

# Welcome

## Executive Budget Presentation



# State Budget Timeline

- January 21 - Executive Budget was released
- Mid-February – Updated school aid database
- Early-Mid March – Senate and Assembly “one house” budgets will be released
- April 1 – Final enacted budget due

# Executive Budget Proposal

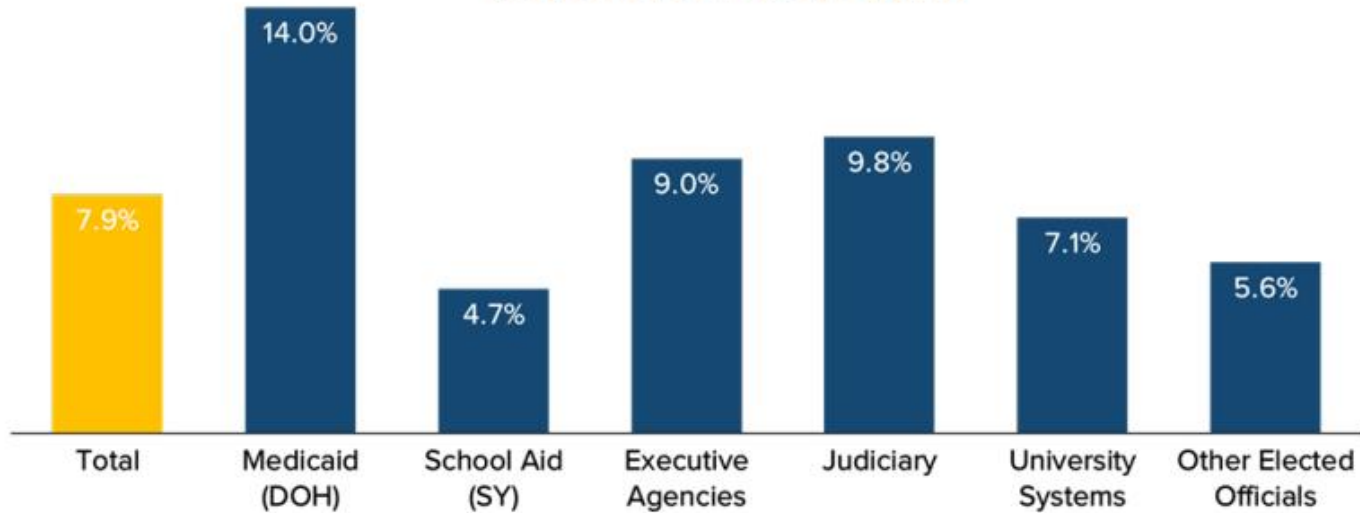
- \$252 billion – “All Funds” budget (+3.6%)
- \$143.8 billion – “State Operating Funds” budget (+7.9%)
- \$37.4 billion – State Aid for Schools (+4.7%)

# State Budget Picture

FY 2026 EXECUTIVE BUDGET FINANCIAL PLAN GENERAL FUND REVISIONS SAVINGS/(COSTS) (millions of dollars)				
	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
<b>BASELINE SURPLUS/(GAP) ESTIMATE</b>	<b>1,839</b>	<b>(3,993)</b>	<b>(7,378)</b>	<b>(11,821)</b>
<b>Receipts</b>	<b>(6,678)</b>	<b>(1,783)</b>	<b>(1,092)</b>	<b>2,139</b>
Tax Receipts	(4,071)	(2,183)	(1,082)	2,306
PTET Flexibility (Financial Plan Neutral)	(3,045)	0	0	0
Debt Service	(7)	7	(60)	(167)
Miscellaneous/Federal Receipts	0	0	0	0
Transfers from Other Funds	445	393	50	0
<b>Disbursements</b>	<b>(1,709)</b>	<b>(703)</b>	<b>(1,305)</b>	<b>(1,344)</b>
Assistance and Grants	(372)	210	(455)	(473)
Agency Operations	(792)	(727)	(729)	(730)
Transfers to Other Funds	(545)	(186)	(121)	(141)
<b>Use of/(Deposit to) Reserves</b>	<b>6,548</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Contingency Reserve	0	0	0	0
Community Projects Reserve	0	0	0	0
Other Reserves	3,045	0	0	0
Carry-Forward FY 2025 Surplus	3,503	0	0	0
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>(6,479)</b>	<b>(9,775)</b>	<b>(11,026)</b>

# State Budget Picture

**FY 2026 STATE OPERATING FUNDS SPENDING GROWTH**  
(EXCLUDES FEMA REIMBURSEMENTS)



# School Aid

- Formula-based school aid increase of \$1.69 billion (+4.8%)
  - Foundation Aid Increase - \$1.46 billion (+5.9%)
    - Guaranteed minimum 2% increase for all districts
  - Expense-based Aid Increase - \$230 million (+2.2%)
    - Full-funding of transportation aid, BOCES aid, etc.

# School Aid Picture

<b>EXECUTIVE BUDGET SCHOOL AID</b>				
<b>School Year Basis (\$ in Millions)</b>	<b>2024-25</b>	<b>2025-26</b>	<b>\$ Change</b>	<b>% Change</b>
Foundation Aid	\$24,927	\$26,391	\$1,464	5.9%
Expense-Based Aids	\$10,281	\$10,511	\$230	2.2%
<b>Formula-Based Aids (Aid on the Run)</b>	<b>\$35,208</b>	<b>\$36,902</b>	<b>\$1,694</b>	<b>4.8%</b>
Categorical Aids	\$319	\$313	(\$6)	(1.9%)
College in High School Opportunity Fund	\$58	\$65	\$6	10.9%
Other Competitive Grants	\$86	\$86	\$0	0.0%
<b>Total School Aid</b>	<b>\$35,671</b>	<b>\$37,365</b>	<b>\$1,694</b>	<b>4.7%</b>

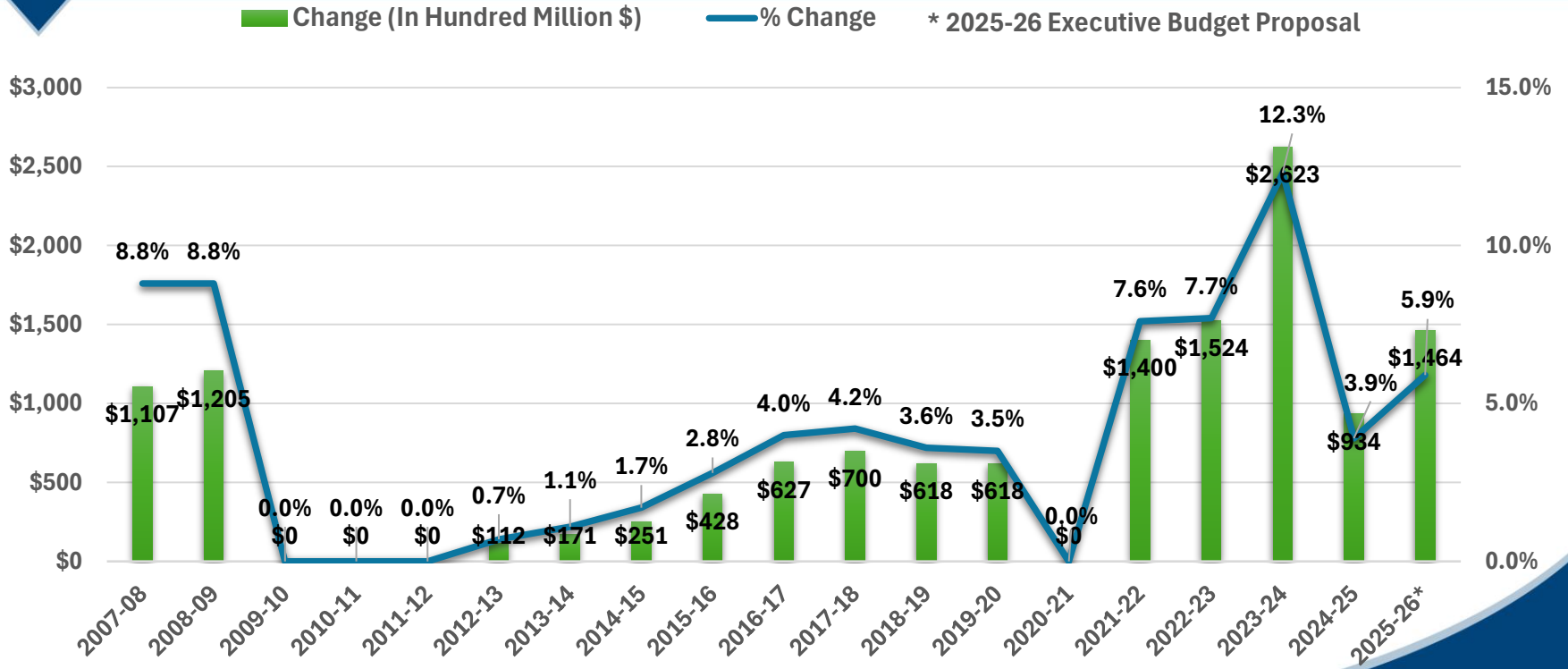
# Foundation Aid

- \$1.46 billion overall increase (+5.9%)
- Fully funds all districts
  - Guarantees 2% due minimum increase
- Formula changes

# Foundation Aid Formula Changes

- Proposes key changes to the formula to reflect low-income student data
  - Replacing 2000 Census poverty data with the most recent Census Small Area Income and Poverty Estimates (SAIPE) data
  - Replacing the usage of Free- and Reduced-Price Lunch (FRPL) data with “economically disadvantaged” data
- Slightly adjusts support for high-need districts, by shifting upward the maximum state sharing ratio

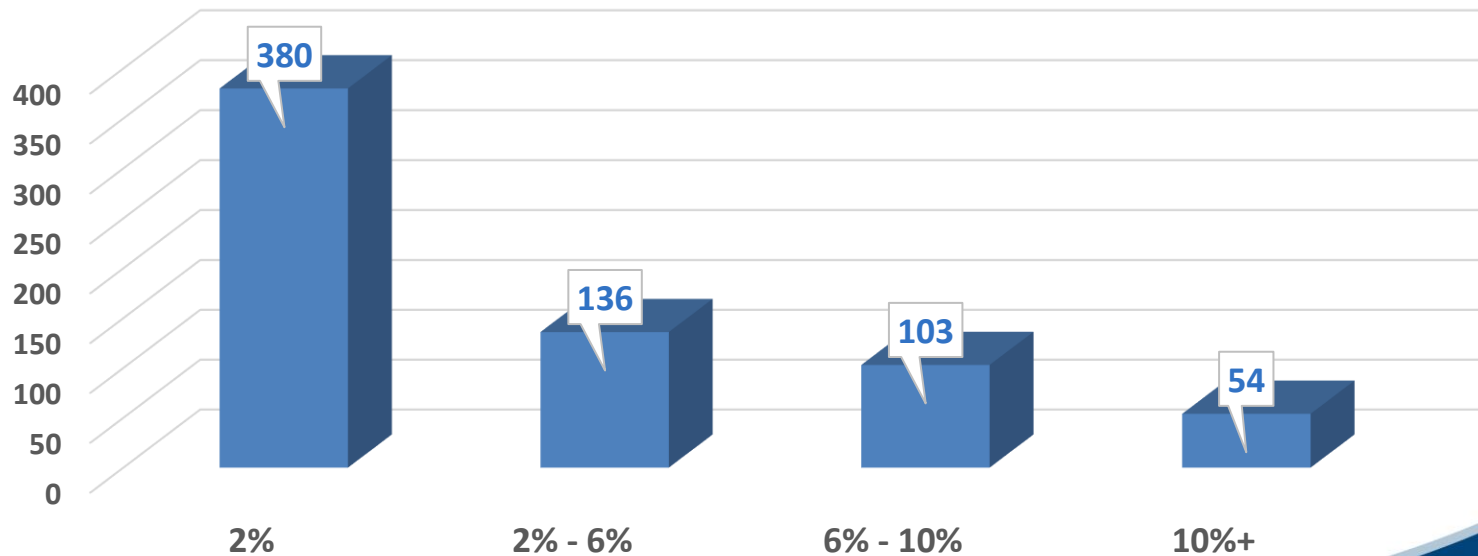
# Foundation Aid



# Foundation Aid

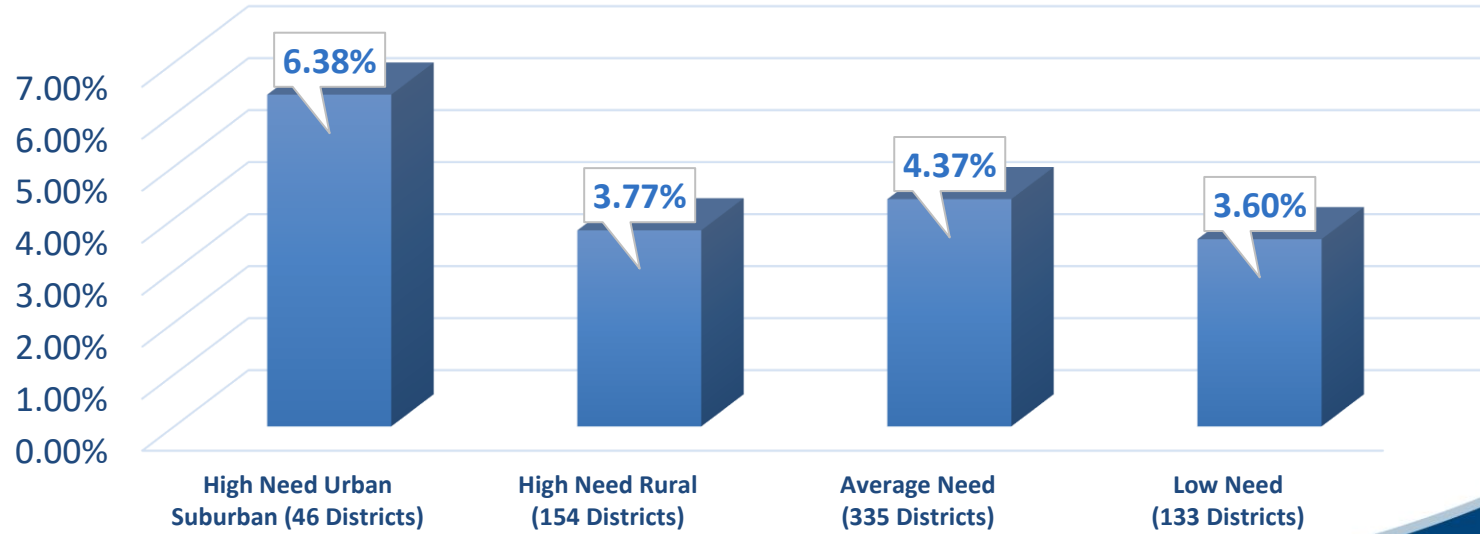
## Proposed Foundation Aid Increase

Number of Districts, by Percentage



# Foundation Aid

## Average Proposed Foundation Aid Increase by Districts Needs/Resource Index



# Universal School Meals

- Full funding for all breakfasts and lunches served
- Requirement to maximize federal reimbursements
- Available to all schools that participate in NSLP
- \$340 million total appropriation
- \$160 million increase

# Smart Device Ban

- “Distraction-Free Schools Initiative”
- Would require schools to adopt a policy by August 1, 2025 prohibiting the use of “internet-enabled devices”
- \$13.5 million appropriation to support districts and BOCES in implementation

# Smart Device Ban

- Policy must include:
  - Method for students to store their internet-enabled devices on-site
  - Ability for parents to contact students
  - Provide written notification to parents
- Exceptions

# Additional Proposals

- Pre-K – Maintains level funding
- Dual Enrollment Programs
- Curriculum Resources
- Teen Mental Health First Aid (tMHFA) training
- Extends civil service exam fee waiver

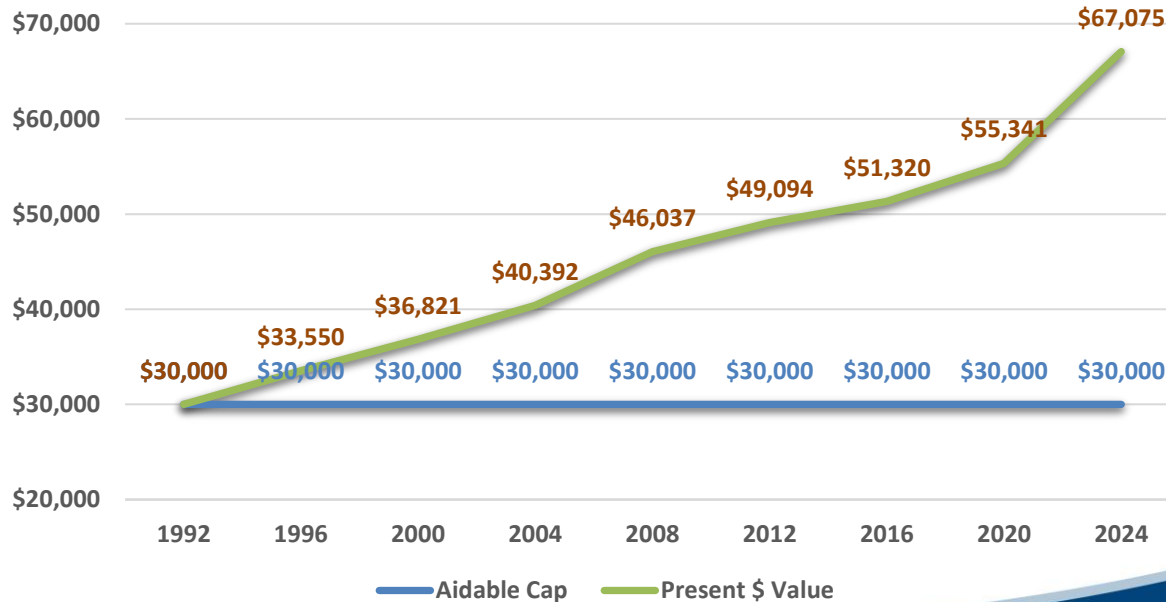
# Additional Proposals

- Makes the CSE placement cost-shift permanent
- School Aid Database Freeze

# What Was Left Out

- BOCES Aidable Salary Cap/Special Services Aid (CTE)

Inflation's Impact on the BOCES Aidable Cap



# What Was Left Out

- Prior Year Aid Claims
- Unrestricted Fund Balance Limit
- Retiree Earnings Cap Extension
- Zero Emission Buses

# A Note on SALT

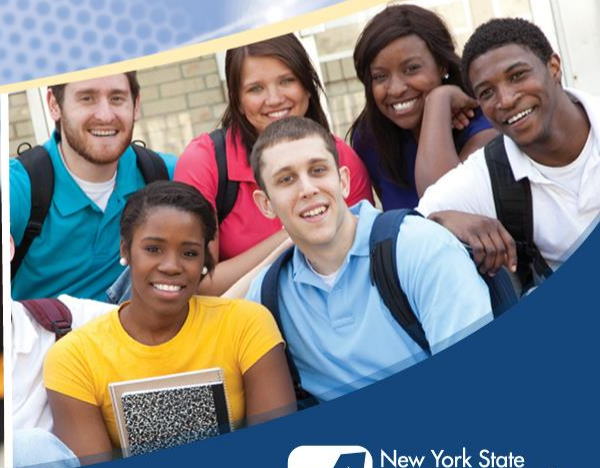
- State and Local Tax (SALT) Deduction capped at \$10,000 in 2017 by Congress
  - Due to expire on Dec. 31, 2025
- Executive budget operates on the assumption that the \$10,000 cap will be continued
- Governor called on federal government to fully repeal the cap

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# Connect. Engage. Act.

## Q&A



# Thank You for Attending

## The <sup>2025</sup> Capital Conference



# BREAK IN PROGRESS

*Programming will continue shortly.*



# The <sup>2025</sup> Capital Conference