**Education Law §3614 School Funding Allocation Report**

**Part F - Narrative Description**

**(A) Describe the local methodology/approach used to allocate funds to each school in the district during the process of budget development and implementation. (B) Please also describe the role(s) of all relevant stakeholders in such budgetary processes and decision-making. (C) Finally, if schools are allocated a significant portion of their funds—either in part or in full—through a formula, outline the nature/mechanics of the formula and the elements impacting each school’s allocation.**

**Specifically, the Division of Budget and the State Education Department would consider a complete response to this question to include explicit answers to the questions included in the rubric below, including a substantive discussion on the translation of students needs into the district's budget (at least 1 sentence per question, when applicable).**

Approximately two-thirds of school budgets are allocated via the Fair Student Funding (FSF) formula, a weighted student funding formula. In addition to FSF, schools receive other funding through School Allocation Memoranda (SAMs). DOE allocates funding to schools via SAM to support specific purposes. Schools can then budget for the needed services, such as teachers and supplies. The written description in each SAM provides; the purpose of the funds, background about the funds, source of the funds and how the funds should be used. Schools receive funding via SAMs only for programs they are eligible for, such as Title I. All SAMs are posted on the DOE website.

FSF is based on the following principles:

• School budgeting should help improve student achievement, move the school system towards funding equity, and be transparent and predictable;

• Different students have different educational needs, and funding levels should reflect those needs as best as possible; and

• School budgets should be transparent so that funding decisions are visible for all to see and evaluate.

In keeping with these principles, FSF means that:

• Money follows each student to the public school that he, she or they attend;

• Schools receive funding for each student based on grade level; and

• Schools also receive additional dollars in accordance with the needs of each student.

The FSF allocation provides dollars to schools as follows:

• Grade weights, based on student grade levels;

• Needs weights, based on student needs including academic performance, special education needs, and English proficiency; and

• Enhanced weights for students in “portfolio” high schools, such as arts high schools or Career and Technical Education high schools.

Two additional resources are provided to schools through the allocation but not included as part of the formula:

• Base (“foundation”) amount – a fixed sum that all schools receive; and

• Collective bargaining-related increases for staff funded with FSF.

Below is a table of the FSF weights and associated per capita.

In particular, the weights are designed to do two things:

• Meet the needs of students who need the greatest support; and

• Reflect objective criteria that can be applied evenly.

FSF Category

Type of Pupil/Need Grade Span Weights FY 2023

Per Capita

Grade Weight General Education and Special Education Pupils

K-5 1.00 $ 4,197

6-8 1.08 $ 4,533

9-12 1.03 $ 4,323

Academic Intervention

Poverty 0.12 $ 504

4-5 Well Below 0.40 $ 1,678

4-5 Below 0.25 $ 1,049

6-8 Well Below 0.50 $ 2,100

6-8 Below 0.35 $ 1,469

9-12 Well Below 0.40 $ 1,678

9-12 Below 0.25 $ 1,049

9-12 Heavy Graduation Challenge OTC 0.40 $ 1,678

English Language Learner

K-5 Freestanding English as a New Language (ENL) 0.40 $ 1,678

6-12 Freestanding English as a New Language (ENL) 0.50 $ 2,100

K-5 Bilingual 0.44 $ 1,847

6-12 Bilingual 0.55 $ 2,308

K-5 Commanding 0.13 $ 546

6-12 Commanding 0.12 $ 504

K-12 Students with Interrupted Formal Education (SIFE) 0.12 $ 504

Special Education Needs Weight

Low Intensity <=20% (SING) 0.56 $ 2,351

Moderate Intensity 21% to 59% (MLT) 1.25 $ 5,249

K-8 Less Inclusive >= 60% (SC) 1.18 $ 4,956

9-12 Less Inclusive >= 60% (SC) 0.58 $ 2,452

K More Inclusive >= 60% (ICT) 2.09 $ 8,765

1-12 More Inclusive >= 60% (ICT) 1.74 $ 7,304

K-12 Post IEP Support 0.12 $ 504

Portfolio Schools

CTE Tier 1 0.26 $ 1,091

CTE Tier 2 0.17 $ 714

CTE Tier 3 0.12 $ 503

CTE Tier 4 0.05 $ 210

Specialized Academic 0.25 $ 1,049

Specialized Audition 0.35 $ 1,469

Transfer - Heavy Graduation Challenge 0.40 $ 1,678

Transfer - Regular Graduation Challenge 0.21 $ 875

As an example, 11X566, Pelham Gardens Middle School, has a total FY 2023 projected register of 236 students.

• Applying the FSF student need weights (above) to those students and their unique characteristics (ELL, Special Education etc…), the school has an FSF weighted register (based on their register as per the table of weights above) of 457.6.

• At the FSF per capita of $4,197, at the school’s funding percentage of 100%, the school has a FY 2023 FSF register allocation of $1,920,638.

• Applying fringe and pension benefits (which are allocated outside of school budgets) brings us to the school’s FY 2023 Weighted Register allocation of $2,895,780.

• Each school receives $225,000 in FSF foundation. This is outside of each school’s weighted register allocation, but a part of their FSF funding. Applying fringe and pension results in a per school value of $339,236.

• Each school receives funding for collective bargaining related increases for staff funded with FSF. 11X566 received $567,739 in FY 2023 to cover collective bargaining related increases for their staff. Funding for collective bargaining increases is outside of each school’s weighted register allocation, but part of their FSF funding. Applying fringe and pension results in $855,990 in collective bargaining funding.

• The total amount is computed as the sum of each school’s weighted register allocation, foundation, and funding for collective bargaining. For 11X566, this is the sum of $2,895,780 in weighted register funding, $339,236 in FSF foundation, and $855,990 in Collective Bargaining. This totals $4,091,006.

In FY 2022, for the first time ever, all schools were funded at 100% or more of their Fair Student Funding formula amount, thanks to the State’s pledge to fully fund Foundation Aid. In FY 2023, as Foundation Aid phases in, FSF is now fully funded without the aid of temporary federal stimulus funding.

**If applicable, is there anything unique about certain schools which explain why per pupil spending at these locations may be significantly higher/lower than the district average?**

As a result of the FSF Formula and other targeted investments, per pupil spending tends to be higher at schools serving higher-needs populations, including students with:

• concentrations of students in poverty;

• concentrations of students in temporary housing;

• concentrations of students with disabilities;

• concentrations of English Language Learners;

• lower math and ELA proficiency rates; and

• lower graduation rates.

**If applicable, describe any items which the district feels are anomalous in nature and require additional description.**

All Sections –

• Due to the uncertainty around the continuing COVID-19 pandemic and the coming school year, as well as the large influx of Federal stimulus dollars to DOE in FY 2023, the projections shared in this report may change as conditions require. In addition, some Federal stimulus and other funding cannot yet be assigned to specific schools.

Part A – District Level Information

• DOE has noted that beginning in FY 2021, a new column exists in Section III of Part A which divides the amount of funding by the FTEs for each row. All of these spending categories include significant OTPS (Other Than Personal Services) spending and this methodology should not be used to infer conclusions about salaries for staff employed in activities covered under these rows.

• Fringe/Pension – Part A of the Form requires the DOE to report on fringe and pension costs in such a way that has not been traditionally reported by the City. The State form’s “fringe” category requires DOE to include pensions and other personnel benefits. However, within the City’s budget, pensions are not considered part of DOE’s operating budget. As a result, the State Form automatically produces a fringe rate that is higher than the fringe rate DOE typically reports. Additionally, the DOE noted that the fringe rate was rounded to two decimal places for all calculations in the form and has adjusted the calculations accordingly.

The fringes for school staff hired with Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funds were paid by local sources in FY22 but will be paid by Federal Sources in FY23. This change increases the Federal budget for these locations.

• Funding Source – There are instances where the total budget figures will not match the City’s Financial Management System (FMS) due to constraints of the Form that create automatically calculated amounts and require specific categorizations of funds under the ST-3. For example, the Form requires the DOE to include Impact Aid under State and Local funding, rather than Federal where it is typically budgeted by the City.

• Debt Service – Debt Service expenses have increased from year to year as a result of debt market conditions and actual capital expenditures.

• Prekindergarten (Pre-K) Community Based Organizations (CBOs) – In FY 2023, this number reflects an increase from the prior year as a result of an expansion of 3-K programming.

• Central District Costs – The other central services category requires that the DOE include instructional costs which are centrally managed on behalf of schools: centrally managed instruction, categorical grants, and certain collective bargaining payments to our unionized workforce. The guidance for the Form prevents DOE from accurately reporting some of these expenditures as school allocations despite the fact that they are services provided in schools to students. Additionally, in FY 2023, this category includes stimulus and other dollars for which a methodology for distribution has not yet been finalized.

• Summer Programming and Services – In FY 2023, this number reflects an increase from the prior year as a result of an expansion of summer programming and a methodological change which now picks up Chapter 683 expenses.

Part B – Basic School Level Information

• In the interests of completeness and transparency, the DOE has included some schools that do not have traditional BEDS codes. Placeholder BEDS codes have been used as per previous SED guidance.

• The DOE does not collect information in machine-readable format on teaching experience prior to the DOE. Teacher experience information is based on the number of years of experience teaching at the DOE.

• Some school type/grade categories were added which are unique to New York City (e.g., District 79).

Part C – Basic School Level Allocations

• Following the State’s directions on how to complete the Form, results in the school funding per pupil amounts are inconsistent with resource allocations made by the DOE. The automatic calculations within the Form distribute a standard central district cost per pupil, using data from Part A. However, funding for many of DOE’s centrally managed programs are not in school budgets but are targeted to schools in high-need districts.

• In addition, there will be high variability in per pupil funding among schools depending on the type of school and range of services and supports provided. For example, District 75 schools serve students with severe disabilities and therefore results in higher per pupil costs.

• This year, school budgets decreased due to enrollment declines across the system, from which schools saw minimal impacts in previous years, as well as the planned phase-down of stimulus funding. Stimulus funding was front-loaded into FY 2022 in order to address the impacts of the pandemic in the first year of full-time in-person schooling.

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Part D – School-Level Spending on Pre-K and Community Schools Programming

• The DOE has suggested modifications to the State Form in order to include Pre-K students with disabilities as part of Part D of the report. The State did not modify their reporting template this year. As a result of the limitations of the State’s template:

o In Part D, Pre-K students with IEPs and their associated costs have been excluded as per the State’s instructions.

o As a result, figures in Part D, including State grant claiming figures, do not match public numbers.

Part E – Locally Implemented Formula

• At the inception of this form, the DOE suggested modifications to the State Form in order to accurately capture key elements of the DOE’s locally implemented funding formula. The State did not modify their reporting template this year. As a result of the limitations of the State’s template:

o The formula percentages calculated on Part E, column G are incorrect. The DOE calculates FSF percentages based only on the weighted student funding portion of the FSF allocation.

o The difference calculated in Part E, column F deducts formula funding over 100% from the total. As a result of reverting to the State’s format, the cost to bring all schools to 100% of the formula is listed as a negative.

o The local formula as percent of total funding calculated in final row of Part E includes schools which do not receive formula allocations, such as Citywide Special Education students and Pre-K centers.

• There is high variability in “local formula as percent of total funding” based on the type of educational programming at each school. For example, schools with Pre-K programs will be on the low end as Pre-K funding is not included in the formula. On the high end, schools that do not run a lot of categorical programs funded via SAMs (i.e. Title I, Title IV, Contracts for Excellence) are more dependent on FSF.

  