

# FOUNDATION AID IN NAME ONLY

NEW YORK STATE DENYING  
THE FULL WORTH OF BLACK  
AND BROWN STUDENTS



**PUBLIC POLICY AND  
EDUCATION FUND** OF NEW YORK

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**The Alliance for Quality Education** is a coalition mobilizing communities across the state to keep New York true to its promise of ensuring a high-quality public school education to all students regardless of zip code. Combining its legislative and policy expertise with grassroots organizing, AQE advances proven-to-work strategies that lead to student success and echoes a powerful public demand for a high-quality public school education for all of New York's students.

**The Public Policy Education Fund** was founded in 1986 to address critical social, economic, racial and environmental issues facing low and moderate income New York State residents. Our areas of work have included health care, education, after-school programs, voter participation, economic development and consumer issues. PPEF uses many tools in its work, including grassroots organizing, research and policy development, public education on a wide range of policy issues, and community outreach.

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# FOUNDATION AID IN NAME ONLY

## NEW YORK STATE DENYING THE FULL WORTH OF BLACK AND BROWN STUDENTS

**This paper, *Foundation Aid in Name Only*, is being released at a time when the New York State Senate is preparing for a series of roundtables and public hearings on the State's Foundation Aid formula for public schools.**

THE SENATE HAS FRAMED THESE ROUNDTABLES AND PUBLIC HEARINGS as focused “on how Foundation Aid meets student, district and community needs with the goal of achieving greater equity in school financing.” But the question itself is problematic because the state has not actually used the Foundation Aid formula since 2008-09. In fact, in every year since 2012-13, the state has instead substituted a series of makeshift, one-year formulas and just labelled this money as Foundation Aid. So the money that school districts receive as Foundation Aid is not based at all upon the Foundation Aid formula. It is Foundation Aid in name only.

The Foundation Aid formula was enacted in 2007. This paper will explain the Foundation Aid formula and the impact it had on students and schools when it was being fully implemented between 2007 and 2009, as well as the consequences of failing to use the formula ever since. This paper concludes with recommendations on how to use the Foundation Aid formula to achieve equity in New York schools.

The State's unwillingness to use the Foundation Aid formula to provide the funding necessary has led to educational racism. Under-resourced schools, particularly in Black and Brown communities do not provide students with high quality learning opportunities to which they are entitled. New York State, a state that wants to be recognized as progressive and caring for its people, has been denying the full worth of our Black and Brown students by failing to use the Foundation Aid formula to fund educational equity and opportunity.



2007

## FOUNDATION FORMULA REPLACES YEARS OF DYSFUNCTION & MANIPULATION WITH EDUCATIONAL OPPORTUNITY AND EQUITY

In 2007, New York State enacted an historic reform to its school funding system by adopting what is known as the Foundation Aid formula. This formula was designed to end a long era of school funding decisions being made based upon political machinations and manipulations, not based upon the educational needs of students. The enactment of the Foundation Aid formula was the culmination of a 13 year public debate that was heard in the courts, the Capitol, and our communities. In the landmark Campaign for Fiscal Equity (CFE) lawsuit, the state's highest court found that New York State was violating the New York State Constitution by failing to provide students with a "sound, basic education." The lawsuit, and the public debate, identified many problems with New York State's school funding system. New York ranked as the second most unequal state in the country when comparing school spending in rich and poor school districts—it still does. Decisions about where to send state aid were based upon politically predetermined geographic shares, rather than upon what it costs to educate students. New York had over thirty school aid formulas that were notorious for being so opaque and arcane, even by the standards of Albany, which itself is infamous for its lack of transparency. These school aid formulas were understood by only a handful of people locked away in offices in the inner recesses of Albany, which made the formulas ripe for manipulation to serve the political needs of elected officials, rather than to provide more learning opportunities for students with the greatest need.

In 2007, New York State enacted reforms which were designed to end all of this. While the CFE lawsuit was specific to New York City, the governor and the legislature enacted a statewide solution because the state needed to address the educational needs of students in high need school districts throughout the state, rather than in just one region. Thirty formulas were reduced down to one Foundation Aid formula. The Foundation Aid formula was designed to provide predictable, sustainable, and transparent funding for public schools, free of political manipulations. The State promised to dramatically increase students' educational opportunity and reduce educational inequality by increasing basic operating aid, known since 2007 as Foundation Aid, by \$5.5 billion over four years, with 75 percent of this going to high need school districts. The reform they enacted provided the foundation that schools needed to begin equalizing opportunity for all of New York's children.

# 2019

## FOUNDATION AID IN NAME ONLY MEANS DYSFUNCTION & GROWING INEQUALITY

Twelve years later the state has failed to address the burning issues of educational opportunity and equity. Since 2011, the state has never once used the Foundation Aid formula. Instead, every year since 2012, the Governor and the Legislature have substituted temporary formulas in the state budget for the Foundation Aid formula. In order to create the illusion that they are still funding Foundation Aid, they label this new funding as “Foundation Aid” in the *School Aid Runs*—the state’s official annual accounting of school aid. But it is Foundation Aid in name only.

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The Foundation Aid formula calculates what the state has estimated it will cost to provide the constitutionally guaranteed “sound, basic education” to every student based upon the *Successful Schools Model* utilized by the State Education Department. The Foundation Aid formula is designed to use objective factors for each school district including the numbers of students in poverty, students with disabilities and English language learners and the wealth or poverty of local communities to determine how much Foundation Aid the state should provide to each school district. It arrives at an amount that is owed to each school district in the state to support a “sound, basic education.” Under current state law that amount is \$4 billion. But in the enacted budgets since 2011, the Governor and the Legislature have ignored this objective methodology. Today, rather than seeking to provide the resources that every student needs to receive as “sound, basic education,” the Governor and Legislature allocate a much smaller and entirely arbitrary dollar figure. They then reverse engineer multiple formulas to achieve a predetermined distribution between school districts—just as they did before the Foundation Aid formula was enacted. It’s a classic case of *deja vu* all over again.

As a result, inequity has consistently grown. Schools are owed \$4 billion in Foundation Aid, 67 percent of which is owed to school districts where more than half the students are Black and Brown.

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## RECOMMENDATIONS

### RECOMMENDATION #1

The singular most important improvement the state can make on Foundation Aid is to actually use the Foundation Aid formula instead of doing so in name only. There is only way to do this: fully fund the Foundation Aid that remains undelivered to schools. Currently, that amount comes to \$4 billion, with 67 percent of owed to school districts with more than half Black and Latinx students. In the 2020 Legislative Session, the only focus of the legislature should be on fully funding the Foundation Aid formula.

- Stop creating substitute formulas and labelling them as Foundation Aid in name only.
- Actually utilize the Foundation Aid formula as it exists in law in order to ensure that student’s educational needs are prioritized over political manipulation. The failure to do so will mean that New York State continues to deny the basic worth of Black, Brown and low income students.

### RECOMMENDATION #2

In the 2021 Legislative Session, after the state is fully implementing Foundation Aid, then the Legislature should consider ways to strengthen the formula. While any formula can be improved, it will do no good to modify the existing Foundation Aid formula if the Governor and the Legislature continue to fail to use it. If the state is going to continue not using the Foundation Aid formula then tinkering with it is just an exercise in sleight of hand distraction. Recommendations for 2021 Legislative Session.

- Use updated data for poverty, such as direct certification data. This data is more up-to-date and is verified by government agencies that provide public assistance.
- Eliminate the restrictions in the Pupil Needs Index in order to accurately capture student need. There is an artificial cap to the needs index that does allow accounting of severe student needs.



- Eliminate the floor on the income wealth index to fully capture poverty at the district level and accurately factor in the expected minimum local contribution. The floor in the income wealth index is arbitrary and penalizes districts below that floor for being too poor. At the same time, the state should eliminate the cap within the Income Wealth Index which underestimates wealth in wealthier districts.
- The Foundation Aid formula factors the different costs of education in different regions in the state. The Hudson Valley region includes school districts in very high cost regions near New York City such as Yonkers, Peekskill, and Mt. Vernon. Grouping these schools with schools that are further north underestimates the regional costs for the Lower Hudson Valley, which is more comparable in costs with Long Island and New York City. The Lower Hudson Valley should be a distinct region for the purpose of calculating the regional cost index.
- Update weights in key categories in order to help district cover the true cost of education students with the greatest needs.
  - Add a weighting for high concentrations of English Language Learners.
  - Add a weighting for students with more severe disabilities.
  - Add a weighting for high concentrations of students in poverty.

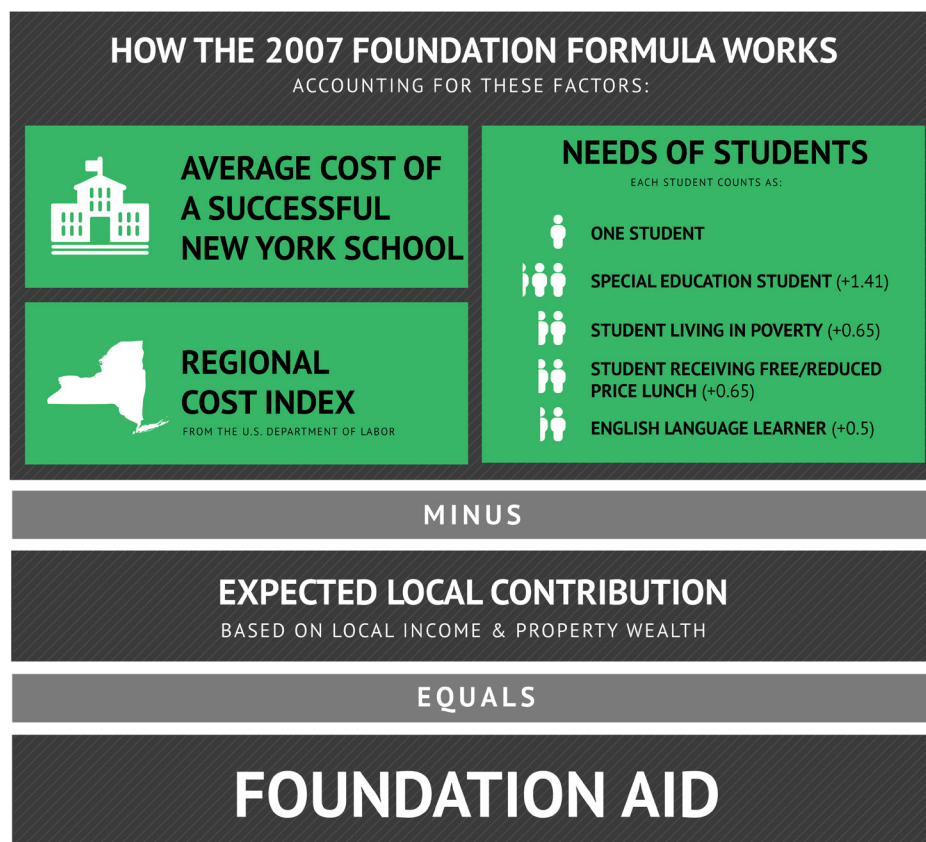
## THE FOUNDATION AID FORMULA

The Foundation Aid formula (the formula), the state's formula to provide the minimum amount necessary to provide every student with a "sound, basic education, was first implemented in 2007. The Foundation Aid formula was the direct result of the legislative settlement of the Campaign for Fiscal Equity lawsuit, which affirmed that the state was violating students' right to "a sound, basic education" by underfunding high needs schools. The formula "*simplifies school funding* by collapsing over 30 separate aid formulas into a single formula. The Foundation Aid formula provides *transparency* by providing a clear predictable distribution of school aid. The foundation formula is *fair* because it prioritizes funding distribution based upon student need."

The 2007 formula considers the cost of education in successful schools, the level of student needs in a district, the school district's ability to raise local revenue and contribute toward the cost, and regional cost differences around the state.

The implementation of the Foundation Aid formula came with a requirement for accountability to ensure that school districts were investing in proven to work strategies. This accountability measure was called Contract for Excellence. School districts which had one or more schools that required improvement for two consecutive years and received an increase of Foundation Aid that was at least \$15 million or 10 percent (whichever was less), were required to complete a Contract for Excellence (C4E). School districts that were designated as C4E districts were required to spend 75 percent of their Foundation Aid increase on students with the greatest educational needs (English language learners, students with low academic achievement etc.) The Foundation Aid increase was intended to be spent on programs such as expansion of full day Pre-K and Kindergarten, restructuring of the school day and year for middle and high school, extending time on task, implementing model programs for English Language Learners, class size reduction, improving teacher and principal

quality and experimental programs. With this increased accountability and with the overall increase in Foundation Aid, school districts began closing the achievement gap and narrowing the opportunity gap. For instance, Buffalo was able to implement Saturday Academies for English Language Learners and their families. White Plains was able to expand its pre-K program to full day for its highest need students. Rochester was able to offer extended day and summer program to 7,000 students. Binghamton was able to reduce class sizes from 23 to 19 in elementary schools.



*Additional examples of programs and services that were provided with the increased Foundation Aid include:*

## DUNKIRK

At the High School, we struggle with a high dropout rate. We have worked with Erie 2 Chautauqua Cattaraugus BOCES to develop a new alternative education program that we hope will be housed within our district. We have also taken steps to reorganize our guidance department to provide better services. We have added a new counselor who will work with the incoming ninth graders in what we have called our "Freshman Success Program." We have also added a business teacher who will teach the freshman computer skills as well as life skills such as balancing checkbooks. Also included in the program will be a social worker, an AIS teacher for English Language Arts and a school resource officer. We plan to employ a full time attendance clerk to make contact with the homes to get our chronically absent children to school.

## **ELMIRA BEHAVIORAL SPECIALIST**

Diven Elementary is the only School In Need of Improvement (SINI) elementary school in the District. They also have the highest number of behavioral referrals and the highest mobility rate in the primary schools in the past two years. Providing a safe, consistent and student-centered learning environment at Diven is a top priority for the District. To this end, the District has created the position of Behavior Intervention Specialist.

## **READING TEACHERS**

Reading teachers are a critical component of a school-wide system for identifying students who need intensive reading interventions, providing intervention services and monitoring student progress. Elementary reading teachers provide reading intervention services to at-risk students and students with intensive reading needs on a daily basis. In many of our classrooms the number of students in need of intensive interventions may exceed 40-50 percent.

## **SYRACUSE**

The Advancement Via Individual Determination (AVID) program will provide struggling students with tutorials as well as teach students organization skills through the use of Cornell note taking and binders to organize materials for each subject.

# **THE FOUNDATION AID FORMULA IS WEALTH EQUALIZING & FAIR**

The Foundation Aid formula is the only wealth equalizing formula in New York State law. As the graphic above shows, it factors in a school district's capacity to contribute to education funding. The school districts that have higher property values that yield higher amounts of property tax revenues receive less Foundation Aid. The school districts with lower property values and lower household income have less ability to raise local revenue and therefore receive more Foundation Aid. Under the formula, the state provides a higher percentage of Foundation Aid to those school districts with the greatest needs.

When the Foundation Aid formula was implemented in 2007, 72 percent of the increase went to high need school districts. A school district is considered high need if in addition to less local income and property wealth, it also has more students who live in poverty, are English language learners and/or are students with disabilities. The cost of educating students with higher needs is higher than the cost of educating a student who is middle income with average needs, a fact that is recognized by the Foundation Aid formula.

The 2007-08 school year was the first one that Foundation Aid was implemented and funded. In that year, the state provided \$1.767 billion in new school aid, \$1.2 billion of which was in Foundation Aid. The following year, the state invested \$1.1 billion in Foundation Aid, to provide a

total of \$1.716 billion in total new school aid. After those two years, the state completely reneged on its commitment to use the Foundation Aid formula. The first two years of increases were followed by a year of flat funding, then two years of \$2.7 billion in school funding cuts, from which high need school districts still have not recovered. Since then they have never used the Foundation Aid formula and as a result have made school aid increases that are far too small to meet student needs.

## FOUNDATION AID IN NAME ONLY

Since 2012 New York State has been slowly adding some funding it categorized as “Foundation Aid”. But this funding was Foundation Aid in name only: it was not derived from using the Foundation Aid formula. The Foundation Aid formula is in fact a giant math formula that starts with the needs of every single student in the state and calculates what is the total amount of funding needed to educate them. But since 2012, the Governor and the Legislature have used exactly the opposite process for determining how much funding schools will receive. Rather than starting with student needs and calculating spending accordingly, they start with an arbitrary school aid number and invent multiple new formulas reverse engineering how to divide it up. This method is destined to be inadequate.

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Today, the state continues to be billions behind the commitment it made in 2007. In 2014, the enacted budget manipulated the phase in factor for certain districts, in order to drive more funding to them. In 2015, the enacted budget included a similar change. In 2017, the formulas used included four different tiers. In 2018, the formula used to distribute funding included three specific criteria for specific school districts. The 2019 enacted budget included ten different tiers that added specific amounts to districts that met the criteria set forth in those tiers. These temporary formulas, even if they drive the majority of the funding to high needs districts, create three problems:

1. They are highly susceptible to political manipulations;
2. They take away the predictability, transparency and stability that the Foundation Aid formula was originally created to have;
3. They create the illusion that the Foundation Aid formula is broken, when in fact the thing that is broken is that the State has not used the formula in over a decade.

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## 2019 IMPACTS OF NOT USING THE FOUNDATION AID FORMULA

The results of failing to use the Foundation Aid formula paint a very different picture from the progress that was being made when the state was using the Foundation Aid formula in 2007 and 2008. Schools that educate large numbers of Black, Brown and low income students have had to make difficult choices on what they can and cannot offer to their students. Below are examples of the impacts that can be seen in schools throughout the state.

**Westbury Union Free School District** has experienced a 30 percent increase in enrollment over the last eight years. The middle school is built for 700 students, but currently has 1,200. The high school was built for 1,200 students, but currently has 1,600. To accommodate all the students, the middle school's first lunch period starts at 9:25AM and students have classes in hallways and cramped offices because of severe overcrowding. School counselors are serving 400 students each, when the state standard is 250. Class sizes have grown to between 24 and 34 students. Due to cuts in teachers they have reduced course offerings in foreign language, business classes and Advanced Placement courses, cut the music program at early childhood and elementary schools and cannot offer students needed reading remediation and enrichment opportunities.

**Mount Vernon** lacks the resources to restore many programs that were previously cut, including foreign language programs, sports programs, transportation for field trips or events, and parenting workshops to enhance family engagement. The district cannot provide adequate mental and physical health resources, and does not currently have school nursing staff in every school building or a health center. Career and Technical Education programs cannot serve all students who wish to participate. The district places a high value on offering science and technology and career and technical programs to students to create multiple pathways after high school to college and career certification, but lacks the funding to implement them.

In **Peekskill** one in five students is an English Language Learner. The school district does not have enough bilingual teachers, English as a new language teachers, and teachers and student support staff to address students' needs. Each year there are over 100 children who enter Kindergarten without having had the educational benefits of pre-K and the district is unable to offer pre-K busing services to the Preschoolers it serves. The district does not have enough social workers, school psychologists and school counselors to serve student needs. Mt. Vernon does not have enough math and literacy teachers, and cannot provide targeted academic interventions for students who are struggling. Class sizes for Kindergarten through third grade are around 25 students, when best practice indicates they should be between 18 and 20. The district cannot run daily after school or summer enrichment programs.



In **Schenectady** eight out of 10 students are economically disadvantaged. The district is only able to provide mental health services to one third of the students that need them. They do not have the resources to provide extended day programs and school enrichment programs to all the students who need them and cannot afford to provide transportation, limiting access to those students whose parents' could provide their own transportation. There is a shortage of computers and up-to-date technology. Due to a shortage of classroom space, they utilize non-instructional space including the elevator lobby, storage closets, and teacher offices as classrooms. There is a shortage of librarians, so library staff is shared among multiple school buildings, limiting students' access to the library once every two weeks. Likewise, music and physical education teachers and speech, occupational, and physical therapy specialists must also be shared between schools. Class sizes for all grades are too large, especially for subjects such as music, art and physical education. Physical Education classes currently have over 40 students because the district cannot afford to hire more personnel.

At **PS 95Q in Jamaica, Queens**, students have to alternate music, art and Physical education because they do not have enough teachers to have all three. With 27 languages spoken at the school, there are only 3 bilingual teachers total, while the school needs at least 2 bilingual teachers in each grade to be able to meet students' needs. The school has insufficient resources for social workers and psychologists. Currently, the social worker is at the building only two days a week to attend to the needs of all 1,500 students. The school lacks up-to-date technology, and the few computers it has operate Windows 97. The school building's electrical system cannot accommodate all the computers that students use at once, so students use computers in a staggered manner to avoid blowing the circuits. The school lacks a library media center to integrate literacy and technology for students. The school lacks a permanent STEAM lab (Science, Technology, Engineering, the Arts and Mathematics), to replace the provisional or makeshift one it currently uses. With so many high need students and English Language Learners, the school lacks adequate after school programming to address the needs of the whole child. All classes are too large to fully support student learning: an average of 32 students for 1st to 5th grade classrooms, and 25 in Kindergarten classrooms.

**Ellenville**, a rural district, has no social workers and no parent liaison and a significant shortage of school counselors, psychologists and academic intervention specialists. The middle school does not have a librarian and has been without one for the last nine years. Due to the lack of resources, the district has a limited selection of electives. For instance, while there is a television studio in the high school, it can only serve 26 students and has only a handful of computers. There is a need for a specialized reading and math program for students in special education or with an IEP. There is no summer program at the middle school. Summer programming is vitally important to ensure that students do not experience "summer learning loss." Ellenville used to offer transportation to and from its part-day pre-K program. Due to budget cuts it can now only offer transportation one-way (to school for the morning session, and home from school for the afternoon session). When mid-day transportation was available, the pre-K program was at capacity, educating 60 children. The reduced transportation has resulted in a 25 percent decline in enrollment. The district is only able to offer one foreign language, Spanish, only to high school students. Yet students must compete in college admissions with New York public school students who have access to multiple languages at more grade levels, including Advanced Placement language courses.

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# CONCLUSION

New York State has not used the Foundation Aid formula for over a decade and has returned to the practice of using numerous, highly manipulated formulas to divide up school funding. Student needs have been pushed to the back of the bus in favor of political machinations. Without using the Foundation Aid formula, school funding for school districts primarily serving Black, Brown and low income is inadequate and it is these students who are losing out as a result.