

Summary of the FY26 Enacted State Budget Provisions Impacting Education

May 13, 2025

On Friday, May 9, 2025, the Legislature passed the remaining budget bills to bring the FY26 Enacted Budget to completion after a protracted negotiations process over a number of education and non-education related policy issues.

The new State Budget totals \$254 billion, an overall increase of \$2 billion above the Executive Budget proposal. Below are the major provisions impacting education matters.

GENERAL P-12 EDUCATION

School Aid

The Enacted Budget includes approximately \$37 billion in School Aid, an estimated year-to-year funding increase of \$1.7 billion. The official school aid runs can be viewed here:

https://nyassembly.gov/2025budget/bills2025/enacted/school_aid.pdf. You can also view our “user-friendly” version here: <https://www.asbonewyork.org/page/statebudget>.

Foundation Aid

The Enacted Budget provides an estimated \$26.3 billion in Foundation Aid, a year over year increase of \$1.42 billion and includes a 2% minimum increase to all districts. The total increase in Foundation Aid decreased by almost \$38 million from the Executive Budget proposal due in part to changes incorporated from the February School Aid Database Update: 1) decreases in the consumer price index (CPI) and 2) actual district data changes, such as updates to enrollment figures. No district had a year-over-year reduction in Foundation Aid, but some are projected to receive lower increases than estimated in the Executive run.

The Enacted Budget also makes a number of alterations to the Foundation Aid formula, including:

- Replacing the census poverty factor with a three-year average of the small area income and poverty estimates (SAIPE) count.
- Replacing the free and reduced-price lunch (FRPL) counts with a three-year average of the economically disadvantaged count.
- Increasing the English language learner weight from 0.5 to 0.53 starting in the 2025-26 school year.
- Modifying one of the four foundation aid state sharing ratio (FASSR) tiers and increasing the maximum FAASSR from 0.91 to 0.93.

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- **Regional Cost Index (RCI):** The Enacted Budget removes Westchester County from the Hudson Valley Region and makes the RCI for Westchester County 1.351 starting in the 2025-26 school year (Hudson Valley is 1.314 and NYC/Long Island is 1.425).

BOCES Aid and Special Services Aid

The Enacted Budget increases the portion of salary for any (not just related to career and technical education [CTE]) teacher, supervisor, or other employee of the board of cooperative educational services (BOCES) that is eligible for aid from \$30,000 to:

- \$40,000 for aid payable in school year 2026-27.
- \$50,000 for aid payable in school year 2027-28.
- \$60,000 for aid payable in school year 2028-29 and thereafter.

For the Big 5 and other non-component districts, the multiplier for calculating the per pupil amount for special services aid for CTE programs will increase from \$3,900 to \$4,100, and 9th grade students will be included in the pupil count for calculation of the eligible district's total special services aid for CTE programs.

Expense Based Aids

The Enacted Budget fully funds all other expense-based aids (see above reference to BOCES and Special Services Aid) at current law levels.

Zero-Emission Buses

Expanded Waiver Provisions

The Enacted Budget authorizes NYSED to grant school districts an additional extension, allowing a maximum of two extensions, for a total of up to twenty-four months each, to comply with the transition to zero-emission buses (ZEB). Before a second extension may be granted, the Enacted Budget requires a school district to have engaged with the New York State Energy Research and Development Authority (NYSERDA) to initiate and develop a fleet electrification plan. The Enacted Budget also requires NYSED to consider factors outside a school district's control, such as the availability of ZEB, the infrastructure to support them, and the availability of state or federal funds when considering extensions.

The Enacted Budget requires NYSERDA to meet with school districts at least annually during the first extension granted, to provide the technical assistance necessary to address the grounds detailed by NYSED in the extension.

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The Enacted Budget requires NYSERDA to make recommendations to NYSED, if they determine that a school district is capable of meeting the requirements necessary to transition to ZEB, based on the fleet electrification technical assessment. If NYSERDA notifies NYSED that a school district has the capacity to meet the requirements, such school district may not be granted an additional extension.

The Enacted Budget also requires NYSED to publish applications on their website no later than December 31, 2025, which must be used by school districts to apply for extensions.

Independent Range Estimates

The Enacted Budget requires any entity that sells ZEBs to New York school districts or contractors for use in New York State school districts to provide an independent third-party range estimate to the prospective purchaser before the sale. As part of the range estimate, it must, at a minimum, provide an estimated range for different terrain and weather conditions, the average level of battery degradation per 10,000 miles, and consider the impact of whether the ZEB is stored inside or outside. If an entity violates these requirements, it will be liable for a civil penalty of not more than \$1,000 for each violation.

Funding for Zero Emission Bus Transition

The Enacted Budget includes up to \$100,000,000 for the purchase of or conversion to zero-emission buses, including costs associated with supporting infrastructure.

Internet-Enabled Device Ban

The Enacted Budget requires every school district, charter school and BOCES to adopt a written policy prohibiting students from using internet-enabled devices on school grounds during the school day, no later than August 1, 2025. Prior to adopting the policy, local stakeholders must be consulted, including employee labor unions, for each bargaining unit in the school building, parents and students. The policy must be clearly visible and accessible on their website and available for translation in the 12 most common non-English languages upon request.

For the purpose of this policy: “School Day” means the entirety of the instructional day, including instructional and non-instructional time, homeroom, lunch and passing time.

The policy must include at least one method for individuals with a parental relationship to contact the student during the day and at least one method for onsite storage, which may include the student’s locker. School districts, charter schools and BOCES must provide persons with a parental relationship to

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the student with written notice on how to contact students at the beginning of each school year and upon enrollment.

The policy may include exceptions to the prohibition, including:

- Instances when there is authorization from a teacher or principal, or the school district, charter school or BOCES authorizes it for specific educational purposes.
- When it is necessary to manage a student's health care, in the event of an emergency, for translation services.
- On a case-by-case basis for student caregivers responsible for the well-being of a family member. Such allowance will only be permitted after a review and determination by a school social worker, school counselor or school psychologist.
- When required by law.

The policy cannot include any prohibitions that would interfere with a student's 504 or IEP plan.

School districts, charter schools and BOCES are prohibited from suspending a student on the sole grounds of violating this policy.

No later than September 1, 2026, and annually thereafter, each school district, charter school and BOCES is required to post a report on their website, detailing enforcement of the policy, including non-identifying demographic data of students who faced disciplinary action for non-compliance and an analysis of any demographic disparities in enforcement of the policy. If there is a statistically significant disparate enforcement impact, the report must also include a mitigation action plan.

The Enacted Budget appropriates \$13.5 million for services and expenses related to the implementation of the distraction free learning policies. No additional details on the allocation of this funding is available at this time.

School Meal Programs

The Enacted Budget includes \$376 million, an increase of \$196 million to support the implementation of Universal Access School Meals.

To implement Universal School Meals, the Enacted Budget requires all school districts, charter schools and non-public schools participating in the national school lunch or breakfast programs to serve breakfast and lunch at no cost to students. Participating districts and schools are required to maximize federal reimbursement by adopting Provision 2, the Community eligibility provisions and all other

options under the program that, in the opinion of the Department, will assist in that maximization. To the extent a school food authority does not qualify to participate in the Community Eligibility Provision (CEP) program as a single entity, they are required to group eligible schools within the school food authority to maximize CEP participation, to the extent possible. Participating school food authorities must reapply for CEP annually in the event that updated data would increase reimbursement.

School districts, charter schools and non-public schools participating in the federal meal program are required to conduct the direct certification matching process at least three times a year and annually collect free and reduced-price meal applications in instances that they are not participating in CEP or Provision 2.

NYSED will reimburse the participating school food authorities the difference between the combined rate for reduced-priced or paid meals and the combined state and federal reimbursement rate for free meals.

NYSED is required to provide technical assistance to help transition to universal access to school meals, including helping implement CEP and Provision 2, where applicable. NYSED is also directed to, in consultation with OTDA and OCFS, maximize access and referrals to other supplemental meal programs, enrollment in which may increase CEP eligibility.

Dual Enrollment

The Enacted Budget establishes a statewide dual enrollment policy known as the College in High School Opportunity Fund. The statewide policy defines “dual enrollment” as a partnership between at least one school and at least one institution of higher education (IHE) that provides high school students with the opportunity to enroll in college courses and earn transferable college credits from the institution(s) while completing high school graduation and diploma requirements. The Enacted Budget appropriates \$64.575 million to continue support for existing Smart Scholars, Smart Transfer and P-TECH programs. These funds would also support an expansion of Smart Scholars, Smart Transfer and P-TECH programs and \$9.1 million of this funding would be used to support the new College in High School Opportunity Fund.

For the purpose of the College in High School Opportunity Fund (Program), “school” is defined as a charter school, school district or Board of Cooperative Educational Services (BOCES).

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The Enacted Budget directs the Commissioner of Education to adopt a statewide policy defining dual enrollment programs and guidelines for participation in and data reporting on said programs. This policy is required to:

- Mandate that schools and IHEs submit data annually to the New York State Education Department (NYSED) on the participation in and success of programs.
- Require that all participating schools file a partnership agreement with their IHE(s) with NYSED no later than September 1, 2026.
 - Such agreements must establish the scope and terms of the program as well as the protocol for collecting, sharing and reporting of required data.
 - Partnership agreements must be in compliance with the NYSED policy and be updated at least once every 5 years.

NYSED will be required to publish such data annually no later than January 1 of the following school year, and the form for filing partnership agreements no later than January 1, 2026. The Commissioner of NYSED, and Chancellors of the State University of New York and City University of New York are charged with jointly establishing which data points must be submitted for this program.

Participating in schools will be required to:

- Offer at least 12 transferable college credits.
- Offer courses consistent with NYSED guidelines for the program.
- Include access to counseling and academic support in addition to those that all students are offered.
- Target outreach to underserved students.
- Enroll students which reflects the students served in the school district.

Grants authorized under this program provide an initial payment based on enrollment up to \$90 per college credit completed by the economically disadvantaged students in the program.

STAR Income

The Enacted Budget makes several changes to the STAR exemption and STAR credit programs, including:

- Ease age eligibility requirements so only one of the resident owners of a property needs to be 65 or older.
- Ease income eligibility requirements so only the income of the owners who primarily reside on the property is considered.

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- Allow property owners who are not required to file income tax returns to stop filing income worksheets if they were found to be eligible based on such worksheets for three consecutive years.
- Set July 1 as the residency date for STAR credit income eligibility purposes to facilitate timely annual income eligibility determinations.
- Consolidate the eligibility determination process and protest provisions so they are consistent for all variations of the STAR program.

Sustainable Future Program

The Enacted Budget appropriates \$1 billion for the Sustainable Future Program, which would provide funding for services and expenses related to climate mitigation and adaptation projects including but not limited to: reducing greenhouse gas emissions and pollution; decarbonizing and retrofitting buildings; creating and utilizing renewable energy; advancing clean transportation initiatives; building, repairing and maintaining thermal energy networks; for the design, construction, repair, or improvement of green infrastructure; and for purposes consistent with the general findings of the scoping plan prepared pursuant to section 75-0103 (“CLCPA”) of the environmental conservation law, subject to a plan approved by the director of the budget.

OTHER POLICIES

Retiree Income Waiver

The Enacted Budget extends the authorization for public sector retirees to work for a public school district or BOCES without a section 211 waiver and without reduction in their retirement benefits, regardless of the amount earned through June 30, 2027, a two-year extension.

Executive Budget Superpowers

The Enacted Budget adds a provision that authorizes the New York State Budget Director, notwithstanding any contrary law, to withhold all or part of appropriated payments in FY26 if a general fund imbalance of \$2 billion or more is projected or occurs on a cash basis. Before withholding any funds, the Director must consider whether alternative options are available and evaluate the impact of the potential withholds. If any payments are withheld, the state's obligation to the affected recipients is proportionally reduced. Certain appropriations are exempt from these withholds, including public assistance and Supplemental Security Income-related payments, payments that would violate federal law, constitutionally or contractually obligated debt service, and court-ordered payments. School Aid is not exempted.

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A general fund imbalance is defined as a \$2 billion or more cumulative variance between estimated general fund receipts and disbursements as compared to the enacted budget financial plan, excluding any prior withholds or use of the \$2 billion transaction risk reserve. If such an imbalance is identified, the Budget Director must notify the Senate President and Assembly Speaker within ten business days and detail which payments will be withheld, along with any other actions being taken to resolve the shortfall. The Legislature then has ten business days to adopt its own withhold plan by concurrent resolution, provided it meets the same aggregate withhold level and adheres to the requirements of this provision. If the Legislature fails to act or its plan does not conform, the Budget Director's plan automatically takes effect. Finally, any withheld payments may be restored in full or in part if a surplus materializes later in the fiscal year.

Child Credit Tax Credit

The Enacted Budget increases the Empire State Child Credit allowed for tax years 2025, 2026 and 2027. A taxpayer would be allowed a refundable credit of \$1,000 for each qualifying child under the age of four in tax years 2025, 2026 and 2027.

Discovery Law Revisions

The Enacted Budget includes provisions to reform discovery procedures that allow the court to consider the prosecutor's efforts as a whole and whether any missing material prejudiced the defense, preventing cases from being thrown out over insignificant mistakes; narrow the scope of the items that must be disclosed and cut out the need to seek certain materials that are irrelevant to the charges against the defendant, allowing prosecutors to better focus on gathering the evidence that really matters; enable prosecutors to move the case forward after they have exercised good faith and due diligence to obtain discoverable material and disclosed everything they have actually obtained, even if there are items they are waiting on; protect against manipulation of the speedy trial clock, requiring defense attorneys to bring challenges early in the case and confer with prosecutors to resolve issues and move cases forward quickly; and, streamline protections for sensitive witness information, both to protect witnesses and to facilitate a culture of witnesses feeling empowered to come forward.

Inflation Refund Checks

The Enacted Budget includes \$2 billion to provide rebate checks to income eligible New Yorkers, with checks of up to \$400 per family.

Involuntary Commitment

The Enacted Budget included an agreement to authorize first responders to forcibly hospitalize mentally ill New Yorkers who cannot meet their own basic needs - such as food, shelter or medical care.

Unemployment Insurance

The Enacted Budget includes \$6 billion to be drawn from the State’s “rainy day” reserves to pay off unemployment insurance debt.

Extension of Waiver for Civil Service Examination Fees

The Enacted Budget grants a 2-year extension for the waiver of civil service exam fees. Under the extension, the waiver would cover examinations held between July 1, 2023 and December 31, 2027.

Substantial Equivalency for Nonpublic Schools

The Enacted Budget includes language that defines in law the pathways by which nonpublic schools may demonstrate and be recognized as at least substantially equivalent to the instruction given to students in the public school district in which the students reside.

A school is deemed substantially equivalent if the school is:

- A registered high school.
 - A nonpublic school serving grades 1-8 affiliated with a registered high school also qualifies.
- A state-approved special education school, state-operated or state-supported school.
- A nonpublic school participating in the International Baccalaureate program.
- A nonpublic school approved by the federal government to provide instruction on a military base or service academy.

In addition, the Enacted Budget provides that the following mechanisms can be used to establish a demonstration of substantial equivalency.

Nonpublic schools that are accredited or awarded provisional accreditation status by an accreditation body approved by the Commissioner.

An accreditation body must have the knowledge and expertise to properly evaluate the entire curriculum of the schools it accredits and shall use a peer review process that includes an evaluation by school leaders of similar nonpublic schools, appropriately train all staff and peer reviewers involved in the

process and accredit based on publicly accessible, documented standards. Such accreditation must include a site visit while the school is in session and must have periodic reviews over a ten-year period.

Approved accreditation bodies must require nonpublic schools to have a curriculum that is informed by research, document student progress and have mechanisms to monitor, assess and provide feedback on student performance. The commission is empowered to revoke approval of an accreditation video for cause, via notice and a hearing.

The provisional accreditation will only be applicable for the first 5 years the nonpublic school has been awarded provisional status.

Nonpublic schools utilizing state testing data.

A number of options are provided to allow schools to demonstrate substantial equivalency through reliance on performance on year-end assessment. A nonpublic school may demonstrate substantial equivalency through proficiency or participation.

- *Proficiency.* When the percentage of nonpublic school students who score "proficient" on year-end assessments in the same subject areas and grade levels as similarly situated public schools in the same geographic area or on a statewide basis. Proficiency will be determined based on the type of year-end assessment selected (see below for further details).
- *Participation.* When the three-year average participation rate in year-end assessments in the same subject areas and grade levels as similarly situated public schools is equal to or greater than the statewide average participation rate, so long as the school uses the results of the tests to improve instruction and student performance on the assessments.

If a nonpublic school chooses to utilize assessments to demonstrate substantial equivalency, the following can be used as year-end summative or cumulative assessments:

- New York State Testing Program tests.
 - Proficiency would be determined by a scoring of such.
- An assessment approved by the Commissioner.
 - Proficiency would be determined by the Commissioner.
- A national-recognized, commercially published, norm-referenced test that is:
 - Recognized and used in at least three other states
 - Is selected from one of the following:
 - The Iowa Test of Basic Skills.
 - The California Achievement Test.
 - The Stanford Achievement Test.

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- The Comprehensive Test of Basic Skills.
- The Metropolitan Achievement Test.
- i-Ready.
- A State Education Department Test.
- Another test approved by the State Education Department.
- Proficiency would be determined by at least the 33rd percentile unless a lower score is determined by the Commissioner.

All assessments and materials associated with the assessments must be culturally competent and respectful of cultural curricula and pedagogy. The nonpublic school is not required to use the same year-end assessment across all grades or years and may change their selection at any time.

Schools utilizing testing options to demonstrate substantial equivalency will be provided a substantial phase-in period, during which the school and all its affiliates will be deemed to have met the criteria of their selection. The phase-in will take effect with the budget, retroactive to April 1, 2025. Under this phase-in, impacted nonpublic schools will be required to begin to administer (phase-in) year-end third grade assessments to the first cohort of second grade students at the school after the effective date of this provision (April 1, 2025). Then, the school must add year-end testing for the next grade each year, until testing is administered in grades 3-10. The phase-in period, applicable to all nonpublic schools, will end after the 2032-33 school year. Nonpublic schools will only be required to administer year-end assessments to the phased in grades regardless of their past practices.

If a nonpublic school meets or is deemed to meet (during phase-in) requirements, all affiliated schools are also deemed to have met such criteria.

In addition to these options, the Commissioner may develop alternative criteria to demonstrate compliance. Nonpublic schools may change their selection for demonstration at any time. Failure to satisfy one or more criteria will not prevent the ability of the school to satisfy other criteria or the same criteria later. Determination of compliance in any school year does not guarantee compliance in a future school year.

School District Monitors

The Enacted Budget authorizes the Commissioner of Education to appoint a monitor for Mount Vernon CSD, and reappoint monitors in Rochester CSD, Hempstead Union Free School District, and Wyandanch Union Free School District.

State Museum Operations Report

The Enacted Budget requires the Commissioner of Education to submit a report containing information on the usage, budgeting, staffing, assets, and functions of the NYS Museum for fiscal years 2004-05 to 2024-25. The report would be due on September 1, 2026, and would be submitted on an annual basis thereafter to ensure that the Governor and the Legislature continue to have updated information regarding the State Museum's operation.