

ASBO
NEW YORK

ASSOCIATION
OF SCHOOL
BUSINESS OFFICIALS

On This Rock:
The Governor's Foundation Aid Proposal
and What It Means for the Future

Brian Cechnicki, Executive Director, ASBO New York

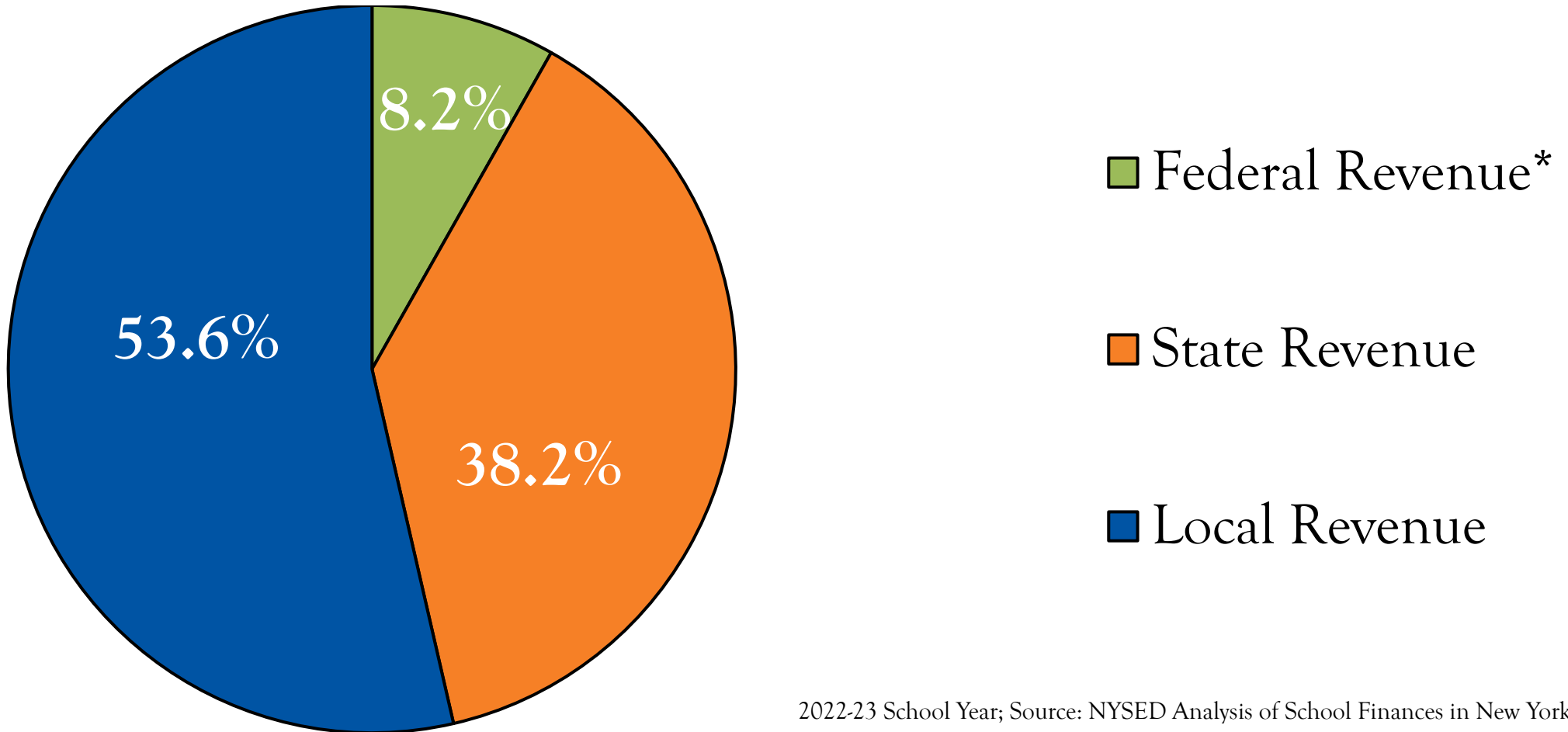
www.schoolbiz.info

Tailored information and resources for school business
officials and legislators

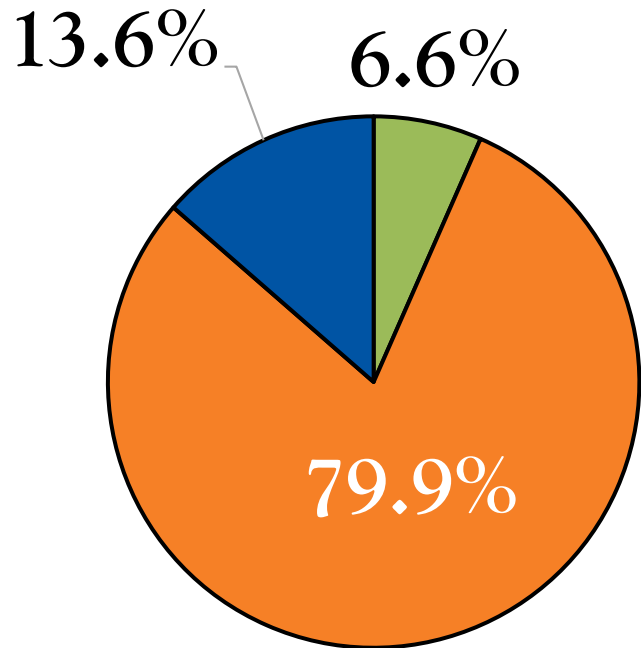
A Little About Me...

- Earned a Masters in Public Administration with concentrations in education policy and public budgeting
- Lucked into an education policy and budget job with the School Aid team in the Division of Budget for 8 years
- Short stints at Questar III State Aid Planning and the Governor's Office
- Spent 6 years in at the State Education Department, managing the implementation side of the School Aid budget
- Been with ASBO 4 years

School District Revenue Sources

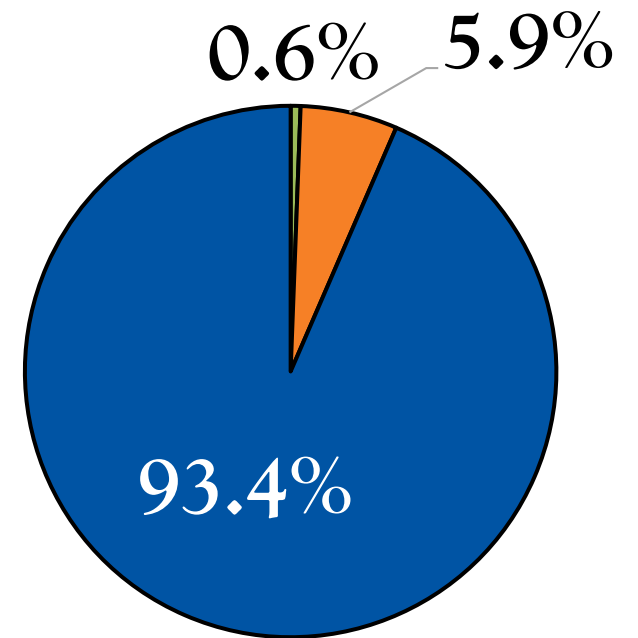


Not All Districts are Alike...



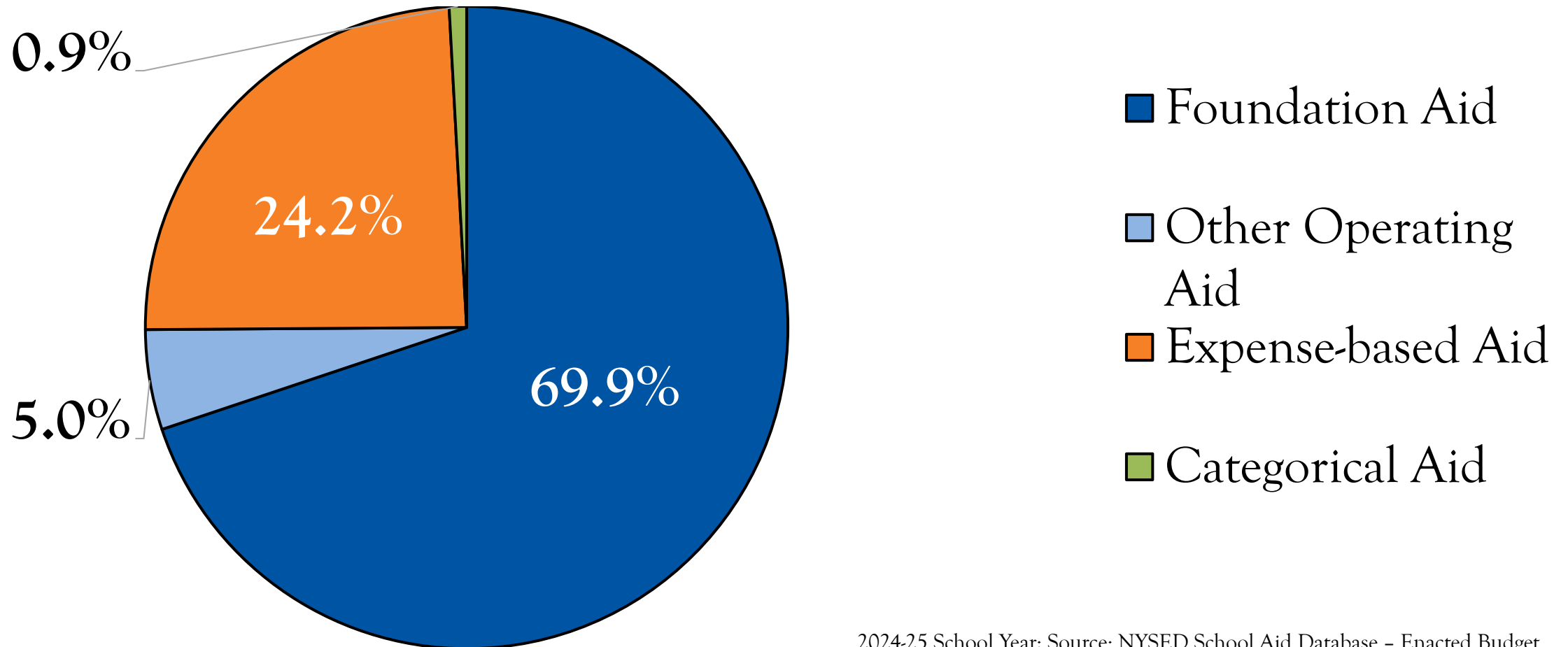
High-Need Urban District

- Federal Revenue
- State Revenue
- Local Revenue



Low-Need Suburban District

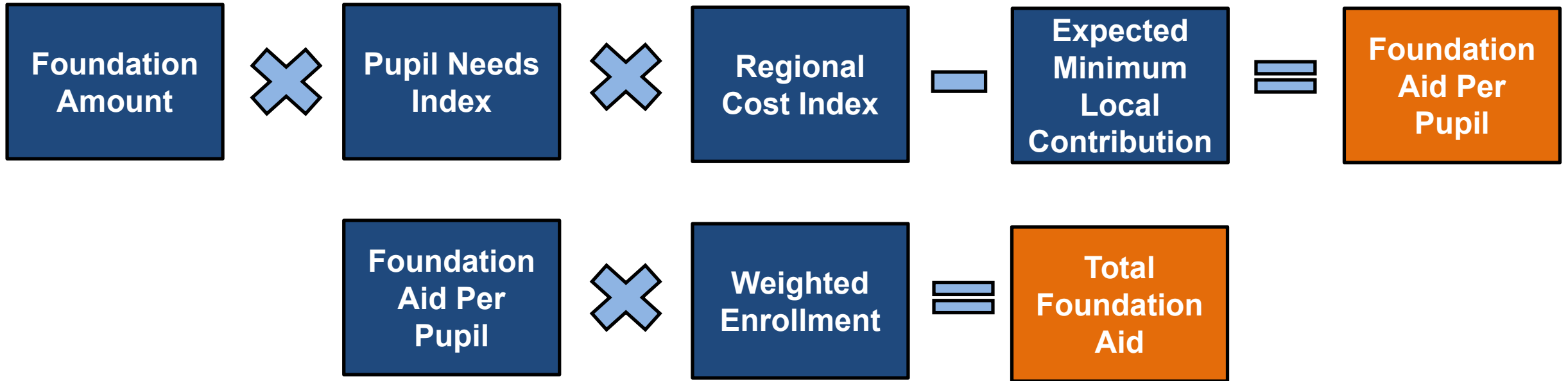
School District Revenue Sources



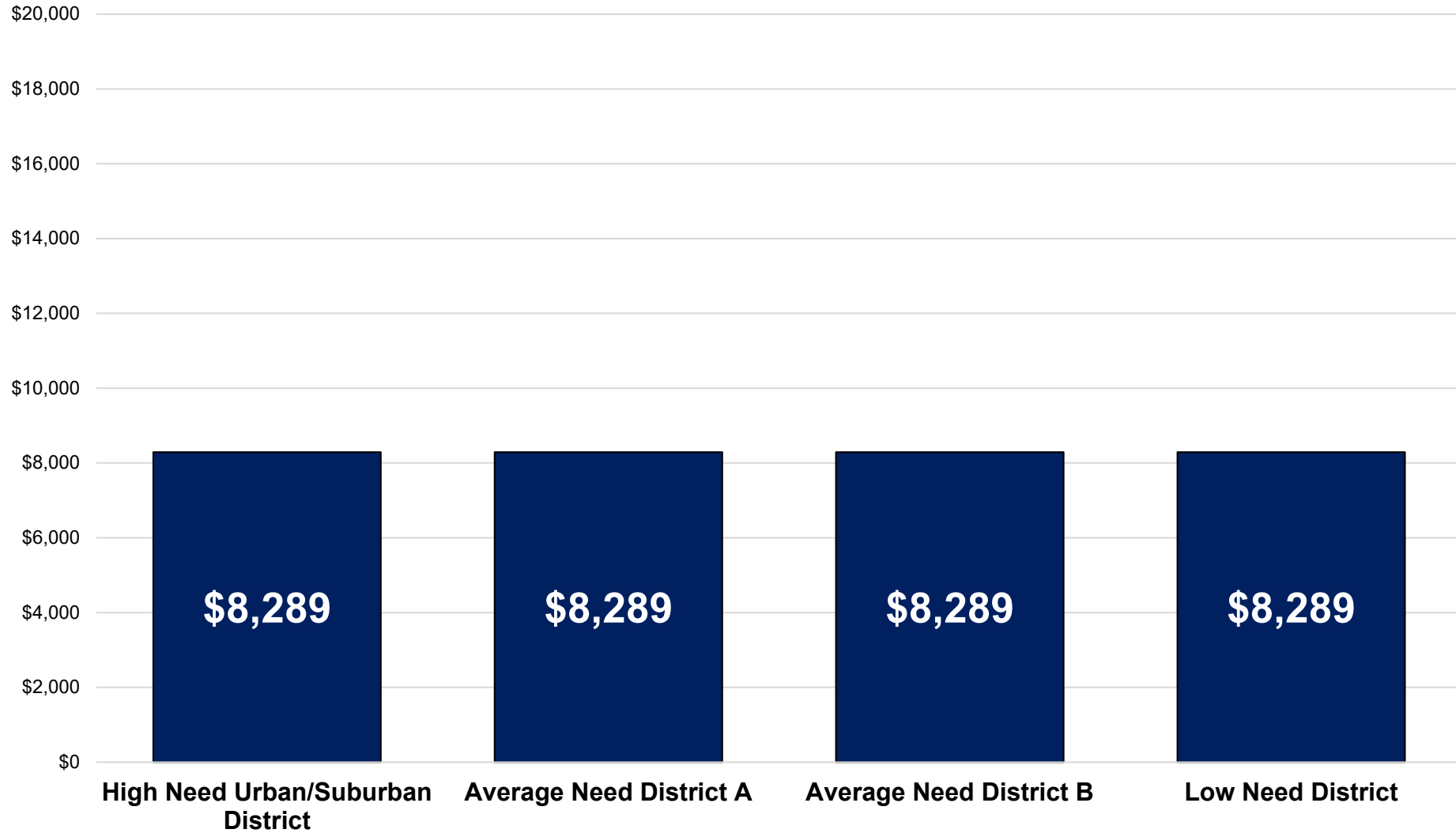
Current Foundation Aid Formula

- **Step 1:** A per pupil spending level based on study of ‘successful schools’, adjusted for differences in pupil needs and regional costs.
- **Step 2:** A per pupil aid amount based on the calculated spending amount less the district’s estimated ability-to-pay.
- **Step 3:** A total aid amount based on the per pupil aid multiplied by the number of students in the district, with additional weighting for special education students

Foundation Aid

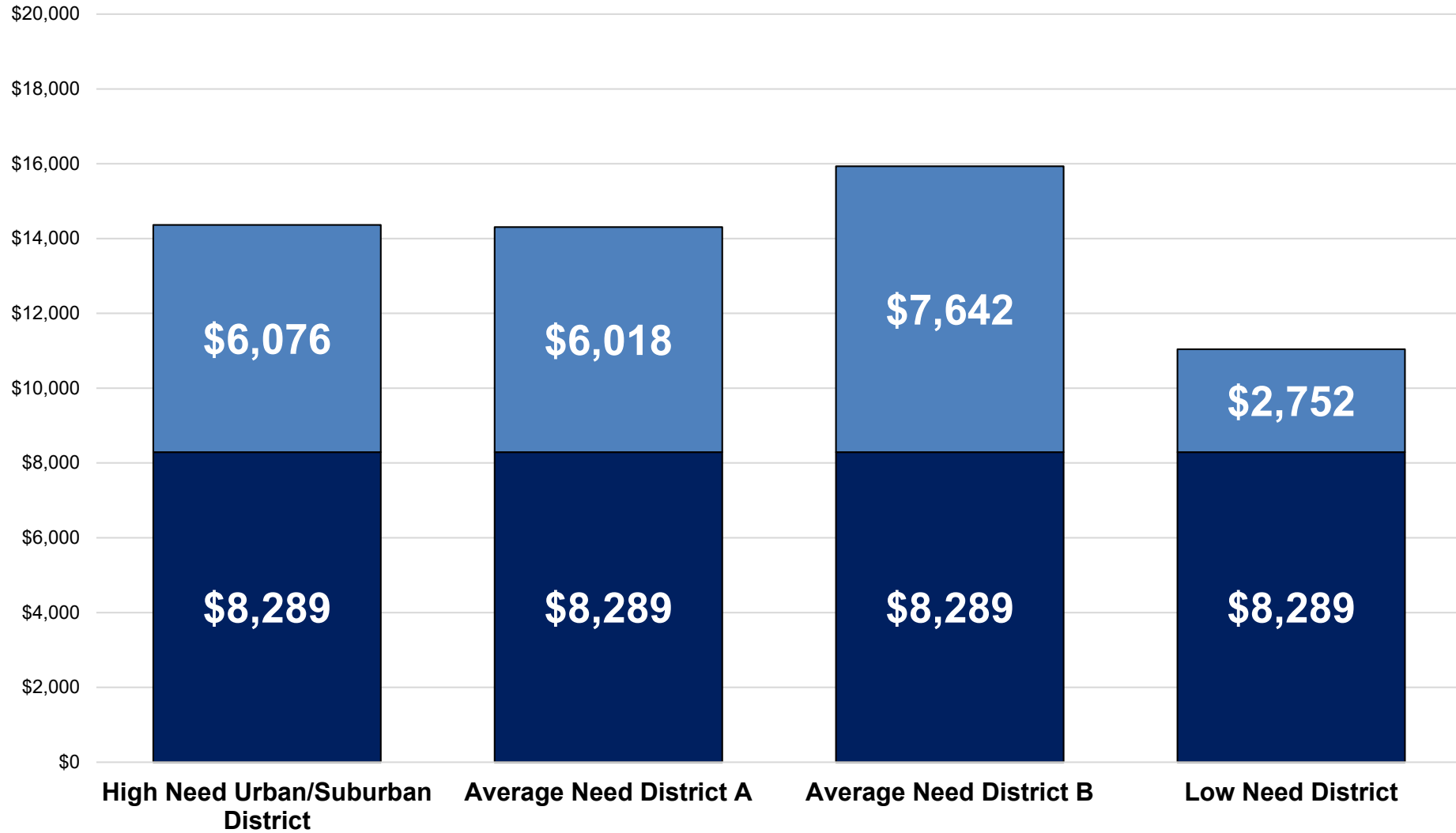


Foundation Amount



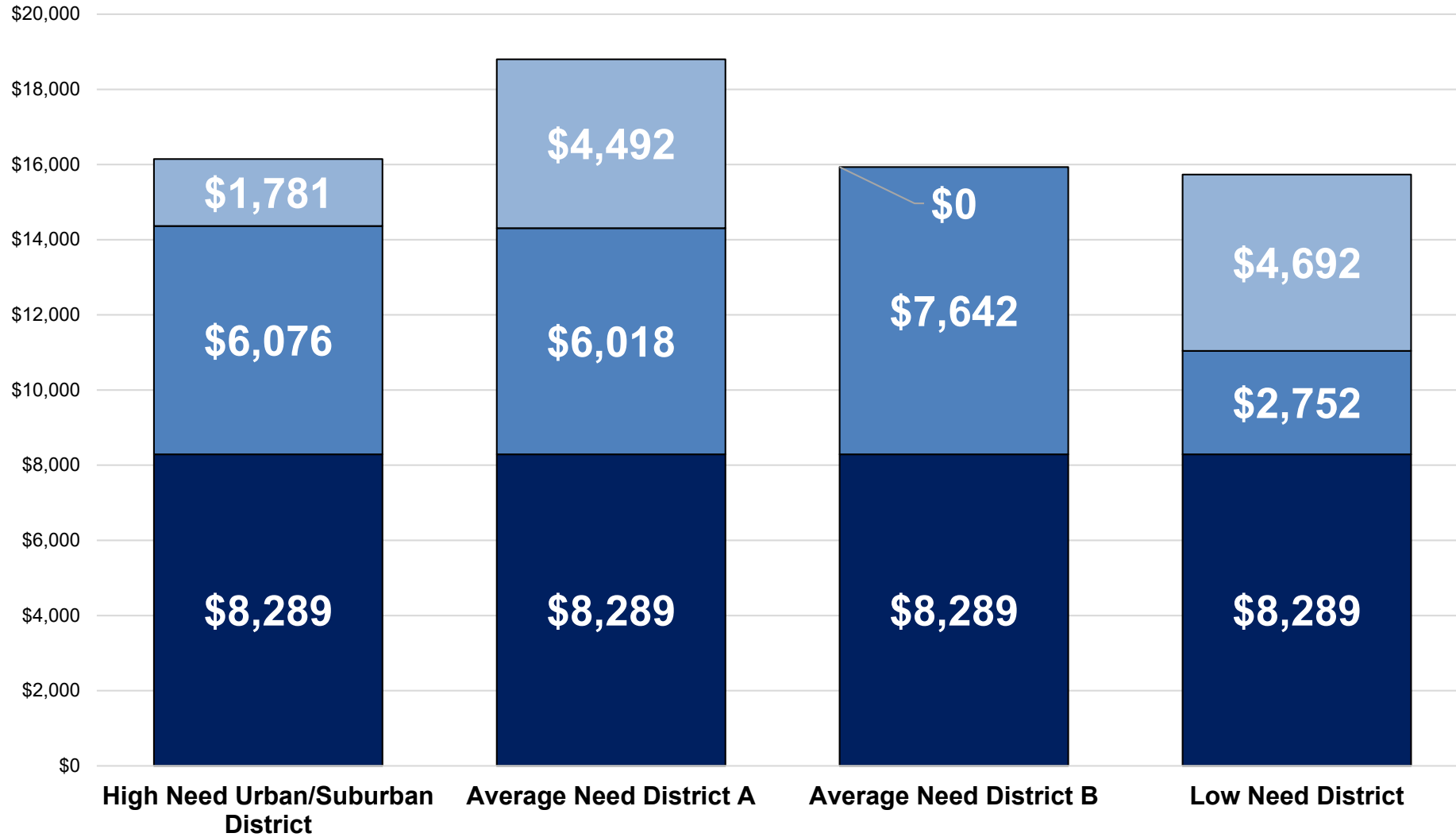
Source: NYSED November 2024 Current Law School Aid Database

Foundation Amount X Pupil Needs Index



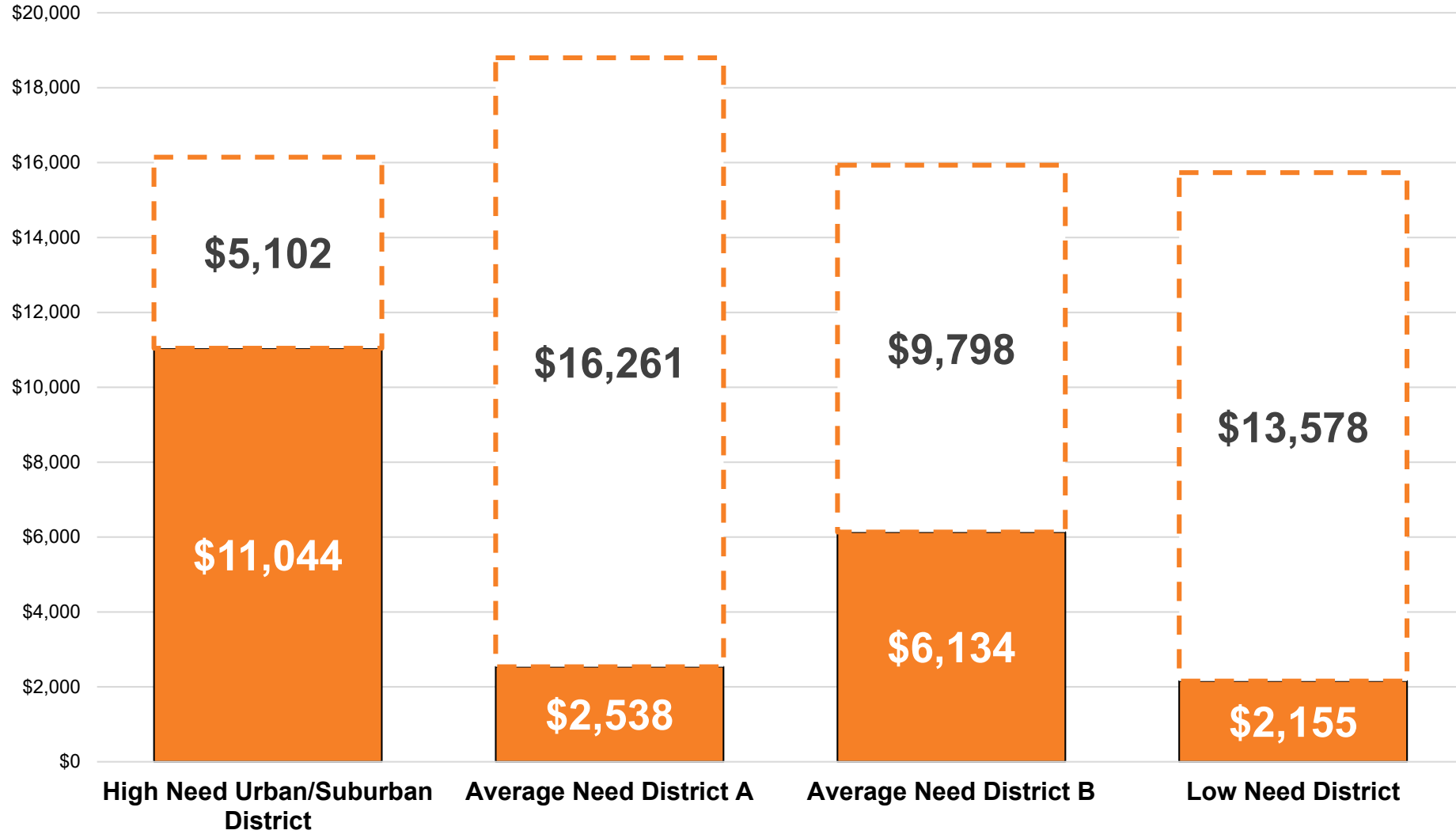
Source: NYSED November 2024 Current Law School Aid Database

Foundation Amount X Pupil Needs Index X Regional Cost Index



Source: NYSED November 2024 Current Law School Aid Database

Adjusted Foundation Amount - Local Share



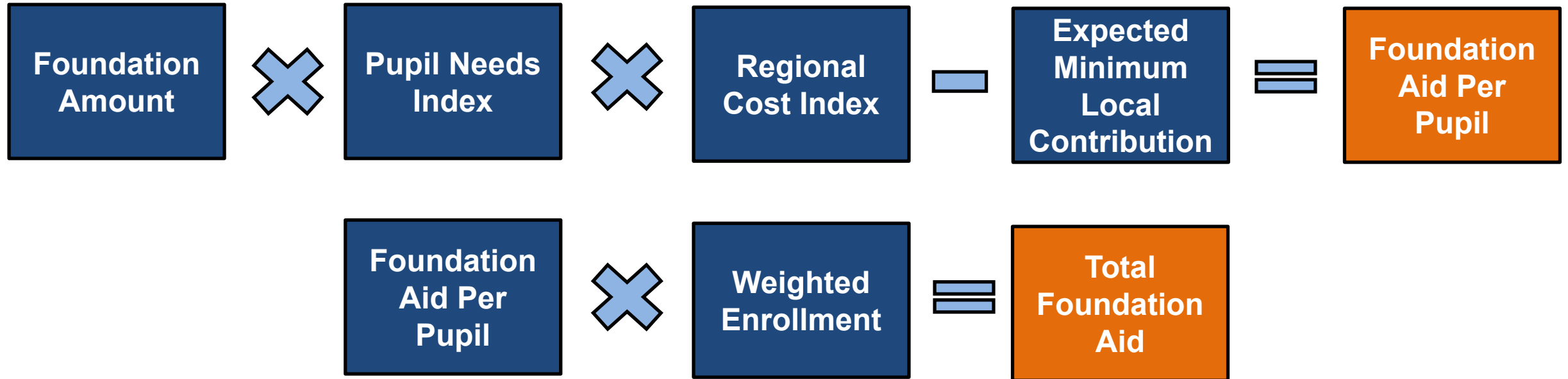
Source: NYSED November 2024 Current Law School Aid Database

How Did We Get to Today?

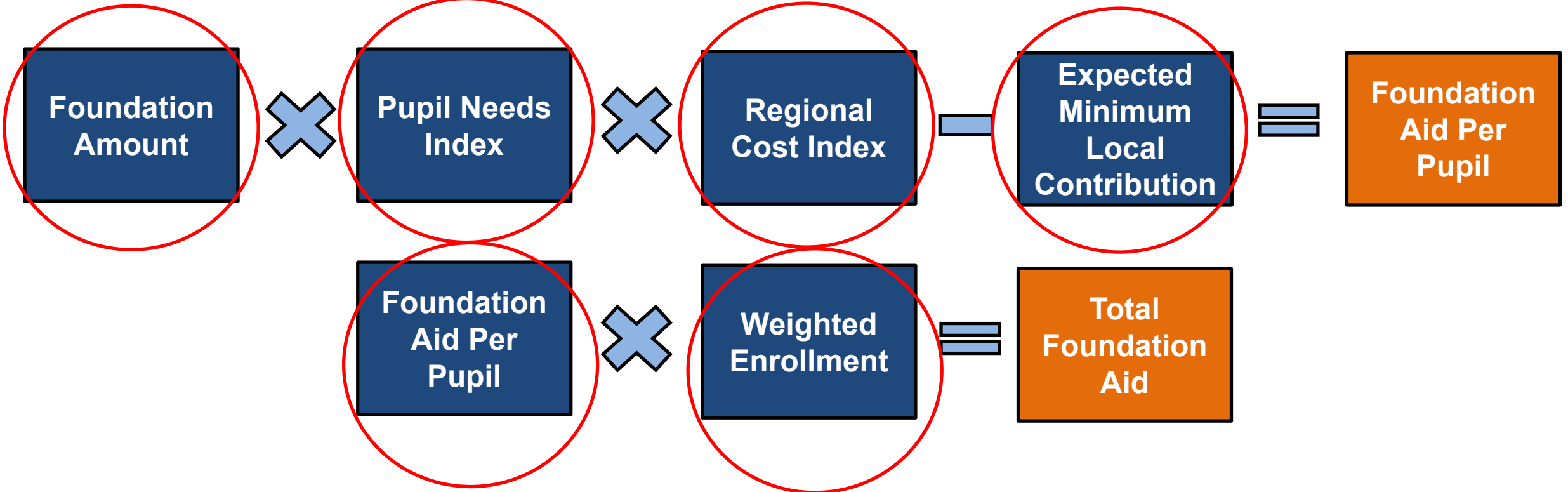
- **January 2024:** Governor proposes cuts to half of districts in the state by reducing the “save harmless” amount; would reduce the increase to all others
- **April 2024:** Cuts restored, growth partially restored, Rockefeller Institute tasked with producing recommendations to update and improve the formula
- **Summer 2024:** Public Forums
- **December 2024:** Report Released

What Did the Institute Propose?

Remember This?



Areas the Institute Covered



For analysis of the Rockefeller Report:

www.asbonewyork.org/page/foundationaid

Summary of Recommendations

- Update Successful Schools Study
- Use 5-year Average NE CPI
- Replace Census with SAIPE
- Replace FRPL with Economically Disadvantaged
- Revise and expand ELL Weightings
- Change Sparsity
- Replace RCI with CWIFT
- Revise IWI
- Change SSR to fewer choices
- Change FACWR to choice of 70/30 or 50/50
- Calculate local share with population instead of students
- Remove Special Education weighting and fund separately
- Eliminate flat grants
- Phase out Save Harmless
- Eliminate Setasides
- Increase allowable fund balance

What Did the Governor Choose?

- Update Successful Schools Study
- Use 5-year Average NE CPI
- Replace Census with SAIPE
- Replace FRPL with Economically Disadvantaged
- Revise and expand ELL Weightings
- Change Sparsity
- Replace RCI with CWIFT
- Revise IWI
- Change SSR to fewer choices
- Change FACWR to choice of 70/30 or 50/50
- Calculate local share with population instead of students
- Remove Special Education weighting and fund separately
- Eliminate flat grants
- Phase out Save Harmless
- Eliminate Setasides
- Increase allowable fund balance

Executive Budget Foundation Aid Changes

- Current Law Changes:
 - CPI: 3.1% increase
- Rockefeller Institute Recommendations:
 - Replace Census 2000 Poverty with Small Area Income and Poverty Estimates (SAIPE)
 - Replace Free and Reduced-Price Lunch with Economically Disadvantaged
- Other changes
 - State Sharing Ratio tier 2 slightly increased, maximum percent increased from 91% to 93%
 - Minimum increase of 2% for all districts

What Does this Proposal Do?

- Current Law Increase (as of Nov 2024): \$1.7 billion
- Proposed Increase: \$1.7 billion
- NYC receives less of an increase; nearly all districts receive more of an increase

What Further Changes Are Possible This Year?

- Update Successful Schools Study
- Use 5-year Average NE CPI
- Replace Census with SAIPE
- Replace FRPL with Economically Disadvantaged
- Revise and expand ELL Weightings
- Change Sparsity
- Replace RCI with CWIFT
- Revise IWI
- Change SSR to fewer choices
- Change FACWR to choice of 70/30 or 50/50
- Calculate local share with population instead of students
- Remove Special Education weighting and fund separately
- Eliminate flat grants
- Phase out Save Harmless
- Eliminate Setasides
- Increase allowable fund balance

What Changes Are Possible in the Future?

- Update Successful Schools Study
- Use 5-year Average NE CPI
- Replace Census with SAIPE
- Replace FRPL with Economically Disadvantaged
- Revise and expand ELL Weightings
- Change Sparsity
- Replace RCI with CWIFT
- Revise IWI
- Change SSR to fewer choices
- Change FACWR to choice of 70/30 or 50/50
- Calculate local share with population instead of students
- Remove Special Education weighting and fund separately
- Eliminate flat grants
- Phase out Save Harmless
- Eliminate Setasides
- Increase allowable fund balance

What Will Determine the Direction?

- What can the state afford in the future?
- What is the tension between the impact of changes and the affordability?
- What will be the status of the Save Harmless?

One last thing...“PYAs”

- Prior Year Adjustments are corrections to aid calculations that happen after a certain point in time
- When the district gets too much, the state takes it back right away
- When it gets too little, it goes on a first come, first serve list subject to appropriation
- At \$308 million, the historic appropriation amount would take 18 years to pay off
- No appropriation has been provided since 2019-20

One last thing...“PYAs”

- Suffolk County districts: \$29.55 million
- Nassau County districts: \$20.76 million
- Visit schoolbiz.info for an excel tool that can show you how much your district is owed, and how long it would take to get the funding if the original appropriation level is restored

Thank You!

www.asbonewyork.org

www.schoolbiz.info

brian@asbonewyork.org