



# Coalition for Equitable Education Funding

## BACKGROUND

In 2023, Governor Hochul and the New York State Legislature began fully funding the Foundation Aid per-pupil funding formula for the first time since its adoption in 2007—marking a significant milestone for our school communities. However, the formula itself, originally designed to ensure school districts have the resources necessary to provide their students with a sound basic education, includes outdated and incomplete measures of need and has not evolved to account for the growing cost of providing a high-quality education to all students, including those facing the greatest barriers.

Two years ago, the State indicated that it would reexamine the Foundation Aid formula, providing an opening to make necessary updates. However, the limited changes to the formula included in the 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 at all.

The Fiscal Year 2027 budget took important steps toward improving the formula, adding a new per-pupil weight for students who are homeless or in foster care and increasing the weight for English Language Learners. However, given the changes in the education landscape over the past 20 years, additional updates are needed to address the formula's shortcomings and ensure it reflects today's costs and the needs of today's students.

## FY 2028 RECOMMENDATIONS

The NYS Fiscal Year 2028 budget should **fully fund the Foundation Aid formula and make important updates** to help ensure school districts have the resources necessary to provide a high-quality education to all students, including those who need the most support. Examples of key changes needed include the following:

- **Update the Regional Cost Index from 2006.**
- **Increase the weights for student groups with greater needs.**
- **Provide funding for students with disabilities through the school year they turn 22.**

### Update the Regional Cost Index from 2006.

The formula's Regional Cost Index (RCI) is intended to account for variations in salaries in different parts of the State, but it has not been updated since 2006. Although it is increasingly difficult for families to afford to live in NYC, the formula has not been revised to help pay for

increased wages and growing expenses. In addition, the formula's RCI currently groups NYC and Long Island into a single region, despite differences in costs.

Two years ago, the State updated the poverty weight based on the grossly inadequate federal poverty guidelines with no regard to variations in the cost of living, and without *also* updating the RCI, leading to inequitable results. Updating the RCI to current values and separating NYC from Long Island would be critical improvements, particularly as NYC works to implement the State's class size reduction law.

## **Increase the weights for student groups with greater needs.**

While the new per-pupil weight for students who are homeless or in foster care and the increase to the weight for English Language Learners reflect steps toward a more equitable formula, there is more work to do to ensure sufficient funding and support school districts in educating students who need additional assistance to succeed in school. We recommend increasing the weights for students who are homeless or in foster care, English Language Learners, students with disabilities, and students enrolled in school districts with high concentrations of low-income students.

## **Provide funding for students with disabilities through the school year they turn 22.**

In recent years, the State has affirmed that school districts have a legal obligation to provide special education programs and services to students with disabilities until they turn 22 (instead of 21) if they have not yet graduated. However, the State has not aligned the Foundation Aid formula and other state funding streams and statutes to provide districts with funding to educate these older students. The State should ensure school districts receive the resources necessary to serve students with disabilities through the school year in which they turn 22 if they have not yet graduated.

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*While the recommendations above reflect important changes that the State can make this year, we know that further updates are needed to ensure the formula reflects the true cost of educating young people today. We support a holistic review of the formula, including the development of a new methodology to replace the outdated "successful school district model" that forms the base of the formula and is based on the narrow view that successful districts are those where students perform well on standardized tests, with insufficient consideration to the needs of large urban districts.*