

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 27th. 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.

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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

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

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 31st 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 31st 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 31st,
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 31st
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

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