

FY 2027 NEW YORK STATE EXECUTIVE BUDGET

EDUCATION, LABOR AND FAMILY ASSISTANCE

ARTICLE VII LEGISLATION

MEMORANDUM IN SUPPORT

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MEMORANDUM IN SUPPORT

A BUDGET BILL submitted by the Governor in
Accordance with Article VII of the Constitution

AN ACT to amend the education law, in relation to contracts for excellence, foundation aid, and to apportioning aid for universal prekindergarten; to amend chapter 91 of the laws of 2002 amending the education law and other laws relating to reorganization of the New York city school construction authority, board of education and community boards, in relation to the effectiveness thereof; to amend chapter 345 of the laws of 2009 amending the education law and other laws relating to the New York city board of education, chancellor, community councils, and community superintendents, in relation to the effectiveness thereof; to amend the education law, in relation to state aid adjustments to conditions under which districts are entitled to apportionment; to amend the education law, in relation to the apportionment of moneys for school aid; to amend chapter 756 of the laws of 1992 relating to funding a program for work force education conducted by the consortium for worker education in New York city, in relation to reimbursement for the 2026-2027 school year and the maximum contract hours, withholding a portion of employment preparation education aid, and the effectiveness thereof; to amend the education law, in relation to the use of apportionments for the EXCEL program; to amend chapter 61 of the laws of 2006 amending the education law and the public authorities law relating to expanding our children's education and learning, in relation to the effectiveness thereof; to amend the

education law, in relation to maximum class sizes for special classes for certain students with disabilities; to amend chapter 82 of the laws of 1995 amending the education law and other laws relating to state aid to school districts and the appropriation of funds for the support of government, in relation to the effectiveness thereof; providing for special apportionment for salary expenses; providing for special apportionment for public pension accruals; providing for set-asides from the state funds which certain districts are receiving from the total foundation aid; providing for support of public libraries; and to repeal certain provisions of the education law relating to the statewide universal full-day prekindergarten program (Part A); to amend the education law, in relation to evidence-based mathematics instruction (Part B); to amend the education law, in relation to eligibility for the New York opportunity promise scholarship (Part C); to amend the education law, in relation to certificate of residence policies for community colleges (Part D); to amend the education law, in relation to tuition rates of non-resident undergraduate and graduate students at the state university of New York and city university of New York (Part E); to amend the education law, in relation to early childhood educator eligibility for the masters-in-education teacher incentive scholarship program (Part F); to amend the state finance law, in relation to the New York state music grant fund (Part G); to amend the social services law, in relation to child care provider registration and training (Part H); to amend the social services law, in relation to the payment of certain expenses by adoptive parents (Part I); to amend the public health law, in relation to authorizing body scanner utilization in detention and youth justice facilities (Part J); to amend part N of chapter 56 of the laws of

2020 amending the social services law relating to restructuring financing for residential school placements, in relation to the effectiveness thereof (Part K); to amend the social services law, in relation to increasing the standards of monthly need for aged, blind and disabled persons living in the community (Part L); to utilize reserves in the mortgage insurance fund for various housing purposes (Part M); to amend the not-for-profit corporation law, in relation to the maximum number of land banks that can simultaneously exist in New York state (Part N); to amend the real property tax law, in relation to authorizing a tax abatement for alterations and improvements to multiple dwellings for purposes of preserving habitability in affordable housing (Part O); and to amend the penal law, in relation to the aggravated harassment of a rent regulated tenant (Part P)

PURPOSE:

This bill contains provisions needed to implement the Education, Labor and Family Assistance portions of the FY 2027 Executive Budget.

This memorandum describes Parts A through P of the bill which are described wholly within the parts listed below.

Part A – School Aid

Purpose:

This bill would amend the Education Law to make various changes necessary to authorize School Aid and implement the education portion of the FY 2027 Executive Budget.

Summary of Provisions and Statement in Support:

- **\$39.3 Billion in Support to School Districts.** The Executive Budget provides \$39.3 billion in total School Aid for the 2026-27 school year (SY 2027), the

highest level of State aid in history. This investment represents a \$1.6 billion (4.3 percent) year-to-year increase, including increases of \$779 million (3.0 percent) in Foundation Aid, \$561 million (52.5 percent) in Universal Prekindergarten Aid, and \$287 million (2.8 percent) in all other School Aid programs.

- **Foundation Aid.** The Executive Budget provides a \$779 million (3.0 percent) increase, bringing Foundation Aid to a total of \$27.1 billion for SY 2027. This growth fully funds the current formula and ensures that each district receives at least a 1 percent annual increase in aid.
- **Universal Prekindergarten Aid.** The Executive Budget provides additional support to ensure truly universal full-day Pre-K for all four-year-olds in the State by the start of SY 2029. The Budget increases school districts' per-pupil funding for four-year-olds to the higher of \$10,000 or their current selected Foundation Aid per pupil. Additionally, the Budget increases funding to New York City's prekindergarten program for three-year-olds ("3-K") by \$205 million to support universal access. In total, Universal Prekindergarten Aid in SY 2027 is estimated to increase by \$561 million (52.5 percent) over SY 2026 levels, including anticipated additional aid to school districts expanding their programs to serve more four-year-olds.
- **Building Aid on Renewable Energy Technologies.** The Executive Budget establishes that the cost of certain renewable energy technologies, including ground-mounted solar panels, may be considered part of a building's primary cost allowance for purposes of the calculation of Building Aid.
- **New York City School Governance.** The Executive Budget extends for four years the current system of governance of New York City public schools, which is currently scheduled to expire on June 30, 2026.
- **Other Miscellaneous Provisions.** The Executive Budget also recommends a number of other provisions, including extending existing provisions of State law that would otherwise expire.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget.

Effective Date:

This bill would take effect April 1, 2026, except that select provisions take effect on July 1, 2026.

Part B – Evidence-Based Math Instruction

Purpose:

This bill would require instructional best practices for numeracy and the teaching of math to be applied in school districts statewide.

Summary of Provisions and Statement in Support:

The FY 2024 Enacted Budget included legislation requiring the Commissioner of the State Education Department (SED) to develop evidence-based instructional best practices in the “science of reading,” which have since been issued and adopted by school districts.

Building on this progress, this bill would require the Commissioner to issue instructional best practices for numeracy and the teaching of math for students in kindergarten through fifth grade by January 1, 2027. These best practices would be evidence-based and updated periodically by SED, where appropriate. Further, school districts would be required to implement these instructional best practices and verify such implementation to SED by September 1, 2027, as well as conduct an annual review of their mathematics curriculum and instructional practices for grades K-5 to ensure they align with those issued by SED.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget, which includes \$6 million of related investments for training of in-service educators (\$2 million), regional hubs to support educators in school districts with low levels of math performance (\$2 million), and micro-credentials at public colleges (\$2 million).

Effective Date:

This bill would take effect immediately.

Part C – New York Opportunity Promise Scholarship Expansion

Purpose:

This bill would expand the New York Opportunity Promise Scholarship at SUNY and CUNY community colleges to students who have a postsecondary degree and wish to study nursing.

Summary of Provisions and Statement in Support:

The FY 2026 Enacted Budget included legislation to create the New York Opportunity Promise Scholarship program at SUNY and CUNY community colleges, which provides

grants for tuition, fees, books, and supplies for students between the ages of 25 and 55 who have not already received a postsecondary degree and are pursuing an associate's degree in certain high-demand fields such as nursing, engineering, and advanced manufacturing.

This bill would amend Section 6311 of the Education Law to allow students ages 25 to 55 who are enrolled in an approved program leading to an associate's degree in nursing to participate in this scholarship program, even if they have a postsecondary degree.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it helps fulfill the Governor's goals of providing affordable higher education to all New Yorkers and supporting the healthcare workforce.

Effective Date:

This bill would take effect immediately.

Part D – Reforming Certificate of Residence Policies at Community Colleges

Purpose:

This bill would authorize and direct the SUNY Board of Trustees to promulgate regulations necessary to reform certificate of residence policies at community colleges by instituting a schedule of late fees and exceptions.

Summary of Provisions and Statement in Support:

Currently, Section 6305 of the Education Law governs the process for certificate of residence forms, which are documents that prove a student is a New York State resident, allowing them to receive the in-state tuition rate at a community college. The form submission process is quite strict, and few exceptions can be applied for students experiencing hardships or submitting a form shortly after the deadline. At present, forms must be submitted within 30 days of the commencement of the college term, so that within 15 days from the start of the term, the college president can send a list of non-resident students to the chief fiscal officer of its county. If these forms are not submitted by the prescribed deadline, students are charged out-of-state tuition, which can be double the cost.

This bill would allow the SUNY Board of Trustees to institute a late fee schedule and codify exceptions for students submitting certificate of residence forms after the deadline mentioned above. The board would also establish a reconciliation process for valid forms received after the list of non-resident students was sent to the county.

When New York State students are charged out-of-state tuition at their community college of choice, they are much more likely to drop out, which harms the student, the community college, the university system, and the State.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it directs the SUNY Board of Trustees to ease the financial and logistical burden on New York State students pursuing a higher education. In authorizing regulatory reform that will help students enroll, persist, and complete their studies, this bill supports the Governor's mission to make succeeding in higher education easier and more attainable.

Effective Date:

This bill would take effect immediately.

Part E – Extend Authorization for SUNY and CUNY Non-Resident Tuition Rate

Purpose:

This bill would extend authorization for SUNY and CUNY to set campus-specific non-resident undergraduate and graduate tuition rates on an annual basis for a three-year period commencing in academic year 2026-2027.

Summary of Provisions and Statement in Support:

Part B of Chapter 56 of the Laws of 2023 allows SUNY State-operated campuses and CUNY senior colleges to adjust non-resident tuition rates for undergraduate and graduate students from academic year 2023-24 to academic year 2025-26. This bill stipulates that the rates of tuition be competitive with peer institutions and that the university systems' boards of trustees annually provide the reason and methodology behind any rate increase to the Governor, the Temporary President of the Senate, and the Speaker of the Assembly prior to the approval of such increases. While CUNY has not yet adjusted these rates, SUNY's rate adjustments have yielded \$59 million in additional revenue. This provision is set to expire on June 30, 2026.

This bill would extend such authority for another three academic years (2026-27 through 2028-29), beginning on July 1, 2026, and ending on June 30, 2029.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it permits SUNY and CUNY to continue generating new revenue from non-resident students while remaining competitive with peer institutions. By extending the flexibility

for campus-specific non-resident tuition rates, this bill supports the Governor's mission to provide New Yorkers with access to excellent and affordable education.

Effective Date:

This bill would take effect immediately.

Part F – Expand Masters-In-Education Teacher Incentive Scholarship to early childhood educators

Purpose:

This bill specifies that early childhood educators are eligible for the Masters-In-Education Teacher Incentive Scholarship and establishes that recipients are allowed to serve at eligible early childhood education agencies.

Summary of Provisions and Statement in Support:

This bill amends section 669-f of the Education Law to expand eligibility for the Masters-In-Education Teacher Incentive Scholarship to individuals seeking a master's degree in early childhood education. The bill also allows individuals who earn a master's degree in early childhood education to satisfy the service obligation that is a condition of retaining their scholarship award by serving as employees at eligible child care agencies.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget, which includes an additional \$1 million of related investment for the Masters-In-Education Teacher Incentive Scholarship program.

Effective Date:

This bill would take effect on July 1, 2026.

Part G – New York State Music Grant Fund

Purpose:

This bill would allow unused funds currently allocated to NYSCA for the purpose of issuing loans for the purchase of musical instruments to be used instead by NYSCA to award grants to not-for-profit music entities incorporated in New York State, such as

symphony orchestras, music performance ensembles, music presenting organizations, and music education organizations.

Summary of Provisions and Statement in Support:

This bill would allow unused funds currently allocated to NYSCA for the purpose of issuing loans, administered by NYSCA and designated for the purchase of musical instruments to be used instead to award grants to not-for-profit music entities such as symphony orchestras, music performance ensembles, music presenting organizations, and music education organizations that are incorporated in New York State.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget.

Effective Date:

This bill would take effect immediately.

Part H – Reduce Unnecessary Burdens on Child Care Providers

Purpose:

This bill would enact into law provisions to reduce burdens for child care providers to support flexibility and expansion of access to child care statewide.

Summary of Provisions and Statement in Support:

This bill would extend the period for which a child care program's license or registration is valid from four years to six years. This bill would also provide the Office of Children and Family Services with greater flexibility to set new training standards for child care staff and volunteers by regulation.

In order to expand the availability of child care for families, it is important for the State to reduce administrative barriers and compliance costs for child care programs, while also ensuring rigorous safety standards and fiscal oversight.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it will assist efforts to expand child care capacity, which is necessary for the State to implement its expansion of child care services.

Effective Date:

This bill would take effect one year after enactment.

Part I – Broaden Access to Private Adoptive Placements

Purpose:

This bill would amend the provisions governing reimbursement of certain expenses by adoptive parents in private placement adoptions.

Summary of Provisions and Statement in Support:

This bill would amend the Social Services Law to increase the permissible period of time for which an adoptive parent may reimburse the birth parent for housing, maternity clothing, clothing for the child, and transportation. Specifically, this bill would increase the time for which an adoptive parent is authorized to cover these expenses from 60 days to 180 days prior to birth and from 30 days to 45 days after the birth or after the parental consent to the adoption. This bill would also permit payments beyond these time frames if a court determines circumstances exist that require payment for a longer period.

Many New York families rely on this type of adoption, which offers unique benefits for both adoptive and birth parents. However, New York's rules related to reimbursements for birth mothers are out of sync with other states, making it harder for New York parents to adopt.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it provides greater parity with other States and eases the burdens of adoption for New York families.

Effective Date:

This bill would take effect 30 days after enactment.

Part J – Authorize Use of Body Scanners in Youth Detention and Justice Facilities

Purpose:

This bill would authorize locally-operated secure and specialized secure juvenile detention and State-operated juvenile justice facilities to employ radiological body

scanner technology to screen individuals detained in, committed to, visiting, or employed in such facilities for contraband.

Summary of Provisions and Statement in Support:

This bill would amend the Public Health Law to allow locally-operated juvenile detention facilities certified by the Office of Children and Family Services (OCFS) and State-operated juvenile justice facilities to utilize body scanning technology to screen for contraband, subject to Department of Health regulations about annual exposure limits. Radiological searches would help to combat the introduction of contraband, while reducing the need for more invasive physical searches.

State and locally-operated juvenile justice programs have seen significant increases in incidents involving dangerous contraband, despite implementation of varying methods of contraband detection and screenings. Much of this contraband, including nonmetal and ceramic blades, is not detectable by current facility metal detecting equipment.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget to enable State and local facilities to better keep their youth, staff, and visitors safe.

Effective Date:

This bill would take effect 120 days after enactment.

Part K – Make Permanent the Committee on Special Education Financing Structure

Purpose:

This bill enacts into law provisions to make permanent the current structure of financing Committee on Special Education (CSE) residential placements outside of New York City.

Summary of Provisions and Statement in Support:

This bill amends section 3 of Part N of Chapter 56 of the Laws of 2020 to remove the April 1, 2026 sunset and make these provisions permanent.

Part N of Chapter 56 of 2020 eliminated the 18.424 percent State share for residential placements made by a school district CSE outside of New York City and increased the school district's share by an equal amount, from 38.424 percent to 56.848 percent. This

Chapter also shifted the 50 percent State share for certain placements to the NYS School for the Blind or the NYS School for the Deaf to the school district. These changes better aligned fiscal responsibilities with the entity that makes the placement decisions and provided parity with New York City's funding structure for CSE placements.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it maintains Financial Plan savings associated with extending the current funding structure for CSE placements outside of New York City.

Effective Date:

This bill would take effect April 1, 2026.

Part L – Authorize the pass-through of any Federal Supplemental Security Income Cost of Living Adjustment

Purpose:

This bill would authorize Federal Supplemental Security Income (SSI) benefits to be increased in 2026 to account for the SSI Cost of Living Adjustment (COLA) and allow those benefits to be further increased in 2027 if Federal benefits are increased during the first half of that calendar year. It would also update the Personal Needs Allowance (PNA) for SSI recipients in congregate care and allow for those to be adjusted in 2027 based on any Federal SSI COLA in the first half of that calendar year.

Summary of Provisions and Statement in Support:

Social Services Law (SSL) establishes amounts for the monthly SSI standard of need (the maximum combined Federal and State benefit) for all SSI recipients in various living arrangements. The SSL also establishes specific amounts for the PNA for SSI recipients in congregate care. This bill would increase the standard of need for all SSI recipients based on their living arrangements to reflect the Federal SSI COLA. The bill further would provide for the SSI standards of need to be increased in 2027 if the Federal SSI benefit is increased in the first half of that calendar year. The bill also would set forth the 2026 PNA amounts for SSI recipients in congregate care, which vary depending on the type of congregate care setting and would allow those amounts to be automatically increased in 2027 by the percentage of any Federal SSI COLA that becomes effective within the first half of the 2027 calendar year.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because, without it, there would be no statutory authority to provide eligible recipients with the Federal SSI COLA.

Effective Date:

This bill would take effect December 31, 2026.

Part M – Authorize Mortgage Insurance Fund (MIF) Utilization

Purpose:

This bill would allow for the utilization of \$117.75 million from the Mortgage Insurance Fund's (MIF's) excess reserves to support vital community development and housing programs.

Summary of Provisions and Statement in Support:

The MIF, a fund of the State of New York Mortgage Agency (SONYMA), was created in 1978 to insure mortgage loans for projects that would not otherwise be able to obtain mortgage insurance, thereby encouraging the commercial and public investment of mortgage capital and increasing the supply of affordable housing in New York State.

The SONYMA statute requires that excess revenues from the MIF, after accounting for expenses and the required reserves, be returned to the State following SONYMA Board approval. The MIF has been previously used to support new housing development and to support certain housing related programs. Similar to what is being proposed in FY 2027, the FY 2026 Budget used excess revenues from the MIF to support housing programs and community-based housing corporations involved in housing and related community development work.

The MIF is currently projected to have \$117.75 million in excess reserves that can be accessed without negatively impacting the MIF's credit rating. These funds would be used to support the following programs:

- Neighborhood and Rural Preservation Programs (\$18.19 million), which support community-based housing corporations across the State that provide various housing related services for low- and moderate-income populations;
- The Rural Rental Assistance Program (\$25.38 million), which supports rental subsidies for low-income and elderly and family tenants residing in federally funded multifamily projects in rural areas of the State; and
- Homeless housing programs (\$74.18 million), including the Solutions to End Homelessness Program, the New York State Supportive Housing Program, and the Operational Support for AIDS Housing Program.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it authorizes funding for the aforementioned programs.

Effective Date:

This bill would take effect immediately.

Part N – Expand the Number of Land Banks Permitted

Purpose:

This bill would increase the maximum number of land banks that can simultaneously exist in New York State from 35 to 45.

Summary of Provisions and Statement in Support:

This bill would amend subdivision g of section 1603 of the Not-For-Profit Corporation Law to increase the cap on the number of land banks that can be established from 35 to 45.

The Not-For-Profit Corporation Law has been amended over time to permit more land banks to be established as New York's land banks have continued to demonstrate success in acquiring and repurposing vacant properties, with the cap most recently being increased to 35 in 2018. Further increasing the cap to 45 will help turn more vacant, abandoned, and deteriorated properties into affordable housing.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it would enable more communities to reclaim vacant and underutilized property to create more affordable housing.

Effective Date:

This bill would take effect immediately.

Part O – Preserve and Improve More Rent Regulated Housing

Purpose:

This bill would reauthorize and reform a program known as J-51 to provide property tax abatements for preserving affordable housing in New York City.

Summary of Provisions and Statement in Support:

This bill would provide a tax abatement for 100 percent of the certified reasonable costs of alterations and improvements to eligible affordable rental and owner-occupied buildings in New York City.

The abatement would be for up to 20 years and would be available for eligible preservation work completed after June 30, 2026, and before June 30, 2036. Eligible buildings would include rental housing where at least 50 percent of the units are affordable, Mitchell-Lama rental housing, government-subsidized rental properties, regulated homeownership housing operated by mutual companies or mutual redevelopment companies, and homeownership buildings with an average assessed valuation of \$60,000 or less per unit.

The bill includes tenant protections such as rent stabilization for affordable units, reporting requirements, and enforcement measures.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it would help preserve affordable rental and homeownership housing in New York City.

Effective Date:

This bill would take effect immediately.

Part P – Enhance Penalties to Protect Rent-Regulated Tenants from Pervasive Harassment

Purpose:

This bill would amend the Penal Law to strengthen protections for rent-regulated tenants by creating stiffer criminal penalties for landlords who engage in systematic harassment across multiple buildings, as well as repeat serious offenders of existing anti-harassment laws.

Summary of Provisions and Statement in Support:

Under the current Penal Law, it is difficult to hold landlords accountable who own multiple buildings and engage in harassment of rent-regulated tenants across various properties.

This bill would amend the law to create a new Class D felony offense of aggravated harassment of a rent regulated tenant. Under this bill, an owner would be guilty of aggravated harassment of a rent-regulated tenant when the owner either engages in a systematic ongoing course of conduct with the intention to induce rent-regulated tenants to vacate apartments in two or more residential buildings, or commits harassment in the first degree twice in five years.

Budget Implications:

Enactment of this bill is necessary to implement the FY 2027 Executive Budget because it would strengthen protections for rent-regulated tenants.

Effective Date:

This bill would take effect 90 days after it shall have become law.

The provisions of this act shall take effect immediately, provided, however, that the applicable effective date of each part of this act shall be as specifically set forth in the last section of such part.