



# Coalition for Equitable Education Funding

## BACKGROUND

Last year, the State had indicated that it would reexamine the Foundation Aid education funding formula—providing an opening to make necessary updates to the formula, which has remained mostly unchanged since it was first adopted in 2007. However, the limited changes to the formula included in the final NYS Fiscal Year 2026 budget resulted in New York City schools receiving *\$314 million less* than they would have received had the State made no changes to the formula at all. This shortfall is due to an update to the poverty weight, which is based on the grossly inadequate federal poverty guidelines and measures poverty the same way in *every* school district across New York, even though costs look very different in different parts of the State.

**While the Governor’s FY 2027 Executive Budget would fully fund the current Foundation Aid formula, it fails to address the formula’s shortcomings and would result in NYC students continuing to miss out on hundreds of millions of dollars from Albany.**

## RECOMMENDATIONS

The Fiscal Year 2027 State budget should fully fund the Foundation Aid formula and make important updates, including the following two changes:



**Update the Regional Cost Index, as proposed in S.8125/A.9049.**

The formula’s **Regional Cost Index (RCI)** is supposed to account for the varying costs throughout the State, but it **has not been updated since 2006**. Although it is becoming increasingly difficult for families to be able to afford to live in NYC, the formula has not been updated to help school districts pay for increased wages and growing costs and expenses.



**Add a per-pupil weight for students who are homeless or in foster care, as proposed in S.8139/A.9048.**

Last school year, **more than 154,000 NYC students experienced homelessness**. Students experiencing homelessness, as well as students in foster care, face significant barriers to education, but the formula provides **no additional funding** to help school districts meet their unique educational needs.

*For more information about the Coalition for Equitable Education Funding and the above recommendations, please visit [advocatesforchildren.org/ceef](https://advocatesforchildren.org/ceef) or contact May DePierro, Policy Associate at Advocates for Children of New York, at [mdepierro@afcny.org](mailto:mdepierro@afcny.org).*