TESTIMONY

2026-27 Executive Budget and the Public Schools

Senate Finance and Assembly Ways and Means Committees

January 29, 2026

Chair Krueger, Chair Pretlow, Members of the Senate and Assembly:

Thank you for your consideration of this testimony on Governor Hochul's proposed budget from our organization, the New York State Council of School Superintendents.

Our mission is to help our members succeed on behalf of the children and communities they serve. Our members are local leaders, who, like you, must strive to balance what students need and what taxpayers can afford. They also play the pivotal role in translating policies enacted for the whole state or nation into local practices that can work for the distinct communities they and you serve.

Thank you also for all your past work on behalf of our schools, students, and taxpayers, From the year just past, we are especially grateful to you and the Governor for the phased increase in the aidable salary limit for BOCES and for the increase in Special Services Aid for the Big 5 cities and other non-BOCES member districts. The BOCES aid ceiling had not be raised in over 30 years. Students are already benefitting from expanded opportunities in career and technical education made possible with additional financial help for schools from the state.

On the major funding components of the Governor's proposed we would make three points:

- The Governor's commitment to making prekindergarten for four-year-olds "truly universal" is impressive. But the specific proposals do present challenges for schools.
- The Executive Budget Foundation Aid proposal would not make further progress on updating and improving that cornerstone in our system of education finance. The proposed 1% guaranteed minimum increase is inadequate.
- Funding other aids in accordance with formulas now in law, as proposed, supports predictability in local financial planning, but there are some issues which need attention.

Universal Prekindergarten

The Governor's budget would increase state support for prekindergarten programs by $561 million, more than 50%. The proposal would raise per pupil funding on behalf of four-year-olds to the greater of $10,000 or the district's 2025-26 Foundation Aid per pupil—an average increase in per pupil support of about 50%.

Over a series of years, the state created a succession of new pre-k grant programs in efforts to widen access to full-day programs, each with different funding calculations. In the meantime, per pupil funding under the original UPK program remained stagnant for long stretches, requiring districts which got in on the ground floor of the program or shortly thereafter to fund an increasing share of program costs from local revenues, while budgeting within the property tax cap.

The per pupil aid increase now proposed by the Governor would both enable districts to maintain existing services and to expand opportunities for more four-year-olds.

Another positive aspect of the Governor's proposal is that the new formula would use current year counts of participating four-year-olds in determining aid. Where most state formulas use prior year pupil counts, under the Governor's proposal, 2026-27 UPK funding would be based on four-year-olds served in 2026-27. This means districts which do increase participation would not be required to wait a year receive added help from the state in paying for the expanded service.

But we foresee insurmountable problems for some districts in meeting the proposed mandate to provide full-day pre-k options for all four-year-olds whose families request them by no later than the 2028-29 school year.

Some districts lack space to house programs in their own buildings or have no available community partners to operate programs elsewhere. Some lack both. Also, many districts struggle to find all the teachers their schools need now. The proposed universal mandate would require districts to find teachers and other staff to serve an estimated additional 40,000 children in full-day pre-k.

Some superintendents have warned that assembling the local resources necessary to provide pre-k placements for all four-year-olds whose families seek them would require cutting positions and programs that now benefit their students in later grades. This is particularly true among superintendents of the 68% of districts which would receive only the 1% minimum increase in Foundation Aid proposed in the Executive Budget.

We oppose mandating the provision of pre-k for all four-year-olds. We should first observe the effects produced by the proposed increase in per pupil funding. We expect it will lead to wide expansion of services.

At a minimum, we believe it will be necessary to allow districts to request and receive hardship waivers when it is demonstrably impossible to satisfy the mandate or when compliance would require diminishing what schools can do for their students upon entering kindergarten and progressing through the grades.

The availability of transportation to and from pre-k programs is another obstacle to pre-k participation. Currently, families often arrange transportation for their children and the state does not contribute through regular Transportation Aid toward the cost districts incur if providing service. That aid now distributes $2.7 billion in state funding to help transport 13 grades of students (K through 12). This suggests that adding transportation for a class of four-year-old pre-k students would cost roughly $210 million in additional state aid, plus the costs that district must fund from local sources.

Finally, as part of its overall strategy to expand access to child care, the state should make it easier for public schools to host child care programs, by streamlining sometimes conflicting state pre-k and child care regulations. Locating child care in schools could be a win-win-win proposition for families, child care agencies, and school districts. They would increase both options and convenience for families. While some school districts lack space or partners to expand UPK, others now have available space due to enrollment declines, potentially enabling them to offer private providers locations at costs lower than offered through commercial real estate. School-based child care could also be an employee-benefit, giving some districts a recruiting tool in filling positions.

Foundation Aid

We are grateful to Legislators and Governor Hochul for fulfilling a promise made 20 years ago by achieving full funding of the Foundation Aid formula. Comprising 71% of total School Aid, it is the primary source of general operating support from the state for public schools.

The budget enacted last spring made a start on updating key components of the formula, replacing two flawed and outdated measures of student poverty. Together with our partners in the Educational Conference Board, we have outlined a series of next steps to avoid losing momentum in striving to ensure that the formula is aligned to the needs of schools and the students they serve.[i] Some steps could be done in the coming state budget and apply in calculating aid for 2026-27. Some deserve more time to develop.

We recommend a new study to update the Foundation Amount, a formula element designed to represent the cost of providing a sound basic general education, exclusive of costs supported through other state formulas. In the interim, we recommend a larger increase in that figure than provided for under existing law, recognizing that schools have had to take on additional costs to help students succeed, including expanded mental health services.

We recommend also that the state re-evaluate the weightings of student needs in the formula and whether additional needs should be recognized. Along with the Board of Regents, ECB recommends raising the weighting on behalf of English Language Learners from .53 to .60 for 2026-27.

Revisions to the Regional Cost Index also warrant study and change. For all but one county, the RCI values have never been updated since the formula was enacted in 2007. Also, the current configuration of regions results in implausibly steep differences in RCI values and resulting aid for neighboring districts on opposite sides of a regional boundary.

The interplay between the two major school finance reforms of this century requires attention. In Foundation Aid, if a district experiences a gain in property wealth or resident incomes, the formula may generate less aid for it, effectively assuming the district can now raise more funding from local sources. But it may be precluded from doing so by the property tax cap, at least not without attempting a tax cap override.

For roughly half the state's school districts in 2025-26, the Foundation Aid formula's expected local contribution increased by more than the tax levy districts asked their voters to approve—and part of that tax levy must cover costs not intended to be funded by Foundation Aid (pupil transportation and some special education costs, for example). For nearly three-quarters of districts, the expected local contribution rose by more than 2%, the commonly understood limit of the tax cap.

The one change Foundation Aid change proposed in the budget is to ensure all districts receive at least a 1% increase in Foundation Aid. That is not enough.

Changes in formula factors outlined above could result in increases of more than 1% for some districts. But ECB also recommends a guaranteed minimum increase for all districts of *at least 2%*; the Regents recommend a means-adjusted minimum increase starting at 2% and rising as district capacity to raise local revenue diminishes.

Many superintendents have shared illustrations of how the value of the proposed 1% Foundation Aid increase compares to some of the cost pressures their schools must absorb. They commonly cite increases in health insurance costs in the 11% to 20% range, with the dollar impact of that one expense exceeding the entire value of the 1% Foundation Aid increase by four or five times.

Many of the affected districts have little capacity to raise revenue form local sources. For 38% of the districts set to receive the minimum Foundation Aid increase, a 1% increase in their local tax levy would raise less than $100,000—not enough to preserve more than a single early career teacher's position or to accommodate the cost of one child with intense special education needs.

Other School Aid Categories

Again, we are grateful for the phased-increases in BOCES Aid enacted in the current year's budget and that the Governor's budget follows through with stage one. Together with our ECB partners we now support commensurate increases in Special Services Career and Technical Education Aid, the analog to BOCES Aid for the Big 5 city districts and other non-BOCES members.

Court decisions have interpreted the federal Individuals with Disabilities Education Act to require that schools provide special education services through a student's twenty-second birthday. But current state law provides funding only through a student's twenty-first year. This gap should be corrected.

Zero-Emission Bus Implementation

Legislative action over the last couple of years has recognized the need for substantial changes to this law. These changes have been helpful, especially around the waivers and independent verification of range. More must still be done to address underlying flaws, especially now that federal support has evaporated.

- **Revise 100% requirement:** Recognize the need for flexibility and authorize exemptions from the universal requirement for zero-emission buses for routes determined to be impractical by the studies called for above. Alternatively, establish a minimum quota of zero-emission buses per district based on feasibility assessments, with state financial support to ensure that the net cost of these buses does not exceed that of current buses. With the property tax cap and without state support, districts will be required to forgo spending on other needs to satisfy this mandate.

- **Price Caps:** Authorize the Office of General Services to establish price caps on base level pricing for different size buses and different battery sizes. The state mandate on zero-emission buses has empowered manufacturers to sell these vehicles at absurd prices since schools have no choice but to purchase them. The state should protect schools against predatory pricing.

- **Utility Authorization:** Exempt all school districts under the jurisdiction of a given utility from complying with the law unless the utility company affirms that they have the capacity and expertise to support a 100% zero emission fleet.

Help with Hiring Shortages

The Governor proposes a series of steps to expand the supply of teachers. We recommend additional steps the state could take to assist schools in meeting their hiring needs:

- **Age 63 to work without an earning limitation:** To return more retirees to the workforce to address critical labor shortages, the Legislature should lower the age at which retirees may work without an earnings limit from 65 to 63. The current system encourages educators to retire at first eligibility and then leave the state to continue their profession elsewhere. This will not only help schools retain and recruit qualified educators, it will also keep taxpayers in New York.

- **Pension buyback:** Tier VI's delay of pension eligibility without a penalty until age 63 makes recruiting teachers from out-of-state very challenging. All bordering states authorize teachers to purchase credit based on prior out-of-state teaching service. New York should allow employees to purchase for up to 10 years of time based on out-of-state teaching experience. Employers should also be authorized to pay the cost needed to purchase such time.

- **Teacher Certification Flexibility:** The State Education Department should actively continue to explore certification flexibility as it relates to grade span requirements for special education;

flexibility for certified teachers to earn varying content area certificates in similar fields; and expanded opportunities to ease the certification pathway for out-of-state applicants.

- **Transition Provisional Appointments to Probationary Employees:** After serving for nine months without the opportunity to take a required test, provisional employees should automatically become probationary employees. Now, when a test is eventually offered for the position the provisional employee encumbers, if the employee does not achieve a sufficient score, that employee will be terminated based on an exam, not job performance. Quality service to the school after nine months is more than sufficient to earn a probationary appointment regardless of test status.

Reject Participation in Federal School Voucher Tax Credit

We will offer recommendations on other state budget issues in the days and weeks ahead. We close now by urging lawmakers to oppose participation the school voucher tax credit enacted through the "One Big Beautiful Bill Act." The authorized tax credits would overwhelmingly benefit private schools and families which already send their children to those schools. The law does not ensure either participation by children from disadvantaged backgrounds or accountability among the schools receiving donations incentivized by the tax credits.

Where public schools struggle, the initiative would do nothing to address underlying problems, instead likely weakening the schools further, depriving them of both students and revenues.

The impetus for the establishment and expansion of public schools was to prepare young people to exercise the responsibilities of citizenship, an imperative reaffirmed by decisions in the Campaign for Fiscal Equity litigation. They remain institutions of, by, and for the people: Their employees have chosen careers dedicated to helping children to learn and thrive. Their leaders are elected by and from the communities they serve. They serve all children, whatever their circumstances, wherever they come from, whenever they arrive.

The state should not jeopardize the promise of our public schools by opting into this voucher initiative.

Once again, thank you for your consideration of our recommendations and for all your past work in support of our schools.

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[i] New York State Educational Conference Board. "Aligning State Policies and School Realities: Education Funding Recommendations for 2026-27." January 2026.