



THE CITY OF NEW YORK INDEPENDENT BUDGET OFFICE

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IBO Testimony on State Foundation Aid to the Rockefeller Institute

July 16, 2024, – The 2025 Enacted New York State Budget included \$2 million for a Foundation Aid study to assess the State Foundation Aid funding formula. This formula, which determines funding for school districts based on a base per pupil amount, pupil need, local costs and expected contributions, and a weighted enrollment, has been at the center of ongoing debates.

In accordance with the Independent Budget Office (IBO) mission to offer independent analysis and information to legislators, advocates, and the public, IBO Assistant Director for Education, Julia Konrad, will testify before the Rockefeller Institute this evening.

IBO's testimony can be [accessed here](#).

- Several features of the formula remain outdated.
 - **Base per pupil amount.** This amount has not been updated by New York State since the 2016-2017 school year. The State used to routinely reassess the costs necessary to produce positive academic outcomes within “successful school districts,” which determines the base per pupil amount. The use of an outdated per pupil amount has likely led to fiscal challenges for districts, especially since the services needed to successfully educate students have increased substantially since the COVID-19 pandemic.
 - **Regional Cost Index.** The measure that accounts for variations in purchasing power in nine different regions of the state, which affects the weights used for student need categories, has not been updated since 2006.
- The nuances in New York City's Fair Student Funding formula may suggest ways to improve upon New York State's Foundation Aid formula.
 - The City's Fair Student Funding formula includes weights for a student's grade level, and differing weights for English language learners and students with disabilities, depending on the types of services provided.
 - In 2023-2024, New York City added new weights for students in temporary housing and students in schools with higher concentrations of specific needs.



New York City Independent Budget Office

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