

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



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

Educational Conference Board SUPPORTS the appropriation of \$1 million in the Senate and Assembly One House Budgets for the New York State Education Department to Review the Foundation Aid formula.

The ECB, made up of the seven leading statewide educational organizations representing parents, classroom teachers, school related professionals, school boards, building administrators, superintendents, and school business officials, supports the appropriation of \$1 million for the review of the Foundation Aid formula in both the Senate and Assembly One-House Budgets, and request that it be included in the final Enacted Budget.

It has taken more than a decade and a half to get to where next state budget will finally put us—at the full phase-in of the Foundation Aid formula. Over that time, significant changes have occurred to the demographics of school districts and the scope of programs and services which students depend on. The formula itself, however, has many components that have remained static or become outdated.

Following the conclusion of the Campaign for Fiscal Equity lawsuit, which found that the state was not meeting its obligation to provide a “sound, basic education,” the current Foundation Aid formula was adopted in 2007. It is structured to take into account the cost of delivering a sound basic education, the level of student and community need, the regional cost of living and the expected level of local contribution relative to the district’s wealth.

Enactment of Foundation Aid was a significant accomplishment in public policy and recent increases in that formula have helped many districts improve opportunities for their students. But the formula is now more than 15 years old and key elements have never been updated or now rely upon outdated data: The Foundation Amount (the base level of funding), the Census Poverty measure used in the Pupil Needs Index (the weighting mechanism for student needs), and the Regional Cost Index are among the components that are frozen and/or outdated.

A strength of the 2007 reform was that it largely reflected a consensus built among key stakeholders through a process supported by research led by the State Education Department. Now SED has asked lawmakers for funding to allow the Department to again serve as a hub for reviewing the formula components from top to bottom, and to be a key source in developing options for improvements beyond the 2023-24 school year. Both houses have endorsed that request in the one-house budgets which they have advanced.

Without thoughtful updates, it cannot be assured that the formula will fulfill our State Constitution’s promise of “...a system of free common schools, wherein all the children of this state may be educated.” This \$1 million appropriation will help achieve that goal.