



# Foundation Aid Choices

# The Basics



Included in the 2003-04 Regents State Aid Request

Adopted in the 2007-08 state budget  
Fully funded in the 2023-24 school year



2024-25: \$25.0 billion statewide and 70% of all school aid to districts

Generally unrestricted operating aid  
Core is adequacy, but also progressive and improves equity



Many data elements are updated annually, some are not

Regents proposed updates where available and requested funding to study other areas  
2024-25 enacted budget funded the Rockefeller Institute to do a study by December of 2024

# Current Formula: Total Foundation Aid



Current formula has five parts

Rockefeller proposed updates to each element, not a reconstruction

# Foundation Amount – Starting Point



## Current State

- Successful Schools Study: analysis of the cost of educating general education pupils
- Same starting point for all districts

## Opportunity for Improvement

- Last recalculated in 2015 due to changes in assessments. Updated for inflation annually ever since

## Rockefeller Recommendation

- Short-term: an interim update to existing methodology with top 50% performing ELA/Math schools, no efficiency filter
- Long term: a study is needed to evaluate other approaches
- Use Northeast Region inflation, 5-year average

# Pupil Needs – Adjust for District Needs



## Current State

Additional weights for certain student needs

1. Free and Reduced-Price Lunch (FRPL)
2. English language learners (ELL)
3. 2000 Census poverty, and
4. Students in rural communities

## Opportunity for Improvement

Weights may not capture current service costs

1. Diminishing FRPL quality
2. No differentiation in need among ELLs or students in poverty
3. 2000 Census rates are not current
4. Limited research basis for “sparsity” configuration

Plus, new needs have emerged

## Rockefeller Recommendation

1. Replace FRPL with a 3-year average ‘economically disadvantaged’ count
2. Differentiate ELLs based on NYSITELL performance
3. Use 3-year average poverty estimates from the census bureau with differentiated weights
4. No recommendation on rural adjustment

# Regional Cost Adjustment – Cost of Living/Labor



## Current State

- Cost of living adjustment by labor force region as described by the Department of Labor
- Ranges from 1.0 to 1.425

## Opportunity for Improvement

- Statute requires use of the 2006 analysis
- Regional bright lines makes for disparate treatment of similar districts

## Rockefeller Recommendation

- Replace the Regional Cost Index with Federal Comparable Wage Index for Teachers (CWIFT), county level measure
- Alternately, consider an updated Regional Cost Index

# Local Share – Based on local resources



## Current State

- 90% of what a district would raise under the average tax rate, adjusted for income
- OR
- State sharing ratio reflecting a rough curve based on income and property value per pupil, plus a 5% boost for 'high needs' districts

## Opportunity for Improvement

- Current approach was established before the tax levy limit
- Adjustment for low-income districts is limited by a minimum
- 'High need' district list from 2003 is fixed in law
- Current approaches to reflect community resources may not capture all district nuances

## Rockefeller Recommendation

- Eliminate or adjust minimums and maximums
- Replace public school enrollment with all school-age students
- Replace the state sharing ratio with a single line or curve
- Update the high need list
- Allow districts to select a different mix of income and property wealth

# Pupil Counts – weighted student counts



## Current State

- Based on average daily membership (ADM) of the district, including charter school pupils
- Special education students are weighted at an additional 1.41
- Other pupil counts in the formula still utilize attendance (ADA)

## Opportunity for Improvement

- Review weight on students with disabilities
- Move other ADA-based counts to ADM

## Rockefeller Recommendation

- Eliminate the students with disabilities weight and create a new categorical aid for these students



# Other Rockefeller Foundation Aid Recommendations



Eliminate the \$500 per pupil minimum



Phase-out at least 50% of save harmless over 5 years



Offset foundation aid to districts with excess reserves



Eliminate set-asides

# Non-Foundation Aid

## Rockefeller Recommendations

- Allow for up to 10% reserves for 5 years
- Cap STAR growth and reallocate savings within the county
- Fund mental health outside of the formula
- Fully fund differential cost for electric buses
- Consider growth aid
- Support for students with disabilities
- Support for students in small school districts

# Executive Proposal

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Released  
January 21  
(yesterday)

Four Changes

School aid run  
availability

# Executive Proposal

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1. Updating 2000 Poverty with Current (multi-year) “SAIPE” poverty rates—same as the Regents proposal
2. Updating the Free Lunch counts with (multi-year) “Economically Disadvantaged” counts—same as the Regents proposal
3. Formula changes to the state sharing ratio that help the highest need districts
  - The maximum state share would increase from 91% to 93%, this impacts 55 districts
  - Changing a formula factor that benefits mostly middle income districts
4. A minimum 2% increase for ALL districts (benefits over 300 districts on save harmless)

Questions?