



LHEC One-House Budget Response Analysis FY 2026-27

The Senate and Assembly have released their One-House Budget proposals. Together with Ostroff Associates, we have outlined each House's position on the issues addressed by the Governor's Executive Budget. This is the starting point for negotiations that will conclude with the final Enacted NYS Budget.

Outlined below are the **Governor's Executive Budget** proposals, the **Senate** and **Assembly** responses and the **LHEC commentary** (color-coded as shown).

FOUNDATION AID

The Executive Proposal was to fully fund the existing Foundation Aid formula with a minimum increase of 1%.

The Senate provides a minimum 2% Foundation Aid increase for 2026-27, suggests adding a weight of 0.12 in the pupil needs index for students experiencing homelessness or in foster care and increasing the Foundation Aid pupil needs index (PNI) weighting for English Language Learners from 0.53 to 0.60.

The Assembly also provides a minimum 2% Foundation Aid increase and agrees with the Senate on the ELL weight increase to 0.60. They create a standalone "homeless and foster count" with a 0.65 weight, and they remove the PNI cap of 2.0 starting in 2026-27.

The LHEC continues to advocate for a higher minimum increase than the 1% proposed by the Governor and for increased weighting for ELL students. In addition, we encourage legislators to consider all the aspects of the Foundation Aid formula, starting with looking at the district-level effects of the Rockefeller Foundation report.

UNIVERSAL PRE-K

The Executive Proposal calls to fund universal 4-year-old prekindergarten statewide, including a requirement that school districts provide for a full-day pre-K seat for any eligible child whose parent or guardian seeks to enroll them, by 2028-29.

The Senate accepts this proposal and separately supports a pathway to universal 3-K outside NYC.

The Assembly accepts the Governor's proposal and provides new definitions for eligible 3- and 4-year-olds.

The LHEC continues to advocate for increased funding for UPK, specifically based on current data, as the outdated state aid runs did not provide enough resources to meet current needs. In addition, we are currently advocating for regulatory and building aid improvements to assist in the implementation of truly universal pre-K.

TRANSPORTATION AID

The Executive Budget was silent on transportation aid.

The Senate proposes \$181.9 million for high-needs transportation reimbursement and calls for allowing Big 5 districts to receive aid below the current mileage limit with a safety Zone. They also mention allowing transportation aid for universal pre-K bus costs.

The Assembly also expands transportation aid for high-needs districts. They call for an increase in the CPI multiplier from 2.5 to 3.5 starting in 2026-27.

The LHEC continues to advocate for increased transportation aid, including for universal pre-K busing costs.

BUILDING AID

The Executive Budget provides for renewable energy projects to be included in building aid cost allowances.

The Senate agrees with this provision and proposes \$36 million to increase Building Aid reimbursement for the Big 5 and high-needs school districts.

The Assembly agrees on this provision.

The LHEC continues to advocate for increased aid to fund capital improvements for all districts. As we track the Affordable Clean Energy Act and its PILOT/tax cap implications, this proposal provides a potential Building Aid offset for districts investing in renewable energy infrastructure.

SPECIAL ACT SCHOOLS (SASDs)

The Executive Proposal is silent on SASDs.

The Senate proposes interim plus rates with annual growth and tuition rate increases tied to CPI for SASDs. They also add \$15 million for 4201 teacher salaries.

The Assembly makes no proposal for SASDs.

The LHEC continues to advocate for the unique needs of SASDs by ensuring prompt receipt of interim tuition rates and equitable tuition rate-setting.

EVIDENCE-BASED MATH INSTRUCTION

The Executive Budget requires SED to develop evidence-based instructional practices for numeracy and the teaching of math for students in kindergarten through fifth grade.

The Senate accepts the Executive Proposal.

The Assembly modified the Executive's proposal with a modification requiring school districts to conduct an annual review of their mathematics curriculum and instructional practices for grades K-5 to ensure they align with those issued by SED.

The LHEC supports rigor in all subjects and agrees that instructional best practices should come from SED.

EXPAND MASTERS-IN-EDUCATION TEACHER INCENTIVE SCHOLARSHIP TO EARLY CHILDHOOD EDUCATORS

The Executive Budget includes a bill specifying that early childhood educators are eligible for the Masters-in-Education Teacher Incentive Scholarship and establishes that recipients can serve at eligible early childhood education agencies.

The Senate accepts this proposal.

The Assembly accepts this proposal.

The LHEC supports NYS investment in professional development opportunities for educators and support staff.

SPECIAL EDUCATION COST SHIFT

The Executive Budget permanently eliminates the state share of costs related to the Committee on Special Education (CSE) residential placements outside NYC.

The Senate accepts the Governor's proposal.

The Assembly has intentionally omitted any language on this issue.

The LHEC continues to advocate for the reversal of this cost shift and encourages NYS to pay their share of special education residential placements.

The following items were added by one or both houses in their One House Bills, beyond the Executive proposals:

COMMUNITY SCHOOLS FUNDING

The Senate adds \$105 million for Community Schools.

The Assembly provides an additional \$100 million for Community Schools separate from the Foundation Aid set-aside.

The LHEC supports increased funding for Community Schools and advocates for funding this program outside of the Foundation Aid set-aside.

ZERO-EMISSION SCHOOL BUS STORAGE AND INFRASTRUCTURE

The Senate proposes making school districts eligible for Building Aid from approved expenditures related to incremental zero-emission school bus storage costs and through the 2034-35 school year.

The Assembly provides \$100 million for electric school buses and related infrastructure through the Environmental Bond Act.

The LHEC appreciates that these provisions address the capital cost burden on districts transitioning to zero-emission fleets under CLCPA mandates, however we continue to advocate for NYS to fund all costs associated with meeting the mandate and we support a deferred implementation of the EV bus requirement.

ARTIFICIAL INTELLIGENCE LITERACY

The Senate establishes the Artificial Intelligence Literacy Act, which would create a new digital equity and AI literacy competitive grant program for school districts.

The Assembly does not include an AI literacy provision.

The LHEC continues to advocate for full funding and fiscal impact statements for all new mandates, and a statewide Mandate Relief Redesign Team.

SCHOOL BUS STOP-ARM CAMERAS

The Senate advanced language clarifying the adjudication process for the school bus stop-arm camera program, including authorizing new local structures to reduce backlogs and permit procedural improvements like remote appearance.

The Assembly does not include this provision.

The LHEC supports the use of stop-arm cameras to improve student safety and will work with legislators to help make systemic improvements.