

**Recommendations to Changes to Foundation Aid Formula**  
**Submitted by Dr. Tonia Thompson, Superintendent, Binghamton City School District**

**Profile of the District:** The Binghamton City School District is one of nearly 70 small city school districts in New York State located in the Southern Tier. The district sits in one of the highest concentrations of poverty in New York state; has experienced a decrease in affordable and available housing; and, over 50% of its residents rely on public transportation to travel anywhere. Like many districts across the state, we have experienced a decrease in enrollment and at the same time are experiencing increased needs. With a school budget of \$150,961,791 for the 2024-2025 school year, with \$46,640,548 (30%) coming from the tax levy, the district relies heavily on Foundation Aid.

**Cost to Successfully Educate a Student:** Over the past 20 years, one or more schools within the district have fallen into accountability status under the NYS accountability system. It is no coincidence that the vast majority of school districts recognized as in need of improvement are small city school districts who have diverse populations and often high levels of students living in poverty. In 2023, Binghamton served a population of students who were reported as 77% living in poverty, a special education classification rate of 19% and 4% English Native Language learners. The cost to educate a special education student as set by the rate setting unit at the NYS Department of Education in Binghamton in 2023 was \$25,733 per year. A high performing neighboring school district was educating in 2023 a population of students who were 33% living in poverty; 12% classification rate; and, 3% did so in 2023 at a cost of \$19,843. While the cost to educate in Binghamton was 23% greater, the poverty level was 43% higher with a classification rate 58% higher. Density of diversity matters.

Additionally, neighboring districts are able to pay on average nearly \$10,000 more in teacher salaries in an environment with students not having as many needs for outside support. This has made hiring and retaining staff an even greater challenge during a time when we are experiencing a teacher and qualified staff shortage.

**Recommendation for evaluating the Cost to Educate a Student in a School District:** Evaluate the cost currently needed to provide students with a successful education experience compared to what is available for school districts who have students underperforming. This may reveal a cost differential that can be used to determine if the resulting new Foundation Aid formula will work.

**Recommendation for the Regional Cost Index:** Place a larger emphasis on actual income made by the residents of the district and increase the regions to better reflect the income differential that exists within a given region.

**Enrollment versus Needs Index:** Currently, the Foundation Aid formula uses the percent of free and reduced lunch (FRL), as well as a per pupil amount that is dependent on enrollment. In 2000, the district served 6,176 students with a Free and Reduced Lunch rate of 55.8% (47.4%

Free and 8.4% reduced). In 2023, the district served 4,470 students with a reported poverty rate of 77%. While our student population has decreased by 28%, the poverty rate of our students has increased by 38%. The assumption that schools require less funding with a decrease in enrollment is simply incorrect.

The degree to which students are experiencing poverty has also increased. In February 2002, the number of households who were receiving support through the [Supplemental Nutrition Assistance Program](#) (SNAP) across Broome County was 6,013, representing 11,951 individuals. (Total population in Broome County in 2002 was 201,438). In February 2023, the number of households more than doubled, with 14,814 homes accessing SNAP services, representing 25,750 individuals (Total population in Broome County in 2023 was 197,077). Fewer individuals and we have more than doubled the depth of need.

Furthermore, the cost to educate greater concentrations of students living in poverty is greater than a district who has a lower concentration of students living in poverty. Two forms of analysis on the cost to educate students in poverty have demonstrated the need to take into consideration not only a factor to account for poverty but an additional factor to account for increased density of the number of students in poverty and the depth of their poverty. One cost-function study by the *Center for American Progress* estimated that high-poverty districts need approximately 20-40% more funding per student to achieve comparable results. Additionally, adequacy studies, which attempt to define the necessary funding levels for students to meet academic standards, have consistently shown that schools with higher concentrations of low-income students require more resources to meet these standards.

**Recommendation:** Use a different measure for poverty, one that does not require families reporting income to the schools and add a multiplier at different thresholds when a district has reached specific % of poverty. It is more challenging to educate a classroom with 33% of students eligible for reduced lunch than it is with a classroom with 77% of students eligible for free lunch.

**Meeting the Social and Emotional Needs of our Students:** As a result of the increasing poverty level across the district and degree to which our students are experiencing trauma due to unstable housing and change in family dynamics due to incarceration and homelessness, the district has invests over \$7 million dollars annual in additional supports outside the classroom to assist students and their families.

**Recommendation:** There are several support staff positions that are neither required nor taken into consideration when calculating the cost to educate a student. Social workers, school psychologists, community advocates, restorative practice coordinators, Multi-Tiered Systems of Support Coordinators, to name a few.

**General Recommendations:**

- Eliminate to the greatest extent possible “factors” that are used as multipliers that are not predictable. This only creates unknowns in the calculation and less predictability in funding, resulting in poor planning.
- Shift some of the responsibility of providing first-level support for student needs on other funded agencies by the state. One way Binghamton has done this has been to leverage the funding available to the Department of Social Services, and support the local share of case workers (aka, Family Liaisons), who work directly out of our schools with families in need of accessing support in the community. Each case worker, who is often a certified social worker, costs the district approximately \$20,000 in total using this model, as compared to hiring a social worker to focus on the same thing for \$90,000.
- Balancing any budget and maintaining quality requires an effective use of reserves when the funding streams coming into a district are largely dependent on voters and state aid. Taking a closer look at what other states allow for unassigned fund balance will reveal our current level of 4% is insufficient.
- New York State is the most regulated education system in the country. Along with this comes a tremendous financial need to provide the resources and person power to remain in compliance. Attached is a sample list of unfunded mandates as of 2018, and the list has only increased. The cost to support these and others should be accounted for in the basic cost to educate any student in New York State. School systems have to take in to consideration both the cost of personnel and time that several of the requirements take to complete. The larger the system, the more are required and for diverse districts, the burden is even greater.