



Coalition for Equitable Education Funding

Governor Hochul's proposed changes to the Foundation Aid formula would result in New York City schools getting nearly \$350 million less than they would without these changes.

Updates to the State's outdated per-pupil funding formula are sorely needed to meet the goal of providing adequate and equitable funding to school districts across the State. However, it is critical that such updates fully capture the needs of today's students and account for the enormous variation in the cost of living across New York State. The Governor's Executive Budget fails to meet this goal, in large part because the proposed change to the formula's poverty weight relies on the grossly inadequate federal poverty guidelines, which make no adjustments for the local cost of living and currently stand at *just \$32,150 for a family of four*. It is much more difficult to make ends meet on \$32,150 in the five boroughs than elsewhere in the State, but the Governor's proposal would treat all students the same—shortchanging New York City schools as a result.

WHAT STATE LEADERS CAN DO

Update the Regional Cost Index (RCI)

In their one-house budgets, the Assembly and the Senate each proposed an increase to the formula's Regional Cost Index (RCI), which is supposed to account for differences in costs in different parts of the State but has not been updated since 2006. Expenses have risen significantly in New York City over the past two decades, but the Executive Budget failed to include any changes to the RCI, even as it proposed updates to the similarly out-of-date poverty data.

Updating the RCI, as recommended by the New York State Board of Regents and the Rockefeller Institute, would help offset the negative impact of the Governor's proposed changes. The Senate proposal (increasing the RCI for NYC from 1.425 to 1.464) would restore \$288 million to our schools while the Assembly proposal (increasing the RCI to 1.452) would restore nearly \$200 million.

Increase the weight for English Language Learners

The Assembly's budget proposal also includes an increase to the formula's weight for English Language Learners (ELLs) from .5 to .65, which would drive \$152 million to NYC schools. Particularly at a time when thousands of newly arrived immigrant students have enrolled in NYC schools, it is essential for districts to have increased resources to provide ELLs with the instruction and support they need.

Don't shortchange New York City schools.

State leaders must ensure that any updates to the Foundation Aid formula drive more resources to NYC schools and certainly do not result in our schools receiving *less* money to serve low-income students than they otherwise would. **The final budget should include both the Senate's proposed update to the Regional Cost Index and the Assembly's proposed increase to the weight for English Language Learners.**

WHAT'S STILL MISSING

In addition to including the proposed increases to the Regional Cost Index and the ELL weight, the State should make the following changes to the Foundation Aid formula to more accurately capture the significant needs of New York City students:

- **Add a weight for students in temporary housing and students in foster care**, who have unique educational needs that are currently not considered in the formula.
- **Consider additional ways of measuring poverty**, such as using higher weights for school districts with higher percentages of students living in poverty, as recommended by the Rockefeller Institute, and adding a cost-of-living adjustment or a higher poverty threshold for certain communities.
- **Include funding for students in 3-K and Pre-K, as well as students with disabilities through the school year they turn 22**, who are currently not included in the Foundation Aid formula.
- **Provide resources to help implement the State's new class size requirements** for New York City.
- **Increase the weight for students with disabilities** to ensure it reflects the true cost of providing legally required classes and services.
- **Replace the outdated "successful school district model"** that forms the base of the formula.

Finally, **ongoing review of the formula** is needed to ensure it incorporates adequate, up-to-date measures of student need and reflects the actual cost of providing a sound basic education to all students, including English Language Learners, students with disabilities, and other students who need the most support.

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