

Budget Overview

2025–2026 Enacted State Budget

Presentation to the Board of Regents
June 2025

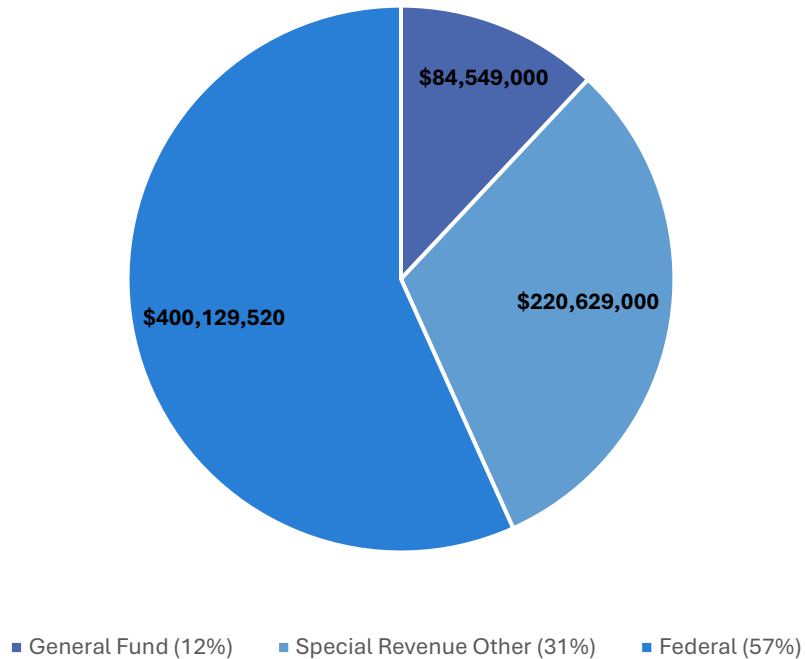


The background of the slide features a large, faint, circular seal of The State Education Department of New York. The seal contains the text "THE UNIVERSITY OF THE STATE EDUCATION DEPARTMENT OF THE STATE OF NEW YORK" around the perimeter, with "1784" at the bottom. In the center is the State of New York coat of arms, which includes a shield with a sun, a ship, and a plow, flanked by two female figures (Justice and Liberty), and topped by an eagle. A banner at the bottom of the shield reads "EXCELSIOR".

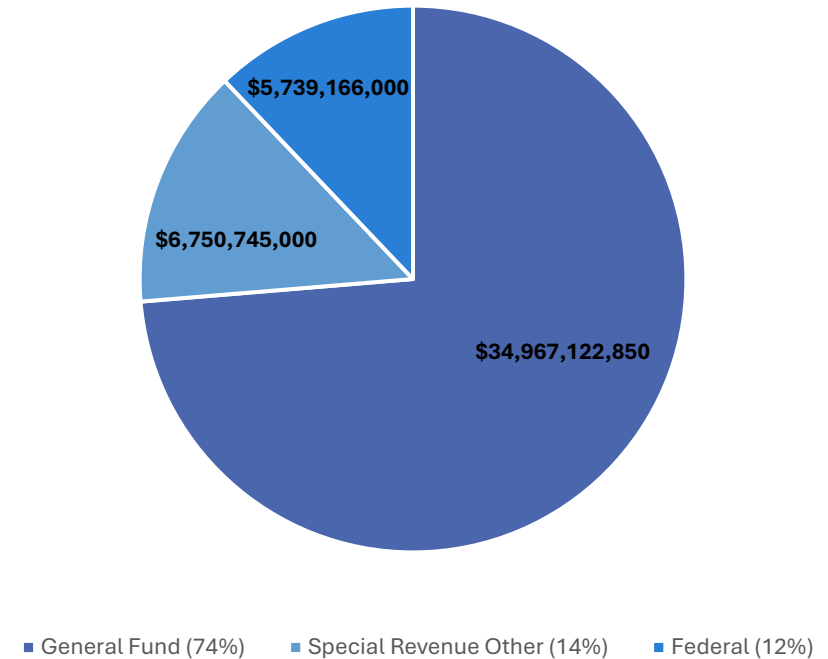
Fiscal Context

NYSED Revenue Sources by 2025-26 Appropriation

State Education Department State Operations
Revenue Sources
(2025-26 appropriation total \$705.3M)

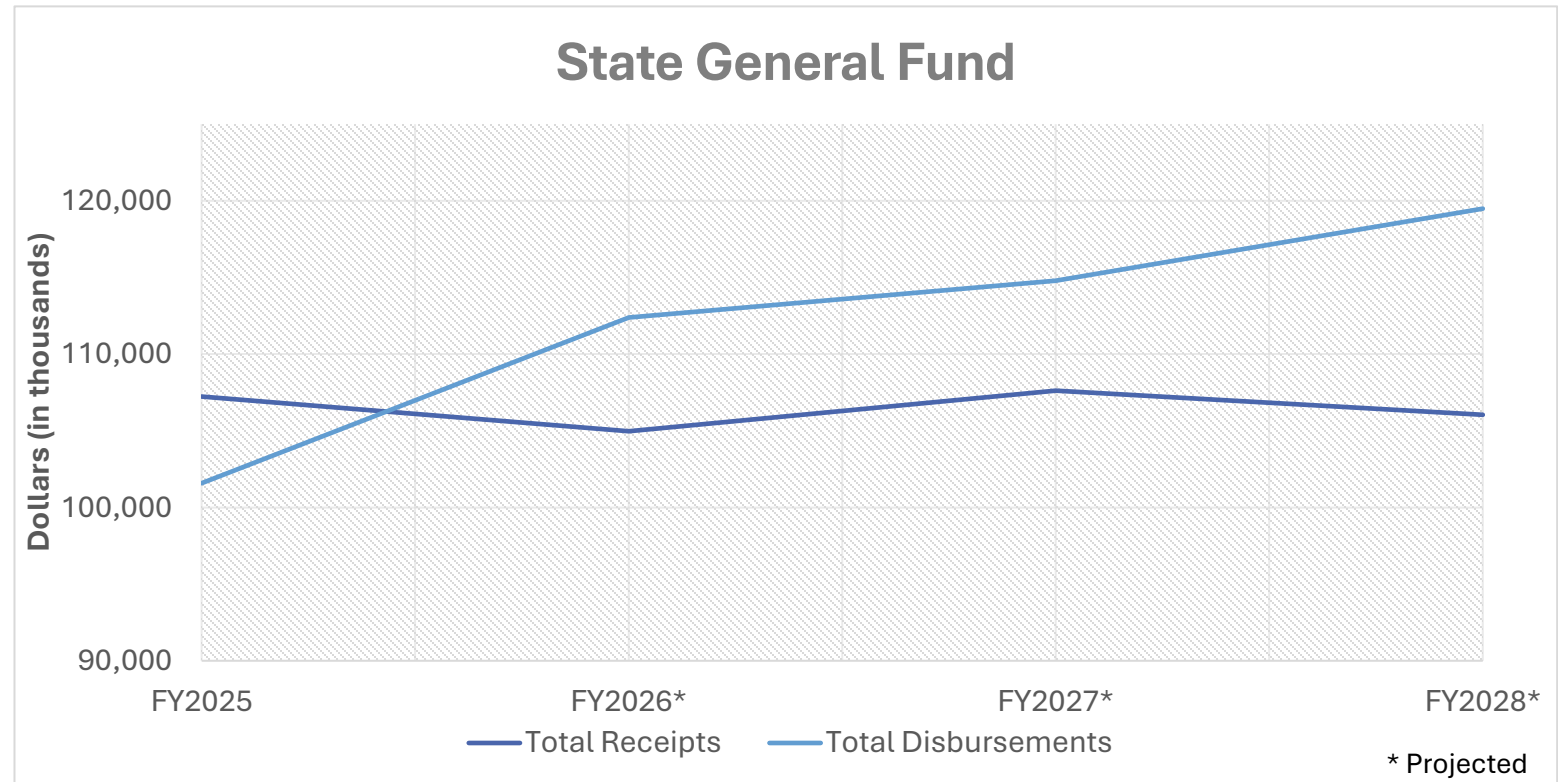


Local Assistance Revenue Sources
By Appropriation
(2025-2026 - \$47.5B)



Potential Fiscal Challenges Ahead

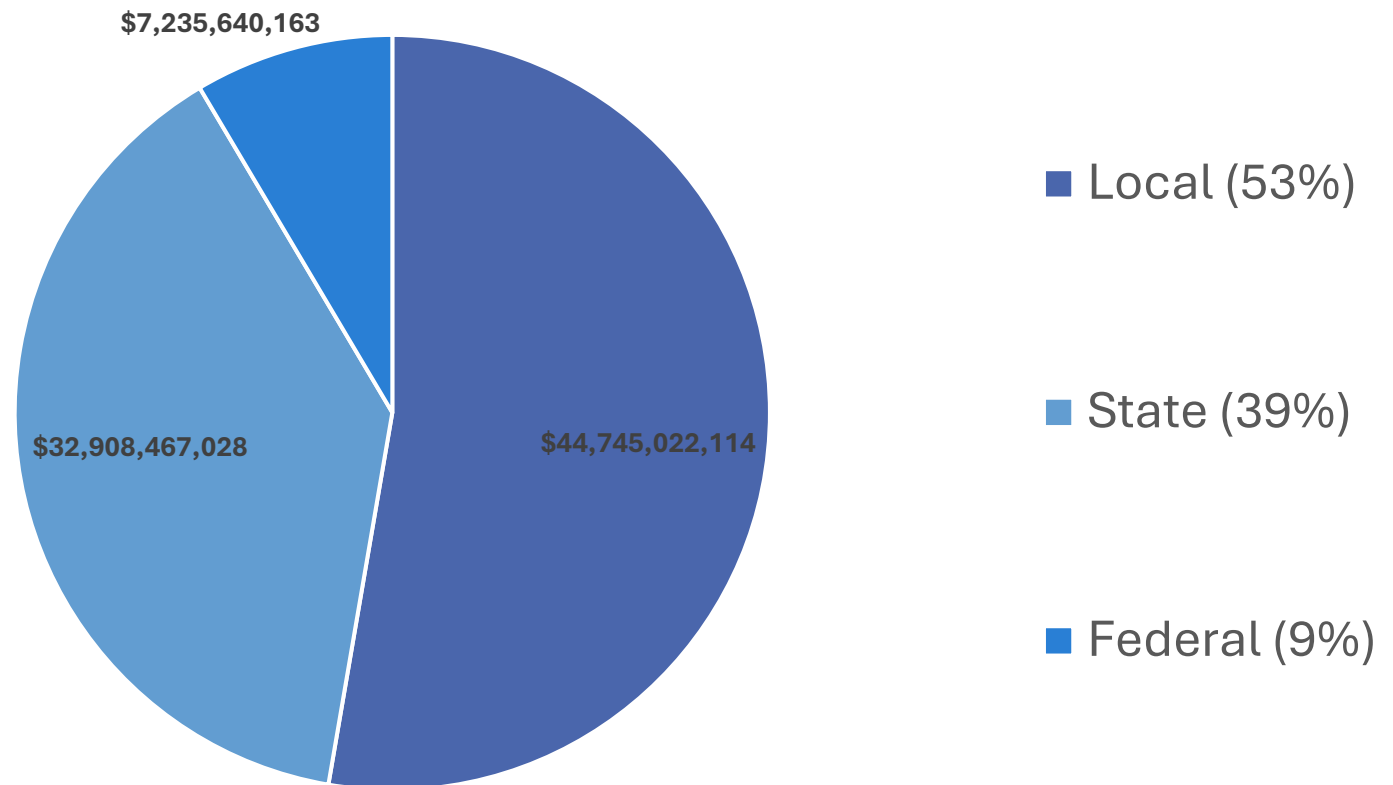
- Enacted State Budget gives Budget Director withhold authority on local assistance fund, if projected deficits reach \$2 billion and the legislature does not act within a certain timeframe
- Outyear gaps projected at \$7.4 billion in FY26, \$13.4 billion by FY28



Funding Schools Remains a Major Priority

- Foundation Aid fully phased in and base maintained
- Total school aid increased \$1.74 billion (4.9%) to \$37.4 billion
- School aid represents 27.9% of the total state general fund budget

School District Revenues by Source 2022-23



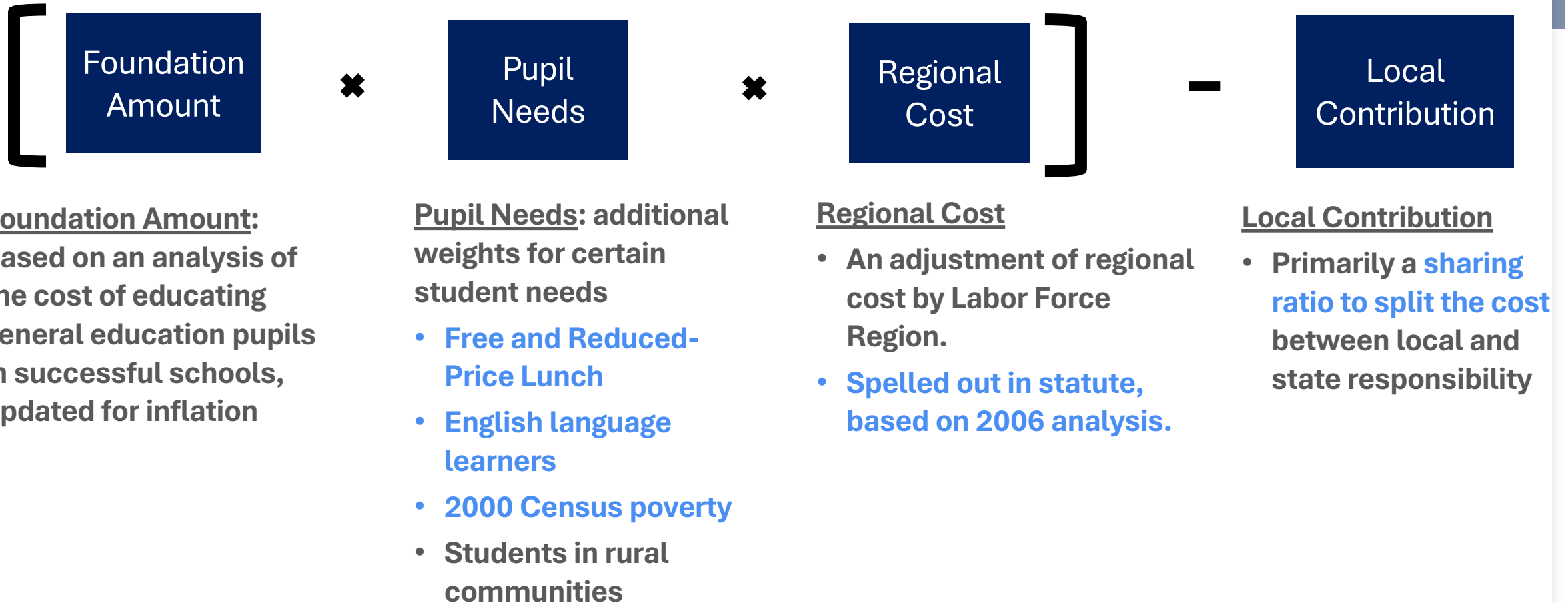
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School Aid & Formula Changes

What's in the \$1.74B School Aid Increase?

Aid Category	Regents Proposal	Executive Proposal	Enacted Budget
Foundation Aid	1,668.29	1,464.30	1,426.58
Charter Transitional Aid	9.37	9.37	32.79
BOCES and Special Services Aids	107.58	4.51	88.55
New Prek	25.00	-	-
Other Aids	236.72	215.97	193.83
Total	2,046.95	1,694.14	1,741.75
Non-School Aid FAPE22	18.00	-	-
College in High School	-	12.20	9.10

Foundation Aid has Four Parts – Current Law



Foundation Aid Formula Adjustments

Executive Changes Adopted

- Update 2000 Census Poverty
- Replace free- and reduced-price meal counts
- Enhancements to the state sharing ratio
- Minimum increase for all districts of at least 2%

New Enacted Budget Changes

- Enhances ELL weight from 0.50 to 0.53
- Westchester County Regional Cost Index
- Enhancements to the state sharing ratio

School Aid Recommendations Not Included

- FAPE 22 – no changes to state law around aid eligibility for students with disabilities who turn 21 without a diploma
- Growth aid – no new aid for districts with significant enrollment growth
- Foundation Aid Formula – no wholesale update to the regional cost index or the income wealth index minimum
- Prior Year Adjustment (PYA) List appropriation – no funding for this list of valid claims, requested in prior years

Other School Aid Formula Changes

Career and Technical Education Enhancements

- Special Services Aid
 - 9th Graders included in
 - Per pupil increase from \$3,900 to \$4,100
- BOCES Aid
 - \$10,000 BOCES salary cap increase from \$30,000 to \$60,000 beginning in aid year 2026-27

Other Formula Based Aids

- Charter Transitional Aid
 - Persistent support for districts where more than 20% of students attend charter schools, excluding the Big 5 City districts

The seal of The State University of New York is a large, faint, circular emblem in the background. It features a central shield with a sun rising over a landscape with a ship. Above the shield is an eagle with spread wings. The shield is flanked by two female figures, one holding a torch and the other a scale. Below the shield is a banner with the word "EXCELSIOR". The outer ring of the seal contains the text "THE STATE UNIVERSITY OF NEW YORK" at the top and "1784" at the bottom.

Board and Department Priorities

Regents Priorities Highlights – Enacted

- **Dual enrollment policy creation**
- **NYSESLAT / Translation:** An additional \$4 million
 - Continue the work creating a test that meets federal requirements
 - Translate grades 3-8 math exams, science tests, and five Regents exams into eight languages.
- **Investments in Career and Technical Education- BOCES salary aid cap and Special Services Aid**
- **Monitors:**
 - Two-year extensions for monitor authorization at four districts
 - No changes to duties or powers; funding maintained
 - New two-year monitor authorization, for Mount Vernon
 - Mount Vernon received a general aid advance

Other Funded Initiatives

- Funding was provided for two staff to support work on dyslexia and dysgraphia
- The budget included the \$500,000 proposed by the Executive for educational materials and resources focused on Indigenous cultures and history
- Funding was provided for two staff for OCUE's teacher program review work

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Policy Matters in the Enacted Budget

Education Policy Changes (1 of 3)

New Dual Enrollment Policy

- SED must create a statewide policy:
 - defines dual enrollment programs
 - Provides guidelines for participation
 - Collect partnership agreements
September 1, 2026
- SED to partner with SUNY and CUNY to establish data to collect
- SED to annual publish data about participation and outcomes

Zero Emission Bus Changes

- Allows two 24-month extensions to requirement
- Provides specificity around notification and NYSERDA involvement
- SED must publish waiver applications by December 31, 2025
- Sales after January 1, 2026 must include an independent range estimate or face a civil penalty

Education Policy Changes (2 of 3)

Universal Free School Meals

- Schools must adopt CEP if eligible
- State reimburses difference between paid meal and free meal for all students
- Additional \$160 million in state funds appropriated

Digitizing Working Papers for Minors

- The Department of Labor (DOL), in consultation with SED, must create and maintain a database for the employment of minors.
- Minors must register for any employment certificate or permit.
- Employers hiring individuals under the age of 18 must register in the database.
- Working papers would be available electronically
- All information would be confidential

Education Policy Changes (3 of 3)

Substantial Equivalence Changes

- Delay enforcement until 2032–33 school year
- Adds an assessment pathway that allows schools to use assessments that are not Department approved or aligned with NYS Learning Standards
- Defines “proficiency” as the 33rd percentile on a nationally norm-referenced test without local district oversight or planning requirements
- Allow nonpublic schools to change pathways at any time
- Limits local school authority review nonpublic schools to provide assurances of unclear pathway election or parental complaints

Bell-to-Bell Cell Phone Ban

- Each District, Charter School, and BOCES must consult with stakeholders to create a written policy by August 1, 2025 that:
 - Prohibits student use of personal internet-enabled devices during the school day.
 - Includes methods for parents/guardians to contact students during the school day and on-site device storage.
 - May include certain listed exceptions or exceptions on case-by-case basis for caregivers.
- Schools may not suspend students only on the grounds of violation of the policy.
- Schools must publish an enforcement report annually and mitigate significant demographic disparities, if any.
- \$13.5 million appropriation for distraction free schools implementation



Thank you!

Questions/Discussion
