

2025-26 Executive Budget for Aid to Education

2025-26 EXECUTIVE BUDGET FOR AID TO EDUCATION

On January 21st, Governor Hochul presented her proposal for the 2025-26 State Budget. The Governor is proposing a total of \$37,365.42 million in state support for public schools. The \$37,365.42 million amount is made up of: \$36,901.90 million in formula-based aids, \$463.53 million in categorical aids and grant programs. This would be a 4.75% increase over the 2024-25 State Budget for school aid. Her proposal continues all expense driven aids formulas.

District specific data is available on NYSED's State Aid Unit website at <https://stateaid.nysed.gov/>. Using this link, you will find detailed descriptions and "backup" data that explains how the proposed State Aid estimates were calculated for your district.

Please remember that the aid estimates are based on the 2024-25 school year estimates of expenditures and pupil data submitted with your aid claim forms and ST-3 this past fall. Therefore, it is important to review the backup data provided on NYSED's State Aid Unit website for accuracy.

The following is a summary of the major elements of the Governor's 2025-26 proposal for State Aid to public schools. Differences in parenthesis represent the change between 2024-25 Base Year Aids and 2025-26 Estimated Aids per BT252-6.

Foundation Aid – \$26,390.97 million (\$1,464.30 million increase).

2025-26 Foundation Aid = The greater of a district's Total Foundation Aid or the Foundation Aid Base amount plus the Due Minimum Increase of 2 Percent.

Total Foundation Aid would be equal to the greater of:

(I) \$500 multiplied by Selected Total Aidable Foundation Pupil Units (TAFPU) Or

(II) *Foundation Formula Aid Per Pupil multiplied by Selected TAFPU

*Foundation Aid Formula Per Pupil = The greater of:

a) (2025-26 Foundation Amount x RCI x PNI) – Expected Minimum Local Contribution Or

b) (2025-26 Foundation Amount x RCI x PNI) * Foundation State Sharing Ratio

Foundation Amount = \$8,289 (\$8,040 multiplied by CPI of 1.031)

RCI = Range between 1.000 and 1.425 based on district's region in NYS

PNI = 1.0 plus Extraordinary Needs Percent (Min = 1.0, Max = 2.0)

2025-26 Foundation Aid **is inclusive** of the Community Schools Set-Aside.



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Expense Driven Aids – No formula aid changes proposed for any of the following aids:

- **Building Aid/Reorganization Incentive Building Aid** – \$3,334.89 million (\$111.84 million decrease)
- **Transportation Aid Including Summer Transportation Aid** – \$2,673.83 million (\$135.19 million increase)
- **BOCES Aid** – \$1,313.29 million (\$0.51 million increase)
- **Software, Textbook & Library Materials Aids** – \$225.51 million (\$4.33 million increase)
- **Computer Hardware and Technology Aid** – \$35.17 million (\$1.25 million increase)
- **Supplemental Public Excess Cost Aid** – \$4.31 million (\$0 change)
- **Special Services Aid** – \$245.96 million (\$4.00 million increase)
- **Academic Enhancement Aid** – \$9.57 million (\$0 change)
- **High Tax Aid** – \$233.30 million (\$0 change)
- **Charter School Transitional Aid** – \$60.62 million (\$9.37 million increase)
- **Public High-Cost Excess Cost Aid** – \$631.33 million (\$1.85 million increase)
- **Private Excess Cost Aid** – \$518.75 million (\$42.84 million increase).

Reorganization Incentive Operating Aid – \$1.71 million (\$0.66 million decrease).

Universal Prekindergarten Aid – \$1,210.99 million (\$143.01 million increase).

The 2025-26 Executive Budget recommends \$1,210.99 million in funding for this program, bringing the estimated number of four-year-old pupils with access to publicly funded prekindergarten to over 148,000 students statewide, or about 95 percent of the State's estimated "universal" target population. This funding includes \$428.36 million for the Statewide Universal Full-Day Prekindergarten (SUFPA) program.

Full Day K Conversion Aid – \$0.00 million (\$0 change). No funding has been included in the 2025-26 Executive Budget.

Community Schools Set-Aside – \$250 million (\$0 change).

Summer School Special Education (\$4408) – \$413.00 million (\$9.00 million increase).

Preschool Special Education (\$4410) – \$1,092.00 million (\$57 million increase).

These funds will support the State's 59.5% share of the costs of education for three- and four-year old children with disabilities. Similar to 2024-25, prior year claims on file with the SED as of March 31, 2025, will receive payment priority. Any remaining claims for which there is insufficient appropriation authority to pay in 2025-26 will receive priority status for payment in 2026-27.



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Other Proposed Items with Fiscal Implications:

Universal Free School Meals – \$340.00 million (\$160.00 million increase to CEP State Subsidy)

The Universal Free School Meals would build upon the Community Eligibility Provision (CEP) subsidy program adopted under the FY 2024 Enacted Budget.

Currently, the Community Eligibility Provision (CEP) Subsidy Program provides State funds as an incentive to low-income schools to participate in the federal program. This program allows districts with significant proportions of low-income students to participate by subsidizing any remaining local share of costs for all participating schools. This program allows all students attending participating schools to eat breakfast and lunch at no charge regardless of their family's income. Under this current program 90% of New York State's 2.75 million students are currently receiving free meals.

The Universal Free School Meals program would continue to subsidize the local share of costs for all public and nonpublic schools participating in the CEP program. Additionally, this proposal would pay the student's share of costs for all meals served to students that are not entitled to receive free school meals because of their attendance at schools which are not eligible to participate in the CEP program based on current federal rules. The proposed funding for this program would allow the remaining 10% of students which are not already receiving free meals to eat for free.

Distraction-Free Schools – \$13.50 million

The Distraction Free School proposal would limit smartphones and other internet-enabled devices not provided by the school district for educational purposes from being used on school grounds during the school hours of operation. This includes smartphones, smartwatches, or other devices capable of connecting to the internet which would allow users to access social media applications and other internet content.

College in High School Opportunity Fund – \$64.58 million

The proposed College in High School Opportunity Fund would provide \$52.38 million for the Smart Scholars, Smart Transfer, and Pathways in Technology Early High School Programs and \$12.20 million for the College in High School Programs.

Charter Schools – \$190 million

The proposal under the 2025-26 Executive Budget would continue the Supplemental Basic Tuition Reimbursement Program and reimburse a portion of charter school tuition costs for school districts generally at \$1,000 per pupil.

School Tax Relief – For 2025-26, outside of traditional formula-based School Aid, the School Tax Relief (STAR) reimbursement payments to school districts under current law are projected to total \$1,396.91 million.



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State Aid Database Freeze and Elimination of Prior Year Claims – This proposal would prohibit the Commissioner of Education from making payments on aid claims other than those claims that districts are entitled to within the Governor’s Proposal Database and eliminate prior year claims made for payments prior to the 2025-26 year to no later than June 30, 2025.

Other Items of Note

Funding for Prior Year Adjustments – The Executive Budget does not provide language to fund any claims on the Prior Year Adjustment list.

