NEW YORK STATE ASSEMBLY

MID-YEAR UPDATE

NOVEMBER 2026

CARL E. HEASTIE
Speaker

J. Gary Pretlow
Chair

Prepared by the
Assembly Ways and Means Committee Staff

Philip A. Fields
Secretary to the Committee

Victor E. Franco, Jr.
Director of Fiscal Studies

Marie Lovato
Director of Budget Studies

Table of Contents

FINANCIAL PLAN 1
Financial Plan Overview 1
ECONOMIC OUTLOOK 9
United States Economy 9
New York State Economy 12
REVENUE UPDATE 17
EXPENDITURE FORECAST AND RISKS 25
Medicaid 25
Public Assistance Caseload and Expenditures 28
Education 31

FINANCIAL PLAN

FINANCIAL PLAN

Financial Plan Overview

New York State's reserves and cash balances reached historic levels during the peak of the COVID-19 pandemic, supported by substantial Federal aid and stronger-than-anticipated tax collections. Beginning in State Fiscal Year (SFY) 2022-23, however, revenue growth has moderated as pandemic-related Federal support has depleted and most major tax categories continue to return to pre-pandemic trends.

Despite this, New York State continues to maintain a strong fiscal position over the first six months of State Fiscal Year (SFY) 2026–27, supported by higher-than-expected tax collections and substantial cash balances. Although the State faces growing spending pressure, particularly in Medicaid and other essential public services, revenue collections have exceeded the Division of the Budget's (DOB) projections, strengthening the State's mid-year financial position.

As of September 30, 2026, the General Fund closing cash balance was $63.9 billion and the All Funds closing cash balance was $87.3 billion. As such, receipts currently exceed disbursements by $7.7 billion in the General Fund and $12.3 billion in All Funds.

Year to Year Financial Plan Actuals: Revenues and Spending Increase

Table 1

BUDGETARY BASIS SFY 2026-27 vs SFY 2025-26 ($ in millions)						
	GENERAL FUND			ALL FUNDS		
	Midyear 2026	Midyear 2025	Difference	Midyear 2026	Midyear 2025	Difference
OPENING CASH BALANCE - April 1, 2026	56,178	56,916	(738.2)	75,008	73,696	1,311
RECEIPTS	68,023	60,953	7,070	142,172	127,546	14,626
DISBURSEMENTS	60,282	60,230	51	130,145	119,904	10,240
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	7,741	723	7,019	12,028	7,642	4,386
OTHER FINANCING SOURCES (USES)	-	-	-	293	(6,124)	6,416
EXCESS (DEFICIENCY)	*7,741*	*723*	7,019	*12,320*	*1,518*	10,802
CLOSING CASH BALANCE - Sept. 30, 2026	63,919	57,638	6,280	87,328	75,215	12,114

During the first six months of SFY 2026-27, the General Fund closing cash balance increased by $6.3 billion compared to last year mid-year results, reaching $63.9 billion. General Fund mid-year receipts totaled $68 billion, an increase of $7.1 billion or 11.6 percent, from SFY 2025-26. These higher receipts are due to a substantial increases in Business Tax Collections of $2.9 billion, Transfers from Other Funds of approximately $2.5 billion, and Personal Income Tax Collections (PIT) of $1.4 billion compared to the last fiscal year. On the spending side, General Fund disbursements total $60.3 billion, for a slight increase of $51 million from last year's mid-year results. Local Assistance Grants increased by $5.8 billion, primarily driven by higher spending in Medicaid ($2.3 billion), Public Welfare ($1.3 billion), Education ($1.1 billion) and General Government ($965 million). However, these increases were largely offset by a $6.7 billion reduction in Transfers to Other Funds. As a result, General Fund receipts exceed disbursements by $7.7 billion, compared to $723 million at this point last fiscal year.

Through September 2026, All Funds receipts totaled $142.2 billion, reflecting an increase of $14.6 billion, or 11.5 percent from SFY 2025-26. The increase is primarily due to an $8.6 billion increase in total tax collections, including $4.6 billion in additional Business tax collections and $2.9 billion in PIT collections. Additionally, Miscellaneous Receipts increased by $3.1 billion, while Federal Grants rose by $2.9 billion compared to the previous year's Mid-Year results. All Funds disbursements totaled $130.1 billion, $10.2 billion above last year's mid-year results. This increase in spending is driven by Medicaid ($4.6 billion), Education ($1.6 billion), General Government ($1.2 billion), and Public Safety ($824 million). General State Charges also increased by $621 million, while Department Operations rose by $765 million. These increases were partially offset by a $1.4 billion decline in Other Public Health spending.

Actual General Fund revenues collected to date represent 50.4 percent of estimated annual collections in The Division of the Budget's Mid-Year Financial Plan. Disbursements to date account for 46.8 percent of estimated annual spending.

On an All Funds basis, revenues collected through September 2026 represent 50.2 percent of estimated annual collections. Current disbursements account for 46.2 percent of total spending.

Financial Plan Estimates versus Actual Receipts and Disbursements

Table 2

BUDGETARY BASIS Financial Plan v. Actual ($ in millions)					
	Enacted Financial Plan (*)	1st Quarter Financial Plan (**)	Actual/ Midyear Financial Plan	Enacted (Over/Under) Financial Plan	1st Quarter (Over/Under) Financial Plan
	GENERAL FUND				
OPENING CASH BALANCE - April 1, 2026	56,178	56,178	56,178	(0.4)	(0.4)
RECEIPTS	60,521	60,521	68,023	7,501.9	7,501.9
DISBURSEMENTS	62,484	62,484	60,282	(2,202.4)	(2,202.4)
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	(1,963)	(1,963)	7,741	9,704.3	9,704.3
OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS (DEFICIENCY)	(1,963)	(1,963)	7,741	9,704.3	9,704.3
CLOSING CASH BALANCE - Sept. 30, 2026	54,215	54,215	63,919	9,703.9	9,703.9
	ALL FUNDS				
OPENING CASH BALANCE - April 1, 2026	75,008	75,008	75,008	(0.2)	(0.2)
RECEIPTS	130,555	130,555	142,172	11,617.3	11,617.3
DISBURSEMENTS	131,072	131,072	130,145	(927.4)	(927.4)
EXCESS (DEFICIENCY) of RECEIPTS OVER DISBURSEMENTS	(517.0)	(517.0)	12,027.7	12,544.7	12,544.7
OTHER FINANCING SOURCES (USES)	2	2	293	290.7	290.7
EXCESS (DEFICIENCY)	(515)	(515)	12,320	12,835.4	12,835.4
CLOSING CASH BALANCE - Sept. 30, 2026	74,493	74,493	87,328	12,835.2	12,835.2

Comparing mid-year actual balances to the First Quarter Financial Plan Update, the General Fund and All Funds closing cash balances through September 2026 were $9.7 billion and $12.8 billion above projections, respectively.

General Fund revenue through September 2026 was $7.5 billion above the First Quarter Financial Plan estimates. The year-over-year increase in General Fund revenue was primarily driven by higher tax collections, particularly Business Taxes ($2.5 billion) and PIT collections ($1.3 billion), as well as increased transfers from other funds ($3.3 billion).

General Fund spending, including transfers, through September 2026 totaled $60.3 billion, which is $2.2 billion below the First Quarter Financial Plan projections. This is primarily attributed to lower than anticipated spending of $1.8 billion in Local Assistance Grants,

$276.8 million in Transfers to Capital Projects, $290.9 million in Transfers for Other Purposes. This lower spending is partially offset by higher than expected spending of $330.5 million in Transfers to State Share of Medicaid.

All Funds receipts through September 2026 totaled $142.2 billion, which is $11.6 billion above First Quarter Financial Plan estimates. This is primarily attributed to an increase in Business Tax collections ($4.1 billion) and PIT collections ($2.5 billion).

All Funds spending through September 2026 totaled $130.1 billion, which is $927 million below First Quarter Financial Plan projections. This is primarily attributed to lower-than-expected spending in Local Assistance Grants of $568.9 million and Capital Projects of $377.9 million.

Mid-year Spending Levels over the Past Five Fiscal Years

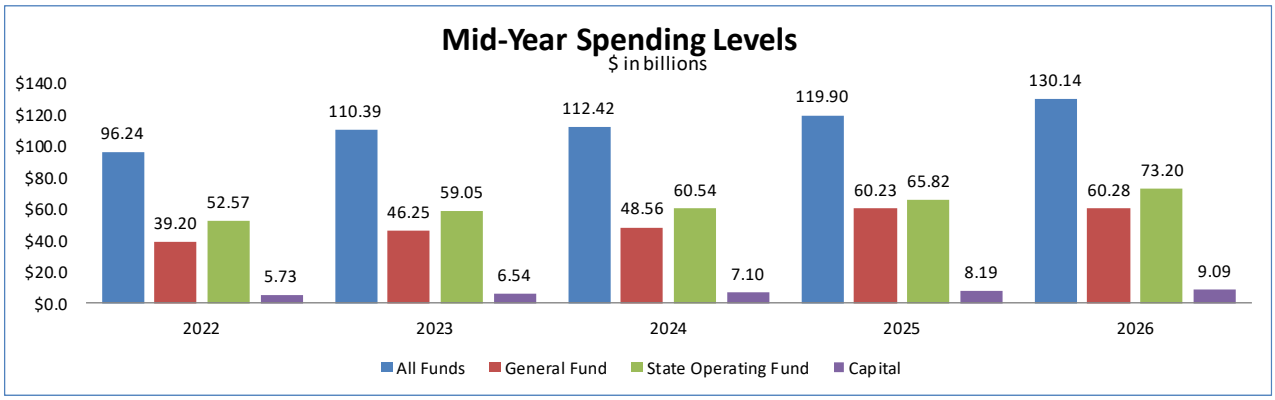


Figure 1

Historically, the five-year average for mid-year All Funds spending is $113.8 billion. Current All Funds spending is $130.1 billion, or 47 percent of planned spending for SFY 2026-27, reflecting a growth of $16.3 billion, or 14.3 percent over the five-year average.

The five-year average for mid-year General Fund spending is $50.9 billion. Current General Fund spending is $60.3 billion, or 46.8 percent of planned spending for SFY 2026-27. This represents a growth of $9.4 billion, or 18.3 percent over the five-year average.

The five-year average for mid-year State Operating Funds spending is $62.2 billion. Current State Operating Fund spending is $73.2 billion, or 45.4 percent of planned spending for SFY 2026-27. This reflects a growth of $11 billion, or 17.6 percent over the five-year average.

The five-year average for mid-year Capital Fund spending is $7.3 billion. Current Capital Fund spending is $9.1 billion, or 42.3 percent of planned spending for SFY 2026-27, indicating an increase of $1.8 billion, or 23.8 percent over the five-year average.

All Funds Receipts Increase by 5.7 Percent from SFY 2025-26

Table 3

ALL FUNDS
Receipts
($ in millions)

	Midyear 2026	Midyear 2025	Difference	% Change
RECEIPTS	**142,172.3**	**127,546.2**	**14,626.1**	**11.5**
Taxes	**68,465.6**	**59,871.2**	**8,594.4**	**14.4**
Personal Income Tax	36,397.0	33,513.5	2,883.5	8.6
Consumption/Use Taxes and Fees	12,712.8	11,857.4	855.4	7.2
Business Taxes	17,574.7	12,992.4	4,582.3	35.3
Other Taxes	1,781.1	1,507.9	273.2	18.1
Other				
Miscellaneous Receipts	20,372.1	17,225.3	3,146.8	18.3
Federal Grants	53,334.6	50,449.7	2,884.9	5.7

To date, All Funds receipts totaled $142.2 billion, which is $14.6 billion or 11.5 percent higher than last year for the same period and $11.6 billion higher than projected in the First Quarter Financial Plan Update. Most notably, the annual growth of $8.6 billion in tax collections was primarily driven by $4.6 billion growth in Business Tax, $2.9 billion in PIT collections and $855.4 million in Consumption Taxes. Miscellaneous Receipts increased by $3.1 billion from last year's levels and Federal Grants increased by $2.9 billion.

All Funds Disbursements Increase by 8.5 Percent over SFY 2025-26

Table 4

ALL FUNDS Disbursements ($ in millions)	Midyear 2026	Midyear 2025	Difference	% Change
DISBURSEMENTS	**130,144.6**	**119,904.4**	**10,240.2**	**8.5**
Local Assistance Grants	**103,866.1**	**95,767.0**	**8,099.1**	**8.5**
Education	22,978.4	21,395.3	1,583.1	7.4
Environment	311.6	112.0	199.6	178.2
General Government	2,410.4	1,234.8	1,175.6	95.2
Public Health Medicaid	52,687.0	48,042.3	4,644.7	9.7
Public Health Other	10,734.1	12,131.4	(1,397.3)	(11.5)
Public Safety	3,297.8	2,473.4	824.4	33.3
Public Welfare	6,805.5	5,987.3	818.2	13.7
Support and Regulate Business	839.6	1,277.8	(438.2)	(34.3)
Transportation	3,801.7	3,112.7	689.0	22.1
Department Operations	**14,864.2**	**14,098.3**	**765.9**	**5.4**
Personal Service	9,833.3	9,611.0	222.3	2.3
Non-Personal Service	5,030.9	4,487.3	543.6	12.1
Other	**11,414.3**	**10,039.1**	**1,375.2**	**13.7**
General State Charges	5,336.8	4,715.9	620.9	13.2
Debt Service (including pmts on financing agreements)	557.4	288.9	268.5	92.9
Capital Projects	5,520.1	5,034.3	485.8	9.6

All Funds disbursements year-to-date have increased by 8.5 percent over the previous fiscal year, primarily due to a $8.1 billion increase in Local Assistance Grants. Medicaid spending increased by $4.6 billion, largely due increased minimum wage costs, medical cost increases, enrollment remaining at higher levels and the timing of State share Managed Care directed payments to support Financially Distressed Hospitals and Managed Care Organization (MCO) tax disbursements. Education Spending grew by $1.6 billion, which partly reflects increases in Foundation Aid and other formula-based school aid funding, additional funding for universal pre-k, enrollment growth in Higher Education Services Corporation's (HESC) Tuition Assistance Program (TAP), and the continuation of universal free school meals. General Government increased by $1.2 billion primarily due to enhanced local government financial assistance included in the SFY 2026-27 Enacted Budget, including for NYC and other major cities located outside NYC. Public Safety spending grew by $824.4 million, due to increased disbursements for

various public safety programs. Department Operations spending also increased by $765.9 million over last year, primarily due to increases in Non-Personal Service (NPS) costs, which includes costs such as supplies and utilities, and costs associated with recent labor agreements. This increase in total All Funds disbursements is partially offset by lower Public Health Other spending of $1.4 billion, which reflects lower spending for the Child Health Plus program and the Early Intervention program.

ECONOMIC OUTLOOK

ECONOMIC OUTLOOK

United States Economy

Table 5

U.S. Economic Outlook
(Percent Change)

	Actual 2024	Actual 2025	Estimate 2026	Forecast 2027
Real GDP	3.0	2.3	2.4	2.3
Personal Income	5.9	5.1	4.5	5.0
Wages & Salaries	5.8	4.6	4.4	4.6
Corporate Profits	4.3	7.7	17.2	7.8
Productivity	2.9	2.3	2.1	2.1
Employment	1.2	0.5	0.3	0.5
Unemployment Rate*	4.0	4.3	4.3	4.3
CPI-Urban	3.0	2.7	3.4	2.8
S&P 500 Stock Price	26.7	14.5	18.3	2.3
Treasury Bill Rate (3-month)*	5.2	4.2	3.9	4.0
Treasury Note Rate (10-year)*	4.2	4.3	4.6	4.9

* Annual average rate.
Note: Personal income and corporate profits growth rates are based on nominal
Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; Federal Reserve; Standard & Poor's; NYS Assembly Ways and Means Committee staff.

- Supply shocks stemming from the war in Iran, as well as continued tariffs and restrictive immigration policies, are weighing on the U.S. economy. Nonetheless, the U.S. economy is continuing to expand, aided by resilient consumer spending and strong gains in information technology-related business expenditures. The yearly average level of national output, measured with inflation-adjusted **Gross Domestic Product (GDP)**, is estimated to increase by 2.4 percent in 2026, the same rate as the average yearly growth recorded during the pre-pandemic expansion in the 2010s. Over the forecast period, with employment and income growth remaining moderate, U.S. economic growth is projected to slow to 2.3 percent in 2027.

- **Personal income** is estimated to grow by 4.5 percent in 2026, following increases of 5.1 percent in 2025 and 5.9 percent in 2024. The slowdown primarily reflects weaker growth in wages and salaries, proprietorship income, interest income, and transfer receipts. Personal income growth is expected to accelerate to 5.0 percent in 2027, supported by a modest increase in payroll employment and wages, expanding transfer receipts, stronger interest income, and higher corporate dividend payouts.

- **Wages and salaries**, the largest component of personal income, are estimated to increase 4.4 percent in 2026, down from 4.6 percent in 2025 and 5.8 percent in 2024. Weaker labor market conditions have contributed to modest employment gains, placing downward pressure on aggregate wage growth. Growth is projected to rebound slightly to 4.6 percent in 2027 as labor-market conditions remain subdued.

- **Corporate profits** expanded strongly in early 2026, marking the sixth consecutive year of growth, driven by strengthened corporate pricing power and easing labor cost pressures. While sales growth is moderating, profitability will likely hold firm due to moderating labor costs and continued productivity gains. Corporations share of national income hit a post-1947 high of 17.7 percent in the second quarter of 2026 and is expected to stay near peak levels over the remainder of the year before returning to 7.8 percent in 2027.

- After three years of steady moderation from the post-pandemic surge, **consumer price inflation** rose sharply in the first half of 2026, driven primarily by higher energy prices associated with the war in Iran. Inflationary pressures remain elevated as the conflict continues to exert upward pressure on prices. Assuming the conflict in the Middle East will wind down by early 2027, yearly inflation is projected to decelerate from an estimated 3.4 percent in 2026 to 2.8 percent in 2027.

- **Nonfarm payroll employment growth** is expected to remain subdued, reflecting weaker labor demand and slowing labor force growth. Annual employment growth is estimated to decelerate to 0.3 percent in 2026, down from 0.5 percent in 2025, and 1.2 percent in 2024. Employment growth is then projected to edge up to 0.5 percent in 2027, indicating a prolonged period of modest job creation. Technological advancements may further constrain employment growth by displacing some workers while increasing demand for new skills, upskilling and retraining.

- Faced with rising inflationary pressures, the **Federal Reserve** raised its policy rates in September 2026. The current forecast assumes that given mounting evidence of persistent inflation expectations, the Federal Reserve will raise rates once more in

December 2026, followed by a pause until August 2027. The Fed is expected to begin easing monetary policy in September 2027 and lower rates two more times thereafter through 2028.

- The expected tightening will push **Treasury yields** higher over the forecast period. However, yields on longer-term Treasury securities have increased rapidly in recent months, driven not only by expectations of tighter monetary policy but also by heavy government borrowing and a persistent energy shock from the ongoing Middle East conflict. This recent increase in longer-term yields is anticipated to persist until at least early 2027, exerting upward pressure on mortgage and car loan rates.

- **Stock markets** have continued to advance robustly, driven largely by sustained investor enthusiasm surrounding the potential of artificial intelligence, as well as strong growth in corporate earnings. However, several headwinds persist. These include a slowing economic growth outlook, rising national debt, and equity valuations that remain stretched relative to earnings. As a result, markets remain vulnerable to external shocks and face a heightened risk of correction over the forecast period.

- **Risks to the forecast** include overvalued equities, stalling employment growth, an uncertain monetary policy trajectory, and a worsening federal fiscal position. An additional downside risk is presented by a sudden pullback in AI-related capital spending—driven by unfulfilled expectations and mounting concerns over artificial intelligence's systemic risks. Furthermore, increasing concentration across several dimensions reflects the economy's underlying fragility.

National Forecast Comparisons

Table 6

U.S. Real GDP Forecast Comparison			
	Actual 2025	**Estimate 2026**	**Forecast 2027**
Ways and Means	2.3	2.4	2.3
Division of the Budget	2.3	2.3	2.1
Blue Chip Consensus	2.3	2.3	2.1
Moody's Analytics	2.3	2.3	1.9
S&P Global	2.3	2.4	2.7

Sources: NYS Assembly Ways and Means Committee; NYS Division of the Budget, FY2027 Enacted Budget Financial Plan Mid-Year Update, October 2026; Blue Chip Economic Indicators, October 2026; Moody's Analytics, October 2026; S&P Global Market Intelligence, October 2026.

- The NYS Assembly Ways and Means Committee's forecast for overall national economic growth for 2027 is 2.3 percent. This forecast is 0.2 percentage points above the projections of the Division of the Budget and the Blue Chip Consensus. The Committee's forecast is 0.4 percentage points above Moody's Analytics' projection and 0.4 percentage points below the S&P Global forecast.

New York State Economy

Table 7

New York State Economic Outlook (Percent Change)			
	Actual 2025	**Estimate 2026**	**Forecast 2027**
Employment	0.9	0.3	0.5
Personal Income	5.3	4.9	5.1
Total Wages	6.0	5.3	5.0
Base Wages	5.0	4.3	4.3
Variable Compensation	13.5	12.2	9.6
New York Area CPI	3.6	4.2	3.4

Note: Base wages and variable compensation are estimated by the NYS Assembly Ways and Means Committee staff and sum to total wages. New York area CPI is based on the New York-Northern NJ-Long Island, NY-NJ-CT-PA CPI-U series from the U.S. Bureau of Labor Statistics.
Sources: U.S. Bureau of Economic Analysis; NYS Department of Labor; U.S. Bureau of Labor Statistics; NYS Assembly Ways and Means Committee staff.

Table 8

New York State Economic Outlook State Fiscal Year				
		Actual 2025-26	**Estimate 2026-27**	**Forecast 2027-28**
Employment	Percent Change	0.5	0.4	0.5
	Level (Thousands)	9,755.6	9,799.2	9,845.5
Personal Income	Percent Change	5.3	5.0	4.7
	Level (Billions)	1,824.6	1,916.1	2,006.2
Total Wages	Percent Change	5.5	5.5	4.3
	Level (Billions)	994.5	1,049.4	1,094.2
Base Wages	Percent Change	4.6	4.5	4.2
	Level (Billions)	863.0	901.5	939.4
Variable Compensation	Percent Change	11.2	12.5	4.7
	Level (Billions)	131.5	147.9	154.8
New York Area CPI	Percent Change	3.4	4.4	3.1
	Index Level (1982-84=100)	349.0	364.3	375.7

Note: Employment level is in thousands; wage and personal income levels are in billions of dollars.

Sources: U.S. Bureau of Economic Analysis; NYS Department of Labor, QCEW; U.S. Bureau of Labor Statistics; NYS Assembly Ways and Means Committee staff.

- Total nonfarm payroll **employment** in the State increased by 0.5 percent in State Fiscal Year (SFY) 2025-26, reflecting slowing sales growth, as well as uncertainty surrounding immigration policies and artificial intelligences potential impact on the labor market. Nonfarm employment growth is projected to remain moderate at 0.4 percent in SFY 2026-27 and 0.5 percent in SFY 2027-28, reflecting continued uncertainty and softening in sales outlook.

- Total nonfarm **wages and salaries** in the State grew moderately at 5.5 percent in SFY 2025-26, driven primarily by strong growth in variable compensation. With variable wages expected to continue growing strongly, total wages are projected to increase further by 5.5 percent in SFY 2026-27. In SFY 2027-28, wage growth is forecast to slow to 4.3 percent, as both base wages and variable compensation are expected to weaken, reflecting easing inflationary pressures and softer financial market activity.

- Overall **personal income** in the State grew 5.3 percent in SFY 2025-26, driven by solid wage gains. Growth is estimated to remain robust at 5.0 percent in SFY 2026-27, helped by continued strong gains in wages. Personal income growth is forecast to slow to 4.7 percent in SFY 2027-28 with wage growth, as well as overall economic growth expected to decelerate.

- The key **risks** to the national economy also apply to the State's forecast. In addition, Wall Street and the financial markets play a central role in the State economy. Tighter-than-expected Federal Reserve policy and a sharper market correction could harm consumers, businesses, and the State's overall economy and fiscal health.

State Forecast Comparisons

Table 9

New York State Economic Forecast Comparison

	Actual SFY 2025-26	Estimate SFY 2026-27	Forecast SFY 2027-28
Employment			
Ways and Means	0.5	0.4	0.5
Division of the Budget	0.6	0.3	0.3
Wages			
Ways and Means	5.5	5.5	4.3
Division of the Budget	5.5	4.8	4.0
Personal Income			
Ways and Means	5.3	5.0	4.7
Division of the Budget	5.3	4.7	4.1

Sources: NYS Assembly Ways and Means Committee staff; NYS Division of the Budget, FY 2027 Mid-Year Update to Financial Plan, October 2026.

- For SFY 2026-27, the NYS Assembly Ways and Means Committee estimates the State's total nonfarm payroll employment to grow by 0.4 percent, 0.1 percentage points above the estimate by the Division of the Budget. The Committee's estimate for wage growth for SFY 2026-27 is 5.5 percent, 0.7 percentage points above the estimate by the Division of the Budget. The Committee's estimate of personal income growth for SFY 2026-27 is 5.0 percent, 0.3 percentage points higher than the estimate by the Division of the Budget.

- For SFY 2027-28, the NYS Assembly Ways and Means Committee's forecast that total nonfarm payroll employment will grow by 0.5 percent, 0.2 percentage points higher than the forecast of Division of the Budget. The Committee's forecast for wage growth in SFY 2027-28 is 4.3 percent, 0.3 percentage points over the Division of the Budget's forecast. The Committee's forecast for personal income growth for SFY 2027-28 is 4.7 percent, which is 0.6 percentage points higher than the forecast of the Division of the Budget.

REVENUE UPDATE

REVENUE UPDATE

All Funds Tax Receipts State Fiscal Year 2026-27

- **All Funds revenues** are estimated to total $284.5 billion in State Fiscal Year (SFY) 2026-27 for a year-to-year increase of 6.6 percent, or an increase of $17.5 billion, mainly attributed to strong growth in **total tax collections** and slight growth in **Miscellaneous Receipts**.

- The Assembly Ways and Means Committee projection of **All Funds tax receipts** for SFY 2026-27 is $143.7 billion, representing an increase of 12.7 percent, or $16.2 billion, from SFY 2025-26.

- The increase in overall tax receipts is primarily due to a $7.7 billion increase in **Business Tax collections** due to increased Pass-through Entity Tax and Corporate Franchise Tax receipts, $6.8 billion increase in projected **PIT collections** due to strong total wage and non-wage growth**,** and a $1.5 billion increase in **Consumption and Use Tax collections** as consumer demand remains strong.

- The Committee's All Funds revenue estimate is $1.5 billion above the Executive's estimate at mid-year, entirely attributable to significant positive variance in **All Funds tax receipts.**

All Funds Tax Receipts State Fiscal Year 2027-28

- The Committee expects **All Funds revenues** to decrease by 3.1 percent, for a total of $275.7 billion in SFY 2027-28, primarily due to a significant $5.7 billion decrease in **Federal receipts**, and a $4.1 billion decrease in **Miscellaneous Receipts.** This decrease is partially offset by a $1.9 billion increase **PIT collections,** and a $836 million increase in **Consumption and Use Tax collections.**

- The Committee expects a 0.7 percent increase in **All Funds tax receipts** in SFY 2027-28, for a total of $144.7 billion.

- The Committee's All Funds revenue forecast is $2.5 billion above the Executive's estimates, entirely due to a $2.6 billion positive variance in **All Funds tax receipts.**

- The Committee's forecasts reflect ongoing economic uncertainty at the state and national levels, as well as unpredictability in taxpayer behavior in response to the **Pass-Through Entity Tax (PTET)**, which complicates forecasting tax collections**.**

Table 10

SFY 2026-27 All Funds Estimate Summary
($ in millions)

	2025-26 Actual	2026-27 Estimate	Change	Growth	Diff. Exec.
Personal Income Tax	67,410	74,244	6,834	10.1%	757
User Taxes	23,585	25,063	1,478	6.3%	69
Business Taxes	33,255	40,992	7,737	23.3%	556
Other Taxes	3,230	3,406	176	5.5%	145
Total Tax Collections	**127,480**	**143,705**	**16,225**	**12.7%**	**1,527**
All Funds Miscellaneous Receipts	35,596	36,002	406	1.1%	15
Gaming	4,994	4,942	(52)	(1.0%)	(54)
Total w/Miscellaneous Receipts & Gaming	**168,070**	**184,649**	**16,579**	**9.9%**	**1,488**
Federal Funds	98,900	99,834	934	0.9%	-
Total All Funds Receipts	**266,970**	**284,483**	**17,513**	**6.6%**	**1,488**

* Totals may not add up due to rounding.

Table 11

SFY 2027-28 All Funds Forecast Summary
($ in millions)

	2026-27 Estimate	2027-28 Forecast	Change	Growth	Diff. Exec.
Personal Income Tax	74,244	76,184	1,939	2.6%	1,633
User Taxes	25,063	25,899	836	3.3%	112
Business Taxes	40,992	39,264	(1,728)	(4.2%)	646
Other Taxes	3,406	3,338	(68)	(2.0%)	168
Total Tax Collections	**143,705**	**144,685**	**980**	**0.7%**	**2,559**
All Funds Miscellaneous Receipts	36,002	32,042	(3,959)	(11.0%)	5
Gaming	4,942	4,829	(114)	(2.3%)	(38)
Total w/Miscellaneous Receipts & Gaming	**184,649**	**181,556**	**(3,093)**	**(1.7%)**	**2,526**
Federal Funds	99,834	94,161	(5,673)	(5.7%)	-
Total All Funds Receipts	**284,483**	**275,717**	**(8,766)**	**(3.1%)**	**2,526**

* Totals may not add up due to rounding.

Year-To-Date Tax Receipts

- Year-to-date tax receipts through September reflect robust growth compared to the first six months of SFY 2025-26. However, when compared to the SFY 2022-23 level, this fiscal year's tax collections indicate a continuation of the strong growth in overall collections that had occurred prior to the pandemic (see Figure 2).

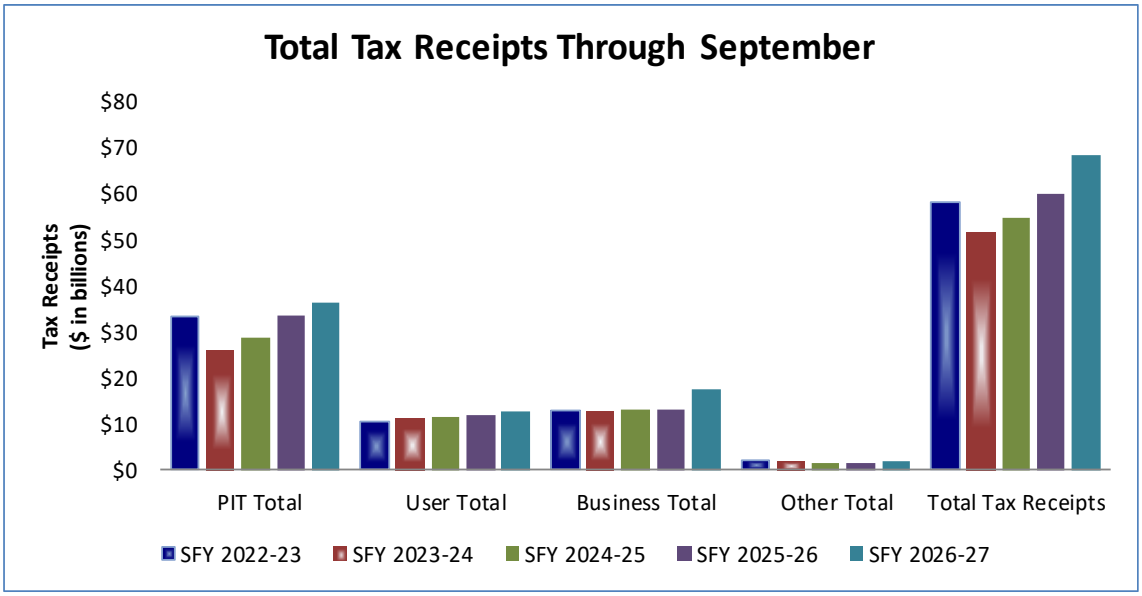


Figure 2

- Through September, All Funds tax revenue has increased by 14.4 percent compared to the same period in SFY 2025-26. Furthermore, total tax receipts have increased 17.3 percent over the SFY 2022-23 level.

- The year-to-date increase in collections reflects strong growth in all major tax categories, including PIT receipts which remain elevated due to strong increases in capital gains income and total wages, and Corporate Franchise tax collections due to actions effectuated by the SFY 2026-27 Enacted Budget that decoupled State law from certain Federal tax law changes included in H.R. 1.

- While there is some room for upside growth in overall tax collections, mainly related to sustained growth in total wages, non-wage income, and consumer demand, the Committee is cautiously optimistic and will continue to monitor the overall economic uncertainty at the state and national levels.

SFY 2025-26 Enacted Budget - Major Revenue Actions

- **Protecting Our Wallets Energy Rebate (P.O.W.E.R.) Checks:** The Enacted Budget created a one-time $1 billion rebate check to assist New Yorkers with the rising cost of utility bills, by providing checks in the following amounts: $200 for joint filers with incomes below $150,000; $150 for joint filers with incomes between $150,000 and $300,000; and $100 for single filers with incomes below $150,000. The checks will be provided as an advanced payment in the Fall of 2026.

- **Enhance and Reform the Child and Dependent Care Credit:** The Enacted Budget decoupled the State's Child and Dependent Care Tax Credit from the Federal Credit and replaced it with a standalone and simplified credit. The reformed structure enhances the overall benefit and increases the credit's progressivity, and limits eligibility to full-year residents, beginning in Tax Year 2026.

- **Eliminate Income Taxes on Tipped Wages:** The Enacted Budget included language to exclude up to $25,000 of qualified tips from New York adjusted gross income for certain taxpayers with incomes below $150,000 ($300,000 for joint filers), beginning in Tax Year 2026. This change aligns New York State with recently enacted Federal tax changes included in H.R. 1.

- **Extend the Temporary Article 9-A Tax Rates for Three Years:** The Enacted Budget extended the current 7.25 percent business income tax rate for corporate franchises with a business income base over $5 million for three years, through tax year 2029.

- **Decouple New York State from Certain H.R. 1 Provisions**: The Enacted Budget decoupled New York State law from certain recently enacted Federal tax law provisions relating to the tax treatment of research and experimental expenditures and the immediate expensing of certain qualified production property. This action retroactively applies to tax years beginning on or after January 1, 2025, and is projected to increase corporate franchise tax revenue by $1.7 billion in SFY 2026-27.

- **Enhance the New York City Musical and Theatrical Production Tax Credit:** The Enacted Budget increased the aggregate amount available for the New York City Musical and Theatrical Production Tax Credit by $150 million for productions with initial performances on or after December 1, 2025.

- **Impose Tax on Alternative Nicotine Products:** The Enacted Budget included "alternative nicotine product" within the definition of tobacco products, and imposed the existing 75 percent wholesale tax on certain tobacco products on such "alternative nicotine

products." These products include noncombustible products, other than vapor products, which contain nicotine but not tobacco and is intended for human consumption. This action is projected to direct an additional $50 million in tobacco products tax revenue to HCRA beginning in SFY 2027-28.

- **Video Lottery Terminal (VLT) Gaming Facilities:** The Enacted Budget included language to temporarily reduce the current tax rate on net win for various VLT facilities located across the State for three years. Additionally, certain VLT facilities located near a newly licensed casino that recently began operations would be eligible for an enhanced reduction in their tax rate. The language requires VLTs to maintain certain job levels, include reporting requirements, and require the Gaming Commission to undertake a comprehensive study to analyze future potential changes in commercial casino and VLT facility tax rates.

- **Establish a "Pied-a-Terre" Surcharge for Certain High-Value Secondary Homes in New York City:** The Enacted Budget authorized a progressive annual surcharge on certain high value non-primary residences in New York City, consisting of a sliding rate, based on the value of the property. The surcharge is projected to generate approximately $500 million in annual revenue for New York City.

- **Decouple New York City from Certain H.R. 1 Provisions:** The Enacted Budget decoupled the New York City Administrative Code from recently enacted Federal tax law provisions relating to the tax treatment of research and experimental expenditures, the immediate expensing of certain qualified production property, certain business interest limitations, and certain equipment expensing limits. This action would retroactively apply to tax years beginning on or after January 1, 2025, and would maintain the City's business tax base.

EXPENDITURE FORECAST AND RISKS

EXPENDITURE FORECAST AND RISKS

Medicaid

Medicaid Spending: SFY 2025-26, 2026-27, 2027-28

Total New York State share Medicaid spending for the Department of Health (DOH) in SFY 2025-26 was $34.4 billion. Based on the data for the first six months of SFY 2026-27, it is estimated that DOH Medicaid expenditure will total $40.1 billion in SFY 2026-27, an increase of 16.6 percent. In SFY 2027-28, DOH Medicaid spending is projected at $40.8 billion, representing an increase in State share spending of 1.7 percent. The notable increase in projected State spending in SFY 2026-27 can be attributed to Healthcare Stability Fund (HSF) disbursements, increased utilization of long-term care services and enrollment, home care minimum wage increases, and payments to financially distressed hospitals. HSF disbursements for SFY 2026-27 are projected to be significantly higher than the previous fiscal year due to Managed Care Organization (MCO) tax revenue uncertainty resulting from H.R. 1 provisions which delayed spending in SFY 2025-26. Without accounting for disbursements from the HSF, DOH Medicaid spending would grow by 8.0 percent in SFY 2026-27 and 8.8 percent in SFY 2027-28.

Table 12

Total DOH Medicaid Spending ($ in Millions)	SFY 2025-26	SFY 2026-27	SFY 2027-28
DOH Medicaid Spending	**$ 33,311**	**$ 35,986**	**$ 39,167**
Annual % Change	5.3%	8.0%	8.8%
Healthcare Stability Fund	**$ 1,086**	**$ 4,138**	**$ 1,629**
Total Spending with HSF	**$ 34,397**	**$ 40,124**	**$ 40,796**
Annual % Change	8.8%	16.6%	1.7%

Medicaid Global Cap

The SFY 2022-23 budget implemented an update to the metric used to calculate the Global Cap by utilizing the five-year rolling average of the Centers for Medicare & Medicaid Services (CMS) Medicaid spending projections within the National Health Expenditure Accounts. Under the new Global Cap metric, SFY 2026-27 DOH Medicaid expenditures are capped at $28.6 billion. This represents indexed growth of $2.1 billion or 8.0 percent over the SFY 2025-26 Global

Cap. In SFY 2027-28, the Global Cap is indexed to grow to $30.6 billion, an increase of $2.0 billion or 7.1 percent. Over the five-year Financial Plan, the new Global Cap metric allows for $31.4 billion in combined new allowable expenditure compared to the prior Global Cap metric.

Due to updated national Medicaid expenditure projections released by CMS in June 2026, the Global Cap growth metric was reduced by $1.7 billion between SFY 2027-28 and 2029-30 resulting in larger outyear deficits. Compared to the Enacted Budget, the revised Global Cap growth metric is reduced by $110 million in SFY 2027-28, $505 million in SFY 2028-29, and $1.1 billion in SFY 2029-30. CMS Office of the Actuary made downward revisions to national Medicaid spending projections due to provisions enacted in H.R. 1 such as work requirements and limitations on Medicaid provider taxes and state-directed payments.

Table 13

Medicaid Global Cap Spending
($ in Millions)

	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29	SFY 2029-30
Medicaid Global Cap	**26,459**	**28,577**	**30,597**	**32,334**	**33,934**
Annual Change ($)	1,529	2,118	2,020	1,737	1,600
Annual Change (%)	6.1%	8.0%	7.1%	5.7%	4.9%
Global Cap Deficit	0	0	541	1,246	4,506

As of the release of the Midyear Financial Plan, the Medicaid Global Cap is projected to exceed allowable spending levels in SFY 2027-28 by $541 million. This deficit is projected to continue to grow to $1.2 billion in SFY 2028-29 and $4.5 billion in SFY 2029-30. Outyear deficits grow significantly as Essential Plan (EP) expenses currently funded through the 1331 Trust Fund are shifted to the General Fund beginning January 1, 2029.

If DOH Medicaid spending is projected to exceed the Global Cap, the state Medicaid Director is authorized to implement a Medicaid Savings Allocation Plan, consisting of reimbursement rate reductions and/or benefit reductions, to bring expenditures in-line with the budgeted amounts under the cap. The Executive must provide notification to the Legislature 30 days prior to the implementation of any savings plan.

Risks to the Medicaid Spending Forecast

Beginning January 1, 2027, H.R.1 mandates that States implement work requirements for individuals aged 19-64 applying for coverage or enrolled through the Medicaid expansion group.

The Executive projects $50 million in additional State costs to establish and administer these requirements. The costs could be offset by reduced spending resulting from disenrollment of individuals who do not meet the 80 hour per month work requirement, or state minimum wage equivalent, and do not qualify for exemptions. Other changes to Medicaid that also begin on January 1, 2027, such as more frequent eligibility redetermination and enrollee address verification, will also increase administrative costs for the state, while potentially resulting in lower enrollment.

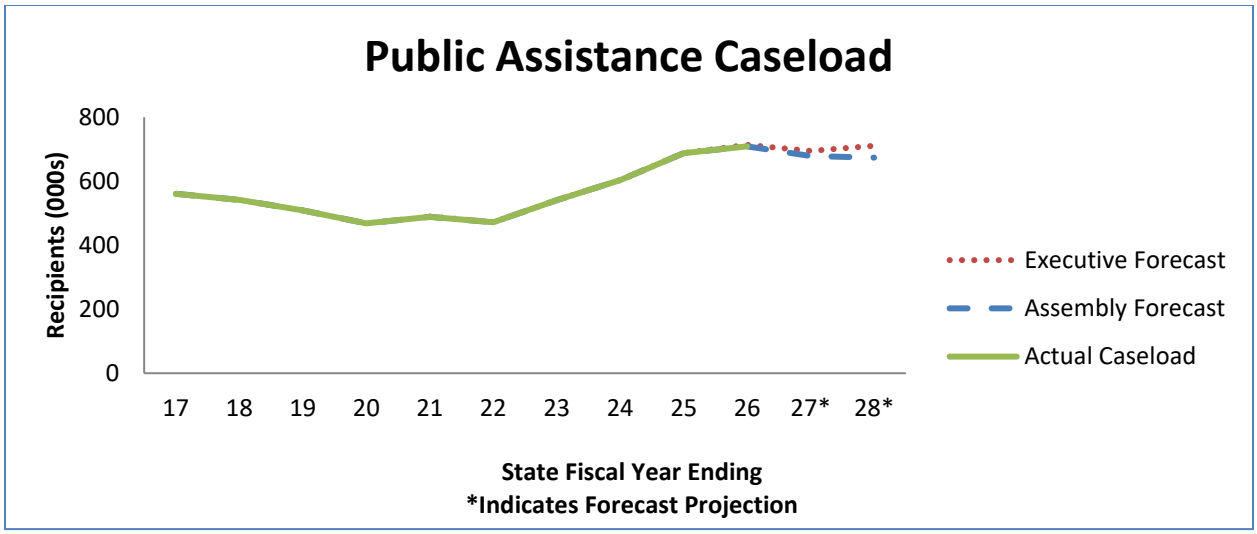
On July 1, 2026, New York terminated its 1332 waiver and reactivated the 1331 (Basic Health Plan) waiver in response to provisions in H.R. 1 eliminating premium tax credits for certain lawfully present immigrants enrolled in the Essential Plan (EP). The loss of premium tax credits, serving as half of the program's funding, posed a near-term threat of insolvency for the EP as well as a $3.1 billion annual increased expenditure to the state Medicaid program. In reactivating the 1331 waiver, the state gained access to $9 billion through the Basic Health Plan Trust Fund while limiting EP income eligibility to 200 percent of the Federal Poverty Level (FPL), resulting in 450,000 individuals losing coverage. The trust fund ensures temporary solvency of the EP that is expected to last until December 31, 2028, when federal funds for the program are projected to be depleted. While the State is exploring programmatic changes that may extend funding further into the outyears, the impending insolvency of the EP would result in significantly increased State Medicaid expenditure. The Mid-Year Financial Plan currently projects that EP disbursements in SFY 2029-30 will be discontinued, indicating that the program may be terminated once insolvent. This would result in approximately 900,000 individuals enrolled in the EP to lose coverage and be forced to obtain employer-based insurance, enroll in a Qualified Health Plan on the ACA Marketplace, or become uninsured.

Finally, CMS announced a proposed rule in May 2025, which was reflected in the provisions of H.R. 1, altering Medicaid provider tax waivers. In January 2026, CMS issued a final rule for impacted states that allows New York to continue to collect receipts from the Managed Care Organization (MCO) Tax through December 31, 2026. The SFY 2026-27 Enacted Budget authorized the State to pursue a uniform MCO Tax that is compliant with new CMS standards. The new assessment, effective January 1, 2027, is projected to provide $165 million in additional revenue to the Healthcare Stability Fund (HSF) annually. Using these new receipts, and the previously accrued balance from the original MCO Tax, the Financial Plan currently reflects programmed HSF spending though SFY 2029-30 with disbursements gradually waning in the outyears. Consequentially, there will be pressure placed upon the Medicaid Global Cap to maintain or increase current levels of spending without the benefit of additional MCO Tax receipts.

Public Assistance Caseload and Expenditures

Public assistance expenditures consist of two main categories of spending: Family Assistance and Safety Net Assistance. The Family Assistance program is a federal program that provides support services and cash assistance to eligible families and children, and is financed through the federal Temporary Assistance for Needy Families (TANF) grant. The Safety Net Assistance program is a State program, financed jointly between the State and local governments. As the name implies, it offers a "safety net" by providing cash assistance to those individuals who do not qualify for Family Assistance (i.e., single adults, childless couples, and families that have exhausted their five year time limit for TANF eligibility imposed under federal law).It should be noted that while the data available from the Office of Temporary and Disability Assistance (OTDA) is sufficient for estimating the public assistance caseload, it lacks the needed specificity for preparing a public assistance spending forecast. While economic factors such as employment, wages, and unemployment exhaustions may help to forecast the number of recipients on the public assistance rolls, translating those figures into spending terms cannot be done with precision because a significant portion of public assistance expenditures are made for emergency situations that are unrelated to the public assistance caseload. Consequently, in order to forecast public assistance expenditures more accurately, OTDA needs to refine currently available data by segregating emergency and other non-assistance spending from basic expenditures that are directly related to the public assistance caseload.

Public Assistance Spending ($ in millions)			
	SFY 2025-26 (actual)	**SFY 2026-27 (WAM estimate)**	**SFY 2027-28 (WAM estimate)**
Federal	1,397	1,304	1,254
General Fund	908	876	880



SFY 2025-26 Closeout

For SFY 2025-26, actual public assistance expenditures were $4.5 billion on a statewide basis, including State spending of $907.6 million and Federal spending of $1.4 billion. There was an average monthly caseload of 708,879, representing a caseload increase of 3.0 percent over the previous State Fiscal Year, and a total spending increase of $883.4 million, or 24.2 percent.

The actual caseload in SFY 2025-26 was 20,726 recipients higher than levels projected in the SFY 2025-26 Enacted Budget. At the time, expenditures for SFY 2025-26 were estimated at $3.9 billion, or $658.4 million lower than the actual spending level.

SFY 2026-27 Forecast

Assembly Ways and Means Committee staff estimates that public assistance spending will total approximately $4.3 billion on a statewide basis in SFY 2026-27, with State expenditures of $875.7 million, and Federal expenditures of $1.3 billion. Assembly Ways and Means Committee staff estimates that benefits will be provided to 678,614 recipients, which is 30,265 recipients below the SFY 2025-26 closeout. The decrease in recipients represents an aggregate decrease of $203.2 million, with a decrease of $31.9 million in State share and a decrease of $93.3 million in Federal share. Localities can expect to see a similar trend in their share of public assistance contributions. At midyear, the Executive estimates expenditures for SFY 2026-27 at $4.7 billion on a statewide basis ($863 million State share, $1.8 billion Federal share) which is $410.9 million above the Assembly estimate, with a State share $12.7 million below the Assembly estimate and a Federal share $457.8 million above the Assembly estimate. The Executive projects a monthly

average caseload of 694,879, a 2.5 percent decrease from SFY 2025-26. This estimate is 2.4 percent higher than the Assembly projection.

SFY 2027-28 Forecast

Assembly Ways and Means Committee staff estimates that public assistance spending will total approximately $4.3 billion on a statewide basis in SFY 2027-28, with a State share of $880.4 million, and a Federal share of $1.3 billion. Assembly Ways and Means Committee staff estimates that the public assistance caseload will decrease to 673,775. The Executive estimates that the caseload will increase to 710,955, or 2.3 percent, in SFY 2027-28, which is 37,180 recipients above the Assembly mid-year forecast. The Executive estimates a State share of $888 million, which is $7.6 million above the Assembly forecast, and a Federal share of $1.8 billion, which is $522.8 million above the Assembly's forecast.

Risks to the Public Assistance Forecast

With overall caseloads projected to fall in SFY 2026-27, one of the largest risks to the public assistance system is the rapidly rising monthly average payment. These cost increases are primarily driven by an increase in shelter supplement payments, concentrated in New York City, where there is a significant shortage of affordable housing. There is a risk that even though the total caseload may decline over the next several years, the total cost to the State may increase.

New York State continues to carry a TANF caseload that is well above the pre-pandemic levels. Despite growth in gross domestic product starting in 2021, caseloads continued to rise before their peak in late 2024. This was due to the slow recovery of low-wage employment, particularly in New York City, following the 2020 pandemic. Although low-wage employment has grown, it continues to do so at a slow rate, leading to a relatively high caseload. The Assembly projects that the recent decrease in TANF recipients will continue through SFY 2026-27, but the cooling of the economy, in particular slowing job growth and upward pressure on inflation, poses a long-term risk that the current state of elevated caseloads may become the new equilibrium.

Education

School Year 2026-27

The 2026-27 Enacted Education Budget provides a total of $39.6 billion in General Support for Public Schools. Of this amount, $39.1 billion is allocated through computerized school aid formulas. This amount reflects a year-to-year increase of approximately $1.85 billion from School Year (SY) 2025-26. The remaining General Support for Public Schools included in the 2026-27 Enacted Education Budget was $321.3 million for non-computerized aids, and $130 million for Universal Prekindergarten (UPK) expansion.

Foundation Aid remains the largest component of school aid at a total of $27.4 billion. The Foundation Aid formula was developed to consider the various needs of individual districts with low fiscal capacity and a concentration of high-need students. SFY 2026-27 increased Foundation Aid by $1.0 billion over the 2025-26 SY. The Enacted Education Budget provided for changes to the Foundation Aid formula, which included updating the Pupil Needs Index by adding a weight (0.12) for students in foster care and students experiencing housing instability. The Enacted Budget also increased the English Language Learner Factor of the Pupil Needs Index from 0.53 to 0.60, and provided a 2.0 percent year-over-year minimum increase to all school districts.

Reimbursable Aids for SY 2026-27 totaled approximately $10.2 billion, an increase of $216.3 million or 2.2 percent over SY 2025-26. The BOCES salary amount eligible for reimbursement increased from $30,000 to $40,000 in SY 2026-27, the first year of a three-year plan to increase reimbursable salaries to $60,000. The 2026-27 Enacted Education Budget also provided for a significant expansion in Universal Prekindergarten (UPK). The Enacted Budget consolidates the UPK and Statewide Universal Full Day Prekindergarten programs by providing a minimum of $10,000 per 4-year-old UPK pupil to districts. This change, as well as an increase to the number of state-funded 3-year-old students in New York City required a $480.6 million increase from the 2025-26 SY. The Enacted budget also provided $130 million for expansion of UPK programs.

School Year 2027-28

School Aid increases are statutorily benchmarked to a ten-year average of the Personal Income Growth Index (PIGI), a measure of personal income growth in New York State. The SY 2027-28 PIGI is 4.9 percent, or an increase of approximately $1.9 billion. Statutorily, this amount must support Foundation Aid, Reimbursable Aids, and the payment of certain grants. However, the Legislature has traditionally overridden this cap, if necessary, to provide appropriate levels of school aid funding.

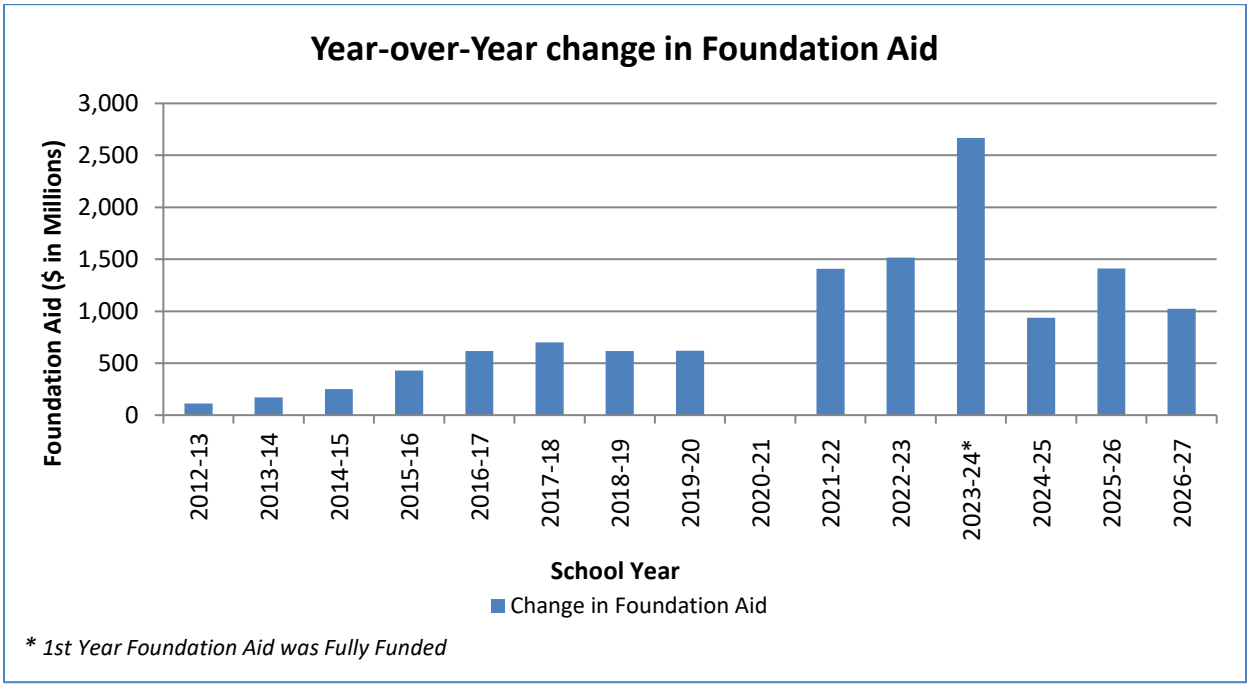


Figure 3

Statutorily, school districts could be eligible to receive increases from the Foundation Aid formula, due to variables such as inflation, increases in enrollment, or changes due to demographic factors. However, due to external causes such as changing federal policies or the increased volatility of economic trends, traditional methods of projection for the inflation metric used to project Foundation Aid growth have been adjusted. Taking these factors and demographic changes into account for the SY 2027-28, the Assembly estimates a $1.2 billion or 4.4 percent increase in Foundation Aid, for a total of approximately $28.6 billion. In the past, school districts have been given a moderate increase in their minimum Foundation Aid, though this is not guaranteed.

The State provided $1.5 billion for Universal Prekindergarten (UPK) in SY 2026-27, as well as a supplemental $130 million to help fund UPK expansion. The Enacted Budget consolidated the 4-year-old UPK program and Statewide Universal Full Day Prekindergarten into a single UPK program, in part by increasing the minimum amount of state funding to $10,000 per student. The State will also require school districts to offer full-day UPK to any eligible 4-year-old by the 2028-29 SY. Despite significant changes to 4-year-old UPK, there were no similar adjustments to 3-year-old prekindergarten outside of New York City. New York City's 3-year-old program was significantly expanded by increasing the number of state funded pupils in the program. To account for additional UPK expansion across districts, the Assembly projects total UPK funding at $1.8 billion.

Additionally, the State provides reimbursement for a variety of education expenses that school districts incur. Ensuring proper facilities, using shared services, educating students with special needs, and transporting students to and from school safely are all part of providing a sound, basic education to students throughout the State. For example, despite a recent extension to the mandate, school districts will soon be required to purchase or lease only zero-emission school buses. This could cause an increase in transportation reimbursements for school districts moving forward, as an increasing number of districts begin the transition. In developing estimates of growth in these and other formula-based aids, the Assembly has traditionally used an average of recent growth to reflect current expenditure levels. Since the COVID-19 pandemic, the rate of change in formula-based aids has been inconsistent, ranging from -17 percent to 21 percent, though recent fluctuations are less severe. Based on overall trends the Assembly estimates Reimbursable Aids will increase by $376.0 million, or 3.7 percent, for a total of $10.6 billion. The November 15th database is currently unavailable and will provide more specific data on projected growth.

Table 14

YEAR TO YEAR AID GROWTH									
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28 (Estimated)
Reimbursable Aids	8,080,339,330	6,722,147,766	8,134,245,844	8,719,330,560	9,008,587,860	9,428,358,324	10,015,778,884	10,232,049,329	10,608,082,875
Change		(1,358,191,564)	1,412,098,078	585,084,716	289,257,300	419,770,464	226,949,878	262,431,277	376,033,546
% Change		-16.81%	21.01%	7.19%	3.32%	4.66%	2.41%	2.72%	3.68%

Source: State Education Department Local Assistance Tables

When accounting for increases in Foundation Aid and Reimbursable Aids, the Assembly projects School Aid will increase from $39.6 billion in SY 2026-27 to $41.3 billion in SY 2027-28, for a total increase of $1.7 billion, or 4.3 percent. As noted above, more specific data will become available from SED on the projected growth of Foundation Aid and Reimbursable Aids with the

release of the November 15th database. As the school year continues, the broader economic and policy trends may affect the various needs of the almost seven hundred school districts in New York State, necessitating changes that would impact our projections.

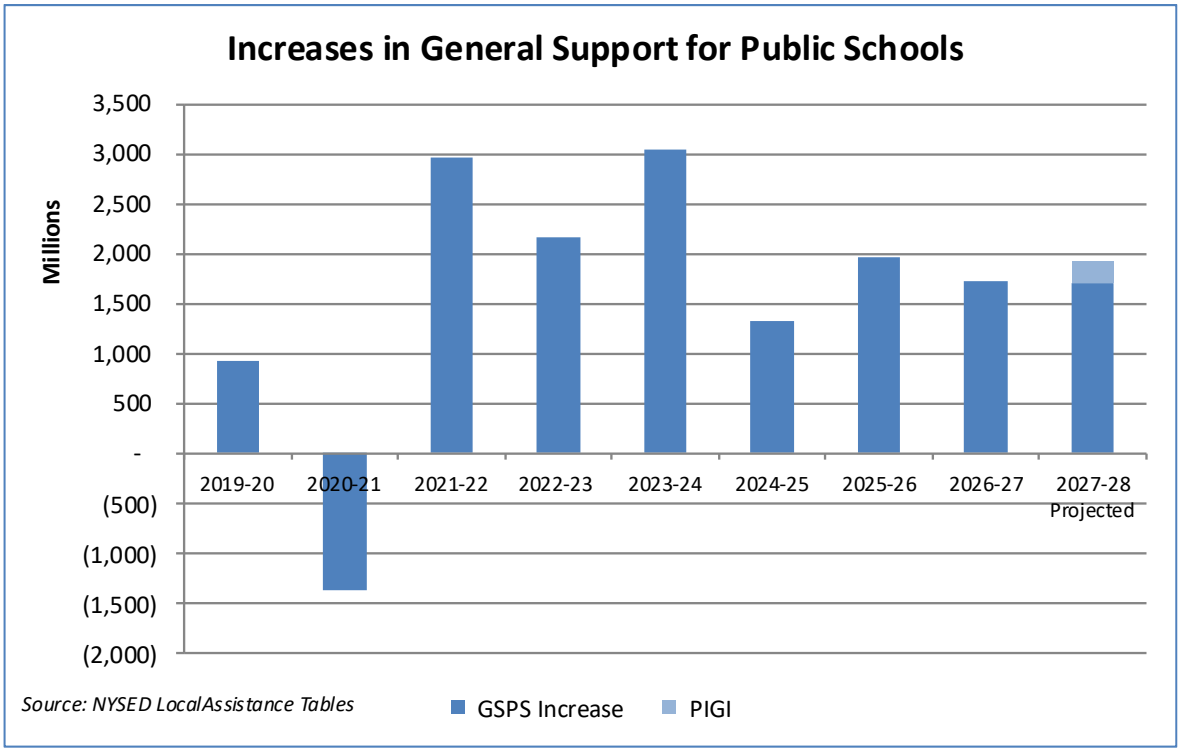


Figure 4