

Executive Foundation Aid Proposal 2024-2025

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Summary of Executive Foundation Aid Proposal

1. Multi-year inflation factor

- Reduces growth significantly, does not impose cuts from the prior year
- 4.1% to 2.4% this year

2. Small increase to state share

- Increase the maximum share of costs the state will pay from 90% to 91%
- Affects approximately 60 districts

3. Eliminate save harmless

- \$168m in cuts across 337 districts, leaving \$207m in save harmless funds
- Cuts are based on district wealth with the greatest impact on districts with large declines in enrollment
- No lead time for districts to adjust, makes aid more volatile in the future



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Foundation Aid Formula



Current formula has five moving parts



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Foundation Aid Formula



Current formula has five moving parts. The executive proposal modifies:

1. Foundation amount by changing from 1-year inflation of 4.1% to a multi-year approach of 2.4%
2. Local share by increasing the maximum state share from 90% to 91%

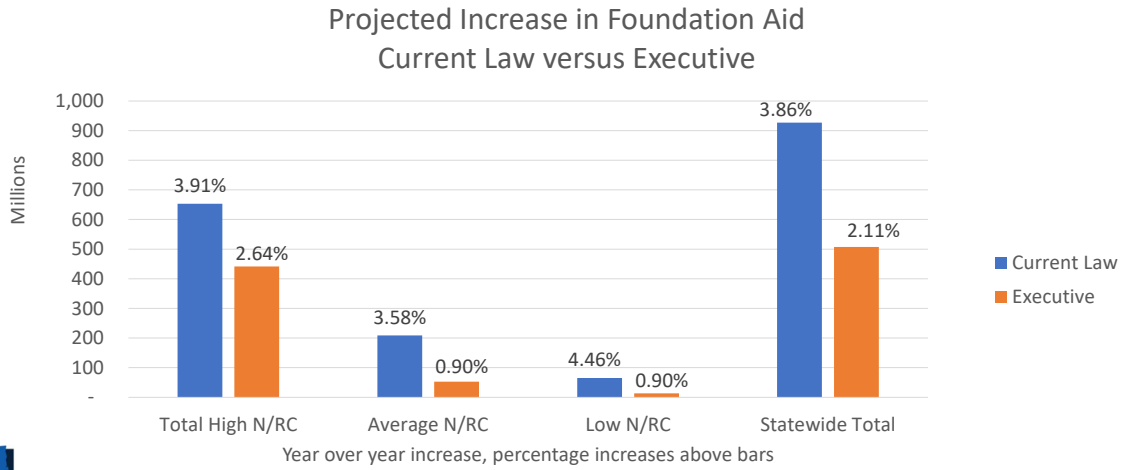


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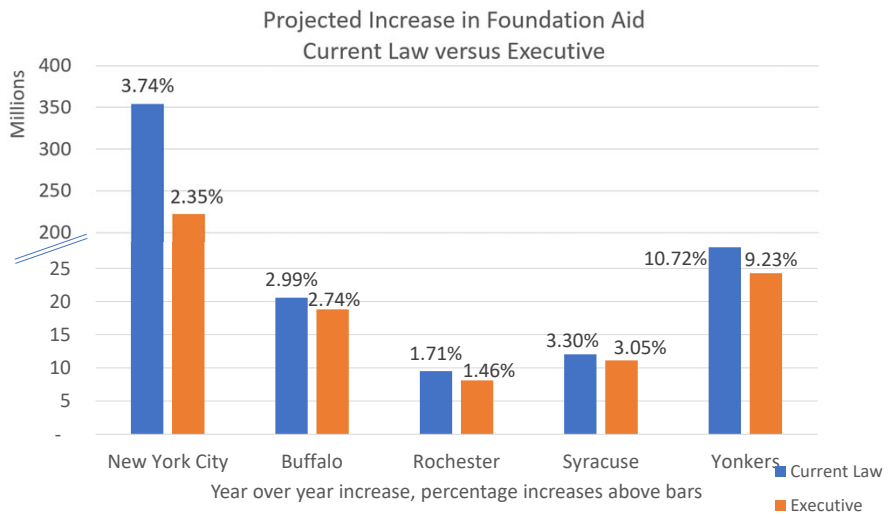
Executive Proposal Compared to Current Law

By Need/Resource Category



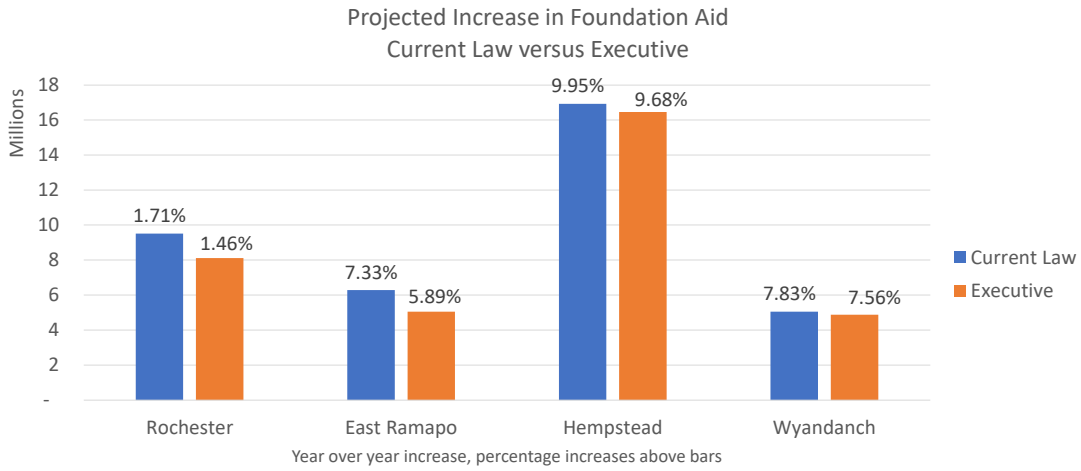
Executive Proposal Compared to Current Law

For the Big 5



Executive Proposal Compared to Current Law

Districts with a State Appointed Monitor



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Change to Save Harmless



Current Law

- Greater of prior year or formula

Executive Proposal

- Formula amount plus a proportion of amount exceeding the formula from the prior year (the “save harmless” portion)

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Net Impact

- Save Harmless practice eliminated
 - \$168m of \$375m in save harmless funds eliminated (44%)
 - 337 districts (just over 50%) impacted
- Decreases are generally progressive, with the greatest reductions in foundation aid (up to 50%) in the wealthiest districts
 - Not necessarily progressive on a per pupil or as proportion of the budget
 - Generally smaller rural districts
- Decreases peak at \$4,000 per pupil
 - 238 of the 337 impacted districts have enough reserves to cover 3 years of these cuts; 26 districts do not have enough for a single year
 - The 99 districts that do not have adequate reserves for 3 years represent \$98m of the \$168m reduction

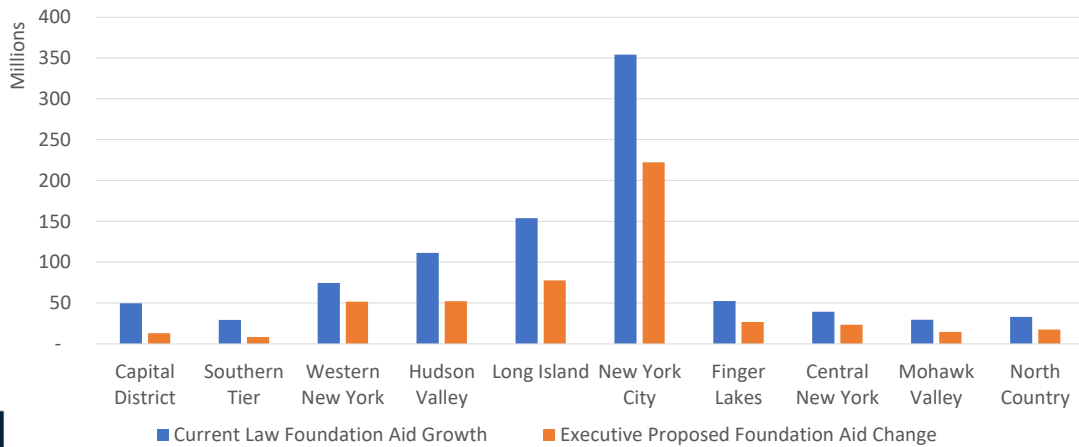


Regional Differences

Regions are too large to see the impact

By region

Projected Increase in Foundation Aid
Current Law versus Executive

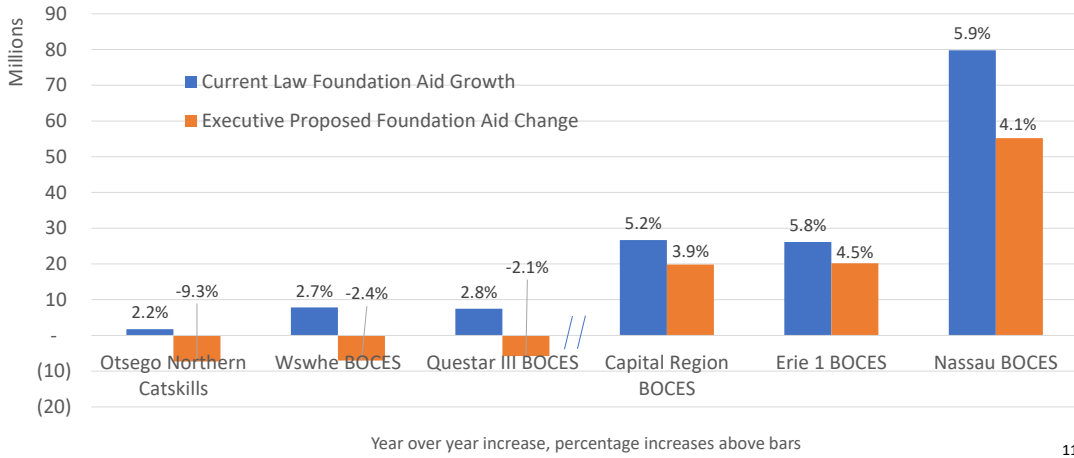


Regional Differences

BOCES regions begin to show changes

By selected BOCES

Projected Increase in Foundation Aid
Current Law versus Executive



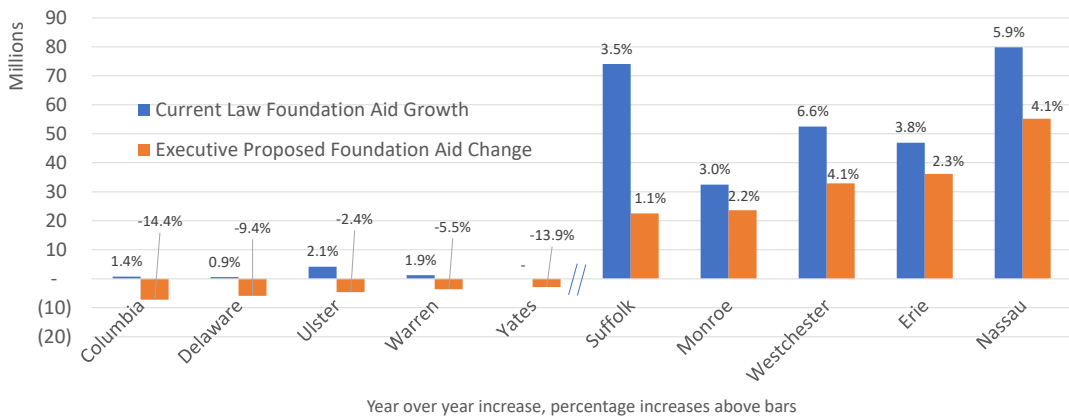
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Regional Differences

County level changes shows changes more clearly, particularly among rural districts

By selected counties

Projected Increase in Foundation Aid
Current Law versus Executive



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Examples of Individual Impact

Harpursville Central School District

- High Need Rural District in Southern Tier
- Serves 583 Students in K-12
- Foundation Aid Reduction of \$452,487 or \$776 per student, 3.92%

Montauk Union Free School District

- Low Need District in Suffolk County
- Serves 267 Students in K-8
- Foundation Aid Reduction of \$193,169 or \$723 per pupil, 35.49%

