



Reimagining Universal Pre-Kindergarten Funding in New York

Addressing Equity and Funding Sustainability

October 2025



TheChildren'sAgenda
Smart Choices. Bold Voices.

**PUBLIC POLICY AND
EDUCATION FUND OF NEW YORK**

Summary

Goal: Support high-quality pre-kindergarten education by ensuring school districts across New York State receive adequate, equitable, and sustainable funding

Recommendations: 1) Index pre-kindergarten allocations to K-12 Foundation Aid rates for all students enrolled at High and Average Needs Districts and 2) Raise the minimum per-pupil amount and implement a mandatory minimum local contribution for Low Needs Districts, with regular reviews for necessary inflation adjustments.

Why It Works: These changes will eliminate existing structural flaws which too often leave districts with flat funding for years at a time. This new approach to funding will allow UPK programs to keep up with rising costs and preserve quality early childhood education.

About

The Alliance for Quality Education is a coalition mobilizing communities across the state to keep New York true to its promise of ensuring a high-quality public school education to all students regardless of zip code. Combining its legislative and policy expertise with grassroots organizing, AQE advances proven-to-work strategies that lead to student success and echoes a powerful public demand for a high-quality public school education for all of New York's students.

The Children's Agenda is a non-profit, non-partisan organization that advocates for effective policies and drives evidence-based solutions for the health, education and success of children. We are especially committed to children who are vulnerable because of poverty, racism, health inequities and trauma. To learn more about The Children's Agenda, go to thechildrensagenda.org.

The Public Policy Education Fund was founded in 1986 to address critical social, economic, racial and environmental issues facing low and moderate income New York State residents. Our areas of work have included health care, education, after-school programs, voter participation, economic development and consumer issues. PPEF uses many tools in its work, including grassroots organizing, research and policy development, public education on a wide range of policy issues, and community outreach.

PUBLISHED
OCTOBER 2025

*Report authored by Shannon Mullin,
MPH Senior Policy Analyst, The
Children's Agenda.*

Reimagining Universal Pre-Kindergarten Funding in New York

Addressing Equity and Funding Sustainability

Introduction

Every child in New York deserves a quality education, beginning in pre-kindergarten, to be the basis for their future success. Providing such an education requires adequate, equitable, and sustainable funding. The existing Universal Pre-Kindergarten (UPK) funding mechanism, however, is complicated to administer, has several structural flaws, and provides inadequate per-pupil funding. Under the current system, districts receiving the minimum per-pupil amount or those already serving nearly all eligible families face years of flat funding, with few options to increase their allocations.

New York must reimagine the way early education is funded to ensure this critical program is accessible to all children statewide. To achieve this, New York should index state-funded pre-kindergarten allocations to the district's K-12 Foundation Aid per-pupil amount for all enrolled students and raise the \$5,400 minimum per-pupil rate. Better integrating UPK funding with the existing Foundation Aid formula will ease administrative burdens and provide districts with the sustainable funding required to maintain high-quality education.

This is a critical time to be exploring the future of education funding in New York State given the release of two recent reports. The first, published by the State Education Department's Office of Early Learning in December 2024, provides an excellent overview of the various funding sources available to districts for pre-kindergarten and outlines the ways flat funding has been detrimental.¹ The study, which was included in the 2024-2025 enacted state budget, also details the potential benefits and barriers of consolidating these funding streams. The report concludes with the following recommendations for legislative actions:

¹ See [11-26-24-UPK-Consolidation-Report \(nysed.gov\)](https://nysed.gov/11-26-24-UPK-Consolidation-Report)

- “The Legislature should create one law that merges all universal prekindergarten Laws (§3602-e and §3602-ee) and consolidates funding streams to allow for clear fiscal and program expectations. Timeline: 2025-2026 school year.
- The Department will complete an analysis of per-pupil rates for UPK to determine what rates are necessary to preserve existing services and expand services to all eligible students. Timeline: To be completed by the end of 2025.
- The enacted budget should provide opportunities for additional funding for districts to annually apply for expansion seats, with a priority given to districts that serve the highest amounts of students in poverty and English Language Learners. Timeline: 2025- 2026 school year.
- The Department will complete an analysis of funding requirements for both UPK and Special Education PreK funding, to provide guidance in the use of blending and braiding of funds; adjust the law so that the lottery is not an impediment to inclusion of PreK students with disabilities in the UPK classroom. Timeline: To be completed by the end of 2025.”

Having advocated for higher pre-kindergarten rates for years, the Alliance for Quality Education and The Children’s Agenda are very appreciative of the State Education Department’s and Office of Early Learning’s public support for reforms. We look forward to partnering on this important matter. Our report builds on these recommendations by proposing specific ways New York State should address the existing funding inadequacies.

In the second report, also created at the request of State leaders, The Rockefeller Institute of Government conducted a comprehensive study of New York’s Foundation Aid education funding formula. Following months of research and conversations with families, school district leaders, and education advocates around the state, the Institute released a report in December 2024 with its recommendations.² The authors include several strong proposals for how the State can more equitably distribute funds based on poverty level, regional costs, and the varying needs of a district’s student population. The report did not, however, include any new additions to the funding formula.

Despite testimony from The Children’s Agenda, the Alliance for Quality Education, and other advocates and parent leaders urging the Rockefeller Institute to explore how pre-kindergarten funding could be better integrated into the updated Foundation Aid formula, the report does not mention UPK or early education a single time. This lack of attention to New York’s youngest learners is a missed opportunity. New York State leaders must include updates to the UPK funding mechanism in the Foundation Aid formula redesign to ensure students across New York have equitable access to the quality education they deserve.

2 See [2024-12-Foundation-Aid-Report.pdf \(rockinst.org\)](#)

Benefits of Pre-Kindergarten

Approximately 90% of a child's brain development happens before they enter the formal school system at age five.³ Because of this, early care and education programs are a critical support for both cognitive and social development, particularly for children from low-income families.⁴ The research is clear that attending pre-kindergarten leads to short- and long-term improvements in children's academic and behavioral outcomes. Rochester's decades-long evaluation study, RECAP, has consistently found that UPK increases rates of kindergarten readiness, particularly for students who enroll in both three- and four-year-old classes.⁵ A longitudinal study on more than 4,000 preschoolers in Boston found those who attended pre-kindergarten had fewer school suspensions, more often took the SAT and graduated high school, and were more likely to enroll in college.⁶ Research that followed pre-kindergarten students into adulthood found a return on investment of up to \$17 for every \$1 spent.⁷

Since state funding became available for Universal Pre-Kindergarten in 1998, New York has shown a strong commitment to expanding access to these valuable programs. During the 2023-24 school year, over 110,000 four-year-olds in 606 districts were enrolled in UPK across New York, representing 76% of the state's four-year-olds.⁸ Over 70 districts have also extended their pre-kindergarten programs to serve nearly 40,000 three-year-olds statewide, with the vast majority being enrolled in New York City.⁹ **The New York State Board of Regents has set a goal of providing pre-kindergarten to all four-year-olds by 2030 and all three-year-olds by 2035.** The Board called for an additional \$25M investment in the 2025 – 2026 State budget to expand access to more districts, particularly those serving English language learners and economically disadvantaged students.¹⁰ This year's enacted budget, however, contained no new funding or rate adjustments for pre-kindergarten, leaving districts across the state with inadequate funding for yet another year.¹¹ To ensure children across the state can benefit from high-quality early education programs, New York must reimagine how it funds Universal Pre-Kindergarten.

3 See [Understanding Brain Development in Babies and Toddlers | ZERO TO THREE](#)

4 See [What Is Universal Pre-K? - Alliance for Early Success](#)

5 See [RECAP-report_2022-23_Annual Report-Final.pdf \(childrensinstitute.net\)](#)

6 See [The Long-Term Effects of Universal Preschool in Boston - Blueprint Labs \(mit.edu\)](#)

7 See [Untangling the Evidence on Preschool Effectiveness: Insights for Policymakers | Learning Policy Institute](#)

8 See [2023-24-prekindergarten-students-served.xlsx](#)

9 NYC's three-year-old pre-kindergarten program is funded by significant local and federal contributions in addition to about \$8M in state funding.

10 See [Board of Regents Advances Budget and Legislative Priorities for the 2025-26 School Year | New York State Education Department](#)

11 See [Alliance for Quality Education - Side by Side Enacted Budget 2025](#)

Structural Flaws in the Existing UPK Funding Mechanism

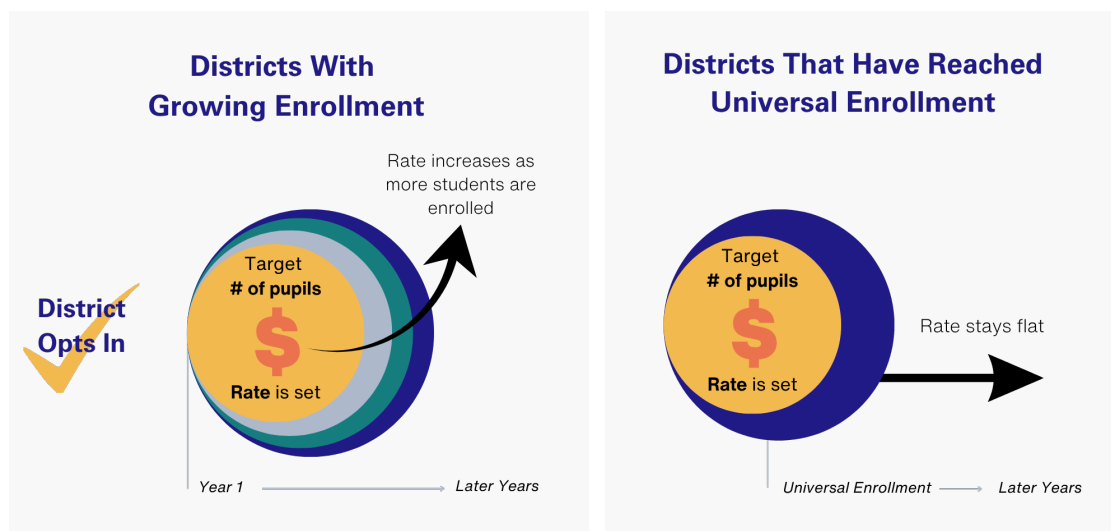
The way New York State currently funds Universal Pre-Kindergarten is complicated and the **allocations are insufficient to match the importance of the program**. Districts must often blend and braid funding from state and federal grants, as well as local contributions if available, while ensuring they keep up with varying enrollment targets and administrative requirements.¹² Perhaps most concerning, structural issues with the grants often leave districts with stagnant per-pupil rates for years at a time.

This inadequate funding also threatens the success of New York's mixed-delivery model for pre-kindergarten. Currently, school districts with state-funded UPK programs are required to set aside at least 10% of their allocation to partner with community-based organizations.¹³ This partnership is beneficial to families, giving them the choice between classes at an elementary school or in a community setting like a child care center, which may be preferred due to cultural similarities, location, or the availability of child care during non-school hours.¹⁴ Though it varies by district, community-based programs often receive only a portion of the per-pupil funding allocated to school districts, with the remaining funds going towards the administration of the program. Stagnant reimbursement rates and rising costs make it difficult for school districts and community-based organizations alike to attract and retain qualified teachers, and to maintain the high-quality education that New York's students deserve.

Existing Structure for UPK State-Funded Allocations

When a school district opts into the state-funded UPK program, a per-pupil amount is set at either half the district's K-12 Foundation Aid amount or \$5,400, whichever is larger.¹⁵ This initial amount may be adjusted based on several measures of student need and community wealth. A target number of students is also set, which can be combined with the per-pupil amount to calculate a district's maximum allocation. From that point forward, **a district's per-pupil rate for the original target number of students is frozen at the amount from the year they opted into the program**.

-
- 12 This report focuses solely on state-funded non-competitive UPK allocations because, at the time of writing, detailed enrollment and payable per-pupil rate data were unavailable to us for districts receiving Statewide Universal Full-Day Prekindergarten funding (SUFDPK – competitive grant for districts establishing new full-day four-year-old programs) or federal grants. See [Applications | New York State Education Department](#)
 - 13 See [Collaborating With Community-Based Organizations | New York State Education Department](#). Districts may seek a waiver if no community-based organizations are available.
 - 14 Universal pre-kindergarten is deeply intertwined with the child care sector. The expansion of UPK influences child care availability in two ways: 1) If community-based organizations (CBOs) partner with a district, they may be forced to close infant/toddler classrooms to make room for a three- or four-year-old UPK class, and 2) If CBOs do not partner with a district to offer UPK, they may see a decline in enrollment as families move their three- and four-year-olds to UPK at another venue, potentially resulting in additional closures. New York must invest in the continuity of care by ensuring both the UPK and the child care systems receive adequate funding in order to foster additional collaboration rather than competition.
 - 15 See [NYS Open Legislation | NYSenate.gov](#)



While available UPK funding increases each year with the inflation-adjusted Foundation Aid formula, most districts are only able to access the higher rates when they add additional pupils and classrooms, **and only for those newly added students**. If a district has a growing UPK program, it can expect its average per-pupil rate (a combination of the frozen and higher rates) to increase slightly each year as enrollment expands, partially accounting for inflation and rising costs. However, for early adopter districts, primarily the high-poverty Big 5,¹⁶ that are already serving nearly all eligible families, yearly inflation and rising costs erode the value of frozen funding, leading to spending cuts and decreased quality over time. Without regular increases in the minimum per-pupil rate, many wealthier districts also remain flat-funded at \$5,400 per enrolled student.

The structural flaws in New York's UPK funding mechanism are most apparent when comparing annual changes in pre-kindergarten allocations and Foundation Aid amounts. Between the 2024-25 and 2025-26 school years, all districts received a larger K-12 Foundation Aid amount, while not a single district saw an increase in their state-funded maximum UPK Aid.¹⁷

In addition to flat funding concerns, if a district fails to enroll as many UPK students as the prior school year, there will be a cut to its allocation, despite rising costs for salaries and other fixed expenses that are not directly tied to student count. Districts submit their enrollment numbers to the State Education Department each October and March, and receive funding based on the higher pupil count. While this two-date approach allows districts to continue building their enrollment throughout the year, it makes it difficult to budget when allocations are not finalized until the school year is nearly over. Declining enrollment is likely to become

¹⁶ Big 5: Albany, Buffalo, Mount Vernon, New York City, Rochester, Syracuse, Utica, and Yonkers City School Districts. These districts enroll approximately 43% of New York's students.

¹⁷ Maximum allocations do not necessarily reflect the amount of funding a district receives, only the potential funding available if the district's enrollment target is reached.

a larger issue for districts, as New York State continues to face lower birth rates¹⁸ and an affordability crisis that is driving families with young children to move out of state.¹⁹

New York's flawed approach to its UPK grants means districts not only lack adequate funding but also lack predictability. Allocations may change year to year based on enrollment fluctuations, and districts with similar K-12 Foundation Aid rates may receive vastly different UPK per-pupil rates. For example, Hoosic Valley CSD and Center Moriches UFSD received nearly identical amounts for each K-12 student during the 2023-24 school year (\$8,049 vs \$8,050), but there was an over \$1,630 difference in their UPK per-pupil rates for the same school year (\$5,655 vs \$7,285).

District 1	District 1 23-24 Selected Foundation Aid Amount	District 1 23-24 Actual UPK Per-Pupil Rate ²⁰	District 2	District 2 23-24 Selected Foundation Aid Amount	District 2 23-24 Actual UPK Per-Pupil Rate ²⁰	Difference Per-Pupil: Foundation Aid	Difference Per-Pupil: UPK
West Seneca CSD	\$6,415.02	\$5,623.05	Oriskany CSD	\$6,427.62	\$7,208.00	\$12.60	\$1,584.95
South Glens Falls CSD	\$6,499.94	\$6,908.42	East Meadow UFSD	\$6,519.25	\$5,737.61	\$19.31	\$1,170.80
Hoosic Valley CSD	\$8,049.39	\$5,655.17	Center Moriches UFSD	\$8,050.00	\$7,285.47	\$0.61	\$1,630.30
Alexander CSD	\$11,149.35	\$8,559.25	Hartford CSD	\$11,152.32	\$6,981.81	\$2.97	\$1,577.44
Sherman CSD	\$13,336.23	\$10,459.00	Watervliet CSD	\$13,338.72	\$8,615.73	\$2.49	\$1,843.27

This grant-based funding structure was more manageable twenty years ago when UPK programs were new, and districts could expect a growing enrollment with each school year. This approach, however, is no longer conducive for well-established programs that have reached full capacity by serving all eligible families each year. Instead, we need to reconceptualize our approach to funding UPK in New York, prioritizing equity and sustainability so districts may continue to provide the high-quality programs our students

18 See [Declining fertility rates in NYS raise questions for public schools - New York State School Boards Association](#)

19 See [Who is Leaving New York State? Part II: Social Characteristics - Fiscal Policy Institute](#)

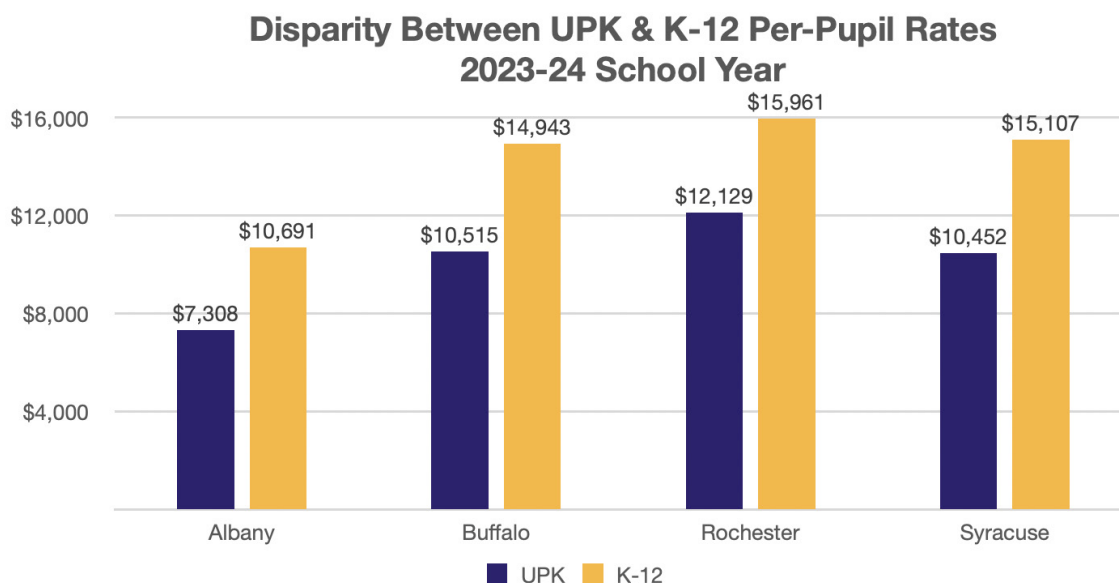
20 "Actual" per-pupil rates were calculated using 2023-24 enrollment and allocation data acquired from the NYSED Office of Early Learning by the Alliance for Quality Education. These amounts may be different than the publicly available maximum UPK allocation and base eligible student counts available at [Funding, Forms, and Important Dates | New York State Education Department](#)

need and deserve. Thirteen states and Washington D.C. have already included pre-kindergarten students in their traditional education funding formula, with many states counting early learners with the same weight as K-12 students.²¹ As three- and four-year-olds become fully integrated into the formal school system, the funding structure must be better integrated as well.

This reimagination will require a large investment. A 2021 study estimated the per-child cost of high-quality pre-kindergarten to be at least \$12,700 per year, though it is likely more in a high-cost state like this one.²² **New York can help districts to better meet these funding needs in two ways: 1) Indexing state-funded pre-kindergarten allocations to K-12 Foundation Aid rates for all students enrolled at High and Average Needs Districts and 2) Raising the minimum per-pupil amount and implementing a mandatory minimum local contribution for Low Needs Districts, with regular reviews for necessary inflation adjustments.**

High & Average Needs Districts | Indexing Pre-Kindergarten Per-Pupil Rates to K-12 Foundation Aid Rates for All Enrolled Students

Currently, the structural issues that plague New York’s approach to pre-kindergarten funding most impact the high-poverty districts that have operated UPK programs the longest. In cities like Albany, Buffalo, Rochester, and Syracuse, the disparities between the districts’ frozen UPK per-pupil rates and inflation-adjusted K-12 rates continue to grow.



21 See K-12 Funding 2024 - Education Commission of the States (ecs.org)

22 See [High-Quality Publicly Funded Pre-Kindergarten Programs: How Much Do They Cost? | RAND](#)

As more and more programs across the state reach “Universal” status by serving all available families, these districts will also be faced with frozen per-pupil rates and difficult funding disparities. **Without changes to the current funding structure, the gains New York has seen in UPK quality and access will be threatened statewide.**

One such change should be indexing state-funded pre-kindergarten allocations to each district’s K-12 Foundation Aid per-pupil amount for **all enrolled students**.²³ Since the Foundation Aid funding formula includes a yearly adjustment for inflation, this change would allow High and Average Needs Districts to keep up with rising costs regardless of their ability to enroll additional students each year. Removing the stipulation that districts can only access higher Foundation Aid amounts when their programs are expanding would allow for sustainable funding after a district has reached “Universal” status.

This report examines 551 districts for which we have both state-funded UPK and K-12 Foundation Aid data.²⁴ Of them, nearly 75% would benefit from this proposal because their UPK per-pupil rate is lower than what the districts receive for K-12 students. If this funding disparity were eliminated, districts would see an average increase of \$2,729 per UPK student.

Big 5 School District	2023-24 UPK Per-Pupil Rate	2023-24 UPK Rate If Indexed to K-12 Per-Pupil Rate for All Enrolled Students	Potential Increase in 2023-24 UPK Allocation (4-year-old Enrollment Only)
Albany	\$7,308.34	\$10,690.67	\$1,569,401.88
Buffalo	\$10,515.08	\$14,942.66	\$5,884,253.14
Mount Vernon	\$8,031.23	\$8,750.62	\$223,012.20
New York City	\$4,196.87	\$7,884.03	\$215,116,327.26
Rochester	\$12,128.80	\$15,961.39	\$6,105,316.27
Syracuse	\$10,452.34	\$15,107.01	\$4,170,585.96
Utica	\$8,801.90	\$13,557.28	\$1,514,587.68
Yonkers	\$7,616.78	\$9,522.15	\$2,349,324.95

23 Any increases to Foundation Aid’s base allocation amount for K-12 students must also be reflected in funding for pre-kindergarten students.

24 See list of districts and per-pupil funding amounts: [Appendix - UPK & Foundation Aid Rates.pdf](#)

Low Needs Districts | Raising the Minimum Per-Pupil Amount & Implementing a Mandatory Minimum Local Contribution

Many school districts have not opted into the state-funded UPK program due to the low minimum per-pupil rate. Though many wealthier districts receive more per pupil for four-year-old students than their K-12 Foundation Aid amount, the **\$5,400 minimum remains too low to sustainably operate a UPK program**. Given the competing priorities that often exist for local dollars, it can be difficult to find enough funding to close the gap between this rate and the true cost of operating a high-quality pre-kindergarten classroom.

Of the 135 districts categorized as “Low Needs to Resource Capacity,” nearly 40% chose not to operate a state-funded UPK program during the 2023-24 school year.²⁵ The 82 districts that have opted in received an average of \$5,313 per pupil. Several districts received a per-pupil rate below \$5,400, most often because they enrolled more students than the State Education Department initially approved for them. In 2023-24, per-pupil rates ranged from \$2,160 (Pocantico Hills) to \$6,612 (Baldwin) for Low NRC districts.

Low NRC Districts That Did Not Operate State-Funded UPK Programs in 2023-24	Low NRC Districts That Operate State-Funded UPK Programs	Low NRC Districts Receiving \$5,400 Per Pupil	Low NRC Districts Receiving Under \$5,400 Per Pupil	Low NRC Districts Receiving Over \$5,400 Per Pupil
53	82	52	12	18

Increasing the minimum per-pupil rate will be a critical step to providing all New York students with access to the early education they deserve. To ensure equity, the State should pair this increase with a mandatory minimum local contribution requirement for wealthy districts, aligning with the existing approach to K-12 funding. The New York State Education Department should work with local leaders to better understand what funding barriers exist for Low NRC districts and what per-pupil rate and local contribution would allow them to sustainably serve their earliest learners. **Funding for Low NRC districts should be tied to inflation or reviewed on a set schedule to avoid repeating the existing flaws in the funding mechanism.**

25 Some of these districts may offer pre-kindergarten programs funded by private tuition, local contributions, or other state or federal grant programs.

Cost Projections for Updating New York’s Approach to UPK Funding

New York spent over \$24 billion on Foundation Aid education funding in 2023-24,²⁶ making it one of the largest and most important investments made by the State annually. During the 2023-24 school year, the total allocation for four-year-olds statewide was \$664,950,303.

In the effort to reimagine New York’s approach to UPK funding, raising the per-pupil rates of High and Average Needs Districts to match their Foundation Aid K-12 rates will certainly be the most costly. This change can be done in stages while **prioritizing districts with the highest needs and those that are at or near “Universal” status**. Implementing a mandatory minimum local contribution from Low Needs Districts would decrease the funding needed to achieve the following scenarios.

Cost Projections | Existing Four-Year-Old Enrollment Figures

Scenario (Based on 2023-24 Selected Foundation Aid Per-Pupil Rate)	Number of Districts with Increased Per- Pupil Rate	New UPK Allocation	Necessary Funding Above 2023-24 Allocation ²⁷
Districts receive their K-12 Foundation Aid per-pupil rate or \$5,400, whichever is higher	401	\$855,206,145	\$190,255,842
Districts receive their K-12 Foundation Aid per-pupil rate or \$7,000, whichever is higher	547	\$871,268,135	\$206,317,832
Districts receive their K-12 Foundation Aid per-pupil rate or \$10,000, whichever is higher	550 ²⁸	\$1,052,371,585	\$387,421,282

Each year, additional districts are beginning UPK programs or adding classrooms to increase capacity, bringing New York closer to giving every student a strong educational foundation. As more sustainable funding becomes available, this trend is likely to accelerate, with district programs expanding further to serve all three-and four-year-old students.²⁹

26 See [STATE AID HANDBOOK \(nysed.gov\)](https://nysed.gov)

27 Projections do not include a mandatory minimum local contribution. Doing so would decrease the amount of funding necessary to achieve each scenario.

28 Port Jervis is the only school district of the 551 analyzed that would not benefit from any of these scenarios. This district is a rare case where their 2023-24 UPK per pupil rate (\$14,376) is above \$10,000 and is higher than their K-12 Foundation Aid per pupil rate (\$14,370).

29 Data on enrollment and per-pupil rates for three-year-olds are not widely available, making it difficult to produce cost projections at this time.

Cost Projections | Universal Enrollment with 2023-24 Foundation Aid Rates & Proxy Four-Year-Old Figures³⁰

Scenario (Based on 2023-24 Selected Foundation Aid Per-Pupil Rate)	Necessary Funding for Universal Four-Year-Old Enrollment ³¹
Districts receive their K-12 Foundation Aid per-pupil rate or \$5,400, whichever is higher	\$1,308,133,609
Districts receive their K-12 Foundation Aid per-pupil rate or \$7,000, whichever is higher	\$1,367,957,866
Districts receive their K-12 Foundation Aid per-pupil rate or \$10,000, whichever is higher	\$1,676,996,396

Reforming the UPK funding mechanism in New York will require a large investment and many years to scale up. In the meantime, the State should explore opportunities to:

- Add a yearly inflation adjustment mechanism for all districts' existing per-pupil rates, regardless of their ability to enroll new students.
- Prioritize indexing pre-kindergarten rates to Foundation Aid K-12 rates for the districts with the highest needs, particularly the Big 5 districts, and those serving all or nearly all eligible families.
- Increase the minimum per-pupil rate in small increments.
- Add a mandatory minimum local contribution for wealthy districts.

New York State must reimagine the way it funds Universal Pre-Kindergarten to ensure every child has access to the quality early education they deserve, in the setting that works best for their family. This investment will pay dividends in future education and employment outcomes. As New York works towards a truly “Universal” Pre-Kindergarten program for three- and four-year-olds, the State must begin preparations now to make certain the necessary funding is available to districts.

30 Includes all 666 Districts we have Selected Foundation Aid/Pupil and UPK 2023-24 Statutory Pre-K Proxy data for. See <https://www.nysed.gov/sites/default/files/programs/early-learning/2023-24-prekindergarten-students-served.xlsx>

31 Projections do not include a mandatory minimum local contribution. Doing so would decrease the amount of funding necessary to achieve each scenario.