

## FOR IMMEDIATE RELEASE

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### New Report Finds New York's Foundation Aid Formula "Adrift and Sinking," Fails to Meet Constitutional and Educational Obligations

**Coral Gables, FL** — A new analysis released today by Bruce D. Baker, Professor at the University of Miami and a leading national expert on school finance, concludes that New York State's Foundation Aid formula—long the cornerstone of school funding—no longer bears any rational relationship to the actual cost of providing children with a constitutionally required sound basic education.

The report, *New York's Foundation Aid Formula: Adrift and Sinking*, finds that the formula was flawed at its inception and has since drifted even further from adequacy due to outdated measures, arbitrary adjustments, and a failure to align funding levels with modern educational goals, workforce costs, and student needs.

"The Foundation Aid formula was built on shaky ground, and over time, the cracks have widened," said Baker. "New York's schools are being funded based on outdated assumptions that don't reflect what it takes to provide all students—especially those with greater needs—with an adequate education today."

#### Key Findings

The report identifies three central conclusions:

1. **The formula does not rationally determine what districts need to spend—or what they do spend—to achieve adequate outcomes.**  
Foundational cost measures are incomplete, based on flawed calculations, and significantly underestimate true instructional and operating needs.
2. **Foundation Aid has fallen further out of alignment with even its own inadequate original benchmarks.**  
Cost components are updated only through selective inflation indices rather than evidence-based analyses of actual spending required to meet rising educational standards.
3. **New York's educational landscape has shifted, but the formula has not.**  
Higher learning standards, greater student needs, rising teacher labor costs, and changing demographics all contribute to widening gaps between what the formula funds and what schools require.

#### Evidence of Systemic Underfunding

The analysis shows that the current "sound basic education" foundation amount is more than **\$5,500 below** what districts on average spend on instructional services alone—services that account for only 75% of total operating costs in New York.

Small city school districts—many plaintiffs in earlier constitutional challenges—are among the hardest hit. For example, in 2022–23:

- Jamestown received an adjusted foundation amount of **\$13,163 per TAFPU**, while evidence-based recalibrations show it should have received **\$15,300 to \$19,400** depending on the method used.

- Utica faced a funding shortfall of **\$16.4 million** when comparing actual state aid with the minimum needed to maintain adequacy using updated cost growth alone.
- Similar patterns appear across Niagara Falls, Newburgh, Poughkeepsie, Kingston, Port Jervis, and Mount Vernon.

### **Short-Term Recommendations**

The brief outlines immediate steps the state could take for FY2027:

- **Increase the base aid amount by at least 10.75%** (to \$9,162 per pupil in 2026) to reflect updated instructional spending in successful, efficient districts.
- **Strengthen student need adjustments**, including adding weights for homeless, foster, and migrant students and increasing weights for English learners—moving toward an additional 1.0 weight for these populations.

### **Long-Term Overhaul Required**

Baker recommends that New York undertake a comprehensive cost study over the next 18 months to rebuild the Foundation Aid formula by FY2028. This study should:

- Define a modern, comprehensive spending base aligned with current standards and student needs.
- Determine empirically grounded weights for poverty, language, disability, and concentrated need.
- Update regional cost indices using modern comparable wage and labor market methods.
- Ensure base amounts reflect actual staffing and service levels required for today's outcome expectations.

“Only through a full recalibration grounded in rigorous cost analysis can New York meet its constitutional obligations and ensure that every child—regardless of zip code—has access to a truly adequate education,” Baker said.

### **About the Author**

Bruce D. Baker is a professor at the University of Miami and a nationally recognized scholar in education finance, equity, and adequacy. He has authored numerous research articles, policy reports, and expert analyses used in legislative deliberations and constitutional litigation across the country.