

## Foundation Aid and Other State Aid Issues

Governor Kathy Hochul's proposed state budget for 2023-24 follows through on the state's commitment to fully fund the Foundation Aid formula while also funding expense-based and other aids according to current law formulas. We are grateful for these proposals. We know, however, that the Legislature's resolve over many years in defending Foundation Aid and pursuing full funding has been crucial in reaching this historic point.

We make three requests regarding **Foundation Aid**:

- Complete the mission, fully fund the formula in the next state budget
- Expand upon the 3% guaranteed minimum increase proposed by the Governor. All districts must accommodate inflationary cost increases within the local revenue limits set by the property tax cap and many are struggling to fill positions. A further increase scaled based upon district wealth could cost less \$50 million—less than a 0.2% increase Foundation Aid.
- Third, commence a process to build consensus on steps needed to update and improve the formula. Since its enactment we have called Foundation Aid an under-appreciated achievement in public policy. But it is now a decade and a half old. Some factors have never been updated and problems have emerged with others. The Education Department should receive funding to lead critical research on measuring student needs, accounting for regional cost differences, establishing the cost of providing a sound basic education, and other issues.

There are also two gaps in state aid that we urge the Legislature to address:

- The budget does not provide increased aid to support ongoing career and technical education programs. **We support increasing funding for CTE opportunities for students** by phasing-in increases in the \$30,000 aidable salary limit to \$60,000 by 2025-26 and providing a commensurate increase in Special Services Aid for districts which are not BOCES members. The BOCES aidable limit has not been increased since 1990.
- We are grateful for the state's actions last year to provide forgiveness of district errors in district filing of Building and Transportation Aid claims. This will spare districts from penalties vastly out of proportion to the magnitude of their mistakes. We regret, however, that the budget would omit for the third consecutive year any funding for payment of prior year adjustments of aid owed to school districts. **We urge restoration of an appropriation of at least \$20 million for prior year adjustments.**