



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS



Increasing and Improving Foundation Aid

The six education leadership groups listed above and below support increasing Foundation Aid by more than the Governor’s budget proposed and continuing efforts to update and improve the formula.

New York State fully funded its Foundation Aid formula for schools in 2023-24, at last fulfilling a promise made in 2007 when the formula was first enacted. Both that initial reform and its full funding were exemplary achievements in public policy. But with the passage of years, some formula elements became outdated or defective, and we have learned more about how school and life experiences of children can affect their progress in learning. The 2025-26 state budget began the work of updating New York’s Foundation Aid formula by replacing flawed measures of student poverty. Those efforts need to continue.

Recommendations

In December, as part of the Educational Conference Board, the groups offered recommendations on school funding in December, proposing actions to be taken in the 2026-27 budget and issues deserving further study.

For 2026-27, we recommended:

- Raising the formula’s Foundation Amount by 5.5%, to \$8,730. The Foundation Amount is a uniform per pupil funding amount for all districts originally derived from a court ruling requiring the state to determine the cost of providing a sound basic education. That study has not been updated since 2012 and demands upon schools have grown in the years since. Under current law, the Foundation Amount would rise by 2.7% to \$8,496.
- Increasing the weighting for English Language Learners in the formula’s Pupil Needs Index from .53 to .60.
- Ensuring all districts Foundation Aid increase of at least 2% over their 2025-26 funding.

Executive and Legislative Proposals

Governor Hochul’s proposed budget made only one change to Foundation Aid from current law – to ensure all districts receive at least a 1% increase in Foundation Aid over their 2025-26 sum. The Assembly and Senate “one-house” budgets would both raise the guaranteed minimum increase to 2% and increase the weighting for ELLs from .53 to .60. Both houses would also create new weightings within the Pupil Needs Index for students who are homeless and in foster care (they differ on specifics). The Assembly would also eliminate a cap on the Pupil Needs Index to allow more aid to flow to the neediest districts.

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Association of School Business Officials—
New York

Conference of Big 5 School Districts

New York State Council of School Superintendents

New York State Parent Teacher Association

New York State School Boards Association

School Administrators Association of New York State

Rationale and Continuing Priorities

A premise underlying our Foundation Aid recommendations is that the formula has not kept pace with expanding demands and expectations for schools. Schools are doing more than ever before to help students with needs beyond academics – increased mental health services, for example. Therefore, we have called for a study to update the Foundation Amount and an interim increase for 2026-27 to \$8,730. We also recommended considering additional measures of student needs, updating and revising the Regional Costs Index, and evaluating the interplay between Foundation Aid and the state’s property tax cap.

In 2023-24, the year Foundation Aid achieved full funding, 35% of districts were on save-harmless, relying on annual minimum percentage Foundation Aid increases. But now 73% of districts would receive the minimum increase from the Governor’s proposal under the latest aid data for 2026-27. If more updates and improvements to the formula were in place, that percentage would drop. Leaders in many districts note that health insurance cost increases alone will exceed their expected Foundation Aid increase.

Other Aids

Foundation Aid need not be the solution to every problem. We support other actions to deliver more help to schools. In other papers, we are recommending resuming payment of prior year aid claims owed to districts, reversing the shift of residential special education placement costs upon school districts, and providing state aid on behalf of students requiring special education services to age 22, consistent with recent court decisions.