRODENCHIK: I don't know  
7 how patient I was, Mr. Chairman, but thank you just  
8 the same. Thank you and welcome Ms. Oates, Ms.  
9 Feijoo. It's good—it's always good to see you. To  
10 be generous, you know, I look at the list of Fair  
11 Student Funding in my district, and it doesn't really  
12 seem to me to bear much—I don't know what the right  
13 word is, semblance to reality. I have a fairly  
14 affluent district. I have—it seems to me that some  
15 of my Title 1 Schools—not all of my schools are Title  
16 1. Some come close—seem to do worse in Fair Student  
17 Funding than my non-Title 1 schools, and for starters  
18 I was hoping you could explain to me why that  
19 discrepancy exists because it certainly does.

20 LINDSEY OATES: So, thank you for the  
21 question. The Fair Student Funding budget in schools  
22 is dependent on registers. So, the Fair Student--  
23 generally speaking, the Fair Student Funding budget  
24 schools that have more students will be hired because  
25 it's based on a per capita for each student, and also

2 the—as I said before, based on the individual needs  
3 of those students, schools that have students with  
4 greater needs receive more funding under the  
5 formula.

6 COUNCIL MEMBER GRODENCHIK: It doesn't  
7 seem to be the case, though, because I could tell you  
8 the tale of two schools: 109, which is a Title 1 in  
9 Queens Village, where we now have a waiting list, I'm  
10 very proud to tell you and MS74, which is smack in  
11 the middle of my district surrounded by homes that go  
12 for seven figures in some cases. Not a Title 1  
13 school, and the Fair Student Funding formula was  
14 lower at 109 than it was at 74 and I've had many  
15 discussions with the esteemed chairman of this  
16 committee. I've had discussions with the former  
17 chair, who is now the Finance Chair, and I have to  
18 tell you I've been on this since my first day in  
19 office almost three years ago, and this formula just  
20 does not seem to bear any semblance to reality, and I  
21 hope that you will take that to hear. I'll be happy  
22 to show you the figures offline if you'd like. I  
23 don't want to take up too much of the committee's  
24 time on this. I also want to ask you in your  
25 testimony you said that generally fair student

2 funding makes up about two-thirds of the funding that  
3 every school gets per child. So, some of my  
4 elementary schools I-I didn't get an updated list,  
5 but I know that it's fair to say in being more  
6 generous than less generous, that some of my schools  
7 are in these--they're really below 6,000 but we'll use  
8 6,000 as a benchmark for Fair Student Funding.  
9 That's what they get per student. So, that would  
10 indicate to me if that's two-thirds then the full  
11 amount of funding they get per student is about  
12 \$9,000. I would like to know what happens to the  
13 rest of the money because it is often cited that we  
14 have fortunately the most well funded schools in the  
15 United States of America, but if only \$9,000 is  
16 getting into the hands of the principals to spend as  
17 they see fit, and I have excellent principals, it  
18 begs the question where the rest of this money is  
19 going. Now, I know some of it goes to build new  
20 schools. Some of it goes to maintenance. Some of it  
21 goes for bussing, feeding, all those kind of things,  
22 heating and cooling, but it seems that not enough  
23 money--and this something-- I've discussed this with  
24 the Chancellor privately, but I also want to bring it  
25 to your attention, and I--to me it seems critical.



2 I'm not an educator, but my wife is, and we have  
3 educators on this panel including the Chair and Danny  
4 Dromm. How do we get more money into the hands of  
5 the principals who are actually on the front lines  
6 delivering the services. The logistics seems to me  
7 to eat up an inordinate amount of money to get the  
8 job done.

9 LINDSEY OATES: So, I thank you for your  
10 advocacy and your support of our system. When we  
11 look at new programming across the department and  
12 again this administration has invested, you know,  
13 \$800 million cumulatively in the Fair Student Funding  
14 Formula over the last several years. The priority in  
15 this Administration for the Fair Student Funding  
16 Formula has been to raise the floor, which I know is  
17 a priority of this Council as well, which we think--

18 COUNCIL MEMBER GRODENCHIK: [interposing]  
19 I-I greatly appreciate that, and I applaud the Mayor  
20 for that, and I-I say it every turn. I didn't say it  
21 at the beginning of the remarks. I-I did mean, but  
22 it really has to be an emphasis on the Department of  
23 Education to get more money in the hands of  
24 educators, because those are the ones that are really  
25 delivering. It's kind of like the police force. If

2 you want—there's a lot of bureaucracy there, too, but  
3 it's the men and women of the police force who are on  
4 the front lines. We want more police officers on the  
5 street. We don't want more bureaucracy, and that has  
6 to be true. I want more teachers, want more parents,  
7 I want more social workers, I want more guidance  
8 counselors and those are the things as my—my chairman  
9 will say that's what fair student funding buys, and I  
10 was just speaking to a principal yesterday and Chair  
11 Treyger was kind enough to come out to my district.  
12 I think it was two weeks ago to meet with the  
13 majority of my principals. Many of my smaller  
14 schools suffer also. They just—they have fixed costs  
15 that, you know, the larger schools just can overcome  
16 in some way, and so that's something that I think I  
17 would like to see added to the formula. You could  
18 please tell one of my—well, I won't tell you which  
19 one it was, but [laughs] I said that. So, something  
20 must be done, and I applaud you, Mr. Chairman and I  
21 applaud the former Chair and the Finance Committee  
22 Chair for their efforts, and I know you're new, but  
23 we really need to continue to see more. We will go—  
24 continue to lobby the Governor and the Legislature,  
25 but we need to see more movement and getting more

2 money into the school system through Fair Student  
3 Funding and through other means to put the money in  
4 the hands of those people who are actually educating  
5 our children. I want to thank you, Mr. Chair for  
6 indulging me for a little longer than I expected.  
7 Thank you very much for being here today, Ms. Oates  
8 and Ms. Feijoo.

9 CHAIRPERSON TREYGER: Thank—thank you,  
10 Council Member. We've also been joined by Council  
11 Member Rodriguez, and just to quickly follow up on  
12 Council Member Grodenchik's comments, he was kind  
13 enough to invite me to a gathering of school leaders  
14 in his district as well. So, it's—I'm not just  
15 hearing it at my end of the world in south—Southern  
16 Brooklyn. I'm hearing it from other parts of the  
17 city that some—a good chunk of their FSF increases  
18 for those that received it, were eaten up by costs of  
19 the rising average building salary. So, this is not  
20 something that's just a Southern Brooklyn issue.  
21 This is apparently a citywide issue, and so I would  
22 really like for us to revisit this issue to make sure  
23 schools are actually actualizing and seeing a full  
24 increase in their—in their school budgets. And just  
25 very quickly, very—what is the city's plan to raise

2 the FSF floor for all schools and to follow up on  
3 that. The top 20 schools with the biggest gap to  
4 reaching 100% of their FSF allocation are high  
5 schools.

6 LINDSEY OATES: Yes.

7 CHAIRPERSON TREYGER: Can you explain why  
8 grade level weights are reduced in high school when  
9 compare to middle school?

10 LINDSEY OATES: So, again, the—the—you're  
11 referencing the largest schools in our system that  
12 have the greatest gap. The reason why they have the  
13 greatest gap is because they have the most number of  
14 students. So, with the per capita based funding  
15 system, the math works out that the largest schools  
16 are not yet at 100% will have the greatest gap  
17 between where they are now, and at 100%.

18 CHAIRPERSON TREYGER: But the formula is  
19 created in kind of consort with enrollment of the  
20 school, is that correct? How many students per—  
21 funding per student, is that right?

22 LINDSEY OATES: Yes.

23 CHAIRPERSON TREYGER: So, the school is  
24 actually being punished if they have more kids?

2 LINDSEY OATES: No, no, and they don't  
3 don't—as schools grow, they receive additional  
4 funding to support the schools--

5 CHAIRPERSON TREYGER: [interposing]  
6 Right.

7 LINDSEY OATES: --the students in their  
8 building.

9 CHAIRPERSON TREYGER: But why is it that  
10 the high schools are—the top 20 schools with the  
11 biggest gap are high schools? Can you explain that?

12 LINDSEY OATES: They're our largest  
13 schools. They have the greatest number of students  
14 in their—in their building, and a per capita based  
15 formula results in the greatest need in those schools  
16 just surely because they are the largest schools.

17 CHAIRPERSON TREYGER: So—and—so you  
18 acknowledge that creates a lot of problems for these  
19 high schools in terms of advancing students through  
20 9<sup>th</sup> and 10<sup>th</sup> grades making sure they are college and  
21 career ready, making sure that their guidance  
22 counselors are not overwhelmed. These—these—some of  
23 these gaps—there's a school in my district, a high  
24 school that has a million dollar gap, and when I  
25 spoke to the principal about what we—what can you do

2 with a million dollars, he said it would be a game  
3 changer for our school. So, you know, this equity  
4 issue we—it's—it's really a problem. I mentioned him  
5 earlier. Oh, yes. Oh, I'm sorry. [background  
6 comments] Council Member Rodriguez you have to vote  
7 on Resolution 358. I'm sorry.

8 COUNCIL MEMBER RODRIGUEZ: Aye.

9 CLERK: The vote is now at 15.

10 CHAIRPERSON TREYGER: Okay and next,  
11 Council Member Lander. [pause]

12 COUNCIL MEMBER LANDER: Thank you, Mr.  
13 Chair for convening this hearing. Thank you for  
14 being here. I want to ask about the relationship and  
15 your thinking about Fair Student Funding Formula to a  
16 couple of other initiatives I know that are taking  
17 place or they are being thought about in relationship  
18 to broader equity work and school integration work.  
19 I know that—I've heard the Chancellor speak on a  
20 couple of occasions about want to look at issues of  
21 equity in funding in ways that I guess it's not clear  
22 to me whether he means thinking about some changes to  
23 the Fair Student Funding Formula or thinking about  
24 some other ways of looking at school, you know, that  
25 have historic disinvestment or a lot of low-income or

2 homeless kids that need additional investments from  
3 sort of an equity lens that might be different from  
4 Fair Student Funding. So, that's question one, and  
5 my question two is a little related. In our work,  
6 our good work now starting inching forward around  
7 looking at school integration, one challenge we face  
8 is Title 1 funding, which is federal funding targeted  
9 to increased resources for schools with a lot of low-  
10 income kids. You know, that—that's my understanding  
11 that the cut-off there is at 70%. When our  
12 immigration work works, it will take schools in some  
13 cases so that instead of being 70% low-income kids,  
14 maybe it goes to 60%. That's still a whole lot of  
15 low-income students even if you're starting, and so  
16 to go from having all your Title 1 funding to none of  
17 your Title 1 funding instead of some maybe pro rata  
18 from 70% to 60% or something that would be more  
19 normal would be a lot better, but right now, we've  
20 got this funding disincentive for schools lean into  
21 diversity because they've got their challenges that  
22 pre-exist in Fair Student Funding. They may not be  
23 all the way to their Fair Student Funding for the  
24 somewhat more random reasons that you talked about.  
25 There isn't yet a broader equity program, and they

2 hit the Title 1 cliff. So, I just—that's a lot to  
3 knit together, but I just wonder if you could talk  
4 about how as you're looking at this broader set of  
5 issues, you're thinking about it in relationship to  
6 our—our equity an integration work—and Title 1  
7 specifically.

8 LINDSEY OATES: Sure. Thank you for your  
9 support in District 15 and our diversity efforts.  
10 It's been exciting to see that work move forward. As  
11 you know, that—the Title 1 issue really came out of  
12 that work, and—and some of the community's concerns  
13 around that topic. I can say that we've heard them.  
14 We absolutely understand that that is a concern. We  
15 are looking into that issues and it's certainly  
16 something that we will monitor closely. We are  
17 certainly not trying to create a financial distance  
18 and this for integration. That said, Title 1 is a  
19 federally funded program, and just as a point of  
20 clarification, the threshold is 60% this year. It's  
21 a federal program comes with federal rules and  
22 regulations and the grace period that you're  
23 referencing is actually set by federal law, and we  
24 don't have a lot of flexibility in that regard, but  
25 it is something—the issue that you described is



2 something that we are hearing from our school  
3 communities and something that we will certainly look  
4 out for as diversity efforts move forward throughout  
5 the city.

6 COUNCIL MEMBER LANDER: Just to clarify  
7 on the federal—so thank you for that, and I know  
8 it's, you know, you've committed to look at it, and  
9 we have until, you know, next fall before--

10 LINDSEY OATES: [interposing] Yes.

11 COUNCIL MEMBER LANDER: --the District 15  
12 Middle Schools, you know, will have a new census  
13 based on the—on the immigration plan. So, we've got  
14 a little window, but the—the—sort of cliff—is—is the  
15 cliff mandated? Because, you know, obviously if you  
16 have 55% low-income students, you might merit less  
17 Title 1 funding than if you have 95% low-income  
18 students. So, it's not a question of, but it—it  
19 would just be more rational a little bit like Fair  
20 Student Funding to have something that accounted for  
21 that, and wasn't—you got 100% of your Fair Student  
22 Funding formula at 61% and zero of it a 59%. Is—is  
23 the cliff a federal mandate?

24 LINDSEY OATES: Unfortunately, yes.  
25 There is a provision called grandfathering, which is

2 the grace period that you're describing and it allows  
3 for one year of continued Title 1 support, and after  
4 that if the school does not re-achieve Title 1  
5 status, unfortunately they permanently lose Title 1  
6 status until such time that they might be able to  
7 regain it.

8 COUNCIL MEMBER LANDER: So, I guess it  
9 sounds like at least in District 15 that obviously  
10 this will apply my broadly that what we need to do is  
11 to kind of think about these together so that if you  
12 have a school that as a result of the federal that-  
13 that changes loses all its Title 1 funding, and then  
14 just as it's getting-it's got about as low-income  
15 students as it had. Now, it's got a much more  
16 heterogeneous group of learners. So, it's got to be  
17 able to provide for a wider range of kids will need  
18 some offset of that cut, and whether that comes from  
19 something that's in fair student funding or whether  
20 it comes from something that's in the integration  
21 work or it comes from something that's in the ideas  
22 around equity that the Chancellor is exploring.  
23 You're looking at this. These things you're looking  
24 at theme all together, and-and it will come to us or  
25 it will come to the public with some proposals for

2 addressing them at some point at least before next  
3 fall.

4 CHAIRPERSON TREYGER: My colleague,  
5 Council Member Lander, I appreciate your support for  
6 our push for a poverty weight. That's exactly what  
7 we were talking about at the opening of this hearing  
8 that right now the DOE only adds a weight for poverty  
9 up to the third grade because they can't rely on test  
10 scores below the third grade. So, tests--so poverty  
11 becomes almost like a proxy for the DOE, and if  
12 poverty is an issue beyond the third grade. So,  
13 there's no wait for students in temporary housing.  
14 So, I--I think that this is definitely an opportunity  
15 for us to work together, but I want to add another  
16 element that makes it difficult for schools to even  
17 reach the threshold because it's my understanding  
18 it's 60%. Is that correct in order to receive the  
19 Title 1 funding. Many immigrant students and  
20 families are afraid to return to the forms and--

21 COUNCIL MEMBER LANDER: [interposing] And  
22 in addition for good reasons. We're making it easier  
23 for everyone to get free lunch, and as a result we  
24 have less information about their lunch eligibility.  
25 So, I guess that's another question I was going to

2 ask just about what tools we're using to measure to,  
3 you know, these issues in the--in the world to  
4 transitioning to universal school lunch.

5 CHAIRPERSON TREYGER: This is--this is an  
6 issue especially in this hostile national climate  
7 towards immigrants. Is--s the DOE seeing lower and  
8 lower numbers of returns in terms of the ones--ones to  
9 meet that threshold because that was a challenge when  
10 I was teacher in my school particularly immigrant  
11 families were very afraid of who would see this  
12 information, and that was before the era a Trump.  
13 Now, I'm sure it's--it's even--even more challenging.  
14 So, can you speak to that, and then--and then--

15 COUNCIL MEMBER LANDER: [interposing]  
16 I'll add to it. I understand your question.

17 CHAIRPERSON TREYGER: Yes.

18 COUNCIL MEMBER LANDER: Obviously it's a  
19 good reason to enable people to have access to free  
20 lunch without--

21 CHAIRPERSON TREYGER: [interposing]  
22 Correct.

23 COUNCIL MEMBER LANDER: --qualifying, but  
24 it makes it more challenging for us to have good  
25

2 information on the demographics and income status of  
3 the students.

4 LINDSEY OATES: So, thank you for the-the  
5 question and I appreciate the concern about this  
6 population. I-I-I-our students obviously and their  
7 needs are at our-our, you know, our highest  
8 priorities. This-when we launched Universal Free  
9 Lunch a few years ago, this was-this issue that you  
10 are describing is absolutely at the top of mind. We  
11 certainly didn't want to have the trade-off between  
12 Universal Free Lunch be at the consequence of our  
13 Title 1 allocation. And so, under the leadership of  
14 First Deputy Chancellor Watson-Harris and her field  
15 support centers, field service centers we were able  
16 to actually do a tremendous amount of targeted  
17 outreach at the schools that actually resulted in  
18 collection of what are now called income eligibility  
19 forms at the schools this past school year, and so  
20 we-we knew that this-we anticipated this issue, and  
21 we really put the manpower, woman power behind it,  
22 and we were able to collect those forms. Whether  
23 that behavior changes because of recent events, we-we  
24 hope not, but our teams will continue to push for  
25 those and advocate and try to really make sure that

2 parents and families understand the relationship  
3 between that form and funding for their schools.

4 COUNCIL MEMBER LANDER: I just wonder on  
5 those-for-for families that are enrolled in one of  
6 the variety of social service programs that the city,  
7 you know, is aware of, do you use or are you  
8 considering using any with the appropriate  
9 confidentiality of that information so that, you  
10 know, in a lot of cases we've got students who are in  
11 one or another of HRAs programs. This wouldn't  
12 necessarily get at many of the (sic) students that  
13 are not, but, you know, for those students who are  
14 enrolled in one of those programs we could at least  
15 know that they are eligible for--

16 LINDSEY OATES: Yes. So we do a direct  
17 match with all HRA programs and students. So, if  
18 students or their families are eligible for food  
19 stamps or Medicaid or any sort of poverty assistance  
20 program, we do match that data directly as well as  
21 supplement that with the income eligibility forms.

22 COUNCIL MEMBER LANDER: Alright, thank  
23 you, Mr. Chair. Thanks for-for convening this and I  
24 look forward as, you know, it's obviously a broader  
25 issue for the city, but as it relates specifically to

2 the District 50 Middle School Plan, I appreciate your  
3 helping open this up and we look forward to working  
4 with you and with the DOE to make sure come out with  
5 a—with a good approach. Thank you.

6 CHAIRPERSON TREYGER: I agree Council  
7 Member Lander and I think that the FSF formula is due  
8 for some additional tweaking in light of the current  
9 state of affairs and also we should not  
10 disincentivizing integration efforts either. I agree  
11 with you. We have also been joined by Council Member  
12 King who would also like to vote on Resolution 358

13 CLERK: Council Member King.

14 COUNCIL MEMBER KING: I vote aye and can  
15 you add me to the resolution as well.

16 CLERK: The vote is now at 16

17 CHAIRPERSON TREYGER: Next for questions,  
18 Council Member Cohen.

19 COUNCIL MEMBER COHEN: Thank you Chair.  
20 I'm going to apologize. Despite my very high quality  
21 public school education, I definitely am not crystal  
22 clear on how this works. [laughs] The—the formula  
23 is weighted so that if you have—if you have two—two  
24 elementary schools both with 500 kids, one school's

2 100% number could very well be greater than another  
3 school's depending on the population?

4 LINDSEY OATES: Correct.

5 COUNCIL MEMBER COHEN: Alright, I'm  
6 correct on that. So, but-but-then why doesn't  
7 everybody get 92% because formula is already  
8 weighting it, and then it seems like we're weighting  
9 it again, but who determines who gets 92% and who  
10 gets 90%?

11 LINDSEY OATES: So, when the First  
12 Student Formula was created about 10 years ago, one  
13 of the guiding principles was not to cut any school  
14 budget, and that's a principle that guides our work  
15 today. I'm not-I can't advocate for school budget  
16 cuts, and I think that continues to be an important  
17 part of already for us.

18 COUNCIL MEMBER COHEN: So-so in other  
19 words, but a school with---that it-that it does not  
20 have a lot of need based on the weight could still be  
21 getting more money because historically they go more  
22 money? Like I mean doesn't that kind of--

23 LINDSEY OATES: Our-so our data shows  
24 that the-the highest need schools receive the most  
25 money. That's based on how the formula works now.



2 The weights drive more money to the students with the  
3 greatest needs.

4 COUNCIL MEMBER COHEN Okay, and just the-  
5 the point that Chair Treyger was making on the gap.  
6 So, in other-the gaps are-it's not only dollars, but  
7 its percentage gap could be significantly different,  
8 too. I mean, you know, if we all have an 8% gap, the  
9 fact that mine is a million and yours is-is 200,000  
10 based on population size isn't as troubling as if the  
11 gap is-is-is, you know, you have an 8% gap and I have  
12 a 10% gap that's more troubling. It-it just seems  
13 that there's really-that, you know, we're calling it  
14 a formula but it-but there's-but there's rationale  
15 behind it, but it seems in the end that there is, you  
16 know, a mystery amount poured in that makes it very  
17 hard to-to rationalize what's happening here with  
18 the-with the formula. I think I do want-I think I do  
19 want understand. I'm not the-the report by the way  
20 that's available online? I don't think I've seen it.

21 LINDSEY OATES: Yes it is.

22 COUNCIL MEMBER COHEN: Okay, alright.

23 Thank you Chair.

24 CHAIRPERSON TREYGER: And I encourage you  
25 to look at it Council Member Cohen. It's-there is-

2 there are inequities in the system, and, you know, as  
3 we mentioned earlier in this hearing some schools  
4 when this FSF started, started at 100%. Some schools  
5 didn't. Some schools remained at 100% and some  
6 schools dipped and went up. It-it really-it's a  
7 rollercoaster, but it does have a direct impact on  
8 your school. I have a-we've also been joined by  
9 Council Member Levin who would like to vote on  
10 Resolution 358.

11 COUNCIL MEMBER LEVIN: Thank you, Chair.

12 CLERK: Council Member Levin.

13 COUNCIL MEMBER LEVIN: I vote aye.

14 CLERK: The vote is now 17 in the  
15 affirmative.

16 CHAIRPERSON TREYGER: Ms. Oates, in the  
17 weights, K to 5 I think it's 1.00, which is  
18 \$4,084.80. Then we go to middle school from grades 6  
19 to 8. It goes up to 1.08, which is \$4,411.92. So,  
20 I'll just pause here for a second and ask why the  
21 jump from elementary to middle-school?

22 LINDSEY OATES: When a formula is  
23 created, the-the-the weight was increased for the 6  
24 to 8 population to reflect the greater than average  
25 academic and social-emotional needs of our middle-

2 school population, an administrative period for  
3 teachers and required library and guidance counselor  
4 services for middle-school students.

5 CHAIRPERSON TREYGER: So, the, you're-  
6 you're saying that there's social-emotional need-  
7 needs of students. Guidance Counselors are not even  
8 mandated in elementary schools. Are you aware of  
9 that? And some schools have difficulty having a  
10 full-time guidance counselor even with these weights.  
11 Are you-are you aware of that?

12 LINDSEY OATES: I'm aware it's an issue  
13 we're discussion with you.

14 COUNCIL MEMBER COHEN: Because when you  
15 give me the answer of social-emotional needs, and I  
16 know we're not meeting them, I think it's an  
17 insufficient response. Then we go from middle  
18 school, which we just mentioned. It's 1.08. We move  
19 now to high school grades 9 to 12. It does down  
20 1.03, which is \$4,206.95. Can you explain why we go  
21 down from middle-school to high school? Do the  
22 social-emotional needs drop?

23 LINDSEY OATES: The 9 to 12 weight  
24 reflects higher OTPS needs at those schools, smaller  
25 elective classes, more administrative personnel

2 required generally at those schools, administrative  
3 period for teachers, required library and guidance  
4 services for high school students.

5 CHAIRPERSON TREYGER: Does--does the FSF  
6 high school base weight core the cost of scheduling  
7 all high school students for four years with a full  
8 course load?

9 LINDSEY OATES: Yes.

10 CHAIRPERSON TREYGER: Yes.

11 LINDSEY OATES: I should say the  
12 combination of all of the waves whether--

13 CHAIRPERSON TREYGER: Uh-hm.

14 LINDSEY OATES: Well, the instructional  
15 needs for those students, the classroom instructional  
16 needs. So, if they're an L student, they would  
17 receive funding obviously under the L weights and  
18 special ed students and so forth. So, not singly the  
19 grade weight, but the combination of the weights.

20 CHAIRPERSON TREYGER: Uh-hm. I would  
21 like to just quickly ask a question also about we  
22 found with K to 3 if--if the current poverty weight is  
23 intended to provide additional instructional support  
24 for struggling students Kindergarten to third grade,  
25 why is the weight only .12 rather than the minimum

2 .25 weight for struggling students in the fourth  
3 grade and above?

4 LINDSEY OATES: So, the—the weights that  
5 you are referencing is designed to provide supports  
6 to students, academic intervention supports to  
7 students in the early grades prior to testing, and  
8 Laura can speak more eloquently than I can about how  
9 schools think about using this funding, but obviously  
10 we are prioritizing, investing resources in this  
11 population—in this—in this group of students to  
12 ensure that by the time they reach testing age, they  
13 are—are ready for those tasks and ready to succeed at  
14 those tasks.

15 DR. LAURA FEIJOO: So, I would say—I  
16 would say by fourth grade when you have the third  
17 grade test and the fourth grade test and you see  
18 where students are at. The best indicator of  
19 success—one indicator is the success on test.  
20 Certainly we believe that students are more than a  
21 test score, and what teachers are seeing in the  
22 classroom, but by fourth grade you have a strong  
23 indicator of how students are doing, and so, the  
24 weights apply to whether students are successful or  
25 struggling or other needs, which are accounted for.

2 Prior to the fourth grade when you're not testing  
3 students, we know that poverty is an indicator of  
4 success, and we want to provide those additional  
5 supports since we don't have tests necessarily to  
6 measure those outcomes. We want to provide those  
7 supports to students earlier on just—Yes.

8 CHAIRPERSON TREYGER: Please—please  
9 finish.

10 DR. LAURA FEIJOO: Just to the larger  
11 budgeting question, principals make strategic  
12 decisions about where the needs are. Not just  
13 academic needs in terms of student test scores, but  
14 where their school wants to go, and that comes with a  
15 committee of people on a school leadership team  
16 making decisions about goals, and then aligning the  
17 budget to that, and we think principals make those  
18 strategic decisions right there in that way and are  
19 able to get the things that they really need for  
20 schools. You know, we'll always advocate for more  
21 funds, and with more we can do more, but certainly  
22 they are making those strategic decisions to be able  
23 to decide what their priorities are, and they are a  
24 little different at every school.

2 CHAIRPERSON TREYGER: But Dr. Feijoo, why  
3 are we waiting until the fourth grade to find out how  
4 students are doing?

5 DR. LAURA FEIJOO: Well, we know  
6 formatively how students are doing by classroom  
7 teachers, but we are looking at different indicators  
8 prior to students testing than we are we have test  
9 scores for students that show signs of success, and  
10 so the weights just are direct at the information  
11 that we know from some of those things that we don't  
12 necessarily have specific test scores that we can  
13 compare across the system. I am not discounting  
14 formative assessment. I think that's an important  
15 way to know where students are every class, every  
16 week, every month, but certainly one test that you're  
17 giving across the board gives a lens of where all of  
18 our students are in the systemic way. That is a  
19 better indicator of what supports the youth. (sic)

20 CHAIRPERSON TREYGER: [interposing] It's  
21 my understanding and correct me if I'm wrong that  
22 former Chancellor Farina focused very much on  
23 literacy in the second grade. Is that correct?

24 DR. LAURA FEIJOO: She did because third  
25 grade is a great predictor and a lot of research on

2 how students will do, and so we have the data between  
3 third and fourth grade to be able to provide that in  
4 a different way after those tests and before, but  
5 yes, absolutely second grade is a targeted grade  
6 because we want to make sure kids are reading by the  
7 third grade.

8 CHAIRPERSON TREYGER: But I'm—I'm just  
9 pointing out that the weights somehow are—are higher  
10 beyond—but they're lower in—in the lower grades and  
11 higher, a little bit higher beyond fourth grade, and  
12 I think that we need to help build students up yes,  
13 first grade, second grade to help prepare them for  
14 those—for those exams. I think because there are  
15 indicators if a student is not being able to read at  
16 grade level in second or third grade, I—I am not sure  
17 of their chances of doing very well on those state  
18 assessments. That becomes a major challenge. What  
19 efforts is the Administration taking to ensure the  
20 state fulfills this debt to our city schools in terms  
21 of CFE?

22 LINDSEY OATES: So, again we're—we are—  
23 we've invested \$800 million already in this formula.  
24 Some of that money does come from the state. When  
25 foundation aid that comes to us year over year



2 exceeds other mandated costs, we haven't reinvested  
3 that funding in raising the floor. Our plan is to  
4 continued to do so, and we appreciate your advocacy  
5 and your partnership as we go into the legislative  
6 season in Albany so that we can lobby, you know, we  
7 can lobby for and hopefully secure additional  
8 foundation aid to invest into our school budgets.  
9 And may I just say also in response to the previous  
10 conversation that, you know, as a reminder, the Fair  
11 Student Funding Formula represents only two-thirds of  
12 a school's budget on average. There have been a  
13 variety of strategic investments that this  
14 administration has made. One of them is the  
15 Universal Literacy Program, which now provides  
16 reading coaches to nearly all schools, and it's  
17 targeted specifically at the K to 12 grade band with  
18 the sole purpose of trying to increase their literacy  
19 so that they're prepared for their—their state test,  
20 and—and life in general, and so I think their, you  
21 know, FSF looked at in isolation is not necessarily  
22 the best reflection of a school's budget. There are  
23 targeted investments that are made, and schools that  
24 have received more school allocation memorandums are—  
25 are the ones that are targeted with all of our, you

2 know, Equity and Excellence Programs but as well as  
3 those that receive other targeted investments. We've  
4 invested funds in guidance counselors at high needs  
5 schools. We have invested in, you know expanding our  
6 physical education program. We've invested a lot of  
7 money in different areas that we believe are  
8 strategic investments, and when we prioritize those  
9 funds we are certainly looking at the neediest  
10 schools. This Chancellor has absolutely directed our  
11 office and everyone at DOE to look at the most under-  
12 served schools and their populations as we think  
13 about strategic allocations going forward.

14 CHAIRPERSON TREYGER: You mentioned some  
15 programs. How does the DOE determine whether funds  
16 should go to new programs such as AP for all or  
17 community schools as opposed to increasing the FSF  
18 percentage?

19 LINDSEY OATES: So the Community Schools  
20 Program is a great example of this. Our Community  
21 School Program, as you know, is provided largely by  
22 community based organizations. Those are contracts  
23 with our community based providers, and we don't want  
24 to burden our principles with having to do deal with  
25 the specifics of the different contracts and making

2 payments to those vendors. So our Central Office of  
3 Community Schools Team does that work for them and  
4 that funding, therefore, doesn't need to sit in a  
5 school budget or in an FSF budget. The principal can  
6 focus on working with the Community School  
7 Coordinator, and providing the best services to their  
8 students.

9 CHAIRPERSON TREYGER: But how-how is it  
10 determined? How do you-how does the DOE decide we  
11 want to invest in AP for All versus increasing the  
12 school's FSF percentage?

13 LINDSEY OATES: So, ideally, we're going  
14 to be able to do both, and in many years we have done  
15 both. We have both raised the floor as well as  
16 invest in other programs with you advocacy. That  
17 certainly continues to be our goal going forward and  
18 again, as we look at all of our new initiatives, you  
19 know, some-there are some programs where it does make  
20 sense. You know the English Language Learner  
21 Program-adjustments to those weights a couple of year  
22 ago is a really great example of-of a change to the  
23 formula that really was needed, and adding money to  
24 the formula for that purpose made sense. That was a  
25 \$40 million investment that we thought was the-the

2 right one to make in the formula to increase those  
3 weights to account for the required increase in  
4 instructional time. Something like air conditioners  
5 or the Community Schools Program are things that some  
6 of our central or field teams can provide for  
7 schools, and are better suited outside of the  
8 formula.

9 CHAIRPERSON TREYGER: With Community  
10 Schools the DOE also it's my understanding provides  
11 100% FSF. Is that correct?

12 LINDSEY OATES: Yes.

13 CHAIRPERSON TREYGER: Why was that  
14 decision made?

15 LINDSEY OATES: When the Renewal School  
16 Program was created, many of—all of those schools, as  
17 you know, became Community Schools and they  
18 benefitted the four As (sic) at that time.

19 CHAIRPERSON TREYGER: So, you're  
20 acknowledging that when we invest what schools are  
21 owed, they should show improvements. Is that  
22 correct?

23 LINDSEY OATES: I am hoping, as you are  
24 hoping, that all schools can reach 100% Fair Student  
25 Funding.

2 CHAIRPERSON TREYGER: Right. Because I  
3 want you to know that that was my experience when I  
4 visited a school in Queens during—before my renewal  
5 school, community school hearing where the principal  
6 used added resources to hire an additional social  
7 worker, which did make a significant impact in that  
8 school, and so sometimes it's—a school could be an  
9 art program, a guidance counselor away from reaching  
10 a turning point. But if a school is lacking a  
11 million dollars or even more in some cases, we are  
12 really, really holding them back, and I asked you  
13 before about the Administration's efforts to ensure  
14 that the State is fulfilling its obligation to the  
15 city. I will share with you this: I think Council  
16 Member Grodenchik you joined—you were with us on  
17 visit to Albany. I think is it fair to say that I  
18 gave the Governor somewhat of an education on FSF and  
19 it's and the school allocation memo.

20 COUNCIL MEMBER GRODENCHIK: I think it's  
21 fair to say without getting into more details yes.

22 LINDSEY OATES: [laughter] And we  
23 appreciate that.

24 CHAIRPERSON TREYGER: I think that we  
25 need to do more to explain to our—our colleagues in

2 the state about the importance of FSF because when we  
3 advocate for more money, sometimes folks feel that  
4 we're speaking in the abstract, where is the money  
5 going and that was one the arguments we heard: Where  
6 is the money going. Thanks to our great finance team  
7 here and-and the committee staff, Liz, Caitlin and  
8 others, we've prepared copies of school location  
9 memos to give them examples of how these numbers are  
10 transparent, but-but I feel that we need to do more  
11 to explain to our colleagues what FSF, how important  
12 it is because when I explained to some of the  
13 Assembly Members and State Senators, you school is  
14 owned a million dollars or they had, you know, it  
15 really was an eye-opening thing. And I think it  
16 gives them a more targeted advocacy approach when-  
17 when they go fight for money, and clearly we have  
18 friends in the Assembly Majority. The Senate has  
19 been an issue, and hopefully we'll see if that  
20 changes, but I think, you know, we made the case of  
21 the Governor as well. I think we have to continue  
22 making that case. I am willing to be a continued  
23 partner in that effort, but the-the DOE also needs to  
24 make a commitment that as if we see increases, and  
25 hopefully we will in our school budgets, that money

2 continues to go towards FSF to continue to raise the  
3 floor so we see schools reach 100%. Do we have that  
4 commitment?

5 LINDSEY OATES: You absolutely have my  
6 commitment that we will work together in the upcoming  
7 months with, you know, in our legislative push in  
8 Albany to try to secure additional foundation names.  
9 We certainly appreciate your advocacy, and we're glad  
10 that our fiscal transparency efforts have enabled you  
11 to be better advocates for us. We are excited about  
12 the report. I—I brought it along. It's a tremendous  
13 opportunity to provide what you just described, which  
14 is to really put a name to what the—the gap is for  
15 individual students, and we look forward to working  
16 with you.

17 CHAIRPERSON TREYGER: Thank you and the  
18 last question, and so it's the—I think my colleague  
19 has a final question, too. On the legislation, on  
20 the Task Force Bill, just to be clear, does the  
21 Administration support the bill, not support the  
22 bill? I just—I think we need some further clarity.

23 LINDSEY OATES: So, you used the word  
24 dialogue in your testimony, which I appreciated. I  
25 think that is the right word to describe the

2 conversations that need to happen about the Fair  
3 Student Funding Formula. We support the spirit of  
4 the—the dialogue in the—in the conversation. We do—  
5 we do hope that folks recognize the significant  
6 engagement efforts that we do now as well as the  
7 panel's role in voting on the weights every year,  
8 and—and their necessary role in this process. So, I  
9 think, you know, we can commit to certainly  
10 continuing that dialogue as you have heard and anyone  
11 who listens to the Chancellor has heard. He is very  
12 concerned about our underserved students and  
13 populations, and this is definitely something where  
14 we will have more to say about in the future?

15 CHAIRPERSON TREYGER: Right, because I  
16 also heard in the beginning of this hearing is that  
17 there is kind of a lack of clarity about who was  
18 originally involved in the process to design the  
19 original formula. You mentioned there were folks  
20 internally. I don't know who they are, and I—I and I  
21 respect the role of CECs, but I—I didn't hear—I  
22 didn't' hear educators. I didn't hear critical  
23 stakeholders who are on the ground in—in the schools  
24 who are involved in this process and—and some  
25 critical organizations that could be very helpful.



2 And so that's—that's the spirit behind the  
3 legislation to actually involve people beyond Tweet--

4 LINDSEY OATES: [interposing] Uh-hm.

5 CHAIRPERSON TREYGER: --to have a very  
6 hands-on look at the formula to figure out how we got  
7 there, and to figure out Tweets and recommendations  
8 back to the Chancellor, back to the DOE because that  
9 will help us provide healthy dialogue once we hear  
10 from critical stakeholders about what would they do  
11 different. How can we better meet-meet the needs of  
12 our students because as you already acknowledge in  
13 one exchange, the issue of poverty is-is-needs to be  
14 addressed, and that's an area that I-and I-I want to  
15 thank the advocates and our-and our amazing teachers  
16 and principals and organizations that have really  
17 been at forefront of dealing with this issue who have  
18 consistently said we need to do more to better  
19 address the needs of our students. So, I-I-I look  
20 forward to advancing this legislation in cooperation  
21 with the DOE, and-and with stakeholders to have a  
22 robust conversation and dialogue about how to better  
23 meet the needs of New York City students. So, my  
24 colleague Council Member Grodenchik you will have the  
25 final question.

2 COUNCIL MEMBER GRODENCHIK: Thank you,  
3 Mr. Chair and thank you both for being here today and  
4 everybody else. I was going to request what the  
5 Chair requested. I'm must going to echo his remarks  
6 now that if we are successful in lobbying in Albany  
7 that these funds be dedicated in large measure. I  
8 know that the department has a lot of needs, but in  
9 my-my many visits to schools, the biggest need is in  
10 the classroom, and-and to get money into the hands of  
11 the principals so they can get more money into the  
12 hands of the other educators and professionals in the  
13 building. And I-I do want to-the Chair touched on  
14 this earlier, I do want to also ask that the formula  
15 take into account the impact that veteran teachers  
16 can have on a school's budget because my schools are  
17 in Eastern Queens. Many educators. I have  
18 approximately 3,600 educators/teachers living in my  
19 district according to the good people of DOFT. I  
20 also live very-my-my district the eastern border is  
21 Nassau County. So, many people live in Nassau as is  
22 their right to do so. So, they like to work in  
23 Eastern Queens, and they like to get to my schools,  
24 and I have great educators, but it also skews what is  
25 available to the principals for their spending, and I

2 hear this over and over and over. Every time I visit  
3 a school, which is several times a week, this is what  
4 we hear from our principals. So, I would hope that  
5 that could be taken into account somehow because it  
6 does impact on what they're able to do. When you have  
7 a veteran educator, it costs a lot more than somebody  
8 right out of college. So, I thank you for listening  
9 to me today. I'm not going to ask any more  
10 questions, and I also want to thank the Chair for  
11 this very timely hearing as we get ready to go back  
12 to Albany to fight for more money for school aid. So,  
13 thank you.

14 CHAIRPERSON TREYGER: Thank you, Council  
15 Member Grodenchik. Our amazing staff actually found  
16 a copy of the Fair Student Funding Guide that was  
17 produced—was it back in '07 or '08, and it actually  
18 because I asked before about people that were  
19 involved in the process of formulating the original  
20 formula and I'll read you the names of people that  
21 the DOE consulted with. Now again, this was before  
22 the de Blasio Administration. So, to be clear, but  
23 these are the folks that the DOE consulted with:  
24 Arlene Ackerman, former Superintendent, San  
25 Francisco, Seattle in Washington; Chester Fin,

2 President of the Thomas Fordham Foundation, Hoover  
3 Institution; William Woochi (sp?) Professor at UCLA;  
4 John Podesta, former White House Chief of Staff to  
5 President Clinton; Margarite Rosa, Professor,  
6 University of Washington, and Michael Strembitsky  
7 former Superintendent from Edmonton, Canada. Now, I  
8 am sure that they are very, very well, you know,  
9 distinguished in their—in their professions. I  
10 didn't see anyone from New York City. I didn't see  
11 any critical organization in New York City, any  
12 educators from New York City. This really drives  
13 home the point I made earlier: We need to involve  
14 voices here on the ground. People that live through  
15 this every single day have to be at the table, and  
16 Ms. Oates, again, I congratulate you on your new-new  
17 role, and new position and look forward to working  
18 together, as well as to Dr. Feijoo as well.

19 LINDSEY OATES: Thank you.

20 CHAIRPERSON TREYGER: And I thank you  
21 very much for your time today.

22 DR. LAURA FEIJOO: Thank you.

23 LINDSEY OATES: Thank you.

24 CHAIRPERSON TREYGER: The first panel I'd  
25 like to call up Mark Cannizzaro, President of CSA,

2 and Sarita Subramanian from New York City Independent  
3 Budget Office. Thank you. [pause]

4 MARK CANNIZZARO: I'm going to defer to  
5 my colleague here first.

6 CHAIRPERSON TREYGER: And forgive me if I  
7 don't pronounce your name correctly.

8 SARITA SUBRAMANIAN: Subramanian.

9 CHAIRPERSON TREYGER: Subramanian. Okay,  
10 thank you.

11 MARK CANNIZZARO: So, can I get it. (sic)

12 SARITA SUBRAMANIAN: Oh, I'm sorry.  
13 Subramanian, correct. Good afternoon, Chair Treyger  
14 and members of the City Council. My name is Sarita  
15 Subramanian, and I'm the Supervising Analyst for the  
16 Education Team at the New York Independent Budget  
17 Office. Thank you for the opportunity to testify at  
18 this oversight hearing on fair student funding, and  
19 the proposed Reso on amending the formula to  
20 incorporate a weight for students in poverty in  
21 fourth grade or higher. I've prepared brief remarks,  
22 but please refer to my longer testimony for more  
23 detail. In my testimony, I'll first focus-discuss an  
24 analyst that IBO published last week describing the  
25 shortfall to individual schools FSF budgets over the

2 past five years. Then I will discuss some of the  
3 benefits that would result in the enactment of the  
4 reso, but also highlight a few concerns and some  
5 suggestions for additional items to consider. Our  
6 report mentioned the \$125 million that the Mayor and  
7 Speaker agreed to add to the Department of  
8 Education's budget to raise the floor to 90% for the  
9 2018-2019 school year. It is important to note,  
10 however, that the \$125 million includes funds for  
11 pension and fringe costs, which are typically not  
12 included in FSF allocations and not reflected in  
13 individual schools' budgets. Because our analysis  
14 was focused on the school level, the amounts that we  
15 reported are more closely aligned with what appears  
16 on individual schools budgets. Roughly \$78 million  
17 the funds announced last spring would be reflected in  
18 schools budgets. IBO's analysis of schools' budgets—  
19 schools' budgets showed that the additional funding  
20 needed to fully fund the formula has been declining  
21 in each of the past five years. Focusing on last  
22 school year we found that roughly 1,200 schools were  
23 underfunded. Many schools had a shortfall of  
24 \$500,000 or less while roughly 280 schools each had a  
25 shortfall that exceeded \$500,000. Sixty-three of

2 those schools had shortfalls of \$1 million or more.  
3 Given that 78% of schools remain underfunded 10 years  
4 after FSF was first implemented, and increased  
5 funding from the state still has not materialized,  
6 the city's efforts to continue raising the floor for  
7 all schools are critical. The reso calls for  
8 additional funding for schools that serve students in  
9 fourth grade or higher by incorporating a poverty  
10 weight over and above the existing need rates. If  
11 the reso had been in place last year, it would have  
12 brought additional funding for all or a portion of  
13 students poverty to almost all schools. However, 36  
14 schools would have received no additional funding  
15 because they did not serve any students in grade 4 or  
16 above. There would probably need to be some  
17 additional consideration for students in poverty in  
18 those 36 schools. Moreover, as the proposed changes  
19 are intended to be cost neutral. That would me some  
20 of the weights would need to be adjusted down in some  
21 way. The Reso also calls on the Department of  
22 Education to automatically classify all students in  
23 temporary housing as in poverty. IBO looked at the  
24 more than 103,000 students in the 2016-2017 school  
25 year classified as in temporary housing, and found

2 that virtually all of them were already identified as  
3 in poverty in our data. A more direct way of  
4 providing additional funds to schools that serve  
5 students in temporary housing would be to add a  
6 separate weight in the formula, similar to the  
7 weights currently exist for students with  
8 disabilities and English Language Learners. In that  
9 case, either more money would be needed to dedicate  
10 it—would be needed to be dedicated to FSF, or a  
11 portion of existing funding in the Central DOE budget  
12 could instead be distributed directly to schools  
13 through a revised FSF formula. Thank you again for  
14 the opportunity to testify, and I would be happy to  
15 answer any questions you might have.

16 MARK CANNIZZARO: Good afternoon, Chair  
17 Treyger, Council Member Dromm. First of all, I'd  
18 like to start just by thanking the council for work  
19 with us consistently as well as the Mayor for last  
20 year raising the Fair Student Funding by \$125 or \$78  
21 million dollars to—for additional funding for  
22 schools. I've heard a lot of discussion about the  
23 Fair Student Funding Formula the last few moments,  
24 and it's absolutely true that the Fair Student  
25 Funding Formula needs tweaks. It is true that the



2 average teacher's salary is a problem and it is also  
3 true that at one time schools would charge the  
4 average teacher's salary for New York City not for  
5 their school. Another problem with the formula is—is  
6 empty seats. Some schools just by their nature have  
7 what we call breakage, maybe 40 kids in a particular  
8 grade where there can be 20 in each class, which  
9 results in less students needed to fund the actual  
10 teacher and—and the class. Some things I heard also  
11 were the fact that approximately on average two-  
12 thirds of a budget is Fair Student Funding. Many of  
13 the schools with the biggest issues are schools where  
14 more than two-thirds of their school budget is Fair  
15 Student Funding, and they are below 100% Fair Student  
16 Funding. I also heard discussion regarding strategic  
17 decisions being made by principals. If there is no  
18 money, there are no decisions to be made, and that's  
19 periods and that' a fact. I—I really appreciated  
20 Council Member Cohen's question asking about budgets  
21 being cut. Budgets were cut. There was a time when  
22 all schools were at or very close to 100%, and  
23 budgets were cut. They called them peg adjustments  
24 at the time. However, my testimony right now,  
25 although I think the—the formula is important and

2 needs to be worked on, right now the point is not  
3 even that. Right now the point is the fact that  
4 schools are being treated disparately. Again to—to  
5 Council Member Cohen's point, we have schools that  
6 for the last ten years have been underfunded  
7 according to the Fair Student Funding Formula. Every  
8 new school that was created, was created at 100%, but  
9 yet schools that have been underfunded for years  
10 continue to be, and that was a fine—that was a fine  
11 discussion to have ten years ago where we said okay,  
12 what we'll do is raise the floor consistently to get  
13 everybody to 100 rather than disrupt budgets that are  
14 already at 100%. That was—that—that made a lot of  
15 sense, but there is no reason that 10 years later we  
16 are still where we are. We're applying a formula  
17 that is designed for equity, and you heard testimony  
18 that the formula is designed to drive dollars where  
19 they need it most and that's great, but when you give  
20 me a formula to drive dollars needed—where it's  
21 needed most, and I have high needs, and then you tell  
22 me I'm receiving 90% of those dollars, they are no  
23 longer being driven to where they're needed the most.  
24 Now, we will continue to lobby in Albany, and we will  
25 fight for our fair treatment under Campaign for

2 Fiscal Equity formula. In fact, that has been  
3 something we have been pushing very hard for.  
4 However, it's time now that whether we get that  
5 funding or not, and chances are we'll get some of it  
6 that whether we get that funding or not, we do  
7 something to bring our schools to 100%. And—and if  
8 you've ever spoken, and I'm sure you have Council  
9 Member Treyger, Chair Treyger, to principals who have  
10 been in budget appeals all summer long only to get  
11 their final budget the first week of school, you will  
12 understand how our children are being short changed  
13 not just economically, but with the amount of time  
14 and attention that is being placed to their  
15 educations because principals are spending the entire  
16 summer fighting for their budget rather than planning  
17 for a school year so that kids can benefit most. And  
18 finally, I would like to thank you and the Council  
19 members for taking a resolution on early childhood  
20 pay parity. That is absolutely critical. Our  
21 members have been providing a quality education and  
22 showing up every day enthusiastic and motivated and  
23 giving our youngest children a chance they would not  
24 otherwise have had in life, but yet they are being  
25 paid at a very, very disparate and—and

2 disproportionately sad level of-of-of compensation.  
3 Those folks need to be made whole, and that needs to  
4 happen right away. Thank you, and I'll take any  
5 questions you have.

6 CHAIRPERSON TREYGER: So, Mr. Cannizzaro,  
7 you—so you mentioned before, and I appreciate both of  
8 your powerful testimony, you mentioned before that  
9 you are, in fact, hearing from school leaders that  
10 the current system almost punishes hiring veteran  
11 teachers because what I've heard from principals is  
12 the FSF increase was wiped away because of the  
13 average building salary increase.

14 MARK CANNIZZARO: My former school is a—  
15 is a perfect example of that. My school generally  
16 the average teacher's salary in my school was about  
17 \$10,000 above the citywide average. I had 85  
18 teachers, which had I been at the citywide average  
19 would have given me \$850,000 per year in additional  
20 spending authority. As a result of having to fund  
21 those teachers at their—at the average teacher's  
22 salary in my school, that—that put me in quite  
23 deficit so that I was in a budget appeal year after  
24 year, and while there may be something to be said for  
25 the fact that additional resources are needed for a

2 school that has many early career teachers, this  
3 formula over-compensates for that and it puts people  
4 in large schools with large numbers of teachers that  
5 are—that are—have teaching—average teacher's salary  
6 above the average at a tremendous disadvantage.

7 CHAIRPERSON TREYGER: That's what I've  
8 heard across the board.

9 MARK CANNIZZARO: Uh-hm.

10 CHAIRPERSON TREYGER: And it's almost as  
11 if it has the sinister design where you're pitting  
12 new teachers versus veteran teachers, and this  
13 reminds of-of the fight during the Bloomberg years,  
14 and it's something that we should be eradicating  
15 today, and—and, you know, and I applaud—and I know  
16 we've been joined by President Mulgrew and—and thanks  
17 to the excellent and powerful advocacy of the UFT,  
18 teachers' salaries are going up, and so that means  
19 the average salary of the building continues to go  
20 up. And I—I heard from folks who have good knowledge  
21 of the history of the DOE that they—they used to  
22 account for the citywide average. Do you know how  
23 far back that went?

24 MARK CANNIZZARO: I'm going to—I'm going  
25 to venture a guess and say it was around 2010 or 11

2 when they went to the average teacher's salary in  
3 their actual school. Maybe not. You give or take a  
4 year.

5 CHAIRPERSON TREYGER: And did you--any  
6 reason why they shifted that you--?

7 MARK CANNIZZARO: Well, I--I think that in  
8 the testimony you heard earlier was--was the--the  
9 philosophy behind that that earlier career teachers  
10 needed additional professional development. So, this  
11 would drive funds to the early career teachers where  
12 the later career teachers may not have needed as much  
13 professional development. I've made the  
14 recommendation that for schools with a large number  
15 or early career teachers that--that there is an  
16 allocation for provisional development, but the  
17 allocation again in a small school, where there might  
18 be a few students--a few early career teachers driving  
19 dollars for professional development. That may work,  
20 but a larger school where you have a large number of  
21 teachers below the formula is one issue, and then you  
22 look at the--the school next door with similar needs,  
23 but a large number of teachers well above the average  
24 teacher's salary. Those folks--those folks get  
25 penalized.

2 CHAIRPERSON TREYGER: And the final  
3 question, Mr. President, with regards to the October  
4 register month, because, you see, I know the inside  
5 baseball, and so no one could try to fool on this  
6 issue, but there are some folks in the DOE who are  
7 saying that this is no longer really an issue, but  
8 again, I speak to people on the ground. I don't live  
9 in a bubble here at City Hall, and so can you share  
10 with me whether this remains an issue today where  
11 students enter a school building after the register  
12 month, some of them might have additional needs than  
13 others, but they are not funded for it.

14 MARK CANNIZZARO: Yes, it's—it's an issue  
15 in many schools, not all but in—n many, many schools,  
16 and the issue goes both ways. Not only do students  
17 enter a particular school after the 31<sup>st</sup> and they're  
18 not budgeted for it. Quite often the Department of  
19 Education tells a principal that they must plan for  
20 certain classes, and they must fund those classes  
21 that don't materialize in September. Come October  
22 the 31<sup>st</sup> they're charged for the children that they  
23 never received, and the principal didn't predict  
24 those children come—coming. They were told by the  
25 Department of Education that these children protect—

2 often a special needs class or an English Language  
3 Learner, a bilingual class. It never materializes.  
4 Yet, the principal was told it was going to. They  
5 hired appropriate staff, and then come October 31<sup>st</sup>,  
6 they lose money from their register because those  
7 children never arrived. So, it-it cuts both ways.  
8 It-it's -schools receiving children after the 31<sup>st</sup>  
9 that they're not paid for and schools having to pay  
10 for classes that never materialized. It happens  
11 both-in both classes.

12 CHAIRPERSON TREYGER: And what I envision  
13 in my mind is again, in our public schools we welcome  
14 all. We welcome all. The-when parents and families  
15 come with their children, we-we-welcome them. We  
16 give them a seat in a classroom. We don't give them  
17 the ping pong ball like others, but the issue is, is  
18 that if they come to the school with particular  
19 needs, and that school is facing a significant gap in  
20 their FSF, as I mentioned before, some schools are  
21 maybe two guidance counselors or a paraprofessional  
22 or a social worker or an R program away from reaching  
23 a turning point. That's what hurts me is that we  
24 have kids in our school system that we know have  
25 certain needs that we cannot fund that mandate, and



2 are you continuing to hear these cases in our  
3 schools?

4 MARK CANNIZZARO: Absolutely and—and to—  
5 to—to even to take it a step further, schools that  
6 are fighting for budget appeals are often fighting  
7 for budget appeals just to put a teacher in front of  
8 a mandated classroom let alone an additional art  
9 program or guidance counselor, things that are  
10 certainly needed and critical for—for children's  
11 development so—so we just need to put a little more  
12 common sense around this—this whole idea of  
13 budgeting.

14 CHAIRPERSON TREYGER: Thank you very  
15 much, and one quick question to the IBO, what number  
16 does the IBO have in terms of getting all schools to  
17 100% FSF?

18 SARITA SUBRAMANIAN: Sure. So as of last  
19 year that was \$491 million for the 2017-18 school  
20 year.

21 CHAIRPERSON TREYGER: And is that  
22 including pension?

23 SARITA SUBRAMANIAN: That—that is not  
24 including pension. That's just based on what's--

2 CHAIRPERSON TREYGER: [interposing] And  
3 that's part of all the numbers?

4 SARITA SUBRAMANIAN: --in the school  
5 budget.

6 CHAIRPERSON TREYGER: It's probably a  
7 lot--a lot bigger.

8 SARITA SUBRAMANIAN: Yes.

9 MARK CANNIZZARO: Right about 40%.

10 CHAIRPERSON TREYGER: Yes.

11 SARITA SUBRAMANIAN: Or 61.

12 CHAIRPERSON TREYGER: I-I-I appreciate--  
13 look, look if it--if the state just paid its bill in  
14 the first place, we wouldn't even have--have this  
15 issue.

16 SARITA SUBRAMANIAN: No.

17 CHAIRPERSON TREYGER: I'd like to welcome  
18 President Michael Mulgrew of the UFT, and also just  
19 as well as to congratulate you, Mr. President, a very  
20 powerful contract that really lifts up the lives of  
21 educators. We welcome you here.

22 MICHAEL MULGREW: Thank you very much,  
23 and I want to thank you as the chair and, of course,  
24 Mr. Dromm so much for all of your work on education  
25 and I thank you for having this hearing. I've heard

2 a lot of the frustration. This is something that has  
3 to get changed. The common sense approach is gone.  
4 I was here when we started this budgeting process the  
5 first time. I was the previous mayor who did it and  
6 he said basically he wanted to treat every school as  
7 if it was a fast food restaurant, and that's how he  
8 was going to—like every decision being made at a  
9 school and whether they—if they were successful or  
10 not was—it didn't matter. It was—he would hold them  
11 accountable, but every school would be doing things  
12 this way. The average teacher's salary was a big  
13 thing. That's when we moved from what was known as  
14 the units into the average teacher's salary. To have  
15 a system that—and I've heard the arguments from the  
16 Department of Ed and from the city and City Hall that  
17 this is a better way of equity. If we're truly  
18 trying to get equity, let's first and foremost make  
19 sure that every child is receiving the basic services  
20 that the system is required to do. Yet, there is a  
21 great reluctance on their behalf to move to that type  
22 of system. The fact that you're putting all of this—  
23 there's a known entity in every school. We know how  
24 many children are going to be in the building. We  
25 know it plus or minus, but you know those children

2 are going to be there. So, you know how many classes  
3 you're going to need even if they're full how many  
4 classes you're going to need. You're going to—you  
5 are going to know how many support services they need  
6 because those are mandated. These are all finite  
7 things that can be figured out ahead of time. The  
8 fact that we go through this ridiculous process every  
9 year what then it's oh, here's a bucket of money we  
10 did on a formula that you're never going to figure  
11 out, but you have to figure out how to make sure all  
12 those services are being provided. That is a known  
13 quality-quantity that the Department of Ed should be  
14 supplying the school before the school year starts.  
15 What—does anyone think we have 1,800 budgeting  
16 experts as principals in New York City? Of course  
17 not. It makes no sense, and I believe it is an  
18 abdication of responsibility on the Department of Ed  
19 as—because they do not want to take that work on.  
20 They say it's the principle of autonomy. I've said  
21 I'm sure the principal would like a sheet saying oh,  
22 these are all the services, the minimum services I  
23 know I have to have in place. Thank you, but yet  
24 this has been banging like banging your hear against  
25 a wall when we have these discussions, and in terms

2 of the average teacher's salary, as I said, it was an  
3 idea that came out of the previous mayor and those  
4 who are like minded in terms of educational  
5 philosophies with him. None of them use this any  
6 more. Michelle Reed (sic) was the last one to use  
7 it. She says it doesn't work. Yet the largest school  
8 system in the country is continuing to use an idea  
9 that wasn't even theirs that was some really bad  
10 people who didn't like public education. It was  
11 their idea, and yet we're the people who keep using  
12 it, and it need to change. And it's difficult when  
13 we're trying to figure out the different formulas.  
14 We know from student—from looking at growth measures  
15 in terms of student learning. There are—you need to  
16 have a knowledgeable group of experts look at this.  
17 If you change one weight, and we started doing this  
18 at the state level with growth formulas, you would  
19 change one weight on one variable and then have an  
20 adverse effect—effect on three different other  
21 variables that you weren't counting on. So, there  
22 really has to be a knowledgeable group who sits and  
23 looks at these things. Not cycle matritions you  
24 don't understand that in the end these effects are on  
25 children not on the actual numbers. So, that common

2 sense approach to budgeting in terms of what are the  
3 weights that we're looking at. That is something we  
4 would love to work on with the Department of  
5 Education, and with the City of New York. I will  
6 never support and I will fight forever against using  
7 the average teacher's salary in the school. It's—  
8 it's an insane, assinine approach to school  
9 budgeting. Yet, the employer seems not to be willing  
10 to stop being asinine on this issue. And the last  
11 piece is I think there is a responsibility on all the  
12 adults to say to the school system at the beginning  
13 of every school year we know you have the staffing  
14 that is needed, the basic minimum staffing and that's  
15 what we call this, basic minimum staffing that is  
16 needed to make sure that every child is receiving the  
17 services that are mandated for them to use and one  
18 that is put in place, then there is autonomy with the  
19 budget. It would take a lot of work out of this in  
20 terms of principals now would have an understanding  
21 of what they're doing. People don't want to be  
22 frustrated when they're struggling to try to figure  
23 out their budget. I walk into schools, a lot of  
24 schools and the principal is like, I'm out of  
25 compliance and they're telling me I have no money,

2 and I can't hire the person I need to hire to get  
3 into compliance, and it's just insane. So, but we  
4 look forward. As always, this is a tough issue, and  
5 as my counterpart said, we will continue to go to  
6 Albany. We will continue to advocate and lobby on  
7 behalf of the school children of New York City and  
8 the school communities, but at the same time we are  
9 going to focus more and more now on lobbying on this  
10 issue because we're the people who do the majority of  
11 the lobbying, us and the parents, the two unions and  
12 the—and the parents do most of the lobbying on behalf  
13 of the New York City school system, and we want a  
14 better system in terms of making sure that all  
15 children are getting the services and the education  
16 they deserve. Thank you very much.

17 CHAIRPERSON TREYGER: Thank you,  
18 President Mulgrew. Wow. It's called drop the mic I  
19 think. [laughter] I asked the DOE earlier about who  
20 they involve in the process when they originally came  
21 up with Fair Student Funding. This was back in 2007-  
22 2008. So this was before the current administration.  
23 We didn't get much clarity other than hearing that  
24 there internal conversations and deliberations within  
25 DOE.

2           MICHAEL MULGREW: It was a group of  
3 deputy chancellors who no longer work for the city of  
4 New York.

5           CHAIRPERSON TREYGER: And according to a  
6 guide that we found that our great Council found they  
7 also consulted with some great--

8           MICHAEL MULGREW: [interposing] Uh-hm.

9           CHAIRPERSON TREYGER: --professors from  
10 the West Coast, Canada and John Podesta the former  
11 Chief of Staff in the White House.

12          MICHAEL MULGREW: Yep.

13          CHAIRPERSON TREYGER: So, I really didn't  
14 see or hear about educators, folks on the ground,  
15 stakeholder here in New York City that understand the  
16 New York City School System that came up this  
17 formula.

18          MICHAEL MULGREW: They were unabashed  
19 about saying they wanted to run every school as if it  
20 was a retail store. They were very proud of that  
21 point.

22          CHAIRPERSON TREYGER: So, we need to have  
23 a common understanding that this was a formula formed  
24 under an administration that really did not believe  
25 in public education.



2 MICHAEL MULGREW: Uh-hm.

3 CHAIRPERSON TREYGER: And I know that  
4 there's been some subtle tweaks since then, but for  
5 example just to share with you President Mulgrew and  
6 I'm sure that others have heard in the testimony the  
7 issue of poverty. Poverty is only accounted for up  
8 to the third grade. It-it acts in a way as a-as a-as  
9 a proxy because there are no test scores below the  
10 third grade, which they can rely on. It's almost as  
11 if you're in the fourth or fifth grade poverty  
12 doesn't exist any more, and we read reports that  
13 there is an increasing number of students in  
14 temporary housing--

15 MICHAEL MULGREW: [interposing] Uh-hm.

16 CHAIRPERSON TREYGER: --and these  
17 students are highly mobile. If they move to a  
18 different shelter or different location, then that  
19 need travels with them, but the funding does not. As  
20 we've heard before, past October that's it, and, you  
21 know, I know the DOE sometimes has their own version  
22 of this, but again I speak to folks on the ground.  
23 In addition to the great unions that we have, you  
24 know, I regularly check in with schools not just in  
25 my district, but I've been to schools across the

2 boroughs, and I hear the same thing over and over  
3 again. They don't have the funds to meet mandates  
4 services, and also I'd like to add that the DOE has  
5 this, you know, I think this--this poor practice of--of  
6 saying that only children with IEPs have needs.  
7 Well, I--first of all, I still think we're--we're  
8 failing their needs to meet their needs, but there  
9 are students without IEPs who still have needs, and  
10 we fail--there are students who experience trauma in  
11 different forms. So, this is, you know, and--and just  
12 to hear that really educators were not involved in  
13 this original process is very disturbing, and one of  
14 the bills I have is to create a task force or group  
15 of involving city educators, critical stakeholders  
16 to look at the formula now, and to come up with  
17 recommendations to the Chancellor, to the Council and  
18 to the Mayor on what tweaks or changes should be made  
19 to the formula to make it more equitable and fair. I  
20 just want to hear your thoughts on that.

21 MICHAEL MULGREW: I think it goes much  
22 further than that. I'm going to go--keep going back  
23 to this. It doesn't matter to a child who needs a  
24 service what the formula says. We have a  
25 responsibility as a school system to make sure that

2 child is getting their service, and what are you  
3 supposed to say to them and their family? Oh, I'm  
4 sorry the formula didn't work out for you this year.  
5 We don't have the money to hire the staff to do the  
6 service that you require—you need. That's insane,  
7 and—and just as you were speaking about poverty has  
8 accounted for such a—let's just the basics in place  
9 and guarantee that first. We have hundreds if not  
10 thousands of complaints about non-compliance a year.  
11 They go to the city, they go to the state, they're  
12 all over the place. Principals are stuck in the  
13 middle being left in a situation on no matter what  
14 they do, they can't make the educational decision  
15 they want to make. So, at first, formula is one  
16 piece, but we have to put in the minimum, that is we  
17 know what school community needs in each workplace,  
18 and to say that—for the Department of Education to  
19 say to us well the principal made the decisions,  
20 that's absurd, and they're just passing the buck and  
21 they know exactly what they're doing. We should have  
22 at least the assurance that every one of the basic  
23 services required are put in place. Period end of  
24 story and that should not be left up to everybody at  
25 the schools to figure it out, the Department of Ed

2 should be able to—it's a known quantity. Department  
3 of Education should run that report, make sure that  
4 that minimum is in place and then we can talk about  
5 formulas, but at least let's get that right first.

6 CHAIRPERSON TREYGER: And it's my  
7 understanding that there is a base amount provided to  
8 every single public school. Is that correct?

9 MICHAEL MULGREW: Well, that's \$250,000.

10 CHAIRPERSON TREYGER: Right, right. I'm  
11 just—I'm just saying that that's not even accounting  
12 for any needs of that school or any mandate service.  
13 It's just a blind amount. Is that right?

14 MICHAEL MULGREW: Yes. Did you ask the  
15 Department of Ed the question that if their school is  
16 100% funded is there a possibility that they won't be  
17 able to afford all of the services for the building?

18 CHAIRPERSON TREYGER: Well, we found many—  
19 we found examples where a school is short over a  
20 million dollars or in some cases the gap is over  
21 millions of dollars, and I know very well that these  
22 schools are having difficulty meeting their needs.  
23 So, I—I would argue that it's my—even—even with  
24 current shortfalls, it would be hard to meet all of  
25 the mandates services at this point.

2 MARK CANNIZZARO: What-what Mr. Mulgrew  
3 spoke about a moment ago, you and I have had this  
4 conversation. I've had this conversation with the  
5 Department of Ed. We've written about it, we've-  
6 we've jumped up and down and-and tried to scream  
7 about the obviousness of it. If you have mandates  
8 needs for a school everyone knows there's going to be  
9 a child in front-a teacher in front of every class.  
10 Everyone knows that based on a certain number of  
11 students or classes, you need assistant principals,  
12 guidance counselors, social workers, school aids,  
13 school secretaries, deans in middle schools and high  
14 schools. Everyone knows that those needs are there.  
15 Fund them first at no charge to schools, and then  
16 talk about a formula for needs beyond that.

17 MICHAEL MULGREW: Yes.

18 CHAIRPERSON TREYGER: Yes. Some of my  
19 colleagues have questions. Council Member Rodriguez.

20 COUNCIL MEMBER RODRIGUEZ: Yeah, thank  
21 you, Chair. Here we are pretty educated.

22 MICHAEL MULGREW: Yep.

23 COUNCIL MEMBER RODRIGUEZ: The gentlemen  
24 here with more seniority I think than-I have but  
25 I did 13 years in the classroom before being elected

2 to office and co-chair, too, I mean co-founder to a  
3 school, you put an high school in Washington Heights  
4 Health Academy, the community school that you visited  
5 there. For me it breaks my heart how we are living  
6 in a city where we have the most segregated education  
7 assistance in the whole nation, and that's happening  
8 under our watch and it's not only about are the  
9 students ready to read or do science and math at the  
10 level when they go to middle school, but are there  
11 resources of a school depending on the C (sic) cut  
12 that we have. How did DOE in this formalized know  
13 and take into consideration a school that because  
14 most of the students they are middle class, and they  
15 could raise half a million dollars and when the DOE  
16 say you have to cut the budget especially art and  
17 music, those four are the first thing cut. There's  
18 so much schools that they are poor serving the under-  
19 served community as the one that I serve that the  
20 principal had to deal with the cut, but here we have  
21 the other schools where the parents are able to raise  
22 the \$200,000, half a million dollars. So, how this  
23 formula is leaving behind that reality to look at,  
24 you know, capacity of schools to raise more funding  
25 than others, and what is the city doing to say if we

2 are in numbers—what percent of the school have PTA  
3 that they are—they cannot raise a dollar? And don't  
4 have a report on the different—making the formula  
5 that we need to put in place. That's the additional  
6 one. Like how are we letting those realities  
7 happening all the time, and most importantly, for me  
8 is thinking about the formula and—and I think it is  
9 important to especially look at poverty, you know,  
10 as—as an important factor on how we achieving the  
11 funding, and how even today that's not happening in  
12 our city. [pause] When you look about our budget,  
13 \$25 or \$26 billion like what percentage of that money  
14 because for me the lack of resources that we have in  
15 our schools for principals and teachers is not only  
16 the lack of funding that we have at the DOE, it's  
17 also how we use—how we spend the money. What percent  
18 of that money is used directly for principal and  
19 teachers, and what percent is used for the central  
20 office?

21 MARK CANNIZZARO: Yeah, well—well  
22 there's—there's no—three no right answer to that  
23 question because it's different in every school based  
24 on salaries of folks and the percentage of funding  
25 and so on an so forth and then there's an additional

2 piece to that that makes things even more  
3 challenging. Some schools qualify for Title 1  
4 dollars that they can drive to their students in  
5 poverty, and some schools have a significant number  
6 or students in poverty as Council Member Lander was  
7 discussing earlier and they don't have Title 1  
8 funding to driver to those students. So, that's a-a  
9 complicated answer to what should be a simple  
10 question. The fact of the matter is the needs and-  
11 and Michael testified to this a moment ago if a child  
12 has a need, we need to be able to provide that need.  
13 As far as percentages and things, I-I think you'd  
14 have to get that information from the Department of  
15 Education because I don't have the answer unless the  
16 IBO may have some-some help there. I don't know.

17 MICHAEL MULGREW: It's--there have been  
18 numerous audits done over the years by the  
19 Comptroller's Officer. It's the shifting of personnel  
20 to school budgets versus they'll shift them back to  
21 the Central Budget. It depends on what people are  
22 looking at. I-look, this budgeting piece is-it's  
23 been something that is one of the things that were  
24 left over from the last administration. We know  
25 numbers are games at times let me in. This is



2 children so this is not a game we should be playing.  
3 I am happy that our school system is moving forward,  
4 but I think it's going—it needs to solve this piece.  
5 That's why it's appropriate to be having this  
6 conversation right now. What his the amount of  
7 central spending? What—what's the real number? Are  
8 we doing to play—if we're looking at central spending  
9 then shift all the personnel to the school budgets,  
10 and therefore, central spending just went down. Did I  
11 really go down? Probably not, but then if you want  
12 to look at, you know, this is—these are the games  
13 that are played. So, if you're going to have a safe  
14 space where people will actually engage in a  
15 conversation about what's the best way to budget for  
16 the schools and also budget for the support services  
17 that we know our system needs. That's a conversation  
18 we're willing to have. That is not a subject of  
19 collective bargaining. It's been ruled out, which is  
20 why we now push for minimum staffing requirements.  
21 That is something we have been pushing at very  
22 aggressively, but overall, look, this is New York  
23 City. We know the politics around everything, but I  
24 think if we could create a space where people could  
25 actually have a real conversation about what would be

2 a better system for funding both the schools and the  
3 support services that schools need. I think that  
4 would be worthwhile because this is what I do know,  
5 when a system is set up and they have all their  
6 little computer systems ready to go, the  
7 bureaucracies don't like to change.

8 COUNCIL MEMBER RODRIGUEZ: I-I just think  
9 that---

10 MICHAEL MULGREW: [interposing] They are  
11 not going to change.

12 COUNCIL MEMBER RODRIGUEZ: Right. I just  
13 think that again I hope at some point we-working with  
14 you guys, you know, who represent the-the principals  
15 and the teachers who have been assigned responsible  
16 to take to a certain level of students without all  
17 the resources that they need. Right, so maybe this  
18 is about like which is the generation that will have  
19 like an open conversation saying, you know, you  
20 cannot be that-a principal who work with a student in  
21 high school when they gather students that they will  
22 read and write and doing math in fifth grade level  
23 that they are the new coming, that they are taking  
24 the student over the county, that the DOE is not  
25 adding additional funding after a certain period of

2 time. When are we looking at those pieces to say,  
3 you know, unless those resources are added there 10,  
4 40, 60 years from now we will be creating the same  
5 system that we have here leaving the students behind  
6 not because of lack of leadership, but yes because we  
7 live in the city of the two tales. Well, if you have  
8 a student in a middle-class community they're so-  
9 sports is part. Those of us—anyone that is raising  
10 children, you know, that your child is in a good  
11 competitive sport program. After school programs, we  
12 know that that' key, and special additional  
13 resources, psychology, guiding counselor, all those  
14 programs is what makes the difference. What  
15 resource—additional resources—why in the formula on  
16 the Title 1 and other investments, we're going to say  
17 it should be—it's mandatory that the school—a school  
18 should have the funding to provide mandatory at the  
19 school program for elementary school. That's we are—  
20 I used to be high school My wife used to be  
21 elementary. She just told me forget about high  
22 school. Real attention happens when you work from  
23 the Pre-K to the fifth grade, and here we have many  
24 schools that in the way of how we distribute the  
25 Title 1 and other funding, unfortunately, we are not

2 providing enough resources and we need to fight  
3 together to be sure that every single community get  
4 the same resources and poverty should be one of the  
5 important factors to decide how—where there should be  
6 the funding here, and it needs to stop prioritizing  
7 most of the funding to Central Office and reassigning  
8 people to other places. Most of the funding should  
9 be directly to the schools.

10 MICHAEL MULGREW: Thank you.

11 CHAIRPERSON TREYGER: Thank you. Council  
12 Member Lander.

13 COUNCIL MEMBER LANDER: Thank you, very  
14 much Chair Treyger. I do want to get your take and  
15 we've been getting at this, and I've got up here a  
16 little late, so maybe it was in your testimony to  
17 begin with, but to just kind of take a step back and,  
18 you know, obviously we have these quite different  
19 approaches that each have their merits putting  
20 resources through some formula in the hand of a  
21 principal that can build a strong school community  
22 and work with folks in their building to do it has  
23 merit. On the other hand, we want every school to  
24 have a guidance counselor, and we want every school  
25 to have PE and like, you know, so the, you know, the

2 version of public education I grew up in it was clear  
3 what a school was going to have. You had a set of  
4 classrooms. Everyone of those classrooms had a  
5 teacher, you had a nurse, you had a guidance  
6 counselor, and, you know, they all were wherever they  
7 were on the salary formula. So, you wound up with a  
8 budget built by functions rather than by formula and  
9 students—

10 MICHAEL MULGREW: Correct.

11 COUNCIL MEMBER LANDER: --and, you know,  
12 each approach has strengths and weaknesses and then  
13 you wind up trying to blend them because you got the  
14 formula, but then you don't have guidance counselors,  
15 so then we say we want more guidance counselors, and  
16 then-- So, I mean I, you know, I don't—I think  
17 that's where we are and we're going to try to push  
18 harder to make everybody up at 100% and to adjust for  
19 some factors like poverty and some of the things with  
20 the Title 1 Cliff and some of the things we're  
21 talking about. But I—I just—I thought it might be  
22 useful to get your perspective on just the general  
23 approach of school budgeting and what, you know, what  
24 has been gained in the transition from that more  
25 functional approach, and what has been lost, and what

2 that teaches us for moving forward? [background  
3 comments]

4 MARK CANNIZZARO: Thank you and—and I  
5 love that question actually, and it's a hybrid  
6 approach that I think is—is the best approach, and  
7 there has been a lot learned from this Fair Student  
8 Funding Formula and—and—and I thin the first thing is  
9 to—to the to the point that both Michael and I were  
10 making. When you have a school of a certain size,  
11 you know how many teachers you are going to need at a  
12 minimum. You should be able to come up with a  
13 formula based on the students and/or the classes  
14 because special needs schools have fewer students,  
15 but more classes. So, you should need to be—you  
16 should be able to come up with a formula for all your  
17 support services in addition so how many—what's the  
18 minimum number of guidance counselors you should have  
19 for this population, the minimum number of deans, for  
20 example, school secretaries, school aids,  
21 paraprofessionals all of these—all of these needs  
22 should be there and then once you come up with those  
23 needs, and you submit them as—as Michael testified  
24 to, on a sheet of paper and say here they are, and  
25 here's the dollars, there tends to be—there can still

2 be some discussion at the school level, school  
3 leadership teams to say, you know what, this  
4 particular school might not need four deans. Maybe  
5 we need two, and we're going to use those resources  
6 differently. At least that speaks to all of the  
7 rhetoric we hear about decisions that are made at the  
8 school level to keep certain people and to—and to,  
9 you know, to hire additional other titles, right?  
10 So, so then somebody can stand up and say yes, I'm  
11 accountable for that decision because myself and my  
12 team made that decision for this reason. Once that  
13 piece of the formula is put aside, then by all means  
14 develop some type of fair student funding formula  
15 that will drive additional dollars to the school to  
16 be spent discretionarily.—discretionarily for other  
17 needs of the school to be used for children in  
18 poverty that might need either a smaller class size  
19 or a academic intervention services of a different  
20 kind or to use for after school programs that are  
21 needed, and all of the other programs may be needed.  
22 But, none of that can or should happen until every  
23 school knows from day 1 until the end of the year and  
24 planning for the following year that every one of  
25 their required staff members are going to be there.

2 No one should go into the summer saying I don't have  
3 a third grade teacher because I can't afford one, and  
4 I have to put an appeal in for that. That should  
5 never happen. So, again, if you take all your needs,  
6 you fund your needs, let people make decisions even  
7 within that, but then go to formula that's needs-  
8 needs based. I think we're going-that will-that will  
9 bring you up to the-to the best of both worlds.

10 MARK CANNIZZARO: The-the hybrid approach  
11 is the appropriate way to go. Following up on  
12 everything he just said, this way you have the  
13 ability for a school to customize its own educational  
14 program based off of their judgement or what the  
15 needs of their students are, and at the same time, we  
16 as a s city can feel comfortable knowing that every  
17 child is receiving the-the services that we know that  
18 they need. So, that clearly is the way to go and as  
19 well as just basic common sense that you also take a  
20 lot of ridiculous amount of work. Just imagine what  
21 goes onto a school when they're trying to figure out  
22 what they actually need when the Department of  
23 Education should just be sending it to them. I mean  
24 a principal has to get all of the stuff broken down,  
25 figure it all out, do-I mean just sent it to them,



2 and tell them what they need. You know and then the  
3 school communities can say listen, we really want a  
4 much lower ratio for guidance counselor caseloads,  
5 and we want to hire extra guidance counselors, or we  
6 have the space, and we really want lower class sizes  
7 so we hire—we want to hire extra teachers. That  
8 discretionary money and decision making should be at  
9 the school level. So, I think the hybrid approach is  
10 the right way to go and not this—what we have now.  
11 Clearly, I don't think anyone at this panel believes  
12 that we should continue on the path we are on.

13 SARITA SUBRAMANIAN: I just wanted to  
14 speak a little bit to what I know about when the  
15 formula was created, and the idea of funding being  
16 distributed to schools based on need, and I know  
17 there was some discussion of that having some sort of  
18 redistribution effect in terms of where high quality  
19 teachers are located in schools, and I know there is  
20 a lot of discussion in the hope that maybe providing  
21 more funding to schools that we're serving more  
22 challenging students would be able to attract better,  
23 better quality teachers. So, I—I think that that is  
24 definitely attention in how the formula is used and  
25 that's, you know, sort of what we're hearing from the

2 perception as well, but I think that that's also why  
3 we see a lot of high schools that are underfunded.  
4 And so that's also a function of how it was first  
5 implemented, and so these high schools were severely  
6 underfunded. Now, they're a little less underfunded.  
7 So, you know, I think a lot of it is related to how,  
8 you know, as you were talking about how it was  
9 implemented initially.

10 CHAIRPERSON TREYGER: Council Member  
11 Dromm.

12 COUNCIL MEMBER DROMM: Yes, thank you. I  
13 think that many Council Members assume that the  
14 formula, the hybrid formula that you're talking about  
15 is exactly what's going on in the Department of Ed.  
16 So, I think we'd have to do a little educating around  
17 that, but my questions really today is to the IBO  
18 office because in the—in your testimony you said that  
19 the \$125 million turned into \$78 million. Can you  
20 just tell me how that happened?

21 SARITA SUBRAMANIAN: Sure. [laughs]

22 COUNCIL MEMBER DROMM: Yes.

23 SARITA SUBRAMANIAN: So, I didn't mean to  
24 imply that it turned into \$78 million. I was—I just  
25 wanted to make it clear that the analysis that we

2 worked on focused just on funding that shows up in  
3 school budgets.

4 COUNCIL MEMBER DROMM: But see, that's  
5 what we were told when we negotiated this. We were  
6 told that this was going to go directly into school  
7 budgets.

8 SARITA SUBRAMANIAN: So, it includes  
9 pension and fringe costs that are centrally budgeted,  
10 and so it is true that it accounts for staffing at  
11 schools. However, not all of the funds that are  
12 needed for pension and fringe costs reflect—are  
13 reflected in in school budgets.

14 COUNCIL MEMBER DROMM: So, how is the  
15 decision—I mean, I should have asked the Department  
16 of Education this probably more, but maybe you know  
17 since you did the report. How do they decide how  
18 this all comes about. Like do—do the schools say to  
19 the Department of Ed we need a new teacher then  
20 you're going to have to split the cost? Or how do  
21 they divvy up that funding into the school budgets?

22 SARITA SUBRAMANIAN: That's an excellent  
23 question, and I'm not sure. The—the question, you  
24 know, the reason why we chose to look at what—what is  
25 on school budgets is that we're not sure at what

2 point principals think about accounting for the  
3 pension and fringe costs of their staff.

4 MARK CANNIZZARO: I can help with that.

5 SARITA SUBRAMANIAN: Yeah.

6 COUNCIL MEMBER DROMM: Sure.

7 MARK CANNIZZARO: Okay, fair student  
8 funding dollars just specifically fair student  
9 funding dollars normally come net of fringe costs.  
10 So, in other words, if your teacher costs \$100,000  
11 and you have 100—if your teacher's salary is \$100,000  
12 and you have \$100,000 in Fair Student Funding money,  
13 you can afford that teacher. Other funding streams  
14 come with fringes attached. So, for example, if you  
15 had a grant fund that you—you applied for a grant and  
16 you got it from an outside source, you would then be  
17 able—then you would be required to pay fringe  
18 benefits on that. So, you hire \$100,000 teacher, but  
19 that costs \$140,000. It was our understanding that  
20 this \$125 million was Fair Student Funding dollars  
21 net of fringe costs, but apparently it was not. It  
22 was at gross of \$125 million that then was—only gave  
23 you say \$78 in purchasing power because of the  
24 fringe.

2 COUNCIL MEMBER DROMM: So, does that mean  
3 when we negotiate moving forward we need to be more  
4 specific about how that money is used?

5 MARK CANNIZZARO: Yeah, that's—that's  
6 accurate. The fact of the matter is right, it's—it's  
7 \$100,000 salary costs in effect more than \$100,000  
8 just like whatever the net salaries of every educator  
9 or person in a school at any given time whatever—  
10 whatever that sum cost is, is actually much greater  
11 than that, but with fringe benefits, but we were  
12 under the impression that because it was Fair Student  
13 Funding dollars, which are normally net of fringe  
14 that this was also.

15 MICHAEL MULGREW: You need to ask those  
16 questions when you're negotiating with them.

17 COUNCIL MEMBER DROMM: Right.

18 MICHAEL MULGREW: People who negotiate  
19 with them really need to ask those questions.

20 MARK CANNIZZARO: So folks that say they  
21 went from 87 to 90 did not go from 87 to 90 if you're  
22 talking about the dollars that 87% generated verse  
23 the dollars that 90% generated. They really went  
24 from 87 to 89 or 88 and three-quarters.

2 COUNCIL MEMBER DROMM: Do, let me must go  
3 back to IBO again. So with IBO you said it was about  
4 \$491 million?

5 SARITA SUBRAMANIAN: Correct.

6 COUNCIL MEMBER DROMM: Needed to bring  
7 everybody in. Does that include the fringe costs?

8 SARITA SUBRAMANIAN: That does not. No.

9 COUNCIL MEMBER DROMM: It does not. Is  
10 that—Okay yeah. Okay, alright. Now that I'm Finance  
11 Chair, I need to know these things a little bit  
12 better.

13 SARITA SUBRAMANIAN: Yes.

14 COUNCIL MEMBER DROMM: So, thank you.

15 SARITA SUBRAMANIAN: And I think that  
16 that came out of the state mandate to incorporate  
17 pension and fringe costs into what was reported to  
18 the state.

19 COUNCIL MEMBER DROMM: Is—is there any  
20 idea about how class size reduction funding affects  
21 classroom teachers, et cetera that you were talking  
22 about like is—is—in terms of having a one budget that  
23 supplies everybody with the needed costs for  
24 personnel?

2           MICHAEL MULGREW: Everything becomes  
3 discretionary at the school level in terms of how the  
4 money is utilized. So, this is why the whole system  
5 is somewhat broken because you're sending money--you  
6 believe you have sent money to do something, but the  
7 school sees the money and they're like I'm still  
8 trying to supply basic services. I'm using it for  
9 that, and--and the people inside of the system  
10 understand that's what's going on, but they seem  
11 perfectly willing to allow it to keep moving that  
12 way.

13           MARK CANNIZZARO: And I have tried to  
14 assist people budget appeals using that rationale.  
15 These dollars were for this. Now give me my money  
16 for my teachers, and it--it didn't work.

17           COUNCIL MEMBER DROMM: Right. So I think  
18 that one of the most interesting things that I heard  
19 here today is that a school can be at 100% Fair  
20 Student Funding, but still not have all their needs  
21 met.

22           MARK CANNIZZARO: Okay.

23           COUNCIL MEMBER DROMM: Thank you.

24           CHAIRPERSON TREYGER: Well, I--I agree  
25 with that but the reason why we had a hearing on FSF

2 is because out of all of the funding streams to a  
3 school, when you hear from school communities this is  
4 the most precious funding stream because it's the  
5 most flexible funding streams. Title 1, you can't  
6 paly around with. Title 3 you can't play round with.  
7 Here you have flexibility in theory if you were  
8 funded to meet all the needs of your students and you  
9 get—you can get creative with the budget because  
10 right now I feel that folks are budgeting just at the  
11 fringes just to—just to meet the bare minimum, but  
12 the minimum is—is still low. Again, there is this  
13 mindset that only students with IEPs have needs.  
14 That's not true. I have, you know, I have  
15 represented a community that sometimes deals with gun  
16 violence. Those students don't divorce that reality  
17 when they come to the school the next day even if  
18 they don't have a IEP. They need to speak to someone  
19 but what if the elementary school doesn't have a  
20 guidance counselor or has a part-time guidance  
21 counselor one that works one day a week? So, I agree  
22 President Mulgrew that the formula itself was created  
23 at a time where leaders do not believe in public  
24 education. The formula is broken, and I agree that  
25 even with 100% funding, we would still be short. We



2 still need the state to step up as well, but this is  
3 the city tax levy dollar. This is a very precious  
4 stream for our schools currently, and as we wade more  
5 and more into the—and by the way, I want to thank  
6 Chair Dromm and this committee because we gave and  
7 education to the state and to many folks who do not  
8 know that FSF was I think prior to this year, but we—  
9 we're currently dealing with the formula right now  
10 that says if you are poor in the fifth grade, you're  
11 on your own. That's the reality of the formula, and  
12 for some reason, the set the base rate for—about  
13 \$4,000 per student. It goes up in middle school  
14 slightly and then goes down in high school and the  
15 schools that are facing the most significant  
16 challenges are in the high school level, and I—I used  
17 to teach high school, and I remember hearing from the  
18 DOE college and career ready, college and career  
19 ready. We're not ready. Is the DOE ready to budget  
20 responsibly? No, it's clearly not, and so I—I want  
21 to thank all of you for helping to provide us with  
22 critical information. There's a lot more work to do  
23 and—but we're going to do it in consultation with you  
24 and our educators at the front lines, and not chiefs

2 of the staff to the White House or professors from  
3 Canada, and so thank you very much.

4 MICHAEL MULGREW: Thank you for your  
5 questions and it's obvious you have done your  
6 homework also. So, we appreciate that.

7 CHAIRPERSON TREYGER: Thank you, thank  
8 you.

9 SARITA SUBRAMANIAN: Thank you. [pause]  
10 I'd like to welcome Mr. Thomas Shepherd. Did anyone  
11 else sign up to speak because we don't have any more  
12 sign-ups? If not, this hearing is adjourned.

13 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date November 18, 2018