



**Testimony on the  
2026-27 Executive Budget Proposal  
Joint Legislative Budget Committee**

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**Mayor Mike Spano**  
City of Yonkers

February 11, 2026



Good afternoon Chairman Pretlow, Chairwoman Krueger, members of the Senate and Assembly, my friends and colleagues, and our Yonkers Delegation, Senate Majority Leader Andrea Stewart-Cousins, Senator Shelley Mayer, Assemblyman Nader Sayegh and Assemblywoman Mary Jane Shimsky.

Thank you for welcoming me.

I respectfully submit to you the financial needs of Yonkers.

## **YONKERS PUBLIC SCHOOLS**

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Let's start with our schools.

I've made it my priority to work hand-in-hand with Yonkers Public Schools – being their voice and advocate here in Albany and at home.

For fifteen years, my testimony here has not changed, because frankly, the funding for Yonkers students has not changed. While the funds you have been able to secure for us are appreciated and have been put to good use, it skims the surface of what is needed. Yes, Yonkers leads the Big 5 in graduation rates for the past ten years and is the only district in New York State named a model community by the Obama Foundation – but this is all too often accomplished with help of non-recurrent aid.

Just to keep our schools whole, we've had to break the tax cap, raise taxes, absorb the Schools' deficits and combine departments — all of which go towards our obligation to fund Yonkers Public Schools. Our taxpayers are exhausted.

While statewide Foundation Aid is increasing by 2.96%, Yonkers is receiving only a 1.14% increase. Although the state made an initial first step in reexamining the cost adjustment for Yonkers by separating Westchester County away from the Hudson Valley region, the Regional Cost Index that was adopted in FY26 was only a minor increase from 1.314 to 1.351. Even though the State lumped Westchester, Long Island and New York City together when establishing minimum wage rates that are higher than the rest of the state, the 1.351 was still far below 1.425 Regional Cost Index that New York City and Long Island received. The Rockefeller Institute recommended using an alternative metric for comparing educational expenditures, called the Comparable Wage Index for Teachers (CWIFT), which made it clear that Westchester County has the highest educational costs in the State, even higher than New York City and Long Island. The CWIFT would better reflect current county economic conditions and properly estimate the variations in competitive teacher wages, yielding an additional \$47 million for Yonkers if implemented. Just grouping Westchester with New York and Long Island would produce an additional \$17 million for Yonkers.

Additionally, the percentage of Yonkers students receiving special education services is now up to 23%. The largest portion of special education enrollment is in the early grades which implies that this percentage will grow over time. Many of our special education students have needs that our internal resources cannot provide for, and private schools are the only solution at this time. The tuitions for these schools are growing at high single digit annual rates and the current method of state reimbursement to help pay for the services along with the mandated transportation is not keeping up with the costs. We ask that the State consider how both special education students are weighed in the Foundation Aid formula, as well as adjusting both the public and private excess cost formulas for high costs students. Under the current formula, districts only begin to receive reimbursement if the student's tuition costs exceed a threshold amount. This hurdle amount is always higher in higher cost areas and with no regional cost adjustment to make it comparable to other districts, the net costs for high-cost special needs students will always be disproportionately higher in downstate districts. In fact, as a dependent district, when the contribution from the city to the district increases, the cost hurdle for private excess cost increases, and therefore, state aid declines. Does that make sense?

Ancillary to special education is the mandated transportation that goes along with it. Unlike regular transportation that can be better managed through efficiencies, the costs for special education transportation are mostly out of our control. Perhaps, the reimbursement rate for Transportation Aid for buses should not be just one rate, but rather two rates, one for regular transportation and one for special education transportation to better align with this growing area of concern.

We've come to the limit of what the city and our residents can afford and the District has appropriated reserves down to almost zero over the past few years just to balance a budget.

As a result, Yonkers Public Schools is looking at a significant budget gap this year -- \$94M -- which could result in cuts in services, programs and even layoffs.

I ask that you memorialize your commitment to Yonkers Schools and fix the formula.

## **CITY/STATE PARTNERSHIP**

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As for our municipal needs, I present to you my annual request for additional aid of the State's localities, where the rubber meets the road. As you know, over the years, municipalities have taken a big hit when it comes to AIM, which affects how we operate.

Since 2012, Yonkers taxpayers have sent the State an additional \$492 million via personal income tax (PIT) and sales tax above what the State has provided in AIM and education funding over the same period. This amount excludes Yonkers residents' contribution to lottery and casino taxation. Yes, AIM aid was increased by \$5 million in FY25, thanks to the Legislative Branch, but if AIM had increased consistently with the State's own 2% growth during that same time, we would have received \$233 million more since 2012, or \$29 million more in FY26.

On the revenue side, growth has subsided and our economically sensitive revenues have plateaued over the past few years. Our FY26 forecast projects that economically sensitive revenues have risen only by an average of 1.2% over the last four years, well below the rate of inflation. Because of this, in the last three budgets, even while breaking the tax cap in FY25, the city made a tough choice of using the bulk of its rainy-day funds to balance a budget which we worked so hard to amass by appropriating \$88.9 million, \$63.4 million, and \$57.6 million of reserves in FY24, FY25, and FY26, respectively. This reliance on annual reserves use that has averaged 12% of the general fund's total revenues over the past three years was done to avoid a loss of service in hopes of buying time for economic expansion. Unfortunately, mortgage rates remain high, reserve levels are now below prior year levels, and employee benefit costs, because of huge increases in police and fire pension rates and health insurance rates, continue to skyrocket. This, combined with our unwavering commitment to the District while trying to set aside funds to pay for new union contracts, makes balancing the FY27 budget a great challenge.

We are now projecting a municipal budget gap that may be as high as \$55 million.

Without going hat in hand to our taxpayers who are already at their limit, flat AIM hinders our ability to properly fund education, expand our municipal services and pay for the growing costs of our workforce, which makes up 74% of our budget.

Separately, as you know, in 2025, Yonkers lost its bid to be awarded one of the three downstate full-gaming casino licenses for MGM's Empire City Casino – potentially generating close to \$50 million in revenue annually for Yonkers. While we were smart not to rely on this potential revenue in our future budgets, it did leave us with many questions on how this loss could affect us in the future.

Over its 19 years operating as a VLT casino, Empire City has generated an astounding \$5 billion dollars for state education, with more than \$1.3 billion contributed in the past five years alone. Yonkers currently receives \$19.6 million annually as a host city, as a result of the more than \$300 million that Empire City generates for the state's education fund, plus a variable impact payment ranging from \$1.5 to \$2 million directly from Empire City, to offset municipal costs. Considering the loss in the gaming license, we ask the Legislature to ensure long-term revenue stability for Empire City. By doing so, you are preserving a major source of municipal and educational revenue, continuing to support our workforce and strengthen our regional economy.

Lastly, in regards to the Governor's ongoing commitment to build more housing throughout our State, Yonkers continues to lead the way, building over 12,000 new units in the last 15 years. As we all know, planning for meaningful, sustainable and transformative housing takes time and many approvals. That's why I support the Governor's effort to streamline the State's environmental review process with her "Let Them Build" agenda – enabling good projects to get built more efficiently, through streamlined reforms and lower costs, providing value to residents and businesses alike. We believe this is good first step in boosting New York's efforts to provide for our ever-growing state.

In summary, I firmly believe that as legislators and chief executives, we have an obligation to those who elect us to work in concert and establish a partnership that benefits all. Together, let's recommit to that partnership so that we all succeed.

I look forward to working with you and Governor Hochul. Thank you.





**MAYOR MIKE SPANO**