



Testimony of the New York State School Boards Association Presented to the New York State Senate Committee on Finance and the New York State Assembly Committee on Ways and Means January 29, 2026

My name is Brian Fessler and I am the Chief Advocacy Officer for the New York State School Boards Association (NYSSBA). I appreciate the opportunity to offer our response and reactions to the executive budget proposal before the Senate Committee on Finance, the Assembly Ways and Means Committee, Chair Krueger and Chair Pretlow, and all committee members on behalf of the 669 member school boards we serve.

Our testimony addresses:

Executive Proposals

- School Aid
- Universal Prekindergarten and Early Childhood
- School Aid Database Freeze
- Teacher Pipeline and Staff Recruitment/Retention
- Math Instruction

NYSSBA Requests for Additional Budget Action

- Zero-Emission School Buses
- Prior Year Aid Claims
- Local Budget Management

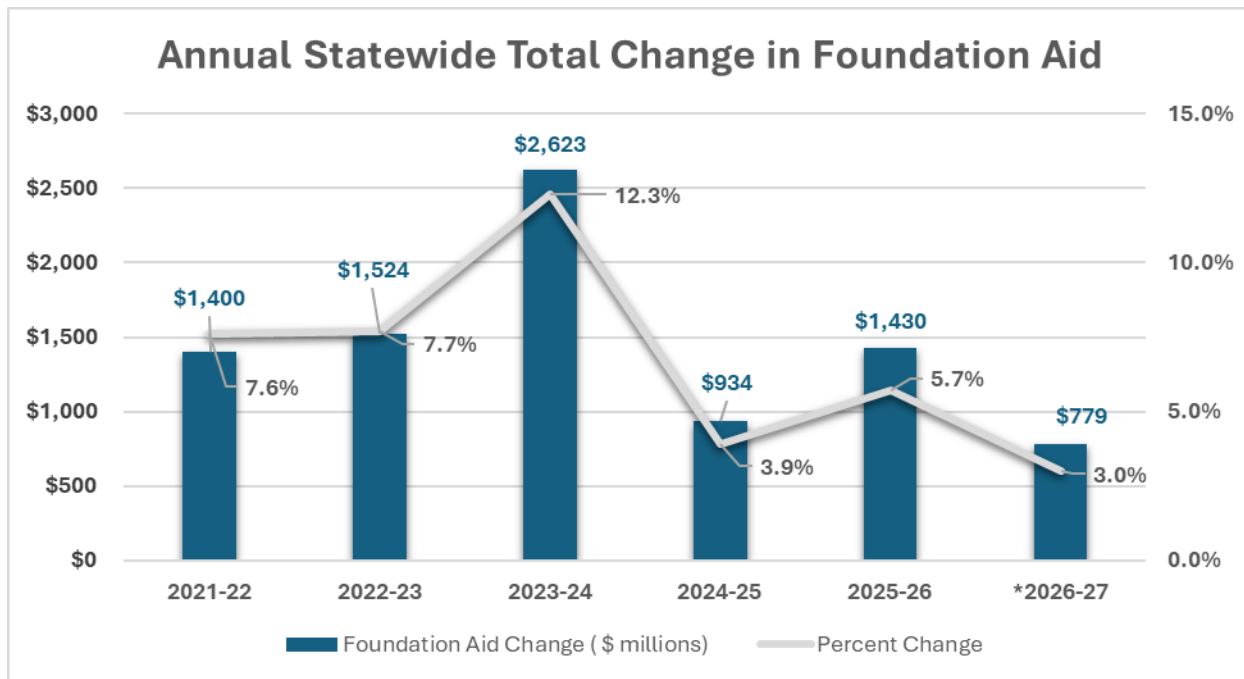
Executive Proposals

School Aid

The executive budget proposes a formula-based school aid increase of \$1.32 billion, or 3.6%, over 2025-26 levels. The aid increase would be driven through a \$779 million increase in Foundation Aid, a \$431 million increase in universal pre-kindergarten aid and a \$112 million increase in expense-based and other traditional categorical aids (such as transportation and BOCES aid). The proposal further notes an additional \$300 million in anticipated building aid and universal pre-kindergarten funding increases that are not reflected in the school aid runs.

The proposal's Foundation Aid package would include a \$779 million increase, or 3%, over 2025-26 levels, for a total of \$27.1 billion. This includes a guaranteed minimum 1% increase in

Foundation Aid for all districts. Approximately 460 (or nearly 70%) of the state’s school districts would receive the minimum increase under the executive’s proposal.



NYSSBA is pleased to see a proposal that fully funds the existing Foundation Aid formula. But while we appreciate the Governor’s proposal to ensure that all districts receive at least some minimum level of Foundation Aid increase – recognizing the increasing cost pressures that all districts face – the proposed 1% due minimum increase is simply too low for too many districts. In fact, under the proposal, more than two-thirds of all districts in the state would receive a 1% increase in Foundation Aid. The overwhelming majority of these districts are high and average need, and many of them have received only the minimum annual increase multiple years in a row. With inflation continuing to hover near 3% and a property tax cap that generally restricts local revenue growth to no more than 2%, a 1% Foundation Aid increase would make it difficult for scores of districts to simply maintain current student programs and services. NYSSBA believes strongly that districts should be guaranteed at least a minimum 2% increase. The additional cost of a minimum 2% increase – \$79 million – would represent a 0.29% increase on the total proposed Foundation Aid amount.

Going beyond Foundation Aid funding for 2026-27, NYSSBA continues to believe that it is vital that the Foundation Aid formula updates included as part of the 2025-26 state budget be viewed as an important first step in a thoughtful and meaningful process of more comprehensive formula adjustments, rather than as a ‘one and done’ effort. As the Rockefeller Institute noted in their 2024 study, a study which was required by state lawmakers, some data in the Foundation Aid formula is more than two decades old. Acute student population changes have shown the need for mechanisms that can quickly account for unanticipated conditions. In addition, school districts and the state continue to adjust to evolving educational standards, new programs and changing technology, as well as growing student need.

To achieve this, NYSSBA supports the following continued reforms of the Foundation Aid formula:

- Reform and update the Regional Cost Index for all regions of the state
- Eliminate the Income Wealth Index floor
- Account for the property tax cap in a district's expected local contribution
- Update special education cost calculations/weightings, and determine whether funding is most appropriate within Foundation Aid or outside of the formula
- Improve recognition of the economies of scale for districts with lower enrollment
- Determine whether additional student-need factors may be worthwhile (ex. homelessness and concentration of poverty)
- Eliminate the use of "set-asides," or restrictions, on the use of operational funding

In addition, we are long overdue for a new costing-out study, paired with a full reexamination of the formula's basic "Foundation Amount" calculation. The students who entered kindergarten when Foundation Aid was established are now graduating college. And the students whose data many underlying components of the formula's successful schools calculation is based off of – from the late 1990s and early 2000s – already have elementary school-aged children of their own. We need to ensure that our main school funding formula is measuring the needs of today and tomorrow's students, and not the needs of students from a generation and two ago.

Further, we must align state law and funding formulas with recent court decisions that require school districts to provide special education and related services to resident students with disabilities until age 22, unless they have obtained a high school diploma (commonly referred to as FAPE 22). State law currently provides funding only through the school year in which the student turns 21. Such adjustments are necessary to both the Foundation Aid formula and the excess cost aid formula. Last year, the State Education Department estimated that cost to be approximately \$65 million. Current SED estimates note that there would be some cost savings in other areas of state spending that would at least partially offset this additional funding.

Lastly, it is also important to balance good policy with practicality. These changes should be introduced in a way that limits annual volatility and ensures adequate support for our students and schools each year. Relatedly, such updates and adjustments can be applied in a way that balances against state budget capacity. If necessary, formula changes can be made in statute and then funded as resources are available via a similar phase-in approach.

Universal Prekindergarten and Early Childhood

NYSSBA supports the executive budget's proposed \$431 million increase in funding for universal prekindergarten (plus an additional anticipated \$130 million to support further expansion). This has been a priority issue for school boards for a number of years. We are hopeful that the meaningful funding boosts will help allow all districts to successfully open and grow those important programs. We are also pleased to see per-pupil funding inequities being addressed with the streamlining of UPK monies.

NYSSBA has long called for streamlining the various grants that support prekindergarten in New York State, and over the past three years, we have highlighted to policymakers the inequities of current per-pupil reimbursements. Increasing the per-pupil grant allocation for prekindergarten students and making it consistent throughout the state is expected to break down financial hurdles many districts have been facing.

However, we highlight the proposed three-year goal of making prekindergarten access mandatory for all school districts. As such, we are continuing to examine whether this increase in funding will be sufficient to allow all school districts to provide such services, or if other barriers that have prohibited districts from offering prekindergarten would continue to be relevant. We also note that while this proposal would effectively mandate the provision of prekindergarten services, state law currently does not require the same for kindergarten. We are evaluating the practical impact of this disconnect.

Lastly, NYSSBA supports legislative and regulatory changes that would authorize school districts and BOCES to directly offer childcare, as automatically licensed providers, if there is a demonstrated community need for such care. Current law requires daycare providers to be licensed or registered with OCFS. Meanwhile, school districts must abide by SED rules and regulations. Streamlining administrative requirements could better allow school districts to fill early childhood needs in areas with childcare shortages.

School Aid Database Freeze

Similar to past executive budgets, this budget includes a proposal to freeze 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 remains strongly opposed to this proposal and hopes to see it omitted in the final budget, as has been the case in past years. 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.

Teacher Pipeline and Staff Recruitment/Retention

NYSSBA acknowledges and supports the variety of proposals intended to address the continued teacher pipeline challenge, including the proposed \$2 million for accelerated teacher preparation pathway programs meant to target career changers and other interested individuals.

Going beyond this proposal, NYSSBA continues to encourage common sense civil service reforms to help support school districts in addressing staff shortage needs. Last year's two-year extension of the waiver of the cap on retiree earnings when returning to work in our public school system was an important and appreciated short-term tool.

Reforms such as expansion of the rule of three to a rule of five for eligibles lists, continuous testing, aligning test content with field skills and pension reform would both improve the civil service process and help address staffing challenges, both instructional and non-instructional.

Math Instruction

The Governor's budget would direct the State Education Department to provide school districts with instructional best practices for numeracy and the teaching of mathematics to students in kindergarten through fifth grade. The proposal would require school districts to annually review and verify with NYSED that their curriculum and instructional best practices aligned with the Department's. Annual verification would begin by September 1, 2027.

The executive budget proposal also includes \$2 million for the NYSUT Education and Learning Trust to deliver training to educators on numeracy and math instruction and \$2 million for BOCES to provide training and support to educators in school districts with low levels of math performance.

NYSSBA supports efforts to strengthen early math instruction through evidence-based practices and appreciates the inclusion of funding to support educator training. NYSSBA will continue to advocate for sustained funding, clear guidance from NYSED, and district flexibility to ensure that new curriculum alignment and verification requirements do not create unfunded or administratively burdensome mandates for school districts. We also recognize that the State Education Department would be given the latitude and flexibility to develop evidence-based instructional best practices, rather than unnecessarily embedding the specifics of what those practices should include in statute.

NYSSBA Requests for Additional Budget Action

Zero-Emission School Buses

NYSSBA members continue to believe in supporting action in the best interests of the global environment. However, there remains too many serious transition challenges in both the short and long-term, some of which have no current technological or statutory remedy. The numerous challenges have even led to hundreds of school boards expressing support for a full repeal of the law.

School board members recognize the perilous effects of a changing climate on students. However, they must ensure that the decisions they make on behalf of their communities are financially and operationally sustainable. Unfortunately, as it is currently construed, and because of factors that have changed since its inception, the zero-emission school bus (ZEB) transition for too many districts is neither. Districts face realities that local power grids cannot handle the transition and bus manufacturers are unable to affordably meet required demand.

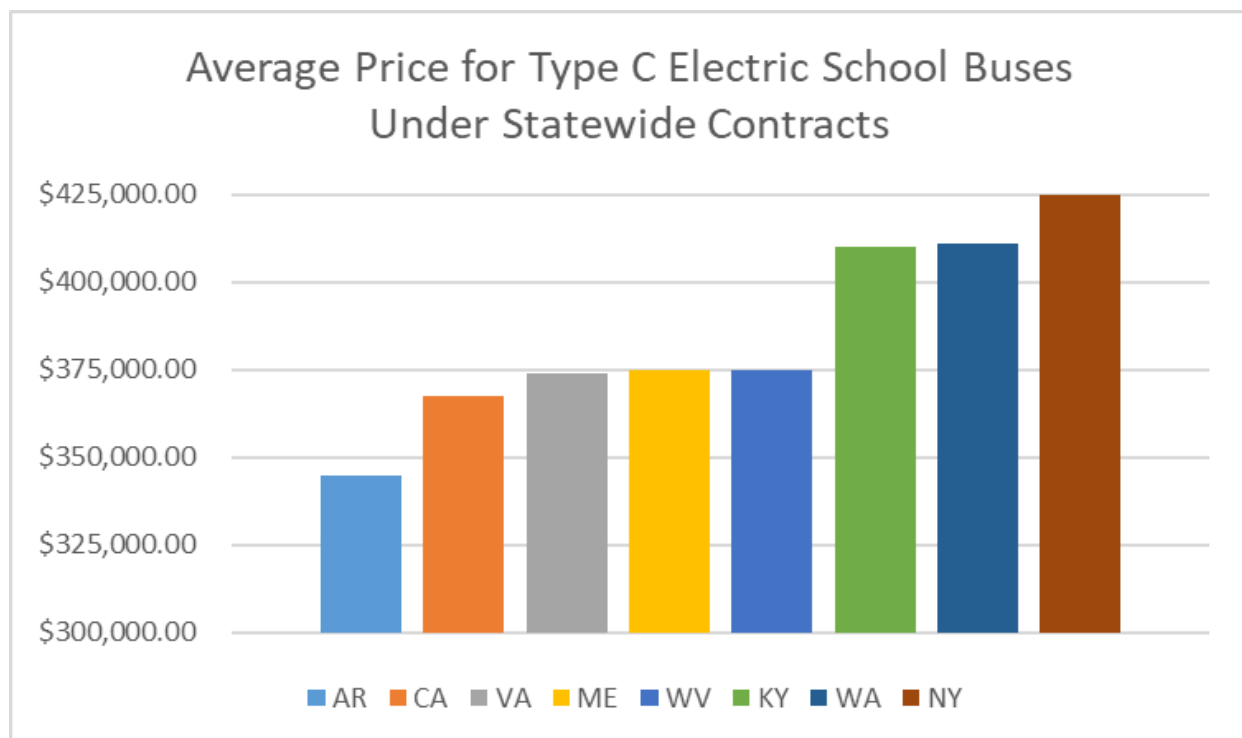
NYSSBA calls for a repeal and comprehensive review of the transition timeline to reflect the desire of school districts to address climate change while recognizing the fiscal ability of taxpayers to do so. Especially when compared to states such as California, school districts in New York continue to lack the necessary supports and flexibilities – financial, operational and logistical – to meet the targets that the state has set. Additionally, recent short-term changes to

the mandate do not fully reflect the reality that fleet replacement is planned many years in advance. Given the timeline related to school votes pertaining to budgets and bus purchases, as well as the very small number of ZEBs currently on the road, the 2026 session is realistically the last opportunity to make meaningful changes before there are significant disruptions to either transportation services, school finances, operations, or all of the above heading into the 2027-28 school year.

Until or unless lawmakers repeal or significantly alter the zero-emission bus requirement, NYSSBA calls on lawmakers to adopt additional supports, resources and reforms to meet the many financial and logistical hurdles required to transition school bus fleets to all electric vehicles. Such reforms include:

- State Should Cover the Full Cost of the Transition
- State-Funded District-Specific Fleet Implementation Plans Should Guide Each District
- Allow for Increased Transportation Storage Facility Costs to be Aidable
- Allow for Hybrid and Low-Emission Buses for Districts Facing Additional Challenges
- Require Utilities to Provide Specialized Rate Structures for School Districts/Contractors
- Ensure Third-Party Transportation Providers Have Equitable Access to Funding

As the Rockefeller Institute stated in their Foundation Aid report, “School districts face enormous costs from this policy, including approximately double the expense for each electric bus versus that of a traditional diesel bus, infrastructure overhauls at many district bus garages to guarantee sufficient charging power for electric vehicles, and ensuring adequate numbers of trained maintenance staff in each district. New York should fully underwrite the costs of this state initiative to transition each local school district to an all-electric school bus fleet.”



Prior Year Aid Claims

For many years, the state allocated approximately \$20 million annually to pay against the outstanding prior year aid claims list. However, funding was stripped out of the 2021-22 enacted budget, and has yet to be restored. Thousands of individual claims that have been submitted by districts, and approved by the state, still exist, representing millions of dollars that are owed to school districts. The majority of these funds are owed to high- and average-need districts. There are more than 2,000 individual approved claims on the list that have gone at least 10 years without being paid. Further, while NYSSBA was extremely supportive of the building aid and transportation aid forgiveness that was included in the 2022-23 state budget, much of the financial benefit of that action resides on this prior year aid claim list. Without an appropriation to fund them, this important state action is left mostly hollow.

NYSSBA calls on the state to restore funding to pay down the \$300 million outstanding prior year aid claims list. In addition, the state could and should use state aid overpayment claw-backs as a funding source to further paydown claims. This would speed up the payment process without leading to an additional net cost to the state.

Local Budget Management

Balancing the need for strong academic programs with keeping local property taxes stable and affordable is one of a school board's most important responsibilities.

Currently, districts may maintain a maximum of just 4% fund balance per year. Any amount in excess of 4% must be used to offset property taxes or be placed in an authorized "reserve fund," to be restricted for specific future expenses. The current restrictions leave districts with little room for error to meet unplanned costs. In fact, the Government Finance Officers Association (GFOA) recommends that local governments – including school districts – maintain no less than two months' worth of operating expenses on hand.

The Governor has recognized the importance of such a safety net by committing 15% of the state's operating spending to be placed in a rainy-day fund. In fact, as noted in the briefing book accompanying the executive budget, "reserves are the most practical and effective defense against...unpredictable risks. Outside experts view robust reserves as an essential tool for mitigating service reductions and public employee layoffs during periods of slow or declining growth."

Further, in their Foundation Aid study, Rockefeller Institute recommended "increase[ing] the current ceiling on allowable year-end fund balances, providing districts with greater ability to plan for near-term expected and unexpected expenses." The Institute offered the idea of a 10% fund balance limit, with certain guardrails. An increase to the fund balance limit is both needed and fiscally responsible.

School districts are further limited by constraints imposed upon use of their own reserve funds. At present, districts may not borrow from their own reserve funds to cover short term expenses, even when these funds will be promptly paid back. NYSSBA calls on the policymakers to adopt

reasonable short-term flexibilities that will better allow districts to meet an ever-changing fiscal environment.

In addition, the current authority for school districts and other municipalities to participate in existing contracts for goods and services originally entered into by other local governments expires at the end of June 2026. This authority, commonly referred to as “piggybacking,” represents an important and highly-effective operational tool. Piggybacking reduces administrative costs and can also result in lower overall costs for goods and services. We encourage lawmakers to reauthorize and extend this provision, as has been done in the past. We note the executive budget proposes to extend the current Procurement Stewardship Act for an additional five years. A similar extension of the piggybacking authority is consistent and reasonable.

Support Public Education

Traditional public schools serve the vast majority of New York State’s students and remain the backbone of our communities. As policymakers decide where to dedicate state and federal dollars, they must prioritize public schools over private voucher programs. Public schools must serve all students, while private schools often lack the services and supports that public schools provide for students with disabilities, English language learners, and economically disadvantaged students. Our state must focus on strengthening public education and oppose all private school voucher proposals. As New York prepares to advance our technological workforce and further globalize our economy, we need our future leaders and innovators to be well supported throughout their educational careers.

NYSSBA and our 5,000+ school boards members stand ready to work with you on these, and other, important issues – in support of our school districts and BOCES, and the millions of students they educate every day. For additional information, please contact NYSSBA Governmental Relations at 518-783-0200.