NEW YORK STATE SENATE DEMOCRATIC MAJORITY FINANCE COMMITTEE

2026 MIDYEAR REPORT ON RECEIPTS AND DISBURSEMENTS



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New York State Senate
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Finance Committee

2026 Midyear Report
on Receipts and Disbursements

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November 5, 2026

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EXECUTIVE SUMMARY

The Senate Majority Conference Finance Committee has produced this mid-year report (known as "Quickstart") pursuant to Chapter 1 of the Laws of 2007, which provides for representatives of the Executive, Senate, Assembly, and Comptroller to meet on or before November 15 to review financial and economic information and projections for the current and next State Fiscal Year (SFY). The goal of this process is to facilitate the timely adoption of the upcoming State budget. As part of the Quickstart process, each participating entity prepares a forecast of receipts and disbursements for the current and ensuing fiscal years.

REVENUE FORECAST HIGHLIGHTS

General Fund Receipts SFY 2026-27 and SFY 2027-28

The Senate Majority Conference Finance Committee staff conclude that the:

- SFY 2026-27 projection for General Fund receipts, inclusive of miscellaneous receipts and net of dedicated transfers to other funds, will total $78.7 billion. This estimate represents an increase of $8.8 billion from SFY 2025-26 actuals. This estimate is $1.1 billion over the Executive estimate of $77.5 billion.

- SFY 2027-28 projection for General Fund receipts, inclusive of miscellaneous receipts and net of dedicated transfers to other funds, is $76.7 billion. This estimate represents a decrease of $1.9 billion from the committee staff's SFY 2026-27 estimate. This estimate is $1.1 billion over the Executive estimate of $75.6 billion.

All Funds Receipts SFY 2026-27 and SFY 2027-28

The committee staff conclude that the:

- SFY 2026-27 estimate for All Funds receipts is $184.4 billion. This estimate represents an increase of $16.4 billion from SFY 2025-26 actuals. This estimate is $1.3 billion over the Executive estimate of $183.2 billion.

- SFY 2027-28 projection for All Funds receipts is $180.3 billion. This estimate represents a decrease of $4.1 billion from the committee staff's SFY 2026-27 estimate. This projection is $1.3 billion over the Executive estimate of $179.0 billion.

- SFY 2026-27 estimate for All Funds receipts from Gaming is $5.7 billion, reflecting an increase of $508.1 million from SFY 2025-26. This estimate is $15.1 million over the Executive estimate for SFY 2026-27.

- SFY 2027-28 projection for All Funds receipts for Gaming is $5.2 billion, a decrease of $485.3 million from the SFY 2026-27 estimate. This projection is $26.8 million higher than the Executive projection for SFY 2027-28.

REVENUE OUTLOOK

Revenues are primarily affected by economic changes and changes in federal and state tax policies. The tax base is a measure of the State's ability to generate revenue. Among taxes through the Mid-Year Update for SFY 2026-27, exclusive of federal receipts, personal income tax receipts make up the largest share of all funds receipts (40.1%), consumer/use taxes (13.6 %) followed by, business taxes (22.1%) and other taxes (1.8%). Miscellaneous receipts, including licensing and motor vehicle fees, make up 22.4%.

The figures above, as well as the General Fund and All Fund estimates, include the Pass-Through Entity Tax (PTET). PTET is projected to be revenue neutral for the State over the duration of the tax but will not appear neutral within each fiscal year.

SFY 2026-27 General Fund Taxes and Miscellaneous Receipts (amounts in millions of dollars)			
	Senate Majority Conference Estimate	**Executive Estimate**	**Difference with Executive**
Taxes			
Personal Income Tax	**36,131**	**35,474**	**657**
Withholdings	70,407	70,445	(38)
Estimated Payments	16,231	15,946	285
Final and Other Payments	7,488	7,479	9
Gross Collections	**94,126**	**93,870**	**256**
State/City Offset	(1,739)	(1,739)	0
Refunds	(18,243)	(18,644)	401
STAR (Dedicated Deposits)	(1,270)	(1,270)	0
RBTF (Dedicated Transfers)	(36,743)	(36,743)	0
Consumption/Use Taxes	**11,285**	**11,235**	**50**
Sales and Use Tax	21,470	21,420	50
Cigarette and Tobacco Taxes	237	237	0
Vapor Excise Tax	0	0	0
Motor Fuel Tax	0	0	0
Alcoholic Beverage Taxes	267	267	0
Opioid Excise Tax	20	20	0
Medical Cannabis Excise Tax	0	0	0
Adult-Use Cannabis Tax	0	0	0
Highway Use Tax	0	0	0
Auto Rental Tax	0	0	0
Peer to Peer Car Sharing Tax	1	1	
Gross Consumption/Use Taxes	**21,995**	**21,945**	**50**
LGAC/STBF (Dedicated Transfers)	(10,710)	(10,710)	0
Business Taxes	**24,534**	**24,191**	**343**
Corporation Franchise Tax	8,957	8,631	326
Corporation and Utilities Tax	498	481	17
Insurance Taxes	2,684	2,684	0
Bank Tax	100	100	0
Pass Through Entity Tax	24,590	24,590	0
Petroleum Business Tax	0	0	0
Gross Business Taxes	**36,829**	**36,486**	**343**
RBTF (Dedicated Transfers)	(12,295)	(12,295)	0
Other Taxes	**1,852**	**1,756**	**96**
Estate Tax	1,829	1,733	96
Real Estate Transfer Tax	1,510	1,495	15
Employer Compensation Expense Program	20	20	0
Gift Tax	0	0	0
Real Property Gains Tax	0	0	0
Pari-Mutuel Taxes	12	12	0
Other Taxes	1	1	0
Gross Other Taxes	**3,372**	**3,261**	**111**
Real Estate Transfer Tax (Dedicated)	(1,510)	(1,495)	(15)
RBTF (Dedicated Transfers)	(10)	(10)	0
Total Taxes	**73,803**	**72,656**	**1,147**
Miscellaneous Receipts	**4,851**	**4,851**	**0**
Total Taxes and Miscellaneous Receipts	**78,654**	**77,507**	**1,147**

SFY 2027-28 General Fund Taxes and Miscellaneous Receipts (amounts in millions of dollars)			
	Senate Majority Conference Estimate	**Executive Estimate**	**Difference with Executive**
Taxes			
Personal Income Tax	**36,803**	**36,079**	**724**
Withholdings	73,646	73,650	(4)
Estimated Payments	15,886	15,607	279
Final and Other Payments	7,670	7,660	10
Gross Collections	**97,201**	**96,917**	**284**
State/City Offset	(1,961)	(1,961)	0
Refunds	(19,965)	(20,405)	440
STAR (Dedicated Deposits)	(1,197)	(1,197)	0
RBTF (Dedicated Transfers)	(37,275)	(37,275)	0
Consumption/Use Taxes	**11,596**	**11,544**	**52**
Sales and Use Tax	22,154	22,102	52
Cigarette and Tobacco Taxes	206	206	0
Vapor Excise Tax	0	0	0
Motor Fuel Tax	0	0	0
Alcoholic Beverage Taxes	266	266	0
Opioid Excise Tax	20	20	0
Medical Cannabis Excise Tax	0	0	0
Adult-Use Cannabis Tax	0	0	0
Highway Use Tax	0	0	0
Auto Rental Tax	0	0	0
Peer to Peer Car Sharing Tax	1	1	0
Gross Consumption/Use Taxes	**22,647**	**22,595**	**52**
LGAC/STBF (Dedicated Transfers)	(11,051)	(11,051)	0
Business Taxes	**23,188**	**22,912**	**276**
Corporation Franchise Tax	7,859	7,600	259
Corporation and Utilities Tax	505	488	17
Insurance Taxes	2,759	2,759	0
Bank Tax	0	0	0
Pass Through Entity Tax	24,130	24,130	0
Petroleum Business Tax	0	0	0
Gross Business Taxes	**35,253**	**34,977**	**276**
RBTF (Dedicated Transfers)	(12,065)	(12,065)	0
Other Taxes	**1,641**	**1,552**	**89**
Estate Tax	1,617	1,528	89
Real Estate Transfer Tax	1,623	1,607	16
Employer Compensation Expense Program	22	22	0
Gift Tax	0	0	0
Real Property Gains Tax	0	0	0
Pari-Mutuel Taxes	12	12	0
Other Taxes	1	1	0
Gross Other Taxes	**3,274**	**3,170**	**104**
Real Estate Transfer Tax (Dedicated)	(1,623)	(1,607)	(16)
RBTF (Dedicated Transfers)	(11)	(11)	0
Total Taxes	**73,228**	**72,087**	**1,141**
Miscellaneous Receipts	**3,521**	**3,521**	**0**
Total Taxes and Miscellaneous Receipts	**76,749**	**75,608**	**1,141**

SFY 2026-27 All Funds Taxes and Miscellaneous Receipts (amounts in millions of dollars)			
	Senate Majority Conference Forecast	**Executive Estimate**	**Difference with Executive**
Taxes			
Personal Income Tax	**74,144**	**73,487**	**657**
Withholdings	70,407	70,445	(38)
Estimated Payments	16,231	15,946	285
Final and Other Payments	7,488	7,479	9
Gross Collections	**94,126**	**93,870**	**256**
State/City Offset	(1,739)	(1,739)	0
Refunds	(18,243)	(18,644)	401
Consumption/Use Taxes	**25,048**	**24,994**	**54**
Sales and Use Tax	22,960	22,906	54
Cigarette and Tobacco Taxes	719	719	0
Vapor Excise Tax	19	19	0
Motor Fuel Tax	490	490	0
Alcoholic Beverage Taxes	267	267	0
Opioid Excise Tax	20	20	0
Medical Cannabis Excise Tax	3	3	0
Adult-Use Cannabis Tax	284	284	0
Highway Use Tax	136	136	0
Auto Rental Tax	149	149	0
Peer to Peer Car Sharing Tax	1	1	0
Business Taxes	**40,880**	**40,436**	**444**
Corporation Franchise Tax	11,593	11,171	422
Corporation and Utilities Tax	659	637	22
Insurance Taxes	2,946	2,946	0
Bank Tax	115	115	0
Pass Through Entity Tax	24,590	24,590	0
Petroleum Business Tax	977	977	0
Other Taxes	**3,372**	**3,261**	**111**
Estate Tax	1,829	1,733	96
Real Estate Transfer Tax	1,510	1,495	15
Employer Compensation Expense Program	20	20	0
Gift Tax	0	0	0
Real Property Gains Tax	0	0	0
Pari-Mutuel Taxes	12	12	0
Other Taxes	1	1	0
Total Taxes	**143,445**	**142,178**	**1,267**
Miscellaneous Receipts	**40,997**	**40,983**	**14**
Total Taxes and Miscellaneous Receipts	**184,442**	**183,161**	**1,281**
Total Receipts	**184,442**	**183,161**	**1,281**

SFY 2027-28 All Funds Taxes and Miscellaneous Receipts (amounts in millions of dollars)			
	Senate Majority Conference Forecast	**Executive Estimate**	**Difference with Executive**
Taxes			
Personal Income Tax	**75,275**	**74,551**	**724**
Withholdings	73,646	73,650	(4)
Estimated Payments	15,886	15,607	279
Final and Other Payments	7,669	7,660	9
Gross Collections	**97,201**	**96,917**	**284**
State/City Offset	(1,961)	(1,961)	0
Refunds	(19,965)	(20,405)	440
Consumption/Use Taxes	**25,843**	**25,787**	**56**
Sales and Use Tax	23,698	23,642	56
Cigarette and Tobacco Taxes	711	711	0
Vapor Excise Tax	19	19	0
Motor Fuel Tax	485	485	0
Alcoholic Beverage Taxes	266	266	0
Opioid Excise Tax	20	20	0
Medical Cannabis Excise Tax	3	3	0
Adult-Use Cannabis Tax	349	349	0
Highway Use Tax	138	138	0
Auto Rental Tax	153	153	0
Peer to Peer Car Sharing Tax	1	1	0
Business Taxes	**38,974**	**38,618**	**356**
Corporation Franchise Tax	10,138	9,804	334
Corporation and Utilities Tax	650	628	22
Insurance Taxes	3,046	3,046	0
Bank Tax	0	0	0
Pass Through Entity Tax	24,130	24,130	0
Petroleum Business Tax	1,010	1,010	0
Other Taxes	**3,271**	**3,170**	**101**
Estate Tax	1,613	1,528	85
Real Estate Transfer Tax	1,623	1,607	16
Employer Compensation Expense Program	22	22	0
Gift Tax	0	0	0
Real Property Gains Tax	0	0	0
Pari-Mutuel Taxes	12	12	0
Other Taxes	1	1	0
Total Taxes	**143,363**	**142,126**	**1,237**
Miscellaneous Receipts	**36,931**	**36,904**	**27**
Total Taxes and Miscellaneous Receipts	**180,294**	**179,030**	**1,264**
Total Receipts	**180,294**	**179,030**	**1,264**

NEW YORK STATE ECONOMIC OUTLOOK

OVERVIEW AND SECTOR ANALYSIS

According to the Federal Reserve's October 2026 Beige Book, economic activity in the Second District (New York, Northern NJ, Fairfield County CT, Puerto Rico, U.S. Virgin Islands) increased slightly, mainly driven by manufacturing. High energy costs, tariffs, rising interest rates, and geopolitical and policy uncertainty continued to weigh on businesses and consumers. Consumer spending increased slightly, while employment remained relatively steady and wage growth was modest. Selling prices increased at a moderate pace, while input prices continued to rise strongly. Housing market activity saw little change, as limited supply continued to restrict sales and push prices higher. Looking ahead, businesses expected little improvement in economic activity.

Employment and Wages

Employment remained relatively steady, with a slight increase overall. Employment gains were reported in manufacturing, transportation and warehousing, construction, and wholesale trade sectors, while declines were seen in education, personal services, and health care. Labor supply and demand were relatively balanced, and workers were generally available, although finding skilled workers remained a challenge. Several businesses in manufacturing reported difficulty finding qualified production workers, while other businesses, such as those in landscaping, restaurants, and home health care, continued to have difficulty in finding and retaining reliable workers. Some larger firms were starting to reduce certain positions or delay hiring as they implemented AI in their operations, with demand for marketing roles declining. A few smaller businesses reported reducing staff to manage declining business and rising costs. No major layoffs were reported across the region. Overall, wage growth remained modest, with stronger increases in the construction sector.

Prices

Selling prices rose at a moderately faster pace, while input prices continued to increase sharply. Tariffs continued to affect costs for manufacturers, wholesalers, and retailers, with some businesses raising prices to cover higher costs while others had difficulty passing these costs on to consumers. Higher energy and fuel costs continued to affect business profit margins, particularly in transportation, landscaping, and other fuel-intensive industries. A food manufacturer reported facing price pressures not seen since the pandemic. Businesses also reported significant increases in health insurance costs. Looking ahead, firms did not expect price pressures to ease in the coming months.

Consumer Spending

Consumer spending continued to increase, driven by higher-income households. A supermarket reported increased purchases of higher-priced and higher-quality items, while lower-income households continued to face financial pressures. There were reports of more hardship withdrawals from 401(k) accounts and greater use of earned-wage advances among lower-income workers, as well as those with high health-care costs. Auto dealers in Upstate New York reported weaker new vehicle sales due to affordability concerns, higher gas prices, and rising interest rates. Luxury vehicles continued to perform better than lower-priced models, while used vehicle sales also weakened.

Manufacturing and Distribution

Manufacturing activity grew modestly after strong gains last period. Demand for industrial equipment surged from semiconductors, electronics, government, and aerospace orders, but weakened in other segments. Delivery times lengthened as supply was further constrained. Tariffs caused rising input costs, damaged cross-border trade, and complications and delays in capital projects. Wholesalers and distributors reported mild improvements in activity. Import demand remained strong despite port congestion and high diesel costs, however, exports continued to lag. Looking forward, manufacturers' outlook remained optimistic.

Services

Overall service sector activity was little changed. The information sector saw light growth, while consumer-facing sectors, business services, health care, and childcare noted softer demand. While broader capital spending decisions remained on hold, AI-related services were a bright spot.

Despite weak international visits, domestic and day visitors supported healthy activity in New York City tourism. Hotel demand remained strong, with rates remaining exceptionally high. Attraction visits rebounded to more normal levels after some summer weakness. Strong advance bookings buoyed an optimistic outlook for the coming months.

Real Estate and Construction

Housing market activity was little changed. Low inventory continued to limit sales and push prices higher. Listings edged up in most of the District despite the overhang from rising mortgage rates. Activity in New York City was concentrated amongst high end buyers, who began to capitulate against elevated rates. Inventory fell slightly.

Rental markets strengthened. In New York City, rents remained near historic highs and were expected to remain elevated for some time.

Commercial real estate markets remained strong, led by a hot office leasing market in New York City. Manhattan witnessed bidding wars for top-tier office space. Sales of commercial properties slowed in recent weeks, driven by rising interest rates. Industrial demand remained strong, largely driven by data centers. Construction activity held steady after several months of strong growth.

Banking and Finance

Finance sector activity increased slightly. Small and midsized banks reported softer demand for business loans, flatness in consumer loan and commercial mortgage segments, and slight gains in residential mortgages. Refinancing activity was little changed. Interest rate exposure was a consistent concern across the sector and banks tightened lending standards slightly for business loans and commercial mortgages. Deposits declined, while delinquencies edged higher.

ECONOMIC INDICATORS FORECAST – U.S. AND NEW YORK STATE

U.S. and New York State Economies Calendar Year (CY)		
U.S Economy	**2026 Estimate**	**2027 Forecast**
Real GDP	2.3	1.9
Personal Income	4.4	4.2
Consumer Price Index (CPI)	3.3	2.7
Wages	4.3	3.5
10-Year Treasury Yield	4.6	4.5
Corporate Profits	16.4	6.3
New York State Economy		
Wages (Total)	5.9	3.0
Personal Income	5.3	3.7
Source: Moody's Analytics, Senate Majority Finance Committee staff calculations		

Wage growth in New York State is projected to outpace the U.S., with estimates at 5.9 percent in the State compared to 4.3 percent for the U.S. on a national level in CY 2026. The Consumer Price Index (CPI) is projected at 3.3 percent for CY 2026 and is anticipated to decrease to 2.7 percent in CY 2027. There are additional concerns that may have negative economic impacts going forward in CY 2026, including persistent high inflation, elevated interest rates, and trade and tariff challenges.

The economy is currently growing at a slower pace than projected in the SFY 2026-27 Economic and Revenue Consensus. The committee staff estimate U.S. real Gross Domestic Product (GDP) to grow at 2.3 percent in CY 2026. This estimate is 0.2 percentage points lower than the Consensus forecast. At the national level, current estimates for CY 2026 show higher growth rates for wages, and personal income, and corporate profits, along with higher CPI and 3-month Treasury bill rates, while nonfarm employment growth remains unchanged compared to the Consensus projections, as shown in the accompanying chart. Slower growth is expected in CY 2027 across most economic indicators, except for the 3-month Treasury bill rate and nonfarm employment, which are expected to increase slightly.

For New York State, current projections indicate higher growth rates for wages and personal income, while nonfarm employment growth is lower in SFY 2025-26 compared to the Consensus projections. However, wage and personal income growth are expected to slow in SFY 2026-27 but remain higher than previously forecasted in the Consensus. Nonfarm employment growth is expected to decline to 0.0 percent in SFY 2026-27.

The committee staff and Executive both expect continued economic growth in the U.S. and New York State, although committee staff economic estimates vary slightly from the Executive estimates. Committee staff estimate wage growth in New York State to be 5.7 percent for SFY 2026-27, 0.2 percentage points above the Executive estimate of 5.5 percent. Both estimates are similar to the SFY 2026-27 Consensus estimate of 5.6 percent. For SFY 2027-28, committee staff project wage growth of 5.3 percent, compared to the Executive estimate of 4.8 percent.

Potential risks to the current economic outlook include energy price shock, higher interest rates, tariffs, and uncertainty surrounding artificial intelligence (AI), particularly its impact on labor market and stock market investments. These factors could contribute to a slower economic growth and increased financial market volatility.

U.S. and New York State Economics		
U.S Economy Calendar Year (CY)	**2026 Estimate**	**2027 Forecast**
Real GDP		
SFC Quick Start	2.3	1.9
DOB Mid-year	2.3	2.1
Economic and Revenue Consensus	2.5	1.8
Personal Income		
SFC Quick Start	4.4	4.2
DOB Mid-Year	4.5	4.0
Economic and Revenue Consensus	4.1	4.3
Consumer Price Index (CPI)		
SFC Quick Start	3.3	2.7
DOB Mid-Year	3.4	2.6
Economic and Revenue Consensus	2.9	2.7
Wages		
SFC Quick Start	4.3	3.5
DOB Mid-Year	4.2	3.2
Economic and Revenue Consensus	3.9	3.8
3-Month T-Bill Rate		
SFC Quick Start	3.8	3.9
DOB Mid-Year	3.8	4.2
Economic and Revenue Consensus	3.3	3.0
Corporate Profits		
SFC Quick Start	16.4	6.3
DOB Mid-Year	16.6	6.3
Economic and Revenue Consensus	3.3	3.5
Nonfarm Employment		
SFC Quick Start	0.3	0.4
DOB Mid-Year	0.3	0.3
Economic and Revenue Consensus	0.3	0.5
New York State Economy Fiscal Year (FY)		
Wages (Total)		
SFC Quick Start	5.7	5.3
DOB Mid-Year	5.5	4.8
Economic and Revenue Consensus	5.6	3.8
Personal Income		
SFC Quick Start	5.5	4.9
DOB Mid-Year	5.3	4.7
Economic and Revenue Consensus	5.1	3.8
Nonfarm Employment		
SFC Quick Start	0.4	0.0
DOB Mid-Year	0.6	0.3
Economic and Revenue Consensus	0.6	0.3
Source: DOB Mid-Year Report, Moody's Analytics, Senate Majority Finance Committee		

NEW YORK STATE UNEMPLOYMENT RATES

Unemployed Rates: Year over Year Change		
	Sep-2025	Sep-2026
United States	4.2%	4.4%
New York State	4.6%	4.3%
New York City	5.7%	4.8%
Rest of State	3.8%	3.9%

Source: US Bureau of Labor Statistics
Seasonally adjusted data. Prelminary and subject to change.

The State's unemployment rate is calculated by the U.S. Bureau of Labor Statistics (BLS). In September 2026, the statewide seasonally adjusted unemployment rate stood at 4.3 percent. New York City's unemployment rate was 4.8 percent. Outside of New York City, the unemployment rate was 3.9 percent. The total number of unemployed New Yorkers in September 2026 was 431,771.

U.S. CONSUMER PRICE INDEX (CPI)

According to the BLS, the Consumer Price Index for All Urban Consumers (CPI-U) increased 0.6 percent in September 2026 over the previous month on a seasonally adjusted basis. The all-items index increased 3.7 percent before seasonal adjustment over the last 12 months.

The index for gasoline increased 9.1 percent in September and contributed more than half of the monthly all-items increase, while the energy index increased 5.2 percent. The index for food was unchanged, with the index for food at home decreasing by 0.1 percent and the food away from home index increasing by 0.2 percent.

The index for all-items, excluding food and energy, rose 0.3 percent in September, the same increase as in the prior month. Along with the index for shelter, the indexes for airline fares, recreation, used cars and trucks, education, medical care and apparel also rose in September. The index for communication was among those that declined over the month.

The all-items index rose 3.7 percent for the 12 months ending in September, after increasing 3.4 percent over the 12 months ending August. The index for all-items less food and energy increased 2.6 percent over the last 12 months. The energy index increased 20.4 percent over the last 12 months, while the food index increased 2.5 percent over that same period.

DISBURSEMENT OUTLOOK

EDUCATION

Lottery Receipts and VLTs

The State finances School Aid from General Fund revenues and from Lottery Fund receipts, including Video Lottery Terminals (VLTs), which are accounted for and disbursed from dedicated revenue accounts. Because the State's fiscal year begins on April 1, the State disburses approximately 70 percent of the annual school year commitment during the State fiscal year in which it is enacted and pays the remaining 30 percent in the first three months of the following State fiscal year.

State Operating Funds spending for School Aid is projected to total approximately $39.1 billion in SFY 2026-27, an increase of $2.0 billion or 5.3 percent from SFY 2025-26. Increases in Foundation Aid are driven by a reformed formula established in the SFY 2025-26 Budget that, among other factors, instituted a new formula weight for students experiencing homelessness or in foster care and increased aid for English language learners, and ensured each district receives at least a 2 percent annual increase in aid.

In SFY 2026-27, School Aid spending supported by Lottery and VLT Aid is expected to decrease due to a decline in anticipated revenue collections. Funding from the State's other dedicated gaming accounts is expected to remain largely unchanged. In CY 2026, Resorts World New York City converted from a VLT facility to a casino. On this basis, in SFY 2027-28, School aid supported by commercial gaming receipts will increase while school aid supported by VLT receipts will decrease.

Traditional (Core) Lottery Education Aid

For SFY 2026-27, traditional lottery sales are projected to contribute $2.5 billion for Aid to Education for New York State, which is a decrease of $133 million or 5.1 percent from SFY 2025-26. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27.

Video Gaming (VLT) Lottery Education Aid

VLTs for SFY 2026-27 are estimated to contribute $1.1 billion in Aid to Education for New York State, reflecting a decrease of $62 million or 5.5 percent from SFY 2025-26 collections. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27.

Mobile Sports Wagering Education Aid

Mobile Sports Betting (MSB) launched in New York on January 8, 2022. In SFY 2026-27, MSB is projected to fund $1.5 billion in Aid to Education. This reflects a decrease of $1 million or 0.1 percent from SFY 2025-26 collections. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27.

Education Assistance

The State Education Department (SED) updates State Aid projections for school districts several times per year. These numbers are based on school district spending, as reported to SED, along with changes in funding and formulas approved by the Legislature and Governor. By releasing updated State Aid projections, districts are better equipped to forecast future increases or decreases in funding and plan their school budgets accordingly.

The State Education Department provides statutorily mandated updates to State Aid projection in February, May, and November. These updates allow the legislative bodies to forecast future costs to the State based on changes in the Foundation Aid formula and changes in school district spending that could result in fluctuations in expense-based aid categories.

On a school year (SY) basis, the Enacted Budget increased State Aid to school districts by $1.9 billion or 4.9 percent in SY 2027. This increase is comprised of $1.0 billion in Foundation Aid, as well as increases in funding for universal prekindergarten.

The Financial Plan projections assume that School Aid growth will be 4.9 percent in SY 2027, slightly above the School Aid Growth Cap of 4.6 percent. The School Aid Growth Cap limits growth based on the 10-year average increase in personal income. The next two years assume increases of $1.7 billion (4.3 percent) and $1.6 billion (3.9 percent) respectively. The Financial Plan assumes adherence to the growth cap in SY 2028 and onward. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending in SFY 2026-27 and SFY 2027-28.

MEDICAID

Medicaid Mid-Year Update & Forecasts

The Mid-year Update projects that the Department of Health (DOH) Medicaid State-share spending will grow to $40.1 billion in SFY 2026-27, an increase of $5.7 billion or 16.6 percent compared to SFY 2025-26. Following the impact of eligibility and qualification changes enacted in H.R.1, the State transitioned 1.3 million Essential Plan (EP) enrollees to the 1331 Basic Health Plan (BHP). The Executive estimates that the transition avoids state-only costs of nearly $7 billion through CY 2028. The State has set aside $2 billion in SFY 2026-27 to partly fund anticipated costs of the BHP beginning in SFY 2028-2029. The DOH Medicaid State-Share spending is projected to grow to $48.5 billion in SFY 2029-30.

Public Health Insurance enrollment is projected to decrease from 8.67 million people in SFY 2025-26 to 8.38 million people in SFY 2026-27. This includes Medicaid enrollment of 6.47 million people in SFY 2026-27, an increase of 13,000 compared to SFY 2025-26. While enrollment growth has stalled following pandemic-era gains, an aging population and high utilization rates continue to drive annual spending growth. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27, but notes it will be challenging to maintain projected spending levels if the public health insurance enrollment trends do not align with financial plan estimates.

Medicaid Global Cap Spending

The SFY 2022-23 Enacted Budget implemented a new Global Cap index based on the five-year rolling average of the Centers of Medicare and Medicaid Services (CMS) annual projections of health care spending. This index accounts for factors not previously captured under the Global Cap. The new Global Cap index authorizes an additional $31.4 billion in State-Share Medicaid spending growth covering six years through SFY 2029-30. The $31.4 billion increase includes $5.0 billion in SFY 2026-27, $6.4 billion in SFY 2027-28, $7.8 billion in SFY 2028-29, and $8.8 billion in SFY 2029-30.

The updated forecast for Medicaid spending subject to the Global Cap is estimated to total $28.6 billion in SFY 2026-27. This is an increase of $2.1 billion or 8.0 percent from the prior year. Medicaid spending under the Global Cap is projected to remain within the indexed allowance through SFY 2026-27. Due to utilization and costs trends, Medicaid spending is expected to exceed the Global Cap beginning in SFY 2027-28. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27.

PUBLIC ASSISTANCE

The Office of Temporary and Disability Assistance (OTDA) posts public assistance caseload data each month. The pattern of enrollee movement between case types and closed status is complex, with enrollees' statuses constantly changing.

Although the welfare caseload is volatile and difficult to predict, there is a strong relationship between the number of welfare enrollees and certain economic factors, such as employment and low wage work, unemployment rate and entry-level employment. The New York State Division of the Budget (DOB) anticipates public assistance caseloads to total 694,879 recipients in SFY 2026-27. Disbursements are projected to reach $2.5 billion in SFY 2026-27, which reflects a decrease of $101 million or 3.8 percent from the prior year. Disbursements are expected to decrease in SFY 2027-28 to an estimated $2.1 billion. The Senate Majority Conference Finance Committee staff accepts the Executive estimates and forecasts for current law spending for SFY 2026-27 and SFY 2027-28.