

New York State 2026-27 Executive Proposal for Public Education & Child Care

Foundation Aid

	Executive Proposal	Enacted Budget	AQE Takeaways
Total Proposed School Aid Increase	\$1.6B increase	\$1.664B increase	This increase is welcome and should be considered a win compared to the Executive Budget. Stronger investments, like those proposed in the Senate and Assembly one-house budgets are still needed.
Foundation Aid	\$779.5M increase as expected under current law	\$1.027B increase in Foundation Aid to meet current legal requirements (\$247.5M more than the Executive Budget)	This increase is a meaningful improvement over the Executive Budget. Larger Foundation Aid investments, like those proposed in the Senate and Assembly one-house budgets, are still needed.
Foundation Aid Formula and Aid Changes	The Executive Budget includes no changes to the Foundation Aid formula. The executive also provides a minimum year-to-year increase of 1.0 percent for all school districts	The Foundation Aid payable to all school districts includes a minimum year-to-year increase of 2% . The formula includes the following changes: <ol style="list-style-type: none"> 1. A new weight (0.12) for students experiencing homelessness or in foster care. 2. Increases the English Language Learner weight in the Pupil Needs Index from 0.53 to 0.6. 	This is a meaningful update to the formula that begins to recognize student need more accurately. Broader updates, including updates to the Regional Cost Index, are still needed.

Other public education

	Executive Proposal	Enacted Budget	
Community Schools	No change or additional investments	No new funding for Community Schools	This is a major disappointment. AQE, along with the Community Schools Coalition, called for a \$100M increase in funding for Community Schools, and both the Senate and Assembly included major investments in their one-house budgets, none of which materialized in the final budget.
Pre-K	<p>The Executive Budget adds \$561M in Pre-K services across the state. The \$561M will be put towards: increasing rates to \$10,000 or selected Foundation Aid per pupil, whichever is more, for all school districts for all 4-year-olds across the state, an increase of \$431M.</p> <p>Directs \$205M (of the \$431M) to New York City's 3-K program to fill in gaps for universal access.</p>	<p>The Enacted Budget adds \$561M in Pre-K services across the state. The \$561M will be put towards: increasing rates to \$10,000 or selected Foundation Aid per pupil, whichever is more, for all school districts for all 4-year-olds across the state, an increase of \$431M.</p> <p>Directs \$205M (of the \$431M) to New York City's 3-K program to fill in gaps for universal access.</p> <p>The enacted budget increases the rate of UPK to the greater of \$10,000 per student or their selected Foundation aid amount. The budget</p>	This is an important step toward raising pre-K rates and better connecting its funding to Foundation Aid. A minimum local contribution from wealthy districts is still needed to make the current funding structure more equitable.

		counts both 4- and 3-year-olds in the total count of Pre-K aid.	
Mayoral Control	The Executive Budget proposed a four-year extension of the mayoral control system in NYC,	The enacted budget included a two-year extension of the mayoral control system in NYC.	This shorter extension gives New York State time to design a more democratic process that gives students, parents, educators, and communities a meaningful role in shaping the future of NYC school governance.

New York State Child Care for All

	Executive Proposal	Enacted Budget	
Support for the early childhood workforce	The Executive Budget proposes no new funding for the child care workforce in the form of supplemental wages or continuing the workforce retention grants.	<p>Does not include new funding in the form of supplemental wages or workforce retention grants for the child care workforce.</p> <p>Provides up to \$29M for child care provider training, scholarships, education, and ongoing professional development.</p> <p>Provides up to \$2.5M for child care support centers to administer substitute pools for eligible providers.</p>	This is one of the clearest failures of the enacted budget. Universal child care cannot be built without a well-paid workforce that can afford to stay in the field longterm and continue doing its essential work. Training and development are important and useful investments. Supplemental wages and retention grants are still needed to retain and recruit educators and address the child care workforce crisis.

<p>Access for all families</p>	<p>The Executive Budget allocates \$1.2B to the Child Care Assistance Program (CCAP) which provides subsidies to all eligible families with children 0-13 across the state. This addition is estimated to clear the waiting lists statewide.</p> <p>Allocates \$60M to a pilot program for Dutchess, Monroe, and Broome counties to jointly provide universal child care.</p> <p>Provides \$73M to begin a 2-Care program in select high need neighborhoods in New York city to serve 2,000 additional children.</p>	<p>Allocates up to \$576M in state block grant funding for child care assistance, alongside up to \$155M for districts outside NYC and up to \$475M for NYC to reimburse child care expenditures in excess of district block grant allocations (to a total of \$1.2B)</p> <p>Allocates \$66M for pilot programs in Dutchess, Monroe, and Broome counties, providing child care for children ages zero to three.</p> <p>Provides \$73M to begin a contractual-based child care program serving two-year-olds in New York City.</p>	<p>These investments secure important wins for communities, including CCAP funding and reimbursement supports for districts whose child care costs exceed their block grant allocations. This matters immensely because CCAP is one of the main ways working families with children 0-13 access child care across the state.</p> <p>Investment in child care pilots in Dutchess, Monroe, and Broome counties are important steps toward testing expanded access outside New York City. The budget also funds a contract-based program for two-year-olds in New York City, helping build out another piece of the early childhood system.</p> <p>The enacted budget does not provide the level of CCAP funding needed to end the waitlist crisis, leaving more than 25,000 families waiting for child care assistance. New York State needed more than this enormous amount invested to meet the scale of the crisis facing poor and working families across the state</p>
<p>Barriers for families and providers</p>	<p>The Executive Budget proposes no new funding for enhancing reimbursement rates for programs that serve students with special needs</p>	<p>The enacted budget includes no new funding for enhancing reimbursement rates for programs serving students with special needs.</p> <p>Provides up to \$30M for the operation and coordination of child care resource and referral agencies, up to \$30M for the operation and coordination of legally exempt enrollment agencies, up to \$5M for family child care networks for recruitment and expansion in child care deserts, and \$1M for a child care zoning initiative.</p>	<p>These investments provide important supports for increasing administrative and provider capacity. Higher reimbursement rates for programs serving children with special needs are still needed.</p>

Other Investments	<p>Allocates \$1.5M for the creation of the Office of Child Care and Early Education. The new office will coordinate the implementation of universal child care, continued investments in 3K, the launch of 2-Care, and workforce supports.</p>	<p>Allocates \$1.5M for the creation of the Office of Child Care and Early Education. The new office will coordinate the implementation of universal child care, continued investments in 3K, the launch of 2-Care, and workforce supports.</p> <p>Provides \$4.8M for an employer-supported child care pilot program serving families between 85%-100% of the state median income in three regions of the state.</p> <p>Allocates \$10M (\$5M through the Consortium for Worker Education and \$5M through the AFL-CIO Workforce Development Institute) to provide grants offsetting child care costs for families with incomes up to 400% of the federal poverty level. This program is known as facilitated enrollment.</p>	<p>The creation of the Office of Child Care and Early Education is a positive step toward coordinating the state's child care work, from building out universal child care to continuing 3-K investments, 2-Care, and workforce supports.</p> <p>The enacted budget also includes useful investments in employer-supported child care and facilitated enrollment grants that can help more families access care.</p> <p>These pieces taken together stand to make a sizeable difference in the lives of New York State's working families. A larger and more sustained commitment to building out universal child care is still needed.</p>
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Revenues

	Executive Proposal	Enacted Budget	
Personal Income Tax	<p>The Executive Budget did not include support for S.1622/A.1281, which would add 10 new income tax brackets and raise more than \$21B annually, primarily from the top 5% of earners.</p>	<p>The enacted budget also left out this proposal and did not make New York's income tax system substantially more progressive.</p>	<p>The enacted budget does not make New York's income tax system substantially more progressive, as proposed by AQE and partners in the Invest in Our New York coalition. This leaves more than \$21B in annual progressive revenue unrealized, primarily from the top 5% of earners. The child and dependent care credit expansion provides a positive shift. Broader income tax reform is still needed.</p>

<p>Corporate Tax</p>	<p>The Executive Budget did not include support for S.953/A.1971, which would raise taxes on corporations with more than \$2.5M in profits and generate an estimated \$7B annually.</p>	<p>The enacted budget did not adopt this broader corporate tax increase.</p> <p>The enacted budget includes a limited but meaningful corporate tax win by extending the elevated 7.25% corporate tax rate for large corporations earning more than \$5M annually through 2030, along with the higher capital base tax rate.</p>	<p>The enacted budget includes limited corporate tax wins, including extending the 7.25% corporate tax rate for large corporations earning more than \$5M annually through 2030 and maintaining the higher capital base tax rate. An estimated \$7B in annual progressive revenue from the state's most profitable corporations earning more than \$2.5M in profits remains unrealized.</p>
<p>Capital Gains Tax</p>	<p>The Executive Budget did not include support for S.1439/A.676, which would create a state-level surcharge on capital gains income above \$500,000 per year and raise an estimated \$12B annually.</p>	<p>The enacted budget did not include a capital gains tax, leaving an estimated \$12B in annual progressive revenue unrealized.</p>	<p>The enacted budget does not include a tax on high levels of capital gains income. This leaves an estimated \$12B in annual progressive revenue unrealized.</p>
<p>Estate/Inheritance Tax</p>	<p>Did not include support for S.914/A.2049, which would update the current inheritance tax system by taxing inheritances over \$250,000 and raising an estimated \$4B annually.</p>	<p>Did not include S.914/A.2049 or any comparable inheritance tax reform.</p> <p>The enacted budget gives NYC authority to impose a pied-à-terre tax, a surcharge on non-primary residences.</p> <p>Notably, the enacted budget also does not include luxury, helicopter, or yacht tax proposals, which were present in the one-house budgets.</p>	<p>The enacted budget does not include an update to New York's inheritance tax system. This leaves an estimated \$4B in annual progressive revenue unrealized.</p> <p>The pied-à-terre tax is a positive revenue measure. Inheritance tax reform and broader revenue measures, like those included in both one-house budgets, are still needed.</p>