

## State Education Department Funding to Lead Review of the Foundation Aid Formula

***The Council supports the State Education Department’s request for an appropriation of \$1 million to enable it to lead research necessary to update the Foundation Aid formula.***

Nearly from its enactment, we have characterized the Foundation Aid formula as an under-appreciated achievement in public policy. It generally provided the greatest aid per pupil to the neediest districts. It promised all districts greater predictability in state funding. It used factors that could be understood, evaluated, and debated, making funding decisions more transparent and accountable.

But 17 years have now passed. Some formula elements have never been updated—we are still using 2000 Census data as a measure of student poverty and the Regional Cost Index applies the same adjustment values as in 2007. Expanded offering of free school meals has diminished the accuracy of free and reduced-price lunch data as an indicator of student need. We have learned more about how students’ school and life circumstances may affect learning. There was no property tax cap in 2007.

A strength of the 2007 formula was that it largely reflected a consensus built among key stakeholders through a process supported by research led by the State Education Department. That lesson should be applied to reviewing and updating the formula now.

In September, the Educational Conference Board—a coalition of statewide education groups including the Council—recommended a two-pronged approach for reviewing the formula.<sup>1</sup> We identified some formula updates which SED might model for consideration without research funding. But there are others which will require funded research; examples could include revising the weight given students with special needs, including English Language Learners and students with disabilities; accounting for the effects of concentrated poverty; or restructuring the formula’s Regional Cost Index. We also stressed that it might be necessary to defer structural changes to the formula until an entire package of reforms can be evaluated.

A part of this work must also consider the needs of students attending districts not “on the formula”—the 43% of districts which would be on save-harmless in 2024-25 under current formula calculations.

In the meantime, we continue to urge rejection of the Executive Budget proposals to cut Foundation Aid by \$420 million from what formulas now in law would provide for 2024-25 and cut aid for half the state’s school districts from what they are receiving this year.

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<sup>1</sup> New York State Educational Conference Board. “[Foundation Aid—What’s Next.](#)” October 2023