

New York City Department of Education Chief Financial Officer Lindsey Oates Testimony Before the
New York State Committee on Education and the New State Standing Committee on Budget and
Revenues, Hearing on Foundation Aid

Tuesday, December 3, 2019

Good afternoon, Chairs Mayer, Benjamin, and Liu, each of the Senators in attendance, and all attendees here today. Thank you to our New York State senators for your advocacy on behalf of 1.1 million New York City public school students.

My name is Lindsey Oates and I am the chief financial officer for the New York City Department of Education. I am also a proud public-school parent.

On behalf of Chancellor Carranza, thank you for the opportunity to present testimony today at this important hearing regarding the State's foundation aid formula.

I want to start with a statement that you've heard before—from the Mayor, the Chancellor, advocates, and countless families and students: the foundation aid formula must be fully funded.

The landmark Campaign for Fiscal Equity decision in 2007 brought the promise of new State funding to provide all students with the resources they desperately need. As you know, that promise remains unfulfilled and New York City public school students are owed \$1.1 billion in this fiscal year alone. We look forward to continuing to work with each you, and your colleagues, to ensure that this promise to our students is finally fulfilled.

I will return to further discuss foundation aid later in my testimony, but for the moment, I want to talk about the amazing students in the largest, and one of the most diverse, public school system in the United States.

Of our 1.1 million students:

- 72 percent are economically disadvantaged
- 20 percent are students with disabilities
- 13 percent are multilingual learners
- 40 percent are Hispanic, 25 percent black, 16 percent Asian, and 15 percent white

And throughout the city, they are making great strides.

They have the highest graduation rate on record at 75.9 percent, rising in every borough and among every demographic group. Our students also have the lowest ever high school dropout rate of 7.5 percent.

Just last week, we announced that our students have the highest college enrollment rate on record at 62 percent.

Our schools are launching more and more students to successful futures. We owe these achievements, in part, to the Equity and Excellence for All agenda championed by Mayor Bill de Blasio and Chancellor Richard Carranza. Here are just a few examples of Equity and Excellence in action:

- **Pre-K for All** is serving roughly 70,000 students and **3-K** is serving roughly 20,000 students, strengthening foundational skills and instruction earlier and earlier.
- **Community Schools** are neighborhood hubs where students receive high-quality academic instruction, families can access social services, and communities congregate to share resources and address their common challenges.

- Through **AP for All**, the number of students with access to Advanced Placement courses has increased from 160,000 to 226,000, with 75 percent of high school students now having access to at least five AP classes.

The Mayor and Chancellor have made unprecedented investments to support our schools and improve student outcomes. This includes funding for programs like those I just mentioned—and significant new investments in Fair Student Funding, also known as FSF.

FSF distributes funds to schools employing a weighted student funding formula. Simply put, this means that a school's student population—and their needs—determine the majority of that school's budget.

FSF is driven by equity, and the data shows that it's been successful in advancing it. Per capita budgets are higher at schools with high concentrations of students in poverty, students with disabilities, and multi-lingual learners.

While the City has made major new investments in FSF, we simply cannot afford to close the FSF gap alone.

And we cannot afford to let any of our students fall between the cracks.

This brings me to the beginning of my testimony: the 2007 Campaign for Fiscal Equity decision ordering New York State to increase basic operating aid to schools. The City and DOE created FSF to disburse this new funding in an equitable manner—with funds following need.

Unfortunately, that promise has not been met, and our students have not received the funding that they are owed. The remaining obligation from the State to New York City students is \$1.1 billion in this fiscal year alone. As a result of this shortfall in State funding, our system has many schools below 100 percent of their FSF. And too many of our students without the resources they deserve.

With this funding, we would provide needed additional resources for our students and schools—like more teachers and guidance counselors, mental health services, and multilingual education services. Enabling us to support EVERY child in the ways THEY need.

This funding would create a more equitable and excellent education system, and allow our students to take their academic achievement to the next level.

This funding would ensure that every single child, in every classroom, in every New York City public school, would receive an inspiring, engaging, safe, and nurturing learning experience.

It is our job—as educators, elected officials, policymakers, adults—to help every child achieve dreams as large as their imaginations.

That is why we need the State to fully fund the foundation aid formula.

Once the formula has been fully funded, then we certainly should consider ways to strengthen the formula. We look forward to hearing other stakeholders' perspectives on the formula throughout the rest of today's hearing.

Again, I thank each of you for your leadership and support for New York City public school students.

I am happy to answer any questions that you may have.