

NEW YORK STATE EDUCATIONAL CONFERENCE BOARD



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Educational Conference Board calls for a \$2.1 billion state aid increase for 2020-21 and Foundation Aid to be funded and updated

Organizations outline funding needed to continue current educational services

Based on estimates for educational expenses in the coming year and growing student needs, New York's major statewide education organizations released a report today detailing the need for a \$2.1 billion state aid increase for 2020-21. To read the full report, [click here](#).

The funding increase recommended by the New York State Educational Conference Board (ECB) contains two primary components:

- \$1.6 billion to continue current educational services based on available cost estimates for school expenses in the year ahead; and
- \$500 million for targeted investments in five critical areas: strengthening school safety and mental health services, supporting receivership schools, addressing the cost of providing specialized services such as special education and English as a New Language, college and career pathways, and professional development.

“Schools are focused on meeting the needs of all children while advancing programs and learning opportunities that will prepare them for a changing world,” said ECB Chair John Yagielski. “The state is a critical partner. Based on the latest data, cost estimates and the collective experience of our organizations, this paper identifies the investments it will take and changes required to enable schools to fulfill the vital mission of education.”

The \$1.6 billion increase to continue current services is based on cost estimates for 2020-21 in areas such as salaries, pension costs, and health insurance costs from sources such as the State Division of Budget and Teachers' Retirement System. This figure represents the state funding required to maintain student programs and services after accounting for local revenue that might be raised given the tax cap.

Based on the CPI data for this year so far, ECB is projecting a tax levy growth factor of 1.74 percent in the tax cap formula – meaning schools could again face a limit that is more restrictive than the 2 percent widely associated with the law. The paper includes recommendations to make the tax cap simpler and more predictable for school districts.

Assumed in the \$1.6 billion increase is full funding for expense-based reimbursements such as transportation, building and BOCES aids, estimated at \$85 million. ECB recommends that the remaining \$1.5 billion be put toward Foundation Aid, with no set-asides. As all schools face growing costs, ECB recommends that each district receive a minimum Foundation Aid increase that at least matches the inflation rate.

The ECB paper points out that between 2007-08 and 2017-18, the total number of New York students receiving free or reduced price lunch increased by 15 percent and the number of English language learners and students with disabilities each increased by approximately 18 percent. Meanwhile, the state is \$3.4 billion behind what is due to schools in the current year, 2019-20, under the Foundation Aid formula – which was intended to account directly for student needs.

The organizations note that the Foundation Aid increase recommended for 2020-21 would put the state on a trajectory to fully fund the formula in three years. They emphasize the importance of establishing a set timeline for this full phase-in.

The paper includes three longer-term Foundation Aid recommendations designed to update the formula based on current financial and student learning factors: conduct a new cost study to determine the foundation amount per pupil; review and adjust how student needs are accounted for in the formula; and restructure the regional cost index.

ECB notes that schools have made investments in recent years to address the growth in student needs, but cost pressures have made it difficult to both respond to emerging needs and expand learning opportunities for all.

“As schools seek to offer the range of academic programs needed to prepare today’s students for success in tomorrow’s economy, the fact is that it will take more of an investment to get it right,” the paper states.

The New York State Educational Conference Board is comprised of the Conference of Big 5 School Districts; the New York State Council of School Superintendents; New York State PTA; New York State School Boards Association; New York State United Teachers; and the School Administrators Association of New York State.