

Purpose of this Brief

AQE's analysis of The Rockefeller Institute's recommendations about updating New York's Foundation Aid school funding formula.

History of Foundation Aid

New York State first implemented the Foundation Aid formula in 2007. Foundation Aid marked a commitment by the State to provide legislative remedy for the problem of chronically underfunded public schools. The most underfunded public schools have been, historically and presently, those educating Black, brown, and low-income students. Foundation Aid was meant to provide more funding for low-income school districts to enable them to have the resources they need to meet students' needs.

Updating Foundation Aid









While there has been widespread agreement among advocates, policymakers, and educators that, after nearly 20 years and significant demographic shifts, the Foundation Aid formula requires meaningful revision, the content of, and methodology to implement, those updates has been a critical area of debate.

In 2024, the State commissioned a report from the Rockefeller Institute of Government to study and make recommendations regarding possible updates to the Foundation Aid formula. Released on December 2, 2024, the Rockefeller Institute's report, "A Review of New York State's Foundation Aid Education Funding Formula With Recommendations For Improvement," provides a variety of options to updating each component of the Foundation Aid formula.

Throughout the years of developing the initial formula, creating a report, and advocating for formula updates, AQE has been a leading voice in representing the needs of New York's low-income children and families of color. Here, AQE provides analysis of the Rockefeller Institute's recommendations, which range from being good and thoughtful, to deeply concerning.

A more thorough, long-term study is necessary to accurately determine the cost of educating students. The impact of these changes on school districts is going to remain a key question for the State to address. The process will likely involve further analysis, public feedback, and additional revisions. While the timeline is not yet clear, AQE and its allies will continue advocating for a formula that ensures equity for all New Yorkers, especially its most vulnerable students.

Rockefeller Institute Report Recommendations

<p>Use a different methodology than the <u>Successful School Districts</u> (SSD) costing out model, which bases funding on the average per-pupil expenditure of districts meeting a minimum proficiency threshold, to better capture the true cost of educating a typically developing student</p>	
<p>Phasing in any formula changes over 3 to 5 years</p>	
<p>Replacing outdated data, such as the Free and Reduced Price lunch calculator, with the (year) Small Area Income and Poverty Estimates (SAIPE) and community eligibility data provided that no district experiences a decrease in funding</p>	
<p>Adding a range of weights for English Language Learners (ELLs), based on the number or percentage of ELLs they serve provided that no district experiences a decrease in funding</p>	
<p>Eliminating the Income Wealth Index floor and increase the ceiling to better represent a district's capacity to raise local tax revenue</p>	
<p>Reforming the Regional Cost Index to better reflect actual cost</p>	
<p>Moving students with disabilities outside the Foundation Aid formula in its own categorical aid.</p> <p><i>This calculation must ensure full coverage of costs to adequately educate and meet these students' needs.</i></p>	
<p>Moving certain funding set-asides within the the Foundation Aid formula into separate categorical aid.</p> <p><i>This should only happen if the funding for these new categorical aids is provided in addition to Foundation Aid, meaning no money should be subtracted from the overall Foundation Aid amount.</i></p>	 <p>only if there is extra funding for the categorical aids</p>
<p>Transitioning away from Hold or Save Harmless provision</p>	<p>concerning</p>

Key factors that were not addressed in the Rockefeller report

Costs associated with students in temporary housing	✗
Factoring in the budgetary needs of pre-K	✗
Class size reduction	✗

Key issues that should be considered for inclusion in the Foundation Aid formula

Mental health needs of students	✓
Reestablishing Growth Aid for school districts that experience rapid and unusual increase in enrollment provided in the same year	✓
Capping the STAR program at its current value with future increases going to school districts within the county based on need	✓
Providing funding for the mandate to transition to electric buses	✓