New York City Independent Budget Office

Director Louisa Chafee

Education

What's in a Weight? Budgetary Impacts of the Fiscal Year 2024 Fair Student Funding Formula Changes

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Executive Summary

The New York City Department of Education (DOE) allocated $6.8 billion in fiscal year 2024 to approximately 1,500 traditional K-12 public schools through the Fair Student Funding (FSF) formula. FSF is not the only way funding is allocated to school budgets, which totaled $12 billion in fiscal year 2024. However, FSF is the largest allocation; it comprised 57% of a school's budget, on average, in fiscal year 2024. The FSF formula allocates funding per student based on weights associated with various categories of need (e.g., academic performance, special education, and English language learner)—see IBO's FSF explainer for more details. In the 2023-2024 school year (fiscal year 2024), two major changes were made to the FSF formula: (1) a weight was added for students in temporary housing (STH), and (2) weights were added for students in schools with "concentrated need." This IBO report considers how these FSF formula changes affected school budgets.

IBO's findings include:

- Unlike past revisions to the formula, the new FSF weights introduced in fiscal year 2024 were not driven by Federal or State policy. Rather, they resulted from recommendations made by a 2022 FSF working group (IBO participated in this working group as a non-voting member to support the group via data analysis).

- The total budgetary impact of the new weights in fiscal year 2024 was approximately $100 million, out of total FSF allocations of $6.8 billion.

- At the school level, there was wide variation in changes from the new weights.
  - Funding through the STH weight increased school budgets by $32,000 on average, or $78 per pupil. On its own, this funding was unlikely to significantly impact students as measured by either a principal's purchasing power or per-pupil allocations.
  - Funding through the concentrated need weight increased the budgets of 304 eligible schools by $95,000 on average. In contrast to the funding from the STH weight, at many schools this concentrated need weight funding on its own would have been enough to make significant investments, such as hiring a new staffer. However, per-pupil changes in funding from this weight ($169, $339, or $508, depending on tier of need) were still small in their potential to impact student outcomes.
  - Many schools experienced changes in their eligibility for a concentrated need weight from the 2023-2024 school year to the 2024-2025 school year.

- A $1 increase in per-pupil funding from the new FSF weights was only associated with a $0.77 increase in total funding per pupil, on average, controlling for changes in school demographics. Changes in schools' total budgets suggest the allocation of non-FSF funding for schools ($5.2 billion, or 43% of school funding in fiscal year 2024) differed from the targeting of FSF.
    - For example, if non-FSF funding is for specific staff, rather than allocated per-student, it may not easily scale to match increases in enrollment or student need, as FSF does.

Overall, the size of the per-pupil investment suggests there is unlikely to be an observable systemwide impact on the outcomes of STH and students in schools with higher concentrations of high-need students. In addition, because schools' eligibility for any concentrated need weight may change significantly year-over-year, this weight may introduce additional instability in school budgets.

Introduction

The New York City Department of Education (DOE) implemented the Fair Student Funding (FSF) formula in the 2007-2008 school year as the primary funding mechanism for traditional K-12 public school budgets in New York City. FSF is a weighted student funding formula, which means funding is allocated per-student based on various categories of student need (e.g., academic performance, special education, and English language learner). Unlike many other budget allocations to schools, FSF is flexible: principals have wide discretion on how to use funds. In the 2023-2024 school year (fiscal year 2024), two major changes were made to the FSF formula: (1) a weight was added for students in temporary housing, and (2) weights were added for students in schools with "concentrated need." Both City funding (city tax levy) and State funding (Foundation Aid) support FSF allocations. See IBO's FSF explainer for more details.

This IBO report considers how these FSF formula changes affected school budgets. IBO first reviews FSF and how it works, as well as how it relates to total school budgets. Then, IBO examines changes in citywide and school-level budgets following the fiscal year 2024 FSF formula changes. To better understand school-level changes, IBO describes how the fiscal year 2024 FSF formula changes affected both FSF allocations and total budgets in two example schools. Finally, IBO discusses the year-over-year stability of the new "concentrated need" category.

Total School Budgets

In the 2023-2024 school year, FSF comprised 57% of traditional school budgets overall: $6.8 billion out of $12.0 billion total allocated to school budgets (see Figure 1).[1] FSF is the primary funding mechanism for traditional K-12 public schools in Districts 1-32; District 84 schools (charter schools), District 75 schools (special education only schools), and District 79 schools (alternative schools) are all funded separately. In the 2023-2024 school year, 1,529 schools serving 777,136 students received FSF allocations. While DOE allocates most funding for traditional school budgets through FSF, there is wide variation at the school level. In fiscal year 2024, some schools received as little as 21% of their budgets through FSF and others received as much as 88% of their budgets through FSF. This variation is due to differing allocations of non-FSF funding, which includes categorical Federal and State funds, and programmatic allocations from City funds. Unlike FSF, schools must use these funds for specific staff or programs. For example, most Federal Title I funds must be used to support academically at-risk students, and City funding provided through the Bridging the Gap program must be used to hire social workers to support students in temporary housing—these are just two cases of the many non-FSF federal, state, and city allocations to school budgets that are categorical or programmatic.[2]

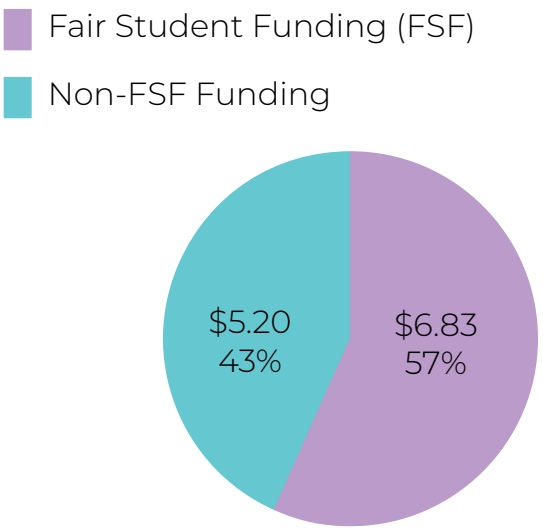
Fair Student Funding

FSF has three major components: a foundation amount, an entitlement amount, and a collective bargaining amount (see Figure 2). The foundation amount is $225,000 per school, for all schools; this funding is meant to cover administrative staff (though it is flexible and can finance any staff or services). The entitlement amount is the core part of the formula and is

FIGURE 1

FSF Comprised 57% of School Budgets in The 2023-2024 School Year

Dollars in Billions



SOURCE: IBO analysis of school leadership team (SLT) budget data and FSF data provided by DOE
NOTE: Total funding reflects total school budgets for the 1,529 schools funded through FSF in fiscal year 2024. FSF is not used to fund charter schools (District 84 schools), schools that only serve special education students (District 75 schools), or alternative schools (District 79 schools). School budgets do not include costs that are budgeted centrally, such as fringe costs, custodial services, food, and transportation. See endnote 1 for additional details on SLT budget data.

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the focus of this report—see below for a more detailed description. Finally, collective bargaining (CB) funds increases to staff salaries from fiscal year 2014 to fiscal year 2024 as negotiated by the City through collective bargaining. FSF CB allocation amounts, which are separate from FSF entitlement, range in size across schools. FSF CB averaged 21% of a school's total FSF allocation in fiscal year 2024. DOE does not provide any information to show how the CB amount is calculated; it is simply listed as a lump sum in a school's FSF allocation. See IBO's FSF explainer for more details on how FSF is calculated and specific examples.

FSF Entitlement

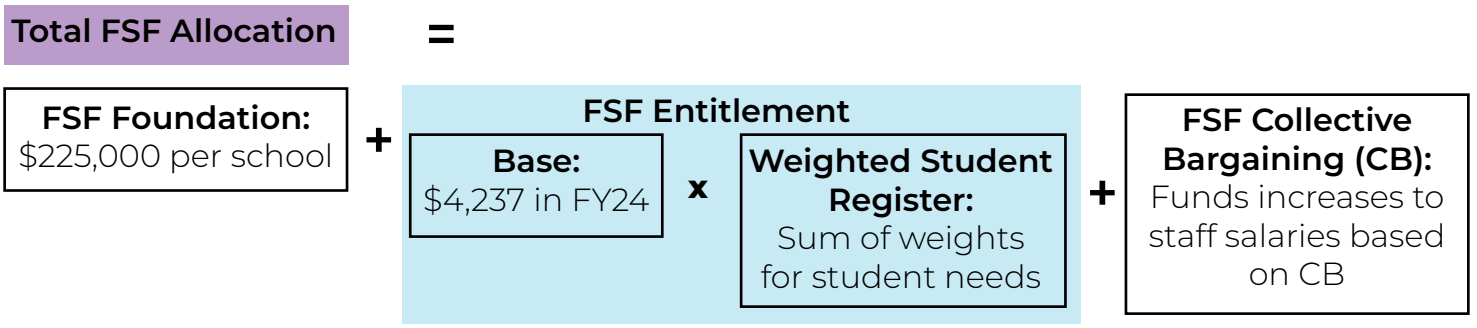
The core part of the FSF formula is FSF entitlement. All students receive weight(s) for their respective needs. Needs fall into five major categories: grade level, special education, English language learner, academic intervention, and "portfolio" school. The portfolio school weights are weights that apply to a student based on the school they attend, rather than the student's characteristics. Within the major categories, there are various weights depending on a student's specific services and/or needs. A full list of all weights is available on DOE's website and in Appendix Figure 15.[3] Weights are additive; students can be (and often are) eligible for multiple weights.

Fiscal Year 2024 Hold Harmless Allocations

In the 2023-2024 school year (fiscal year 2024), non-FSF funding also included hold harmless allocations. Schools were "held harmless" to their fiscal year 2023 budget for certain allocation categories, including FSF. Schools that would have seen a decline in their total school budget based on the FSF calculation alone may have received additional funding to offset this decline. Hold harmless allocations were based on the net change across all eligible allocation categories, which included FSF as well as dozens of other allocation categories (including some Federal and State funding categories). For example, if a school saw a $45,000 decline in their FSF calculation from fiscal year 2023 to fiscal year 2024, but it was offset by a $30,000 increase in the schools' allocations through other categories, the school would have received a $15,000 hold harmless allocation.

FIGURE 2

Fair Student Funding (FSF) Formula



NOTE: A small number of schools also receive "funds over formula." In fiscal year 2024, schools also received hold harmless funding (separate from FSF) that may have offset declines in FSF funding.

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The weights for all students in a school are summed to determine the weighted student register, which is then multiplied by a base amount to determine a school's total FSF entitlement (see Figure 2). The weights are "based on the average citywide cost per student of delivering services in that category, excluding collective bargaining."[4] Many of the weights have remained unchanged over time (IBO reviews the changes that have been made to the FSF weights later in this report). However, the base amount is updated annually to reflect changes in average teacher salaries excluding CB. As with the CB allocation, DOE does not make the details of the base calculation public and therefore IBO is not able to replicate its calculation.

The base amount for fiscal year 2024 was $4,237, a $40 increase over the base amount for fiscal year 2023: $4,197. While the base amount has generally stayed the same or increased over time, it has also decreased (see Appendix Table 14 for a full history of the base amount). For example, when the base amount decreased in fiscal year 2023, DOE wrote it reflected "teacher salary decreases net of collective bargaining (CB) . . . due to the high number of teachers retiring, resigning and going on leave."[5] The base amount is the amount of funding allocated to support a student with a total weight of 1.0; in practice, most students have a weight higher than 1.0.

How Has the Fair Student Funding (FSF) Formula Changed Over Time?

The fiscal year 2024 FSF changes were not the first time the formula has been significantly changed. Since FSF was first introduced in fiscal year 2008, there have been implementation and funding challenges, as well as changes to the weights included in the formula.

FSF Implementation and Funding Challenges

FSF, while introduced in fiscal year 2008, was phased in slowly over time for two reasons.

First, to avoid significant disruptions to school budgets, schools that would have received more

funding through the FSF formula than under the previous system did not receive their full FSF amount right away. That is, these schools were underfunded according to the FSF formula, and they received less than 100% of what the formula calculation would have provided.

Second, bringing all schools up to their FSF entitlement amounts without redistributing funding from overfunded schools required substantially more money. At the time, this funding was expected from New York State through the Foundation Aid formula, the primary mechanism through which the State funds school districts. The financial crisis of 2008 led to significantly less revenue for education than expected, because New York State did not fully fund the Foundation Aid formula. As a result, DOE had less funding to support FSF than expected, so many schools continued to receive less funding than they were entitled to based on their FSF calculation. Over time DOE increased the FSF floor: the lowest percentage of a school's FSF entitlement that it would receive. For example, if the floor was 87% (as it was

FIGURE 3

2024 FSF Changes Were Uniquely Not Driven by State/Federal Policy

Fiscal Years	FSF Change	Policy Driver
2008	Introduction of FSF	NYS introduced Foundation Aid funding in response to Campaign for Fiscal Equity (CFE)
2012	Decreased an academic intervention weight	NYS rescaled test scores in 2010
2012-2013	Changes to special education weights	NYC policy to improve inclusion of students with disabilities in line with federal guidance (IDEA)
2013	New post-special education support weight	Align with NYS Foundation Aid, disincentivize unnecessary continued classification
2013-2014	Changes to high school academic intervention/transfer school weights	NYS phased out the local diploma option
2018	New English language learner (ELL) weights	NYS updated instructional models for ELLs in 2014
2022	All schools funded at 100% entitlement	NYS fully funded Foundation Aid
2024	New Students in Temporary Housing (STH) weight	NYC FSF task force
2024	New concentrated need school weight	NYC FSF task force

SOURCE: IBO analysis of various research and policy documents, including FSF school allocation memoranda (SAMs) from fiscal years 2008 through 2024.

NOTE: See Appendix Figure 15 for a detailed history of the weights used in the FSF formula by fiscal year, from 2008 through 2024.

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in the 2016-2017 and 2017-2018 school years), no school would receive less than 87% of the funding they should receive based on the formula (see, for example, prior IBO testimony on DOE's progress toward fully funding the FSF formula). Increases in FSF were funded by both increased allocation of City funding for this purpose, as well as the eventual full phase-in of State Foundation Aid. In the 2021-2022 school year, 16 years after its inception, Foundation Aid was fully funded, and DOE also fully funded all schools at 100% FSF.[6] While 2021-2022 was the first school year that all schools received 100% FSF, some schools had already received 100% for many years (for example, under Mayor de Blasio a group of low-performing schools that received extra supports were funded at 100% FSF).[7]

In addition, when FSF was implemented in the 2007-2008 school year many schools received more than 100% of their FSF entitlement, to hold them constant to their higher pre-FSF budget. Some schools continue to receive more than 100% of their FSF entitlement, but it is a relatively small number—in the 2023-2024 school year only 31 schools received what DOE now calls "funds over formula."[8]

Changes to The Weights

While the specific set of need categories and their associated weights were unchanged for the first four years the FSF formula was used, from fiscal years 2012 through 2018 there were five major changes to the weights (Figure 15 in the Appendix shows the full list of specific weights in the FSF formula from fiscal year 2008 through 2024 and highlights the years when there were major changes). Notably, all the changes from fiscal year 2012 through 2018 were at least partly in response to State or Federal policy (see Figure 3, which lists the major changes to FSF weights and each change's associated policy driver).

2022 FSF Working Group

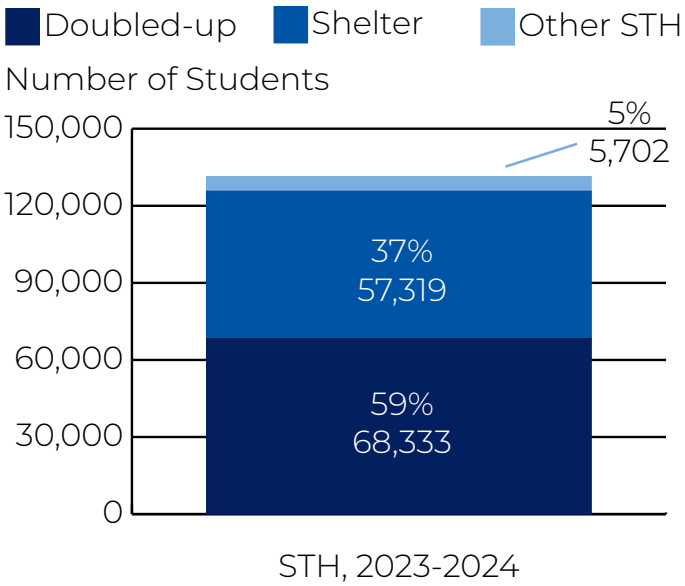
The 2023-2024 FSF changes were unique in that they were not related to any specific State or Federal policy change. Rather, the changes were implemented after an FSF Working Group established by then-DOE Chancellor David Banks met from July through October of 2022 to discuss potential changes to the formula. The working group was created in response to concerns about the equity of the formula raised by the Panel for Education Policy in Spring 2022.[9]

The 2022 FSF working group consisted of Panel for Education Policy members, parents, advocates, school finance researchers, teachers, principals, and labor partners. The working group was supported by DOE staff and other government partners, but government partners were not voting members.[10] IBO participated in this working group as a non-voting member to support the group via data analysis.

The 2022 FSF working group's report, issued in November 2022, recommended five changes to the FSF formula.[11] Ultimately, DOE instituted two of these changes in the 2023-2024 school year: (1) a weight for students in temporary housing and (2) a weight for students in schools with "concentrated need."[12] IBO reviews the context for these two changes, and the specific weights, in more detail below.

FIGURE 4

Students in Temporary Housing (STH) in NYC Schools Are Mostly Doubled-up or in Shelter



SOURCE: IBO analysis of student in temporary housing data provided by DOE
NOTE: These figures do not include STH in NYC charter schools.
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Weight for Students in Temporary Housing

Students in temporary housing (STH) is how DOE refers to students experiencing homelessness, as defined by the Federal McKinney-Vento Act: "individuals who lack a fixed, regular, and adequate nighttime residence."[13] This definition includes students who are doubled-up—living with another household due to economic hardship—students in shelter, students living in hotels/motels, and students who are unhoused. The population of STH in NYC is large and has been growing for many years, receiving regular media attention.[14] In the 2022-2023 school year, DOE schools (not including charter schools) served 106,000 STH, 59% of whom were doubled-up and 37% of whom were in shelter (see Figure 4). Research on NYC students (including prior research by IBO) has found STH have worse attendance and performance on standardized exams than their stably housed low-income peers; STH also change schools more frequently.[15]

Motivated by this local policy context, the advocacy and policymaking communities in NYC had proposed increasing funding to support STH by adding a weight for STH in the FSF formula before the 2022 FSF working group. For example, in 2018, the New York City Council proposed a weight of 0.05 for STH.[16] While DOE did not implement this proposal, it reflected increasing attention to the needs of this student population. The influx of asylum-seeking and other newly arriving students in NYC schools in 2022, many of whom initially lived in shelters, also re-invigorated the call for additional funding to support STH.[17] However, the significant size of the STH population in NYC, and the academic challenges faced by STH, long predate the 2022 influx of asylum-seeking students (see, for example, IBO's 2016 report on homeless students).

When the 2022 FSF working group met, DOE modeled the financial impact of a weight of either 0.12 or 0.24 for STH, while IBO modeled a weight of 0.33.[18] The working group recommended adding a weight for STH, but did not recommend a specific weight.[19] Ultimately, DOE adopted a weight of 0.12 for STH, which was $508 in fiscal year 2024. In public remarks, DOE Deputy Chancellor Daniel Weisberg acknowledged the arbitrary nature of the specific weight given to STH, saying "we would have liked to have added more . . . if we'd had the means, [it] would have been great to add two, three, four times that."[20]

Weight for Students in Schools With Concentrated Need

Nationally, there are growing concerns that when schools (or districts) serve a high portion of high-need students, and/or students with needs across many dimensions (e.g., STH, students with disabilities, English language learners, and low-income students), they may need additional resources. This concern has led to some states and school districts adding components to their funding formulas to account for this "concentrated need." For example, the Local Control Funding Formula (LCFF) in California, enacted in the 2013-2014 school year, provides a concentration grant to school districts that have more than 55% high-need students.[21] In addition, in the 2022-2023 school year, D.C.'s weighted student funding formula added new weights for schools serving at least 40% "at-risk" students.[22]

DOE modeled two concentrated need weights for the 2022 FSF working group. DOE's modeling assumed one of two fixed dollar amounts to distribute among schools with concentrated need ($60 million or $120 million), and then calculated weights based on the dollar amounts. In their modeling, the top third of schools (508 schools) ranked on "concentrated need" would receive funding. DOE ranked concentrated need by taking the average of the portion of students in each of five different need criteria: school free lunch eligibility, English language learners, students in temporary housing/students in shelter, students with disabilities, and students in foster care.[23] In addition, DOE modeled both a continuous model and a tiered model. In the continuous model, the funding per student (that is, the weight) was variable depending on where a school ranked in their concentrated need. In the tiered model, there were three tiers with a fixed amount per student (that is, a fixed weight) for each tier. As DOE wrote in its modeling, "a fixed per capita makes planning simpler for schools, but is less scientific in its allocation."[24]

The 2022 FSF working group recommended adding a weight for schools "that have a high concentrations of English language learners, students with disabilities, students in temporary housing, students in foster care, and students living in poverty." However, the recommendation did not clearly state a preference for a specific funding amount or weight, or whether the continuous or tiered model should be adopted.[25]

FIGURE 5

All Schools Were Eligible for the New STH Weight, and 304 Schools Received Funding Through the New Concentration Need Weights in Fiscal Year 2024

2024 New Weight	Number of Schools Eligible	Weight	2024 Amount
Students in Temporary Housing (STH)	All	0.12	$508
Concentrated Need 1 – Low	101	0.04	$169
Concentrated Need 2 – Mid	102	0.08	$339
Concentrated Need 3 – High	101	0.12	$508

SOURCE: DOE

NOTE: The 2024 amount is determined by multiplying the weight by the 2024 base ($4,237). All schools are eligible to receive a weight for STH, but a school will only receive funding through that weight if they serve STH.

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Ultimately, DOE implemented the tiered model for the top fifth of schools (rather than the top third, as was modeled), assigning a weight to each student in schools that are in each of three tiers of concentrated need. Students in schools in the lowest tier, or Tier 1, receive a weight of 0.04 ($169 in fiscal year 2024); students in schools in the middle tier or Tier 2, receive a weight of 0.08 ($339 in fiscal year 2024); and students in schools in the highest tier, or Tier 3, receive a weight of 0.12 ($508 in fiscal year 2024) (see Figure 5).

In addition, DOE's ranking for concentrated need tiers uses the average need across six categories: students facing economic hardship based on the economic needs index (not free lunch eligibility), students in foster care, students in shelter (not STH), students receiving special education services, English language learners, and students with well below-standard test scores.[26]

How Did the Fiscal Year 2024 FSF Changes Affect Citywide FSF Allocations?

To examine the impact of the fiscal year 2024 FSF changes, IBO used school-level data provided by DOE on the number of students eligible for each weight, FSF entitlement, and total FSF allocations. These data reflect FSF allocations after mid-year adjustments. That is, they are the final FSF allocations made to schools accounting for actual student enrollment, not initial FSF allocations made before the school year starts based on enrollment projections.[27] A total of 1,525 schools were funded through FSF in fiscal year 2023, and 1,529 schools were funded through FSF in fiscal year 2024. When considering citywide FSF allocations, IBO used all schools that receive funding through FSF. IBO also has data on schools' total budgets from school leadership team (SLT) budget data, provided by DOE through a memorandum of understanding.

From fiscal year 2023 to fiscal year 2024, FSF entitlement increased from $4.87 billion to $5.03 billion. This $131.5 million (3.4%) increase was driven by four distinct changes (see Figure 6). While the net result of each change resulted in an increase in funding, the impacts for individual schools for some changes could have been positive or negative.

First, enrollment changed—both actual enrollment, but also, more importantly for FSF, the weighted student register. That is, both the number of students being served, and the needs of students being served, changed. Not including the new weights added in fiscal year 2024, the weighted student register increased from 1,159,603 to 1,169,181. If the base amount had remained the same, this citywide increase in FSF entitlement due to the weighted student register change would have been $37 million. While the citywide weighted student register change was positive, enrollment and weighted student register changes at individual schools—and accompanying FSF budget changes—may have been positive or negative. Almost half of all schools—707—had a weighted register decrease. Those schools would have received less FSF without changes to the base and/or formula. Most of these schools, 614, had enrollment declines.

Second, the base amount increased from $4,197 to $4,237. Based on the fiscal year 2024 weighted register (that is, after accounting for enrollment changes), and not including the

new weights added in fiscal year 2024, the change to the base increased FSF entitlement by $47 million. This change was positive for all schools.

Third, FSF entitlement increased due to the addition of the weight for STH. A total of 95,735 students across 1,519 schools received this weight, which resulted in $48.7 million in additional funding allocated through FSF.

Fourth and finally, FSF entitlement increased due to the addition of the weight for concentrated need. A total of 85,753 students across 304 schools received a concentrated need weight of 0.04, 0.08, or 0.12 (depending on their school's concentrated need tier); these schools received $28.9 million in additional funds through these FSF weights.

FIGURE 6

In Fiscal Year 2024, FSF Entitlement Increased by $161.5 million, A 3.4% Increase Over the $4.9 billion FSF Entitlement Total in Fiscal Year 2023

Dollars in Millions

Fiscal Year 2023 FSF Entitlement	$4,867.1
Enrollment Changes	$37.0
Base Changes	$47.0
STH Formula Changes	$48.7
CN Formula Changes	$28.9
Fiscal Year 2024 FSF Entitlement	**$5,031.8**

SOURCE: IBO analysis of FSF data provided by DOE

NOTE: STH = Students in Temporary Housing. CN = Concentrated need.

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Together, the two formula weight changes increased FSF entitlement by $77.6 million. Adding assumed CB costs associated with this increase to FSF entitlement, the total budgetary impact was approximately $99.9 million.[28]

The actual costs are difficult to compare to the estimated costs presented to the 2022 FSF working group because different assumptions were made in these models. DOE modeled a reduction in the base amount to pay for the new STH weight. Therefore, DOE estimated the citywide cost of this weight was $43 million, because it assumed the base would decline by $64.28 to fund the new weight.[29] DOE modeled concentrated need weights for students in the top third of schools—approximately 500 schools—rather than the top fifth of schools, as ultimately implemented. DOE also modeled this proposal as a fixed dollar amount of $60 or $120 million, and calculated the weights based on the funding.

DOE's modeling for the 2022 working group raises the question of whether the $77.6 million allocated through the new weights should be considered new funding for schools. It is possible that, in the absence of providing these new weights, DOE would have increased the FSF base amount. For example, based on the weighted student register for 2024 (not including the new weights), DOE could have used the additional $77.6 million in funding to increase the base amount by an additional $65, to $4,302. DOE could also have chosen to use the funds outside of the FSF formula, such as for separate, specific school-based staff or programming (that is, DOE could have allocated it through a separate "School Allocation Memorandum", or SAM), or DOE could have allocated the funding for something centrally managed. Ultimately, this additional FSF funding was allocated at a time when many school budgets might have otherwise declined due to enrollment losses. In addition to COVID-19

stimulus funds and hold harmless allocations, additional FSF funding through new weights may have softened that decline for some schools.

How Did the Fiscal Year 2024 FSF Changes Affect School Budgets?

When considering how the FSF formula changes affected school budgets, IBO used two measures.

First, IBO analyzed total FSF allocation changes. This captures the change in a principal's purchasing power—whether the principal has the ability, for example, to hire an additional teacher or pay for additional goods or services (such as professional development, after-school programming, or supplies). IBO used a threshold of $100,000 when assessing whether changes in total funding were significant, but $100,000 is somewhat arbitrary. It is possible schools could hire an additional staffer with less funding, depending on the position and/or the schoolwide average teacher salary. In addition, FSF is not the only source of funding for schools. Smaller changes in FSF combined with other funding could still have led to meaningful changes in staffing, programming, and/or supplies at the school level. However, the $100,000 threshold provides a simple benchmark for meaningful increases.

Second, because the FSF formula is based on a per-student calculation, larger schools typically receive more funding and have larger changes in their school budgets. In addition, the grade-level weights for students in grades 6-8 (1.08) and grades 9-12 (1.03) are higher than the grade-level weight for students in grades K-5 (1.0). As a result, middle and high schools, which often enroll more students than elementary schools, typically receive more total FSF funding than elementary schools due to both their size and the higher grade level weight.[30] Therefore, in addition to considering changes in total allocations, IBO analyzed per-pupil changes. This second measure—per-pupil changes—allows for better comparisons across schools of different sizes, and is the measure commonly used by researchers when considering the impact of additional funding.

Investments in schools through FSF are ultimately meant to equalize educational opportunity and improve student outcomes. Existing academic research on how per-pupil funding increases impact students allows IBO to estimate how the additional funding allocated through the new FSF weights might impact student outcomes. The most recent national research finds an additional $1,000 of funding per pupil, per year, sustained over four years, is associated with a 0.0316 standard deviation improvement in student test scores.[31] While interpreting the practical significance of changes in standard deviation increases can be challenging, effect sizes smaller than 0.05 sd are typically considered small.[32] Effect sizes that are small can still be meaningful, depending on the reliability of the estimate, the quality of the specific outcome being measured, and the cost and scalability of the program or policy being studied.

In addition, estimating potential impacts of FSF funding by converting per-pupil funding into expected effects on test scores has significant limitations. How the funding was spent in the contexts studied by prior research may differ from how new FSF entitlement funding was spent, and therefore, impacts on test scores could differ. In addition, the scale of the

investments studied in prior research differs, and impacts may not be linear (for example, spending one-tenth of the funding may not be associated with one-tenth of the impact, if there are compounding benefits to investment). Despite these limitations, IBO used prior research to estimate the potential impacts of funding from new FSF weights on student outcomes to benchmark the expected benefits of the investment.

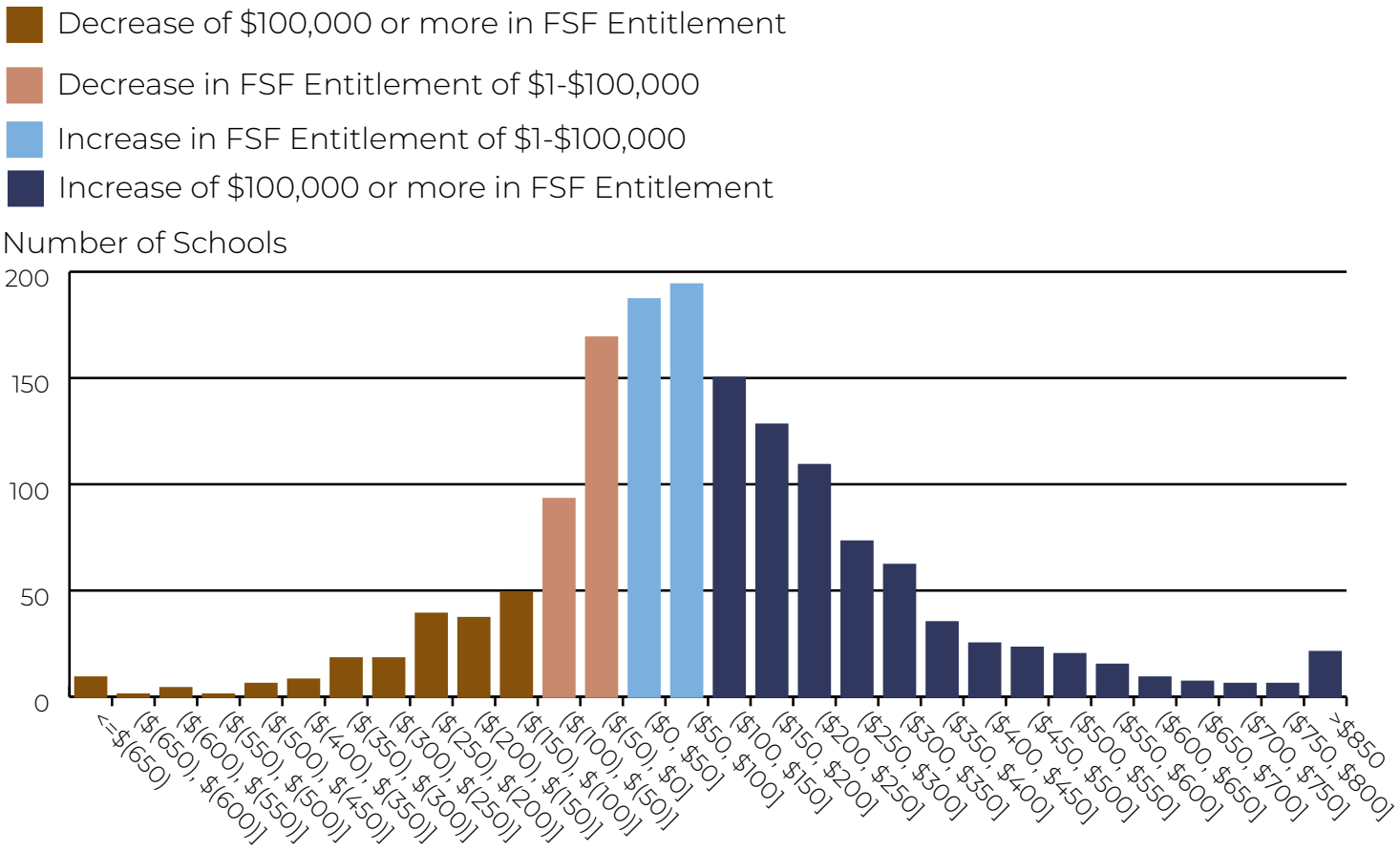
When considering school-level changes, IBO analyzed only the 1,522 schools funded through FSF open in both the 2022-2023 and 2023-2024 school years.

How Did The FSF Changes Affect Schools' FSF Allocations?

Overall, there was a wide variation in the changes in schools' FSF entitlement amounts from fiscal year 2023 to fiscal year 2024: They ranged from declines of $1.55 million (the most extreme change—the decline was greater than $650,000 for only nine schools) to

FIGURE 7

From Fiscal Year 2023 to Fiscal Year 2024, 12% of Schools Had a Decrease in FSF Entitlement of $100,000 or More and 45% of Schools Had an Increase of $100,000 or More



SOURCE: IBO analysis of student in temporary housing data provided by DOE
NOTE: Includes 1,522 schools open in both the 2022-2023 and 2023-2024 school years and funded through FSF
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FIGURE 8

Changes in FSF Entitlement Varied Widely Across Schools

Changes Due to:	Number of Schools	FSF Entitlement Change, 2023-2024					
		Total			Per Pupil		
		Minimum	Mean	Maximum	Minimum	Mean	Maximum
Enrollment	1,522	($1,603,794)	$24,324	$2,066,314	($2,256)	$16	$2,178
Base	1,522	$3,117	$30,839	$302,005	$41	$62	$95
STH Weight	1,522	$0	$31,958	$376,280	$0	$78	$531
Concentrated Need Weight	1,522	$0	$18,982	$358,991	$0	$68	$508
	304	$14,916	$95,034	$358,991	$169	$339	$508
Total FSF Entitlement Changes	**1,522**	**($1,550,077)**	**$106,103**	**$2,459,760**	**($2,097)**	**$224**	**$2,477**

SOURCE: IBO analysis of FSF data provided by DOE

NOTE: In the row "Concentrated Need Weight" the table presents statistics for all schools (1,522) as well as the subset of schools that receive a concentrated need weight. The per-pupil numbers for this set of schools correspond to the three tiers, because this weight is applied to all students in a school (that is, $169 is the per-pupil increase for Tier 1 schools, $339 is the per-pupil increase for Tier 2 schools, and $508 is the per-pupil increase for Tier 3 schools).

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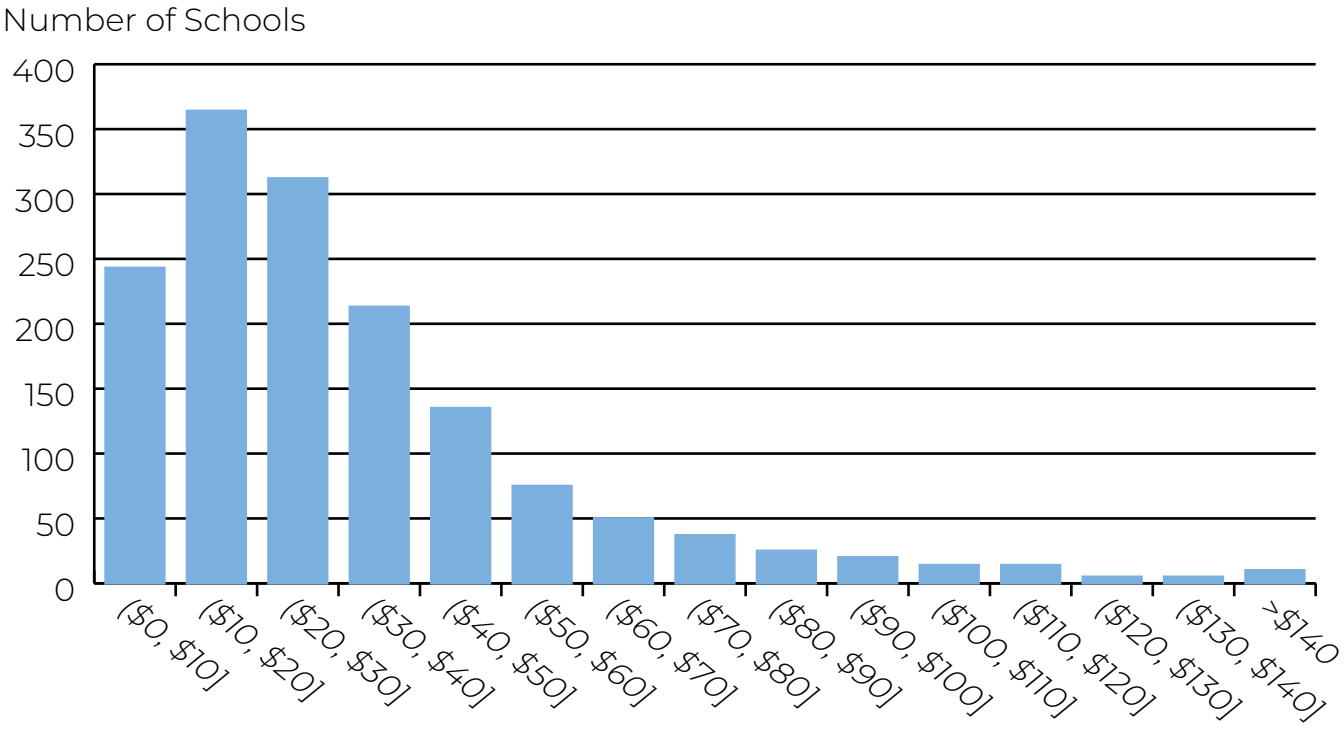
increases of $2.46 million. While 45% of schools had an increase in their FSF entitlement of at least $100,000, 12% of schools had a decrease in their FSF entitlement of at least $100,000 (see Figure 7 for the distribution of overall FSF entitlement changes). The schools that saw decreases in their total FSF entitlement had declines in their weighted register that were not offset by the positive changes to the base amount and the addition of the new weights. The average total FSF entitlement change was approximately $106,000 (see "Total" in Figure 8). This increased purchasing power may have been meaningful at a school level—this amount of funding likely would allow principals to hire an additional staffer. However, schools only experienced an average increase of $224 per student. In addition, these total changes in FSF entitlement funding include changes from enrollment and changes in the base amount, not just funding from the new weights.

Focusing on the changes due to the new weights, changes in schools' FSF entitlement were smaller, both in total and on a per-pupil basis. For 97% of schools, the addition of the STH weight increased their FSF entitlement by $100,000 or less (see Figure 9). The average change was approximately $32,000 total and $78 per student (see "Formula Changes: STH" in Figure 8).

Considering all schools, the changes from the concentrated need weight were similarly small—however, this is because most schools did not receive any funding for concentrated need (see "Formula Changes: Concentrated Weight" for all 1,522 schools in Figure 8). Considering only the 304 schools that received a concentrated need weight, the average change was approximately $95,000. While 194 schools (64% of concentrated need schools) had an increase in FSF entitlement of $100,000 or less from the concentrated need weight

FIGURE 9

For 97% of Schools, the Addition of the STH Weight Increased School Budgets by $100,000 or Less



Change in FSF Entitlement Due to the STH Weight, 2023-2024
Dollars in Thousands

SOURCE: IBO analysis of FSF data provided by DOE
NOTE: Includes 1,522 schools open in both the 2022-2023 and 2023-2024 school years and funded through FSF.
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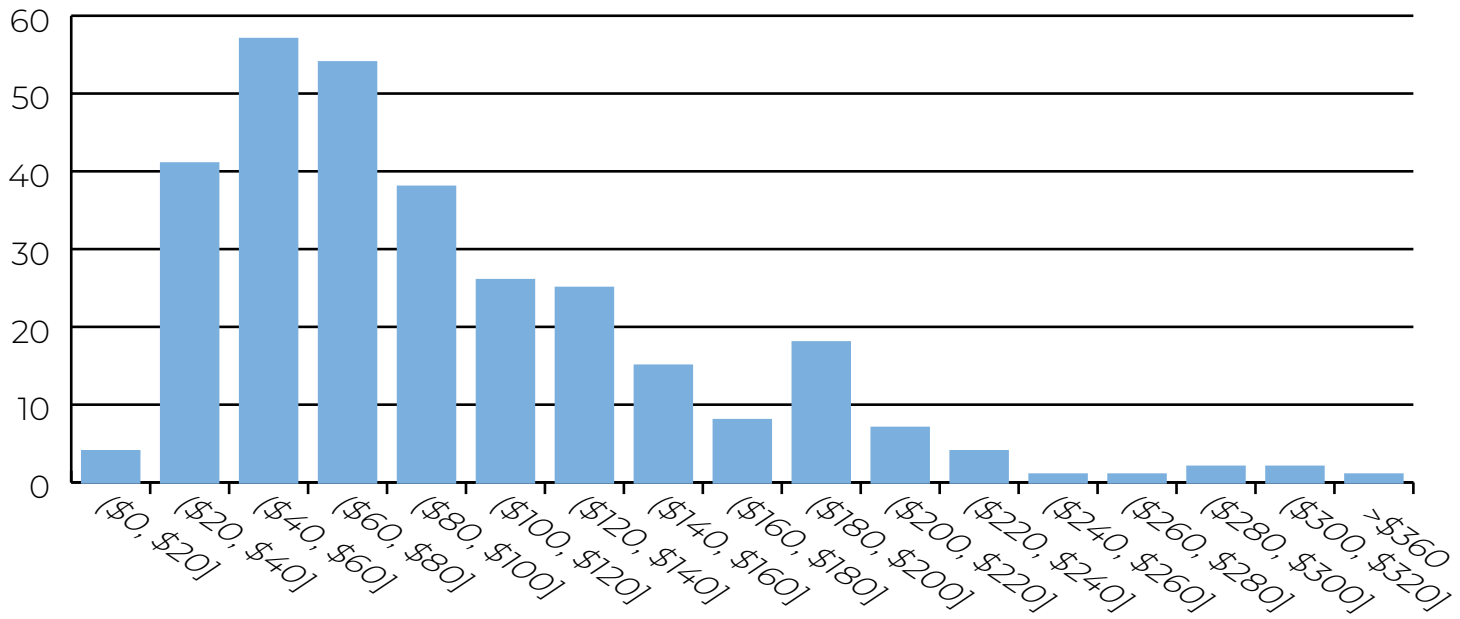
funding, the other 110 schools (36%) had increases of over $100,000. On a per-pupil basis, concentrated need schools saw increases of $169, $339, or $508, depending on their tier (these amounts are the same as the funding added by the weight because the weight is applied to all students in a school).

As stated above, the most recent national research finds an additional $1,000 in funding per pupil, per year, sustained over four years, is associated with a 0.0316 standard deviation improvement in student test scores.[33] This suggests the average increase of $78 per pupil due to the STH weight would be associated with a 0.002 standard deviation (sd) increase in achievement if sustained over four years. The increased FSF entitlement funding per pupil from the concentrated need weight would be associated with a 0.005 sd increase for schools in Tier 1, a 0.011 sd increase for schools in Tier 2, and a 0.016 sd increase for schools in Tier 3—again, assuming the funding was sustained over four years. Effect sizes smaller than 0.05 sd are typically considered small in terms of impact on student achievement. Therefore, even if these effects of the funding from new FSF weights were realized, the impact on students would be small.[34] These impacts, if realized, could still be meaningful. By definition, if the new FSF investment improved scores by this much, the efficiency of the investment would be in

FIGURE 10

Among the Schools That Received Concentrated Need Weight Funding, That Funding Increased FSF Entitlement by $100,000 or Less for 194 Schools (64%)



Change in FSF Entitlement Due to the Concentrated Need Weight, 2023-2024
Dollars in Thousands

SOURCE: IBO analysis of FSF data provided by DOE
NOTE: Includes 304 schools that received concentrated need weight funding through FSF in the 2023-2024 school year.
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line with average expectations from national research on school funding effects. However, a small impact on test scores is likely too small for policymakers and school community members to observe at the student or school level, and far smaller than the improvement needed to equalize educational outcomes for disadvantaged students.

How Did the FSF Changes Affect Total School Budgets?

At first glance, school community members might expect their schools' total budgets to have increased by at least the same amount as the increase in FSF allocation driven by the new weights. However, other factors—both within the FSF formula (see Figures 6 and 8) and changes in funding outside the formula (see Figure 1)—also affect total budgets.

To address this, IBO estimated to what extent the additional FSF from the new weights is related to changes in the total budget, utilizing a panel data regression (see Figure 11). When controlling for changes in school demographics that would affect school budget allocation beyond FSF, IBO found that a one dollar increase in FSF entitlement per pupil from the new weights is associated with a 77-cent increase in total school budget per pupil. This result does indicate the new weights contributed to a larger total budget, on average. However, the estimate of less than a one-to-one increase suggests that the FSF increases from the new

weights were, in part, offset by decreases in non-FSF funding per pupil.

Case study: How did the fiscal year 2024 FSF changes affect two example schools?

IBO conducted a case study, considering two example schools, one K-5 and one K-8, to better understand these findings. These two schools have the largest number of STH and are both in the highest concentrated need tier (Tier 3), so they are schools that experienced the largest per-pupil increases from the new FSF weights. School A and School B saw FSF increases from the new weights of $699 and $823 per pupil, respectively, in the 2023-2024 school year (see Figure 13).

However, the two schools showed opposite patterns in total budget changes. School A's total budget increased by $3,641 per pupil, while School B's total budget decreased by $2,270 per pupil. The driver of these differences was changes in non-FSF funding sources—and particularly, "all other" funding (funding besides FSF and Federal funding).[35] While the decline in COVID-19 stimulus funds per pupil was larger for School B, both schools had negative changes in this funding. Unlike School A, all other funding per pupil in School B substantially decreased. These two example schools highlight the differential impacts of allocating non-FSF funding by lump-sum funding versus per-pupil funding. School B saw a significant increase in their enrollment, while in School A enrollment stayed similar. If certain funding allocations are made at the school level (that is, it is lump sum funding—such as funding for specific staff), a significant increase in enrollment will result in a decline in per-pupil funding.[36] Put differently, some funding is not designed to scale to match increases in enrollment or student need as FSF does.

These findings suggest that the allocation of non-FSF funding could have offset the increase in FSF from the new weights. While these two example schools might represent extreme cases, IBO found a negative correlation, on average, between the increase in FSF budget per pupil from the new weights and "all other" funding per pupil. Although the details of the allocation mechanisms for "all other" funding are beyond the scope of this report—this funding includes dozens of allocations for specific programs and staff—it is possible that the combination of allocation methods for individual funding sources weakened the effect of the new FSF weights on total school budgets.

FIGURE 11

After Controlling for Student Characteristics, a One Dollar Increase in FSF Funding per Pupil From the New Weights Was Associated With a 77-Cent Increase in Total School Funding per Pupil

	Change in Total School Budget Per Pupil
Increase in FSF Entitlement Per Pupil From New Weights	0.766*** (0.219)
Schools	1,521
Adjusted R^2	0.965

SOURCE: IBO analysis of FSF data provided by DOE and SLT View data

NOTE: ***Signifies statistical significance at the 0.1% level (standard error in parenthesis). Estimates in the table are from a fixed effect regression model including school and year fixed effects (equivalent to a first difference regression because the data cover two years: fiscal years 2023 and 2024). The regression also includes all the characteristics used in the FSF entitlement calculation, except for characteristics related to the new weights, because the key independent variable is a function of those variables.

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FIGURE 12

Two Example Schools Saw Opposite Changes in Total School Budgets per Pupil, Despite Having Similar Numbers of Students in Temporary Housing and Belonging to the Same Concentrated Need Tier

	School A			School B		
	2023	2024	Changes	2023	2024	Changes
Total School Budget (Per Pupil)	**$20,963**	**$24,603**	**$3,641**	**$18,438**	**$16,168**	**($2,270)**
FSF Total	$8,929	$9,677	$748	$9,217	$9,786	$569
FSF Entitlement	$6,686	$7,244	$558	$6,633	$7,202	$568
FSF From New Weights	n/a	$699		n/a	$823	
Federal Title I-IV Funds	$2,419	$2,686	$268	$736	$1,406	$670
Federal COVID Funds	$856	$600	($256)	$1,033	$441	($591)
All Other Non-FSF Funds	$8,759	$11,640	$2,881	$7,451	$4,535	($2,917)
Enrollment	722	706	-16	348	463	115
STH	n/a	232		n/a	251	
Concentration Weight Tier	n/a	Tier 3		n/a	Tier 3	
Special education students	151	129	-22	72	75	3
Below achievement standard	737	697	-40	249	330	81
ELL	82	58	-24	93	186	93
Weighted Student Register	1,150	1,207	57	550	787	237

SOURCE: IBO analysis of FSF data provided by DOE and SLT View data

NOTE: This case study focused on two schools with the largest number of students in temporary housing within the highest concentrated need tier (Tier 3). These two schools benefited the most from the new weights. The categories of need considered by the FSF formula are simplified for ease of interpretation (for example, there are multiple sub-categories under special education). While School A served grades K-5 and School B served grades K-8, three-fourths of the students in School B were K-5 students.

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How Stable Is the New "Concentrated Need" Category?

One of the explicit considerations during the 2022 FSF working group discussions was stability in schools' budgets.[37] Stability is also important to generate impacts on student outcomes from increased funding. However, because the portion of students in need at a school can change year-to-year, a school's concentrated need ranking, and therefore tier, can also change. Even if the portion of students in need at a school does not change, because the concentrated need tiers are based on rankings, not absolute values, a school's tier can change based on changes in other schools' average portion of students in need.

IBO examined how schools' concentrated need tiers changed from the 2023-2024 school year to the 2024-2025 school year (see Figure 13). Most schools—1,157—were not in any

concentrated need tier in either year. However, among the schools that were in a concentrated need tier in the 2023-2024 school year, there were significant changes—113 schools moved to a lower tier, including 59 schools that no longer receive any concentrated need weight in the 2024-2025 school year. In addition, 117 schools moved to a higher tier, including 65 schools that newly received a concentrated need weight.

FIGURE 13

230 Schools Changed Concentrated Need Tiers From the 2023-2024 to the 2024-2025 School Year

Schools moved to a higher CN Tier | Schools stayed in the same CN Tier | Schools moved to a lower CN Tier

		2025 Concentrated Need Tier			
		None	Low	Mid	High
2024 Concentrated Need Tier	None	1,157	38	18	9
	Low	33	38	19	8
	Mid	20	20	36	25
	High	6	5	29	59

SOURCE: IBO analysis of FSF school allocation memoranda for fiscal years 2024 and 2025

NOTE: This figure includes 1,520 schools open in both the 2023-2024 and 2024-2025 school years. Totals for the 2023-2024 school year do not sum to the total number of concentrated need (CN) schools (304) because six schools that were CN schools in the 2023-2024 school year closed or merged with another school the following year.

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Without "hold harmless" allocations, changes in concentrated need tiers could result in significant budget changes. In the most extreme case, the six schools that were in the highest concentrated need tier in the 2023-2024 school year, but that did not receive any concentrated need funding in the 2024-2025 school year, lost FSF entitlement funding of $508 per student (because each student no longer received the 0.12 concentrated need weight). These six schools received between $80,000 and $145,000 in the 2023-2024 school year for the concentration weight alone. However, all 113 schools that moved to a lower tier would have received significant funding through these weights, and the change in their concentrated need tier led to a decline in FSF funding for these schools.[38] For these 113 schools, other FSF allocation changes due to enrollment changes and changes in the base amount could have either offset or added to FSF allocation declines. In addition, hold harmless funding for schools in fiscal year 2024 (allocated outside of the FSF formula) would have ensured schools that lost FSF funding due to a change in concentrated need tier funding did not see a net decline in funding across various allocation categories, including FSF (see earlier discussion of hold harmless funding in the "Total School Budgets" section).[39] However, there is no provision built into the FSF formula itself to support schools that experience a negative change in their concentrated need tier. As principals plan their school's budget and consider hiring decisions, year-over-year consistency remains an ongoing concern. Changes in concentrated need tier may particularly contribute to school budget instability.

On the other hand, the variability of the concentrated need tier ensures schools that experience rapid growth in the neediness of their student population benefit from additional resources. The 117 schools that moved to a higher tier received increased funding. In the most extreme case, the nine schools that were not in a concentrated need tier in the 2023-2024 school year, but that moved to the highest CN tier in the 2024-2025 school year, gained FSF entitlement funding of $508 per student. That is, the concentrated need tier funding

responds flexibly to growth in the neediness of a schools' student population without continuing to fund schools with less relative need.

Conclusion

This IBO report specifically focused on the FSF formula, and two new weights that were intended to support STH and schools with concentrated need. These weights resulted in an additional $99.9 million investment (including CB costs) in schools through FSF, a substantial increase. However, this increase on its own may not have been significant at the school or student level. While the amount of funding allocated through FSF increased from fiscal year 2023 to fiscal year 2024, the changes due to the new weights were relatively small for most schools in terms of purchasing power, and small on a per-pupil basis. That is, the size of the investment per-pupil suggests there is unlikely to be an observable systemwide impact on the outcomes of STH and students in schools with higher concentrations of high-need students.

In addition, on average, a $1 increase in FSF per pupil from the new weights was only associated with a $0.77 funding increase in total budget per pupil. This discrepancy suggests allocations made outside of the FSF formula did not necessarily match or enhance the targeting of FSF. FSF is very intentionally designed to support specific categories of student need on a per-student basis. Dozens of other school budget allocations vary widely in their allocation method and the programs or students they support. The result is that non-FSF funding can magnify or counteract associations between school funding and FSF need categories. In the specific context of fiscal years 2023 and 2024, non-FSF funding included Federal COVID-19 stimulus funds and hold harmless allocations, both of which were specifically used to combat budget declines due to enrollment losses. This targeting may partly account for why non-FSF funding partially offset the allocations made through the new weights. Going forward, non-FSF funding may be allocated differently, which would mean the relationship between FSF per-pupil changes and changes in total budget per pupil could also differ.

Indeed, many long-standing non-FSF funding streams ostensibly target schools and students similarly to those targeted by the new weights in the 2023-2024 school year. For example, schools with high portions of students in poverty receive Title I funding, and all schools receive a Title I set aside for STH. DOE funds specific staff to support STH, such as Bridging the Gap social workers. DOE also funds Community Schools, where community-based organizations partner with schools to provide supplemental services to low-income students. While allocating funds outside of the FSF formula leaves less funding to be directed through FSF to support high-need students, many non-FSF allocations are mandated by Federal or State law, or, in the case of City-funded allocations, are well-established with significant support among school communities. Part of a principal's roles is managing the combination of different funding sources in their school's budget to best support their student population, with the support of district Superintendent staff.[40] The new FSF weights reflect the latest iteration of NYC's school funding system as it continues to grapple with finding the optimal combination of flexible FSF and categorical/programmatic funding needed to support high-need students and schools.

Going forward, it will be important to assess if the new weights for STH and schools with concentrated need result in improvements for the targeted students and schools. Because the additional FSF funding per pupil is relatively small, the ultimate impact of this new funding on students may depend on how schools spend the additional FSF dollars, and on the non-FSF funding available to schools. Finally, school budget stability remains an ongoing concern and may become a particular issue for schools that do not consistently remain eligible for the same FSF concentrated need weight.

Lastly, IBO found DOE does not transparently report on the components of the FSF formula. While DOE states that the base amount "is based on the current citywide average teacher salary that excludes increases from CB negotiations" and the CB amount reflects "additional dollars beyond the formula to pay for increases from 2014 through 2025 in staff salary schedules negotiated as of May 2024", neither of these calculations is easily replicable.[41] The lack of replicability differs from the calculation of the FSF entitlement amount, which is easily replicable given the base, the weights, and student counts. How DOE initially determined the weights in the formula, or determined the size of the new weights that have been added since 2007, is also unclear. CB funding is now a significant portion—21%—of overall FSF funding, potentially distorting the targeting of funding through the entitlement portion of the formula. The base amount and weights are the key to converting student educational needs to dollars. More transparent information on how DOE determines these components of the formula would be essential to examine whether FSF is adequate to support student needs.

Appendix

FIGURE 14

The Base Amount in the FSF Formula Has Mostly Increased Over Time

Fiscal Year	Base Amount
2008	$3,788.00
2009	$3,946.00
2010	$4,003.35
2011	$4,059.71
2012	$4,085.30
2013	$4,120.10
2014	$4,122.55
2015	$4,122.55
2016	$4,104.38
2017	$4,096.58
2018	$4,084.80
2019	$4,084.80
2020	$4,109.01
2021	$4,137.85
2022	$4,223.00
2023	$4,197.19
2024	$4,237.38
2025	$4,254.43

SOURCE: DOE

NOTE: The base amount is multiplied by the weighted student register to determine a schools' FSF entitlement (see Figure 2). Dollars are nominal.

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FIGURE 15

The Weights Used in the FSF Formula Have Changed Over Time

Weight Category	Weight Sub-category	FY2008-2011	FY2012	FY2013	FY2014	FY2015-2016	FY2017	FY2018-2023	FY2024
Grade Weight	K-5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	6-8	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
	9-12	1.03	1.03	1.03	1.03	1.03	1.03	1.03	1.03
Academic Intervention	Poverty*	0.24	0.12	0.12	0.12	0.12	0.12	0.12	0.12
	4-5 Well Below	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	4-5 Below	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
	6-8 Well Below	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	6-8 Below	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
	9-12 Well Below	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	9-12 Below	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
	9-12 Heavy Graduation Challenge			0.20	0.40	0.40	0.40	0.40	0.40
English Language Learners	ENL K-5	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	ENL 6-8	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	ENL 9-12	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
	Bilingual K-5						0.44	0.44	0.44
	Bilingual 6-12						0.55	0.55	0.55
	Commanding K-5						0.13	0.13	0.13
	Commanding 6-12						0.12	0.12	0.12
	SIFE K-12						0.12	0.12	0.12

Table continues on next page

FIGURE 15 CONTINUED

The Weights Used in the FSF Formula Have Changed Over Time

Weight Category	Weight Sub-category	FY2008-2011	FY2012	FY2013	FY2014	FY2015-2016	FY2017	FY2018-2023	FY2024
Special Education	Low Intensity <=20%	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
	Moderate Intensity 21% to 59%	0.68	0.68	1.25	1.25	1.25	1.25	1.25	1.25
	Less Inclusive >= 60% K-8	1.23	1.23	1.18	1.18	1.18	1.18	1.18	1.18
	Less Inclusive >= 60% 9-12	0.73	0.58	0.58	0.58	0.58	0.58	0.58	0.58
	More Inclusive >= 60% ICT K	2.28	2.28	2.09	2.09	2.09	2.09	2.09	2.09
	More Inclusive >= 60% ICT 1-8	2.28	1.90	1.74	1.74	1.74	1.74	1.74	1.74
	More Inclusive >= 60% ICT 9-12	2.52	2.10	1.74	1.74	1.74	1.74	1.74	1.74
	Post-IEP Support			0.12	0.12	0.12	0.12	0.12	0.12
Students in Temporary Housing	Students in Temporary Housing (STH)								0.12
Portfolio Schools	CTE Tier 1	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
	CTE Tier2	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17
	CTE Tier 3	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
	CTE Tier 4	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
	Academic	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
	Audition	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
	Transfer Schools Heavy Graduation Challenge	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
	Transfer Schools Regular Graduation Challenge	0.40	0.40	0.30	0.21	0.21	0.21	0.21	0.21

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FIGURE 15 CONTINUED

The Weights Used in the FSF Formula Have Changed Over Time

Weight Category	Weight Sub-category	FY2008-2011	FY2012	FY2013	FY2014	FY2015-2016	FY2017	FY2018-2023	FY2024
Concentrated Need	Tier 1 - Low								0.04
	Tier 2 - Mid								0.08
	Tier 3 - High								0.12

SOURCE: DOE

NOTE: * Poverty is used as a proxy for academic intervention weights for students without incoming test scores. SIFE=Students with Interrupted Formal Education. IEP=Individualized Education Plan. ENL=English as a New Language. Purple cells reflect a change in weights from the prior year.

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Endnotes

1 IBO used school-level School Leadership Team (SLT) budget data, as of the final month of the fiscal year (June), in this report. These figures technically reflect scheduled budget amounts, which may differ from funding allocated to schools if there are unscheduled amounts or amounts scheduled in excess of allocations. SLT budget data are still a good approximation of total school budgets and IBO refers to them as such, rather than "total scheduled budget," for simplicity.

2 This example is illustrative. In practice, Title I schools can implement a school-wide program (SWP), which grants them more flexibility with the funds. Almost all schools in NYC use the SWP model rather than the targeted assistance model. For more on fiscal year 2024 Title I allocations, see: New York City Department of Education. (2023). School Allocation Memorandum No. 11, FY2024. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy23_24/fy24_docs/fy2024_sam011.htm. For more on fiscal year 2024 Bridging the Gap allocations, see: New York City Department of Education. (2023). School Allocation Memorandum No. 40, FY2024. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy23_24/fy24_docs/fy2024_sam040.htm

3 When calculating FSF allocations for a specific school or citywide, using the weights or base amount rounded to the nearest hundredth (two decimal places) will lead to significant discrepancies from the actual allocations, which are based on the more precise numbers. The more precise weights and base amounts are viewable in csv/excel versions of these data.

4 NYC Public Schools Department of Finance. (2023). Fair Student Funding Guide FY 2024. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy23_24/am_fy24_fsf1.htm. p. 5.

5 New York City Department of Education. (2022). School Allocation Memorandum No. 01, FY 2023. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy22_23/fy23_docs/fy2023_sam001_1b.htm

6 New York City Office of the Mayor. (2021). Mayor de Blasio, Speaker Johnson and Shools Chancellor Porter Announce Historic Investment to Bring 100 Percent "Fair Student Funding" to All Schools for the First Time Ever. https://www.nyc.gov/office-of-the-mayor/news/277-21/mayor-de-blasio-speaker-johnson-schools-chancellor-porter-historic-investment-to

7 Hoffman, E., O'Hagan, K. & Sompura, D. (2018). Report of the Finance Division on the Fiscal 2019 Preliminary Budget and the Fiscal 2018 Preliminary Mayor's Management Report for the Department of Education. New York City Council. https://council.nyc.gov/budget/wp-content/uploads/sites/54/2018/03/FY19-Department-of-Education-Expense.pdf

8 As of fiscal year 2025 only 29 schools received funds over formula, based on IBO analysis of budget data provided by DOE.

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DOE's modeling for the 2022 FSF Working Group lists "school students in temporary housing/students in shelter percentage," but it is not clear which they used, as the two are different: Students in shelter is a subset of students in temporary housing. New York City Department of Education. (2022). Modeling Potential FSF Changes (Part II). https://infohub.nyced.org/docs/default-source/default-document-library/fsf-working-group_meeting-6_092922_proposal-deck_public-facing.pdf

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25 Fair Student Funding Working Group. (2022, Nov. 4). Fair Student Funding Working Group Final Report. https://infohub.nyced.org/docs/default-source/default-document-library/fair-student-funding-working-group---final-report.pdf

26The economic need index (ENI) assigns a student an economic need value of 1.0 if they are eligible for public assistance, if they were a STH in the past for year, or if they are an ELL high school newcomer. Otherwise, a student's economic need value is the portion of families with school-age children in the student's census tract whose income is below the poverty level, according to data from the American Community Survey (ACS). The ENI of a school is the average economic need value across all students. Each school's ENI, as well as the percentage of students in each of the need categories used for the concentrated need ranking, are available on DOE's website: New York City Department of Education. (2023). Fair Student Funding Guide FY 2024. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy23_24/am_fy24_fsf1.htm.

27 The FSF data provided to IBO by DOE does not include information on the number of students eligible for one of the weights (the "post-IEP" weight) or the amount of funding allocated through that weight, either at the school level or citywide. Therefore, all the FSF funding totals in this report, by school and citywide, are slightly less than the actual amount of total funding that was allocated through FSF. In April 2025 DOE reported to IBO that, citywide, 1,710 students were eligible for the post-IEP weight, associated with $869,273 in funding in fiscal year 2024. Figures were similar for fiscal year 2023. The post-IEP weight supports students' transition who have met the goals of their IEP and no longer need the IEP program.

28 IBO calculated this by applying the citywide ratio of FSF collective bargaining funding to FSF entitlement funding in 2024, 29%, to the FSF entitlement costs associated with the formula changes.

29 New York City Department of Education. (2022). Modeling the Impact of Potential FSF Changes (Part I). https://infohub.nyced.org/docs/default-source/default-document-library/fsf-modeling.pdf

30 In fiscal year 2024, of the 1,529 total schools funded through FSF, 801 schools served students in grades K-5, 477 schools served students in grades 6-8, and 474 schools served students in grades 9-12. These are not mutually exclusive (e.g., there are K-8 schools, 6-12 schools, and K-12 schools). There were 777,136 students funded through FSF in fiscal year 2024: 335,416 students in grades K-5, 174,819 students in grades 6-8, and 266,901 students in grades 9-12.

31 Jackson, C. K. & Mackevicius, C. L. (2024). What Impacts Can We Expect from School Spending Policy? Evidence from Evaluations in the United States. American Economic Journal: Applied Economics 16(1), 412-46. https://doi.org/10.1257/app.20220279

32 Kraft, M. A. (2020). Interpreting Effect Sizes of Education Interventions. Educational Researcher 49(4), 241-253 https://doi.org/10.3102/0013189X20912798.

33 Jackson, C. K. & Mackevicius, C. L. (2024). What Impacts Can We Expect from School Spending Policy? Evidence from Evaluations in the United States. American Economic Journal: Applied Economics 16(1), 412-46. https://doi.org/10.1257/app.20220279

34 In addition, these calculations assume the counterfactual is that this funding was not invested in schools. As previously mentioned, it is possible DOE would have allocated this funding to schools even without FSF formula changes, and if no new weights had been added, the funding may have been invested through increases in the base amount of the FSF formula. In this scenario—where the increased funding was allocated through the base amount—the distribution of funding changes across schools would have differed. If an additional base amount increase were the counterfactual, IBO's estimates of the difference between that scenario and the actual increases would differ, as would the estimated potential impact on student outcomes.

35 Given the way SLT budget data are categorized, it is straightforward for IBO to separate Federal funding from the rest of non-FSF funding.

36New York City Department of Education. (2024). School Allocation Memorandum No. 40, FY 2025. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy24_25/fy25_docs/fy2025_sam040.htm

37 "This model was designed to ensure that all schools that qualify receive additional net funding that is fixed. For planning purposes, this would aid principals as funding would be more predictable and less variable." Fair Student Funding Working Group. (2022, Nov. 4). Fair Student Funding Working Group Final Report. https://infohub.nyced.org/docs/default-source/default-document-library/fair-student-funding-working-group---final-report.pdf. p. 19.

38 Schools that went from the high concentrated need (CN) tier to the mid CN tier, or from the mid CN tier to the low CN tier, would have lost $169 per pupil. Schools that went from the high CN tier to the low CN tier, or from the mid CN tier to no CN tier, would have lost $339 per pupil. Depending on the total enrollment in the schools, the change in total funding could have been significant (and the change in total funding could have been as large or larger than the change in total funding for the six schools that went from the High CN tier to no CN tier, which lost $508 per pupil).

39 New York City Department of Education. (2023). School Allocation Memorandum No. 44, FY 2024: Initial Allocation Hold Harmless FY 2024. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy23_24/fy24_docs/fy2024_sam044.htm

40 As DOE writes: "School leaders are best positioned to decide how to improve achievement. FSF allows for principal discretion on the use of dollars and gives schools the opportunity to make the best choices for their students." New York City Public Schools Division of Finance. (2024). Fair Student Funding Guide FY 2025. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/

fy24_25/fy25_docs/FY2025_FSF_Guide.pdf

41 New York City Public Schools Division of Finance. (2024). Fair Student Funding Guide FY 2025. https://www.nycenet.edu/offices/finance_schools/budget/DSBPO/allocationmemo/fy24_25/fy25_docs/FY2025_FSF_Guide.pdf

New York City Independent Budget Office

IBO's mission is to enhance understanding of New York City's budget, public policy and economy through independent analysis.

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