



NYSSBA 2025-26 Enacted Budget Analysis

You can view the 2025-26 enacted budget school aid runs, with district-specific information, [here](#).

State Aid – The enacted budget includes a formula-based school aid increase of \$1.75 billion, or 4.9%, over 2024-25 levels. The aid increase is driven through a \$1.43 billion increase in Foundation Aid and a \$321 million increase in expense-based and other traditional categorical aids (ex. transportation and BOCES).

NYSSBA Position/Response - NYSSBA is pleased to see a school aid package that fully-funds Foundation Aid (when adjusting for student-need formula updates) and expense-based aids. These overall figures are generally consistent with the school aid package proposed by the Governor in January. Outside of increases provided for during the recent three-year Foundation Aid phase-in period, this state aid package represents one of the larger statewide school aid increases in decades.

Foundation Aid – The enacted budget provides a \$1.43 billion increase in Foundation Aid, or 5.7%, over 2025-26 levels, for a total of \$26.4 billion. This includes a guaranteed minimum 2% Foundation Aid increase for all districts.

The final budget also includes two changes to the formula, as proposed by the Governor, which attempt to reflect low-income student enrollment: replacing 2000 Census poverty data with the most recent Census Small Area Income and Poverty Estimates (SAIPE) data, and replacing the usage of Free- and Reduced-Price Lunch (FRPL) data with economically disadvantaged data. The budget also slightly adjusts support for high-need districts and districts with below average wealth, by shifting upward the maximum state sharing ratio and adjusting how the local contribution is calculated.

The final budget adds to additional adjustments to the formula. First, it slightly increases the weighting for English language learner (ELL) students, from 0.50 to 0.53. And second, it adds a new regional cost index specifically for Westchester County, effectively increasing the index factor for school districts within the county.

NYSSBA Position/Response - NYSSBA is pleased to see a state budget that returns to meaningful Foundation Aid increases, following last year's proposed repeal of save harmless and lower than expected increases for all remaining districts. When adjusting for worthwhile formula updates and adjustments, this year's budget fully-funds all districts, with crucial guaranteed minimum increases. While it is important to acknowledge that this proposal will not alleviate budgetary challenges for all districts, NYSSBA is appreciative of these increases.

Further, replacement of sorely outdated 2000 Census poverty data and imperfect FRPL data, combined with modest updates to ELL weightings and regional cost index structure, is consistent with recommendations NYSSBA has stressed in recent years. While these initial formula updates are somewhat limited in their scope, we hope that this is simply the first step in a thoughtful and meaningful process of more comprehensive formula improvements.

Overall Foundation Aid is relatively flat from the executive budget proposal to the final budget (\$1.46 billion vs. \$1.43 billion). This is generally because the legislature largely accepted the Governor's proposal that fully-funded Foundation Aid. However, the final budget also uses a more up-to-date

database than the one included in the Governor’s January proposal, with more current data from school districts and an updated inflationary factor (as is standard practice).

The end result is that many districts will see a slight increase or decrease in their final Foundation Aid amount, as compared to the Governor’s proposal from January. Most of those changes should be relatively minor, although some more moderate increases or decreases may occur, based on local school district data. While this is standard practice, a state budget that was more than a month late makes these variations much more difficult to adjust for (see NYSSBA’s memo with the Educational Conference Board on the impact of a late state budget [here](#)).

Universal School Meals - The enacted budget includes an additional \$160 million to ensure school districts are fully reimbursed for all meals served, bringing the total annual funding amount to \$340 million. The new Universal Free School Meals Program will require all schools that participate in the National School Lunch and Breakfast Program to serve free breakfast and lunch to each student, regardless of their family’s income.

NYSSBA Position/Response - NYSSBA has advocated strongly for a full expansion of free school meals for all students in New York State. Universal school meals will reduce student hunger, eliminate school meal debt and foster administrative efficiencies in schools. We are thrilled that New York is finally committing to fully funding breakfast and lunch for all students.

BOCES Aidable Salary Cap & Special Services Aid – The enacted budget increases the BOCES aidable salary cap to \$60,000 over a three-year period. The increase will phase-in beginning with an increase to \$40,000 for the 2026-27 school year, \$50,000 in 2027-28, and will be set at \$60,000 in 2028-29 and thereafter. The enacted budget also increases special services aid for non-component districts, in support of career and technical education from the current \$3,900 used to calculate aid to \$4,100 beginning with the 2025-26 school year. Additionally, the enacted budget expands the grades for which students may be used in special services aid calculation to include 9th graders.

NYSSBA Position/Response - NYSSBA has long advocated for increases to both the BOCES aidable salary cap and special services aid for non-component districts. This issue was a top priority for NYSSBA in this budget, as in past budget negotiations. This increase will allow school districts to continue to provide access to valuable career and technical education opportunities, and other quality and successful BOCES programs, which help meet the needs of an ever-changing world. We are very pleased to see this much needed increase included in this year’s enacted budget.

Retiree Earnings Cap - The enacted budget extends the existing waiver of the \$35,000 earnings limitation for certain retired public employees returning to work in a school district or BOCES for an additional two years. The waiver was set to expire on June 30, 2025, and will now remain in place until June 30, 2027.

NYSSBA Position/Response - NYSSBA is extremely pleased to see the existing waiver remain in place for an additional two years, as this was one of our association’s top budget priorities. The waiver has served as an important and valuable tool in helping school districts and BOCES respond to staffing challenges at a time when both instructional and non-instructional positions are in high demand.

Zero-Emission Buses – The enacted budget extends the Commissioner’s authority to grant district-by-district two-year waivers to the 2027 electric-only purchase requirement, from the previous one-time waiver to allowing for two waivers (48 months total). It also allows the Commissioner to consider “any other factors outside of the control of the district,” as well as other factors including availability

of buses, infrastructure, and state/federal funding. Districts that have been granted a waiver must meet annually with NYSERDA for assistance in implementing the transition. Following the first waiver, NYSERDA will inform the Commissioner of whether it determines the district is able to comply.

Additionally, the enacted budget includes a requirement that bus dealers provide an independent third-party battery range estimate that includes, at a minimum, the range estimate on different terrains and weather conditions, and whether the bus is being stored indoors or outside for storage and charging.

Lastly, the enacted budget also includes up to \$100 million in new funding to support the purchase of zero-emission school buses and supporting infrastructure.

NYSSBA Position/Response - NYSSBA is pleased not only by these meaningful actions, but by the numerous discussions with the legislature that led to their inclusion in the enacted budget. However, unless or until the mandate is repealed or meaningfully changed, NYSSBA will continue to advocate for a transition timeline that reflects the realities of each district, as well as costs that are increasing, not decreasing.

Smart Device Ban – The enacted budget requires school districts, BOCES and charter schools to adopt a policy by August 1, 2025, prohibiting the use of “internet-enabled devices,” including cell phones, during the school day and on school grounds.

The policy must include a method for students to store their internet-enabled devices on-site during the school day, as well as one or more methods for parents and guardians to contact students during the day, and provide written notification to parents and guardians of those methods at the beginning of each school year.

This prohibition does not apply to: cell phones that do not have the ability to access the internet; devices provided by the school district or BOCES that are used for educational purposes; personal devices when authorized by a teacher, district or BOCES for a specific educational purpose; usage for managing a student’s health; usage in the event of an emergency; usage for translation services; usage for students who are routinely responsible for the care and wellbeing of a family member; usage pursuant to an individual student’s IEP or 504 plan; or usage where otherwise required by law. In addition, the enacted budget requires schools, on an annual basis beginning September 1, 2026, to publish a report detailing enforcement of the policy in the prior school year, and prohibits student suspension as a result of violating this policy.

The enacted budget further includes a \$13.5 million appropriation to support districts and BOCES in the implementation of such a plan. The enacted budget directs the state Division of Budget to determine distribution of funds, with no additional detail at this time.

NYSSBA Position/Response - NYSSBA has been part of numerous conversations and meetings throughout the past year with the Governor’s office and other stakeholders, discussing the topic of student use of smart devices in schools. In those discussions, we have consistently expressed support for the Governor’s focus on addressing mental health challenges and improving educational opportunities and outcomes for students.

At the same time, NYSSBA has stressed that we believe local districts and BOCES are best able to reflect the needs and priorities of their local communities when it comes to student use of cell phones and related issues. To that effect, following the Governor’s public intention in early 2024 to address this specific issue, NYSSBA has held multiple conference sessions and workshops on the topic and

distributed other supportive materials, working to ensure that school board members have all the information and resources necessary to make informed local decisions.

While we acknowledge attempts to provide some modest degree of local decision making, flexibility and funding, we stressed to lawmakers that any prohibition of student use of cell phones and other internet-enabled devices should be determined locally. We also note that the reporting requirement further adds to the administrative burden of school personnel.

Charter Schools - The enacted budget adjusts the charter transitional aid formula in order to provide additional state aid for school districts outside of the Big 5 city school districts where an exceptionally large number of resident students attend charter schools.

NYSSBA Position/Response - All of New York's charter schools are located within the boundaries of just over two dozen school districts. As a result, there are a handful of school districts in the state that experience disproportionately high fiscal stress due to the strong charter school presence. NYSSBA is pleased to see some recognition of these unique circumstances, allocating more aid to those heavily saturated school districts.

Foundation Aid Set-Asides – The enacted budget continues the current \$250 million Foundation Aid set-aside for community school purposes.

NYSSBA Position/Response - NYSSBA is opposed to restrictions on the use of districts' Foundation Aid through "set-asides." Foundation Aid was designed as a general operating aid of which a school district has the ability to decide how and where it is used. School districts should be granted full flexibility in their funding decisions. If the state would like school districts to focus resources in particular areas, they should provide separate and additional funding for districts.

Aid Claims Restriction and Database Freeze – The enacted budget rejects the executive proposal to freeze aid payments on a permanent basis to a maximum payment of those included in the school aid runs supporting the executive budget proposal based on the November database.

NYSSBA Position/Response - NYSSBA is appreciative that the legislature continues to reject such proposals from the executive budget. As with any budgeting process, cost projections can be volatile. Such volatility does not reflect poor budgeting practices and should not be treated as such. It is important for school districts to be reimbursed for legitimate actual costs.

Prior Year Aid Claims – The enacted budget does not include any restoration of the state's funding to make payments against the prior year aid claims list.

NYSSBA Position/Response - The state first eliminated its annual funding to make payments against the prior year aid claims list in the 2021-22 budget. Prior to that budget, the state had annually allocated nearly \$20 million to pay down against the list of approved aid claims for certain past expenses from school districts. With no funding included in the budget, the \$300 million owed by the state to school districts will only continue to grow. In addition, the lack of prior year aid claim funding significantly blunts the positive impact of the building and transportation aid forgiveness provisions included in the 2022-23 enacted state budget.

Student Health and Mental Health – The enacted budget extends the time that school-based health center providers can bill Medicaid directly for services, allowing them to remain carved out of Medicaid managed care programs until April 1, 2026.

NYSSBA Position/Response - NYSSBA supports efforts to keep school-based health centers carved out of Medicaid managed care plans. Many SBHC providers predict that a carve-in would disrupt and negatively impact their revenue streams. In addition, the carve-in creates costly and overly burdensome administrative challenges involving credentialing, contracting, billing, and claims processing for both health plans and centers.

Civil Service and Staffing - The enacted budget includes a two-year extension of the present waiver on civil service exam fees. The current waiver was due to expire on December 31, 2025, but will now remain in place until December 31, 2027.

NYSSBA Position/Response - NYSSBA was supportive of the continuation of the present waiver of exam fees. We will continue to advocate for permanent, long-term civil service reforms such as expanding the list of eligible exam takers from three to five, expanding continuous recruitment, and the alignment of test content with job duties. These changes would help improve recruitment and alleviate ongoing staffing needs.

Curriculum Resources – The enacted budget provides \$500,000 for the New York State Education Department to create and distribute educational materials and resources focused on Indigenous cultures and histories. The budget also provides \$1 million for the Division of Homeland Security and Emergency Services to create and distribute an educators’ toolkit for providing students of various ages with the skills necessary for critically consuming media. Finally, the budget provides the New York Agriculture in the Classroom program with \$500,000.

NYSSBA Position/Response – NYSSBA appreciates the state providing resources for schools and educators to enhance the teaching of Indigenous peoples, media literacy and agriculture, rather than legislatively mandating what curriculum is taught in schools.

Pre-kindergarten – The enacted budget maintains level funding for state-funded pre-kindergarten programs.

NYSSBA Position/Response – NYSSBA will continue to advocate for increased investments that will ultimately provide enough funding for all school districts to be able to provide universal pre-kindergarten for their 3- and 4-year-old students, should they wish to do so. We are also advocating for legislation that would allow school districts whose prekindergarten programs are overenrolled to prioritize enrolling economically disadvantaged students or English language learners when allocating seats for the state’s universal prekindergarten program.

Dual Enrollment Programs – The enacted budget expands early college high school programs by continuing ongoing investments in competitive grant programs such as P-TECH and Smart Scholars, and appropriating \$9.1 million for a new round of grants to support college in high school programs. Recipients of this newest proposed grant would need to provide participating students with counseling and academic support.

The enacted budget also directs the State Education Department to adopt a statewide policy with guidelines for dual enrollment program participation and data reporting. The policy will require schools and institutes of higher education (IHE) to annually submit to NYSED data on participation and success. Due September 1, 2026, schools and IHEs will need to submit partnership agreements on a form developed by NYSED. These agreements will need to be updated at least every 5 years.

NYSSBA Position/Response - NYSSBA recognizes the value and popularity of courses and programs that offer students college credit, at little to no cost, while still in high school. We look forward to supporting proposals that ease barriers to dual enrollment programs.

Continuation of Competitive Grants – The enacted budget continues ongoing investments in competitive grant programs such as the master teacher program, grants for advanced coursework and AP/IB fee subsidies, and mental health programs.

NYSSBA Position/Response – NYSSBA is pleased to see funding maintained for these initiatives which have been used by districts across the state in support of worthwhile student programs and services.

Special Education Cost Shift – The enacted budget rejects the executive proposal to make permanent the elimination of the state’s share of costs related to Committee on Special Education (CSE) placements for districts outside of New York City. However, it does extend the shift for an additional year, until April 1, 2026. Prior to the shift, the state covered 18.424% of maintenance costs for CSE placements, with school districts covering 38.424% and the locality assuming the remainder.

NYSSBA Position/Response - NYSSBA remains adamantly opposed to these cost shifts. The state estimates that the cost shift results in a nearly \$30 million burden on school districts, effectively reducing opportunities to invest in other valuable programs and services for students.

Bullet Aid - The enacted state budget includes \$24 million in what is commonly referred to as “bullet aid.” These funds are distributed by the Assembly, Senate and Governor to individual school districts, libraries and other non-profits, based on resolutions approved by the legislature, and are not based on any statutory formulas. The Assembly has \$8 million, the Senate has \$6 million and the Governor has \$10 million.

NYSSBA Position/Response - NYSSBA understands and appreciates the financial benefits many districts receive through bullet aid. Such funding allows the legislature and Governor to distribute additional resources to districts whose needs were not met through traditional formula-based school aid. However, NYSSBA generally supports distribution of school aid based on sound principles that include adequacy, equity, flexibility, predictability and clarity.

Gun Violence Protection - The enacted budget creates a state Office of Gun Violence Prevention within the Division of Criminal Justice Services (DCJS).

NYSSBA Position/Response - NYSSBA remains supportive of efforts to reduce unauthorized access to guns in our schools. The creation of this office can represent a positive step in that direction.

Cybersecurity – The executive budget does not include the Senate proposal to require new cybersecurity training and reporting standards for local governments.

NYSSBA Position/Response - NYSSBA recognizes the critical risk presented to local governments, including school districts, presented by cybersecurity threats. We also recognize the need for cybersecurity training and reporting. However, school districts are already required to undertake rigorous training and are subject to stringent reporting requirements under the Education Law. Any new cybersecurity requirements for local governments related to training and reporting should account for the fact school districts are already doing both.

IDA Representation for School Districts – The enacted budget does not include the Senate’s proposal to require school board representation on industrial development agency (IDA) boards.

NYSSBA Position/Response - NYSSBA supports school district representation on IDA boards. Tax abatements, including payment-in-lieu-of-taxes (PILOT) agreements have a broad impact on school districts and the school district voice should be part of any PILOT-related decisions.

STAR Eligibility – The enacted budget makes several minor administrative modifications to the STAR program, including requiring one owner of a property who is a resident to be 65 or older, as opposed to only the primary resident, accounting for the income of owners who primarily reside on the property for eligibility purposes and no longer requiring owners who do not file income tax returns to file income worksheets after three consecutive years of eligible filings.

NYSSBA Position/Response – These changes would have no net fiscal impact on school district finances due to the structure of the STAR program in which the state reimburses districts to offset revenue reductions generated by the credit. However, it is important for districts to be aware of any changes to STAR as many questions from residents on the program are directed to the school district.

Federal State & Local Tax (SALT) Deduction - The enacted budget cannot address the \$10,000 cap on the SALT deduction, as the cap is an entirely federal matter. However, the enacted budget does include an increase in the amount of property taxes taxpayers may claim against their state income tax, less any STAR credit or exemption they already receive.

NYSSBA Position/Response - Though NYSSBA supports the repeal of the \$10,000 SALT deduction cap, small state tax changes such as this can offer some relief in lieu of the capped federal deduction. NYSSBA takes no position on this change, as it does not impact school tax revenue, but it is always beneficial for districts to be aware of relevant tax changes.