



# Community District Education Council 26

## New York City Department of Education

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### Resolution in Response to the Administration's Proposed Changes to the Fair Student Funding Formula

February 9, 2023

**WHEREAS**, the Fair Student Funding (FSF) Working Group convened on July 28, 2022, and three months later, working part-time for a few hours bi-weekly, delivered a final set of recommendations to the Chancellor on Nov 4, 2022, that identified four issues: 1) Special Populations Weights (Including Students with Disabilities, English Language Learners and Academic Intervention Services), 2) Poverty: Rates and Weights, 3) Meeting the Diverse Needs of All NYC Public Schools, and 4) Portfolio Weights; and<sup>i</sup>

**WHEREAS**, on the surface, addressing such issues is a noble endeavor, but the minutes and meeting materials provide no factual evidence demonstrating that these "issues" are in fact problematic issues that require a solution, Specifically the working group failed to develop business cases or problem statements for these "issues" to include descriptions of: 1) the current state including evidence, 2) the desired end state, 3) consequences of failure to act, 4) proposed solutions including an analysis of alternatives, and 5) methods to measure and evaluate success factors; and

**WHEREAS**, poorly written problem statements or lack thereof very likely lead to unsound solutions that will not effectively address an issue, will likely waste scarce resources, and could cause unintended and harmful effects; and

**WHEREAS**, for example, slide 20 from meeting #3, held Aug 18, 2022, lists currently funded services for students in temporary housing, covering services such as Title I services, social workers for students in shelters, community coordinators in schools, nursing and health screening, and program management, totaling \$116 M per year, and yet the working group provides no argument nor any evidence to demonstrate that the current levels of services are insufficient. Instead, the working group proposes an increase in funding for these students without quantifying the actual economic need and specifying the purpose for which these funds should be used to assist students in temporary housing; and

**WHEREAS**, some of the other recommendations, specifically increasing poverty weights and providing additional funding for schools with high concentrations of special populations, suffer from the same lack of justification and quantification of resources desired for a clearly defined solution. Additionally, the recommendation to increase funding for schools with high concentrations of children living at poverty levels does not demonstrate a commitment to equity because it fails to consider that these schools already receive Title I funding and that schools just below the 60% Title I funding threshold do not receive the same level of support even though such students also live below poverty levels; and

**WHEREAS**, the New York State threshold for Title 1 funding in counties other than in NYC is currently set at 40% of the students in a school qualifying for free lunch. However, the poverty threshold for NYC schools is set much higher at 60%, thereby unfairly denying many NYC students from funding that schools throughout New York State receive; and<sup>ii</sup>

**WHEREAS**, on page 18 of the FSF WG final report, it is stated that the average gain of the 400 neediest schools under a concentration weight would be \$108,000. However, the chart on the same page shows a very wide range for these 400 schools, with schools receiving an additional \$0/per student to as high as \$2,200/per student. Assuming a school enrollment of 500 students, such schools would receive a windfall of over \$1 M. No rationale is provided to justify such gains. Merely reporting the average gain per school without disclosing the entire range hides flaws in the proposal; and

**WHEREAS**, the proposal to change the FSF policy regarding how teacher salaries are modeled in the formula to use a city-wide average has some merit, it would be worthwhile to consider using a borough-wide average salary instead, as geographic labor mobility is not as easily increased as assumed due to personal choice and other factors; and

**WHEREAS**, the proposal to increase \$225K base foundation funding to cover more than the salary of the school principal and secretary could be a valid proposal, it cannot be implemented in isolation because the formula weights (beta) and the base amounts (beta-zero or alpha) are interrelated coefficients of the FSF model. It may make sense to vary the amount of the base foundation funding by the size of the school, requiring a categorical variable. Therefore, the construction of a new statistical model would be required to fit the model to underlying school funding and enrollment data; and

**WHEREAS**, the proposal to eliminate portfolio weights demonstrates a serious lack of knowledge in quantitative model building. The five major categories of FSF weights (base, academic intervention, ELL, special education, and portfolio high schools) and corresponding values for the weights were not arbitrarily inserted into the formula but were chosen as categorical independent variables to best fit the model to the actual underlying school funding data from 15+ years ago. Indiscriminately eliminating weights for a class of schools seriously undermines the validity of the model; and

**WHEREAS**, on January 23, 2023, the mayor and chancellor announced proposed improvements to the Fair Student Funding formula, selecting two recommendations to create additional weights for: (1) Students in temporary housing to schools serving these students, including recent asylum-seeking students and (2) Schools that have higher concentrations of students with needs, including students in poverty, students with disabilities, and English language learners; and<sup>iii</sup>

**WHEREAS**, the January 23, 2023 press release and DOE statements made at the Jan 25, 2023, City Council Education Committee meeting confirmed \$45 M for each proposal will be committed using new funding totaling \$90 M for both proposals, with no schools losing funding as a result of implementing these proposals. With a reduced enrollment over the past 2-3 years causing drastic budget cuts to all schools in excess of \$400 M, any available funding should instead be used to restore services such as art and music teachers; and

**WHEREAS**, current levels of enrollment have decreased over 18% from 1.042 M students in the 2006-7 school year when the FSF was first implemented to 881 K students in the 2022-23 school year, it is no longer mathematically valid to continue to use the FSF formula for levels of enrollment far outside the range for which it was originally designed, with errors in the formula now manifested as drastic budget reductions to schools that cause unjustified elimination of necessary programs and excessing of teachers; and<sup>iv</sup>

**WHEREAS**, at the Chancellor's Town Hall with CCHS on Feb 7, 2023, Chief Operating Officer Emma Vadehra stated that the budget effects of the twenty FSF WG proposals were not examined at the school level. Without any analysis conducted at a granular level, the validity of these proposals is highly suspect. A "sanity check" should have been performed for the twenty proposals to validate whether each of the 1,500+ schools can still operate effectively; and

**WHEREAS**, significant changes to the Fair Student Funding formula require skills such as policy analysis, policy development, program evaluation, statistical analysis, cost-benefit analysis, etc., and it is unclear how many of the 37-member working group, if any, possess the skills to authoritatively develop valid, defensible recommendations; and<sup>v</sup>

**THEREFORE, BE IT RESOLVED**, Community Education Council 26 (CEC26) urges the Chancellor to:

1. Design and implement internal controls for the two proposals to prevent the misappropriation of funds intended to serve STH or the students in need in high-concentration schools
  - a) Require schools receiving this funding to submit written plans to district superintendents for review
  - b) Apply program evaluation techniques, such as developing an evaluation framework, creating logic models, collecting data for measures of performance, applying statistical techniques including time series analysis, etc. to determine the effectiveness of the proposals in delivering intended services to the targeted groups
  - c) Develop performance metrics and report the results to the public
2. Form a standing FSF working group, populated with a limited number of stakeholder members but with diverse views, including those who are experienced policy analysts, and expert statistical analysts/quantitative modelers (contractors), to propose and build a new FSF model that is validated for every school's budget and their required programs to serve the diverse needs of all of their students, including those attending schools in which the percentage of students qualifying for free lunch falls between the range 40 to 60%, above the current state-wide 40% eligibility threshold for Title 1 funding.

*Community Education Council District 26 approved this resolution at the February 9, 2023, monthly meeting.*

*Yes: Jennifer Catherall, Todd Friedman, Sulinda Hong, Cassandra Louie, Albert Suhu, & Winnie Sun  
Abstain: Adriana Aviles, Dilip Nath*

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<sup>i</sup> <https://infohub.nyced.org/reports/financial/financial-data-and-reports>

<sup>ii</sup> <http://www.nysed.gov/essa/title-i-part-improving-basic-programs-operated-leas>

<sup>iii</sup> <https://www.nyc.gov/office-of-the-mayor/news/055-23/mayor-adams-chancellor-banks-push-increase-equity-fair-student-funding-formula>

<sup>iv</sup> <https://www.p12.nysed.gov/irs/statistics/enroll-n-staff/home.html>

<sup>v</sup> [https://infohub.nyced.org/docs/default-source/default-document-library/fsf-wg\\_membership-list\\_public.pdf](https://infohub.nyced.org/docs/default-source/default-document-library/fsf-wg_membership-list_public.pdf)