



Coalition for Equitable Education Funding

News Release

For immediate release

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Response to Governor Hochul's Proposed Budget

January 20, 2026 (New York, NY) — *In response to the release of Governor Hochul's Fiscal Year 2027 Executive Budget, the [Coalition for Equitable Education Funding](#)—comprised of more than 120 organizations—released the following statement:*

While we appreciate that the Governor is proposing to fully fund the Foundation Aid per pupil funding formula, the formula itself is more than 15 years old, relies on outdated and incomplete measures of student need, and has not evolved to reflect rising costs, particularly in large urban districts.

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. However, the limited changes to the formula resulted in New York City schools *receiving \$314 million less* than they would have had the State made no changes at all—shortchanging NYC students. This shortfall stemmed from an update to the poverty weight, which relies on the grossly inadequate federal poverty guidelines, while ignoring NYC's higher cost of living and the urgent needs of the nearly one in seven NYC students experiencing homelessness.

We are concerned that the budget proposal released today fails to address these shortcomings. It does not include critical updates such as a per pupil funding weight for students who are homeless or in foster care, nor does it update the formula's Regional Cost Index, which is supposed to account for differences in costs and salaries across the State but has not been updated since 2006.

In a city where more than 150,000 students experienced homelessness last year, NYC schools should not continue to be deprived of hundreds of millions of dollars intended to support low-income students. The latest data show that more than half of NYC students in temporary housing, and two out of three students in shelter, were chronically absent, and that one in eight students in shelter dropped out of high school—more than three times the dropout rate of students living in permanent housing.

And while both the Senate and Assembly proposed updating the Regional Cost Index in last year's one-house budgets, the final budget included only a change for Westchester County, despite the affordability crisis facing New York City families.

Without further changes, New York City students will continue to be shortchanged. As the budget process moves forward, we urge Governor Hochul and the New York State Legislature to make key reforms to the way funding is distributed to our schools, including by adding a per pupil funding weight for students who are homeless or in foster care and updating the Regional Cost Index, as proposed in legislation (S.8139/A.9048 and S.8125/A.9049) sponsored by Senator John Liu and Assembly Member Jo Anne Simon.