

NEW YORK STATE SENATE  
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**STAFF ANALYSIS OF THE FY 2023**

# **EXECUTIVE BUDGET**

**JANUARY 2022**



**RANKING MINORITY MEMBER**  
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**COMMITTEES**  
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THE SENATE  
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January 26, 2022

Dear Senators,

Enclosed herewith is the "Staff Analysis of the FY 2023 Executive Budget." It is intended to assist the members of the Finance Committee and the Senate as a whole, in our deliberations. We hope that our readers find it useful.

The analysis of the Executive Budget begins with a summary of the spending plan. It then offers an explanation of proposed changes that affect receipts and provides for Senate Issues in Focus. Finally, it provides a summary of the Executive's Article VII language bills submitted as part of the Executive Budget. The report provides an analysis of the appropriations recommended this year and an analysis of the governor's recommendations.

Each member of the Senate Finance Committee devotes considerable time and effort to the passage of a budget that serves the interest of every New Yorker. I am most grateful for their cooperation. It is also a pleasure to thank the staffs of both the Senate Finance Committee, and the Counsel and Program Office, whose assistance has been invaluable.

Sincerely,

A handwritten signature in black ink that reads "Tom F. O'Mara". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

THOMAS F. O'MARA  
Ranking Member, Finance

# REPORT OF THE SENATE FINANCE COMMITTEE MINORITY

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## STAFF ANALYSIS OF THE FY 2023 EXECUTIVE BUDGET

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# SECTION ONE

## *HIGHLIGHTS OF THE EXECUTIVE BUDGET*





## OVERVIEW

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### FY 2023 EXECUTIVE BUDGET

#### FY 2022 Enacted Budget

The FY 2022 Enacted Budget continued to impose - for the third straight year - new taxes and fees on hard-working, tax-burdened New Yorkers even though the State's financial position did not warrant such action. The FY 2022 Executive Budget as constructed outlined two scenarios: A budget with tax increases and cuts and one without those actions if the State were to receive \$15 billion in additional resources prior to the end of the fiscal year. After submitting the Executive Budget in January, the Governor increased revenue projections during the 30-day amendment period by \$3.2 billion over two years. Subsequent to that action, the two houses and the Executive agreed to an additional \$2.5 billion during the revenue consensus forecast process, which indicated that prior to any budget agreement by April first that the State had officially recognized an additional \$5.7 billion in State revenues beyond what was proposed in the Executive budget thereby making tax increases unnecessary.

While the State was focused on its own revenues, Congress and the President agreed to the American Rescue Plan Act, which provided State and local governments unrestricted aid intended to fill budget gaps due to the pandemic. New York State was allocated \$12.7 billion in Federal aid with very limited restrictions. At the time the New York State FY 2022 budget was voted on, it was well known that the State was going to receive this funding from the Federal Government and that State revenue projections coming into the State were well beyond the initial projections of the NYS Division of Budget. Between the influx of Federal funds and the growth in State tax receipts, the State had an additional \$18.3 billion available that was not in the originally proposed Executive Budget. The additional Federal and State revenue was well beyond the \$15 billion outlined "need" to avoid new taxes and cuts in the FY 2022 budget. The final agreement contained one of the largest tax hikes in State history- bringing in additional revenue that was arguably unnecessary.

#### FY 2023 Executive Budget

In the months following the FY 2022 budget agreement, the State's revenues continued to outpace the financial plan estimates. By the Mid-Year report, the State's revenues, according to the NYS Comptroller, were \$7.2 billion higher than initial estimates. According to the FY 2023 five-year Financial Plan, forecast revisions (the "base-level forecast") since the Mid-Year Update have created new projected surpluses<sup>1</sup>. The

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<sup>1</sup> NYS Division of Budget Five Year Financial Plan, January 2022.



State's financial estimates for tax receipts have been increased by an average of \$4.9 billion annually compared to the Mid-Year forecast. Through December 2021, the State's General Fund tax receipts were \$10 billion (17 percent) higher than the estimate in the Enacted Budget Financial Plan. The forecast revisions leave surpluses of \$5.0 billion in FY 2022, \$6.4 billion in FY 2023, and \$5.3 billion in FY 2024<sup>2</sup>. With those revisions, the FY 2023 Executive Budget proposes an all funds total of \$216.3 billion, which represents a 1.6 percent increase over the prior year. Over the last two State budgets, the average increase in All Funds spending would be eight percent if this proposed budget is enacted. In terms of State Operating funds, the Executive proposal increases funding by \$3.6 billion or 3.1 percent. The two year average State Operating Funds increase is seven percent, which is well beyond the self-imposed two percent spending cap that was employed between FY 2012 and FY 2021. As the financial section will show, there are no out-year budget gaps in this Executive proposal. This proposal includes the allocation of \$7 billion in non-recurring actions including:

- \$2 billion for property tax relief (FY 2023).
- \$2 billion for pandemic recovery initiatives (reserve funded in FY 2022).
- \$1 billion to enlarge the DOT capital plan (deployed over three years, FY 2023-FY 2025).
- \$1 billion for health care transformation (reserve funded from FY 2023 and 2024 operations).
- \$1.2 billion for bonuses for health care/frontline workers (paid in FY 2023).
- \$350 million for pandemic relief for businesses and theater/ musical arts (paid in FY 2023 and FY 2024).

The Executive's property tax relief proposal is built off the Property Tax Rebate program which was a signature Senate Republican Majority proposal from FY 2016. That program, which was not extended in FY 2020, provided \$3.1 billion in relief over three years. This is the first substantial property tax relief proposal since that program. In addition, the Executive is proposing to accelerate the Senate Republican Majority initiated Middle Class Tax Cuts which were to be fully phased in by 2025. With all of the available revenue that the State is currently estimating, more substantial tax relief would be expected considering the considerable costs middle class families are facing during this period of record inflation - consistent with Senate Republican calls for more relief to be done for families, individuals and small businesses.

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<sup>2</sup> NYS Division of Budget Five Year Financial Plan, January 2022.



## **TAKE BACK NEW YORK**

Since the enactment of the FY 2022 budget, the State’s revenue position continued to recover and rapidly outpaced financial plan projections for the second straight year. By the FY 2022 Mid-Year report, the NYS Comptroller had indicated that the State was experiencing a \$7.2 billion surplus that was largely driven by increases in personal income tax revenues. Over the past three years, the Senate Republicans have fought for the restoration of Property Tax Rebate checks eliminated in FY 2020 as well as for the acceleration of the Middle Class Tax Cuts which under current law is due to be fully phased in by 2025.

The New York State Senate Republicans unveiled the “Take Back New York” plan within the fiscal reality that State revenues are well beyond initial estimates at the time the FY 2022 budget was enacted. “Take Back New York” is a commitment to responsible stewardship of tax dollars - providing support to key segments of the state’s economy and support to vulnerable populations in all of our communities. The plan includes the following:

### **ENSURING SECURITY FOR OUR VULNERABLE POPULATIONS**

- **SENIORS:** Increase support for nursing homes and elder care communities. Provide new tax benefits for family caregivers and expand home care options for aging New Yorkers.
- **VULNERABLE COMMUNITIES:** Recommit to combat the opioid crisis with increased investment in prevention, treatment and recovery services. Make Kendra’s Law permanent, to keep our communities safe and guarantee the highest level of care and treatment for those with serious mental illness.
- **VETERANS:** Double the funding for the Joseph P. Dwyer Veterans Peer Support. Increase funding for Local Veteran Service Agencies by supporting housing and services that increase awareness about issues faced by our veterans.

### **RESTORING ACCOUNTABILITY TO STATE GOVERNMENT**

- Reform JCOPE and empower the state Inspector General to provide real oversight.
- Protect victims of sexual harassment in state government by creating a joint commission on public transparency and sexual harassment, creating the crime of illegal employee retaliation, and extending the statute of limitations.

### **A BETTER QUALITY OF LIFE FOR ALL NEW YORKERS**

- **FIGHTING FOR A SAFER NEW YORK:** End cashless bail for dangerous criminals and restore judicial discretion to keep dangerous criminals off our streets. Support and protect our law enforcement officers by providing them with the tools, skills and resources they need. Protect and prioritize crime victims and law-abiding citizens by increasing penalties for violent offenders and reforming our broken parole system.



- **ENSURING ACCESS TO A QUALITY EDUCATION:** Expand school choice and empower high-performing schools to expand while infusing the system with quality education alternatives. Restore admissions testing for NYC Specialized High Schools. Oppose efforts to turn classrooms into venues for social experimentation and instead provide students tools they need to think critically, act responsibly and thrive in a competitive economy.

## **MAKING NEW YORK MORE AFFORDABLE**

- **CUTTING NEW YORK’S HIGHEST-IN-THE-NATION TAXES:** As the nation is facing the highest inflation in 30 years New Yorker’s are experiencing the higher costs of living in every part of their life whether it is at the supermarket, the gas pump or even home heating bills there is a great need to reduce taxes.
  - Enact a permanent cap on runaway state spending.
  - Repeal unfunded mandates that drive up local property taxes.
  - Reject radical plans to dramatically increase gas, home heating, and everyday-living costs.
- **REDUCING THE COST OF LIVING**
  - Repeal outdated regulatory barriers that impact availability of affordable housing and protect the rights of property owners.
  - Make childcare more affordable and available by cutting costly regulations, expanding the Empire State Child Tax Credit and the dependent care credit, and increasing support for employer-provided early childhood education and care.
  - Mitigate the impact of the global energy crisis by providing nearly \$300 million in energy tax relief.

## **A STRONG WORKFORCE FOR A STRONG ECONOMY**

- **TRAINING AND GROWING THE STATE’S WORKFORCE**
  - Prepare our students to be career and college ready and increase support and utilization of BOCES to expand pathways to high school graduation.
  - Align employers’ needs and job-seekers’ skills with centralized apprenticeship programs, funding regionally-driven/industry led career pathways, and adopting “credential passports” to enable a more seamless transition across institutions.
  - Expand our skilled workforce by eliminating burdensome occupational licensing restrictions and promoting interstate licensing exchange.
- **STANDING WITH OUR NEW YORK FAMILY FARMS**



- Strongly reject destructive policies like the “Farmworker Fair Labor Practices Act.”
- Support agriculture programs in our K-12 classrooms, BOCES agricultural education programs, and on-farm apprenticeship programs.
- Increase investments in the Nourish New York and Young Farmers initiatives.

## **IMPROVE NEW YORK STATE’S BUSINESS CLIMATE**

- Cut red tape and burdensome regulations.
- Reduce taxes on small businesses.
- Cap unemployment taxes to protect businesses still struggling with pandemic recovery.

## **INVESTING IN INFRASTRUCTURE FOR THE 21ST CENTURY**

- Expand access to broadband by repealing NY’s fiber optic tax, funding expansion into underserved areas, and increasing standards for speed and access.
- Support investment in local roads and bridges by increasing Consolidated Local Street and Highway Improvement Program aid.
- Invest in safe, water and sewer infrastructure.

## **MOVING TOWARD A CLEAN ENERGY FUTURE AND CONSERVING OUR ENVIRONMENT**

- Require independent analysis of climate mandates to protect against soaring energy prices and require legislative approval on any proposal that raises consumer electric rates.
- Invest in our power grid to ensure reliability and efficiency while increasing capacity and upgrading transmission capabilities.
- Streamline the development process to reduce project costs and require community input.

## **FY 2023 FINANCIAL PLAN**

The FY 2023 Financial Plan projects All Funds spending of \$216.3 billion, an increase of \$3.4 billion or 1.6 percent from FY 2022. State Operating Funds spending is projected at \$118.8 billion, an increase of \$3.6 billion or 3.1 percent.

## **RECEIPTS**

The Executive Budget projects FY 2023 All Funds receipts to decrease from \$226.7 billion to \$221.1 billion, a decrease of \$5.6 billion or 2.5 percent. The All Funds receipts decrease reflects a decrease in Federal grants partially offset by projected increased collections of taxes and miscellaneous receipts.

The FY 2023 Executive Budget includes tax decreases in FY 2022 of \$2.5 billion, partially offset by fee increase, enforcement actions, and tax increases of \$27 million.

| FY 2023 Executive Budget Receipts<br>(Billions of Dollars) |                |                |                |                |              |
|--|----------------|----------------|----------------|----------------|--------------|
|  | FY 2021        | FY 2022        | FY 2023        | Change(\$)     | Change(%)    |
|  | Actuals        | Estimate       | Projected      | from FY 2022   | from FY 2022 |
| Taxes  | \$82.4         | \$101.2        | \$108.7        | \$7.5          | 7.4%         |
| Federal Receipts   | \$78.2         | \$99.6         | \$84.9         | (\$14.7)       | -14.8%       |
| Miscellaneous Receipts                                     | \$30.7         | \$25.9         | \$27.5         | \$1.6          | 6.2%         |
| <b>All Funds Receipts</b>                                  | <b>\$191.3</b> | <b>\$226.7</b> | <b>\$221.1</b> | <b>(\$5.6)</b> | <b>-2.5%</b> |

## SPENDING

Current Year All Funds spending (FY 2022) is projected to increase from \$186.6 billion in FY 2021 to \$212.9 billion in FY 2022, an increase of \$26.3 billion or 14.1 percent. The average All Funds spending increase over those two state fiscal years is eight percent.

| FY 2023 ALL FUNDS SPENDING<br>(Billions of Dollars) |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| 2021  | 2022           | 2023           | Change (\$)    | Change (%)   |
| results   | current        | proposed       | from 2021      | from 2021    |
| <b>\$186.6</b>                                      | <b>\$212.9</b> | <b>\$216.3</b> | <b>\$ 29.8</b> | <b>15.9%</b> |

State Operating Funds spending (FY 2022) is projected to increase from \$104.2 billion to \$115.2 billion, an increase of approximately \$11 billion or 10.6 percent. The average projected spending increase over both fiscal years (FY 2022 and FY 2023) is seven percent.

| FY 2023 STATE OPERATING FUNDS SPENDING<br>(Billions of Dollars) |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| 2021  | 2022           | 2023           | Change (\$)    | Change (%)   |
| results   | current        | proposed       | from 2021      | from 2021    |
| <b>\$104.2</b>  | <b>\$115.2</b> | <b>\$118.8</b> | <b>\$ 14.6</b> | <b>14.0%</b> |

These are not fiscally conservative numbers.



## BUDGET GAPS

The FY 2023 Executive Budget Financial Plan projects an unprecedented current structural deficit of zero in FY 2022 and across the out years, plus 2027 (an additional year just added on).

| FY 2023 Executive Budget Gap Closing Plan<br>General Fund Budgetary Basis Surplus / (Gap) Projections<br>(millions of dollars) |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | FY 2023<br>Projected | FY 2024<br>Projected | FY 2025<br>Projected | FY 2026<br>Projected | FY 2027<br>Projected |
| <b>BASELINE SURPLUS / (GAP) ESTIMATE</b>   | <b>\$6,436</b>       | <b>\$5,349</b>       | <b>\$5,520</b>       | <b>\$2,966</b>       | <b>\$4,070</b>       |
| <b>Receipts</b>  | <b>(\$2,562)</b>     | <b>(\$1,057)</b>     | <b>(\$461)</b>       | <b>\$382</b>         | <b>\$815</b>         |
| Tax Receipts Revisions   |                      |                      |                      |                      |                      |
| <b>Disbursements</b>   | <b>(\$4,840)</b>     | <b>(\$5,258)</b>     | <b>(\$5,635)</b>     | <b>(\$4,208)</b>     | <b>(\$4,885)</b>     |
| Local Assistance   | (\$2,760)            | (\$1,587)            | (\$2,255)            | (\$3,101)            | (\$3,922)            |
| Education  | (\$233)              | (\$284)              | (\$285)              | (\$280)              | (\$282)              |
| Medicaid   | (\$585)              | \$370                | (\$42)               | (\$763)              | (\$1,593)            |
| eFMAP extension (June 30, 2022)  | \$746                | \$0                  | \$0                  | \$0                  | \$0                  |
| Healthcare / Frontline Worker Bonus  | (\$1,072)            | \$0                  | \$0                  | \$0                  | \$0                  |
| Public Health / Aging  | (\$237)              | (\$238)              | (\$239)              | (\$239)              | (\$238)              |
| Human Services / Mental Hygiene COLA   | (\$256)              | (\$256)              | (\$256)              | (\$256)              | (\$256)              |
| Mental Hygiene   | (\$323)              | (\$345)              | (\$302)              | (\$292)              | (\$282)              |
| Social Welfare   | (\$167)              | (\$221)              | (\$614)              | (\$758)              | (\$758)              |
| Economic Development   | (\$186)              | (\$136)              | (\$79)               | (\$79)               | (\$79)               |
| Higher Education   | (\$236)              | (\$280)              | (\$242)              | (\$237)              | (\$237)              |
| Public Safety  | (\$89)               | (\$89)               | (\$89)               | (\$89)               | (\$89)               |
| All Other  | (\$122)              | (\$108)              | (\$107)              | (\$108)              | (\$108)              |
| Agency Operations  | (\$36)               | (\$636)              | (\$641)              | (\$667)              | (\$690)              |
| Transfers  | (\$2,044)            | (\$3,035)            | (\$2,739)            | (\$440)              | (\$273)              |
| <b>Use of / (Deposit to) Reserves</b>  | <b>\$966</b>         | <b>\$966</b>         | <b>\$576</b>         | <b>\$860</b>         | <b>\$0</b>           |
| Extraordinary Monetary Settlements   | \$0                  | (\$1)                | \$1                  | \$0                  | \$0                  |
| Debt Management  | \$1,000              | \$1,000              | \$1,000              | \$860                | \$0                  |
| Economic Uncertainties   | (\$34)               | (\$33)               | (\$425)              | \$0                  | \$0                  |
| Extraordinary Monetary Settlements   |                      |                      |                      |                      |                      |
| <b>EXECUTIVE BUDGET SURPLUS / (GAP)</b>  | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           | <b>\$0</b>           |

## RESERVES

The Executive Budget projects an FY 2023 General Fund closing balance of \$27.7 billion; a decrease of \$2.8 billion from the FY 2022 projected closing fund balance. Included within the reserve total is \$4.3 billion in statutory reserves, \$9.7 billion in a discretionary reserve for Economic Uncertainties, \$21 million in a contingency reserve for claims made against the State, \$1.4 billion for debt reduction, \$2 billion in a reserve funds for Pandemic Assistance and \$1.8 billion in financial settlement proceeds. There is also \$7.7 billion related to timing of payment issues for a tax on pass through entities.

| <b>RESERVES</b><br><i>(millions of dollars)</i> | <b>2021</b><br><b>Results</b> | <b>2022</b><br><b>Current</b> | <b>2023</b><br><b>Projected</b> | <b>21 v 23</b><br><b>\$ Change</b> |
|---|-------------------------------|-------------------------------|---------------------------------|------------------------------------|
| <b>Opening General Fund Balance</b>             | <b>\$8,944</b>                | <b>\$9,161</b>                | <b>\$30,513</b>                 | <b>\$21,569</b>                    |
| Statutory Reserves                              |                               |                               |                                 |                                    |
| Tax Stabilization Reserve Fund                  | \$1,258                       | \$1,433                       | \$1,553                         | \$295                              |
| Rainy Day Reserve Fund                          | \$1,218                       | \$1,918                       | \$2,718                         | \$1,500                            |
| Contingency Reserve Fund                        | \$21                          | \$21                          | \$21                            | \$0                                |
| Community Projects Fund                         | \$30                          | \$23                          | \$19                            | (\$11)                             |
| Reserved For                                    |                               |                               |                                 |                                    |
| Labor / Settlement / Agency Ops                 | \$0                           | \$275                         | \$875                           |                                    |
| Economic Uncertainties                          | \$1,490                       | \$5,598                       | \$9,732                         | \$8,242                            |
| Debt Management                                 | \$500                         | \$500                         | \$1,355                         | \$855                              |
| Reserve For Pandemic Assistance                 | \$0                           | \$2,000                       | \$2,000                         | \$2,000                            |
| Undesignated Fund Balance                       | \$2,561                       | \$0                           | \$0                             | (\$2,561)                          |
| <b>Subtotal Excluding Settlements</b>           | <b>\$7,078</b>                | <b>\$11,768</b>               | <b>\$18,273</b>                 | <b>\$11,195</b>                    |
| <b>Extraordinary Monetary Settlements</b>       | <b>\$2,083</b>                | <b>\$2,035</b>                | <b>\$1,741</b>                  | <b>(\$342)</b>                     |
| <b>Timing of PTET/PIT Credits</b>               | <b>\$0</b>                    | <b>\$16,710</b>               | <b>\$7,660</b>                  |                                    |
| <b>Closing General Fund Balance</b>             | <b>\$9,161</b>                | <b>\$30,513</b>               | <b>\$27,674</b>                 | <b>\$18,513</b>                    |

The FY 2023 Executive Budget proposes to use \$15.4 billion in non-recurring surplus funds to increase reserves to 15 percent of projected State Operating Funds spending by FY 2025.



| FY 2023 Executive Budget                 |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| Principal Reserves (millions of dollars) |                |                |                |                |
|  | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> |
| <b>Planned Deposits</b>                  | <b>4,984</b>   | <b>5,053</b>   | <b>2,448</b>   | <b>2,925</b>   |
| Rainy Day Reserve                        | 875            | 920            | 915            | 950            |
| Economic Uncertainties                   | 4,109          | 4,133          | 1,533          | 1,975          |
| <b>Balance at Year-End</b>               | <b>8,950</b>   | <b>14,003</b>  | <b>16,451</b>  | <b>19,376</b>  |
| Rainy Day Reserve                        | 3,351          | 4,271          | 5,186          | 6,136          |
| Economic Uncertainties                   | 5,599          | 9,732          | 11,265         | 13,240         |
| <b>Estimated SOF Spending</b>            | <b>115,218</b> | <b>118,839</b> | <b>123,394</b> | <b>128,895</b> |
| <i>Principal Reserves % SOF</i>          | <i>7.80%</i>   | <i>11.80%</i>  | <i>13.30%</i>  | <i>15.00%</i>  |

## SPENDING AREA HIGHLIGHTS

### SCHOOL AID

The FY 2023 Executive Budget provides \$31.6 billion in school aid, an increase of \$2.1 billion or eight percent above FY 2022. Highlights of this proposal include an additional \$1.6 billion in Foundation Aid which is the largest component of unrestricted aid to school districts. Expense-based aids increase by \$476 million over the prior school year and funding for categorical grant programs would decrease \$7 million.

#### *Foundation Aid*

*Foundation Aid:* The Executive proposal increases Foundation Aid by \$1.6 billion for a total amount of \$21.42 billion. The Foundation Aid formula uses school district need, fiscal capacity, wealth and other measures as determining factors in its distribution. The Executive proposal maintains a \$250 million Community Schools set aside within Foundation Aid. Community schools are designed to provide students and their families access to support services in a school setting. These schools partner with the community to provide resources including social services, legal, medical, dental or any other service which would improve student academic achievement.

#### *Expense Based Aids*

The following aid formulas represent present law funding:

- *Building Aid:* The Executive increases Building Aid by \$29.98 million for a total of \$3.2 billion.



- *Transportation Aid:* The Executive increases Transportation Aid by \$301.5 million for a total of \$2.2 billion.
- *BOCES Aid:* The Executive increase BOCES Aid by \$77.6 million for a total of \$1.1 billion.
- *Special Education Funding:* The Executive increases Special Education funding by \$45.73 million for a total of \$985.4 million.
- *Instructional Materials:* The Executive increases Instructional Materials by \$6.8 million for a total of \$268.3 million.
- *Universal Pre-kindergarten:* The Executive increases Universal Pre-k funding by \$6.6 million for a total of \$952 million.
- *Charter School Transition:* The Executive increases Charter School Transition Aid by \$5.1 million for a total of \$52.3 million.

## HEALTH – MEDICAID

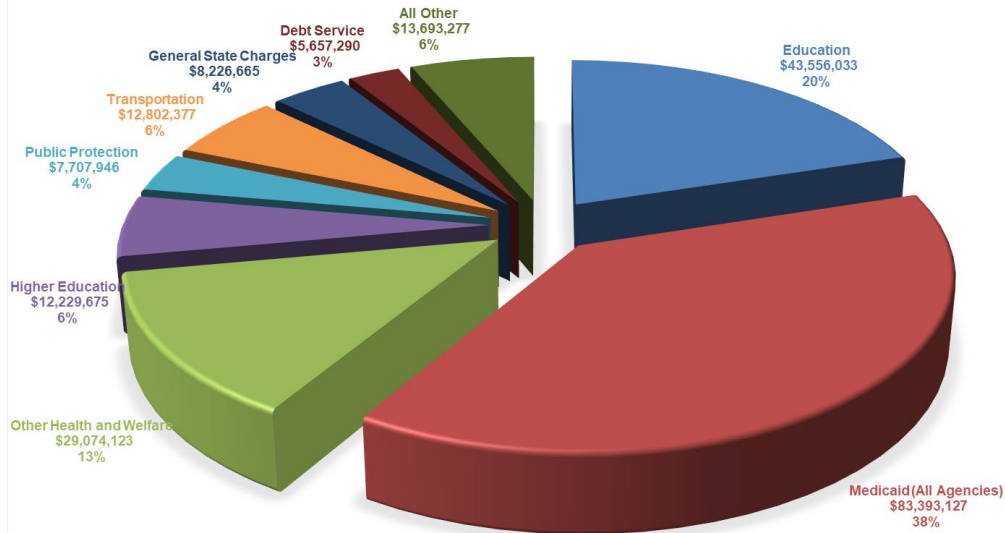
The FY 2023 Executive Budget recommends Medicaid All Funds cash disbursements of \$88.4 billion, a net increase of \$6.4 billion of 5.5 percent. Enhanced federal Medicaid Essential Plan funding, and increased Medicaid spending primarily drive this increase.

The Executive Budget projects gross Medicaid spending (including the mental hygiene agencies and the \$7.2 billion local contribution) of \$98.1 billion, an increase of \$9 billion or 10 percent from FY 2022. The Executive proposes a two year appropriation structure to disburse these funds.

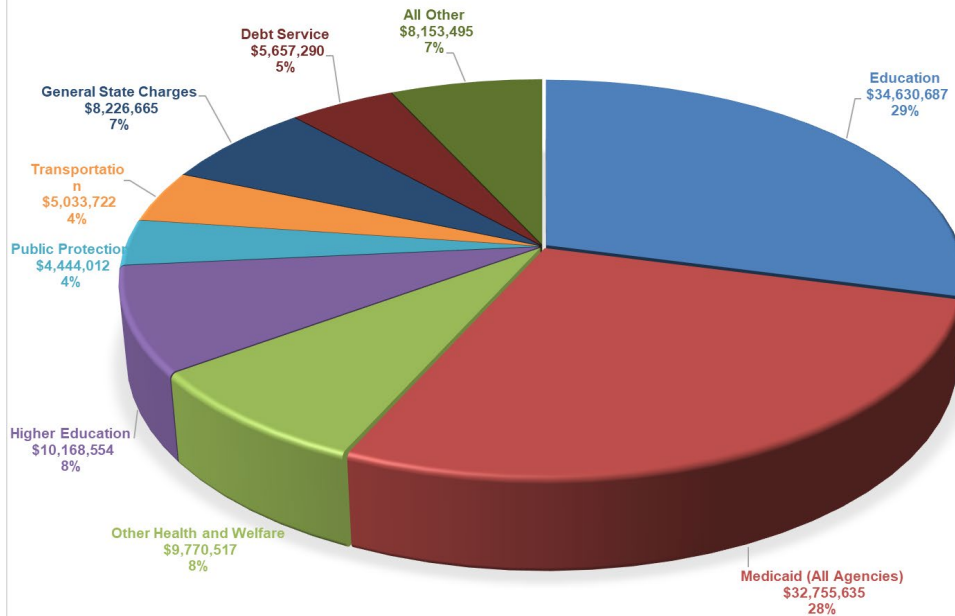
The Executive proposes multiple initiatives in the FY 2023 Medicaid Budget. For the first time since the Medicaid Global Cap was enacted in FY 2012, the Medicaid Budget does not propose significant cuts to the program, projecting a Global Cap surplus of \$535.3 million for FY 2022. After accounting for costs and savings associated with bills with fiscal impacts that were Enacted outside the budget, and the new Global Cap metric, the Global Cap forecasts a \$437 million surplus for FY 2023. In addition, the Executive assumes another surplus of \$366 million derived from the updated Global Cap metric, for a total Global Cap base surplus of \$803 million in FY 2023. The net fiscal impact of the proposals after accounting for the Cap Base surplus, state spending, savings, and offsetting initiatives is budget neutral.



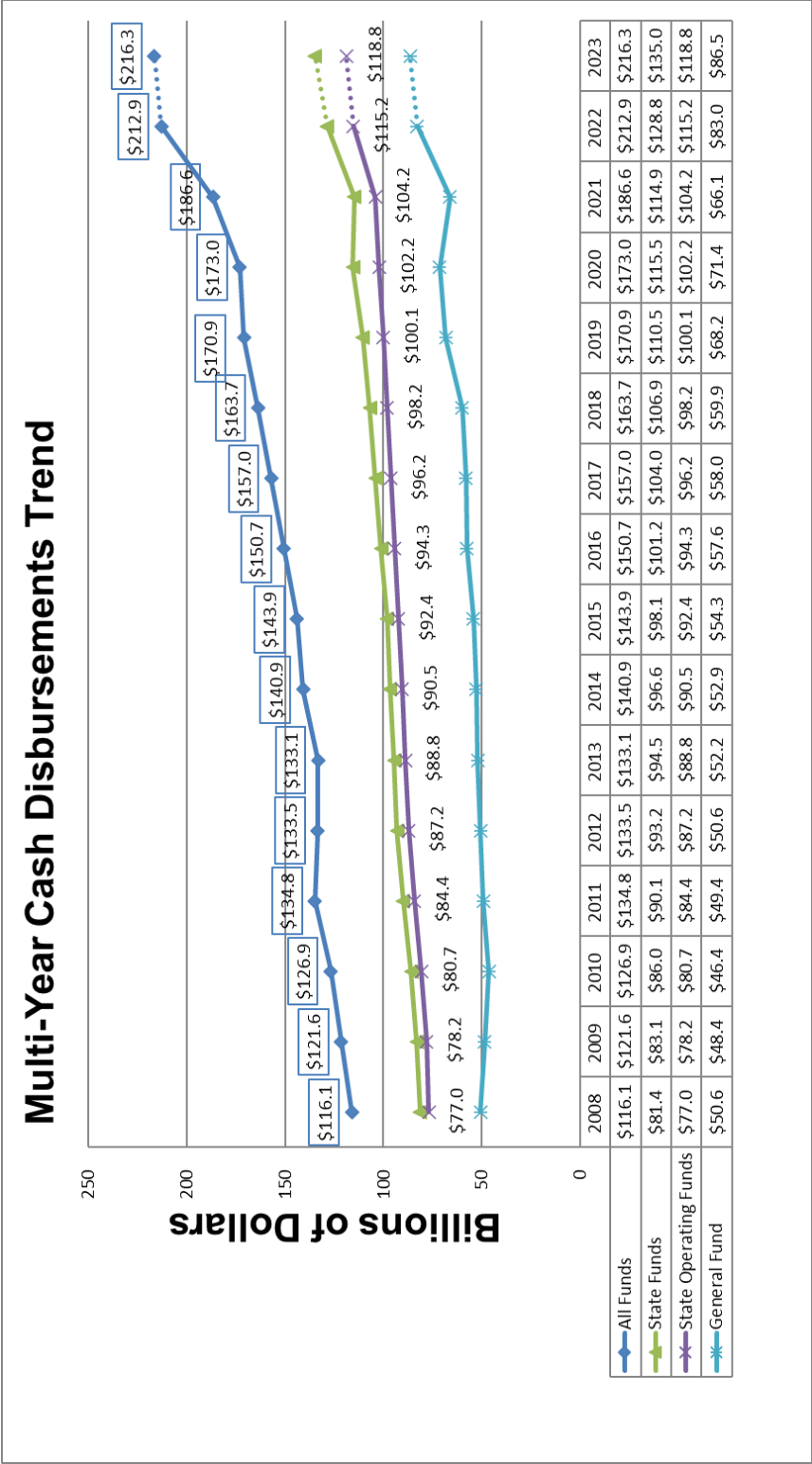
**FY 2023 EXECUTIVE BUDGET ALL FUNDS CASH DISBURSEMENTS  
PERCENTAGE BY MAJOR FUNCTION**



**FY 2023 EXECUTIVE BUDGET STATE OPERATING FUNDS CASH DISBURSEMENTS  
PERCENTAGE BY MAJOR FUNCTION**



| Cash Disbursements By Function<br>FY 2023 Executive Budget |  | All Funds          |                | State Funds        |                | State Operating Funds |                | General Fund      |                |
|--|--|--------------------|----------------|--------------------|----------------|-----------------------|----------------|-------------------|----------------|
|  |  | Thousands (\$)     | Percent        | Thousands (\$)     | Percent        | Thousands (\$)        | Percent        | Thousands (\$)    | Percent        |
| <b>Local Assistance</b>                                    |  |                    |                |                    |                |                       |                |                   |                |
| Economic Development / Government Oversight                |  | 1,725,820          | 1.05%          | 1,716,765          | 1.94%          | 674,202               | 0.81%          | 321,170           | 0.50%          |
| Education, school aid                                      |  | 37,552,905         | 22.77%         | 30,433,215         | 34.34%         | 30,013,215            | 36.24%         | 25,488,015        | 39.29%         |
| Education, STAR  |  | 1,830,985          | 1.11%          | 1,830,985          | 2.07%          | 1,830,985             | 2.21%          | -                 | 0.00%          |
| Education, other   |  | 3,590,045          | 2.18%          | 2,649,738          | 2.99%          | 2,570,738             | 3.10%          | 2,557,157         | 3.94%          |
| Health, other  |  | 11,355,099         | 6.89%          | 2,936,316          | 3.31%          | 2,152,241             | 2.60%          | 921,190           | 1.42%          |
| Health, Medicaid (all components)                          |  | 79,970,226         | 48.49%         | 29,843,256         | 33.67%         | 29,843,256            | 36.03%         | 23,887,450        | 36.82%         |
| Higher Education   |  | 3,013,590          | 1.83%          | 3,013,590          | 3.40%          | 2,999,440             | 3.62%          | 2,999,440         | 4.62%          |
| General Government   |  | 298,066            | 0.18%          | 239,859            | 0.27%          | 162,859               | 0.20%          | 34,049            | 0.05%          |
| Local Government Assistance                                |  | 1,205,750          | 0.73%          | 818,626            | 0.92%          | 818,626               | 0.99%          | 818,626           | 1.26%          |
| Mental Hygiene (adjusted)                                  |  | 2,988,697          | 1.81%          | 2,737,011          | 3.09%          | 2,587,086             | 3.12%          | 2,365,604         | 3.65%          |
| Parks and Environment                                      |  | 472,003            | 0.29%          | 315,733            | 0.36%          | 5,728                 | 0.01%          | 2,078             | 0.00%          |
| Public Protection  |  | 3,270,072          | 1.98%          | 753,272            | 0.85%          | 720,415               | 0.87%          | 237,834           | 0.37%          |
| Social Welfare, other (adjusted)                           |  | 7,209,264          | 4.37%          | 3,631,608          | 4.10%          | 2,042,858             | 2.47%          | 2,036,024         | 3.14%          |
| Social Welfare, welfare assistance                         |  | 3,890,477          | 2.36%          | 1,263,901          | 1.43%          | 1,263,901             | 1.53%          | 1,263,901         | 1.95%          |
| Transportation   |  | 6,871,452          | 4.17%          | 6,301,231          | 7.11%          | 4,589,733             | 5.54%          | 141,968           | 0.22%          |
| All Other  |  | (326,594)          | -0.20%         | 141,344            | 0.16%          | 553,088               | 0.67%          | 1,794,331         | 2.77%          |
| <b>Total Local Assistance</b>                              |  | <b>164,917,857</b> | <b>100.00%</b> | <b>88,626,450</b>  | <b>100.00%</b> | <b>82,828,371</b>     | <b>100.00%</b> | <b>64,868,837</b> | <b>100.00%</b> |
| <i>Percent of Total Spending</i>                           |  |                    | <i>76.23%</i>  |                    | <i>65.67%</i>  |                       | <i>69.70%</i>  |                   | <i>74.97%</i>  |
| <b>State Operations</b>                                    |  |                    |                |                    |                |                       |                |                   |                |
| Personal Services  |  | 15,762,436         | 46.54%         | 15,075,411         | 49.66%         | 15,075,411            | 49.66%         | 10,067,452        | 46.48%         |
| Non Personal Services                                      |  | 7,530,929          | 22.24%         | 5,090,098          | 16.77%         | 5,090,098             | 16.77%         | 2,562,831         | 11.83%         |
| General State Charges                                      |  | 10,574,496         | 31.22%         | 10,188,843         | 33.57%         | 10,188,843            | 33.57%         | 9,030,398         | 41.69%         |
| <b>Total State Operations</b>                              |  | <b>33,867,861</b>  | <b>100.00%</b> | <b>30,354,352</b>  | <b>100.00%</b> | <b>30,354,352</b>     | <b>100.00%</b> | <b>21,660,681</b> | <b>100.00%</b> |
| <i>Percent of Total Spending</i>                           |  |                    | <i>15.65%</i>  |                    | <i>22.49%</i>  |                       | <i>25.54%</i>  |                   | <i>25.03%</i>  |
| <b>Capital Projects</b>                                    |  |                    |                |                    |                |                       |                |                   |                |
| <i>Percent of Total Spending</i>                           |  | <b>11,896,941</b>  | <b>100.00%</b> | <b>10,316,582</b>  | <b>100.00%</b> | -                     | <i>100.00%</i> | <b>n/a</b>        | <b>n/a</b>     |
|  |  |                    | <i>5.50%</i>   |                    | <i>7.64%</i>   |                       |                |                   |                |
| <b>Debt Service</b>  |  |                    |                |                    |                |                       |                |                   |                |
| <i>Percent of Total Spending</i>                           |  | <b>5,657,290</b>   | <b>100.00%</b> | <b>5,657,290</b>   | <b>100.00%</b> | <b>5,657,290</b>      | <b>100.00%</b> | <b>n/a</b>        | <b>n/a</b>     |
|  |  |                    | <i>2.61%</i>   |                    | <i>4.19%</i>   |                       | <i>4.76%</i>   |                   |                |
| <b>Total FY 2023 Spending</b>                              |  | <b>216,340,513</b> | <b>100%</b>    | <b>134,955,238</b> | <b>100%</b>    | <b>118,840,577</b>    | <b>100%</b>    | <b>86,529,518</b> | <b>100%</b>    |





## FACT SHEET: Education

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### Financial Plan Budget Highlights

- The FY 2023 Executive Budget proposes All Funds spending authorization of \$40.6 billion a decrease of \$11.5 billion, which is due in large part to non-recurring Federal aid.
- State Operations funding for the State Education Department (SED) decreases by \$1.97 million. Of this funding, \$7.1 million is added to the Office of Profession for licensing a portion of which is authorized to be transferred to the Health Department for the Licenses Healthcare professions account. This increase is offset by reductions in federal funds.
- The FY 2023 Executive Budget also projects a workforce of 2,876 FTEs for the State Education Department, a 189 FTE increase from the Fiscal Year 2022 projection.
- STAR program is projected to provide \$3.4 billion in relief in FY 2023. In addition, the Executive has proposed a \$2.2 billion Property Tax relief Credit that is tied to eligible STAR homeowners. Here is a breakdown of the benefit levels:

| Income Level                    | Rest of State benefit<br>Percent of 2021 STAR savings | NYC Benefit<br>Percent of 2021 STAR savings |
|---------------------------------|---|---|
| Less than \$75,000              | 163 percent   | 125 percent                                 |
| Between \$75,000 and \$150,000  | 115 percent   | 115 percent                                 |
| Between \$150,000 and \$200,000 | 66 percent  | 105 percent                                 |
| Between \$200,000 and \$250,000 | 18 percent  | 100 percent                                 |
| Over \$250,000                  | 0 percent   | 0 percent                                   |

- Basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.

- Outside of New York City, the average benefit will be nearly \$970, providing relief to more than 2 million property tax-paying households. The New York City average benefit will be about \$425, with benefits reaching another 479,000 property tax-paying households.
- For homeowners with income below \$75,000 the statewide average credit is estimated at nearly \$1,050, benefiting an estimated 837,800 recipients.
- The benefit will be in the form of an advanced credit, instead of being claimed when tax returns are filed, thus getting benefits in the hands of New York homeowners more quickly. Credits will be an advance on Tax Year 2022 income tax returns, to be directly sent to eligible homeowners beginning in Fall 2023.

### Notable Issues

- Extends Mayoral Control of New York City Schools for four years.
- Requires that school buses purchased, leased, or contracted for the purpose of school transportation services by a school district shall be zero-emission by July 1, 2027. Further provides that school districts shall only operate, maintain, and contract for the use of zero-emission school buses by July 1, 2035.
- Forgives penalties related to late filings, due to inadvertent or ministerial oversight, of final building cost reports and transportation contracts by in part by validating such contracts. Makes eligible all penalties paid for the filing of a late final building cost report on or after July 1, 2013, and penalties paid for the late filing of transportation contract if such contract was for services during or after the 2012-2013 school year eligible for prior year aid claims.
- Provides for the issuance of a temporary (one year) professional permits to applicants pending certification who are to be employed in a teaching or professional capacity in a public school under the supervision and mentorship of a certificate holder.
- Allows individuals holding an expired teaching, supervisory, or administrative to be employed in a public school if they notify the Commissioner of the State Education Department and payment of the applicable certification fee.

### Spending Highlights

- School Aid: The Executive proposes to increase school aid by \$2.1 billion over the prior year a 7.1 percent increase.
- The Executive proposes a General Support for Public Schools program (GSPS) totaling \$31.3 billion for the 2022-23 school year.
- Foundation aid is increased by \$1.6 billion as part of year two of a three year commitment to fully fund the operating aid formula. This represents an 8.1 percent increase. District minimum guaranteed increase over the prior year is 3 percent.





- Expense Based Aids increase by \$471 million over the prior year. These aid categories include instructional materials, pre-kindergarten, building aid and transportation aid among other categories.
- \$240 million for special act school districts and schools for the disabled
- **Learning and Mental health grants** for the Recover from COVID School Program (RECOVS) - \$100 million is proposed by the Executive for school districts for activities such as summer learning initiatives, after school programs and extended day programs to help students recover academically. In addition, funds could be used for mental health services.
- **Charter Schools:** The Fiscal Year 2023 Executive Budget increases New York City charter schools' per-pupil funding by 4.7 percent.
- **Nonpublic schools:** The Executive Budget provides \$295 million in State support for nonpublic schools, an increase of \$44 million (18 percent), which includes: \$193 million in aid to reimburse nonpublic schools for costs of State-mandated activities; \$55 million for science, technology, engineering, and math (STEM) instruction; and \$45 million for capital health and safety projects, including critical repair and maintenance of nonpublic schools' facilities.
- **Aid to Public Libraries:** The Executive Budget proposes to increase Library Aid by 2 percent, from \$94.1 million in FY2022 to \$96.1 million in FY2023. This funding provides operating support to public libraries, library systems, and reference and research libraries.



## EDUCATION

| Education<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |              |
|---|----------------------|---------------------|------------------|--------------|
| Agency  | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent      |
| School Aid (FY)   | 35,248               | 37,553              | 2,305            | 6.54%        |
| STAR  | 1,939                | 1,831               | (108)            | -5.59%       |
| Programs for the Disabled   | 2,234                | 2,282               | 48               | 2.14%        |
| All Other   | 1,580                | 1,814               | 234              | 14.78%       |
| School Aid - Other  | 140                  | 140                 | 0                | 0.00%        |
| <b>Totals:</b>  | <b>41,142</b>        | <b>43,619</b>       | <b>2,478</b>     | <b>6.02%</b> |

The Executive includes language in the State Operation bill that would prohibit any funds under the State Education Department appropriations to be allocated until (i) the legislature has finally acted upon the appropriations for the State Education Department contained in the Aid to Localities budget bill, and (ii) the Director of the Budget has determined that those appropriations are sufficient for the ensuing fiscal year.

The Executive Budget recommends All Funds cash disbursements of \$43.6 billion for FY 2023. This represents an increase of \$2.5 billion, which is due in large part to a substantial increase in General Support for Public Schools.

### Education Department

The Executive Budget provides an All Funds appropriation for the State Education Department of \$40.6 billion this represents a decrease of \$11.5 billion which is due in large part to the loss in one-time non-recurring federal aid.

- The Fiscal Year 2023 Executive Budget also projects a workforce of 2,876 FTEs for the State Education Department, a 189 FTE increase from the Fiscal Year 2022 projection.

### State Operations

The Executive Budget proposes \$637.1 million in State Operations funding for FY 2023. This represents a \$1.97 million decrease over the prior year. The Office of the Profession increases by \$10.73 million related to the addition of 70 FTEs.

General Fund increases are proposed for the Office of Management Services (\$2.45 million) and for the Office of Pre-kindergarten Through Grade Twelve Education (\$3.27 million) which is largely made up of additional personal services costs. The additional funds provided will support an additional 30 FTE's in OMS and 64 additional FTE's within the Office of Pre-kindergarten through Grade Twelve Education.

The Executive proposal increases funding for the Office Higher Education and the Professions by \$10.73 million. Within this, \$7.1 million in Special Revenue Other appropriation authority is added for functions related to licensure of professions. Language is included authorizing a portion of this appropriation to be sub-allocated to the Department of Health for the purpose of licensing health professions.

In addition, funding is added for the teacher certification program, including up to \$1.4 million for a TEACH system modernization project in order to reduce processing times by at least 50 percent and thereby achieve the following processing times for certain pathways to certification:

- No more than four weeks for state-approved teacher preparation programs, no more than six weeks for applicants through reciprocity, no more than eight weeks for individual evaluation of credentials, and no more than eight weeks for certificate progression.

The Executive proposal adds \$657,000 to the Office of Religious and Independent Schools, and an additional \$576,000 for the School for the Blind.

## 2022-23 School Aid Proposal

The FY 2023 Executive Budget provides \$31.6 billion in school aid, an increase of \$2.1 billion or eight percent above FY 2022. Highlights of this proposal include an additional \$1.6 billion in Foundation Aid which is the largest component of unrestricted aid to school districts. Expense-based aids increase by \$476 million over the prior school year and funding for categorical grant programs would decrease \$7 million.

### Foundation Aid

*Foundation Aid:* The Executive proposal increases Foundation Aid by \$1.6 billion for a total amount of \$21.42 billion. The Foundation Aid formula uses school district need, fiscal capacity, wealth and other measures as determining factors in its distribution. The Executive proposal maintains a \$250 million Community Schools setaside within Foundation Aid. Community schools are designed to provide students and their families access to support services in a school setting. These schools partner with the community to provide resources including social services, legal, medical, dental or any other service which would improve student academic achievement.

*Expense Based Aids* - The following aid formulas represent present law funding:

*Building Aid:* The Executive increases Building Aid by \$29.98 million for a total of \$3.2 billion



*Transportation Aid:* The Executive increases Transportation Aid by \$301.5 million for a total of \$2.2 billion.

*BOCES Aid:* The Executive increase BOCES Aid by \$77.6 million for a total of \$1.1 billion.

*Special Education Funding:* The Executive increases Special Education funding by \$45.73 million for a total of \$985.4 million

*Instructional Materials:* The Executive increases Instructional Materials by \$6.8 million for a total of \$268.3 million

*Universal Pre-kindergarten:* The Executive increase Universal Pre-k funding by \$6.6 million for a total of \$952 million.

*Charter School Transition:* The Executive increase Charter School Transition Aid by \$5.1 million for a total of \$52.3 million.

### **Additional Grant Programs and Other Appropriations**

*Teacher Recruitment and Retention Programs:* Funding for two grant programs to promote teacher recruitment are maintained at prior year levels:

- Teachers of Tomorrow: \$25 million
- Teacher-Mentor Intern: \$2 million

*Center for Autism and Related Disabilities at SUNY Albany:* The Executive provides \$1.24 million in State funding and \$500,000 in federal funds for a total program of \$1.74 million.

*Charter Schools:* The Executive increase supplemental charter school payments by \$52 million for a total of \$185 million. The Executive includes \$100 million for Charter School Facilities Aid. This aid reimburses NYC for the cost of charter schools utilizing public school buildings (co-location).

*District Grants:* The Executive maintains Legislative adds for grants to Yonkers (\$12 million) and eliminates Legislative adds to reimburse for district monitors for Rochester (\$175,000), Hempstead (\$175,000), and Wyandanch (\$175,000).

*Nonpublic School Assistance:* The Executive Budget maintains Nonpublic School Aid at \$193 million, Nonpublic STEM Programs at \$922,000, \$45 million in capital for health and safety projects and increases Academic Intervention Services by \$15 million for a total program proposal of \$55 million. In all Nonpublic assistance totals \$295 million for FY 2023.

*Education of Homeless Children:* funding for this program is maintained by the Executive at \$30.23 million.

*Schools for the Blind and Deaf:* The Executive proposes flat funding of \$105.9 million for schools for the blind and deaf (also known as 4201 schools). Legislative adds providing supplemental funding to these schools would be eliminated: Henry Viscardi School (\$903,000), NY School for the Deaf (\$903,000), Mill Neck (\$500,000), and Cleary School for the Deaf (\$500,00).

*Pre-School Special Education:* The Executive maintains flat funding at \$1.035 billion to support the State's share of pre-school special education costs.

### **Other Major budget actions include:**

*NY State Food Purchasing Incentive:* The Executive Budget maintains \$10 million from the prior year to incentivize school districts to purchase food from New York farmers for school lunch programs.

*Library Aid:* The Executive Budget increases library aid by \$2 million or the prior year for a total of \$96.1 million.

*Advanced Placement Fees for Low-Income Students:* The Executive Budget maintains funding of \$5.8 million to subsidize the cost of advanced placement test fees for low-income students. The Executive also provides \$1.5 million for advanced placement technical assistance.

*Extended Day/School Violence Prevention:* The Executive maintains funding at \$24.3 million for FY 2023.

*Public Broadcasting Aid:* The Executive Budget provides \$21.8 million in funding for public television and radio stations, including \$14 million in operating support and \$7.8 million in new funding for several initiatives: instructional content for classroom and remote learning (\$3.4 million); digital teaching and learning media tools (\$2 million); teacher professional development toolkit on improving student mental health (\$0.3 million); resources to address social isolation among seniors (\$0.75 million); and special programming and events on the opioid crisis in New York State (\$1.4 million).

*Continued Cost of Minimum Wage:* The Executive Budget maintains an appropriation of \$17.18 million to offset the increased costs of implementing changes to minimum wage. This appropriation has remained flat since FY 2018-19 despite increasing minimum wage costs.

*Small Government Assistance to School Districts:* The Executive maintains funding of \$1.87 million.

*Teacher Resource Centers:* The Executive proposes eliminating funding of \$14.3 million for Teacher Resource Centers.

## **STAR**

The Executive proposes a total STAR program of \$3.4 billion. Of this amount \$1.6 billion will be provided in the form of a tax credit. Those homeowners receiving the BASIC benefit total \$1.7 billion, SENIORS will total \$947 million and NYC eligible recipients will receive \$772 million.



- **Property Tax Relief Credit:** the Executive has proposed a \$2.2 billion Property Tax relief Credit that is tied to eligible STAR homeowners. Here is a breakdown of the benefit levels:

| Income Level                    | Rest of State benefit<br>Percent of 2021 STAR savings | NYC Benefit<br>Percent of 2021 STAR savings |
|---------------------------------|---|---|
| Less than \$75,000              | 163 percent   | 125 percent                                 |
| Between \$75,000 and \$150,000  | 115 percent   | 115 percent                                 |
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- Outside of New York City, the average benefit will be nearly \$970, providing relief to more than 2 million property tax-paying households. The New York City average benefit will be about \$425, with benefits reaching another 479,000 property tax-paying households.
- For homeowners with income below \$75,000 the statewide average credit is estimated at nearly \$1,050, benefiting an estimated 837,800 recipients.
- The benefit will be in the form of an advanced credit, instead of being claimed when tax returns are filed, thus getting benefits in the hands of New York homeowners more quickly. Credits will be an advance on Tax Year 2022 income tax returns, to be directly sent to eligible homeowners beginning in Fall 2022.

## Capital Projects

The Executive would appropriate \$117.7 million in Capital projects, a decrease of \$17.8 million. Among the major changes are:

- Elimination of a Legislative add for Library construction of \$20 million (now a reappropriation)
- Elimination of a \$41 million appropriation for the Departments data system modernization (now reappropriation).
- Addition of \$30 million for Nonpublic school health and safety projects.



| Education Aid SY 2022-23              |                    |                    |                   |                |
|---------------------------------------|--------------------|--------------------|-------------------|----------------|
| (Millions of Dollars)                 |                    |                    |                   |                |
| Formula Aids                          | 2020-21            | 2021-22            | Change            | Percent Change |
| Foundation Aid                        | \$19,816.47        | \$21,416.61        | \$1,600.14        | 8.07%          |
| Special Education – High Cost/Private | \$939.61           | \$985.33           | \$45.72           | 4.87%          |
| Reorganization Operating Aid          | \$4.49             | \$3.61             | (\$0.88)          | -19.60%        |
| Instructional Materials               | \$261.50           | \$268.23           | \$6.73            | 2.57%          |
| BOCES - Special Services              | \$1,299.27         | \$1,376.89         | \$77.62           | 5.97%          |
| Transportation Aid                    | \$1,947.81         | \$2,249.35         | \$301.54          | 15.48%         |
| High Tax Aid                          | \$223.30           | \$223.30           | \$0.00            | 0.00%          |
| Universal Pre-K                       | \$945.35           | \$951.97           | \$6.62            | 0.70%          |
| Charter School Transitional Aid       | \$47.22            | \$52.30            | \$5.08            | 10.76%         |
| Full Day Kindergarten                 | \$1.24             | \$0.00             | (\$1.24)          | -100.00%       |
| Building Aid                          | \$3,157.67         | \$3,187.65         | \$29.98           | 0.95%          |
| Other                                 | \$32.58            | \$32.58            | \$0.00            | 0.00%          |
| <b>Formula Aid TOTAL</b>              | <b>\$28,676.51</b> | <b>\$30,747.82</b> | <b>\$2,071.31</b> | <b>7.22%</b>   |
| Categorical Aids                      |                    |                    |                   |                |
| Teachers of Tomorrow                  | \$25.00            | \$25.00            | \$0.00            | 0.00%          |
| Teacher Mentor Intern                 | \$2.00             | \$2.00             | \$0.00            | 0.00%          |
| School Health Services                | \$13.84            | \$13.84            | \$0.00            | 0.00%          |
| Roosevelt                             | \$12.00            | \$12.00            | \$0.00            | 0.00%          |
| Urban Suburban Transfer               | \$8.59             | \$8.59             | \$0.00            | 0.00%          |
| Employment Prep Education             | \$96.00            | \$96.00            | \$0.00            | 0.00%          |
| Homeless Pupils                       | \$30.23            | \$30.23            | \$0.00            | 0.00%          |
| Incarcerated Youth                    | \$7.00             | \$7.00             | \$0.00            | 0.00%          |
| Bilingual Education                   | \$18.50            | \$18.50            | \$0.00            | 0.00%          |
| Education of OMH/OMR Pupils           | \$47.75            | \$48.00            | \$0.25            | 0.52%          |
| Special Act School Districts          | \$2.70             | \$2.70             | \$0.00            | 0.00%          |
| Chargebacks                           | (\$37.75)          | (\$37.75)          | \$0.00            | 0.00%          |
| BOCES Aid for Special Act             | \$0.70             | \$0.70             | \$0.00            | 0.00%          |
| Learning Tech Grants                  | \$3.29             | \$3.29             | \$0.00            | 0.00%          |
| Native American Building              | \$5.00             | \$5.00             | \$0.00            | 0.00%          |
| Native American Education             | \$72.26            | \$65.00            | (\$7.26)          | -10.05%        |
| School Bus Driver Safety              | \$0.40             | \$0.40             | \$0.00            | 0.00%          |
| Subtotal                              | \$307.51           | \$300.50           | (\$7.01)          | -2.28%         |
| <b>GSPS Total</b>                     | <b>\$28,984.02</b> | <b>\$31,048.32</b> | <b>\$2,064.30</b> | <b>7.12%</b>   |



## FACT SHEET: Higher Education

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### Financial Plan Budget Highlights

- The FY 2023 Executive Budget proposes All Funds spending authorization of \$19.5 billion, an increase of \$1.5 billion, or 8.5 percent, over the current year:
  - Increase of \$656.1 million to SUNY, for a total of \$12.5 billion
  - Increase of \$789.1 million to CUNY, for a total of \$5.8 billion
  - Decrease of \$5.9 million to HESC, for a total of \$1.2 billion
- **SUNY:** The FY 2023 Executive Budget recommends \$12.5 billion for SUNY and projects a workforce of 46,771, which is a 340 FTE increase from the FY2022 workforce level. FY2023 funding levels represent an overall \$656 million increase to appropriated levels compared to the prior year. The increases include: \$364 million in funding for capital projects, \$283 million for the operations of SUNY's four-year campuses and hospitals, and \$9 million in local assistance funding for SUNY community colleges.
- **CUNY:** The FY 2023 Executive Budget recommends \$5.8 billion for CUNY and projects a workforce of 14,016, which is a 540 FTE increase from the FY2022 workforce level. The FY2023 funding level represents an overall \$789 million increase to appropriated levels from the prior year. The proposed increases include: \$326 million for capital projects, \$339 million for the Enterprise Fund appropriation that supports operations of CUNY senior colleges, and \$124 million in local assistance appropriations that provide General Fund support to CUNY senior colleges and community colleges.
- **HESC:** The FY 2023 Executive Budget recommends \$1.2 billion in All Funds support for HESC and projects a workforce of 128 FTEs consistent with current workforce levels. The FY2023 appropriation level represents a \$6 million net decrease from the previous year, largely reflecting updated enrollment estimates for student financial aid programs and the expansion of TAP for part-time students.

## Notable Issues

- **The Executive Expands the Part-Time Tuition Assistance Program (TAP)**
  - Expands TAP eligibility to part-time students enrolled in degree programs as well as part-time students enrolled in high-demand workforce credential programs at community colleges
  - Proposal would eliminate the current rule, which requires a part-time student to attend school full-time for a year (24 credits) prior to becoming eligible for TAP
- **Restore the Tuition Assistance Program (TAP) for Incarcerated Individuals**
  - Repeals the Section of Education Law which prohibits incarcerated individuals in any federal, state, or other penal institution from being eligible for TAP awards; this repeal would make incarcerated individuals eligible to receive TAP awards
  - There is an estimated cost of \$5 million associated with this bill
- **Accelerate the Reset of Excelsior Scholarship Tuition Support Levels**
  - Accelerates the Excelsior Scholarship Tuition Reset from AY 2024 to AY 2023
  - Current legislation has tuition rates for scholarship recipients at AY 2017 levels and requires SUNY and CUNY institutions to come up with the difference; this proposal updates the tuition rate to AY 2023 levels and alleviates some of the financial burden on SUNY/CUNY
- **Require Diversity Plan for BUNDY fund eligibility**
  - Unrestricted aid to independent colleges at the amount of \$35 million
  - However, such funds will only be available for those colleges who receive SED approval on a submitted plan to improve faculty diversity

## Spending Highlights

- **Faculty Hires:** \$106 Million in Full-Time Faculty hires in SUNY/CUNY – \$53 million each – to hire additional full-time faculty at both four-year colleges and community colleges. This investment will fund an estimated 880 additional full-time faculty – 340 at SUNY and 540 at CUNY, including support for CUNY’s plan to convert adjuncts to fulltime faculty.
- **TAP Gap:** Increase SUNY and CUNY Operating Support by \$127 Million. The Executive Budget will increase operating support to SUNY State-operated campuses and CUNY senior colleges by fully reimbursing colleges for the \$108.4 million cost of “TAP Gap” tuition credits, providing additional State support of \$59.6 million to CUNY and \$48.8 million to SUNY.
- **Excelsior Scholarship:** The university systems will also receive an \$18.6 million in additional operating revenue from Executive Budget legislation to raise the amount of State support that campuses receive for Excelsior Scholarship recipients, increasing operating support by \$13.7 million to SUNY State-operated campuses, \$2.8 million to CUNY senior colleges and \$2.1 million to community colleges.



- **Community Colleges:** Raise the Community College Funding Floor. The Executive Budget will maintain a funding floor for community colleges at 100 percent of prior year funding, up from the 98 percent floor enacted in FY 2022. Without a funding floor, community colleges would face an \$81 million (13 percent) loss in formula aid due to enrollment declines.
- **Opportunity programs:** The Executive Budget includes a \$24 million (10 percent) increase in funding through higher education opportunity programs and training centers administered by CUNY, SUNY and private colleges. Funding for these programs would total \$271 million.
- **Expand Childcare to All SUNY Campuses** The Executive Budget includes \$10.8 million in start-up funds for SUNY to establish childcare centers at all SUNY campuses, including \$5.4 million for SUNY State-operated campuses and \$5.4 million for SUNY community colleges.
- **SUNY Capital Plan:** The FY2023 Executive Budget advances a \$3.2 billion five-year capital plan to support infrastructure improvements at SUNY. For FY2023, the Executive Budget provides: \$975 million in new capital appropriations for State-operated campuses (a \$325 million increase), \$57 million in new capital appropriations for community college projects (a \$42 million increase); \$150 million for capital projects at SUNY hospitals; and \$75 million for dormitory related project.
- **CUNY Capital plan:** The FY2023 Executive Budget advances a \$2.1 billion five-year capital plan to support infrastructure improvements at CUNY. For FY2023, the Executive Budget provides: \$709 million in new capital appropriations for State-operated campuses (a \$315 million increase) and \$45 million in new capital appropriations for community college projects (a \$9 million increase).



## HIGHER EDUCATION

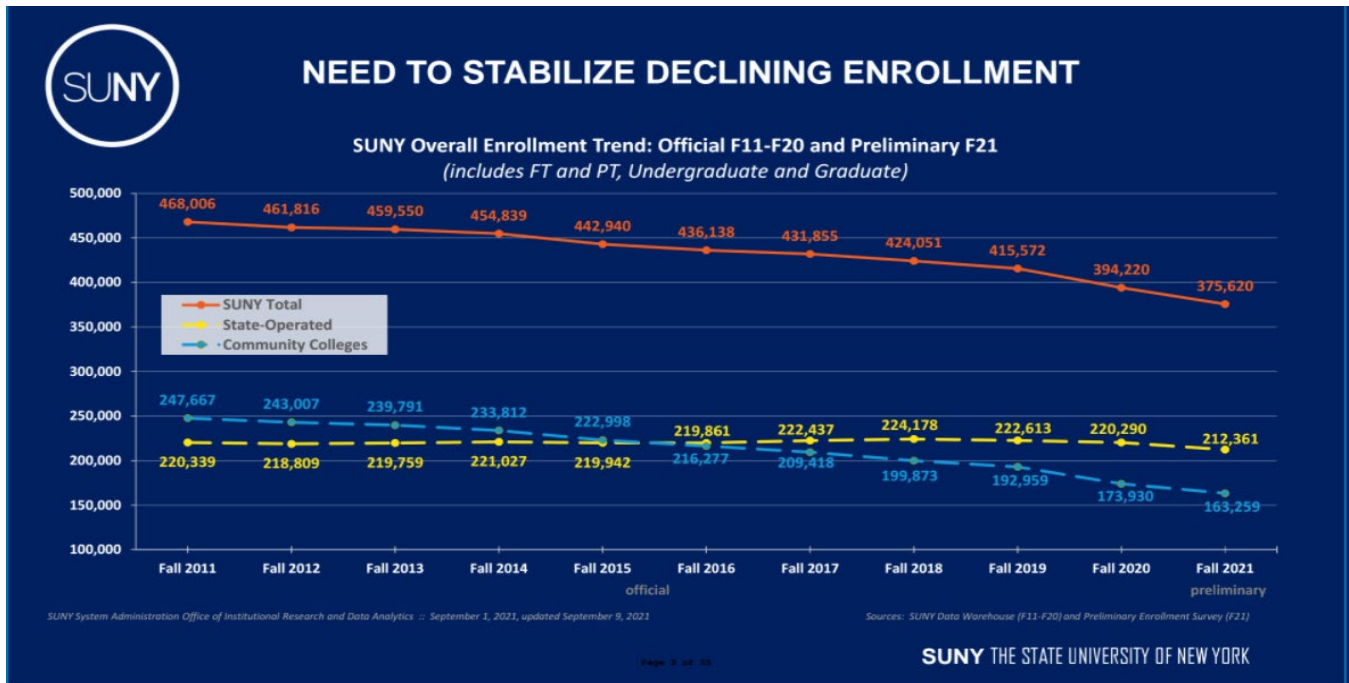
| Higher Education<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |               |
|--|----------------------|---------------------|------------------|---------------|
| Agency   | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent       |
| SUNY   | 9,501                | 9,072               | (429)            | -4.51%        |
| CUNY   | 2,072                | 2,355               | 284              | 13.69%        |
| Higher Education Services Corp.  | 694                  | 785                 | 91               | 13.18%        |
| Higher Education Capital Grants Program  | 18                   | 17                  | (1)              | -4.72%        |
| Higher Education - Misc.   | 0                    | 0                   | 0                | 0.00%         |
| Council on the Arts  | 83                   | 77                  | (6)              | -7.31%        |
| <b>Totals:</b>   | <b>12,367</b>        | <b>12,306</b>       | <b>-61</b>       | <b>-0.49%</b> |

The FY 2023 Executive Budget recommends All Funds cash disbursements of \$12.3 billion for New York State public and private higher education programs. This represents a decrease of \$60.9 million, or 0.5 percent, from FY 2022.

Cash spending at SUNY would decrease \$429 million, or 4.5 percent, from \$9.5 billion to \$9.1 billion. CUNY cash spending would increase \$283.6 million, or 13.7 percent, from \$2.1 billion to \$2.4 billion. Higher Education Facilities Capital Matching Grants Program disbursements would decrease \$850,000. The Higher Education Services Corporation, which is responsible for administering the State's financial aid programs including TAP and Excelsior, would increase \$91.4 million, or 13.2 percent.

Colleges and universities in New York have been awarded over \$1.5 billion in direct aid from the Federal government as a result of the pandemic relief/stimulus bills passed in March and December of 2020. The combined support has resulted in \$585 million for SUNY, \$455 million for CUNY, and \$527 million for nonpublic institutions. These funds are transferred directly to recipients from the Federal government, rather than flowing through the State government.

Statewide enrollment at SUNY and CUNY schools fell as a result of the pandemic, resulting in a reduction of tuition revenues. The infusion of federal dollars has been critical as the graphic below shows SUNY is down almost 40,000 students since the Fall of 2019.



Colleges and universities in New York have been awarded over \$4.8 billion in direct aid and students have been the recipients of \$2.1 billion in aid from the Federal government as a result of the pandemic relief/stimulus bills.

| Total Hi Ed Federal Funding (\$Millions) |              |                  |                      |
|--|--------------|------------------|----------------------|
| Sector                                   | Total        | Student Subtotal | Institution Subtotal |
| SUNY                                     | 1,718        | 751              | 968                  |
| CUNY                                     | 1,491        | 637              | 854                  |
| Nonprofit                                | 1,651        | 742              | 910                  |
| Other Public/BOCES                       | 32           | 14               | 14                   |
| <b>TOTAL</b>                             | <b>4,892</b> | <b>2,144</b>     | <b>2,746</b>         |

### State University of New York (SUNY)

The Executive recommends appropriations of \$12.52 billion, a decrease of \$656.1 million, or 5.2 percent, from FY 2022. This is the result of a \$9.2 million increase in Aid to Localities, a \$282.9 million increase in State Operations, and a \$364 million decrease in Capital appropriations.

#### State-Operated Senior Colleges

The Executive Budget recommends a \$108.4 million increase in operating support to SUNY State-operated campuses. This increase is expected to close the “TAP gap” for the State University System.





The Executive Budget provides SUNY \$53 million to hire additional full-time faculty at both four-year colleges and community colleges. This investment will fund an estimated 340 additional full-time faculty at SUNY.

The FY 2022 Enacted Budget rejected the Executive's proposal to authorize SUNY to increase tuition by \$200 annually for four years. The final budget agreement froze in-state tuition at SUNY for three years. The Executive proposal makes no changes to that agreement.

The Executive covers increased fringe benefit costs for SUNY Senior College employees. FY 2023 fringe benefit costs total \$1.9 billion, an increase of \$42 million.

The three SUNY teaching hospitals at Brooklyn, Stony Brook, and Syracuse receive no operating subsidy in the Executive budget – prior to FY 2019 these hospitals received a combined \$78 million annually. They are provided increased spending authority of \$121.5 million, reflecting additional projected revenues by the institutions.

The Long Island Veterans Home operating budget increases \$1.6 million, from \$55 million to \$56.6 million, reflecting additional operating revenues.

The Executive Budget includes \$10.8 million in start-up funds for SUNY to establish childcare centers at all SUNY campuses, including \$5.4 million for SUNY State-operated campuses and \$5.4 million for SUNY community colleges.

The Executive Budget includes a \$10 million (10 percent) increase in funding for educationally disadvantaged students through higher education opportunity programs and training centers administered by SUNY. Funding for these programs has doubled since 2012 and now totals \$115 million.

### **Community Colleges**

The FY 2023 Executive Budget will maintain a funding floor for community colleges at 100 percent of prior year funding, up from the 98 percent floor enacted in FY 2022. This action will provide \$81 million (13 percent) in aid avoiding any loss in formula aid due to enrollment declines.

### **Capital**

The FY2023 Executive Budget advances a \$3.2 billion five-year capital plan to support infrastructure improvements at SUNY. For FY2023, the Executive Budget provides: \$975 million in new capital appropriations for State-operated campuses (a \$325 million increase), \$57 million in new capital appropriations for community college projects (a \$42 million increase); \$150 million for capital projects at SUNY hospitals; and \$75 million for dormitory related projects.

The FY 2023 Executive Budget provides \$1.5 billion in capital appropriation authority for SUNY. This represents an increase of \$364 million, or 32.6 percent. Included within this is \$550 million for maintenance projects across the System.

The Executive proposes an additional \$150 million in capital appropriations for the three teaching hospitals at Upstate (Syracuse), Downstate (Brooklyn), and Stony Brook. Each hospital would receive an additional \$50 million. This funding reflects an authority to spend, though not necessarily State aid. The

SUNY Construction Fund bonds out capital projects on behalf of the hospitals, who then repay the bonds via revenues from patient billing.

An appropriation of \$56.9 million is provided for projects at community colleges. This represents an increase of \$42.3 million. These projects require a 1:1 dollar match from a local government sponsor – typically the county government the college resides within. Reduced local sponsor commitment reflects uncertainty and potential fiscal instability at the county level.

| SUNY Senior College Capital<br>(thousands)   |                   |
|--|-------------------|
| Albany                                       | \$ 9,849          |
| Alfred Ceramics                              | \$ 776            |
| Alfred State                                 | \$ 2,113          |
| Binghamton                                   | \$ 10,559         |
| Brockport                                    | \$ 4,820          |
| Brooklyn Health Science Center (HSC)         | \$ 3,370          |
| Buffalo College                              | \$ 5,649          |
| Buffalo University                           | \$ 19,437         |
| Canton                                       | \$ 1,740          |
| Cobleskill                                   | \$ 1,813          |
| Cornell                                      | \$ 8,850          |
| Cortland                                     | \$ 4,529          |
| Delhi  | \$ 1,801          |
| Empire State                                 | \$ 369            |
| Environmental Science and Forestry           | \$ 2,200          |
| Farmingdale                                  | \$ 5,494          |
| Fredonia                                     | \$ 3,182          |
| Geneseo                                      | \$ 3,204          |
| Maritime                                     | \$ 1,796          |
| Morrisville                                  | \$ 2,076          |
| New Paltz                                    | \$ 4,584          |
| Old Westbury                                 | \$ 2,929          |
| Oneonta                                      | \$ 3,929          |
| Optometry                                    | \$ 900            |
| Oswego                                       | \$ 5,271          |
| Plattsburgh                                  | \$ 3,645          |
| Potsdam                                      | \$ 3,386          |
| Purchase                                     | \$ 5,343          |
| State Univ Plaza                             | \$ 1,430          |
| Stony Brook, incl Health Science Center      | \$ 24,649         |
| Syracuse Health Science Center (HSC)         | \$ 2,616          |
| SUNY Polytechnic                             | \$ 1,091          |
| University-wide Alterations and Improvements | \$ 396,600        |
| <b>Total SUNY Senior College Capital</b>     | <b>\$ 550,000</b> |



## **City University of New York (CUNY)**

The Executive recommends appropriations of \$5.8 billion, an increase of \$789.2 million, or 15.7 percent, from FY 2022. This is the result of a \$339.2 million increase in State Operations funding, a \$123.8 million increase in Aid to Localities funding, and a \$326.2 million increase in Capital appropriations.

### **Senior Colleges**

The FY 2023 Executive Budget will increase operating support to CUNY senior colleges by fully reimbursing colleges for the cost of "TAP Gap" tuition credits, providing additional State support of \$59.6 million.

CUNY will also receive additional operating revenue from Executive Budget legislation to raise the amount of State support that campuses receive for Excelsior Scholarship recipients, increasing operating support by \$2.8 million to CUNY senior colleges.

In addition, The Executive Budget proposes to increase funding of \$53 Million for 540 additional full time faculty.

**Expand Childcare to All CUNY Campuses** The Executive Budget includes \$4.8 million in start-up funds for CUNY to establish childcare centers at all CUNY campuses, including \$3.6 million for CUNY senior colleges and \$1.2 million for CUNY community colleges.

### **Community Colleges**

The FY 2023 Executive Budget will maintain a funding floor for community colleges at 100 percent of prior year funding, up from the 98 percent floor enacted in FY2022. This action provides CUNY community colleges with an additional \$35 million (16 percent) if the current formula were allowed to factor in enrollment declines.

### **Capital**

The FY2023 Executive Budget advances a \$2.1 billion five-year capital plan to support a multi-year infrastructure plan at CUNY. For FY2023, the Executive Budget provides: \$709 million in new capital appropriations for Senior campuses (a \$315 million increase) and \$45 million in new capital appropriations for community college projects (a \$9 million increase).

| CUNY Senior College Capital<br>(thousands) |                   |
|--|-------------------|
| Baruch College                             | \$ 3,379          |
| Brooklyn College                           | \$ 7,638          |
| City College                               | \$ 6,715          |
| Graduate School and University Center      | \$ 890            |
| Honors college                             | \$ 89             |
| Hunter College                             | \$ 6,331          |
| John Jay College of Criminal Justice       | \$ 1,359          |
| Lehman College                             | \$ 3,796          |
| Medgar Evers College                       | \$ 1,453          |
| New York City College of Technology        | \$ 1,874          |
| Queens College                             | \$ 6,125          |
| College of Staten Island                   | \$ 5,117          |
| York College                               | \$ 2,099          |
| <i>University Wide</i>                     |                   |
| Health and Safety                          | \$ 9,220          |
| Preservation of Facilities                 | \$ 12,396         |
| ADA Needs                                  | \$ 6,147          |
| Mechanical and Infrastructure              | \$ 7,171          |
| Science and Tech                           | \$ 5,020          |
| Certificate of Occupancy/Public Assembly   | \$ 2,049          |
| Energy Conservation                        | \$ 4,098          |
| Science Lab Upgrades                       | \$ 2,049          |
| Educational Technology Initiatives         | \$ 6,659          |
| Bathroom Facilities Upgrades               | \$ 1,026          |
| CUNY TV                                    | \$ 300            |
| Critical Maintenance                       | \$ 181,222        |
| <b>Total CUNY Senior College Capital</b>   | <b>\$ 284,222</b> |

### Higher Education Services Corporation (HESC)

The Executive Budget recommends All Funds appropriations of \$1.2 billion to support HESC's operations. This is a net decrease of \$5.9 million, or .5 percent, from FY 2022. Participation in financial aid programs has almost universally declined due to the pandemic, as students have dropped out or taken leave from their schooling until they can safely return to the classroom.

The Executive Budget provides \$1.07 billion for TAP, the primary source of financial aid assistance from the State. This represents a \$16.2 million decrease, or 1.5 percent.

CUNY will also receive \$2.8 million in additional operating revenue from Executive Budget proposal to raise the amount of State support that campuses receive for Excelsior Scholarship recipients.



### **Higher Education Capital Matching Grant Program (HECap)**

The Executive proposes additional HECap funding at \$30 million for FY 2023. The HECap program was established in FY 2006 and provided \$150 million in capital for private and independent colleges and universities on a formulaic basis. In FY 2015 the Legislature established additional funds for competitive grants requiring a 3:1 match by recipients. The Executive and Legislature also provided new \$30 million appropriations in FY 2017, FY 2019, and FY 2020.

### **Council on the Arts**

The FY 2023 Executive Budget proposes \$87.9 million in Appropriation authority for the Council in FY 2023. This represents a decrease of \$4.2 million or 5 percent. Funding for arts and cultural grants administered by the New York State Council on the Arts. The Aid to Localities appropriation would decrease by \$5.2 million, from \$88 million to \$82.8 million. This represents the elimination of Legislative adds from the prior year.



## FACT SHEET: Health – Medicaid – Aging

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### Health/Medicaid and Aging Budget Overview

- The FY 2023 Department of Health Executive Budget recommends All Funds spending of \$88.4 billion for State Operations and Aid to Localities, an increase of \$6.35 billion or 7.7 percent over the current year. An increase to the Medicaid Global Cap growth index, Medicaid costs outside of the Global Cap, and enhanced federal Medicaid and Essential Plan funding primarily drive this increase. This funding excludes the Healthcare/Frontline Worker Bonus Pay, which is funded outside of the health budget.
  - Increase of \$6.2B for Medicaid, for a total of \$76.1B
  - Increase of \$420M for the Essential Plan, for a total of \$6.1B
  - Decrease of \$228.3M for the DOH and Public Health programs, for a total of \$6.2B
- The FY 2023 Executive Budget also projects a workforce of 5,420 for DOH, a 560 FTE increases from the Fiscal Year 2022 projection
- The FY 2023 Executive Budget recommends a capital appropriation of \$1.6B to support a new Healthcare Facility Transformation Phase 4 plan to fund new provider facility transformation projects and debt restructuring plans
- The FY 2023 Executive Budget recommends a decrease of \$879,000 for the Office of the Medicaid Inspector General, for a total of \$49 million
- The FY 2023 Budget recommends \$283 million for Office of the Aging. This is an increase of \$2.6 million from the FY 2022 budget. This change is the result of the discontinuation of one-time legislative adds as well as new funding

### Notable Issues

- **Healthcare Workforce Initiatives**
  - Establishes the Nurses Across New York (NANY) program to reimburse nurses working in underserved communities for loan repayment over three years;
  - Proposes to join the Interstate Medical Licensure Compact.

- Expands scope of practice for certified medication aides, pharmacists and nurse practitioners.
- Transfers oversight of licensed healthcare professions from the State Education Department to the Department of Health
- Codifies individual and group insurance coverage for abortion services
- Establishment of a new Office of Gun Violence Prevention in the Department of Health
- Expands Medicaid eligibility by eliminating the resource test and raises income level to 133 percent of the federal poverty level (FPL) for New Yorkers 65 years and older and those with disabilities so they maintain Medicaid eligibility after becoming eligible for Medicare
- Expands the Essential Plan (EP) by raising the income level from 200 percent to 250 percent FPL, expanding postpartum coverage to one year and includes long-term chronic illness to covered health care services under the plan
- Establishes payment parity for telehealth services

## Spending Highlights

- **Medicaid Global Cap**
  - The Executive anticipates spending under the Global Cap to total \$21.54 billion in FY 2023, an increase of \$966 million or 4.7 percent. Enacted in FY 2012, the Global Cap limits DOH Medicaid spending growth to the 10-year rolling average of the Medical component of the Consumer Price Index (CPI) in order to contain Medicaid program growth and spending increases. The Executive proposes to update the calculation metric used to determine allowable Medicaid disbursements under the Global cap to better align spending with growth in health care costs. The proposal would create a new formula set by Office of the Actuary in the Centers for Medicare & Medicaid Services tied to the five year rolling average of the United States Medicaid spending annual growth rate to allow additional Medicaid spending of \$366 million for 1.8 percent in additional growth. This increase is in addition to the 2.9 percent growth, or \$600 million, allowed under the current cap formula using the CPI. In addition, the Executive assumes an additional quarter of eFMAP in FY 2023 as a result of the extension of the COVID-19 Public Health Emergency (PHE), increasing the projected state Medicaid benefit to \$1.2 billion.
- **Medicaid Cut Restoration, Rate Increase, and Hospital Support**
  - The Executive does not propose significant cuts to Medicaid.
  - Restores \$141 million 1.5 percent Across the Board cut to Medicaid rates enacted last year and increases rates for all Medicaid providers by 1 percent for a \$318 million overall increase.
  - The Executive Budget adds \$100 million in direct support to aid Financially Distressed Hospitals to improve their financial position in the wake of the COVID-19 pandemic. Total funding would be \$350 million for safety net hospitals in addition to \$250 million currently funded by a local tax intercept equal to \$200 million for New York City and \$50 million for all other counties.





- **Nursing Homes**

- The Executive proposes multiple actions to assist nursing homes in the ongoing transition to a safe staffing mandate and revenue profit cap. These proposals include: \$61 million in direct support by excluding revenue from the previously enacted nursing home profit cap for highly rated nursing homes; \$100 million in direct cash support as part of the Vital Access Provider (VAP) program for financially distressed nursing homes; \$25 million in capital funding for a nursing home innovation program; and an increase to the nursing home quality pool

- **Healthcare Worker Wage Increases and Retention Bonuses**

- \$2 billion to increase health care worker wages
- \$1.2 billion Frontline Healthcare worker bonus payment: The State would provide frontline healthcare workers a bonus payment of up to \$3,000 to incentivize the recruitment and retention of qualified frontline healthcare and direct support professionals. The amount of the bonus would be based on hours worked and length of time in service. Direct Care State employees will also receive bonuses. The total State cost is estimated at \$1.2 billion (\$1.07 billion for non-State employees; \$120 million for State employees)

- **Minimum Wage**

- The Executive Budget includes nearly \$2.2 billion, an increase of \$262 million over FY 2022 levels, to support the direct cost of the minimum wage increase for health care workers that provide Medicaid services reimbursed by the Department of Health. The majority of this funding goes towards home care wages in New York City

- **State Takeover of Local Medicaid Share**

- The continued takeover of local Medicaid costs by the State is projected save local districts a total of \$5.2 billion in FY 2023 including approximately \$2.6 billion for NYC and \$2.5 billion for the Rest of State in costs that would have otherwise been incurred by localities

- **Capital**

- The Executive recommends a capital appropriation of \$1.6B to support a new Healthcare Facility Transformation Phase 4 plan. Funding would be dedicated to provider facility transformation projects and debt restructuring plans
- \$300 million appropriation for Federal Drinking Water State Revolving Fund (DWSRF) to improve public water system projects, lead line replacements, and contaminants

- **Public Health**

- Includes \$50 million of new annual funding to support the Nourish NY program permanently.
- Increases annual grant funding from the General Public Health Work to Local Health Departments by \$4 million for the Rest of State and \$10.85 million for New York City to increase staffing and meet public health obligations. Additionally allows Local Health Departments to be reimbursed by up to 50 percent of fringe benefit costs.

- **Aging**

- Includes a 5.4 percent COLA increase that will result in \$5.9 million of additional funds for the Office for the Aging

- The FY 2023 Executive Budget includes a \$750,000 suballocation from the Department of Financial Services to establish an elder abuse and financial exploitation pilot program in up to ten counties
- \$2.9 million to develop services to address the causes and effects of social isolation and to support caregivers



## HEALTH – MEDICAID – AGING

| Health - Medicaid - Aging<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |              |
|---|----------------------|---------------------|------------------|--------------|
| Agency  | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent      |
| Office for the Aging  | 349,032              | 271,958             | (77,074)         | -22.08%      |
| Medical Assistance  | 68,414,985           | 74,515,011          | 6,100,026        | 8.92%        |
| Medicaid Administration   | 1,489,776            | 1,624,011           | 134,235          | 9.01%        |
| Essential Plan  | 5,740,985            | 6,160,909           | 419,924          | 7.31%        |
| Public Health   | 6,307,756            | 6,079,482           | (228,274)        | -3.62%       |
| Medicaid Inspector General  | 48,250               | 49,026              | 776              | 1.61%        |
| <b>Totals:</b>  | <b>82,350,784</b>    | <b>88,700,397</b>   | <b>6,349,613</b> | <b>7.71%</b> |

### Department of Health (DOH)

The FY 2023 Executive Budget recommends All Funds cash disbursements of \$88.4 billion, a net increase of \$6.4 billion of 5.5 percent. Enhanced federal Medicaid Essential Plan funding, and increased Medicaid spending primarily drive this increase.

| All Funds Cash Disbursements<br>(Thousands of Dollars) |                     |                     |                    |           |
|--|---------------------|---------------------|--------------------|-----------|
|  | FY 2022             | FY 2023             | Change             | % Change  |
| Medicaid   | \$68,414,985        | \$74,515,011        | \$6,100,026        | 8%        |
| Medicaid Administration                                | \$1,489,776         | \$1,624,011         | \$134,235          | 8%        |
| Essential Plan   | \$5,740,985         | \$6,160,909         | \$419,924          | 7%        |
| Public Health  | \$6,307,756         | \$6,079,482         | (\$228,274)        | -4%       |
| <b>Total DOH</b>                                       | <b>\$81,953,502</b> | <b>\$88,379,413</b> | <b>\$6,425,911</b> | <b>7%</b> |

### Medicaid

The Executive Budget projects Gross Medicaid spending (including the mental hygiene agencies and the \$7.2 billion local contribution) of \$98.1 billion, an increase of \$9 billion or ten percent from FY 2022. The Executive proposes a two year appropriation structure to disburse these funds.

| DOH State Medicaid Year to Year Change<br>State Funds<br>(Millions of Dollars)     |                 |                 |                |              |
|--|-----------------|-----------------|----------------|--------------|
|  | FY 2022         | FY 2023         | \$ Growth      | % Change     |
| Department of Health Regular Medicaid- General Fund                                | \$15,955        | \$18,111        | \$2,156        | 13.5%        |
| Non-DOH Medicaid   | (\$307)         | (\$1,383)       | (\$1,076)      | 350.5%       |
| State Takeover of Local Growth   | \$1,465         | \$1,648         | \$183          | 12.5%        |
| Minimum Wage   | \$1,961         | \$2,223         | \$262          | 13.4%        |
| Essential Plan*  | \$65            | \$73            | \$8            | 12.3%        |
| Medicaid State Ops   | \$238           | \$304           | \$66           | 27.7%        |
| Enhanced FMAP  | (\$2,984)       | (\$995)         | \$1,989        | -66.7%       |
| MSA Payments- Offset   | (\$362)         | (\$362)         | \$0            | 0.0%         |
| Other State Funds/DOH Medicaid Local   | \$5,902         | \$5,956         | \$54           | 0.9%         |
| <b>DOH Medicaid Spending</b>   | <b>\$21,933</b> | <b>\$25,575</b> | <b>\$3,642</b> | <b>16.6%</b> |
| *The Essential Plan is not a Medicaid program, however, state funded resources are |                 |                 |                |              |

### Enhanced Federal Medicaid Assistance Funding

The Executive Budget assumes that the enhanced Federal Medicaid Assistance Percentage (eFMAP) of 6.2 percentage points will be extended through June 30, 2022. It was originally enacted by HR 6201 (Families First Coronavirus Response Act) March 18, 2020 and is retroactive from January 1st, 2020. This enhanced 56.2 percent rate consists of the 50 percent base rate plus a 6.2 percent enhancement of the federal Medicaid share. The enhanced rate can be revoked at any time if the national emergency declaration is rescinded. The Executive Budget assumes state savings of \$1 billion in FY 2023. Additional COVID eFMAP passes through the Mental Hygiene Stabilization Fund. COVID eFMAP results in a cost shift from State to Federal funds, and does not result in a Medicaid program reduction.

### Global Spending Cap

- The Executive anticipates spending under the Global Cap to total \$21.54 billion in FY 2023, an increase of \$966 million or 4.7 percent. First enacted in FY 2012, the Global Cap limits DOH Medicaid spending growth to the 10-year rolling average of the Medical component of the Consumer Price Index (CPI), which is currently estimated at three percent, in order to contain Medicaid program growth and spending increases. The Executive proposes to update the calculation metric used to determine allowable Medicaid disbursements under the Global cap to better align spending with growth in health care costs. The proposal would create a new formula set by Office of the Actuary in the Centers for Medicare & Medicaid Services and tie growth to the five year rolling average to allow additional Medicaid spending of \$366 million for 1.8 percent in additional growth. This increase is in addition to the 2.9 percent growth, or \$600 million, allowed under the current cap formula using the



CPI. Also extended is the authority for the Commissioner of Health to develop a Medicaid Savings Allocation Plan should state expenditures exceed the cap amount.

The Executive proposes extending the state Medicaid Global Cap limiting State-share Medicaid program spending to \$25.5 billion, which is the limit set by the Medicaid Global Cap Indexed Provisions including select spending that is exempted from this calculation and “outside the cap”.

In statute, there are select exemptions to the Global Cap calculation, including funding for increases to the minimum wage as enacted in FY 2017. The Financial Plan continues to fund increases in the minimum wage for health care providers outside the Global Cap, totaling \$2.2 billion in FY 2023. In addition, the funding for the State related to the takeover of the growth of local Medicaid costs of \$1.6 billion is funded outside of the cap. .

The FY 2023 Executive Budget projects DOH State Medicaid spending to be \$25.5 billion, which exceeds the Global Cap by \$4 billion. Of the total \$3.6 billion growth in DOH Medicaid, \$445 million is attributable to spending increases that are excluded in statute from the Global Cap calculation, which includes state takeover of local growth, minimum wage, and Medicaid Administration costs, as well as Master Settlement Agreement funding that offsets State Medicaid General Fund spending.

The FY 2023 Executive Budget recommends total state Medicaid spending, including Medicaid spending for the Mental Hygiene agencies of \$33.1 billion.

| <b>Medicaid Global Cap Walk, FY 2022 - FY 2024</b>                                     |                 |                 |                 |
|--|-----------------|-----------------|-----------------|
| <b>(\$ millions)</b>   | <b>FY 2022</b>  | <b>FY 2023</b>  | <b>FY 2024</b>  |
| Medicaid Global Cap (CPI Medical)  | \$20,572        | \$21,172        | \$21,750        |
| Additional Indexed Growth Provided by New Metric Five Year Rolling Average CMS Actuary | \$0             | \$366           | \$899           |
| <b>Medicaid Global Cap (w/ New Metric)</b>   | \$20,572        | \$21,538        | \$22,649        |
| Medicaid Local Growth Takeover   | \$1,465         | \$1,648         | \$1,830         |
| Minimum Wage   | \$1,961         | \$2,223         | \$2,408         |
| Federal Health Care Reform   | (-120)          | (-120)          | -\$120          |
| Health Conversion -For Profit Tax  | \$261           | \$261           | \$261           |
| Medicaid Administration/Other  | \$643           | \$387           | \$387           |
| COVID eFMAP*   | -\$2,487        | \$0             | \$0             |
| <b>DOH Medicaid w/EP</b>   | <b>\$22,295</b> | <b>\$25,937</b> | <b>\$27,416</b> |

### **Proposed FY 2023 Medicaid Budget**

The Executive proposes multiple initiatives in the FY 2023 Medicaid Budget. For the first time since the Medicaid Global Cap was enacted in FY 2012, the Medicaid Budget does not propose significant cuts to the program, projecting a Global Cap surplus of \$535.3 million for FY 2022. After accounting for costs and savings associated with bills with fiscal impacts that were Enacted outside the budget, and the new

Global Cap metric, the Global Cap forecasts a \$437 million surplus for FY 2023. In addition, the Executive assumes another surplus of \$366 million derived from the updated Global Cap metric, for a total Global Cap base surplus of \$803 million in FY 2023. The net fiscal impact of the proposals after accounting for the Cap Base surplus, state spending, savings, and offsetting initiatives is budget neutral. Many of the FY 2023 Executive proposals require legislative action while others can be accomplished administratively. The net fiscal impact of the proposals, after accounting for the Cap Base surplus, state spending, savings, and offset initiatives, are budget neutral.

## Executive Medicaid proposals include:

### Global Cap Metric Change

- This proposal would create a new formula set by Office of the Actuary in the Centers for Medicare & Medicaid Services tied to the five year rolling average of the United States Medicaid spending annual growth rate to allow additional Medicaid spending of \$366 million for 1.8 percent in for total growth of 4.7 percent in FY 2023. The Executive assumes an additional Medicaid surplus of \$366 million in FY 2023 and \$899 million in FY 2024.

### Hospitals

- Distressed Hospital Pool Continuation and Expansion: This proposal would add \$100 million in direct support to aid Financially Distressed Hospitals to improve their financial position in the wake of the COVID-19 pandemic. This would be in addition to a proposed extension of \$250 million currently funded by a local tax intercept equal to \$200 million for New York City and \$50 million for all other counties. The Executive assumes state costs of \$350 million in FY 2023 and FY 2024.
- Delayed Rebasing for Acute Hospital Rates: The Executive Budget would make a delay the scheduled rebasing of rates for acute hospitals until no earlier than January 1, 2024. The savings contemplated by the proposal are not made clear but are noted as necessary to maintain the state's Medicaid Global Cap, and would take effect immediately on April 1, 2022.

### Nursing Homes

This proposal includes multiple actions to assist nursing homes in the ongoing transition to a safe staffing mandate and revenue profit cap and support financially distressed nursing homes by amending the “70/40” direct care minimum spending legislation enacted in 2021, and scheduled to take effect on January 1, 2022, but was extended until January 31, 2022,

- Nursing Home Profit Cap Revenue Exclusion: This would give direct support to nursing homes by excluding revenue from the previously enacted nursing home profit cap for highly rated nursing homes. By excluding this revenue, nursing homes would realize financial support but the state would bear the cost. The Executive assumes state costs of \$61.5 million in FY 2023 and FY 2024.
- Nursing Home Vital Access Provider (VAP): Provide cash support for nursing homes as part of the Vital Access Provider (VAP) program for financial distressed nursing homes. The Executive assumes state costs of \$100 million in FY 2023 and FY 2024



- Nursing Home Quality Pool. The Executive Budget proposes to expand the funding for this Program, at the discretion of the Health Commissioner, through Medicaid rate adjustments or state appropriations or a combination thereof for eligible nursing homes

### **Long Term Care**

- Expand Licensed Home Care Service Marketplace: Currently a private pay marketplace pilot in program Nassau, Suffolk and Westchester. This proposal would expand the program statewide to improve access and divert Medicaid enrollment by allowing more people to access this marketplace. The Executive assumes \$40 million in stating savings in FY 2024
- Expand Long Term Service and Support Coverage to the Essential Plan: This proposal would transfer this benefit from Medicaid to the Essential plan and allow members to continue enrollment in EP rather than spend down to be Medicaid eligible. This proposal would increase Federal Essential Plan costs by \$192 million, but lower Medicaid state costs. The Executive assumes state savings of \$110.6 million in FY 2023.
- Shift Alzheimer's programs to the Global Cap: This proposal would move these programs from the public health budget to the Medicaid Budget. The Executive assumes state costs of \$1.5 million in FY 2023 and FY 2024.
- Restore the Managed Long Term Care Quality Pool: Restores funding in the MLTC Quality Pool. The quality pool provides incentive payments to Medicaid Long Term Care health care plans that meet certain performance metrics. The Executive assumes state costs of \$77 million in FY 2023 and FY 2024.
- Increase Private Duty Nursing Home Rates: Increases funding for Adults to match pediatric rates if they age into the adult category. The Executive assumes state costs of \$25.6 million in FY 2024
- Licensed Home Care Agency RFO reestimate: Savings generated by RFO requirements mandating LHCSAs to compete and reduce waste and reward high performing home care agency providers. The Executive assumes \$5 million in state savings in FY 2024
- Implement the Dual Eligible Integration Roadmap Dual-eligible beneficiaries (Medicare "dual-eligibles" or "duals") refers to those who qualify for both Medicare and Medicaid benefits. In the United States. State savings is derived from a fiscal re-estimate based on increasing enrollment through the integrated benefit plans. The Executive assumes state savings of \$3.5 million in FY 2023 and FY 2024.

### **Managed Care Actions**

- Keep Postpartum Women In Essential Plan: This proposal would achieve Medicaid savings by providing coverage for these beneficiaries in the Essential Plan as opposed to Medicaid. The Executive assumes state Savings of \$165 million in FY 2024.
- Increase Integrated and HIB SNP Rates: This proposal would increase premiums for these plans. The Executive assumes State costs of \$34.7 million in FY 2024.
- Restore Mainstream Managed Care Quality Pool Payments: This would apply to incentive payments to Medicaid health care plans that meet certain performance metrics. The Executive assumes \$77.2 million in state costs in FY 2023 and FY 2024.



- Utilize Child Health Plus to Access Federal Funding- This proposal would shift state only Medicaid funding for pregnancy coverage of Prenatal and post partum coverage for individual up to 223 Percent of FPL to Child Health plus. The Executive assumes State savings of \$183 million.

#### **Pharmacy Actions Managed Care Actions**

- Prescriber Prevails: Eliminates prescriber prevails for all prescription drugs by removing the right of a doctor to make the final determination of prescriptions dispensed to Medicaid patients. The Executive assumes \$41.2 million in state savings for FY 2023 and \$49.4 million in FY 2024.

#### **Medicaid Spending Restorations and Increases**

- One and a Half Percent Across the Board Cut Restoration: Medicaid reimbursement rates for hospitals, nursing homes, clinics, and managed care health care plans would be restored Across the Board by 1.5 percent effective FY 2023 and cost the state \$140 million with All Funds costs of \$280 million.



| 1.5 Percent Across the Board Restoration Medicaid<br>(Millions of Dollars) |                |                |
|--|----------------|----------------|
| Category of Service  | State Share    | Gross          |
| Inpatient  | \$42.4         | \$84.7         |
| Outpatient/Emergency Room  | \$5.8          | \$11.7         |
| Clinic   | \$6.9          | \$13.8         |
| Nursing Homes  | \$47.0         | \$94.0         |
| <b>Other Long-Term Care</b>  | \$14.1         | \$28.3         |
| Personal Care  | \$10.0         | \$20.0         |
| Home Health  | \$1.7          | \$3.4          |
| Home Nursing   | \$0.1          | \$0.1          |
| Assisted Living  | \$2.4          | \$4.8          |
| <b>Non-Institutional</b>   | \$17.8         | \$35.6         |
| Pharmacy   | \$5.4          | \$10.8         |
| Dental   | \$0.0          | \$0.03         |
| Medical Supplies   | \$0.3          | \$0.5          |
| Other Practitioners  | \$1.0          | \$2.1          |
| Eye/DME  | \$0.0          | \$0.4          |
| Lab/X-ray  | \$0.1          | \$1.0          |
| Early Intervention   | \$1.8          | \$3.7          |
| Transportation   | \$4.2          | \$8.3          |
| Rehab/Therapy  | \$0.3          | \$0.6          |
| Physician  | \$1.9          | \$3.9          |
| Case Management  | \$2.1          | \$4.1          |
| <b>All Other</b>   | \$6.7          | \$13.4         |
| Administration   | \$6.6          | \$13.2         |
| Other Misc. Payments   | \$0.0          | \$0.3          |
| <b>Total</b>   | <b>\$140.0</b> | <b>\$280.0</b> |

- Medicaid Uniform Rate Increase. The Executive proposes to uniformly increase Medicaid payments by 1 percent for services provided between April 1, 2022, and March 31, 2024. Costs to the State would be \$318 million in FY 2023 and 2024.

| FY 2023 Executive Budget Medicaid Scorecard  |                     |                       |                    |                    |
|--|---------------------|-----------------------|--------------------|--------------------|
| (State Share -- \$ millions)   | Implementation Date | Article VII/<br>Admin | FY 2023            | FY 2024            |
| <b>Global Cap Base (Surplus)/Deficit</b>   |                     |                       | <b>(\$535.347)</b> | <b>\$193.078</b>   |
| S.5973 Donate Life Registration on Electronic Application  | 3/22/2022           | Admin                 | \$0.415            | \$0.171            |
| S.5560 Covered Lives Assessment (CLA) Early Intervention (EI) Savings  | 1/1/2022            | Admin                 | (\$2.500)          | (\$2.500)          |
| A.2030 Medicaid Assisted Treatment (MAT)   | 3/22/2022           | Legal                 | \$84.000           | \$84.000           |
| A.3523-A Applied Behavior Analysis   | 7/1/2023            | Legal                 | \$0.000            | \$53.820           |
| S.6575 Licensed Mental Health Practitioners Medicaid Coverage  | 3/29/2022           | Legal                 | \$2.050            | \$2.050            |
| S.6576 Licensed Clinical Social Workers Medicaid Coverage  | 3/29/2022           | Legal                 | \$12.100           | \$12.100           |
| A.259-A Midwifery Birth Centers  | 12/31/2021          | Legal                 | (\$0.094)          | (\$0.488)          |
| A.336-A Opioid Antagonists   | 7/1/2022            | Legal                 | \$2.340            | \$2.340            |
| <b>Global Cap Forecast with Legislation (Surplus)/Deficit</b>  |                     |                       | <b>(\$437.036)</b> | <b>\$344.571</b>   |
|  |                     |                       |                    |                    |
| Global Cap Index Inflation - CMS Office of the Actuary Medicaid Projection (5-Year Rolling Average)                          | 4/1/2022            | Legal                 | (\$366.000)        | (\$899.380)        |
| Health Care Bonus - State Total  | 4/1/2022            | Legal                 | \$861.248          | \$0.000            |
| Financial Plan Support for Health Care Bonuses   | 4/1/2022            | Legal                 | (\$861.248)        | \$0.000            |
| <b>Global Cap (Surplus)/Deficit</b>  |                     |                       | <b>(\$803.036)</b> | <b>(\$554.809)</b> |
|  |                     |                       |                    |                    |
| <b>Budget Actions</b>  |                     |                       | <b>\$803.036</b>   | <b>\$554.809</b>   |
|  |                     |                       |                    |                    |
| <b>Hospital Actions</b>  |                     |                       | <b>\$350.000</b>   | <b>\$350.000</b>   |
| Distressed Hospital Pool   | 4/1/2022            | Admin                 | \$100.000          | \$100.000          |
| Distressed Intercept Fund Investment   | 10/1/2021           | Admin                 | \$250.000          | \$250.000          |
|  |                     |                       |                    |                    |
| <b>Long Term Care Actions</b>  |                     |                       | <b>\$48.803</b>    | <b>(\$15.297)</b>  |
| <u>Nursing Home Reforms</u>  |                     |                       | <u>\$161.500</u>   | <u>\$161.500</u>   |
| Nursing Home Support for Compliance with Staffing Regulations  | 4/1/2022            | Admin                 | \$61.500           | \$61.500           |
| Increase Nursing Home Vital Access Provider (VAP) Funding  | 4/1/2022            | Legal                 | \$100.000          | \$100.000          |
|  |                     |                       |                    |                    |
| <u>LTC--Medicaid Diversion</u>   |                     |                       | <u>(\$110.564)</u> | <u>(\$150.564)</u> |
| Expansion of Licensed Home Care Service Agencies (LHCSA) Marketplace   | 4/1/2022            | Admin                 | \$0.000            | (\$40.000)         |
| Long Term Service and Support (LTSS) Coverage in Essential Plan  | 1/1/2023            | Legal                 | (\$110.564)        | (\$110.564)        |
|  |                     |                       |                    |                    |
| <u>LTC Other Reforms</u>   |                     |                       | <u>(\$2.133)</u>   | <u>(\$26.233)</u>  |
| LHCSA Request for Offer (RFO) Re-estimate  | 5/1/2022            | Admin                 | \$0.000            | (\$25.000)         |
| LTSS Services Authorization Guidelines   | 7/1/2022            | Legal                 | \$0.000            | (\$5.000)          |
| Increasing Private Duty Nursing (PDN) Reimbursement for Nurses Servicing Adult Members                                       | 4/1/2022            | Legal                 | \$0.000            | \$25.600           |
| HCBS eFMAP Federal Offset for PDN  | 4/1/2022            | Admin                 | \$0.000            | \$0.000            |
| Shift Alzheimer's Program under Medicaid   | 4/1/2022            | Admin                 | \$1.367            | \$1.367            |
| Fully Implement the Duals Integration Roadmap  | 4/1/2022            | Admin                 | (\$3.500)          | (\$23.200)         |
|  |                     |                       |                    |                    |
| <b>Managed Care Actions</b>  |                     |                       | <b>(\$34.428)</b>  | <b>(\$287.428)</b> |
| Keeping Postpartum Women in Essential Plan   | 1/1/2023            | Legal                 | \$0.000            | (\$165.000)        |
| Moving Integrated Plans to Middle of the Rate Range  | 4/1/2022            | Admin                 | \$20.000           | \$20.000           |
| Restore MMC/MLTC Quality Pools   | 4/1/2022            | Admin                 | \$77.250           | \$77.250           |
| Utilize Child Health Plus (CHP) to Access Federal Funding for Enhanced Pregnancy Coverage                                    | 3/1/2023            | Admin                 | (\$183.000)        | (\$171.000)        |
| Competitively Procure MMC, MLTC, MAP and HARP  | 10/1/2023           | Legal                 | \$0.000            | (\$100.000)        |
| Applied Behavior Analysis (ABA) Rates to Incentivize Providers in Managed Care   | 4/1/2022            | Admin                 | \$36.605           | \$36.605           |
| Adjust HIV SNP Rates to Reflect High Needs Model   | 4/1/2022            | Admin                 | \$14.717           | \$14.717           |
|  |                     |                       |                    |                    |
| <b>Pharmacy Actions</b>  |                     |                       | <b>(\$41.210)</b>  | <b>(\$44.450)</b>  |
| Eliminate Prescriber Prevals   | 6/1/2022            | Legal                 | (\$41.210)         | (\$49.450)         |
| Establishing Parity and Uniform Clinical Standards across both Medical and Retail Pharmacy Benefits in Fee-For-Service (FFS) | 10/1/2023           | Admin                 | \$0.000            | \$5.000            |
|  |                     |                       |                    |                    |
| <b>Other Actions</b>   |                     |                       | <b>\$462.349</b>   | <b>\$498.369</b>   |
| Increase Medicaid Trend Factor by 1% to Recognize Provider Cost Increases  | 4/1/2022            | Legal                 | \$318.310          | \$318.310          |
| Restoration of 1.5% Across the Board (ATB)   | 4/1/2022            | Admin                 | \$140.759          | \$140.759          |
| Investment in Children's Behavioral Health Services  | 4/1/2022            | Admin                 | \$0.000            | \$42.830           |
| Increase Top 20 Orthotics and Prosthetics Codes to Medicare Rates  | 4/1/2022            | Admin                 | \$3.750            | \$3.750            |
| Establish Unique Identifier for All Unenrolled Provider Types  | 4/1/2022            | Admin                 | (\$5.000)          | (\$5.000)          |
| Promote Access to Primary Care   | 4/1/2022            | Admin                 | \$4.930            | \$6.600            |
| Eliminate Unnecessary Requirements from the Utilization Threshold (UT) Program   | 4/1/2022            | Legal                 | (\$0.230)          | (\$0.230)          |
| Enhanced Durable Medical Equipment (DME) Management  | 7/1/2022            | Admin                 | (\$0.170)          | (\$8.650)          |
|  |                     |                       |                    |                    |
| <b>Maternal Health Actions</b>   |                     |                       | <b>\$4.335</b>     | <b>\$26.760</b>    |
| Improve and Expand Access to Prenatal and Postnatal Care   | 6/1/2022            | Legal                 | \$6.335            | \$18.760           |
| Advancing Comprehensive Maternal Care in Managed Care  | 10/1/2022           | Admin                 | \$15.000           | \$25.000           |
| Maternal Health Savings  | 4/1/2022            | Admin                 | (\$17.000)         | (\$17.000)         |
|  |                     |                       |                    |                    |
| <b>Other State of the State Actions</b>  |                     |                       | <b>\$13.187</b>    | <b>\$26.855</b>    |
| Create an Center of Medicaid Innovation to Lower Costs and Improve Care  | 4/1/2022            | Admin                 | \$1.200            | \$1.200            |
| Promote Health Equity and Continuity of Coverage for Vulnerable Seniors  | 1/1/2023            | Legal                 | \$5.000            | \$20.000           |
| Patient Access and Developer Portals   | 4/1/2022            | Admin                 | \$4.057            | \$2.725            |
| Health Care Bonus Enforcement  | 4/1/2022            | Admin                 | \$2.930            | \$2.930            |
| <b>Total Global Cap (Surplus)/Deficit</b>  |                     |                       | <b>\$0.000</b>     | <b>\$0.000</b>     |



## Investing in the Healthcare Workforce

The Executive Budget proposes a multi-year investment of \$10 billion over five years that will rebuild and grow the healthcare workforce, including the following:

- \$2 billion to support healthcare worker wages. State Share funding paid for outside of the Global Cap paid for by the General Fund
- Minimum Wage
- \$1.2 billion to support healthcare and mental hygiene worker retention bonuses: See “Healthcare Workforce Bonus” for additional details.
- \$500 million for Cost of Living Adjustments to help raise wages for human services workers.

### Health Care Worker Bonus

The FY 2023 Executive Budget includes a Health Care worker bonus totaling \$1.2 billion for Frontline Healthcare workers. The State would provide frontline healthcare workers a bonus payment of up to a maximum \$3,000 to incentivize the recruitment and retention of qualified frontline healthcare and direct support professionals. The amount of the bonus would be based on hours worked and length of time in service. Direct Care State employees will also receive bonuses. The total State cost is estimated at \$1.2 billion (\$1.07 billion for non-State employees; \$120 million for State employees)

Eligible employers would be Medicaid enrolled providers that bill for service through the Medicaid program or have payment relationships with Managed Long-term Care plans and have a patient mix of at least 20 percent Medicaid enrollees. Employers will pay the bonus based on a schedule of two vesting periods of six month based on an employees start date and give bonuses in \$1,500 tranches- and allow those already employed during the pandemic and new employees to receive it. An employee is eligible and vested and receive the bonus until the final day of FY 2023 and must work one year consistently to receive the full amount.

The bonus is calculated by the average number of hours that the employee has worked per week for each six month vesting period:

| First 6 months            | Second 6 Months           |
|---------------------------|---------------------------|
| 20-30 hours : \$500       | 20-30 hours : \$500       |
| 30-40 hours: \$1,000      | 20-40 hours: \$1000       |
| 40 or more hours: \$1,500 | 40 or more hours: \$1,500 |

Once an employer receives a bonus claim from the state following a Medicaid claim, they would have 30 days to pay it to the employee. Employers would be prohibited from using this bonus to offset wages.

## Minimum Wage

The Executive Budget Financial Plan assumes that state costs for provider reimbursement associated with the increase to the minimum wage will grow from \$1.5 billion in FY 2021 to \$2.5 billion by FY 2025, an increase of \$1 billion over five years.

The Financial Plan continues to fund increases in the minimum wage for health care providers outside the Global Cap, totaling \$2.2 billion in FY 2023.

| <b>Medicaid Minimum Wage Impacts</b><br><b>State Funds</b><br>(Millions of Dollars) |                  |                  |                 |
|---|------------------|------------------|-----------------|
|   | <b>FY 2022</b>   | <b>FY 2023</b>   | <b>Increase</b> |
| Home Care (MLTC)  | \$1,685.0        | \$1,933          | \$1,642.0       |
| Transportation (MLTC)   | \$43.0           | \$49.0           | \$6.0           |
| Home Care (MMC)   | \$100.0          | \$106.0          | \$6.0           |
| Personal Care   | \$83.0           | \$84.0           | \$1.0           |
| Home Health   | \$14.0           | \$14.0           | \$0.0           |
| Nursing Homes   | \$16.0           | \$17.0           | \$1.0           |
| Inpatient   | \$3.0            | \$3.0            | \$0.0           |
| Outpatient (Clinic)   | \$6.0            | \$6.0            | \$0.0           |
| Assisted Living Programs  | \$2.0            | \$2.0            | \$0.0           |
| Hospice   | \$0.0            | \$0.0            | \$0.0           |
| Transportation  | \$8.0            | \$9.0            | \$1.0           |
| <b>Total</b>  | <b>\$1,960.0</b> | <b>\$2,223.0</b> | <b>\$263.0</b>  |

The known and estimated impact of the minimum wage increase on Medicaid is as follows:

| <b>Medicaid Projected Minimum Wage Impact</b><br>(Fiscal Year) (Millions) |             |             |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>2017</b>   | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
| \$44  | \$255       | \$703       | \$1,004     | \$1,500     | \$2,000     | \$2,223     | \$2,400     | \$2,500     |

These funds are allocated to implement new minimum wage requirements, and will be used to support direct salary costs and fringe benefits for health care workers reimbursed by the Medicaid program.



### **Increased Enrollment in Medicaid Due to COVID-19 Pandemic**

Continued growth of Medicaid enrollees is mainly attributable to the enrollment efforts of the New York State of Health (NYSOH), the State's health care exchange, and the ongoing COVID-19 Pandemic caused enrollment to increase over the two year period from FY 2021 to FY 2023. The increase in unemployment caused by COVID-19 has driven enrollment in public health insurance programs, including Medicaid, Child Health Plus (CHP) and the Essential Plan (EP). From FY 2021 to FY 2023, enrollment increased by nearly 1.4 million. The FY 2023 Executive Budget projects Medicaid enrollment of 6,550,614 down from 7,560,153 in FY 2022. As the economy recovers and unemployment trends towards pre-pandemic levels, costs associated with individuals temporarily enrolled, but entitled to twelve-months of continuous coverage, are anticipated to persist into FY 2023 and decline in FY 2024.

The Executive proposes to continue the State's "superpower" authority to make spending reductions if the Global Cap is breached, through March 31, 2021 with language included throughout the Medicaid appropriations.

### **Medicaid Local District Contribution and State Takeover**

Since the inception of the Medicaid program in 1966, State law required local governments to contribute to the state-share of Medicaid expenditures. Historically the percentage contribution counties paid was 25 percent.

In 2005 a cap on local Medicaid expenditures was instituted by fixing future local government contributions to an un compounded trend factor. The trend factors set in statute are as follows: 3.5 percent in 2006; 3.25 percent in 2007; and 3 percent each year thereafter. The 2013 Enacted Budget went further by phasing in the State takeover of local Medicaid growth over a three-year period. Local Medicaid Growth declined from three to two percent on January 1st, 2013; two to one percent on January 1st, 2014, and was capped at zero percent on January 1st, 2015. The local contribution is fixed at \$7.6 billion. New York City contributes \$5.4 billion and the Rest of State contributing \$2.2 billion.

The continued takeover of local Medicaid costs by the State is projected save local districts a total of \$5.1 billion in FY 2023 including approximately \$2.5 billion for NYC and \$2.6 billion for the Rest of State in costs that would have otherwise been incurred by localities. Savings are projected to increase to \$6.3 billion in FY 2026.

| Medicaid Local District Contributions<br>(Frozen January 1, 2015) |                        |  |  |
|---|------------------------|--|--|
| County  | Statutory Cap          | Reduction from<br>Statutory Cap<br>due to ACA<br>Savings | County Cap<br>(net of ACA<br>eFMAP<br>Reduction) |
| Albany  | \$65,153,487           | (\$5,452,571)  | \$60,791,430                                     |
| Allegany  | \$10,236,935           | (\$902,786)  | \$9,514,706                                      |
| Broome  | \$39,624,111           | (\$3,311,534)  | \$36,974,884                                     |
| Cattaraugus   | \$17,371,071           | (\$1,343,577)  | \$16,296,209                                     |
| Cayuga  | \$14,734,435           | (\$1,193,662)  | \$13,779,506                                     |
| Chautauque  | \$32,343,192           | (\$2,640,776)  | \$30,230,571                                     |
| Chemung   | \$20,748,386           | (\$1,722,169)  | \$19,370,651                                     |
| Chenango  | \$10,218,715           | (\$860,634)  | \$9,530,208                                      |
| Clinton   | \$17,937,879           | (\$1,345,959)  | \$16,861,112                                     |
| Columbia  | \$11,419,246           | (\$945,327)  | \$10,662,985                                     |
| Cortland  | \$10,355,510           | (\$778,119)  | \$9,733,015                                      |
| Delaware  | \$8,945,565            | (\$766,977)  | \$8,331,984                                      |
| Dutchess  | \$43,750,481           | (\$4,003,362)  | \$40,547,791                                     |
| Erie  | \$215,758,575          | (\$20,264,887)   | \$199,546,666                                    |
| Essex   | \$6,937,297            | (\$431,710)  | \$6,591,930                                      |
| Franklin  | \$10,323,790           | (\$741,590)  | \$9,730,517                                      |
| Fulton  | \$14,194,376           | (\$907,451)  | \$13,468,415                                     |
| Genesee   | \$9,880,283            | (\$823,772)  | \$9,221,265                                      |
| Greene  | \$10,062,792           | (\$980,680)  | \$9,278,249                                      |
| Hamilton  | \$663,757              | (\$57,024)   | \$618,138  |
| Herkimer  | \$13,978,850           | (\$1,150,041)  | \$13,058,817                                     |
| Jefferson   | \$20,563,032           | (\$1,820,228)  | \$19,106,850                                     |
| Lewis   | \$5,203,749            | (\$457,955)  | \$4,837,384                                      |
| Livingston  | \$9,539,179            | (\$694,706)  | \$8,983,414                                      |
| Madison   | \$11,475,963           | (\$948,972)  | \$10,716,785                                     |
| Monroe  | \$184,837,175          | (\$15,390,428)   | \$172,524,833                                    |
| Montgomery  | \$12,307,071           | (\$876,832)  | \$11,605,606                                     |
| Nassau  | \$240,813,962          | (\$20,714,098)   | \$224,242,683                                    |
| Niagara   | \$46,872,407           | (\$4,343,436)  | \$43,397,658                                     |
| Oneida  | \$57,338,984           | (\$4,347,681)  | \$53,860,839                                     |
| Onondaga  | \$105,614,117          | (\$8,130,251)  | \$99,109,917                                     |
| Ontario   | \$16,736,310           | (\$1,243,650)  | \$15,741,390                                     |
| Orange  | \$73,757,613           | (\$6,228,289)  | \$68,774,982                                     |
| Orleans   | \$8,542,627            | (\$762,237)  | \$7,932,837                                      |
| Oswego  | \$25,614,052           | (\$2,670,278)  | \$23,477,829                                     |
| Otsego  | \$10,811,129           | (\$910,050)  | \$10,083,089                                     |
| Putnam  | \$9,905,951            | (\$804,046)  | \$9,262,715                                      |
| Rensselaer  | \$34,834,303           | (\$2,628,297)  | \$32,731,665                                     |
| Rockland  | \$68,516,660           | (\$3,863,276)  | \$65,426,039                                     |
| St.   | \$24,548,788           | (\$1,841,861)  | \$23,075,299                                     |
| Saratoga  | \$25,396,222           | (\$2,261,206)  | \$23,587,257                                     |
| Schenectady   | \$34,978,252           | (\$2,646,014)  | \$32,861,441                                     |
| Schoharie   | \$5,903,803            | (\$544,917)  | \$5,467,869                                      |
| Schuyler  | \$3,865,285            | (\$325,596)  | \$3,604,808                                      |
| Seneca  | \$6,152,710            | (\$431,731)  | \$5,807,325                                      |
| Steuben   | \$20,077,343           | (\$1,691,095)  | \$18,724,467                                     |
| Suffolk   | \$256,134,440          | (\$21,333,088)   | \$239,067,970                                    |
| Sullivan  | \$20,897,591           | (\$1,763,780)  | \$19,486,567                                     |
| Tioga   | \$8,363,335            | (\$723,325)  | \$7,784,676                                      |
| Tompkins  | \$12,297,913           | (\$1,106,301)  | \$11,412,872                                     |
| Ulster  | \$37,366,146           | (\$3,453,902)  | \$34,603,024                                     |
| Warren  | \$12,591,527           | (\$1,014,322)  | \$11,780,070                                     |
| Washington  | \$11,608,683           | (\$1,006,942)  | \$10,803,130                                     |
| Wayne   | \$14,534,805           | (\$1,033,606)  | \$13,707,920                                     |
| Westchester   | \$223,035,011          | (\$18,953,232)   | \$207,872,426                                    |
| Wyoming   | \$5,584,596            | (\$496,077)  | \$5,187,734                                      |
| Yates   | \$4,391,315            | (\$402,464)  | \$4,069,344                                      |
| ROS   | \$2,255,650,783        | (\$188,488,777)  | \$2,104,859,762                                  |
| NYC   | \$5,378,022,327        | (\$486,511,223)  | \$4,988,813,349                                  |
| <b>Statewide</b>  | <b>\$7,633,673,111</b> | <b>(\$675,000,000)</b>                                   | <b>\$7,093,673,111</b>                           |



# Staff Analysis of the FY 2023 Executive Budget

## Summary of Agency Spending



| LOCAL GOVERNMENT SAVINGS<br>STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER) FY<br>2022 to FY 2027 |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| County  | FY 2022              | FY 2023              | FY 2024              | FY 2025              | FY 2026              | FY 2027              |
| Albany  | 49,145,707           | 52,460,384           | 55,871,186           | 59,380,902           | 62,992,399           | 66,708,630           |
| Allegany  | 7,790,910            | 8,313,717            | 8,851,686            | 9,405,256            | 9,974,880            | 10,561,022           |
| Broome  | 50,099,859           | 52,701,854           | 55,379,307           | 58,134,406           | 60,969,403           | 63,886,615           |
| Cattaraugus   | 17,078,352           | 18,077,385           | 19,105,391           | 20,163,208           | 21,251,702           | 22,371,762           |
| Cayuga  | 17,374,989           | 18,306,163           | 19,264,340           | 20,250,304           | 21,264,862           | 22,308,841           |
| Chautauqua  | 34,300,740           | 36,233,414           | 38,222,136           | 40,268,530           | 42,374,270           | 44,541,076           |
| Chemung   | 18,718,393           | 19,862,930           | 21,040,658           | 22,252,540           | 23,499,567           | 24,782,758           |
| Chenango  | 9,774,926            | 10,354,742           | 10,951,372           | 11,565,305           | 12,197,041           | 12,847,098           |
| Clinton   | 14,982,677           | 15,937,373           | 16,919,755           | 17,930,626           | 18,970,813           | 20,041,165           |
| Columbia  | 14,291,940           | 15,037,564           | 15,804,811           | 16,594,309           | 17,406,702           | 18,242,655           |
| Cortland  | 9,953,023            | 10,541,971           | 11,147,998           | 11,771,599           | 12,413,286           | 13,073,581           |
| Delaware  | 9,966,352            | 10,514,798           | 11,079,148           | 11,659,865           | 12,257,422           | 12,872,309           |
| Dutchess  | 62,411,561           | 65,490,261           | 68,658,242           | 71,918,095           | 75,272,484           | 78,724,160           |
| Erie  | 201,049,829          | 213,137,272          | 225,575,252          | 238,373,933          | 251,543,776          | 265,095,544          |
| Essex   | 6,376,876            | 6,762,988            | 7,160,296            | 7,569,126            | 7,989,812            | 8,422,698            |
| Franklin  | 9,719,964            | 10,301,233           | 10,899,359           | 11,514,830           | 12,148,150           | 12,799,836           |
| Fulton  | 12,162,806           | 12,927,165           | 13,713,689           | 14,523,023           | 15,355,828           | 16,212,784           |
| Genesee   | 10,157,138           | 10,738,223           | 11,336,160           | 11,951,437           | 12,584,557           | 13,236,037           |
| Greene  | 10,731,959           | 11,335,007           | 11,955,543           | 12,594,075           | 13,251,124           | 13,927,228           |
| Hamilton  | 767,892              | 809,410              | 852,132              | 896,093              | 941,328              | 987,876              |
| Herkimer  | 13,820,950           | 14,627,145           | 15,456,719           | 16,310,350           | 17,188,737           | 18,092,597           |
| Jefferson   | 20,611,724           | 21,805,792           | 23,034,488           | 24,298,816           | 25,599,810           | 26,938,532           |
| Lewis   | 4,809,201            | 5,099,576            | 5,398,373            | 5,705,834            | 6,022,212            | 6,347,765            |
| Livingston  | 10,687,610           | 11,274,187           | 11,877,774           | 12,498,866           | 13,137,969           | 13,795,606           |
| Madison   | 11,933,972           | 12,612,860           | 13,311,436           | 14,030,271           | 14,769,952           | 15,531,083           |
| Monroe  | 13,074,797           | 13,744,244           | 14,423,105           | 15,120,353           | 15,845,221           | 16,597,211           |
| Montgomery  | 14,815,117           | 15,601,660           | 16,410,113           | 17,243,838           | 18,100,814           | 18,982,643           |
| Nassau  | 265,070,006          | 279,740,641          | 294,836,725          | 310,370,595          | 326,354,947          | 342,802,845          |
| Niagara   | 44,668,758           | 47,323,452           | 50,055,132           | 52,866,031           | 55,758,445           | 58,734,740           |
| Oneida  | 56,517,821           | 59,819,668           | 63,217,269           | 66,713,400           | 70,310,919           | 74,012,767           |
| Onondaga  | 113,336,855          | 119,686,433          | 126,220,149          | 132,943,343          | 139,861,509          | 146,980,302          |
| Ontario   | 18,257,491           | 19,272,311           | 20,316,561           | 21,391,095           | 22,496,789           | 23,634,549           |
| Orange  | 100,206,057          | 105,251,004          | 110,442,254          | 115,784,050          | 121,280,758          | 126,936,871          |
| Orleans   | 9,074,029            | 9,584,912            | 10,110,610           | 10,651,554           | 11,208,185           | 11,780,959           |
| Oswego  | 28,581,761           | 30,153,439           | 31,770,697           | 33,434,854           | 35,147,273           | 36,909,351           |
| Otsego  | 9,694,918            | 10,289,593           | 10,901,514           | 11,531,181           | 12,179,107           | 12,845,824           |
| Putnam  | 12,682,592           | 13,337,660           | 14,011,725           | 14,705,337           | 15,419,065           | 16,153,490           |
| Rensselaer  | 28,097,561           | 29,922,585           | 31,800,535           | 33,732,945           | 35,721,396           | 37,767,511           |
| Rockland  | 92,942,167           | 97,624,473           | 102,442,566          | 107,400,384          | 112,501,978          | 117,751,518          |
| St. Lawrence  | 20,761,529           | 22,075,528           | 23,427,634           | 24,818,950           | 26,250,614           | 27,723,797           |
| Saratoga  | 30,066,880           | 31,675,310           | 33,330,384           | 35,033,456           | 36,785,917           | 38,589,199           |
| Schenectady   | 41,787,173           | 44,013,370           | 46,304,127           | 48,661,316           | 51,086,864           | 53,582,752           |
| Schoharie   | 5,828,803            | 6,169,049            | 6,519,161            | 6,879,427            | 7,250,141            | 7,631,605            |
| Schuyler  | 3,446,828            | 3,658,879            | 3,877,080            | 4,101,609            | 4,332,648            | 4,570,389            |
| Seneca  | 6,324,404            | 6,686,240            | 7,058,570            | 7,441,697            | 7,835,935            | 8,241,605            |
| Steuben   | 19,497,022           | 20,644,679           | 21,825,618           | 23,040,804           | 24,291,230           | 25,577,918           |
| Suffolk   | 316,662,330          | 333,273,436          | 350,366,264          | 367,954,785          | 386,053,372          | 404,676,819          |
| Sullivan  | 24,629,350           | 25,949,631           | 27,308,200           | 28,706,168           | 30,144,677           | 31,624,903           |
| Tioga   | 7,182,606            | 7,633,439            | 8,097,345            | 8,574,705            | 9,065,908            | 9,571,356            |
| Tompkins  | 12,505,782           | 13,225,089           | 13,965,256           | 14,726,888           | 15,510,607           | 16,317,054           |
| Ulster  | 46,377,060           | 48,805,613           | 51,304,594           | 53,876,045           | 56,522,069           | 59,244,827           |
| Warren  | 11,288,103           | 11,980,612           | 12,693,204           | 13,426,461           | 14,180,983           | 14,957,385           |
| Washington  | 13,349,724           | 14,073,518           | 14,818,302           | 15,584,685           | 16,373,292           | 17,184,770           |
| Wayne   | 20,839,092           | 21,864,935           | 22,920,527           | 24,006,732           | 25,124,436           | 26,274,554           |
| Westchester   | 199,747,277          | 212,007,964          | 224,624,210          | 237,606,327          | 250,964,926          | 264,710,924          |
| Wyoming   | 6,193,427            | 6,534,990            | 6,886,458            | 7,248,118            | 7,620,267            | 8,003,208            |
| Yates   | 4,217,903            | 4,467,571            | 4,724,478            | 4,988,836            | 5,260,861            | 5,540,774            |
| <b>Rest of State</b>  | <b>2,396,444,576</b> | <b>2,531,355,341</b> | <b>2,670,178,519</b> | <b>2,813,027,569</b> | <b>2,960,019,241</b> | <b>3,111,273,672</b> |
| <b>New York City</b>  | <b>2,421,745,114</b> | <b>2,647,938,370</b> | <b>2,880,691,230</b> | <b>3,120,193,923</b> | <b>3,366,642,195</b> | <b>3,620,237,466</b> |
| <b>Statewide</b>  | <b>4,818,189,690</b> | <b>5,179,293,711</b> | <b>5,550,869,749</b> | <b>5,933,221,492</b> | <b>6,326,661,436</b> | <b>6,731,511,137</b> |

The Executive proposes the continuation of utilizing the Master Tobacco Settlement Agreement proceeds to fund a portion of the non-federal share of annual Medicaid growth, which the state pays on behalf of local governments. This funding would be deposited into the Medicaid Management Information System (MMIS) Escrow fund. This offset has grown from \$125 million in FY 2018 to \$362 million in FY 2023.

## New York State of Health (NYSOH)

Executive Order #42 was issued by Governor Cuomo in 2012 establishing the New York State Health Benefit Exchange, now known as the New York State of Health (NYSOH).

Along with establishing the parameters of the NYSOH, the Executive Order also stated that the Exchange would be funded entirely with federal funds through January 1, 2015, but then would become wholly self-funded. The Executive Order also explicitly clarified that no state or county taxpayer dollars would be used for such purpose. Contrary to Executive Order #42, tax payer dollars are being used to fund NYSOH. The Executive Budget proposes to allocate approximately \$81 million in new funds in SFY 2023 to fund the New York Health Benefit Exchange (“New York State of Health”). The Executive Budget includes \$523 million in total funding, an 18% increase from SFY 2022, for the operation of the NY State of Health. A total of 6 million people have enrolled in health insurance coverage, including Medicaid, the Essential Plan, and Child Health Plus through the NYSOH through June 2021, an increase of 1.1 million people since the first enrollment period of 2020. More updated data for 2021 open enrollment is not yet publically available.

## Essential Plan

### *Background*

Pursuant to the Affordable Care Act (ACA), states were given the option to establish a basic health plan. In 2014, the Executive found the establishment of a Basic Health Plan to be in the financial interest of the state, and submitted a blue print to the Centers for Medicare and Medicaid Services (CMS) in December of 2014 requiring approval to phase in its implementation beginning in FY 2015.

The FY 2015 Enacted Budget authorized the establishment of the Basic Health Plan (known as the Essential Plan in New York).

Under the plan, citizens between 138 and 200 percent of Federal Poverty Limit (FPL), who would otherwise be eligible to purchase coverage through the NYSOH, would pay no premium or a small premium based on income level. Coverage is provided with no premium for certain aliens who legally reside in the U.S. (in New York) and whose income is below 138 percent of the FPL. **While the program is outside of Medicaid, it is financed within the Medicaid Global Cap.** The Basic Health Plan was implemented in two phases:

- Phase One: On April 1, 2015, approximately 225,000 legally residing aliens (Aileesa population) who were previously enrolled in state-only funded Medicaid (excluding children, pregnant women, and individuals requiring long-term care services) were transferred into the plan. Saving Medicaid approximately \$1 billion.
- Phase Two: On January 1, 2016, approximately 213,000 enrollees in Qualified Health Plans (QHPs) through NYSOH transitioned into the plan.



## **FY 2023 Essential Plan Budget**

The Essential Plan is a health insurance coverage option outside of Medicaid but within the New York State of Health (NYSOH) insurance exchange. In addition to the Medicaid eligible Aliessa population, the EP also provides very low cost coverage to individuals with incomes up to 200 percent of the federal poverty level (FPL). The EP is financed primarily with federal funds similar to the manner in which Child Health Plus funded. The federal government reimburses States for 95 percent of cost sharing expenses for eligible enrollees, funds that would otherwise be used to subsidize premiums for those individuals. Thus, the maximum premium for those in the highest income bracket is \$20 a month. Under the program, New York is allowed to shift certain Medicaid eligible legally residing immigrants into the EP from State only Medicaid. Though the EP ultimately provides savings to New York's Medicaid program by allowing the State to claim a federal matching share on the coverage of these immigrants, it also enrolls more people into a government funded health insurance program rather than private insurance and distorts the health insurance marketplace.

The Executive Budget includes \$5.4 billion in federal support for the Essential Plan to cover premium and cost sharing expense for enrollees. Additionally, \$65 million in state support is proposed to cover the costs of premiums and cost sharing for the portion of costs that is not federally reimbursed. Total All Funds spending is projected at \$5.5 billion, an increase of \$1 billion, driven by the Executive proposal to expand the Essential Plan. The expansion of the program would entirely use federal funds.

### **Essential Plan Expansion**

Total enrollment in the Essential Plan is projected to increase to 1,071,185 individuals in FY 2023 from 1,037,196 in FY 2022. Enrollment has increased by over 130,000 following over a two year period following increased unemployment resulting from the COVID-19 pandemic. In addition, enrollment growth in FY 2023 is projected to increase due to the proposed expansion of the program.

#### **The Executive proposal to expand the Essential Plan would:**

- **Increase Eligibility:** The Executive Budget proposes expanding EP eligibility, increasing its current income cap from 200% FPL to 250% FPL, subject to federal approval. The Executive has not provided a cost estimate.
- **Expand Long Term Service and Support Coverage to the Essential Plan:** This proposal would transfer this benefit from Medicaid to the Essential plan and allow members to continue enrollment in EP rather than spend down to be Medicaid eligible. This proposal would increase Federal Essential Plan costs by \$192 million
- **Expand Coverage for Pregnant Individuals and Newborns:** The Executive Budget would allow pregnant individuals to stay enrolled in the EP; the individual and their newborn would receive one-year postpartum coverage, regardless of changes to income. This proposal would increase federal Essential Plan costs by \$316 million

## Office of the Medicaid Inspector General (OMIG)

The FY 2023 Executive Budget provides All Funds cash disbursements of \$49 million, an increase of \$776,000 or 1.61 percent for OMIG.

The Executive proposes a workforce of 515 FTEs, and increase of 35 from current year levels. The FTE increase is part of a workforce investment made in the FY 2021 Enacted Budget to support enhanced program integrity efforts. Funding for this workforce investment is financed through increased audit recoveries and cost avoidance.

## Public Health

The FY 2023 Executive Budget recommends Public Health spending, excluding Medicaid and the Essential Plan of \$6 billion, decrease \$228.3 million, or 4 percent from current year levels. Increased spending in FY 2023 is mainly attributable to Child Health Plus Program expansion, and increases in the General Public Health Work

### **General Public Health Work/Article 6 Funding.**

**General Public Health Works (GPHW)/Article 6 Funding.** The Executive Budget proposes to increase reimbursement to the GPHW bringing total funding to \$229.2 million. GPHW reimburses counties and the City of New York for expenses related the provision of core public health services. Each receives a base grant, proportional to its population and the level of services it provides. The Executive Budget would use \$6.7 million of the additional funding to increase base grants. For non-emergency expenditures in excess of the base grant, counties are reimbursed 36 percent of their costs and the City of New York, receives 20 percent. The remaining \$19 million would be used to allow GPHW claims to reimburse for previously excluded costs of fringe benefits provided to employees, as long as the rate remains below 50 percent. The Executive assumes state costs of the program of \$25.7 million in FY 2023.

### *Nourish NY*

Includes \$50 million of new annual funding to support the Nourish NY program permanently. This program supports New York's regional food banks and local food providers' ability to purchase surplus locally produced food and goods from New York farmers and dairy manufacturers and deliver it to New York families in need.

### *Emergency Medical Services*

Provides \$5 million in aid to localities resources under the emergency medical services program. Additionally, emergency medical services program and improve training and coordination at a statewide level.

### *LGBTQIA+ Health Services.*

This proposal would support the LGBTQIA+ community with direct health services, cultural competency education and training, and organizational capacity building. The Executive assumes \$7 million in state costs associated with this proposal.



### *Doctors Across New York*

The Executive Budget proposes an increase of \$6.8 million for the Doctors Across New York physician loan repayment program, for total funding of \$15.9 million.

### *Nurse Loan Repayment Program*

The Executive Budget proposal includes \$2.5 million for a new nurse loan repayment program, modeled after Doctors Across New York. Licensed Registered nurses who agree to practice for at least three years in hospitals or medical practices treating underserved populations will be eligible for loan forgiveness, not to exceed the total amount of their outstanding loans. Funds would be distributed regionally with one third available for New York City and two-thirds to the rest of the State.

### *Empire Clinical Research Program ("ECRIP")*

The Executive Budget proposal includes level funding of \$3.4 million for the program, which provides grants to teaching hospitals to promote training of physicians in clinical research.

### *Diversity in Medicine*

The Executive Budget proposal includes level funding of \$1.2 million for the program.

### *New York State Workforce Innovation Center.*

The Executive Budget includes \$10 million to create the new center.

### *Support Career Flexibility for Direct Care Workers:*

Proposes \$39 million for services and expenses, including grants, to facilitate the creation and implementation of a universal model for training long-term care workers across caregiving roles.

### *Training Capacity of Statewide Institutions*

Proposes \$22.5 million annually for state grants to healthcare facilities licensed pursuant to article 28 of the public health law to cover the costs of new programs, provide compensation to allow workers to train full-time support staff, and develop new training techniques to increase training capacity of medical institutions.

### *Relieving Financial Burdens of Healthcare Students:*

Proposes \$47 million for state grants to healthcare facilities or institutions of higher learning, for the purpose of deferring the cost of tuition, instructional costs, stipends and wraparound services, including but not limited to, childcare or transportation, for students training for healthcare professions, as determined by the Commissioner of Health.

### *Nurses Across New York*

The Executive budget proposes \$3 million to create the nurses across New York Program.



**FY 2023 - PH Scorecard**  
**\$ in Millions**

| Proposal   | Legal/<br>Admin | FY 2023         |
|--|-----------------|-----------------|
| <b>DOH Savings (Local Assistance)</b>  |                 |                 |
| CHP Transfer Rate Setting and Institute 12 Month Rate Freeze   | Legal           | (5.500)         |
| CHP MLR  | Legal           | (27.000)        |
| Shift Alzheimer's Programs PH Funding onto Global Cap  | Admin           | (1.367)         |
| HCRA Med Mal - Lagged Payment Over 2 years   | Legal           | (51.100)        |
| Family Planning - PHS- Elim Subschedule; Reinvest \$1M   | Admin           | (3.600)         |
| <b>Total Savings Actions</b>   |                 | <b>(88.567)</b> |
| <b>DOH Investments (Local Assistance)</b>  |                 |                 |
| GPHW - Allow ROS to claim Fringe Benefits  | Legal           | 10.929          |
| GPHW - Inc ROS base grant to \$750,000/\$1.30 per capita   | Legal           | 3.301           |
| GPHW - Increase ROS base grant to \$577,500 in partial service counties.   | Legal           | 0.659           |
| GPHW - Allow NYC to claim Fringe Benefits  | Legal           | 8.100           |
| GPHW - Inc NYC base grant to \$750,000/\$1.30 per capita   | Legal           | 2.750           |
| EMS support for municipal operations   | Admin           | 5.000           |
| Regional Perinatal Centers   | Admin           | 4.500           |
| CHP Behavioral Health  | Legal           | 10.700          |
| Early Intervention- Covered Lives Assessment   | Admin           | 15.400          |
| <b>DOH Investments (State Operations)</b>  |                 |                 |
| OPCHSM Survey and Certification  | Admin           | 5.028           |
| Essential Management Positions   | Admin           | 1.100           |
| State Match for New HFM Workforce Grant  | Admin           | 0.500           |
| <b>DOH Investments (Capital Projects)</b>  |                 |                 |
| WCLR Newborn Screening Equipment Purchase  | Admin           | 2.000           |
| Rashaun King Community Health/Ed Center Roswell  | Admin           | 2.000           |
| DWSRF State Match Increase (Bonded)  | Admin           | -               |
| Roswell Enhanced Lung Screening (HCRA)   | Admin           | 4.000           |
| Roswell Enhanced Lung Screening (CAP component)  | Admin           | 4.000           |
| Statewide Health Care Facility Transformation Program IV   | Legal           | 10.000          |
| <b>SOFA Investments (Local Assistance)</b>   |                 |                 |
| SOFA COLA Increase - 5.4% in FY23  | Legal           | 5.922           |
| <b>Subtotal - Budgetmaking Investments</b>   |                 | <b>95.889</b>   |
| <b>PH - State of the State</b>   |                 |                 |
| LGBT - Health and Human Services Investment  | Admin           | 7.333           |
| SHCFTP IV - Nursing Home Innovation  | Legal           | 25.000          |
| Improve consistent access to Child Health Plus insurance plan for low-income families (CHP Premium Elimination Fiscal) | Legal/<br>Admin | 3.793           |
| Nourish NY - SOTS  | Admin           | 50.000          |
| Recruit medical professionals/ clinicians to work in underserved areas (Doctors Across New York)                       | Admin           | 6.800           |
| Expand Diversity in Medicine program   | Admin           | 1.200           |
| Expand SUNY Pre-Medical Opportunities program  | Admin           | 1.000           |
| Create a "Nurses Across NY" Program  | Admin           | 2.500           |
| Support career flexibility for direct care workers   | Admin           | 39.000          |



**FY 2023 - PH Scorecard**  
**\$ in Millions**

| Proposal   | Legal/<br>Admin | FY 2023        |
|--|-----------------|----------------|
| Relieving financial burdens: Healthcare tuition, instructional costs, and other support services | Admin           | 47.000         |
| Increase training capacity of statewide institutions   | Admin           | 22.500         |
| Create a NYS Workforce Innovation Center   | Admin           | 20.000         |
| Establish a State Master Plan for Aging  | Admin           | 0.500          |
| Elder Abuse- Financial Exploitation (Approp Suball from DFS)                                     | Admin           | 0.750          |
| Lifespan of Greater Rochester (Social Isolation)   | Admin           | 0.250          |
| GetSetUp Classes Program (Social Isolation)  | Admin           | 0.350          |
| Animatronic Pet Program (Social Isolation)   | Admin           | 0.350          |
| Self Help Classes for Social Isolation (Social Isolation)  | Admin           | 0.200          |
| AI Platform (Social Isolation)   | Admin           | 0.700          |
| TRUALTA Caregiver Training Program (Social Isolation)  | Admin           | 0.400          |
| GoGo Grandparent Program (Social Isolation)  | Admin           | 0.500          |
| NYSOFA Stipend Program (Social Isolation)  | Admin           | 0.150          |
| <b>Subtotal - PH - State of the State</b>  |                 | <b>230.276</b> |
| <b>PH - Signed Legislation</b>   |                 |                |
| Data Disaggregation Expansion (S6639A/A6896A)  | Legal           | 1.804          |
| Hospital Staffing Legislation (S.1168A/A.108B)   | Admin           | 1.255          |
| ACF Infection Control (S1784A/A5846)   | Legal           | 0.157          |
| LTC Task Force (S598B/A3922A)  | Legal           | 0.666          |
| NYSIIS School Access (S4962/A5062)   | Legal           | 0.714          |
| Ambulatory Care Study (S6375/A5713)  | Legal           | 1.050          |
| Asthma Study (S646B/A2670B)  | Legal           | 0.200          |
| CON Health Equity (S1451A/A191A)   | Legal           | 1.657          |
| Home Care Competency Exams (S1201A/A4662A)   | Legal           | 0.131          |
| LTC Ombudsman (S612B/A5436B)   | Legal           | 1.621          |
| NH Infection Inspection Audit (S1783A/A6057A)  | Legal           | 0.550          |
| Newborn Screen G6PD (S4316/A4572)  | Legal           | 1.791          |
| Rural Ambulance Task Force (S3503C/A1561C)   | Legal           | 0.980          |
| School Water Testing (S2122A/A160B)  | Legal           | 0.233          |
| Donate Life Registration (S5973T/A6392)  | Legal           | 0.052          |
| <b>Subtotal - PH - Signed Legislation</b>  |                 | <b>12.861</b>  |
| <b>GRAND TOTAL - PH SCORECARD</b>  |                 | <b>250.459</b> |

## Health Care Reform Act (HCRA)

The New York State Health Care Reform Act (HCRA) was enacted in 1996 as a mechanism to finance a portion of state health care initiatives, and to deregulate inpatient hospital rates paid by private insurers. The FY 2023 Executive Budget estimates HCRA revenues of \$6.5 billion and disbursements of \$6.5 billion, with a closing balance of zero. HCRA revenue will offset \$4.3 billion in Medicaid General Fund costs for FY 2023.



### *Physician's Excess Medical Malpractice*

The Executive Budget restructures payments for the Physician's Excess Medical Malpractice program by disbursing policy year payments over two years, and reducing future Excess Medical Malpractice payments by half, achieving combined savings of \$51 million in FY 2023.

### **Child Health Plus (CHP)**

The Executive estimates that CHP enrollment will continue to increase in FY 2023 after trending downward between FY 2016 and FY 2020. After increasing between FY 2021 and FY 2022 due to the COVID-19 Pandemic, enrollment is projected to increase further by approximately 35,461 children in FY 2022, with a total enrollment of 442,728

The Executive Budget allocates \$789 million, an increase of \$79 million, in FY 2023 to support CHP, which insures children that come from families with household incomes of 400 percent of the Federal Poverty Level (FPL).

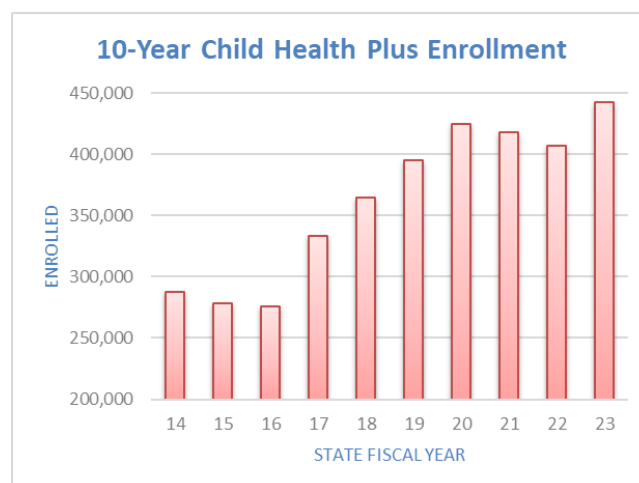
Increased state spending for Child Health Plus in FY 2023 and beyond is attributable to the below actions:

### **Child Health Plus Budget**

**Eliminate Premiums for Low-Income CHP Families:** The proposal would eliminate the \$9 monthly premium for children in families with income levels between 160 percent and 222 percent Federal Poverty Level(FPL). The Executive assumes state costs of \$4 million in FY 2023 and \$8 million in FY 2024.

**Benefit Expansion:** Aligns mental health care and other critical services for children in CHP with the services received by children in Medicaid. The Executive assumes state costs of \$65.5 million in FY 2023

**Transfer Rate Setting and Institute a 12-Month Rate Freeze:** Shifts rate setting authority from DFS to DOH, so DOH can apply a risk-adjusted rate methodology for CHP consistent with Managed Care and implement a 12-month rate freeze to mitigate price growth. This will recoup the 2017 and 2018 MLR. The Executive assumes state savings of \$5.5 million in FY 2023.





## State Operations

### Increase to DOH Workforce

The Budget recommends a workforce of 5,980 full time equivalent employees (FTEs) for the Department. This is a increase of 560 FTEs from the FY 2022 Budget. The increase of 300 FTEs is associated with a phased takeover of local districts driven by a phase-in of employees to support the State's program takeover of local district administration of the Medicaid program (+300), with corresponding increases in the out year to restore to full target FTE. Additional executive recommendations include staff for the purposes of clearing backlogs of nursing home surveillance operations (+87), Federal impacts from Drinking Water State Revolving Fund resources (+22), MRT forecasted needs (+21), rebuilding essential public health management (+10), creation of the office of workforce innovation (+10), managed long term services and supports increases (+8), maternal health actions (+8), health care bonus needs (+6), creation of the office of Medicaid innovation (+4), investments in children's behavioral health (+2) and the promotion of primary care (+2). In addition, the Executive, 79 FTEs are provided as result of various signed legislative bills.

### Capital

The Executive Budget proposes to establish a new \$1.6 billion Statewide Health Care Facility Transformation Program IV to transition health care facilities into more efficient and sustainable systems, retire debt, and support new capital projects.

- Specifically, the proposal would fund:
  - Statewide III Grants: \$450 million of the total Statewide IV funding pool to finance eligible capital projects submitted under the Statewide III program, to be awarded no later than December 31, 2022. Of the \$450 million, \$25 million is earmarked for community-based health care providers, specifically diagnostic and treatment centers; \$25 million is earmarked for mental health and substance use disorder treatment clinics, independent practice associations or organizations, OPWDD clinics, home care providers and hospices; and \$50 million is dedicated to residential health care facilities and adult care facilities.
  - Emergency Department ("ED") Modernization Projects: This proposal would allocate funding of \$200 million for modernization of emergency departments of regional significance.
  - Healthcare Provider Grants: Up to \$750 million would be awarded without competitive bid or RFP for grants to providers to fund capital projects to build innovative and patient-centered models of care, increase access to care, improve quality of care, and ensure financial sustainability of the providers.
  - Technological and Telehealth Transformation: Up to \$150 million would be awarded without competitive bid or RFP for technological and telehealth transformation projects.
  - "Green House" Nursing Home Initiative: Up to \$50 million to be awarded without competitive bid or RFP to support implementation of the "Green House" nursing home initiative. This model is based on the delivery of nursing home level care in small residential settings.

- Drinking Water State Federal Fund (DWSRF) - \$300 million appropriation for Federal Drinking Water State Revolving Fund (DWSRF) to improve public water system projects, lead line replacements, and contaminants
- Roswell Enhanced Lung Screening - The FY 2023 Budget provides funding \$4.0 million to for the procurement of lung cancer screening mobile vans and associated medical technology. These mobile vans will be deployed racially diverse neighborhoods and communities for early detection of lung cancer. In addition, the FY 2023 Budget invests \$4.0 million in additional on-going operational support for Roswell Park to expanding and enhance cancer screening operations amongst diverse and underrepresented populations.

### State Office for the Aging (SOFA)

The FY 2023 Executive Budget recommends \$283 million for Aging. This is an increase of \$2.6 million from the FY 2022 budget. This change is the result of the discontinuation of one-time legislative adds as well as new targeted investments.

The FY 2023 Executive Budget continues the implementation of the \$23 million investment into community-based (non-medical) supports for aging New Yorkers.

The Executive Budget recommends a workforce of 122 FTEs, which is an increase of 27 FTEs from FY 2022.

### Prevent Social Isolation

Proposes \$2.9 million to develop services to address the causes and effects of social isolation and to support caregivers.

### Address Elder Abuse

Proposes a \$750,000 from the Department of Financial Services to establish an elder abuse and financial exploitation pilot program in up to ten counties.

### Create a Master Plan on Aging

Proposes a \$500,000 investment in FY 2023 for the creation of a State Master Plan on Aging. This master plan will coordinate all State policy and programs and address challenges related to communication, coordination, caregiving, long-term financing, and innovative care models.

### Human Services Cost of Living Adjustment (COLA)

The FY 2023 Executive Budget recommends an increase of the COLA of 5.4 percent for the human services agencies. This COLA increase will result in \$5.9 million of additional funds for the Office for the Aging.



## **FACT SHEET: Transportation**

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### **Transportation Budget Highlights**

- The FY 2023 Executive Budget recommends All Funds disbursements of \$6.2 billion for State Operations and Aid to Localities transportation programs, an increase of \$992 million, or 18.9 percent from the FY 2022 Enacted Budget.
- The FY 2023 Executive Budget recommends a capital appropriation of \$8.9 billion. This is an increase of \$1.7 billion or 22.8 percent from FY 2022 Enacted Budget funding levels. This difference is largely attributable to the passage of the Federal Infrastructure Investment and Jobs Act, increased State funding, and the recurrence of FY 2021 Legislative adds.
- The Executive Budget funds \$6.65 billion for the first year of a five year \$32.8 billion DOT Capital Plan.

### **Notable Issues**

- The Executive proposes adding penalties for people who put the safety of transportation workers, pedestrians, and public at risk.
- The Executive proposes to make it a felony to attack and injure MTA workers.

### **Spending Highlights**

- The Executive Budget maintains FY 2022 Enacted Budget levels of funding for the Consolidated Highway Improvement Program or CHIPS (\$538.1 million), PAVE-NY (\$150 million), Extreme Winter Recovery (\$100 million), State Touring Route support (\$100 million) and the Municipal Streets and Highway Program or "Marchiselli" (\$39.7 million).
- The FY 2023 Executive Budget proposes to increase the BRIDGE-NY program, which supports bridge and culvert projects by \$100 million, for a new total of \$200 million.
- The Executive proposes a new "Pave Our Potholes" program that will provide local governments with an additional \$100 million annually over the 5 year Capital Plan.



## TRANSPORTATION

| Transportation<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |              |
|--|----------------------|---------------------|------------------|--------------|
| Agency   | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent      |
| Department of Transportation   | 9,535,374            | 11,418,198          | 1,882,824        | 19.75%       |
| Department of Motor Vehicles   | 455,368              | 453,179             | (2,189)          | -0.48%       |
| Thruway Authority  | 0                    | 0                   | 0                | 0.00%        |
| Metropolitan Transportation Authority  | 2,039,000            | 931,000             | (1,108,000)      | -54.34%      |
| <b>Totals:</b>   | <b>12,029,742</b>    | <b>12,802,377</b>   | <b>772,635</b>   | <b>6.42%</b> |

The functional area of Transportation includes the Department of Transportation (DOT), the Department of Motor Vehicles (DMV), the Metropolitan Transportation Authority (MTA) and the Thruway Authority.

The FY 2023 Executive Budget proposes a total spending level of \$12.8 billion for all transportation agencies, an increase of \$772.6 million or 6.5 percent. This section mainly discusses overall changes to the transportation budget. For a detailed discussion of the capital commitments and proposals, refer to the “Transportation Capital Programs” Issues in Focus section.

### Department of Transportation (DOT)

DOT maintains and improves more than 44,500 highway lane miles and 7,900 bridges. In addition, the Department subsidizes locally operated transit systems and partially funds local government highway and bridge construction, as well as rail and airport programs.

The Department’s headquarters is located in Albany, and DOT currently operates 11 regional offices in Schenectady, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge and New York City.

The FY 2023 Executive Budget includes 8,485 Full-time equivalents (FTEs) for the Department, an increase of 338 from FY 2022.

The FY 2023 Executive Budget recommends an All Funds cash spending level of \$11.4 billion, an increase of \$1.9 billion, or 19.8 percent from FY 2022. This increase is largely attributable to additional capital spending due to the recent passage of the Federal Infrastructure Investment and Jobs Act.

### Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

*Highway Safety SLOW Act*

*(see Section Three\S.8008, Part A for more detail)*

*Increase to the CHIPS Bidding Threshold*

*(see Section Three\S.8008, Part B for more detail)*

*Increase to the Maximum Grant Award under the Airport Improvement and Revitalization Program*

*(see Section Three\S.8008, Part C for more detail)*

*Authorizes Entry to Lands Adjacent to State Highways for Safety Purposes*

*(see Section Three\S.8008, Part D for more detail)*

*Electronic Bid Submissions for Thruway Authority Contracts*

*(see Section Three\S.8008, Part F for more detail)*

*Increase the Threshold for Thruway Authority Procurement Contracts*

*(see Section Three\S.8008, Part G for more detail)*

**Transit Operating Aid**

DOT provides oversight and funding for public transit operators, including the MTA, the four upstate regional transportation authorities (Capital District Transportation Authority, Rochester–Genesee Regional Transportation Authority, Niagara Frontier Transportation Authority, and Central New York Regional Transportation Authority), and other (usually county-sponsored) transit systems.



| Transit Operating Assistance<br>Cash Disbursements<br>(Thousands of Dollars) |                    |                     |                |
|--|--------------------|---------------------|----------------|
|  | FY 2022<br>Enacted | FY 2023<br>Proposed | Difference     |
| <b>Downstate</b>   |                    |                     |                |
| NYCTA  | 1,965,257          | 2,492,913           | 527,656        |
| MTA Commuter Rail  | 710,808            | 938,097             | 227,289        |
| Verrazano  | 19,000             | 19,000              | -              |
| MTA Regional Taxes   | 395,750            | 397,265             | 1,515          |
| <b>MTA Total</b>   | <b>3,090,815</b>   | <b>3,847,275</b>    | <b>756,460</b> |
| Rockland   | 3,827              | 5,221               | 1,394          |
| Staten Island Ferry  | 37,334             | 50,931              | 13,597         |
| Westchester  | 62,664             | 85,486              | 22,822         |
| Nassau- NICE Bus   | 75,790             | 103,394             | 27,604         |
| Suffolk  | 29,480             | 40,217              | 10,737         |
| Suffolk- Shuttle   | 500                | 500                 | -              |
| NYC DOT  | 99,770             | 136,107             | 36,337         |
| MMCB LHTL  | 11,000             | 11,000              | -              |
| Remaining Systems  | 36,190             | 49,371              | 13,181         |
| <b>Non-MTA Total</b>   | <b>356,555</b>     | <b>482,227</b>      | <b>125,672</b> |
| <b>Subtotal Downstate</b>  | <b>3,447,370</b>   | <b>4,329,502</b>    | <b>882,132</b> |
| <b>Upstate</b>   |                    |                     |                |
| CDTA   | 41,108             | 48,738              | 7,630          |
| CENTRO   | 37,524             | 42,397              | 4,873          |
| RGRTA  | 45,562             | 51,478              | 5,916          |
| NFTA   | 59,187             | 66,872              | 7,685          |
| Remaining Systems  | 45,248             | 51,123              | 5,875          |
| <b>Subtotal Upstate</b>  | <b>228,629</b>     | <b>260,608</b>      | <b>31,979</b>  |
| <b>Program Totals</b>  | <b>3,675,999</b>   | <b>4,590,110</b>    | <b>914,111</b> |

The FY 2023 Executive Budget provides \$4.6 billion in overall cash operating assistance to the State's transit systems, an increase of \$914.1 million or 24.9 percent. Under this proposal, the MTA would receive \$3.8 billion, reflecting an increase of \$756.5 million or 24.5 percent. Non-MTA transit systems would receive nearly \$742.8 million, including \$482.2 million for Downstate non-MTA transit systems and \$260.8 million for Upstate transit systems, reflecting a 26.9 percent increase.

## Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

*Include Montgomery County within the CDTA District  
 (see Section Three\S.8008, Part E for more detail)*



## Local Highway and Bridge Funding

The Executive Budget maintains FY 2022 Enacted Budget levels of funding for the Consolidated Highway Improvement Program or CHIPS (\$538.1 million), PAVE-NY (\$150 million), Extreme Winter Recovery (\$100 million), State Touring Route support (\$100 million) and the Municipal Streets and Highway Program or “Marchiselli” (\$39.7 million).

The FY 2023 Executive Budget proposes to increase the BRIDGE-NY program, which supports bridge and culvert projects by \$100 million, for a new total of \$200 million.

Additionally, the Executive proposes a new “Pave Our Potholes” program that will provide local governments with an additional \$100 million annually over the 5 year Capital Plan.

## Department of Motor Vehicles

The responsibilities of the Department of Motor Vehicles (DMV) include administering the State’s motor vehicle laws, promoting traffic safety, verifying identities and issuing secure documents, including driver’s licenses and vehicle registrations, and collecting revenues. DMV has three regional headquarters and 27 district and branch offices. In addition, County Clerk offices act as DMV agents at 102 locations throughout the State. DMV serves more than 20 million customers annually.

The FY 2023 Executive Budget recommends an All Funds cash spending level of \$453.2 million, a \$2.2 million or 0.5 percent decrease.

The Executive Budget requests a DMV workforce of 3,028 FTE positions, which remains unchanged from FY 2022.

## Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

*Extend New York State Internet Point & Insurance Reduction Program  
(see Section Three\S.8008, Part O for more detail)*

*Extend the Authorization of Revenues to and Costs from the Dedicated Highway and Bridge Trust Fund  
(see Section Three\S.8008, Part P for more detail)*

*Non-Driver ID Card for Incarcerated Individuals  
(see Section Three\S.8008, Part Q for more detail)*

*"Provide Gender "x" Options at All Public-Facing State Agencies"  
(see Section Three\S.8008, Part R for more detail)*



## **Metropolitan Transportation Authority**

The Metropolitan Transportation Authority (MTA), the largest transit provider in North America, is responsible for operating, maintaining and improving public transportation in the Metropolitan Commuter Transportation District (MCTD), which consists of New York City and the counties of Westchester, Nassau, Suffolk, Dutchess, Putnam, Orange and Rockland. The MTA's operations include subway and bus systems in New York City, the Long Island Rail Road, Metro-North Railroad, and MTA Bridges & Tunnels.

The FY 2023 Executive Budget recommends All Funds spending of \$931 million, a decrease of \$1.1 billion or 54.3 percent. This decrease is largely attributable to timing of State payments to the MTA, and does not reflect roughly State taxes that provide support for the MTA that have shifted off budget.

Additional transit aid to the MTA is appropriated under DOT and discussed in the Transit Operating Aid section. Details on the MTA capital program are included in the "Transportation Capital Programs" Issues in Focus section of this report.

## **Article VII Provisions**

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

*Increase MTA Design-Build Threshold*  
(see Section Three\S.8008, Part H for more detail)

*MTA Procurement Reform*  
(see Section Three\S.8008, Part I for more detail)

*MTA Tax Increment Financing Extender*  
(see Section Three\S.8008, Part J for more detail)

*Utility Relocations on MTA Projects*  
(see Section Three\S.8008, Part K for more detail)

*MTA Worker Assault and Harassment*  
(see Section Three\S.8008, Part L for more detail)

*Traffic Enforcement for MTA Bus Operations*  
(see Section Three\S.8008, Part M for more detail)

*Toll Violation Enforcement*  
(see Section Three\S.8008, Part N for more detail)



## FACT SHEET: Environmental Conservation, Housing, Agriculture, And Energy

|  |  |  |  |
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### Agency Budget Highlights

- **Department of Environmental Conservation:** The Fiscal Year 2023 Executive Budget proposes an All Funds appropriation of \$10.2 billion, an increase of \$8.4 billion from the FY 2022 Enacted Budget. This is primarily due to the *Clean Water, Clean Air, & Green Jobs Environmental Bond Act*.
- **Agriculture and Markets:** The Fiscal Year 2023 Executive Budget proposes an All Funds appropriation of \$273 million, an increase of \$78 million, or 40 percent, from the FY 2022 Enacted Budget. This is primarily due to a \$28 million increase in a capital appropriation for the New York State Fair and \$28 million for potential awarded Federal Grant.
- **New York Power Authority:** The Fiscal Year 2023 Executive Budget recommends All Funds appropriations of \$43 million for State Operations a decrease of \$43 million, or 50 percent from the FY 2022 Enacted Budget.
- **NYS Energy Research and Development Agency:** The Fiscal Year 2023 Executive Budget recommends All Funds appropriations of \$23.6 million for capital projects, an increase of \$3.1 million from FY 2022 Enacted Budget, to cover a State-Federal cost-sharing agreement for West Valley.
- **Office of Parks, Recreation, and Historic Preservation:** The Fiscal Year 2023 Executive Budget proposes an All Funds appropriation of \$610 million, an increase of \$112 million from the FY 2022 Enacted Budget. This is primarily due to \$88 million in additional capital appropriations.
- **Olympic Regional Development Agency:** The Fiscal Year 2023 Executive Budget provides \$92.5 million in new funding to modernize facilities to support the 2023 World University Games.
- **Housing and Community Renewal:** The Fiscal Year 2023 Executive Budget proposes All Funds appropriations of \$5.3 billion, an increase of \$3.5 Billion, or 209 percent, from the FY 2022 Enacted Budget. This increase is primarily driven by an increase of \$3.8 billion in capital funding.

### Environmental Conservation

- Provides an additional \$1 billion to the Environmental Bond Act that was developed in the FY 2022 Enacted Budget, bringing total support to \$4 billion. The bond act would go before voters as a ballot measure during the November 2022 general election.

- Provides another \$500 million to support clean water through the NYS Water Infrastructure Improvement Act of 2017, bringing total support since 2017 to \$4.5 billion.
- Provides an additional \$100 million to the Environmental Protection Fund, bringing total support to \$400 million.

### Agriculture

- Provides one-time capital appropriation of \$28 million for improvements at the State Fair.
- Provides an additional \$7.2 million to support legacy and new statewide agricultural programs.
- Moves the School Lunch Program from State Education Department to Ag and Markets (TED Part V).

### Energy

- The Executive proposes legislation that would require no on-site emissions of greenhouse gases for new construction by 2027. The legislation also establishes new efficiency standards for a number of appliances such as commercial dishwashers and ovens, air conditioners and lamps (Part EEE of TED).
- The Executive proposes legislation that would authorize the Public Service Commission (PSC) to disallow gas corporations from covering the costs of the first 100 feet of infrastructure between a natural gas main and a building proposed to be served by natural gas (Part CCC of TED).
- Provides a \$500 million economic development capital project appropriation for the development of offshore wind ports, manufacturing, supply chain infrastructure, and other related improvements and expenses needed to advance the offshore wind industry.

### Housing

- Provides a new \$25 billion five year Housing Plan to create and preserve 100,000 affordable homes, including 10,000 with supportive services for vulnerable populations.
- Provides an appropriation of \$77 million for the Governor's Office of Storm Recovery for areas impacted by Superstorm Sandy and Hurricanes Irene and Lee.
- Provides \$20 million to fund the Homeowners Protection Program for assistance to homeowners at risk of foreclosure.
- Provides for the utilization of \$39.8 million projected to be available in the Mortgage Insurance Fund (MIF), allocating \$18.2 million for the Neighborhood and Rural Preservation Programs, and \$21.6 million for the Rural Rental Assistance Program. (ELFA Part Z).
- Permit the Creation of Accessory Dwelling Units - Requires local governments to provide for the creation of accessory dwelling units (ADUs), would require New York City to address ADUs that existed before passage of this article, and establish lending programs to assist low- and moderate income homeowners to secure financing and technical assistance to create ADUs. (ELFA Part AA).



## ENVIRONMENTAL CONSERVATION, AGRICULTURE, HOUSING AND ENERGY

| Environmental Conservation, Agriculture and Housing<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |               |
|---|----------------------|---------------------|------------------|---------------|
| Agency  | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent       |
| Adirondack Park Agency  | 6,724                | 11,023              | 4,299            | 63.94%        |
| Agriculture and Markets   | 116,768              | 129,054             | 12,286           | 10.52%        |
| Department of Environmental Conservation  | 1,439,559            | 1,625,912           | 186,353          | 12.95%        |
| Energy Research Development Authority   | 23,129               | 25,833              | 2,704            | 11.69%        |
| Department of Public Service  | 91,679               | 89,656              | (2,023)          | -2.21%        |
| Housing and Community Renewal   | 1,246,021            | 2,133,233           | 887,212          | 71.20%        |
| Olympic Regional Development Authority  | 127,554              | 101,554             | (26,000)         | -20.38%       |
| Power Authority   | 30,500               | 500                 | (30,000)         | -98.36%       |
| Parks, Recreation and Historic Preservation   | 375,269              | 445,684             | 70,415           | 18.76%        |
| Hudson River Park   | 13,875               | 17,000              | 3,125            | 22.52%        |
| <b>Totals:</b>  | <b>3,471,078</b>     | <b>4,579,449</b>    | <b>1,108,371</b> | <b>31.93%</b> |

The FY 2023 Executive Budget recommends All Funds disbursements of \$4.6 billion, an increase of \$1.1 billion from the FY 2022 Enacted Budget for the State's Environmental Conservation, Energy, Agriculture, and Housing agencies.

### Department of Environmental Conservation

The FY 2023 Executive Budget recommends All Funds appropriations of \$10.2 billion, an increase of \$8.3 billion, primarily due to the one-time capital appropriations for the *Clean Water, Clean Air, and Green Jobs Environmental Bond Act*.

The Executive Budget provides \$481 million in State Operations appropriations, an increase of \$18 million from FY 2022 levels. This increase is primarily due to increased staffing and general salary increases. Extension and expansion of the Brownfield Cleanup Program would require an additional 27 FTEs, while support for new initiatives would require 19 FTEs. Along with restoration of pre-COVID staffing levels, the Budget proposes an increase of 94 FTEs over FY 2022 levels.

The FY 2022 Enacted Budget contained the framework and authority for a \$3 billion Environmental Bond Act to go before the voters as a ballot measure during the November 2022 election. The FY 2023 Executive Budget provides the two necessary appropriations and increases the Bond Act to \$4 billion. The Bonding will support capital projects for: Restoration and Flood Risk Reduction (at least \$1.2 billion), Open Space Land Conservation and Recreation (up to \$650 million), Climate Change Mitigation (up to \$1 billion), and Water Quality Improvement and Resilient Infrastructure (at least \$650 million).

The Executive proposes a new \$500 million Capital appropriation to support continued investments in clean water projects in a manner consistent with the Clean Water Infrastructure Act of 2017. This brings total clean water appropriations to \$4.5 billion since 2017.

In anticipation of funding from the Federal Infrastructure Investment and Jobs Act of 2021, the Executive Budget increases the Federal appropriation for the Water Pollution Control Revolving Loan Fund by \$209 million to \$384 million and the State's share by \$20 million to \$55 million. It further provides a new \$50 million appropriation for any funding that may be awarded to the State for environmental conservation projects through the Federal Act.

## Environmental Protection Fund

The FY 2023 Executive Budget provides support for the Environmental Protection Fund at \$400 million, a \$100 million increase over previous years. The Executive proposes the funds be disbursed as follows:

- \$184 million for Open Space programs, an increase of \$33 million
- \$118 million for Parks and Recreation programs, an increase of \$28 million
- \$53 million for Solid Waste programs, an increase of \$13.6 million
- \$44.5 million for Climate Change Mitigation & Adaptation, an increase of \$25 million

See the EPF Chart following this section for full program funding.

## Article VII Provisions

The Executive proposes the following Article VII Legislation:

*Inactive Landfill Initiative*  
(see Section Three\S.8008 Part KK)

*Brownfield Cleanup Program*  
(see Section Three\S.8008 Part LL)

*Waste Tire Management Extender*  
(see Section Three\S.8008 Part MM)

*Clean Water, Clean Air, & Green Jobs Bond Ac-Financing*  
(see Section Three\S.8008 Part NN)

*Clean Water, Clean Air, & Green Jobs Bond Act-Implementation*  
(see Section Three\S.8008 Part OO)

*Environmental Protection Fund Support Increase*  
(see Section Three\S.8008 Part PP)



*Freshwater Wetlands Regulatory*  
(see Section Three\S.8008 Part QQ)

*Extended Producer Responsibility*  
(see Section Three\S.8008 Part RR)

*Reduce Toxins in Packaging*  
(see Section Three\S.8008 Part SS)

*Suffolk County Water Quality Restoration Act*  
(see Section Three\S.8008 Part TT)

*Provide Clean Water SRF Access to Public Schools*  
(see Section Three\S.8008 Part UU)

### **Division of Housing and Community Renewal (DHCR)**

The FY 2023 Executive Budget recommends All Funds appropriations of \$5.3 billion for the Division of Housing and Community Renewal (DHCR), which represents a 209 percent increase over FY 2022 spending levels. The increase is largely driven by an increase of \$3.8 billion in Capital spending.

The Executive Budget proposes a new \$25 billion, five year housing plan to create and preserve 100,000 affordable homes, with funding of \$4.5 billion starting in FY 2023. The initiative will further include 10,000 homes with support services for vulnerable populations. The appropriation dedicates funding to the following programs:

- \$1.5 billion for capital and operating subsidies for the development of supportive housing,
- \$1 billion for new construction of rental housing,
- \$450 million for site specific multi-family rental units,
- \$400 million to promote homeownership for low-and moderate income families,
- \$300 million for senior housing,
- \$250 million for capital projects utilizing all electric or alternative energy sources,
- \$150 million for site-specific federally owned multi-family NYCHA housing
- \$120 million for Mitchell-Lama preservation and improvements,
- \$90 million for moderate income housing,
- \$85 million for the purpose of creating accessory dwelling units across the State,
- \$80 million for the rural and urban community investment program,
- \$60 million for rehabilitation of buildings containing 5 to 50 units, and
- \$20 million for mobile and manufactured home programs



The Executive Budget proposal includes an appropriation of \$77 million for the Governor’s Office of Storm Recovery for areas of the State impacted by Hurricanes Irene and Lee and Superstorm Sandy.

The Executive Budget includes a proposal for \$35 million to be appropriated to support legal representation for eviction cases outside of New York City.

## **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*Clarifies Discrimination Based on Citizenship*  
(see Section Three\S.8006 Part Y)

*Mortgage Insurance Fund*  
(see Section Three\S.8006 Part Z)

*Permit the Creation of Accessory Dwelling Units*  
(see Section Three\S.8006 Part AA)

*Improve Access to Housing for People with Prior Convictions*  
(see Section Three\S.8006 Part BB)

*Amend New York City’s Floor-Area Ratio on Residential Density*  
(see Section Three\S.8006 Part CC)

*Conversion of Hotel and Commercial Space into Housing*  
(see Section Three\S.8006 Part DD)

*Transit-Oriented Development of Housing*  
(see Section Three\S.8006 Part EE)

*Reform of the Use of Credit Checks in Tenant Screenings*  
(see Section Three\S.8006 Part FF)

*Increase the State Low-Income Housing Tax Credit Cap*  
(see Section Three\S.8009 Part J)

## **Department of Agriculture and Markets**

The FY 2023 Executive Budget recommends All Funds appropriations of \$273 million, an increase of \$81 million from FY 2022. The Executive proposes State Operations funding of \$164 million, an increase of \$42 million from the previous year. This is primarily attributable to:

- \$28 million in appropriation authority for a Federal USDA Food and Nutrition Grant



- \$9.7 million for salary increases, new FTEs, and cost realignments
- \$2.1 million for new initiatives, including the transfer of the School Lunch Program from SED to AGM, Climate Resilient Farming, and BIPOC Farming Engagement

The Aid to Localities Budget provides support of \$63 million, an increase of \$7 million over FY 2022. The transfer of the Taste New York program from ESDC to Ag and Markets primary drives the increase, as well as support for new and legacy statewide agriculture programs. The Executive Budget provides capital funding of \$45 million, an increase of \$31 million from FY 2022. The increase is primarily due to \$28 million in spending at the State Fairgrounds and \$3 million for ABCD facility grants.

The Executive Budget provides an increase of 31 FTEs for a total of 517 FTEs.

## **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*School Lunch Program Transfer*  
(see Section Three\S.8008 Part V)

## **New York State Energy Research and Development Authority**

The FY 2023 Executive Budget recommends All Funds appropriations of \$23.6 million for the New York State Energy Research and Development Authority (NYSERDA). This represents an increase of \$31 million, or 15 percent, from FY 2022. The increase is necessary to meet the State's obligations to a Federal cost sharing agreement with the US Department of Energy for the management and administration of the nuclear fuel reprocessing plant at West Valley.

There is over \$1.3 billion in total NYSEDA revenue, which comes from off-budget programs funded through mandatory surcharges and assessments imposed upon ratepayers and utility companies.

## **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*NYSERDA Special Assessment*  
(see Section Three\S.8008 Part W)

*Advanced Building Codes, Appliance and Equipment Standards*  
(see Section Three\S.8008 Part EEE)

## **Department of Public Service**

The FY 2023 Executive Budget recommends All Funds appropriations of \$117.5 million for the Department of Public Service (DPS), an increase of \$5.4 million, or 4.8 percent, from FY 2022. Staffing levels for DPS are projected to increase by 37 FTEs, primarily for CLCPA implementation, in FY 2023 to 528 FTEs.

### **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*Authorize the Use of Utility and Cable Television Assessments*  
(see Section Three\S.8008 Part BBB)

*Gas Service*  
(see Section Three\S.8008 Part CCC)

## **New York Power Authority**

The FY 2023 Executive recommends All Funds appropriations of \$43 million for the New York Power Authority (NYPA). This represents a decrease of \$43 million from the current fiscal year. This decrease represents the reduction in the State's repayment of funds previously transferred by NYPA to the State under the Asset Transfer Program.

The Executive Budget also includes reappropriations of \$4.2 to fund the Canal System Development Fund and \$28.75 million for NYPA's continued development of the Empire State Trail (Erie Canal way segment).

### **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*Captive Insurance*  
(see Section Three\S.8008 Part ZZ)

*Allow Hospitals to Benefit from Services Provided by NYPA*  
(see Section Three\S.8008 Part DDD)

## **Adirondack Park Agency (APA)**

The FY 2023 Executive Budget recommends All Funds appropriations of \$35.1 million for the APA, an increase of \$30.2 million or 609 percent, from FY 2022. This increase is primarily due to a one-time capital appropriation of \$29 million for the construction of a new headquarters located in Ray Brook, NY.



Staffing levels for the APA are projected to increase by four FTEs to 54 FTEs to account for operational needs.

### **Office of Parks, Recreation and Historic Preservation (OPRHP)**

The FY 2023 Executive Budget recommends All Funds appropriations of \$609.8 million for OPRHP, an increase of \$124.1 million, or 22 percent, from FY 2022. This funding increase is attributed to a \$90 million increase in New York Works Infrastructure funding and increased staffing. Staffing levels for OPRHP are projected to increase by 53 FTEs to 2,087 FTEs to account for overall park operations.

The Executive Budget increases the Capital Projects appropriation to \$314.9 million, an increase of \$88 million from FY 2022. Funding for New York Works is increased by \$90 million to \$202.5 million for infrastructure and repair projects at State parks and Historic Sites. Furthermore, the \$2 million appropriation for the I Love New York Water Account has been removed. This removal repeals the vessel surcharge associated with vessel registration to comply with Federal law. Additionally, \$20 million in Federal funding has been maintained to expand and rehabilitate State property for costs and preparation for facility maintenance and rehabilitation.

### **Article VII Provisions**

The Executive proposes the following Article VII Legislation:

*Vessel Surcharge*  
(see Section Three\S.8008 Part WW)

*State Council of Parks*  
(see Section Three\S.8008 Part YY)

*Tax Obligation*  
(see Section Three\S.8008 Part XX)

### **Olympic Regional Development Authority (ORDA)**

The FY 2023 Executive Budget proposes an All Funds appropriations of \$116.5 million and provides for \$92.5 million in new funding for ORDA, which is flat from FY 2022.

The Executive Budget proposes \$92.5 million in new funding to implement a strategic plan to modernize ORDA facilities and to support the 2023 World University Games. There is also \$30 million in new capital funding that is dedicated to develop the North Creek Ski Bowl. The ski bowl is located at Gore Mountain and offers alpine skiing and snowboarding, cross-country skiing, and snowshoeing. Similar to previous years, the Executive Budget includes \$2.5 million in New York Works Capital funding sub-allocated from the Office of Parks, Recreation, and Historic Preservation to ORDA for various capital improvements at ORDA facilities.

## **The Greenway Heritage Conservancy of the Hudson River Valley**

The FY 2023 Executive Budget recommends All Funds appropriations of \$225,000 for the Greenway Heritage Conservancy of the Hudson River Valley (Conservancy). The proposed funding level is a \$25,000 increase from the FY 2022 Enacted Budget to account for staffing adjustments.

The Conservancy is tasked with promoting the preservation of natural and cultural resources in the Hudson River Valley, serving as a land trust for acquiring property important to the Greenway, and developing the Hudson River Valley Greenway Trail. The Conservancy is funded entirely from the General Fund.

## **Green Thumb**

The FY 2023 Executive Budget recommends All Funds appropriations of \$4.5 million for the Green Thumb Program. This proposed funding level is a \$575,000 increase from the FY 2022 Enacted Budget and accounts for the minimum wage adjustment and an increase of work hires.

Green thumb is a work program for senior citizens, 55 years of age or older, of limited income, administered by Green Thumb Environmental Beautification, Inc. Employees assist in tasks at various State agencies, which may include planting flowers, general upkeep of grounds, and clerical work. The New York State Legislature has funded this non-profit organization annually since its creation in 1974.

## **The Hudson River Valley Greenway Communities Council**

The FY 2023 Executive Budget recommends All Funds appropriations of \$381,000 for the Hudson River Valley Greenway Communities Council. This proposed funding level is an increase of \$60,000 from the FY 2022 Enacted Budget to support the Council's administration, technical assistance, and to provide additional funding to the Empire Trail. The Capital Projects Budget includes a \$15.9 million re-appropriation for efforts related to the completion of the Empire State Trail, which was completed in 2021. This trail as a three-year initiative by the Executive to develop a multi-use trail network along the Hudson River Valley Greenway and Erie Canal-way trails.

The Council is comprised of a 25 member advisory board and one staff member that promotes the preservation of natural and cultural resources in the Hudson River Valley.

## **Hudson River Park Trust**

The FY 2023 Executive Budget does not recommend a new appropriation for the Hudson River Park Trust (HRPT), but includes capital re-appropriations of \$66.8 million related to the development of the park.

The HRPT is responsible for the construction and maintenance of the 550-acre Hudson River Park in New York City. The park extends five miles along the Hudson River waterfront (from Battery Park north to West 59<sup>th</sup> Street.)



## State of New York Mortgage Agency

The FY 2023 Executive Budget recommends All Funds appropriations of \$232 million for the State of New York Mortgage Agency (SONYMA), a decrease of \$700,000 from current levels.

SONYMA is a public benefit corporation that issues taxable, tax-exempt bonds, and uses the proceeds to purchase low-interest rate mortgage loans. These loans assist low and moderate-income residents of New York.

SONYMA receives no direct operating spending from the State. Statute requires the State to guarantee certain obligations of the Agency. The Executive Budget recommends appropriations to satisfy this statutory requirement, though no cash disbursements are projected to be made from the appropriation.

| FY 2023 Executive Environmental Protection Fund<br>(in thousands) |                    |                      |            |
|---|--------------------|----------------------|------------|
| Program   | FY 2022<br>Enacted | FY 2023<br>Executive | Change     |
| <b>CLIMATE CHANGE MITIGATION &amp; ADAPTATION</b>                 |                    |                      |            |
| <b>Greenhouse Gas Management</b>                                  | \$ 1,500           | \$ 2,500             | \$ 1,000   |
| <i>Regenerate NY Grant</i>  | \$ 500             | \$ 500               | \$ -       |
| <i>Refrigeration Council Pilot</i>                                | \$ -               | \$ 250               | \$ 250     |
| <b>NYS Climate Adaptation</b>                                     | \$ 800             | \$ 4,800             | \$ 4,000   |
| <i>Wood Products Development Council</i>                          | \$ 200             | \$ 200               | \$ -       |
| <i>Climate Coordinators</i>                                       | \$ -               | \$ 2,000             | \$ 2,000   |
| <b>Smart Growth</b>   | \$ 2,000           | \$ 3,500             | \$ 1,500   |
| <b>Climate Resilient Farms Program</b>                            | \$ 4,500           | \$ 17,500            | \$ 13,000  |
| <i>Cornell Soil Health</i>  | \$ 200             | \$ 500               | \$ 300     |
| <b>Climate Smart Communities Competition</b>                      | \$ 10,300          | \$ 16,200            | \$ 5,900   |
| <i>Community Forests</i>  | \$ 500             | \$ 500               | \$ -       |
| <i>Municipal Pilot Program-EV fast chargers</i>                   | \$ 1,000           | \$ -                 | \$ (1,000) |
| <i>Resiliency planting program</i>                                | \$ 500             | \$ 500               | \$ -       |
| <b>Climate Change Total</b>                                       | \$ 19,100          | \$ 44,500            | \$ 25,400  |
| <b>ENVIRONMENTAL PROTECTION FUND TOTAL</b>                        | \$ 300,000         | \$ 400,000           | \$ 100,000 |

| Program  | FY 2022<br>Enacted | FY 2023<br>Executive | Change     |
|--|--------------------|----------------------|------------|
| <b>SOLID WASTE</b>   |                    |                      |            |
| <b>Landfill Closure/Gas Management</b>                       | \$ 750             | \$ 750               | \$ -       |
| <i>Essex County</i>  | \$ 300             | \$ 300               | \$ -       |
| <i>Hamilton County</i>                                       | \$ 150             | \$ 150               | \$ -       |
| <i>Regional Municipal Solid Waste Management</i>             | \$ 250             | \$ -                 | \$ (250)   |
| <b>Municipal Recycling</b>                                   | \$ 15,300          | \$ 16,750            | \$ 1,450   |
| <i>Food donation/recycling/organics projects</i>             | \$ 2,000           | \$ 2,000             | \$ -       |
| <b>Secondary Marketing</b>                                   | \$ 200             | \$ 650               | \$ 450     |
| <b>Pesticide Database</b>                                    | \$ 1,500           | \$ 1,500             | \$ -       |
| <i>Long Island Pesticide Prevention</i>                      | \$ 200             | \$ 200               | \$ -       |
| <b>Environmental Justice</b>                                 | \$ 8,000           | \$ 13,000            | \$ 5,000   |
| <i>Connect Kids</i>  | \$ 2,000           | \$ 3,000             | \$ 1,000   |
| <i>EJ community impact and job training grants</i>           | \$ 3,000           | \$ 4,000             | \$ 1,000   |
| <i>Adirondack Diversity Initiative</i>                       | \$ 250             | \$ 250               | \$ -       |
| <b>Natural Resource Damages</b>                              | \$ 1,775           | \$ 1,775             | \$ -       |
| <b>Pollution Prevention Institute</b>                        | \$ 4,000           | \$ 4,000             | \$ -       |
| <i>Interstate Chemicals Clearinghouse</i>                    | \$ 100             | \$ 100               | \$ -       |
| <b>Environmental Health</b>                                  | \$ 6,500           | \$ 10,000            | \$ 3,500   |
| <i>Clean SweepNY Program</i>                                 | \$ 500             | \$ 500               | \$ -       |
| <i>Center for Clean Water at Stony Brook for 1,4 Dioxane</i> | \$ 1,000           | \$ -                 | \$ (1,000) |
| <i>Children's Environmental Health Centers</i>               | \$ 2,000           | \$ 2,000             | \$ -       |
| <i>NYC Airport Health Impact Study</i>                       | \$ 500             | \$ -                 | \$ (500)   |
| <i>SNAP EBT</i>  | \$ -               | \$ 1,500             | \$ 1,500   |
| <i>Fresh Connect</i>   | \$ 625             | \$ 850               | \$ 225     |
| <b>Brownfield Opportunity Areas (BOA)</b>                    | \$ 1,750           | \$ 5,000             | \$ 3,250   |
| <b>Solid Waste Total</b>                                     | \$ 39,775          | \$ 53,425            | \$ 13,650  |
| <b>PARKS &amp; RECREATION</b>                                |                    |                      |            |
| <b>Waterfront Revitalization</b>                             | \$ 14,150          | \$ 17,000            | \$ 2,850   |
| <i>Inner City/Underserved</i>                                | \$ 9,000           | \$ 9,000             | \$ -       |
| <i>Climate Change Resiliency Planning/LWRP Updates</i>       | \$ 2,000           | \$ 2,000             | \$ -       |
| <i>Niagara River Greenway</i>                                | \$ 200             | \$ 200               | \$ -       |
| <b>Municipal Parks</b>                                       | \$ 19,500          | \$ 26,000            | \$ 6,500   |
| <i>Innecity/Underserved</i>                                  | \$ 10,000          | \$ 10,000            | \$ -       |
| <i>Tivoli</i>  | \$ 250             | \$ 250               | \$ -       |
| <i>Hudson River Valley Trail Grants</i>                      | \$ 500             | \$ 500               | \$ -       |
| <i>SUNY ESF</i>  | \$ 120             | \$ 120               | \$ -       |
| <i>Paul Smiths College</i>                                   | \$ 180             | \$ -                 | \$ (180)   |
| <i>Catskill Center for Conservation and Development</i>      | \$ 150             | \$ 150               | \$ -       |
| <i>Westchester RiverWalk</i>                                 |                    | \$ 3,500             | \$ 3,500   |
| <i>East River Esplanade 107th Street Pier</i>                | \$ 1,000           | \$ -                 | \$ (1,000) |



**Staff Analysis of the FY 2023 Executive Budget**  
*Summary of Agency Spending*



| Program  | FY 2022<br>Enacted | FY 2023<br>Executive | Change           |
|--|--------------------|----------------------|------------------|
| <b>Public Access &amp; Stewardship</b>                         | <b>\$ 34,452</b>   | <b>\$ 50,090</b>     | <b>\$ 15,638</b> |
| ORDA/Belleayre   | \$ 1,000           | \$ 1,000             | \$ -             |
| Friends Group Capacity Grants                                  | \$ 1,000           | \$ 2,000             | \$ 1,000         |
| NYPAD  | \$ 18              | \$ 18                | \$ -             |
| Essex County Shuttle Service                                   | \$ 800             | \$ -                 | \$ (800)         |
| <b>Hudson River Park (HRP)</b>                                 | <b>\$ 3,975</b>    | <b>\$ 4,800</b>      | <b>\$ 825</b>    |
| <b>Zoos, Botanical Gardens and Aquaria Program</b>             | <b>\$ 16,000</b>   | <b>\$ 18,000</b>     | <b>\$ 2,000</b>  |
| <b>Administration of Nav Law 79-b Programs</b>                 | <b>\$ 2,000</b>    | <b>\$ 2,000</b>      | <b>\$ -</b>      |
| <b>Parks &amp; Recreation Total</b>                            | <b>\$ 90,077</b>   | <b>\$ 117,890</b>    | <b>\$ 27,813</b> |
| <b>OPEN SPACE</b>  |                    |                      |                  |
| <b>Land Acquisition</b>  | <b>\$ 30,000</b>   | <b>\$ 40,000</b>     | <b>\$ 10,000</b> |
| Urban Forestry   | \$ 1,000           | \$ 1,000             | \$ -             |
| Land Trust Alliance-Local Trust                                | \$ 2,500           | \$ 2,500             | \$ -             |
| Regions 1, 2 and 3   | \$ 1,500           | \$ 3,000             | \$ 1,500         |
| Region 9   | \$ 100             | \$ -                 | \$ (100)         |
| Conservation Easements for Land Trusts                         | \$ 1,500           | \$ 1,500             | \$ -             |
| <b>Albany Pine Bush Commission</b>                             | <b>\$ 2,675</b>    | <b>\$ 2,675</b>      | <b>\$ -</b>      |
| <b>LI Pine Barrens Commission</b>                              | <b>\$ 2,000</b>    | <b>\$ 2,000</b>      | <b>\$ -</b>      |
| <b>Environmental Commissions</b>                               | <b>\$ 1,085</b>    | <b>\$ 1,085</b>      | <b>\$ -</b>      |
| Susquehanna River Basin Commission                             | \$ 259             | \$ 259               | \$ -             |
| Delaware River Basin Commission                                | \$ 360             | \$ 360               | \$ -             |
| Ohio River Valley Water Sanitation Commission                  | \$ 14              | \$ 14                | \$ -             |
| Interstate Environmental Commission                            | \$ 42              | \$ 42                | \$ -             |
| New England Interstate Water Poll. Control Comm.               | \$ 38              | \$ 38                | \$ -             |
| SUNY ESF Center for Native Peoples and the Environment         | \$ 373             | \$ 373               | \$ -             |
| <b>LI South Shore Estuary Reserve</b>                          | <b>\$ 900</b>      | <b>\$ 900</b>        | <b>\$ -</b>      |
| <b>Agricultural Non-Point Source Poll Cont</b>                 | <b>\$ 18,000</b>   | <b>\$ 20,000</b>     | <b>\$ 2,000</b>  |
| Cornell Integrated Pest Management                             | \$ 1,000           | \$ 2,000             | \$ 1,000         |
| Cornell Cooperative Ext. Suffolk County                        | \$ 500             | \$ 500               | \$ -             |
| Cornell pesticide management education program                 | \$ 250             | \$ 250               | \$ -             |
| <b>Non-Agricultural Non-Point Source Poll Cont.</b>            | <b>\$ 5,750</b>    | <b>\$ 6,200</b>      | <b>\$ 450</b>    |
| Cornell Community Integrated Pest Management                   | \$ 550             | \$ 1,000             | \$ 450           |
| <b>Farmland Protection</b>                                     | <b>\$ 18,000</b>   | <b>\$ 20,000</b>     | <b>\$ 2,000</b>  |
| ACUB   | \$ 1,000           | \$ 1,000             | \$ -             |
| Cornell Land Classification and Master List of Soils           | \$ 95              | \$ 96                | \$ 1             |
| <b>Biodiversity stewardship</b>                                | <b>\$ 1,350</b>    | <b>\$ 1,750</b>      | <b>\$ 400</b>    |
| Pollinator Protection  | \$ 500             | \$ 500               | \$ -             |
| Cornell - adverse impacts of pesticides, bee husbandry         | \$ 300             | \$ -                 | \$ (300)         |
| Cary Institute of Ecosystem Studies - Catskill enviro research | \$ 100             | \$ 100               | \$ -             |
| <b>Hudson River Estuary Plan</b>                               | <b>\$ 6,500</b>    | <b>\$ 6,500</b>      | <b>\$ -</b>      |
| Mohawk River   | \$ 1,000           | \$ 1,000             | \$ -             |

| Program   | FY 2022<br>Enacted | FY 2023<br>Executive | Change            |
|---|--------------------|----------------------|-------------------|
| <b>Finger Lk-Lk Ontario Watershed</b>             | <b>\$ 2,300</b>    | <b>\$ 2,300</b>      | <b>\$ -</b>       |
| <b>Lake Erie Watershed Protection</b>             | <b>\$ 250</b>      | <b>\$ 250</b>        | <b>\$ -</b>       |
| <b>Water Quality Improvement Prog</b>             | <b>\$ 18,000</b>   | <b>\$ 25,000</b>     | <b>\$ 7,000</b>   |
| <i>Suffolk Co - 50% match to address nitrogen</i> | <i>\$ 4,500</i>    | <i>\$ 4,500</i>      | <i>\$ -</i>       |
| <i>Suffolk Co - sewer improvement projects</i>    | <i>\$ 1,500</i>    | <i>\$ -</i>          | <i>\$ (1,500)</i> |
| <i>Nassau County Bay Park Outfall Pipe</i>        | <i>\$ 5,000</i>    | <i>\$ 5,000</i>      | <i>\$ -</i>       |
| <i>Source Water Assessment Plans</i>              | <i>\$ 5,000</i>    | <i>\$ 5,000</i>      | <i>\$ -</i>       |
| <i>Center for Clean Water at Stony Brook</i>      | <i>\$ -</i>        | <i>\$ 2,000</i>      | <i>\$ 2,000</i>   |
| <i>Chautauqua Lake Association</i>                | <i>\$ 150</i>      | <i>\$ 150</i>        | <i>\$ -</i>       |
| <i>Chautauqua Lake Partnership</i>                | <i>\$ 95</i>       | <i>\$ 95</i>         | <i>\$ -</i>       |
| <i>City of Long Beach Water Quality Projects</i>  | <i>\$ 500</i>      | <i>\$ -</i>          | <i>\$ (500)</i>   |
| <i>East of Hudson Watershed Corporation</i>       | <i>\$ 150</i>      | <i>\$ -</i>          | <i>\$ (150)</i>   |
| <b>Oceans &amp; Great Lakes Initiative</b>        | <b>\$ 18,500</b>   | <b>\$ 22,000</b>     | <b>\$ 3,500</b>   |
| <i>Peconic Bay Estuary Program</i>                | <i>\$ 450</i>      | <i>\$ 200</i>        | <i>\$ (250)</i>   |
| <i>Great Lakes Commission</i>                     | <i>\$ 60</i>       | <i>\$ 60</i>         | <i>\$ -</i>       |
| <b>Invasive Species</b>                           | <b>\$ 13,238</b>   | <b>\$ 17,025</b>     | <b>\$ 3,787</b>   |
| <i>Lake George</i>                                | <i>\$ 450</i>      | <i>\$ 900</i>        | <i>\$ 450</i>     |
| <i>Cornell Plant Certification Program</i>        | <i>\$ 120</i>      | <i>\$ 120</i>        | <i>\$ -</i>       |
| <i>Eradication</i>                                | <i>\$ 5,750</i>    | <i>\$ 5,750</i>      | <i>\$ -</i>       |
| <i>Cornell for Hemlock Woolly Adelgid</i>         | <i>\$ 500</i>      | <i>\$ 500</i>        | <i>\$ -</i>       |
| <i>Southern Pine Beetle Eradication</i>           | <i>\$ 500</i>      | <i>\$ 500</i>        | <i>\$ -</i>       |
| <b>Soil &amp; Water Conservation Districts</b>    | <b>\$ 11,000</b>   | <b>\$ 15,000</b>     | <b>\$ 4,000</b>   |
| <b>Agricultural Waste Management</b>              | <b>\$ 1,500</b>    | <b>\$ 1,500</b>      | <b>\$ -</b>       |
| <i>Cornell dairy acceleration program</i>         | <i>\$ 700</i>      | <i>\$ 700</i>        | <i>\$ -</i>       |
| <b>Open Space Total</b>                           | <b>\$ 151,048</b>  | <b>\$ 184,185</b>    | <b>\$ 33,137</b>  |
| <b>ENVIRONMENTAL PROTECTION FUND TOTAL</b>        | <b>\$ 300,000</b>  | <b>\$ 400,000</b>    | <b>\$ 100,000</b> |



| <b>FY 2023 Agriculture Local Assistance Programs</b> |                              |                            |                              |                           |
|--|------------------------------|----------------------------|------------------------------|---------------------------|
| <b>Item</b>  | <b>Executive<br/>FY 2022</b> | <b>Enacted FY<br/>2022</b> | <b>Executive<br/>FY 2023</b> | <b>'22-'23<br/>Change</b> |
| Ag. Child Development Program                        | \$8,275,000                  | \$9,300,000                | \$10,300,000                 | \$1,000,000               |
| Cornell Diagnostic Lab Consolidated<br>Approp        | \$0                          | \$0                        | \$8,270,000                  | \$8,270,000               |
| Taste New York                                       | \$0                          | \$0                        | \$6,500,000                  | \$6,500,000               |
| Agriculture Economic Development                     | \$2,000,000                  | \$2,000,000                | \$2,020,000                  | \$20,000                  |
| Agriculture Education & Outreach                     | \$0                          | \$0                        | \$1,575,000                  | \$1,575,000               |
| Cornell Pro-Dairy                                    | \$1,201,000                  | \$1,201,000                | \$1,213,000                  | \$12,000                  |
| Wine & Grape Foundation                              | \$1,073,000                  | \$1,075,000                | \$1,075,000                  | \$0                       |
| Farm Viability Institute                             | \$800,000                    | \$1,850,000                | \$1,000,000                  | (\$850,000)               |
| Farmnet - Farm Family Assistance                     | \$664,000                    | \$1,000,000                | \$1,000,000                  | \$0                       |
| Future Farmers of America                            | \$842,000                    | \$842,000                  | \$1,000,000                  | \$158,000                 |
| Cornell Hemp Industry                                | \$0                          | \$0                        | \$1,000,000                  | \$1,000,000               |
| Urban Farms & Community Gardens                      | \$0                          | \$0                        | \$800,000                    | \$800,000                 |
| Farm to School Initiatives                           | \$750,000                    | \$750,000                  | \$758,000                    | \$8,000                   |
| Farmers Market Resiliency                            | \$0                          | \$0                        | \$700,000                    | \$700,000                 |
| Apple R&D Advisory Board                             | \$500,000                    | \$500,000                  | \$505,000                    | \$5,000                   |
| Local Fair Assistance                                | \$420,000                    | \$500,000                  | \$500,000                    | \$0                       |
| Cornell Association of Ag Educators                  | \$416,000                    | \$416,000                  | \$500,000                    | \$84,000                  |
| Cornell Ag in the Classroom                          | \$380,000                    | \$380,000                  | \$500,000                    | \$120,000                 |
| Apple Growers Association                            | \$478,000                    | \$750,000                  | \$483,000                    | (\$267,000)               |
| Dairy Profit Teams                                   | \$370,000                    | \$370,000                  | \$374,000                    | \$4,000                   |
| Cornell Hops and Barley                              | \$300,000                    | \$350,000                  | \$303,000                    | (\$47,000)                |
| Cornell Berry Research                               | \$260,000                    | \$260,000                  | \$263,000                    | \$3,000                   |
| Tractor Rollover Prevention                          | \$125,000                    | \$250,000                  | \$250,000                    | \$0                       |
| Cornell Concord Grape Research                       | \$200,000                    | \$250,000                  | \$202,000                    | (\$48,000)                |
| Cornell Labor Specialist                             | \$200,000                    | \$200,000                  | \$202,000                    | \$2,000                   |
| Cornell University Hard Cider research               | \$200,000                    | \$200,000                  | \$202,000                    | \$2,000                   |
| Maple Producers                                      | \$150,000                    | \$225,000                  | \$152,000                    | (\$73,000)                |
| Cornell Honeybee Program                             | \$150,000                    | \$150,000                  | \$152,000                    | \$2,000                   |
| EBT at Farmers' Markets                              | \$138,000                    | \$138,000                  | \$139,000                    | \$1,000                   |
| Christmas Tree Farmers                               | \$125,000                    | \$125,000                  | \$126,000                    | \$1,000                   |
| Cornell Vets to Farms                                | \$115,000                    | \$115,000                  | \$116,000                    | \$1,000                   |
| Black Farmers United                                 | \$0                          | \$0                        | \$100,000                    | \$100,000                 |
| Cornell Maple Research                               | \$75,000                     | \$125,000                  | \$76,000                     | (\$49,000)                |
| Corn & Soybean Growers Association                   | \$75,000                     | \$75,000                   | \$76,000                     | \$1,000                   |
| New York State Brewers                               | \$75,000                     | \$75,000                   | \$76,000                     | \$1,000                   |
| New York State Distillers Guild                      | \$75,000                     | \$75,000                   | \$76,000                     | \$1,000                   |
| New York State Cider Association                     | \$75,000                     | \$75,000                   | \$76,000                     | \$1,000                   |

| Item  | Executive<br>FY 2022 | Enacted FY<br>2022  | Executive<br>FY 2023 | '22-'23<br>Change  |
|---|----------------------|---------------------|----------------------|--------------------|
| Golden Nematode/Cornell                       | \$0                  | \$62,000            | \$63,000             | \$1,000            |
| Berry Growers Association                     | \$60,000             | \$60,000            | \$61,000             | \$1,000            |
| Cornell Vegetable Research                    | \$50,000             | \$100,000           | \$51,000             | (\$49,000)         |
| Cornell Onion Research                        | \$50,000             | \$70,000            | \$51,000             | (\$19,000)         |
| MANRRS College Chapters                       | \$0                  | \$0                 | \$50,000             | \$50,000           |
| Cornell Diagnostic Lab-Animal Health*         | \$4,425,000          | \$5,425,000         | \$0                  | (\$5,425,000)      |
| Cornell Quality Milk Program*                 | \$1,174,000          | \$1,174,000         | \$0                  | (\$1,174,000)      |
| Harvest New York**                            | \$0                  | \$600,000           | \$0                  | (\$600,000)        |
| American Farmland Trust - Next<br>Generation  | \$0                  | \$500,000           | \$0                  | (\$500,000)        |
| Cornell Johnes Disease*                       | \$480,000            | \$480,000           | \$0                  | (\$480,000)        |
| Cornell Forensic Pathology*                   | \$0                  | \$460,000           | \$0                  | (\$460,000)        |
| Cornell Rabies                                | \$50,000             | \$400,000           | \$0                  | (\$400,000)        |
| Cornell Small Farms**                         | \$0                  | \$400,000           | \$0                  | (\$400,000)        |
| Cornell Cattle Health Assurance*              | \$360,000            | \$360,000           | \$0                  | (\$360,000)        |
| Cornell Hops Breeding Program                 | \$0                  | \$300,000           | \$0                  | (\$300,000)        |
| Northern NY Ag Development/ CCE<br>Jefferson  | \$0                  | \$300,000           | \$0                  | (\$300,000)        |
| Cornell Avian Disease*                        | \$252,000            | \$252,000           | \$0                  | (\$252,000)        |
| Cornell NYC Urban Agriculture**               | \$0                  | \$250,000           | \$0                  | (\$250,000)        |
| NYS Vet Diagnostic Lab-Salmonella<br>Testing* | \$0                  | \$200,000           | \$0                  | (\$200,000)        |
| Turfgrass Association                         | \$0                  | \$150,000           | \$0                  | (\$150,000)        |
| Walkway Over the Hudson                       | \$0                  | \$120,000           | \$0                  | (\$120,000)        |
| Craft Beverages Trail of the Catskills        | \$0                  | \$100,000           | \$0                  | (\$100,000)        |
| CCE Upstate/Downstate Food Network            | \$0                  | \$84,000            | \$0                  | (\$84,000)         |
| Volunteers Improving Neighborhood             | \$0                  | \$50,000            | \$0                  | (\$50,000)         |
| Hop Growers of New York                       | \$0                  | \$50,000            | \$0                  | (\$50,000)         |
| Comfort Food Community                        | \$0                  | \$50,000            | \$0                  | (\$50,000)         |
| Pitney Meadows Community Farm                 | \$0                  | \$50,000            | \$0                  | (\$50,000)         |
| Empire Sheep Producers                        | \$0                  | \$50,000            | \$0                  | (\$50,000)         |
| Madison County CCE                            | \$0                  | \$40,000            | \$0                  | (\$40,000)         |
| Teens for Food Justice                        | \$0                  | \$20,000            | \$0                  | (\$20,000)         |
| <b>TOTAL</b>                                  | <b>\$27,408,000</b>  | <b>\$35,779,000</b> | <b>\$42,936,000</b>  | <b>\$7,157,000</b> |

\*Programs included in \$8.27M Cornell Approp

\*\*Programs included in \$1.57M Education Approp



## FACT SHEET: Public Protection

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### Public Protection Budget Overview

#### Corrections and Community Supervision, Department of

- The FY 2023 Executive Budget provides All Funds spending authorization of \$3.47 billion, an increase of \$40.3 million from FY 2022.
  - Provides an increase of \$106 million for general salary increases and \$42 million for capital spending.
  - Provides \$4 million for “Jails to Jobs” initiatives, which includes \$2.5 million for a transitional housing pilot program for parolees, additional training for parole officers in post-incarceration career planning, the elimination of parole supervision fees, and fully staffing the Parole Board.
  - These increases would be offset by a \$112 million decrease in State Operations spending from FY 2022 as a result of staff downsizing, resulting from a workforce decrease of 1,096.

#### Criminal Justice Services, Division of

- The FY 2023 Executive Budget provides All Funds spending authorization of \$484 million, an increase of \$100.3 million from FY 2022.
  - The increase in spending largely results from \$80 million in new and expanded initiatives aimed at combatting gun violence and increased spending for pretrial service programs outside of New York City.
  - Provides a new \$40 million appropriation for costs associated with changes to Discovery Laws.

#### State Police, Division of

- The FY 2023 Executive Budget provides All Funds spending authorization of \$1.05 billion, an increase of \$24.6 million over FY 2022:
  - Provides an increase of 104 FTEs, which includes two new recruiting classes, and additional support within the Intelligence Center and State Police Computer Crimes Unit.
  - Provides \$13.1 million for expanded use of Community Stabilization Units to partner with local law enforcement.



## Notable Issues

- Clean Slate – Allows for the automatic sealing of criminal convictions seven years after the expiration of a sentence for a felony or three years after the expiration of a sentence for a misdemeanor. Most employers would be barred from obtaining the criminal record of prospective employees. (PPGG Part AA)
- Expand Educational Release and Furlough Eligibility – Allows inmates to earn limited time credit allowance by participating in one year of college programming while confined in a prison, followed by six months of college programming by participating in an educational release program. (PPGG Part C)
- Elimination of Parole Supervision Fees – Eliminates the mandatory \$30 per month supervision fee imposed on individuals under the supervision of DOCCS. (PPGG Part D)
- Creation of the Gender-Based Violence Training Institute – Establishes minimum standards and certification requirements for domestic violence advocates. The legislation also creates a Gender-Based Violence Training Institute within OVS, which would provide guidance, training, and technical assistance for the implementation of domestic violence advocate training programs. (PPGG Part H)
- Private Sector Employment for Incarcerated Persons – Authorizes incarcerated individuals to be employed by and paid fair and just compensation by a private sector entity. The legislation also authorizes the Commissioner of DOCCS to enter into contracts with private businesses to make areas within a correctional facility available to a private business for use as a work site at which incarcerated individuals can be employed. (PPGG Part BB)



## PUBLIC PROTECTION

| Public Protection<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                    |                |
|---|----------------------|---------------------|--------------------|----------------|
| Agency  | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount   | Percent        |
| Department of Corrections and Community Supervision                               | 3,575,297            | 3,014,190           | -561,107           | -15.69%        |
| Division of Criminal Justice Services   | 357,305              | 356,828             | -477               | -0.13%         |
| Division of State Police  | 1,138,587            | 935,734             | -202,853           | -17.82%        |
| Office of Victim Services   | 184,812              | 139,199             | -45,613            | -24.68%        |
| Commission of Correction  | 3,689                | 3,006               | -683               | -18.51%        |
| Judicial Commissions  | 6,435                | 7,257               | 822                | 12.77%         |
| Division of Military and Naval Affairs  | 137,399              | 245,102             | 107,703            | 78.39%         |
| Division of Homeland Security and Emergency Services                              | 3,826,922            | 2,643,512           | -1,183,410         | -30.92%        |
| Office of Indigent Legal Services   | 323,011              | 329,424             | 6,413              | 1.99%          |
| Office for the Prevention of Domestic Violence                                    | 9,174                | 9,365               | 191                | 2.08%          |
| <b>Totals:</b>  | <b>9,562,631</b>     | <b>7,683,617</b>    | <b>(1,879,014)</b> | <b>-19.65%</b> |
| Judiciary   | 3,380,801            | 3,255,313           | (125,488)          | -3.71%         |
| Department of Law   | 246,187              | 271,612             | 25,425             | 10.33%         |

The FY 2023 Executive Budget recommends All Funds cash disbursements of \$7.7 billion, a decrease of \$1.9 billion or 20 percent from FY 2022 for all public protection agencies. This decrease is primarily driven by substantial reductions in COVID-19 Federal Funds supporting the Division of Homeland Security and Emergency Services, State Police, and Department of Corrections and Community Supervision.

### Department of Corrections and Community Supervision (DOCCS)

The FY 2023 Executive Budget recommends \$3.47 billion in All Funds appropriations for the Department, an increase of \$40.4 million, or 1.18 percent, from FY 2022.

The Executive recommends a State Operations Budget of \$2.96 billion, a decrease of \$4.2 million. The recommendation includes \$106 million in general salary increases, including a \$1 million increase in appropriations to fully appoint the Parole Board. The Executive's proposal to eliminate the supervision fees imposed on parolees would cause a \$240,000 reduction of funds. These increases would be offset by \$112 million due to reducing the workforce by 1,096 FTEs through attrition because of prison closures occurring in FY 2022.

The Executive recommends an Aid to Localities Budget of \$37 million, an increase of \$2.5 million from FY 2022. This increase is related to the establishment of a transitional housing pilot program for the formally incarcerated who would otherwise be placed in the shelter system. The program, which is part of a \$4 million "Jails to Jobs" initiative, would utilize existing DOCCS treatment facilities to provide housing



for 90 days following release. Eligible inmates would receive a stipend intended to offset housing costs for 12 weeks.

The Executive recommends a Capital Budget of \$479 million, an increase of \$42.1 million. The increase is largely driven by a \$40 million increase in appropriations for alterations and improvements for the maintenance and preservation of existing facilities.

The prison population is currently 31,000, a decrease of 2,918 or eight percent from last year.

## Article VII Proposals

The Executive proposes the following Article VII language:

### Gender-Affirming Treatment of Incarcerated Individuals

*(See Section 3\S.8005 Part B for details)*

### Expand Educational Release and Furlough Eligibility

*(See Section 3\S.8005 Part C for details)*

### Eliminate DOCCS Parole Supervision Fee

*(See Section 3\S.8005 Part D for details)*

### Access to ID cards for Released Individuals

*(See Section 3\S.8005 Part E for details)*

### Parole Board Members Full-Time Employment

*(See Section 3\S.8005 Part F for details)*

## Division of Criminal Justice Services

The FY 2023 Executive Budget recommends \$484 million in All Funds appropriations, an increase of \$100 million from FY 2022. The increase is attributable to a significant increase in anti-gun violence programmatic funding. The Budget provides State Operations funding of \$87 million, a decrease of \$330,000. This decrease is the result of a reduction of \$2 million for a one-time retro salary payment and is offset by the addition of seven FTEs to support gun violence and pre-trial service programming.

The FY 2023 Executive Budget recommends \$322 million in Aid to Localities funding, an increase of \$50.6 million from FY 2022. The increase is primarily for gun-violence prevention and pre-trial service programming, including:

- \$20 million for Aftermath of Violence Programs
- \$18 million for Youth Justice and Gang Prevention (\$28 million total)
- \$16 million for S.N.U.G. (\$21 million total)



- \$15 million for Crime Gun Intelligence Centers
- \$10 million for Pretrial Services (previously carved-out in \$40 million Discovery Reform Fund)
- \$4 million for Project GIVE (\$18 million total)

This increase is offset by the removal of \$32 million in Legislative adds. The FY 2021 Enacted Budget contained a statutory three-year, \$40 million annual commitment to provide resources to local law enforcement and prosecutorial offices for services and expenses related to discovery reform implementation. The FY 2023 Executive Budget continues this level of appropriation.

The Executive Budget provides another \$25 million in capital support for the Securing Communities Against Hate Crimes program, while also creating a new \$50 million program for capital investment in communities to combat gun violence.

## **Article VII Proposals**

The Executive also proposes the following Article VII language:

**Criminal Justice Discovery Compensation**  
*(see Section Three\S.8005 Part A for details)*

**Clean Slate Act**  
*(see Section Three\S.8005 Part AA for details)*

## **Division of State Police**

The FY 2023 Executive Budget recommends a \$1.05 billion in All Funds appropriations, an increase of \$24.7 million, or 2.41 percent, from FY 2022.

The Executive recommends a State Operations Budget of \$916.5 million, an increase of \$20.5 million. The recommendation includes a \$13.1 million appropriation for Community Stabilization Units, which involves partnering State Troopers with local law enforcement officers in areas with high gun violence.

The Executive recommends a Capital Budget of \$132.6 million dollars, an increase of 4.1 million dollars. The increase is primarily driven by a \$3.9 million appropriation to additional equipment for the forensic analysis of digital devices.

The Executive recommends a workforce increase of 104 FTEs, which includes two new Trooper recruiting classes, 17 new FTEs to work within the Computer Crimes Unit, and 6 new FTEs in the New York State Intelligence Center to assist with gun tracing and social media analysis efforts.

## **Division of Homeland Security and Emergency Services**

The FY 2023 Executive Budget recommends \$4.97 billion in All Funds appropriations for the Division, largely consistent with FY 2022. The Budget maintains an additional \$3.4 billion in appropriation authority to accommodate Federal Disaster Assistance, which is used to reimburse local governments for their FEMA/COVID-19 claims.

The FY 2023 Executive Budget provides funding of \$25 million for a new State Emergency Operations Center, \$4.5 million for Cyber Incident Response Teams, and \$3 million for multi-purpose theatre at the State Public Safety Training Facility in Oriskany, NY. These increases are offset by an elimination of \$1.2 million in legislative additions.

The Executive proposes \$75 million in funding to support county public safety communications efforts under the Interoperable Communications Grant Program, same as FY 2022 levels, allocated as follows:

- \$65 million for new grants to continue support for county interoperable communication
- \$10 million for a new annual grant program to support operating costs of public safety dispatch centers

A workforce level of 576 FTEs remains unchanged from FY 2022.

## **Division of Military and Naval Affairs**

The FY 2023 Executive Budget recommends \$214 million in All Funds appropriations, an increase of \$68 million from FY 2022. This increase is primarily attributable to shifting \$58 million in National Guard NYC-Counter Terrorism support from another appropriation within the Budget. The Budget provides an additional \$10 million in capital projects support, for a total of \$76 million. The Budget further recommends an additional six FTEs to assist with administrative functions of activations, bringing total FTEs to 392.

## **Office of Indigent Legal Services**

The FY 2023 Executive Budget recommends \$364 million in All Funds appropriations, an increase of \$50 million over FY 2022. The \$50 million increase is directly attributable to statewide implementation of the Hurrell – Harring Settlement terms.

In November 2007 five counties – Onondaga, Ontario, Schuyler, Suffolk, and Washington – filed suit against the State, alleging a deprivation of the right to counsel for indigent defendants (defined as a criminal defendant eligible for publicly funded legal representation). The State settled with five of the plaintiffs in October 2014 after agreeing to undertake actions to increase indigent criminal counsel services through the State Office of Indigent Legal Services (ILS).

The FY 2018 Enacted Budget contained Article VII language that created a statewide indigent legal defense plan to apply to all public defenders, legal aid society, assigned counsel programs and conflict



defender offices. Statewide implementation, which will take counties from their current level of service to the Settlement terms, is an estimated \$250 million cost, and would now be fully funded.

The Executive Budget recommends a State Operations budget of \$6.9 million, an increase of \$500,000 from FY 2022, due to the hiring of an additional two FTEs.

### **Judiciary**

The FY 2023 Executive Budget recommends All Funds spending of \$3.3 billion, a decrease of \$124.5 million, or 3.7 percent.

State operating spending for court and agency operations would decrease \$67.7 million, or 3.0 percent. Personal service wage spending would increase \$2.6 million, or 0.1 percent. This includes spending for 14 new Supreme Court Judges and support staff beginning in January 2022. Non-personal service/indirect costs would decrease \$70.3 million, or 16.9 percent. This reduction is primarily due to the reclassification of the funding of the civil legal services program from state operations to aid to localities.

Spending for employee benefit costs would decrease \$224.6 million, or 21.3 percent. Just over \$96 million of this decrease is due OCA's payment of deferred pension loan obligations in FY 2022 which increased spending in FY 2022 and reduced spending in FY 2023 and FY 2024. Approximately \$69 million of this decrease is due to deferred social security taxes, pursuant to authority provided by the Cares Act, which were remitted by OCA in FY 2022. The remainder of the decrease is due primarily to staffing level changes.

Aid to Localities spending would increase \$166.1 million, or 148.6 percent. \$47 million of the increase is due to the suballocation to the Office of Indigent Legal Services. Of this increase, \$16.9 is due to the suballocation to the Interest on Lawyers Account, which is an increase of \$1.9 million or 12.6 percent. The remainder of the increase is primarily driven by a \$95.7 million reclassification of the funding of the civil legal services program from state operations to aid to localities.

Capital projects spending would increase \$752,000, or 2.9 percent, to \$26.7 million. This spending would be used for new and continued investments in technology and equipment associated with facility renovations, records management projects, and enhanced health and safety in courthouses.

### **Department of Law**

The FY 2023 Executive Budget recommends All Funds spending of \$271.6 million, an increase \$25.4 million, or 10.3 percent.

State operations spending would increase \$16.8 million, or 7.9 percent. Personal service wage spending would increase \$13.3 million, or 8.8 percent. Non-personal service spending would increase \$3.5 million, or 5.5 percent. Spending for employment benefit costs would increase \$6.4 million, or 21.6 percent.

Capital spending on the IT Initiative program would increase \$2.2 million, or 95.7 percent. Capital spending would be used to acquire and develop various equipment, software, and technology services.

The Executive proposes no change in Full Time Equivalent (FTE) positions.

### **Office of Victim Services**

The FY 2023 Executive Budget recommends \$217.5 million in All Funds appropriations, an increase of \$888,000, or 0.41 percent, from FY 2022.

Spending for victim reimbursements awarded for loss of essential personal property pursuant to Article 22 of the Executive Law would increase \$560,000, as a result of the increase in the monetary cap for losses from \$500 to \$2500. State Operations spending would include a new appropriation of \$2.5 million for expenses related to the storage of sexual offense evidence collection kits. The Executive Budget recommends 96 FTEs, an increase of seven FTEs from the previous year.

### **Article VII Proposals**

The Executive also proposes the following Article VII language:

**Expands Benefits for Victims of Hate Crimes**  
*(see Section Three\S.8005 Part I for details)*

### **Office for the Prevention of Domestic Violence**

The FY 2023 Executive Budget recommends \$10.9 million in All Funds appropriations, an increase of \$4185,000, or 1.72 percent, from FY 2022. This increase is primarily the result of the establishment of the Gender-Based Violence Training Institute (GBVTI) within the Office for the Prevention of Domestic Violence (OPDV). The GBVTI would be tasked with assisting domestic and gender-based violence programs with developing and implementing domestic violence advocate training programs. OPDV would add three new FTEs to staff the GBVTI.

### **Article VII Proposals**

The Executive also proposes the following Article VII language:

**Establishes the Gender-Based Violence Training Institute**  
*(see Section Three\S.8005 Part H for details)*

### **State Commission of Corrections**

The FY 2023 Executive Budget recommends \$3.33 million in All Funds appropriations, an increase of \$187,000, or 5.95 percent, from FY 2022. This increase is largely associated with additional staffing needs



(additional five FTEs) to comply with the requirements of the Humane Alternatives to Long-Term Solitary Confinement Act (HALT) and Medication Assisted Treatment programs.

### **Commission on Prosecutorial Conduct**

The FY 2023 Executive Budget recommends All Funds spending of \$1.75 million for the newly established Commission on Prosecutorial Conduct. \$1.35 million would be spent on employee compensation, and the remainder would be spent on non-personal service expenses.

### **Judicial Commissions**

The FY 2023 Executive Budget recommends All Funds spending of \$7.2 million for the Commission on Judicial Conduct, an increase of 822,000, or 12.9 percent. This increase is primarily driven by personal service wage growth from salary increases and the planned addition of two new employees.

The FY 2023 Executive Budget recommends the same level of funding as in FY 2022 for the Commission on Judicial Nomination (\$30,000) and the Judicial Screening Committees (\$38,000).



## **FACT SHEET: Economic Development**

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### **Economic Development Budget Highlights**

- The FY 2023 Executive Budget recommends All Funds appropriations of \$607.4 million for State Operations and Aid to Localities economic development programs, a decrease of \$1 billion, or 62.3 percent, from the FY 2022 Enacted Budget.
- The FY 2023 Executive Budget recommends a capital appropriation of \$3.5 billion, an increase of \$3.1 billion from the FY 2022 Enacted Budget.

### **Notable Issues**

- The Executive proposes extended the Infrastructure Investment Act for 5 years until December 31, 2027.
  - Authorizes certain State entities to utilize design build contracts.
- While State Operations and Aid to Localities funding is proposed at a lower level than the FY 2022 Enacted Budget provided, this is due to one-time extraordinary pandemic recovery programs not being extended. Proposed funding is still higher than normal historic levels.

### **Spending Highlights**

- The 62.3 percent reduction in State Operating spending is primarily due to last year's Enacted Budget containing \$1.4 billion in pandemic relief for business not being extended into this year's Executive Budget. FY 2023 proposed spending levels are significantly higher than the pre-pandemic baseline.
- The additional \$3.1 billion in capital includes the follows:
  - \$1.1 billion of Federal funds for broadband;
  - \$800 million for the New York State Regional Economic and Community Assistance Program;
  - \$500 million for offshore wind projects;
  - \$320 million for the New York Works Economic Development Fund;
  - \$300 million in State funding for broadband.





## ECONOMIC DEVELOPMENT

| Economic Development<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |               |
|--|----------------------|---------------------|------------------|---------------|
| Agency   | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent       |
| Department of Economic Development   | 467,086              | 308,584             | (158,502)        | -33.93%       |
| Empire State Development Corp  | 1,985,940            | 2,982,508           | 996,568          | 50.18%        |
| Economic Development Capital - Other   | 8,000                | 0                   | (8,000)          | -100.00%      |
| Strategic Investment Program   | 2,000                | 0                   | (2,000)          | -100.00%      |
| Regional Economic Development Program  | 4,500                | 0                   | (4,500)          | -100.00%      |
| <b>Totals</b>  | <b>2,467,526</b>     | <b>3,291,092</b>    | <b>823,566</b>   | <b>33.38%</b> |

The FY 2023 Executive Budget recommends an All Funds cash disbursement increase of \$823.6 million or 33.4 percent over FY 2022 for all Economic Development agencies.

The FY 2023 Executive Budget recommends All Funds appropriations of \$607.6 million for State Operations and Aid to Localities economic development programs a decrease of \$1 billion, or 62.3 percent from the FY 2022 Enacted Budget. This is due to one-time extraordinary COVID-19 pandemic response funding totaling roughly \$1.4 billion included in the FY 2022 not being recurred in the FY 2023 Executive Budget. Despite this pronounced decrease from FY 2022 Enacted Budget levels, proposed FY 2023 appropriations are significantly higher than historic levels.

### Department of Economic Development (DED)

#### State Operations

The Executive Budget recommends an appropriation of \$40 million in State Operations for the Department of Economic Development (DED). This is a \$10.8 million increase from FY 2022, and would provide funding to hire additional FTEs in the MWBE Office.

#### Aid to Localities (ATL)

The Executive Budget recommends a General Fund appropriation of \$57.2 million in the Aid to Localities budget for DED. This is a decrease of \$605 million or 91.4 percent from FY 2022 levels. This decrease is primarily due to one-time extraordinary COVID-19 pandemic response funding included in the FY 2022 Enacted Budget.

#### Empire State Development Corporation (ESDC) a/k/a Urban Development Corporation (UDC)

The FY 2023 Executive Budget recommends All Funds appropriations for the Empire State Development Corporation of \$4 billion, an increase of \$2.7 billion or 206.4 percent from FY 2022. This increase is primarily due to a \$3.1 billion in proposed additional Capital funding, offset by a \$409.3 million reduction in Aid to Localities funding from FY 2022 levels.

## Aid to Localities

The FY 2023 Executive Budget recommends an Aid to Localities appropriation of \$510.5 million, a reduction of \$409.3 million or 44.5 percent from FY 2022 levels. This reduction is primarily due to the elimination of FY 2022 extraordinary COVID-19 funding and Legislative additions, offset by \$425 million in new Executive economic and workforce development initiatives.

## Capital Funding

The FY 2023 Executive Budget recommends a capital appropriation of \$3.5 billion, an increase of \$3.1 billion from FY 2022 Enacted Budget levels. This increase includes \$1.5 billion for broadband, \$800 million for a new Regional Economic and Community Assistance Program, and \$500 million for offshore wind.

## Article VII Proposals

The FY 2022 Executive Budget proposes the following statutory amendments:

*Extend the General Loan Powers of the UDC*

*(see Section Three\S.8008, Part Y for more detail)*

*Extend Authorization of the UDC to Administer the Empire State Economic Development Fund*

*(see Section Three\S.8008, Part Z for more detail)*

*Extend the Infrastructure Investment Act*

*(see Section Three\S.8008, Part AA for more detail)*

*Linked Deposit Program Expansion*

*(see Section Three\S.8008, Part BB for more detail)*

*Small Business Seed Funding Grant Program*

*(see Section Three\S.8008, Part CC for more detail)*

*Broadband Technologies and Infrastructure*

*(see Section Three\S.8008, Part FFF for more detail)*



| FY 2023 Executive Urban Development Corporation Capital Funding<br>Appropriation Changes<br>(Thousands of Dollars) |                    |                     |                     |
|--|--------------------|---------------------|---------------------|
| Program  | FY 2022<br>Enacted | FY 2023<br>Proposed | Change              |
| Retention of Football in Western NY  | \$ 2,431           |                     | \$ (2,431)          |
| Market NY  | \$ 8,000           | \$ 8,000            | \$ -                |
| NY Works   | \$ 220,000         | \$ 320,000          | \$ 100,000          |
| REDC   | \$ 150,000         | \$ 150,000          | \$ -                |
| Restore NY Communities   | \$ -               | \$ 250,000          | \$ 250,000          |
| ConnectAll Initiative  | \$ -               | \$ 300,000          | \$ 300,000          |
| NYS Regional Economic and Community Assistance Program   | \$ -               | \$ 800,000          | \$ 800,000          |
| Offshore Wind  | \$ -               | \$ 500,000          | \$ 500,000          |
| Federal Broadband- IIJA  | \$ -               | \$ 800,000          | \$ 800,000          |
| Federal Broadband- ARPA  | \$ -               | \$ 345,000          | \$ 345,000          |
| <b>Total:</b>  | <b>\$ 380,431</b>  | <b>\$ 3,473,000</b> | <b>\$ 3,092,569</b> |

| FY 2023 Executive Economic Development Local Assistance<br>Appropriation Changes<br>(Thousands of Dollars) |  |                    |                     |                     |
|--|--|--------------------|---------------------|---------------------|
|  | Program                                  | FY 2022<br>Enacted | FY 2023<br>Proposed | Change              |
| <b>DED</b>   | Centers of Excellence                    | \$ 12,025          | \$ 12,025           | \$ (0)              |
|  | Centers for Advanced Technology          | \$ 13,559          | \$ 13,559           | \$ (0)              |
|  | Technology Development Matching Grants   | \$ 1,382           | \$ 1,382            | \$ -                |
|  | Industrial Technology Extension Services | \$ 921             | \$ 921              | \$ -                |
|  | SUNY Poly and RPI Focus Center           | \$ 3,006           | \$ 3,006            | \$ -                |
|  | High Technology Matching Grants Program  | \$ 5,000           | \$ 5,000            | \$ -                |
|  | Innovation Hot Spots and Incubators      | \$ 5,000           | \$ 5,000            | \$ -                |
|  | Local Tourism Matching Grants            | \$ 3,450           | \$ 2,450            | \$ (1,000)          |
|  | Agritourism- TasteNY                     | \$ 3,971           | \$ -                | \$ (3,971)          |
|  | Science and Technology Law Center        | \$ 343             | \$ 343              | \$ -                |
|  | Manufacturing Extension Partnership      | \$ 13,470          | \$ 13,470           | \$ -                |
|  | Small Business Credit Initiative Program | \$ 600,000         |                     | \$ (600,000)        |
|  | <b>DED Subtotal</b>                      | <b>\$ 662,127</b>  | <b>\$ 57,156</b>    | <b>\$ (604,971)</b> |

| FY 2023 Executive Economic Development Local Assistance Appropriation<br>(cont.)<br>(Thousands of Dollars) |  |                     |                     |                       |
|--|--|---------------------|---------------------|-----------------------|
| Program  |  | FY 2022<br>Enacted  | FY 2023<br>Proposed | Change                |
| UDC  | Minority and Women Owen Business Development                           | \$ 635              | \$ 635              | \$ -                  |
|  | Economically Distressed Area Development Grants                        | \$ 1,495            | \$ 1,495            | \$ -                  |
|  | Entrepreneurial Assistance Program                                     | \$ 490              | \$ 490              | \$ -                  |
|  | Additional Entrepreneurial Assistance Program                          | \$ 1,274            | \$ 1,274            | \$ -                  |
|  | Retention of Football in Western NY                                    | \$ 4,605            | \$ 4,605            | \$ -                  |
|  | Urban and Community Development Program                                | \$ 3,404            | \$ 3,404            | \$ -                  |
|  | Empire State Economic Development Fund                                 | \$ 26,180           | \$ 26,180           | \$ -                  |
|  | Executive Economic Development Initiatives,<br>Including Advertisement | \$ 42,500           | \$ 45,000           | \$ 2,500              |
|  | Market NY  | \$ 7,000            | \$ 7,000            | \$ -                  |
|  | Various Legislative Additions  | \$ 7,230            | \$ -                | \$ (7,230)            |
|  | Small Business Pandemic Relief Program                                 | \$ 825,000          | \$ -                | \$ (825,000)          |
|  | Innovation Venture Competition Program                                 | \$ -                | \$ 75,000           | \$ 75,000             |
|  | Workforce and Economic Development Initiatives                         | \$ -                | \$ 350,000          | \$ 350,000            |
|  | <b>UDC Subtotal:</b>   | <b>\$ 919,813</b>   | <b>\$ 515,083</b>   | <b>\$ (404,730)</b>   |
| <b>Economic Development Aid to Localities Grand Total</b>  |  | <b>\$ 1,581,940</b> | <b>\$ 572,239</b>   | <b>\$ (1,009,701)</b> |



## FACT SHEET: Mental Hygiene

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### Mental Hygiene Budget Overview

- The FY 2023 Executive Budget proposes All Funds spending authorization of \$11 billion, an increase of \$2.53 billion, or 29.8 percent, over the current year:
  - Increase of \$577.2 million to the Office of Mental Health (OMH), for a total of \$3.93 billion
  - Increase of \$1.56 billion to the Office for People with Developmental Disabilities (OPWDD), for a total of \$5.9 billion
  - Increase of \$401.6 million to the Office of Addiction Supports and Services (OASAS), for a total of \$645 million
- The large increase for OPWDD is driven by a technical financial plan reporting change that shifts funding for OPWDD from the DOH Medicaid budget to the OPWDD agency budget, a 5.4 percent COLA across all Mental Hygiene agencies, and \$412 million in new heroin and opioid addiction treatment funding for OASAS

### Notable Issues

- **Extend Kendra's Law**
  - The Executive proposes to extend Kendra's Law through June 30, 2027. This law established a framework for court-ordered Assisted Outpatient Treatment) for individuals with mental illness and a history of hospitalizations or violence and was originally set to expire on June 30, 2022.
- **9-8-8 Suicide Prevention and Behavioral Science Health Crisis Hotline Act**
  - Proposes to establish the 9-8-8 hotline, a three-digit phone number designated by the FCC, for the purpose of connecting those experiencing a behavioral health crisis with suicide prevention and behavioral health crisis counselors, mobile crisis teams and other services.
- **Expand Access to Naloxone and Buprenorphine in Pharmacies**
  - Proposes to require any pharmacy registered by SED and the DEA that maintains a stock of and directly dispenses controlled substance medications to maintain a minimum of a thirty day supply of both an opioid antagonist medication (naloxone) and separately an opioid partial agonist medication for the treatment of an opioid use disorder (buprenorphine)

- The Executive proposes to expand crisis services.

### Spending Highlights

- The Executive increases operating and capital funding by \$402 million for heroin/Opioid addiction and treatment services within OASAS with funding via various opioid settlements and the opioid stewardship tax.
- Provides over \$270 million in funds by including a 5.4 percent COLA for nonprofit provider facilities for individuals served by the Mental Hygiene agencies. OPWDD would receive \$149 M, OASAS \$33.15M, and OMH \$93.7M in FY 2023. This funding would provide fiscal relief to providers enabling them to offer higher wages to their workforce and permanently address workforce recruitment and retention issues.
- Of the \$1.2 billion included for healthcare worker bonuses, the Executive includes over \$200 million to workers providing services within OPWDD, OMH, and OASAS
- The Executive proposes to expand the Joseph P. Dwyer Program by \$2.7 million by including a total of \$7.7 million within the Executive Budget for the first time since the Legislature created the program in 2012. Funding would be made available to all counties with new counties receiving \$100,000 to start their program
- Proposes \$65 million to create 20 Critical Time Intervention Teams for existing community-based residential programs to reach homeless individuals and connect them with housing and services.
- A additional funding of \$40.7 million for Minimum Wage increases for workers at not for profit, certified, or uncertified facilities authorized by OMH, OPWDD, and OASAS.



## MENTAL HYGIENE

| Mental Hygiene<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |               |
|--|----------------------|---------------------|------------------|---------------|
| Agency   | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent       |
| Office of Mental Health  | 3,356,636            | 3,933,847           | 577,211          | 17.20%        |
| Office for People With Developmental Disabilities                              | 4,372,588            | 5,931,234           | 1,558,646        | 35.65%        |
| Office of Alcoholism and Substance Abuse                                       | 718,726              | 1,120,334           | 401,608          | 55.88%        |
| Developmental Disabilities Planning Council                                    | 4,200                | 4,200               | 0                | 0.00%         |
| Justice Center for the Protection of People with Special Needs                 | 49,058               | 47,648              | (1,410)          | -2.87%        |
| <b>Totals:</b>   | <b>8,501,208</b>     | <b>11,037,263</b>   | <b>2,536,055</b> | <b>29.83%</b> |

Refer to the first page of the Summary of Agency Spending for Mental Hygiene for details on revised spending amounts

The FY 2023 Executive Budget recommends All Funds cash disbursements of \$11 billion, an increase of \$2.5 billion or 29.8 percent across all mental hygiene agencies. The large increase is driven by a technical accounting reclassification moving spending for the Office for People with Developmental Disabilities (OPWDD) from the Global Cap back to the agency budget, a 5.4 percent COLA for direct care workers, worker retention bonuses, and heroin/opioid treatment and prevention funding

### Department of Mental Hygiene

#### Department of Health Mental Hygiene Offset

In FY 2022 the Medicaid Global Cap reported a portion of mental hygiene spending under its budget. The FY 2023 Executive Budget proposes to shift this funding back to the OPWDD Budget using additional financial plan resources. This shift increases Medicaid costs within the OPWDD budget by approximately \$1 billion.

#### Minimum Wage

The Executive Budget recommends a \$40.7 million in additional state spending to support the direct cost to not-for-profit providers of the scheduled minimum wage increase for direct care, direct support, and other workers.

#### Percent Cost of Living Adjustment (COLA)

The Executive provides over \$276 million in funds by including a 5.4 percent COLA for nonprofit provider facilities for individuals served by the Mental Hygiene agencies. OPWDD would receive \$149 million, OASAS \$33.15 million, and OMH \$93.7 million in FY 2023. This funding would provide fiscal relief to providers enabling them to offer higher wages to their workforce and permanently address workforce recruitment and retention issues.



**Health Care Worker Bonuses**

The FY 2023 Executive Budget includes a Health Care worker bonus totaling \$1.2 billion for Frontline Healthcare workers. The State would provide frontline healthcare workers a bonus payment of up to a maximum \$3,000 to incentivize the recruitment and retention of qualified frontline healthcare and direct support professionals. The amount of the bonus would be based on hours worked and length of time in service. Direct Care State employees will also receive bonuses. The total State cost is estimated at \$1.2 billion (\$1.07 billion for non-State employees; \$120 million for State employees). The mental hygiene agency impact is below:

| Mental Hygiene Agency<br>Health Care Worker Bonus |             |
|---|-------------|
| Agency  | State Share |
| OMH   | \$133 M     |
| OPWDD   | \$38.6M     |
| OASAS   | \$36.5M     |
| Total   | \$208M      |

**Office of Mental Health**

The FY 2023 Executive Budget provides \$3.9 billion in All Funds cash spending, an increase of \$577.2 million, an increase of 17.2 percent from FY 2022. The large increase reflects investments in the State and not-for-profit workforce through the Human Services cost of living adjustment (COLA), healthcare and mental hygiene worker bonuses, minimum wage increases, and continued investment in community-based services.

**Support the Federal Creation of a 988 Crisis Hotline**

The Executive proposes to include \$35 million in FY 2023, increasing to \$60 million in FY 2024, to support the implementation of the 988 Crisis Hotline in New York State. Accompanying legislation would authorize and expand supports and services and ensure the continuation of current suicide prevention call center resources.

**Strengthen Suicide Prevention**

The Executive proposes to enhance mental health and suicide prevention programs available for youth and families experiencing a mental health crisis. This includes \$10 million to fund the expansion of the Home-Based Crisis Intervention (HBCI) program and the establishment of a Mental Wellness Community Workforce.

**Establish Safe Options Support Teams**

OMH would partner with NYC to reach homeless individuals living on the streets by establishing 20 new teams of mental health professionals performing Critical Time Intervention, an evidence-based practice to help connect people to housing and services. The Executive Budget assumes State costs of \$11.2 million.



### **Increase Support for Existing Residential Programs**

The Executive Budget would make a two-year commitment of \$104 million - \$65 million in FY 2023 and \$39 million in FY 2024 – for existing community-based residential programs and includes legislation to extend property pass-through provisions to include OMH’s supported housing. These funds would help preserve access to housing, a critical component of recovery.

### **Expand the Joseph P. Dwyer Program Statewide**

The Executive Budget includes \$7.7 million to expand the Joseph P. Dwyer Peer-to-Peer Veterans’ Support Program statewide, providing vital peer support and counseling services to veterans who are transitioning from military service to civilian life. The Dwyer Veteran Peer to Peer Services Program offers non-clinical support for veterans by veterans and works to ensure that they have access to resources to live a fulfilling life. This program operates in over 30 counties across the state and offers services to veterans suffering from Post-Traumatic Stress Disorders and Traumatic Brain Injuries. Counties outside of New York City would receive \$7.3 million and New York City would receive \$400,000 for program support services.

### **Enhance Children’s Mental Health Programs**

The Executive Budget recommends an additional \$7.5 million for Residential Treatment Facilities (RTF)s to continue the expansion of Children’s community mental health services. This proposal will bolster mental health services for children and families by continuing to integrate behavioral health services into pediatric primary care visits through the Healthy Steps program.

The Executive Budget proposes a savings of \$9.8 million by not funding removing legislative initiatives.

## **Office of Addiction Services and Supports (OASAS)**

The FY 2023 Executive Budget recommends All Funds cash spending of \$1.12 billion, an increase of \$401 million, or 55.89 percent. The majority of this increase is related to new funds from the statewide opioid settlement and the opioid stewardship tax. Before this new investment, a total of \$247.5 million was allocated in OASAS to address the heroin and opioid crisis.

### **Opioid Stewardship Tax and Settlements Investments**

The Executive Budget proposes to utilize funds collected from pharmaceutical companies responsible for fomenting the opioid crisis to fund addiction services. This is after the U.S. Supreme Court allowed New York to collect a **\$200 million surcharge** imposed on opioid manufacturers and distributors to defray the state's costs arising from the epidemic. The Opioid Stewardship Act imposed monetary charges on opioid distributors and manufacturers. New York is now able to collect monies owed retroactive to 2017 and 2018.

The Executive Budget appropriates \$265 million to invest these funds in new initiatives to combat the opioid crisis. This includes the harm reduction initiatives by both OASAS and DOH, expanding access to naloxone and buprenorphine, creating a public awareness campaign, implementing a program to help uninsured and underinsured individuals receive treatment and medication. Consistent with statewide opioid settlement agreements, the Budget appropriates and allocates funds anticipated to be deposited to

the Opioid Settlement Fund as the result of litigation filed by the State against opioid manufacturers and distributors

### **Establish a Certification for Recovery Residences**

The Executive Budget would create a voluntary certification process for recovery supportive housing to help ensure that safe housing is available for individuals who have completed their substance use disorder treatment. This certification would incorporate inspection, record keeping and operational standards for recovery home and increase the availability of recovery housing.

### **Support Harm Reduction and Naloxone Distributions**

The Executive Budget proposes to support additional Harm Reduction Services (\$9 million recurring) and Naloxone distribution (\$8 million in FY 2023 and \$10 million thereafter) under the AIDS Institute by utilizing additional resources from the Opioid Stewardship Fund and the Opioid Settlement Fund, respectively.

### **Capital**

The Executive Budget would establish an expedited process for the development of capital projects for voluntary-operated addiction service providers, and allow OASAS and DASNY to assume the responsibility for the development of capital projects by providers. This would allow the State to purchase properties for development into addiction service facilities and create a pathway to transfer facilities to service providers.

## **Office for People with Developmental Disabilities**

The FY 2023 Executive Budget recommends OPWDD All Funds cash spending of \$5.9 billion, an increase of \$1.5 billion or 35.7 percent. This large increase is associated with shifting this funding back to the OPWDD Budget using additional financial plan resources. This shift increases the OPWDD budgeted Medicaid costs by approximately \$1 billion. The rest of the year-to-year increase is primarily associated with the 5.4 percent cost of living adjustment (COLA), and healthcare and mental hygiene worker bonuses.

### **New Service Opportunities**

This program helps individuals who are entering the system for the first time and seeking access to services, and individuals already receiving services, but whose needs have changed. The Executive Budget assumes \$60 million in state costs associated with this new program.

### **New Housing Developments**

The FY 2023 Executive Budget would expand independent living opportunities for individuals with intellectual and developmental disabilities. Since FY 2016, the State has invested \$95 million in capital resources to develop safe and accessible residential opportunities; The Executive Budget raises this investment to a total of \$110 million. These funds are distinct from, and in addition to, resources that are available from the five-year, \$20 billion affordable and supportive housing plan, which is also helping



support the development of residential opportunities for people with intellectual and developmental disabilities.

### **Supportive Housing Subsidy Enhancements**

The Executive recommends \$15 million for OPWDD to continue to provide housing subsidies through the Individual Supports and Services (ISS) and Self-Direction (SD) programs supporting over 7,000 individuals with developmental disabilities who choose to live independently in their communities. Continued investments in these subsidies are essential and OPWDD million in ISS/SD housing subsidies in FY 2023 to increase payment standards and align reimbursement for administration of these subsidies with changing policies.

### **Restore Room & Board Supplement**

OPWDD provides a supplement to Supervised and Supportive Residential Habilitation providers whose room and board costs exceed projected revenues. The agency will spend \$9.5 million in FY 2023 to align room and board supplemental payments with actual costs and reimburse providers for the full amount of OPWDD-approved costs incurred.

### **Expand Crisis Services**

OPWDD would continue to expand its crisis intervention and behavioral health services over the years, implementing Crisis Services for Individuals with Intellectual and/or Developmental Disabilities (CSIDD) and establishing regional crisis networks. The FY 2023 Executive Budget provides \$4.5 million to continue rate enhancements for Intensive Behavioral Services (IBS) and improve connections to county-based mobile crisis services. These investments will allow more individuals to remain in independent settings or with their family, and can also reduce unnecessary emergency room visits.

### **Child and Adolescent Needs and Strengths (CANS) Investment**

CANS is an assessment designed for children and youth up to age 17 that are eligible for OPWDD services. The information gathered helps Care Managers create an individualized, person-centered plan of services and supports. The FY 2023 Executive Budget includes a \$10 million investment to increase the number of assessments and reassessments being conducted with the goal to better align the needs of individuals and the services provided.

### **OPWDD Transition to Managed Care**

The FY 2023 Executive Budget does not support additional funding for the transition to Managed Care. The Managed Care transition process was started with the development of Regional Care Coordination Organizations (CCOs) on July 1, 2018. The FY 2019 Medicaid Budget proposed \$5 million to support the transition of care for the developmentally disabled to a managed care system, specifically provider readiness through the development of best practices and performance measurement and outcome tools.

The Executive plans transitioning to a fully capitated rate structure within five years. Enrollment on a voluntary basis into care coordination models will begin in 2020. A further \$5 million was provided within the OPWDD budget in FY 2020 to help providers transition and ready themselves for the pending implementation.

Beginning in 2021, people eligible to enroll and receive OPWDD services will begin to have to choose a Managed Care Organization to manage their supports.

According to the Executive, the State continues to assess the potential effectiveness and sustainability of the proposed delivery system to ensure individuals continue receiving appropriate services in the most cost-effective manner under Managed Care

### **Justice Center for the Protection of People with Special Needs**

The FY 2023 Executive Budget recommends \$47.6 million for Justice Center, a decrease of \$1.4 million, or 2.8 percent. This decrease is driven by a Medicaid cost allocation plan cost shift that is going from state to federal funds.

### **Developmental Disabilities Planning Council**

The Executive proposes \$4.2 million in disbursements in FY 2023, which reflects no changes from the current fiscal year.



## FACT SHEET: Human Services

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### Human Services Budget Overview

The FY 2022-2023 Executive Budget recommends a decrease in All Funds cash disbursements of \$5.4 billion, or thirty three percent, for all human services agencies, with total recommended spending of \$10.7 billion. The decrease primarily reflects the depletion on non-recurring federal funding for various COVID-19 related assistance programs.

#### Notable Issues

##### Office of Children and Family Services (OCFS)

- Expands income eligibility for childcare subsidies from 200 percent of the Federal Poverty Level to up to 300 percent over three years. This will expand eligibility to an additional 394,000 children when fully implemented in FY 2024 (ELFA Part L).
- Modernizes the rate methodology used to reimburse costs associated with the care of a child in foster care (ELFA Part O).
- Paying the Human Services COLA. A total of \$10.4 million in funding is included to pay the 5.4 percent human services COLA (HMH Part DD) for applicable OCFS programs including Foster Care (\$5.9 million), Adoption (\$4.4 million) and NY/NY II (\$66,000).

##### Office of Temporary and Disability Assistance (OTDA)

- Makes changes to the Public Assistance (PA) Program by requiring local social service officials to determine eligibility for Safety Net Assistance within 30 days of application. Additionally, the 45-day waiting period would be eliminated for prospective Safety Net Assistance recipients (ELFA Part U).

##### Department of Labor (DOL)

- Adds \$12.4 million in projected spending for enhanced enforcement of recently enacted worker protections related to elevator safety, airborne diseases and prevailing wage.
- Includes a \$250 million appropriation for the Interest Assessment Surcharge
- \$10 billion appropriation for unemployment insurance benefits.

### **Division of Veterans' Affairs (DVA)**

- Investing in Veterans' Services by increasing the minimum annual State funding to Veterans' Service Agencies (VSAs) from \$10,000 to \$25,000 in order to further enable VSAs to connect to veterans with their federal benefits (ELFA Part R).
- Provides \$4.9 million to support the establishment of the first State veterans' cemetery.
- \$1 million in additional funding to expand the number of Veterans' Benefit Advisors within the Division of Veterans' Service.
- \$1 million in additional funding to increase support to Veterans' Services Agencies.
- \$50,000 increase to support the Veterans' Kiosks pilot program.

### **Division of Human Rights (DHR)**

- Prohibits discrimination against domestic violence victims (ELFA Part X).
- Amends the human rights law to make it explicit that discrimination based on citizenship and immigration is unlawful (ELFA Part Y).

## **Spending Highlight**

### **Office of Temporary and Disability Assistance (OTDA)**

- Continues \$128M in appropriation authority for the Homeless Housing and Assistance Program (HHAP).
- Continues \$110M for the Empire State Supportive Housing Initiative Program (ESSHI). The program provides supportive housing services to individuals and families who are homeless or at risk of homelessness.
- \$5.3 million for the Disability Advocacy Program (DAP).
- \$1.1 million in additional funding for the Summer Youth Employment Program.

### **Office of Children and Family Services (OCFS)**

- \$50 million in additional state support for child care subsidies.
- \$11 million in additional funding for the Home Visiting Program.
- \$11.3 million for additional direct care workers at Youth Facilities.
- \$10.4 million for the Human Services Cost of Living Adjustment (COLA)
- \$250 million in additional appropriation authority to support implementation of Raise the Age.
- \$500 million is included to expand employment opportunities for individuals with disabilities under the New York State Commission for the Blind (NYSCB) Business Enterprise Program.





**Nonprofit Infrastructure Capital Investment Program**

- \$50 million for new grant awards for nonprofit human service organizations.



## HUMAN SERVICES

| Human Services<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                   |                   |                    |                |
|--|-------------------|-------------------|--------------------|----------------|
|  | Estimated         | Proposed          | Change             |                |
| Agency   | FY 2022           | FY 2023           | Amount             | Percent        |
| Children and Family Services   | 4,526,884         | 3,780,132         | (746,752)          | -16.50%        |
| Temporary and Disability Assist.   | 8,165,128         | 5,985,583         | (2,179,545)        | -26.69%        |
| Welfare Inspector General  | 1,252             | 781               | (471)              | -37.62%        |
| Department of Labor  | 3,157,564         | 620,308           | (2,537,256)        | -80.35%        |
| Workers' Compensation Board  | 209,390           | 205,378           | (4,012)            | -1.92%         |
| Division of Veterans' Affairs  | 21,084            | 20,389            | (695)              | -3.30%         |
| Division of Human Rights   | 16,899            | 17,587            | 688                | 4.07%          |
| National and Community Service   | 17,563            | 17,744            | 181                | 1.03%          |
| Nonprofit Infrastructure Capital Program                                       | 14,000            | 35,000            | 21,000             | 150.00%        |
| <b>Totals:</b>   | <b>16,129,764</b> | <b>10,682,902</b> | <b>(5,446,862)</b> | <b>-33.77%</b> |

The Fiscal Year (FY) 2023 Executive Budget recommends a decrease in All Funds cash disbursements of \$5.4 billion, or 34 percent, for all human services agencies, with total recommended spending of \$10.7 billion. The decrease primarily reflects the one-time nature of federal funding for various COVID-19 related assistance programs.

### Office of Children and Family Services (OCFS)

The FY 2023 Executive Budget recommends All Funds spending of \$3.8 billion, a decrease of \$746 million or 16.5 percent from FY 2022. OCFS requests a workforce of 2,886 full time equivalents (FTE), which is unchanged from FY 2022.

#### State Operations

The Executive Budget recommends increasing OCFS State Operations appropriations by \$8.1 million. The change can be attributed to the following increases:

- \$7.5 million increase to address the staffing levels at Youth Facilities by hiring additional Youth Division Aids (YDA) and Youth Counselors (YC), and reclassifying YDA 3s to YDA 4s to make salaries more aligned with the direct care staff salaries within other State agencies.
- \$500,000 increase for the New York State Commission for the Blind (NYSCB) Business Enterprise Program.

## **Aid to Localities**

The Executive Budget recommends OCFS Aid to Localities appropriation authority of \$3.58 billion, a decrease of \$2.45 billion or 40 percent from FY 2022. The decrease is attributed to changes in the following programs:

- \$2.4 billion elimination of non-recurring federal pandemic funding for the Child Care Block Grant. However, these funds are being reappropriated and will be disbursed over several years.
- \$65,000 elimination of a Legislative addition for the Helen Keller Services for the Blind, which funded the New York State Commission for the Blind.
- \$51.3 million in legislative adds eliminated.

The Aid to Localities decreases are offset by the following increases:

- \$50 million in additional funding for child care subsidies that maintains the child care market rate.
- \$38 million in additional funding for Adoption Subsidies.
- \$11 million increase in additional funding for the Home Visiting Program.
- \$10.4 million for the Human Services Cost-of-Living Adjustment (COLA) for applicable OCFS programs, including Foster Care (\$5.9 million), Adoption (\$4.4 million) and NY/NYII (\$66,000).
- \$7.1 million increase for the Foster Care Block Grant.
- \$4 million in additional funding for the Youth Sports and Education Grant Program.
- \$2 million in additional funding for the Runaway and Homeless Youth Program.

## **Capital**

The FY 2023 Executive Budget recommends All Funds capital spending of \$43.5 million, which is unchanged from FY 2022.

## **Raise the Age**

New York's Raise the Age law took effect on October 1, 2018, at which time the age of criminal responsibility increased from 16 to 17 years old. On October 1, 2019, the second phase of Raise the Age became effective, and the age of criminal responsibility increased from 17 to 18 years old. The FY 2022 Executive Budget included a \$250 million miscellaneous Aid to Localities appropriation for New York City and county costs related to the implementation of Raise the Age. The FY 2023 Executive Budget recommends \$250 million miscellaneous Aid to Localities appropriation to support the continued implementation of Raise the Age.

## **Continue Re-aligned Fiscal Responsibility for Committee on Special Education (CSE)**

Prior to the 2021 Enacted budget, the room and board costs for children with severe disabilities placed by CSEs were shared between local social services districts, school districts and by the State when placements



were made by committees outside of New York City. The FY 2021 Enacted Budget eliminated the existing 18.4 percent State share, placing the fiscal responsibility with the school district responsible for placement. The FY 2023 Executive budget proposes to make the current funding structure permanent. The Executive claims this will produce \$28 million in annual savings.

### **Increase Support for Child Care Subsidies and Providers**

The Executive Budget includes legislation to increase income eligibility for child care subsidies to be phased in over three years: from up to 200 percent of the Federal Poverty Level (about \$53,000 for a family of four) to up to 300 percent of the FPL over three years (about \$79,500 for a family of four). In FY 2024, income eligibility for child care subsidies will increase to 260 percent of the FPL and will rise to 300 percent (or \$79,500 for a family of four) in FY 2025. According to the Executive, claims that this will increase eligibility to an additional 394,000 children when fully implemented. In FY 2023, year one phase in, 100,000 children will become newly eligible as subsidies become available to families with incomes up to 225 percent of the FPL. Districts will also have the option to go up to 300 percent of the FPL.

### **Modernize Foster Care Rates**

The Executive Budget advances legislation to modernize the rate methodology used to reimburse costs associated with care of a child in foster care. The new methodology will use United States Department of Agriculture (USDA) data. The Executive claims that this change will provide \$43.5 million (annualized) to 25,000 families through increased adoption subsidies.

## **Article VII Proposals**

The Executive proposes the following Article VII legislation:

*Eliminate the State Share for Committee on Special Education*  
(see Section Three\S.2506, Part M for more detail)

*Child Care Income Eligibility*  
(see Section Three\S.2506, Part L for more detail)

*Modernize Maximum State Aid Rates (MSAR) for Voluntary Agencies*  
(see Section Three\S.2506, Part O for more detail)

*Child Welfare Financing Extender*  
(see Section Three\S.2506, Part N for more detail)

*Homeless Youth Health Care Consent*  
(see Section Three\S.2506, Part P for more detail)

*Juvenile Justice Delinquency Protection Act Compliance*  
(see Section Three\S.2506, Part Q for more detail)

| FY 2022 Legislative Additions Eliminated by the Executive<br>Office of Children and Family Services |             | FY 2022 Legislative Additions Eliminated by the Executive<br>Office of Children and Family Services |             |
|---|-------------|---|-------------|
| Item  | Amount      | Item  | Amount      |
| Add. Funds - Catholic Family Center Rochester   | \$100,000   | Ezras Cholim Yad Ephraim Inc.   | \$20,000    |
| Cost of Living Adjustment - Human Service Providers   | \$2,544,000 | Family Justice Center of Erie County  | \$100,000   |
| Safe Harbor NY  | \$2,000,000 | Family Services Inc   | \$20,000    |
| Settlement House Prog (neighborhood-based and family-foc  | \$2,450,000 | Fearless! (Orange County Safe Homes Project, Inc)   | \$60,000    |
| 2-1-1 New York (referral to community and social services   | \$2,000,000 | Federation of Italian American Organizations  | \$80,000    |
| Association of NYS Youth Bureaus  | \$250,000   | Five Towns Community Center   | \$10,000    |
| Health, Human Services Organizations, and Community Ser   | \$450,230   | Flatbush YMCA   | \$50,000    |
| Municipalities and Nonprofit Organizations Lump sum   | \$6,000,000 | Fortune Society Freedom Commons   | \$100,000   |
| (PEACE) Afterschool Program   | \$20,000    | Frederick Douglas Memorial and Celebration  | \$150,000   |
| 19th Ward Community Association   | \$10,000    | Fresh Air Fund  | \$50,000    |
| A Meal and More   | \$45,000    | Fresh Air Fund  | \$1,000,000 |
| Acacia Network - Hispanos Unidos de Buffalo   | \$150,000   | Gantry Parents Association  | \$30,000    |
| Asian American Legal Defense  | \$100,000   | Gateway Youth Outreach  | \$100,000   |
| Asian Americans for Equality  | \$20,000    | Gerald Ryan Outreach Center   | \$30,000    |
| Association of New York State Youth Bureaus   | \$250,000   | Greater Ridgewood Youth Council   | \$90,000    |
| Astor Services for Children and Families  | \$75,000    | Greenpoint YMCA   | \$20,000    |
| Astor Services for Children and Families  | \$150,000   | Guardianship Corp   | \$90,000    |
| Baden Street Settlement   | \$50,000    | Hartley House Inc   | \$10,000    |
| Bayridge Cares  | \$50,000    | HEAVN   | \$10,000    |
| Bedford-Stuyvesant YMCA   | \$10,000    | Highland Park Conservancy   | \$100,000   |
| Bed-Stuy Campaign Against Hunger  | \$15,000    | Hispanic Federation   | \$550,000   |
| Bernice Caesar Multi-Purpose Center   | \$25,000    | Hispanic Brotherhood Rockville Ctr  | \$20,000    |
| Bethany House - Nassau County   | \$20,000    | Housing and Family Services of Greater NY, Inc  | \$20,000    |
| Big Brothers Big Sisters of Orange County   | \$13,000    | HOOR Children, Inc  | \$50,000    |
| Boro Park Jewish Community Center   | \$45,000    | Hudson Guild  | \$40,000    |
| Boys and Girls Club of Harlem   | \$175,000   | Hunts Point Alliance for Children   | \$20,000    |
| Brotherhood/Sister Sols (Bro/Sis)   | \$40,000    | India Community Center  | \$25,000    |
| Campaign Against Hunger   | \$60,000    | Irish Cultural and Folk Art   | \$75,000    |
| Campaign Against Hunger   | \$100,000   | JCC - Pelham Parkway  | \$20,000    |
| Caribbean American Center of NY   | \$25,000    | Jewish Board  | \$100,000   |
| Castle Hill YMCA  | \$20,000    | Junior Achievement of NY  | \$65,000    |
| Cathedral Community Cares Emergency Food Pantry   | \$50,000    | Junior Achievement of NY  | \$250,000   |
| Center for Elder Law and Justice  | \$125,000   | Kingsbridge Heights Community Center  | \$35,000    |
| Center for Family Representation  | \$150,000   | Kinship Caregiver   | \$1,500,000 |
| Center for Popular Democracy  | \$200,000   | Legal Services of Hudson Valley   | \$400,000   |
| Center for Teen Empowerment - Rochester   | \$50,000    | LGBTQI Advocacy Inst. Of Equality New York  | \$10,000    |
| Chinatown YMCA  | \$20,000    | Life After Loss Andre   | \$5,000     |
| Chinese American Planning Council   | \$75,000    | LiveOn NY/RISE Outreach Program   | \$20,000    |
| Chinese American Planning Council Manhattan Community   | \$360,000   | Long Beach Christmas Angel  | \$85,000    |
| Churches United For Fair Housing  | \$100,000   | Long Island Youth Foundation  | \$180,000   |
| Circulo de la Hispanidad  | \$85,000    | Lower East Side Girls Club  | \$5,000     |
| Citizens Committee for NYC  | \$200,000   | Manhasset Great Neck Economic Opportunity Council   | \$10,000    |
| Common Point Queens   | \$135,000   | Martin Luther King Multi-Purpose Center   | \$110,000   |
| Community Place of Greater Rochester  | \$25,000    | Mary Mitchell Family and Youth Center   | \$200,000   |
| Community Voices for Youth and Families of Long Island  | \$1,500,000 | Metropolitan New York Coordination Council on Jewish Po   | \$155,000   |
| Cooper Square Committee   | \$10,000    | Mind Builders Creative Arts Center  | \$50,000    |
| Cornell ILR Buffalo Co-Lab  | \$150,000   | Mt. Olive Lackawanna Life Center  | \$150,000   |
| Council of Jewish Organizations Flatbush  | \$20,000    | Nachas Health and Family Network, Inc   | \$20,000    |
| Covenant House  | \$20,000    | New Alternatives for Children   | \$400,000   |
| Delta Minerva Life Development Center   | \$2,500     | New Life Community Development Corp   | \$20,000    |
| Delaware Youth Center   | \$25,000    | New Pride Agenda  | \$50,000    |
| Dodge YMCA  | \$10,000    | New Pride Agenda  | \$100,000   |
| East Flatbush Village   | \$50,000    | New York Cares  | \$20,000    |
| Emerald Isle Immigration Center   | \$100,000   | New York State Alliance Boys and Girls Club   | \$750,000   |
| Equinox Youth Services  | \$25,000    | New York State YMCA Foundation  | \$400,000   |

# Staff Analysis of the FY 2023 Executive Budget

## Summary of Agency Spending

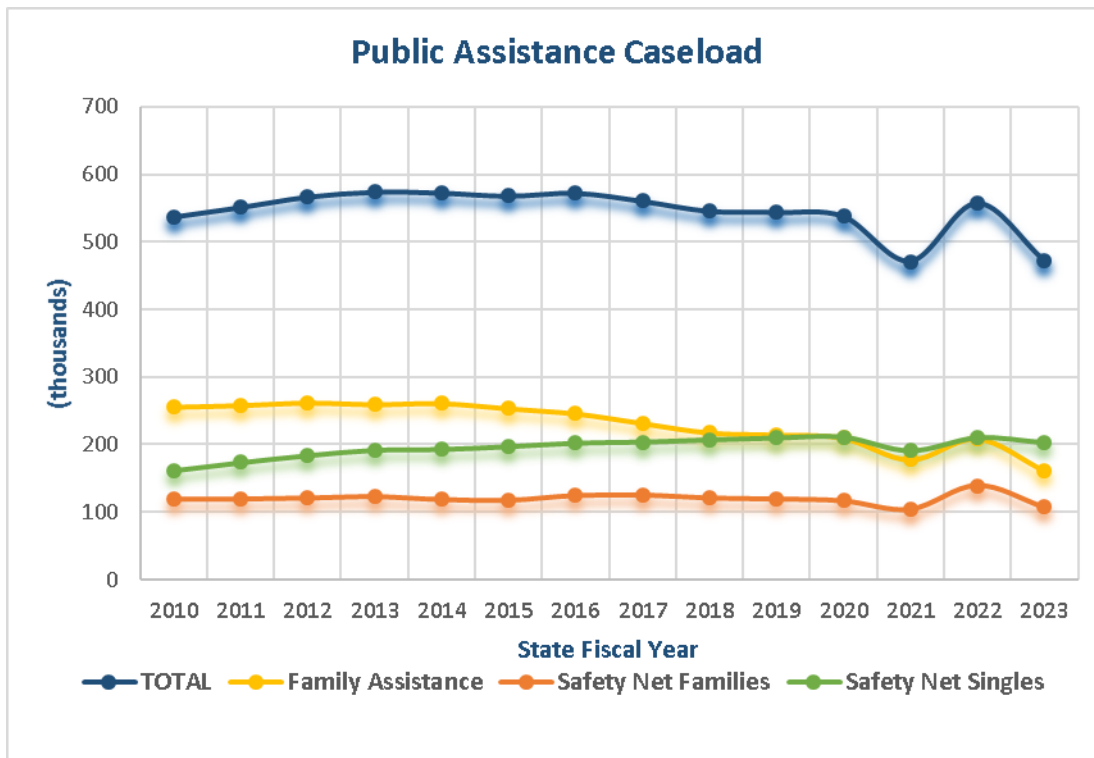


| FY 2022 Legislative Additions Eliminated by the Executive |                     |
|---|---------------------|
| Office of Children and Family Services                    |                     |
| Item  | Amount              |
| Newburgh LGBT Q Center                                    | \$96,000            |
| Nicholas Center for Autism Ltd                            | \$15,000            |
| Nyack Center  | \$60,000            |
| NYC Kids Rise   | \$200,000           |
| NYPD Youth Explorers Program                              | \$100,000           |
| NYS Immigration Coalition                                 | \$1,500,000         |
| OHEL Children's Home and Family Services                  | \$55,000            |
| One Stop Richmond Hill Community Center                   | \$20,000            |
| Pakistan American Society of NY                           | \$10,000            |
| Pelham Together   | \$30,000            |
| Project Lead Holocaust Survivor Services Program          | \$15,000            |
| Purelements: Evolution in Dance                           | \$100,000           |
| Queens Community House                                    | \$10,000            |
| Rap4Bronx   | \$20,000            |
| Rochdale Village NORC                                     | \$58,000            |
| Rochester Jamaican Organization                           | \$5,000             |
| Rockville Centre MLK Center                               | \$30,000            |
| SBH Community Services Network, Inc.                      | \$45,000            |
| SBK Community Services Network                            | \$50,000            |
| SCO Family of Services Madonna Heights School             | \$40,000            |
| Shalom Task Force   | \$175,000           |
| Shorefront JCC Food Pantry                                | \$10,000            |
| Sister to Sister International                            | \$30,000            |
| South End Meals   | \$25,000            |
| South End Children's Café                                 | \$25,000            |
| South Buffalo Roots                                       | \$75,000            |
| Southside United HDPC / LOS SURES                         | \$100,000           |
| St Paul's Homeless Shelter                                | \$50,000            |
| St. Luke's Community Food Program                         | \$25,000            |
| St. Nicholas Chess 4 Kids, Inc.                           | \$10,000            |
| Swim Strong Foundation                                    | \$5,000             |
| Swim Strong Foundation - Far Rockaway                     | \$15,000            |
| The NEW Pride Agenda Inc.                                 | \$100,000           |
| The Center for Youth                                      | \$10,000            |
| Throggs Neck Community Action Partnership                 | \$40,000            |
| Tri Community Youth Agency                                | \$100,000           |
| United Jewish Organizations of Williamsburg               | \$225,000           |
| Unity House   | \$50,000            |
| Urban League - Rochester                                  | \$15,000            |
| Urban Upbound   | \$200,000           |
| Weeksville Heritage Center                                | \$25,000            |
| West Indian American Day Carnival Association             | \$300,000           |
| West Street Child Care Learning Center                    | \$25,000            |
| Westchester County Youth Bureau                           | \$285,000           |
| Westchester JCC - Center Lane Services                    | \$18,000            |
| Woodside on the Move                                      | \$180,000           |
| YMCA of Brooklyn  | \$20,000            |
| YMCA of Greater NY  | \$4,000,000         |
| YMCA of Greater NY  | \$280,000           |
| YMCA of Greater NY - Bedford Stuyvesant YMCA              | \$100,000           |
| YMCA Ridgewood Summer Camp                                | \$10,000            |
| Young Men's Young Women's Hebrew Assoc. - Boro Park       | \$20,000            |
| Youth Theatre Interactions, Inc                           | \$90,000            |
| Non-profit Human Services Organizations Lump Sum          | \$10,000,000        |
| Child Adv. Centers  | \$2,000,000         |
| Youth Development Programs                                | \$1,500,000         |
| <b>Subtotals</b>  | <b>\$51,376,730</b> |



## Office of Temporary and Disability Assistance (OTDA)

The FY 2023 Executive Budget recommends All Funds spending of \$5.9 billion, a decrease of \$2.1 billion or 26 percent from FY 2022. The FY 2023 Executive Budget recommends a workforce of 1,922 FTEs, an increase of 58 FTEs from FY 2022 levels, which reflects the buildup of staff from pre-pandemic levels.



### State Operations

The FY 2023 Executive Budget recommends All Funds appropriation authority of \$462 million, which is unchanged from FY 2022 levels.

### Aid to Localities

The Executive Budget recommends decreasing the Aid to Localities appropriations by \$5.7 billion, a decrease of \$3.3 billion or 35 percent. The change can be attributed to the following decreases:

- \$2.4 billion depletion of non-recurring federal pandemic funding for the Federal Emergency Renters Assistance Program (ERAP).
- \$450 million decrease in federal appropriation authority for the Home Energy Assistance Program (HEAP).
- \$100 million depletion of non-recurring State Emergency Rental Supplemental Assistance Program.
- \$200 million elimination of non-recurring federal funding for the Pandemic Emergency Services Program. However, these funds are being reappropriated.





- \$120 million elimination of non-recurring funding for the Water Assistance Program. However, these funds are being reappropriated.
- \$51 million decrease in federal appropriation authority for the Homeless Housing Program.
- \$23.2 million in legislative adds eliminated

The Aid to Localities decreases are offset by the following increases:

- \$110 million in General Fund support for the Empire State Supportive Housing Initiative
- \$89 million increase for the Federal Health and Human Services Fund.
- \$2.6 million increase for the Disability Advocacy Program
- \$1.1 million increase for the Summer Youth Program, bringing total funding to \$46.1 million.
- \$3.5 million increase for Adult Homeless Shelters Program.
- \$2.8 million increase the Homeless Housing and Preventive Services Program.
- \$163,000 increase for the Nutrition Outreach and Education Program.

## **Capital**

The FY 2023 Executive Budget recommends OTDA Capital Appropriation of \$128 million, unchanged from FY 2022 levels.

### **Continue the Empire State Supportive Housing Initiative (ESSHI)**

The FY 2023 Executive Budget provides \$110 million with OTDA for ESSHI to provide ongoing service and operating support for the program. ESSHI is a multi-agency initiative for supportive housing service and operating funding to support units that house individuals or families who are homeless or at risk of homelessness and also suffer from one or more disabling conditions including serious mental illness, substance use disorder, HIV/AIDS, and domestic violence, among other factors.

### **Extend Temporary Operator Authority for Emergency Shelters**

The FY 2023 Executive Budget proposes to extend authority of OTDA and the Office of Children and Family Services (OCFS) to appoint a temporary shelter operator for emergency shelters. This would give the State authority to take necessary action to address concerns regarding health and safety of emergency shelters supported with state funding.

### **Create more Homeless Housing**

The Executive Budget continues funding for the Homeless Housing and Assistance Program (HHAP) at an appropriation level of \$128 million. It funds the capital construction of housing solely targeted to homeless individuals and families that require wrap-around services to remain stably housed.

## Article VII Proposals

The Executive proposes the following Article VII legislation:

*Authorizes the pass-through of any federal Cost of Living Adjustment in relation to Supplemental Security Income (SSI) which becomes effective on or after January 1, 2023  
(see Section Three\S.2506, Part S for more detail)*

*Extend Temporary Shelter Operator Authority  
(see Section Three\S.2506, Part T for more detail)*

*Changes to Public Assistance to Address Poverty  
(see Section Three\S.2506, Part U for more detail)*

| FY 2022 Legislative Additions Eliminated by the Executive Office of Temporary and Disability Assistance |           | FY 2022 Legislative Additions Eliminated by the Executive Office of Temporary and Disability Assistance |                     |
|---|-----------|---|---------------------|
| Item  | Amount    | Item  | Amount              |
| Arab American Family Support Center   | \$10,000  | New York Cares  | \$20,000            |
| Barakah Muslim Charity  | \$25,000  | North Brooklyn Coalition Against Family Violence  | \$13,000            |
| Big Brothers Big Sisters of Rockland County   | \$13,000  | Northwest Bronx Community and Clergy Coalition  | \$40,000            |
| Bronx Works   | \$70,000  | Nos Quedamos  | \$60,000            |
| Buffalo String Works  | \$25,000  | Partnership for Public Good   | \$100,000           |
| Cameron Community Ministries  | \$10,000  | Refugees Helping Refugees   | \$35,000            |
| Campaign Against Hunger   | \$100,000 | SAGE  | \$150,000           |
| Charlotte Community Association   | \$10,000  | Sesame Flyers   | \$100,000           |
| Coalition for Hispanic Family Services  | \$21,000  | St. Joseph's House of Hospitality   | \$10,000            |
| Cypress Hills Local Development Corporation   | \$20,000  | The Hope Program  | \$10,000            |
| El Puente de Williamsburg   | \$76,000  | United Community Services of OC, Inc  | \$10,000            |
| Equality New York   | \$1,000   | United Neighborhood Houses  | \$50,000            |
| Great Neck Chinese Association, Inc.  | \$5,000   | Urban Pathways  | \$20,000            |
| Guyana Cultural Association   | \$10,000  | Westchester Community Opportunity Program   | \$12,500            |
| Heather Hurley  | \$25,000  | HANAC   | \$40,000            |
| Hispanic Brotherhood, Inc.  | \$5,000   | TANF Advantage After School Prog.   | \$5,000,000         |
| HONOR   | \$50,000  | TANF Welfare to Careers (CUNY, NYC and Westche  | \$800,000           |
| Housing Help  | \$20,000  | TANF Technology Assisted Training Prog  | \$4,000,000         |
| Ibero-American Action League  | \$50,000  | TANF Career Pathways Prog   | \$1,425,000         |
| Interfaith Works for new Americans  | \$25,000  | TANF Centro of Oneida   | \$25,000            |
| Irondequoit Community Cupboard  | \$50,000  | TANF CUNY Childcare   | \$141,000           |
| Jewish Community Council of Canarsie  | \$20,000  | TANF Fac. Enrollment Pilot Prog. (Capital Region-C  | \$2,549,000         |
| La Fuerza Unida, Inc.   | \$10,000  | TANF Fac. Enrollment Pilot Prog. (NYC & Monroe  | \$5,939,000         |
| Landmark on Main Street, Inc.   | \$10,000  | TANF SUNY Childcare   | \$193,000           |
| Littig House Community Center, Inc  | \$5,000   | TANF Preventative Services  | \$785,000           |
| Long Beach MLK Center   | \$10,000  | TANF Rochester-Genesee Regional Transportation A  | \$82,000            |
| Madison Square Boys and Girls Club  | \$50,000  | TANF Non-custodial Parent (NCP) Employment Pro  | \$200,000           |
| Mary's Place Refugee Outreach   | \$10,000  | TANF Wage Subsidy Program   | \$475,000           |
| Masbia  | \$20,000  | TANF Wheel for Work Program   | \$144,000           |
| NAACP New York State Chapter  | \$10,000  | <b>Subtotal</b>   | <b>\$23,194,500</b> |



### Division of Human Rights (DHR)

The FY 2023 Executive Budget recommends an All Funds appropriation of \$20.7 million, a \$2.6 million increase from FY 2022 levels. The increase reflects a build up of staff within the Administration Program. The FY 2023 Executive Budget recommends a workforce of 170 FTEs, an increase of 21 FTEs from FY 2022 levels.

### Article VII Proposals

The Executive proposes the following Article VII legislation

*Prohibit Discrimination against Domestic Violence Victims*  
(see Section Three\S.2506, Part X for more detail)

*Prohibit Discrimination Based on Citizenship and Immigration Status*  
(see Section Three\S.2506, Part Y for more detail)

### Department of Labor (DOL)

The FY 2023 Executive Budget recommends All Funds Spending of \$620 million, a decrease of \$2.5 billion or 80 percent from FY 2022. Current year spending is projected at approximately \$3.2 billion. This reflects approximately \$2.1 billion in spending from the Excluded Workers program, which is a General Fund appropriation to provide Unemployment Insurance (UI) benefits to workers not otherwise qualified for UI under the standard program or pandemic related federal expansions. These projections not include disbursements from the UI Enterprise Fund, which is a proprietary fund.

Staffing levels for FY 2023 are projected to remain unchanged at 2,778.

### State Operations

The FY 2023 Executive Budget requests All Funds appropriation authority of \$1.1 billion, a decrease of \$695 million or 39 percent from FY 2022. Of this amount, **\$250 million** is a non cash backed Enterprise Fund appropriation to the Unemployment Insurance (UI) Program **Interest Assessment Account (IAS)** to pay interest on loans advanced to the UI Benefit Fund by the federal government for the payment of benefits. The amount of the IAS appropriation in FY 2022 was \$130 million.

Cash disbursements are projected at \$463 million, an decrease of \$253M or 35.3 percent from FY 2022.

There is a net decrease of \$857 million in the Federal UI Administration Special Revenue Fund. This reflects a reduction in UI claims as the economy normalizes after the pandemic driven shut down.

For the **Employment and Training Program**, appropriation authority for the Federally funded Workforce Investment Act (WIA) increases by approximately \$18 million or 27 percent to \$84.2 million.

In the **Labor Standards Program**, appropriation authority for public works enforcement increases from \$5.1 million to \$8.3 million. This reflects a \$3.2 million or 63 percent increase for public work enforcement. Funding from the Fee and Penalty account also increases by \$3.6 million or 29 percent.

The increased appropriation authority supports \$12.4 million in projected spending for enhanced enforcement of recently enacted worker protections related to elevator safety, airborne diseases and prevailing wage.

| Program                              | FY 22         | FY 23         | Change (\$)          |
|--------------------------------------|---------------|---------------|----------------------|
| Labor Standards                      |               |               |                      |
| Public Work Enforcement              | \$ 5,089,000  | \$ 8,314,000  | \$ 3,225,000         |
| Fee and Penalty                      | \$ 12,695,000 | \$ 16,320,000 | \$ 3,625,000         |
| OSHA Training                        | \$ 14,670,000 | \$ 18,470,000 | \$ 3,800,000         |
| Occupational Safety & Health         |               |               |                      |
| Fee and Penalty                      | \$ 4,191,000  | \$ 9,238,000  | \$ 5,047,000         |
| <b>Total Appropriation Authority</b> |               |               | <b>\$ 15,697,000</b> |

## Unemployment Insurance Program

The FY 2023 Executive Budget recommends an appropriation of \$10B to the UI Enterprise Fund. The FY 2022 Enacted Budget appropriated \$70B to the UI Fund in addition to \$2.1 billion in General Fund Aid To Localities appropriation authority for the Excluded Workers Program.

### Aid to Localities

The FY 2022 Executive Budget recommends All Funds appropriation authority of \$256 million, a decrease of \$2.1 billion or 89 percent. Excluding \$2.1 billion added by the Legislature for Excluded Workers, FY 2023 appropriation authority decreases by approximately \$22 million or 7.9 percent.

These amounts exclude funding for the UI Enterprise Fund discussed above.

There are \$15.8 million in Legislative eliminations from the FY 2022 Executive Budget (see the following page)

## Article VII Proposals

The Executive proposes the following Article VII legislation:

*Ban Non-Compete and No-Poach Agreements*  
(see Section Three\S.8006, Part V for more detail)

*Increase Criminal Penalties For Wage Theft*  
(see Section Three\S.8006, Part W for more detail)

*Extend the New York Youth Jobs Program Tax Credit for an Additional Five Years*  
(see Section Three\S.8009, Part N for more detail)



*Extend the Empire State Apprenticeship Tax Credit for an Additional Five Years*  
*(see Section Three\S.8009, Part O for more detail)*

*Extend the Workers with Disabilities Tax Credit for an Additional Five Years*  
*(see Section Three\S.8009, Part Q for more detail)*

| Item  |                   |
|---|-------------------|
| <b>Department of Labor (DOL)</b>                                | <b>FY 2022</b>    |
| AFL-CIO Cornell Domestic Violence                               | 150,000           |
| AFL-CIO Cornell Leadership                                      | 150,000           |
| AFL-CIO Cornell Sexual Harassment Prevention                    | 150,000           |
| AFL-CIO Cornell Training and Education Criminal Records         | 50,000            |
| Cornell ILR - Labor Leading on Climate Initiative               | 500,000           |
| Cornell ILR - Cannabis Workforce Initiative                     | 250,000           |
| BTPAP, Nassau County  | 200,000           |
| BTPAP, Newburgh   | 200,000           |
| BTPAP, Rochester  | 200,000           |
| BTPAP, WNY  | 200,000           |
| Collective Food Works Inc.                                      | 120,000           |
| Displaced Homemaker   | 1,620,000         |
| Hope Program  | 75,000            |
| LGBTQ Black and Latino Leadership Training                      | 180,000           |
| Lesbian, Gay, Bisexual, and Transgender Community Center        | 100,000           |
| Manufacturers Association of Central New York                   | 750,000           |
| Multi-Craft Apprenticeship Preparation Program (MAPPP - Albany) | 100,000           |
| New York State Pipe Trades                                      | 140,000           |
| New Settlement Youth Adult Opportunity Initiative               | 150,000           |
| Northeast Coalition of Occupational Safety and Health           | 85,000            |
| NYCOSH  | 350,000           |
| NYCOSH (Long Island)  | 200,000           |
| Center For Economic Opportunity                                 | 25,000            |
| Syracuse Build-career Readiness Network                         | 150,000           |
| NPOWER  | 100,000           |
| Youth Build Schenectady   | 75,000            |
| Port of Albany Wind Project Apprenticeship Program              | 50,000            |
| WNYCOSH   | 200,000           |
| Worker Institute, Cornell                                       | 300,000           |
| Workforce Development Institute                                 | 4,000,000         |
| Workforce Development Institute, Manufacturing                  | 2,500,000         |
| Youth Build (DREAMS Youth Build)                                | 2,500,000         |
| <b>Subtotals</b>  | <b>15,820,000</b> |

## **WORKERS' COMPENSATION BOARD**

The FY 2023 Executive Budget recommends All Funds Spending of \$205 million, a decrease of \$4 million or 1.9 percent from FYT 2022.

Staffing levels for FY 2023 are projected to remain unchanged at 1,081 FTE.

## **Division of Veterans' Services (DVS)**

The FY 2023 Executive Budget recommends All Funds appropriation authority of \$27.7 million, an increase of \$2.7 million from FY 2022. The Executive Budget recommends a workforce of 110 FTE employees for FY2023, which is an increase of 17 FTEs from FY 2022. The increase is associated with additional positions for Veterans' Benefits Advisors within the Division.

### **State Operations**

The FY 2023 Executive Budget requests All Funds appropriation authority of \$11.1 million, an increase of \$2.4 million from FY 2022. The increase is associated with additional FTE positions in the Veterans' Benefits Advisors Program.

### **Aid to Localities**

The FY 2023 Executive Budget the Division's Aid to Localities appropriations are \$11.8 million, a decreases of \$3.2 million from FY 2022. The reduction is primarily the elimination of 4.2 million in Legislative adds.

The decrease is offset by an additional \$1 million to support Veterans' Service Agencies and \$50,000 to expand the Veterans' Kiosk Program throughout the state.

### **Invest in Veterans' Services**

Current State law requires New York to provide every county and city Veterans' Service Agency (VSA) with \$10,000 per year, and an additional \$5,000 for every increment of 100,000 people living in the county or city. The FY 2023 Executive Budget proposes to increase the minimal annual State funding to VSAs from \$10,000 to \$25,000. Under this proposal, an additional \$1 million would be made available to VSAs for a total of \$2.38 million in funding to support the increased minimum allocation.



| FY 2022 Legislative Additions Eliminated by the Executive                       |                    |
|---|--------------------|
| Division of Veterans; Services (DVS)  |                    |
| Item  | Amount             |
| SAGE  | \$110,000          |
| SAGE Veterans' Project  | \$50,000           |
| Dept. of NY Veterans of Foreign Wars of Us                                      | \$125,000          |
| Legal Services Hudson Valley Veterans   | \$200,000          |
| NYS Defenders Assoc. Veterans Defense Prog                                      | \$250,000          |
| Veterans Rebuilding Life Program  | \$7,000            |
| Veterans in Command   | \$8,000            |
| Honor Flight Rochester, Inc.  | \$10,000           |
| NYS Defenders Assoc. Veterans Defense Prog (L.I.)                               | \$220,000          |
| Municipalities and Nonprofit Organizations Lump sum                             | \$2,000,000        |
| Clear Path for Veterans   | \$250,000          |
| Helmets-to-Headhats   | \$200,000          |
| Legal Services of NYC Veterans Justice Project                                  | \$100,000          |
| Legal Services of Hudson Valley Veterans and Military Families Advocacy Project | \$180,000          |
| LTC Matt Urban VFW Post #7275   | \$25,000           |
| NYS Vietnam Veterans Memorial Fund  | \$25,000           |
| North Country Veterans Association  | \$100,000          |
| NYS Defenders Association Veterans Defense Program                              | \$250,000          |
| SAGE Veterans' Project  | \$100,000          |
| VFW Post #184   | \$10,000           |
| <b>Subtotal</b>   | <b>\$4,220,000</b> |

## Capital

The FY 2023 Executive Budget recommends a Capital Appropriation of \$4 million to support the establishment of the first Veterans' Cemetery.

## Article VII Proposals

The Executive proposes the following Article VII legislation:

*Investing in Veterans' Services*  
*(see Section Three\S.2506, R for more detail)*

### Office of the Welfare Inspector General

The FY 2023 Executive Budget recommends \$1.3 million in All Funds support, unchanged from FY 2021 levels. Requested workforce of 6 FTEs remains unchanged from FY 2022.



## Miscellaneous

### Office of National and Community Service

The FY 2023 Executive Budget recommends \$30.8 million in appropriation authority, unchanged from FY 2022. The Executive Budget recommends a workforce of 10 FTEs, which is unchanged from FY 2022 levels.

### Nonprofit Infrastructure Capital Investment Program (NICIP)

The FY 2023 Executive Budget includes \$50 million in new appropriation authority. NICIP makes targeted investments in capital projects that improve the quality, efficiency, and accessibility of nonprofit human service organizations. Targeted investments include: renovations or expansions of existing space used for direct program services; modifications to provide for sustainable, efficient spaces that would result in overall energy and cost savings; accessibility renovations; and technology upgrades to improve electronic records, data analysis, and/or confidentiality.



## FACT SHEET: General Government

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### General Government Budget Overview

- The Fiscal Year 2023 Executive Budget proposes All Funds spending authorization for General Government agencies of \$1.96 billion, an increase of \$4.9 million or a .3 percent, from the current year. The main component of this increase is an \$11 million increase for the Office of Technology Services, offset by a \$66 million decrease for the Office of General Services.

#### Notable Issues

- The Executive proposed another round of funding for the Downtown Revitalization Initiative (DRI) of \$200 million, an increase of \$100 million from FY 2022 Enacted levels. The additional funding will make villages and hamlets eligible for the program.
- The Office of Technology Services budget proposes an additional \$9.5 million for increased Cyber Security to strengthen State and Local defense and response efforts.
- The Office of General Services budget proposes new funding for the Empire State Plaza, East Staircase to the Capital repairs as well as the conversions of light duty state vehicles to electric account for the increase in Capital.

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### Local Government Budget Overview

- The Fiscal Year 2023 Executive Budget proposes All Funds spending authorization of \$834.5 million, an increase of \$125.5 million, or 18 percent, from the current year.

#### Notable Issues

- Resumes General Fund Aid and Incentives for Municipalities (AIM) for Towns and Villages:
  - The Executive proposes to restore AIM base payments for 846 towns and 479 villages, which would total \$59.1 million

- This proposal would fund these municipalities through the State’s General fund and would end the current funding mechanism which funds these municipalities through local sales tax revenue
- Streamline County-Wide Shared Services:
  - Local governments are required to meet, discuss and pursue opportunities for shared services that will permanently reduce the local property tax burden.
  - These panels are tasked with creating property tax savings that include new-shared service plans.
  - Currently, a project that had been included in a previous shared service plan would not be included in a future plan and not be eligible for State matching funds
  - This proposal would allow projects that were included in previous plans, that have not been implemented, to be eligible for state matching funds (over \$200 million has been re-appropriated for the program for state matching funds
  - This proposal would require that Shared Services Panel to submit applications for matching funds of the second year after a plan has been adopted by a locality.

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### **Board of Elections Budget Overview**

- For the State Board of Elections, the Fiscal Year 2023 Executive Budget proposes an All Funds appropriation of \$30.4 million, a decrease of \$13.7 million from the 2022 Enacted Budget. The decrease is due to a \$25 million reduction in capital project funding. The Executive Budget proposes \$10 million in Local Assistance appropriations to provide matching funds for the public campaign finance program and 46 additional FTEs, mainly for the increase in staffing for the Public Campaign Finance staff.
- Executive proposes legislation that would shorten the voter registration deadline from 25 days before an election to 10 days before an election. (Part N of PPGG)
- The Executive proposes legislation that would require polling sites on college campuses. The college or university would have to contain 300 or more registrants. (Part O of PPGG)



## GENERAL GOVERNMENT

General Government consists of 22 agencies, boards and commissions that provide a diverse array of services. It also includes General State Charges and Local Government Assistance.

The FY 2023 Executive Budget recommends All Funds Cash Disbursements of approximately \$12.3 billion for General Government Agencies, General State Charges, and Local Government Assistance. This represents a year-over-year increase of 9.4 percent from FY 2022 levels. This increase can be associated with General State Charges.

The following General Government Agencies are projected to have flat or near flat All Funds cash disbursement growth in FY 2023:

- Data Analytics
- Deferred Compensation Board
- Executive Chamber
- Public Employment Relations Board
- Division of Tax Appeals

| All Funds Disbursements        |                      |                      |
|--------------------------------|----------------------|----------------------|
| (Millions of Dollars)          |                      |                      |
|                                | Estimated<br>FY 2022 | Projected<br>FY 2023 |
| Cash                           | 11,243,378           | 12,280,509           |
| Annual Growth Rate             | 19.7%                | 9.4%                 |
| 5 Year Average Growth (Actual) |                      | 7.0%                 |

### Division of Alcoholic Beverage Control

The FY 2023 Executive Budget recommends All Funds spending authorization of \$111.7 million, an increase of \$52 million or 47 percent. This increase can be attributed to the recently up and running Office of Cannabis Management.

The workforce of 361 FTEs includes an increase of 39 FTEs from FY 2022 for staffing the ABC licensing unit. Out of the 361 FTEs, the Office of Cannabis Management utilizes 208 FTEs.

### Article VII Proposals

The Executive proposes the following Article VII legislation:

*Adds Email as a Permissible Notification from SLA to Municipalities*  
(See Section One\S.8005 Part K for details)

*Allow for the Sale of To-Go Drinks*  
(See Section One\S.8005 Part P for details)

## **Department of Audit and Control**

The FY 2023 Executive Budget recommends All Funds spending of \$205 million, an increase of \$8.7 million or 4.4 percent from FY 2022.

The Department of Audit and Control was created in 1926 and is headed by the State Comptroller, who is a statewide elected official. The Department is responsible for paying the State's bills and payrolls; verifying all financial transactions of the State; reviewing the financial management practices of state agencies; supervising the fiscal affairs of local governments; investing State funds and issuing bonds and notes; administering the retirement program for State and most local government employees.

The FY 2023 Executive Budget requests \$51 million in All Funds appropriation authority, an increase of approximately \$73 million. The additional appropriation authority will be allocated toward organic growth within the organization, additional full time equivalents (FTE) and new capital requests to further upgrade IT infrastructure and modernize the Justice Court Fund System.

The Office of the State Comptroller (OSC) is requesting an additional 51 FTEs for additional Employee Retirement staff system. The FY 2023 Executive Budget would increase OSC staff to 2,770 FTE.

## **Division of the Budget**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$50.2 million, an increase of \$463,000 or one percent from FY 2022.

The workforce of 292 FTE remains unchanged from FY 2022.

## **Department of Civil Service**

- The Fiscal Year 2023 Executive Budget proposes All Funds spending authorization of \$67 million, an increase of \$9.4 million from last year. Allows appropriated money to be transferred to any appropriation of the Department of Civil Services with the approval of the Director of Budget.
  - Allocates \$1.6 million for the Office of Diversity and Inclusion Management Program
  - Continues re-appropriation of \$800,000 for a planned upgrade for virtual testing.
  - Proposes \$5.8 million in additional funding to continue to modernize the State Exam process and creates a new Test Validation and Evaluation Unit to create and evaluate exam content.

## **Article VII Proposals**

The Executive proposes the following Article VII legislation:

*Expands the use of Continuous Recruitment Testing.*  
*(See S. 8009 Part R for details)*



*Allows individuals in the non-competitive or labor class the same opportunity to take promotional exams as an individual in the competitive class.*

*(See S.8009 Part S for details)*

*Authorizes the transfer of Non-Competitive Employees appointed through the States' 55-B and 55-C programs into the Competitive Class.*

*(See S.8009 Part T for details)*

*Authorizes the Expansion of the Statutory Shift Pay Differential.*

*(See S. 8009 Part U for details)*

### **Office of Employee Relations**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$11.8 million is an increase of \$8.6 million from last year.

- There is an additional \$2.5 million in additional funding for increased investigations staff.
- An increase in funding and staffing will allow conducting of investigations within the 30-day timeframe.
- Staff will provide in-person education and training for State employees.

### **Department of Financial Services (DFS)**

The FY 2023 Executive Budget recommends All Funds spending of \$408.5 million, a decrease of \$3.5 million or one percent from the FY 2022 Enacted Budget.

The Executive Budget includes the following new or increased appropriations:

- 1) **Banking Program** – New program that contains a \$3 million appropriation to support the Education Debt Consumer Assistance Program. A \$750,000 appropriation that would establish an Elder Abuse Financial Exploitation Prevention Program through collaboration with the State Office for the Aging. Services to prevent financial exploitation of elders would be handled by Lifespan of Greater Rochester.
- 2) **Insurance Program** – A new \$11 million appropriation to support the Commuter Van Stabilization Program. Funds for this pilot program would be used to support safety, technology, and equipment upgrades to commuter vans with the purpose to reduce insurance risk. A \$17.3 million appropriation for the Healthy New York Program, an increase of \$900,000 from FY 2022. This program provides affordable healthcare insurance to small businesses in the state. A \$502,500 appropriation for an entertainment industry pilot program, an increase of \$392,500 from FY 2022. This appropriation increase corresponds with a yearlong extension of the pilot program that assists with providing insurance for displaced workers in the entertainment industry.

New Pharmacy Benefits Bureau to Reduce Prescription Drug Costs. The Executive Budget proposes the creation of a new Pharmacy Benefits Bureau in DFS to lead efforts to lower drug prices. The new bureau would begin licensing Pharmacy Benefit Managers (PBMs) and issue comprehensive regulations to ensure transparency and accountability for PBM practices. This bureau would also hire a compliance team to investigate PBM business practices and review complaints of misconduct.

The workforce of 1,391 FTEs is an increase of 57 FTEs from FY 2022.

## Article VII Proposals

The Executive proposes the following Article VII legislation:

*Authorize Records Disclosure for the Public Service Loan Forgiveness Program*  
(see Section Three\S.8008 Part S for details)

*Extension of the Entertainment Industry Insurance Pilot Program*  
(see Section Three\S.8008 Part T for details)

## Gaming Commission

The FY 2023 Executive Budget recommends All Funds appropriation of \$493.8 million, an increase of \$69 million or 16 percent.

The Executive Budget recommends State Operations of \$103.8 million, an increase of \$500,000, primarily for general salary increases. The Executive Budget recommends Aid to Localities appropriations of \$390 million, an increase of \$69 million. This is in anticipation that five years of withheld slot machine revenue by the Seneca Nation will be repaid.

### Commercial and Video Lottery Gaming

As of February 2018, all four Destination Resort Casinos have opened within the Capital, Central, and Hudson Valley regions of New York as established by the 2013 Gaming Economic Development Act. These casinos pay 80 percent of their tax to Education, with the remaining 20 percent going to host and non-host municipalities. The FY 2023 Executive Budget recommends Commercial Casinos local assistance appropriation authority of \$62 million, consistent with FY 2022.

The FY 2023 Executive Budget projects the Video Lottery Gaming (VLG) program to generate \$990 million for Education, a 12 percent increase from estimated FY 2022 projections; and \$608 million above FY 2021 results. VLG receipts were severely impacted due to restrictions placed upon gaming facilities and are now nearing pre-COVID revenues.

### Tribal State Compact

The State has exclusivity compacts with The Oneida, Seneca, and St. Regis Mohawk Tribe. These compacts require the three Nations to remit 25 percent of their slot machine proceeds to the State.





State Finance Law requires the State to share 25 percent of revenue received from Native American casinos with the local host government and an additional 10 percent of the State's share with the non-host counties within the exclusivity zone.

The FY 2023 Executive Budget recommends an appropriation of \$328 million, a \$69 million increase from FY 2022. This is due to the January 2022 announcement that the Seneca Nation will repay slot machine revenue that they ceased paying in April 2017 due to their interpretation of the Tribal State Compact. The Nation has also agreed to begin talks on a new gaming compact with the State.

## **Article VII Proposals**

The Executive proposes the following Article VII legislation:

### *Authorize Casino Licenses*

*(see Section Three\S.8009, Part CC for more detail)*

### *Extend Authorized Use of Capital Funds by Certain OTBs*

*(see Section Three\S.8009, Part DD for more detail)*

### *Extend Pari-Mutuel Tax Rates and Simulcast Provisions*

*(see Section Three\S.8006, Part EE for more detail)*

## **General State Charges**

The FY 2023 Executive Budget recommends General State Charges (GSC) All Funds Spending of \$10.6 billion, an increase of \$321.6 million or 3.1 percent from FY 2022. This does not include adjustments for expenditures for general state charges made outside of the General Fund.

When adjusted for Other Than General Fund offsets, FY 2023 general state charges spending, exclusively from the General Fund, is projected at \$8.2 billion, an increase of \$1.1 billion 15.4 percent.

The net \$322 million increase is allocated as follows:

- \$709M increase or 15.8 percent increase in health insurance costs primarily driven by medical inflation and increased utilization of health care services due to the pandemic
- \$443M decrease in pension costs based on performance of the pension fund
- \$12M or 40 percent decrease in New York States unemployment insurance costs as the state economy begins to recover from the pandemic.

## **Article VII Proposals**

The Executive proposes the following Article VII legislation:

*Market Based Interest Rate on Court Judgments*  
(see Section Three\S.8005, Part V for more detail)

*Hudson River-Black River Regulating District – Real Property Tax Obligation*  
(see Section Three\S.8008, Part XX for more detail)

### **The Office of General Services**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$1.5 billion, an increase of \$231 million from FY 2022.

The proposed increase is attributed to \$206.8 million in additional funding for Empire State Plaza infrastructure projects, including repairs to the East Capital Staircase and additional costs associated with converting light duty state vehicles to electric.

The requested workforce of 1,856, an increase of 8 FTE's from FY 2022. This includes five FTE's to administer and oversee Human Resource Management System and three FTE's for the new Office of Language Services.

### **Inspector General**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$8.5 million, which is an increase of \$661,000, or eight percent. This increase is attributed to general salary increases as well as inflation and increased lease costs.

The Agency's workforce remains unchanged from FY 2022.

### **Independent State Commission on Ethics and Lobbying in Government**

The FY 2023 Executive Budget recommends All Funds spending of \$5.7 million, which is an increase of \$94,000, or 1.7 percent, relative to the FY 2022 All Funds spending of the Joint Commission on Public Ethics (JCOPE). The Executive Budget proposes to eliminate JCOPE and replace it with the Independent State Commission on Ethics and Lobbying in Government, which would receive the same level of funding as JCOPE.

### **Local Government Assistance**

The FY 2023 Executive Budget recommends All Funds cash disbursements of \$1.2 billion for Local Government Assistance, an increase of \$40.6 million, or three percent from FY 2022. For FY 2023, the total Aid to Localities appropriation is \$832 million, an increase of \$61.8 million or eight percent from FY 2022. This increase is due in large part to the proposed resumption of General Fund AIM-base aid payments to 846 towns and 479 villages.



### **Aid and Incentives for Municipalities (AIM)**

The AIM program was created in 2006 to consolidate several unrestricted aid programs, referred to as revenue sharing, for cities, towns, and villages (except the City of New York).

The FY 2023 Executive Budget includes a proposal that would resume AIM base aid payments made from the State General Fund to affected towns and villages. This proposal would effectively restore the traditional AIM program mechanism prior to FY 2020 changes. AIM-related payments that are currently paid to 846 towns and 479 villages through the OSC intercept of county sales tax revenue would be repealed.

The Cuomo administration had sought to reduce the state aid component of AIM in the FY 2020 and FY 2021 Enacted Budgets that was agreed to by both Democratic majorities of the Legislature. The state has provided AIM funding to municipalities for many decades and this funding has been used as unrestricted aid to cities, towns, and villages. The AIM Program base aid funding would increase by a total of \$59 million and be received by affected towns and villages that currently receive this funding from county sales tax revenue.

The FY 2020 Enacted Budget included a \$656 million appropriation in AIM base level grants to local governments. This reform included a \$59 million or eight percent decrease in base aid grants to towns and villages from the FY 2019 Enacted Budget.

Towns and villages were deemed non-reliant on AIM base funding by the Executive if the received base grant supported less than two percent of their FY 2019 All Funds Budget. This reduction permanently eliminated 1,326 towns and villages from the program. Cities were not affected. Villages and towns that were eliminated from the AIM program in FY 2020 Enacted Budget had their AIM base funding replaced by county sales tax revenues (taxes, penalties, and interest imposed by the county). The Office of State Comptroller would intercept these payments and transfer the necessary amount of funding to each eliminated village and town to cover the funding reduction.

The FY 2021 Enacted Budget included a \$656 million appropriation in AIM base level grants to local governments. This amount remained unchanged from the FY 2020 Enacted Budget. According to the Executive FY 2021 "AIM Run Distribution", towns and villages appear whole and reflect similar funding levels seen in the FY 2019 Enacted Budget before the reduction in base grants was instituted. This is because the source of the grant funding had changed to counties.

In the FY 2022 Executive Budget, the Executive proposed a severe reduction for AIM-based payments to cities, towns, and villages within the AIM program.

The Executive proposed to reduce payments to cities between 2.5 percent and 20 percent. This calculation is determined as a percentage of the city's 2019 General Fund balance. Reduction to cities were scaled into quartiles. Quartile one would be a 20 percent reduction (least reliant), quartile two would be a 15 percent reduction, quartile three would be a 10 percent reduction, and quartile 4 would be a 2.5 percent reduction (most reliant). Cities that failed to file the proper information with the Office of the State Comptroller, would receive an automatic AIM reduction of 20 percent. This scheme to reduce payments to cities resulted in a \$35 million reduction to 61 cities that are in the program.

A number of towns and villages were eliminated from the AIM program under this proposal. Currently, 86 towns and 51 villages receive a total \$8.5 million in AIM-based funding. The AIM-based payments for towns and villages would be replaced with AIM-related payments, which would be paid out by a portion of county sales tax revenue. In addition, beginning December 2021, these AIM-related payments were reduced by 20 percent across the board.

Overall, this action resulted in a total reduction of \$43 million to 86 towns, 61 cities, and 51 villages. All towns and villages were removed from the AIM program their payments were backfilled through county sales tax revenue.

### **Legislative Initiatives Eliminated from FY 2022 Enacted Budget**

- County of Onondaga - \$1.2 million
- City of Newburgh for police and fire services- \$200,000
- Town of Penfield- \$200,000
- Village of Port Washington - \$150,000
- City of Beacon- \$125,000
- City of Poughkeepsie - \$125,000
- Village of Depew- \$120,000
- Village of East Rochester- \$60,000
- Village of Fairport- \$15,000
- City of Newburgh for graffiti removal- \$10,000

### **Downtown Revitalization Initiative**

The Executive Budget proposes a seventh round of funding for downtown revitalization initiatives financed through the Department of State totaling \$200 million, an increase of \$100 million from FY 2022. The additional funding will make villages and hamlets eligible for the program. The downtown revitalization program was first proposed in FY 2017. The purpose of these grants is to make payments to local governments and other municipal entities for downtown development projects for transformative housing, economic development, transportation and community projects with the goal of increasing and broadening the property tax base.

### **Article VII Provisions**

The Executive proposes the following Article VII language (additional detail is provided under section three of this report):

*Streamline County-wide Shared Services Initiative  
(see Section Three\S.8005; Part W for details)*

*Resume General Fund AIM for Towns and Villages*



*(see Section Three\S.8005 Part X for details)*

### **State Board of Elections (BOE)**

The FY 2023 Executive Budget recommends an All Funds appropriation of \$30.4 million, which is a decrease of \$13.7 million, or 31 percent.

State operations general funding increases by \$3.28 million, or 19.2 percent, to pay for administrative costs of setting up the public campaign finance board program. The Executive proposes 46 new Full Time Equivalent (FTE) positions for this program.

The Aid to Localities funding increases from \$2 million to \$10 million, a 500 percent increase, to provide matching funds for the Public Campaign Finance Program.

The decrease in funding is due to a \$25 million decrease in Capital Project funding.

### **Article VII Provisions**

The Executive proposes the following Article VII language (additional detail is provided under section three of this report):

*Ten-Day Voter Registration Deadline*  
*(see Section Three\S.8005, Part N for details)*

*Require Polling Sites on College Campuses*  
*(see Section Three\S.8005 Part O for details)*

The Executive proposes the following constitutional amendment:

*Term Limits for Statewide Offices*  
*(Standalone Constitutional Amendment)*

### **Department of State**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$498 million, an increase of \$132.5 million over FY 2022. This increase is primarily driven by \$200 million in funding for the seventh round of the Downtown Revitalization Initiative, which includes a \$100 million increase from FY 2022 the additional funding would make villages and hamlets eligible for the program.

State Operations appropriations increased by \$14 million from \$104.2 million to \$118.2 million.

Aid to Localities changed from \$159.6 million to \$178.2 million an increase of \$18.6 million due to additional funding for the Office of New Americas and the Liberty Defense program as well as the establishment of a new appropriation to allow for gifts and funding for the Office of New Americans.

Capital Projects increases from \$102 million to \$202 million. This increase is driven by the seventh round of the Downtown Revitalization initiative, which includes a \$100 million increase from FY 2022. This additional funding would make villages and hamlets eligible for the program.

The 2023 Executive Budget recommends a workforce of 612 FTEs, an increase of 40 FTEs from FY 2022. This increase is to support the Authorities Budget Office and enhancements to the Liberty Defense Program, Office of New Americans, and Code Enforcement Initiatives.

### **Statewide Financial System (SFS)**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$31.9 million, a increase of \$783,000 from FY 2022.

The 2023 Executive Budget recommends a workforce of 146 FTE's, an increase of 13 FTE's from FY 2022.

### **Department of Tax and Finance**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$475.2 million, an increase of \$24.1 million, a 5.3 percent from FY 2022 levels.

The Executive Budget recommends a State Operations appropriation of \$468.3 million, a five percent increase from FY 2022. This increase is attributed to general salary increases, to cover the costs of contract agreements and restore portions of funding which were eliminated by the FY 2022 Enacted budget,

The proposed workforce of 3,785 FTEs, remains unchanged from FY 2022.

### **Information Technology Services**

The FY 2023 Executive Budget recommends All Funds spending authorization of \$942.9 million, a 9.5 percent increase from FY 2022.

The Executive Budget proposes an additional \$9.5 million increase for cyber security to strengthen State and Local defense and response efforts.

The 2023 Executive Budget recommends a workforce of 3,569 FTE's.



**Staff Analysis of the FY 2023 Executive Budget**  
*Summary of Agency Spending*

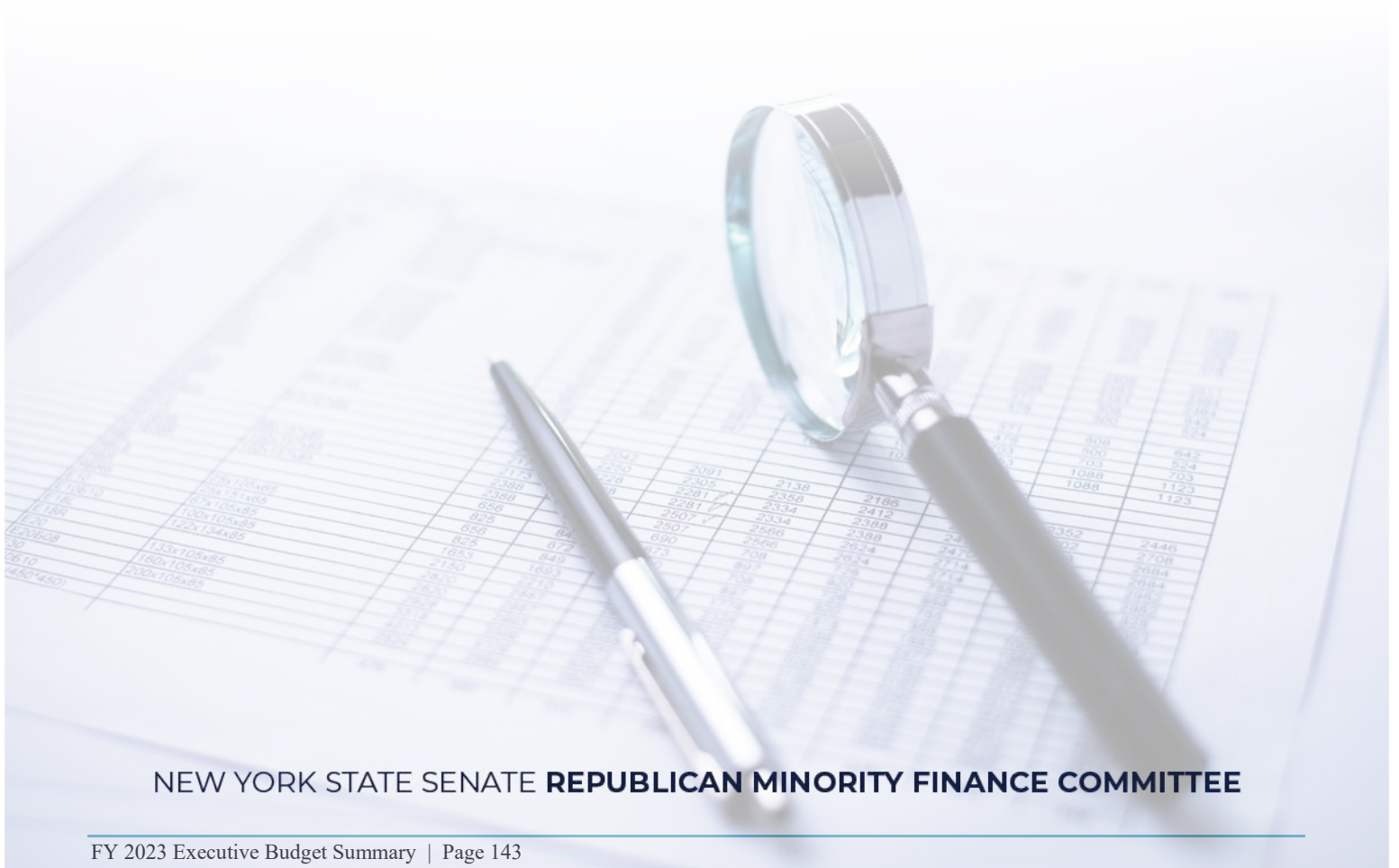


| General Government and Local Government Assistance<br>Proposed Disbursements - All Funds<br>(Thousands of Dollars) |                      |                     |                  |              |
|--|----------------------|---------------------|------------------|--------------|
| Agency   | Estimated<br>FY 2022 | Proposed<br>FY 2023 | Change<br>Amount | Percent      |
| Alcoholic Beverage Control   | 42,851               | 109,474             | 66,623           | 155.48%      |
| Audit and Control  | 196,451              | 205,122             | 8,671            | 4.41%        |
| Deferred Compensation Board  | 837                  | 854                 | 17               | 2.03%        |
| Division of the Budget   | 73,630               | 35,307              | (38,323)         | -52.05%      |
| Civil Service  | 15,595               | 21,018              | 5,423            | 34.77%       |
| State Board of Elections   | 37,715               | 44,601              | 6,886            | 18.26%       |
| Office of Employee Relations   | 6,491                | 9,072               | 2,581            | 39.76%       |
| Executive Chamber  | 17,854               | 17,854              | 0                | 0.00%        |
| Financial Services   | 412,039              | 408,515             | (3,524)          | -0.86%       |
| Gaming Commission  | 309,393              | 201,428             | (107,965)        | -34.90%      |
| Office for Technology  | 790,216              | 800,780             | 10,564           | 1.34%        |
| Office of the Lt. Governor   | 630                  | 746                 | 116              | 18.41%       |
| Office of General Services   | 405,702              | 339,715             | (65,987)         | -16.26%      |
| General State Charges  | 7,129,572            | 8,226,665           | 1,097,093        | 15.39%       |
| Office of the Inspector General  | 8,414                | 8,189               | (225)            | -2.67%       |
| Commission on Ethics and Lobbying  | 5,637                | 5,731               | 94               | 1.67%        |
| Local Government Assistance  | 1,165,141            | 1,205,750           | 40,609           | 3.49%        |
| Public Empl. Relations Board   | 3,333                | 3,528               | 195              | 5.85%        |
| Department of State  | 221,999              | 257,738             | 35,739           | 16.10%       |
| Statewide Financial System   | 30,470               | 31,944              | 1,474            | 4.84%        |
| Taxation and Finance   | 366,525              | 361,438             | (5,087)          | -1.39%       |
| Division of Tax Appeals  | 2,883                | 3,040               | 157              | 5.45%        |
| <b>Totals:</b>   | <b>11,243,378</b>    | <b>12,298,509</b>   | <b>1,055,131</b> | <b>9.38%</b> |



# SECTION TWO

## *SENATE ISSUES IN FOCUS*



NEW YORK STATE SENATE **REPUBLICAN MINORITY FINANCE COMMITTEE**



## COLLEGE AFFORDABILITY

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- \$150 Million Appropriation to Expand TAP to Part-Time Students
- Estimated \$5 Million Cost for Making Incarcerated Individuals Eligible for TAP Awards
- \$108.4 Million Reimbursement to Close “TAP Gap”

### Federal Student Loan Freeze

In December, President Biden extended the pause on student loan payments until May 1<sup>st</sup> of 2022. Loan payments, interest, and collections on default of federal loans have been on hold since the beginning of the pandemic. This was first included in the CARES Act, and was then extended by former President Donald Trump, former Secretary of Education, Betsy DeVos, and current President Joe Biden.

In addition, recent changes to the Federal Public Student Loan (FPSL) program, which forgives student loans for individuals working in the public sector for a period of ten years, have resulted in more successful applications for forgiveness. The Executive Budget proposes to allow state agencies to share records with the U.S. Department of Education in an effort to streamline the process for the FPSL program.

### Financial Aid Programs

#### Tuition Assistance Program (TAP)

In addition to the programs enacted in FY 2018, HESC operates several other financial aid programs. The largest is the Tuition Assistance Program (TAP). Currently, recipients must be full-time students at either public or private institutions with a maximum income of \$80,000 net taxable income (NTI) for dependent students, and \$35,000 for independent students. The FY 2023 Executive Budget proposes an additional appropriation of \$150 million to expand eligibility to part-time students enrolled in degree programs as well as part-time students enrolled in high-demand workforce credential programs at community colleges. This expansion is estimated to impact 75,000 additional students.

The Executive Budget also proposes to reverse the ban on eligibility for incarcerated individuals, making them able to receive TAP awards. There is an estimate \$5 million dollar cost to this repeal.

TAP awards range from \$500 to \$5,165 based on income level. State law requires SUNY and CUNY to provide the difference between \$5,165 and the cost of tuition for any student eligible for the maximum TAP award, allowing the student to attend-tuition free. Currently, institutions are not reimbursed for this benefit. The FY 2023 Executive Budget proposes to reimburse colleges for the \$108.4 million (\$59.6 million to CUNY and \$48.8 million to SUNY) cost of “TAP Gap” tuition credits. This reimbursement is intended to fully fund the gap, without a phase-in framework previously proposed.

TAP operates as an entitlement program, guaranteeing a benefit to any student who qualifies (although universities are not guaranteed reimbursement for the full value of the TAP benefit they provide).

### **Other Existing Programs**

The STEM (Science, Technology, Engineering, and Science) scholarship, which covers tuition for students in a recognized STEM program, was established in AY 2015. Students must attend a SUNY or CUNY school, graduate within the top ten percent of their high school class, and agree to live and work in New York in a STEM field for five years after graduation.

The FY 2019 Enacted Budget provided \$4 million for students at nonpublic schools to access an equivalent STEM award, although no funding has been provided for additional awards over the past three years. The Executive Budget does not propose any additional funding.

The Get on Your Feet Loan Forgiveness Program was established in FY 2016. The program covers federal student loan payments for graduates of New York institutions for two years. Participants must earn less than \$50,000 annually and participate in the Pay As You Earn Federal repayment program.

A number of scholarships are also available recognizing service and sacrifice. These include:

- Veterans Tuition Awards
- Regents Awards for Children of Deceased and Disabled Veterans
- Memorial Scholarship for Families of Deceased Firefighters, Volunteer Firefighters, Police Officers, Peace Officers, and Emergency Medical Service Workers
- NYS World Trade Center Memorial Scholarship
- American Airlines Flight 587 Memorial Scholarship
- Flight 3407 Memorial Scholarship

The State also operates a number of financial aid programs to encourage participation in specific occupations. Loan forgiveness programs for physicians, nursing faculty, social workers, district attorneys, young farmers and child welfare workers are all available for individuals who graduate from New York Higher Education institutions and agree to work in a specific field/area for a specified number of years.



## Recently Created Scholarships

The FY 2018 Enacted Budget established three new scholarships and appropriated an additional \$142 million in financial aid to college students. These were the Excelsior Scholarship, Enhanced Tuition Award, and Part-Time Scholarship. The FY 2020 Enacted Budget included an additional change, the DREAM Act, which grants undocumented immigrants access to all New York financial aid programs.

### Senator Jose Peralta DREAM Act

The DREAM Act provides financial aid eligibility to individuals who are not recognized as lawful citizens of the United States. Eligibility requirements include that a student attended high school in New York or attended an approved general equivalency program and received a general equivalency degree (GED) in New York. They must also apply for attendance to a college or university within five years of receiving their diploma. Finally, the student must file an affidavit with the college stating that they filed an application for legalization of their immigration status, or will file as soon as they are eligible to do so. The FY 2020 budget included \$27 million to cover the costs of the program. Staff analysis suggests this annual increase in appropriation authority was sufficient to cover its associated costs, although the Executive has not disclosed whether it covers the full cost of the change in law.

The DREAM Act was named in memorium of the late Senator Jose Peralta, who originally introduced the legislation in 2013.

### Excelsior Scholarship

The Excelsior Scholarship covers tuition costs for eligible students at SUNY and CUNY. To be eligible students must meet the following criteria:

- Have an adjusted gross income (AGI) of \$100,000 in AY 2018 (increases to \$110,000 in AY 2019, and \$125,000 in AY 2020 and beyond)
- Complete 30 credits per year
- Be a student in good standing and on track to graduate on-time
- Graduate from a New York High School

A total of 33,775 students received an Excelsior Scholarship in AY 2022, with a cost of \$143.2 million. Last year, the State artificially suppressed participation rates by only providing a limited, month-long window over the summer during which students could apply for the award. Additionally, students attempting to apply were met with the following warning on the application's website:

*"Please note that the COVID-19 pandemic has dramatically reduced state revenues and the processing of new applications is pending on Federal assistance, which has been delayed since April. Excelsior awards may have to be reduced and or prioritized for current recipients as provided for under the program."*

This abbreviated participation period made it hard to accurately project the usage of the program. Because of this, the Excelsior Scholarship is expected to increase by \$6 million in AY 2022, while other scholarship programs are expected to hold steady.

Students receiving the Excelsior award are also required to live and work in New York for the same number of years that they receive the award, otherwise it will convert into a loan. As a “last dollar” program, the award is only applied after all other financial aid is calculated. If a student receives other aid such as a Federal Pell Grant award or academic award, their Excelsior Scholarship is reduced by a corresponding amount. It may only be applied to tuition, and does not cover institutional fees, books, housing, or other costs associated with attendance.

Participants receive a \$5,500 award from the State, with SUNY and CUNY required to waive any outstanding tuition balance. The State then reimburses SUNY and CUNY for lost tuition revenue at the AY 2017 tuition rate. The systems must cover any difference between the actual tuition rate and the AY 2017 tuition rate of \$6,470. For example, SUNY tuition in AY 2018 was \$6,670, in AY 2019 was \$6,870, and ultimately increased to \$7,070 in AY 2022. However, in each year the State reimburses the systems \$970, or the difference between \$5,500 and the AY 2017 tuition rate of \$6,470, regardless of any tuition increases.

This rate resets every four years, with the State making payments equal to the rate of tuition again in AY 2022. Last year, the Executive Budget delayed this reset for an additional two years (until AY 2024). However, the Executive Budget this year proposes to move the reset up from AY 2024 to AY 2023, which would benefit SUNY and CUNY by reducing the tuition gap.

### **Enhanced Tuition Scholarship**

The Enhanced Tuition Award (ETA) was included in the FY 2018 Enacted Budget for students attending not-for-profit, private institutions. Students must meet the same income and academic eligibility standards as with the Excelsior Scholarship to participate. Eligible students receive \$3,000 from the State, with their institution providing a matching award, generating a total benefit to the student of \$6,000. Additionally, a student cannot have their tuition raised during their participation in the program. Schools have the option of participating in the program, as well as limiting the number of their students that participate to manage scholarship dollars. In the first year, 29 of 96 eligible institutions opted into the program.

The FY 2021 Enacted Budget provided \$6.6 million for the program, budgeting for more than 4,000 student awards. However, estimates for AY 2023 show only a cost of \$4.6 million covering 2,607 students.

### **Part-Time Scholarship**

Also included in the FY 2018 Enacted Budget was a Senate initiative to assist part-time students at community colleges who were ineligible for the Excelsior Scholarship. These part-time students could receive up to \$1,500 per semester for up to two years provided they maintain a G.P.A. of 2.0 and complete at least six and no more than 11 credits per semester. An appropriation of \$3.1 million was made in FY 2018 to support creation of the program, which was held flat in FY 2019 through FY 2021. A \$3.1 million appropriation was included in the Executive Budget for FY 2022.

### **Differences in Implementation**

Regulations for the Excelsior and ETA scholarships were approved by the Higher Education Services Corporation (HESC) Board in May of 2017. While the Excelsior Program application opened on June 7, students were not able to apply for ETA until July 7. The difference, combined with administrative hurdles



in determining which students on each campus would be eligible, led to Excelsior students being informed of their eligibility much earlier than ETA recipients and created a gap in access for the first year of the programs.

The enacting language of both programs contained a provision for a lottery to determine award recipients if there were more applicants than could be covered within appropriated amounts. Although the regulations regarding the ETA scholarship provided for such a lottery, there was no parallel lottery placed on Excelsior. While students could be denied the ETA scholarship if an insufficient amount is appropriated, this is not the case for Excelsior recipients.

The Part-Time Scholarship was not implemented until a year after the program was included in the budget, reflecting a deprioritization on behalf of the administration. It is also subject to lottery provisions if more students apply than funds allow for.





## FEDERAL COVID-19 AID TO NEW YORK

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- The Federal Government has provided billions of dollars of aid to New York over the course of the COVID-19 pandemic.

### Federal COVID-19 Aid to New York

Over the course of the Coronavirus pandemic, the Federal Government has passed several relief bills in an attempt to mitigate the impact of the pandemic. New York State has received billions of dollars of direct aid, and millions of New Yorkers have received aid in the form of stimulus checks, small business loans, supplemental unemployment benefits, etc. Notable components of the Federal response include:

### CARES Act

In late March of 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, an approximately \$2 trillion package aimed at providing relief for individuals, governments, and businesses impacted by the COVID-19 pandemic.

The highlights of this bill included:

- Individuals with an adjusted gross income of \$75,000 or less will received a \$1,200 rebate (\$2,400 for a married couple filing jointly), with an additional \$500 for every child.
  - This benefit phased out at a rate of \$5 per \$100 of adjusted gross income over \$75,000, with benefits completely phasing out for single individuals at \$99,000 and \$198,000 for joint filers.
- Made various enhancements to unemployment including, but not limited to-
  - Created temporary Pandemic Unemployment Assistance program;
  - Provided an additional \$600 per week payment to each recipient of unemployment insurance or Pandemic Unemployment Assistance for up to four months;
  - Provided funding to pay the cost of the first week of unemployment benefits through December 31, 2020 for states that choose to pay recipients as soon as they become unemployed instead of waiting one week before the individual is eligible to receive benefits;



- Provided an additional 13 weeks of unemployment benefits through December 31, 2020 to help those who remain unemployed after weeks of state unemployment benefits are no longer available.
- Provided relief to businesses impacted by COVID-19 by-
  - Provided roughly \$375 billion in loans and grants for small businesses;
  - Refundable payroll tax credit for 50 percent of the wages paid by employers to employees during the COVID-19 crisis to qualified businesses;
  - Allowed employers and self-employed individuals to defer the payment of payroll taxes;
  - Made modifications to the deductibility of business interest by increasing the current 30 percent limitation to 50 percent for 2019 and 2020.
- Provided \$150 billion to States and local governments with a minimum of \$1.25 billion per state.
  - Further provided \$25 billion to transit providers impacted by COVID-19. Of this, the MTA received roughly \$4 billion.
- Provided additional funding and other healthcare provisions including:
  - \$100 billion for hospitals and public health;
  - \$27 billion for preparedness funding;
  - \$20 billion for veterans health;
  - Expands the use of telehealth.

Out of the \$150 bill in the Coronavirus Relief Fund, New York received a total of \$7.5 billion.

| Coronavirus Relief Fund Estimates by County- New York |                  |                      |
|---|------------------|----------------------|
| Jurisdiction  | Allocation       | Share of State Total |
| New York State  | 5,124,818        | 67.9%                |
| Erie County   | 160,306          | 2.1%                 |
| Monroe County   | 129,433          | 1.7%                 |
| Nassau County   | 236,773          | 3.1%                 |
| New York City   | 1,465,517        | 19.4%                |
| Suffolk County  | 257,655          | 3.4%                 |
| Westchester County                                    | 168,822          | 2.2%                 |
| <b>Total-</b>   | <b>7,543,325</b> |                      |
| Source- FFIS  |                  |                      |



## **CRRSAA**

On December 21<sup>st</sup>, 2020, the United State Congress passed Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). The total value of this package was roughly \$900 billion, making it the largest Federal COVID response bill since the CARES Act passed in late March.

One of the most notable things about this bill is what it did not include. Over the course of negotiations, two items of particular importance to one chamber fell off the table- unrestricted aid to state and local governments (an item of particular importance to the House) and a liability shield for businesses (an item important to the Senate). It should be noted that while there is not unrestricted aid for state and local governments, that does not mean that the bill does not contain any flexible funding for state governments (see “Education” for further details about one such area of funding).

| CRRSAA Funding Breakdown   |                      |
|--|----------------------|
| Provision  | Cost                 |
| <b>Aid to Small Businesses</b>   |                      |
| Paycheck Protection Program (PPP) Second Draw  | \$284 billion        |
| Economic Injury Disaster Loan Advances   | \$20 billion         |
| Emergency Grants to Venues   | \$15 billion         |
| Other Small Business Relief and Program Expenses                                     | \$6 billion          |
| <b>Extend and Augment Unemployment Benefits</b>                                      |                      |
| \$300/week for 11 weeks  | \$120 billion        |
| <b>Stimulus Checks</b>   |                      |
| \$600 per person   | \$166 billion        |
| <b>Education</b>   |                      |
| K-12 Education Grants  | \$54 billion         |
| Higher Education Grants  | \$20 billion         |
| Governor's Emergency Education Relief Fund   | \$4 billion          |
| Grants for HBCUs, Minority-Serving Institutions, and Tribal Colleges                 | \$2 billion          |
| Grants to For-Profit Colleges to Provide Financial Aid                               | \$1 billion          |
| Education Grants for Tribes and Territories  | \$1 billion          |
| <b>Health Care</b>   |                      |
| Funding to States for Testing, Tracing, and COVID Mitigation                         | \$22 billion         |
| Vaccine Procurement  | \$20 billion         |
| Repeal the Medicare Sequester for 2021   | \$12 billion         |
| Vaccine Distribution Through the States & CDC  | \$9 billion          |
| Support for Health Care Providers  | \$9 billion          |
| Mental Health Funding  | \$5 billion          |
| Other Health Funding   | \$3 billion          |
| <b>Transportation</b>  |                      |
| Second Round Payroll Support Program for Airline Workers                             | \$16 billion         |
| Transit Infrastructure Grants  | \$14 billion         |
| State Highway Funding  | \$10 billion         |
| Grants to Transportation Service Providers Like Buses and Ferries                    | \$2 billion          |
| Airport Grants   | \$2 billion          |
| Amtrak Funding   | \$1 billion          |
| <b>Other Spending</b>  |                      |
| Nutrition and Agriculture Programs   | \$26 billion         |
| Rental Assistance  | \$25 billion         |
| Community Lender Support   | \$12 billion         |
| Child Care Grants  | \$10 billion         |
| Broadband Grants and Investment  | \$7 billion          |
| <b>Other Tax Cuts</b>  |                      |
| Extend and Expand Employee Retention Tax Credit                                      | \$20 billion         |
| Increase Earned Income and Child Tax Credit by Allowing Taxpayers to Use 2019 Income | \$5 billion          |
| Reinstate 100% Business Meals Deduction for 2021 and 2022                            | \$5 billion          |
| <b>Total</b>   | <b>\$910 billion</b> |
| Source- Committee for a Responsible Federal Budget                                   |                      |



## American Rescue Plan

On March 11, 2021, the \$1.9 trillion American Rescue Plan was signed into law. Despite stronger than projected tax receipts in states across the country, the bill contained \$350 billion for state and local governments with, New York State receiving \$12.75 billion and the 57 counties and New York City receiving \$3.8 billion in State and Local Fiscal Recovery Funds (SLFRF).

| American Rescue Plan Act of 2021<br>(\$ in billions)   |                |
|--|----------------|
| Policy   | Total Cost     |
| Provide \$1,400-per-person stimulus checks   | \$422          |
| Extend unemployment programs through August 29 with a \$400/week supplement  | \$246          |
| Provide money to state governments   | \$195          |
| Provide money to local governments, territories, and tribes  | \$155          |
| Expand Child Tax Credit, Child Care Tax Credit, and Earned Income Tax Credit mostly for one year                           | \$143          |
| Provide funding for K-12 education   | \$129          |
| Provide grants to multi-employer pension plans and change single-employer pension funding rules                            | \$58           |
| Increase the federal minimum wage to \$15/hour by 2025   | \$54           |
| Increase funding for testing and contract tracing  | \$50           |
| Increase funding for the Disaster Relief Fund and cover funeral expenses related to COVID                                  | \$47           |
| Temporarily expand ACA subsidies for two years and subsidize 2020 and 2021 coverage  | \$45           |
| Provide funding for colleges and universities  | \$40           |
| Provide support for child care, grants to child care providers, and Head Start   | \$40           |
| Provide emergency rental assistance and assist homeless  | \$30           |
| Provide grants to transit agencies   | \$28           |
| Provide grants to restaurants and bars that lost revenue due to the pandemic   | \$25           |
| Increase public health workforce and investments   | \$19           |
| Subsidize COBRA coverage for laid-off workers*   | \$18           |
| Fund vaccine distribution, confidence, and supply chains   | \$16           |
| Increase Medicaid payments to states that newly expand Medicaid under the ACA  | \$16           |
| Provide funding for health care services, facilities, and copays for veterans  | \$16           |
| Provide additional EIDL Advance grants of up to \$10,000 per business  | \$15           |
| Extend paid sick leave and employee retention credit   | \$14           |
| Provide grants to airlines and contractors to freeze airline layoffs through September                                     | \$12           |
| Human services, labor programs, and other policies   | \$11           |
| Provide grants to airports and aviation manufacturers  | \$11           |
| Use Defense Production Act to buy and distribute medical supplies  | \$10           |
| Provide mortgage payment assistance  | \$10           |
| Foreign Affairs  | \$10           |
| Allow states to expand Medicaid coverage for prisoners close to release and for pregnant and postpartum women for 5 years  | \$9            |
| Reauthorize and fund the State Small Business Credit Initiative  | \$9            |
| Extend nutrition assistance in place of school lunch for the duration of the emergency and other food assistance           | \$7            |
| Allow more PPP loans and expand eligibility to certain non-profit and digital media companies                              | \$7            |
| Increase nutrition assistance  | \$6            |
| Pay off loans and other programs for socially disadvantaged farmers  | \$5            |
| Purchase and distribute food to needy individuals  | \$4            |
| Provide grants to communities under economic stress  | \$3            |
| Grants to Amtrak and other transportation-related spending   | \$2            |
| Fund job training assistance programs for veterans and other VA administrative costs                                       | \$1            |
| Testing and monitoring for COVID in rural communities and among animal populations   | \$1            |
| Remove the cap limiting how much drug manufacturers must rebate to Medicaid for drugs that have increased quickly in price | (\$18)         |
| Repeal rule allowing multinational corporations to calculate their interest expenses including foreign subsidiaries        | (\$22)         |
| <b>Total</b>   | <b>\$1,901</b> |
| Source- The Committee for a Responsible Federal Budget   |                |

## **Breakdown of Education Aid**

### **CARES Act**

#### **Lower Education (\$1.1 billion)**

The Federal CARES stimulus provided \$13.5 billion for K-12 schools nationwide. Funds were allocated in proportion to the amount of Title 1-A funding that each State receives. At least 90 percent of funds were required to be allocated based on an individual districts number of Title-1A students. New York received \$1.1 billion, and allocated 100 percent of funds based on the number of Title-1A students a district serves.

New York also applied a \$1.1 billion “pandemic adjustment” against school funding that resulted in a 1:1 dollar reduction in State assistance for every dollar in federal assistance that a district receives. The result was a net neutral change to operating aid in FY 2021. Within the funds a district received, they were required to sub-allocate a proportionate share of education funding to private schools within the district.

#### **Higher Education (\$991 million)**

The CARES Act provided \$14 billion to colleges and universities, allocated based enrollment and number of Federal Pell Grant recipients. It also provided aid specifically for students within this assistance. NY received \$920 million through this formula: \$534 million for SUNY and CUNY schools, and \$386 million for nonpublic institutions. A separate allocation for Minority Serving Institutions for select schools drove an additional \$71 million to New York (\$25 million for SUNY/CUNY and \$46 million for private schools).

Institutions were required to dedicate at least 50 percent of the funds they received “to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to coronavirus.” Individual grants to students represented \$460 million of the \$920 million in base funds that New York schools received.

### **CRRSAA**

#### **Lower Education (\$4.3 billion)**

The CRRSAA provided a total of \$54.3 billion for K-12 school funding nationwide. Unlike the CARES legislation, which required districts to provide a proportional share of their federal funds to private schools, the CRRSA Act established a separate funding pot for nonpublic schools.

New York State received \$4.3 billion in total Federal funds - \$4 billion to support public schools plus \$249 million for nonpublic schools. The bill also allows the State to assess an administrative fee to distribute funds. SED retained \$5 million to support administration of the \$400 million in public school allocations, plus \$1 million to administer nonpublic school funds. A projected \$3.85 billion in CRSSA funds was allocated to school districts in FY2022.

#### **Higher Education (\$22.7 billion)**

This Federal stimulus bill provided an additional \$22.7 billion in higher education funding. Under the bill, schools must allocate at least as much to emergency student aid as under the CARES Act. SUNY and CUNY received \$977 million from this bill, while nonpublic schools received \$542 million.



SUNY and CUNY both allocated the minimum required amount in student awards, retaining the rest for operational expenses. Private not-for-profit schools are expected to expend slightly more than the minimum required in student grants. The bill required proprietary (for-profit) colleges to disburse 100 percent of their funding to students.

## American Rescue Plan

### Lower Education (\$9.5 billion)

The ARP provided a total of \$129 billion for K-12 school funding nationwide. New York was allocated more than \$9 billion ARP education funds. Approximately \$9 billion of ARP funding came in the form of Elementary and Secondary School Emergency Relief (ESSER). The FY2022 Enacted Budget allocated the funding as follows:

- \$8.2 billion to Local Education Agencies (LEA);
- \$629.2 million for learning loss, summer, and afterschool grants to school districts;
- \$195 million to support a \$90 million allocation to provide new full-day 4-year-old universal prekindergarten seats;
- \$15 million for competitive grants for new full-day 4-year-old prekindergarten grants;
- \$35 million to supplant State funds for the NYC charter facilities grant; and
- \$24.7 million for State Education Department costs to administer these funds over the next three years.

### Higher Education

This ARP provided an additional \$40 billion in higher education funding. New York BOCES, colleges, universities, and their students received \$2.6 billion in additional aid. SUNY and CUNY received \$1.7 billion, while nonpublic schools received \$859 million.

| Total Hi Ed Federal Funding (\$Millions) |              |                  |                      |
|--|--------------|------------------|----------------------|
| Sector                                   | Total        | Student Subtotal | Institution Subtotal |
| SUNY                                     | 1,718        | 751              | 968                  |
| CUNY                                     | 1,491        | 637              | 854                  |
| Nonprofit                                | 1,651        | 742              | 910                  |
| Other Public/BOCES                       | 32           | 14               | 14                   |
| <b>TOTAL</b>                             | <b>4,892</b> | <b>2,144</b>     | <b>2,746</b>         |



## MIDDLE CLASS TAX CUT

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- When fully phased in, total savings will be \$4.2 billion annually.
- This is one of the largest income tax cuts in New York history.
- The FY 2023 Executive Budget proposes to accelerate the Middle Tax Cut phase-in by two years.
- The average savings for taxpayers when fully phased-in will be \$700 per year.

### Middle Class Income Tax Cut

In FY 2012, a middle class income tax cut was enacted which reduced the tax rates for middle class taxpayers from 6.85 percent to 6.65 percent and 6.45 percent. However, this tax cut was temporary and only applied to tax years 2012 through tax year 2014. The FY 2014 Enacted Budget extended these reduced tax rates through the 2017 tax year.

In anticipation of this temporary middle class tax cut expiring, the FY 2017 Enacted Budget included a Senate Republican initiated \$4.2 billion middle class income tax cut which will reduce middle class tax rates by 20 percent when fully phased in. Over 4.4 million taxpayers will see a reduction in the first year, and when fully phased in, six million taxpayers will receive a personal income tax rate reduction.

Without this tax reduction, the 6.65 percent and 6.45 percent tax rates would have expired at the end of 2017 and would have reverted to the higher rate of 6.85 percent. Taxpayers would have seen their taxes increase on average by \$155, for a total of \$700 million, annually.

The first incremental reduction occurred in tax year 2018 building on the 2011 Middle Class income tax cut, reducing the middle class income tax rate from 6.45 percent to 6.33 percent.

The rates are currently scheduled to continue to phase down over the next seven years until 2025 when the middle class tax rates will be reduced to 5.5 percent, a 20 percent reduction from 6.85 percent.

In 2019, New York achieved the lowest middle class tax rate since 1948 (lowest in over 70 years) and one of the largest income tax reductions in State history.



In 2021, then Governor Cuomo proposed to pause the State’s commitment to cut middle class taxes in the FY 2022 Executive Budget, by delaying the phase in of the middle class tax cut for one year. This would have resulted in a tax increase of \$2.1 billion through the full implementation of the tax cut. This proposal was ultimately rejected by the Legislature in the Enacted Budget.

**Who is Impacted**

The Personal Income Tax brackets that will have their rate reduced by 20 percent (from 6.85 percent to 5.5 percent) are as follows:

- Single filers with taxable income between \$21,400 and \$80,650
- Heads of Households with taxable income between \$32,200 and \$107,650
- Married joint filers with taxable income between \$43,000 and \$161,550

The Personal Income Tax brackets that will have their rate reduced by 12 1/2 percent (from 6.85 percent to 6.0 percent) are as follows:

- Single filers with taxable income between \$80,650 and \$215,400
- Heads of Households with taxable income between \$107,650 and \$269,300
- Married joint filers with taxable income between \$161,550 and \$323,200

**Taxpayer Savings**

This rate reduction, when fully effective, will save middle-class taxpayers \$4.2 billion annually. A total of \$6.6 billion will be saved cumulatively over the first four years.

| Middle Class Tax Savings By Fiscal Year<br>(million of dollars) |         |         |         |                                  |
|---|---------|---------|---------|----------------------------------|
| FY 2018   | FY 2019 | FY 2020 | FY 2021 | Full Implementation<br>(FY 2026) |
| \$236   | \$1,071 | \$1,504 | \$1,874 | \$4,200                          |

By 2026, when the tax cut is currently scheduled to be fully phased in, it will provide an average taxpayer savings of \$700 per year.

**FY 2023 Executive Budget**

The FY 2023 Executive Budget proposes to accelerate the implementation of the middle class tax cut to tax year 2023 instead of the current schedule, which would have fully phased in the tax cut in tax year 2025.



| <b>Middle Class Income Tax Cuts</b><br><b>FY 2023 Executive Proposed Acceleration</b><br><b>Married Filing Jointly</b> |   |   |                                 |              |              |              |              |                    |
|--|---|---|---------------------------------|--------------|--------------|--------------|--------------|--------------------|
| Tax Brackets   | Tax Rates<br>in effect for<br>2012-2017 | Tax Rates<br>that were set<br>to take effect<br>in 2018 | New Tax Rates Beginning in 2018 |              |              |              |              |                    |
|  |   |   | 2018                            | 2019         | 2020         | 2021         | 2022         | 2023 and<br>Beyond |
| \$27,900 to \$43,000   | 5.90%                                   | 5.90%   | 5.90%                           | 5.90%        | 5.90%        | 5.90%        | 5.85%        | <b>5.50%</b>       |
| \$43,000 to \$161,550  | 6.45%                                   | 6.85%   | <b>6.33%</b>                    | <b>6.21%</b> | <b>6.09%</b> | <b>5.97%</b> | <b>5.85%</b> | <b>5.50%</b>       |
| \$161,550 to \$323,200   | 6.65%                                   | 6.85%   | <b>6.57%</b>                    | <b>6.49%</b> | <b>6.41%</b> | <b>6.33%</b> | <b>6.25%</b> | <b>6.00%</b>       |
| Single   |   |   |                                 |              |              |              |              |                    |
| Tax Brackets *   | Tax Rates<br>in effect for<br>2012-2017 | Tax Rates<br>that were set<br>to take effect<br>in 2018 | New Tax Rates Beginning in 2018 |              |              |              |              |                    |
|  |   |   | 2018                            | 2019         | 2020         | 2021         | 2022         | 2023 and<br>Beyond |
| \$13,900 to \$21,400   | 5.90%                                   | 5.90%   | 5.90%                           | 5.90%        | 5.90%        | 5.90%        | 5.85%        | <b>5.50%</b>       |
| \$21,400 to \$80,650   | 6.45%                                   | 6.85%   | <b>6.33%</b>                    | <b>6.21%</b> | <b>6.09%</b> | <b>5.97%</b> | <b>5.85%</b> | <b>5.50%</b>       |
| \$80,650 to \$215,400  | 6.65%                                   | 6.85%   | <b>6.57%</b>                    | <b>6.49%</b> | <b>6.41%</b> | <b>6.33%</b> | <b>6.25%</b> | <b>6.00%</b>       |
| Head of Household  |   |   |                                 |              |              |              |              |                    |
| Tax Brackets *   | Tax Rates<br>in effect for<br>2012-2017 | Tax Rates<br>that were set<br>to take effect<br>in 2018 | New Tax Rates Beginning in 2018 |              |              |              |              |                    |
|  |   |   | 2018                            | 2019         | 2020         | 2021         | 2022         | 2023 and<br>Beyond |
| \$20,900 to \$32,200   | 5.90%                                   | 5.90%   | 5.90%                           | 5.90%        | 5.90%        | 5.90%        | 5.85%        | <b>5.50%</b>       |
| \$32,200 to \$107,650  | 6.45%                                   | 6.85%   | <b>6.33%</b>                    | <b>6.21%</b> | <b>6.09%</b> | <b>5.97%</b> | <b>5.85%</b> | <b>5.50%</b>       |
| \$107,650 to \$269,300   | 6.65%                                   | 6.85%   | <b>6.57%</b>                    | <b>6.49%</b> | <b>6.41%</b> | <b>6.33%</b> | <b>6.25%</b> | <b>6.00%</b>       |
| *Tax Brackets beginning in the 2018 tax year   |   |   |                                 |              |              |              |              |                    |



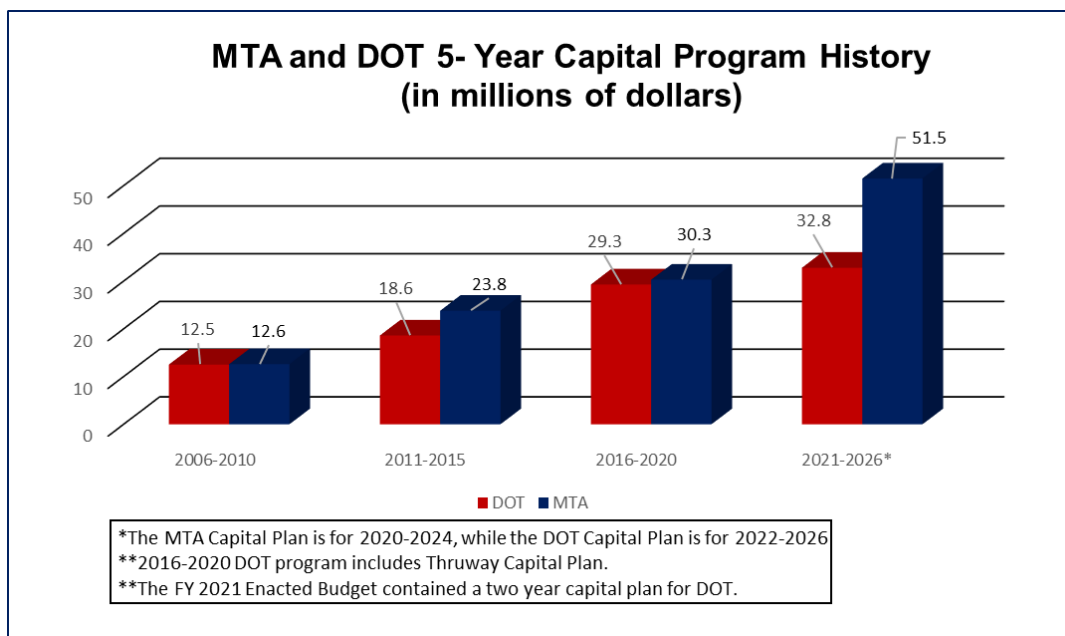
## TRANSPORTATION CAPITAL PLANS

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- Capital Plan parity between the MTA and the DOT will not be restored in the foreseeable future.
- The FY 2023 Executive Budget contains \$6.6 billion for the first year of a five year \$32.8 billion DOT Capital Plan.
- Support for CHIPS, Bridge-NY, and Pave-NY maintained at prior year levels.

### Coordinated and Balanced Statewide Transportation Plans

After more than a decade without coordinated transportation capital programs, and largely as a result of the leadership of the Senate Republican Majority, in FY 2017 New York adopted balanced multi-year transportation capital programs that provided parity for the Department of Transportation (DOT) and the Metropolitan Transportation Authority (MTA).



Unfortunately, the FY 2021 Enacted Budget did not continue capital plan parity between the MTA and the Department of Transportation.

At the end of 2019, the MTA approved a new five year capital plan, which commits roughly \$51.5 billion, an increase of almost 70 percent from the 2016-2020 plan. This is funded through a number of means, including congestion pricing (ie “the commuter tax” and other new taxes and fees authorized in the FY 2020 Enacted Budget), as well as commitments by the State and New York City.

The FY 2021 Enacted Budget, the Executive contained a new two year capital plan for DOT, worth a total of \$11.9 billion. At this annual level of funding, a five year capital plan for DOT would be worth \$29.8 billion, or 73.1% less than the MTA Capital Plan.

The new MTA Capital Plan and the FY 2021 Enacted Budget make it clear that transportation parity will not be restored in the foreseeable future.

| <b>Department of Transportation<br/>Proposed Capital Plan Obligations<br/>(in millions)</b> |                |                |                |                |                |                        |
|---|----------------|----------------|----------------|----------------|----------------|------------------------|
| <b>Obligations</b>  | <b>FY 2023</b> | <b>FY 2024</b> | <b>FY 2025</b> | <b>FY 2026</b> | <b>FY 2027</b> | <b>Five-Year Total</b> |
| Highway Program   | 2,575          | 2,599          | 2,603          | 2,679          | 2,767          | 13,223                 |
| Local Pave Our Potholes   | 100            | 100            | 100            | 100            | 100            | 500                    |
| Local Pave NY/Bridge NY   | 350            | 350            | 350            | 350            | 350            | 1,750                  |
| Priority Mega Projects  | 850            | 1,300          | 1,900          | 100            | -              | 4,150                  |
| Administration  | 85             | 87             | 88             | 89             | 91             | 440                    |
| Engineering   | 954            | 954            | 954            | 954            | 954            | 4,770                  |
| Preventive Maintenance  | 466            | 466            | 466            | 466            | 466            | 2,330                  |
| Maintenance Facilities  | 37             | 37             | 37             | 37             | 37             | 185                    |
| Other Federal Programs  | 23             | 23             | 23             | 23             | 23             | 115                    |
| Rail Development  | 90             | 90             | 90             | 90             | 90             | 450                    |
| Aviation Systems  | 177            | 27             | 27             | 27             | 27             | 285                    |
| Non-MTA Transit   | 160            | 160            | 140            | 120            | 120            | 700                    |
| Capital Aid to Localities   | 578            | 578            | 578            | 578            | 578            | 2,890                  |
| Extreme Winter Recovery   | 100            | 100            | 100            | 100            | 100            | 500                    |
| State Touring Routes  | 100            | 100            | 100            | 100            | 100            | 500                    |
| <b>Annual Total</b>   | <b>6,645</b>   | <b>6,771</b>   | <b>7,356</b>   | <b>5,613</b>   | <b>5,603</b>   |                        |
| <b>Total Non-MTA Transportation Capital Plan</b>  |                |                |                |                |                | <b>32,788</b>          |



## Department of Transportation – Road & Bridge Capital Plan

The FY 2023 Executive Budget provides for a new, \$32.8 billion, 5 year Capital Plan for the Department of Transportation.

While this is the largest DOT Capital Plan in history, due in large part to funding provided by the Federal Government in the Infrastructure Investment and Jobs Act of 2021, it still does not come close to providing parity between the MTA and DOT.

### Local Aid

Under the Executive’s FY 2023 proposal, FY 2022 Enacted Budget levels of funding are maintained for the Consolidated Highway Improvement Program or CHIPS (\$538.1 million), PAVE-NY (\$150 million), Extreme Winter Recovery (\$100 million), State Touring Route support (\$100 million) and the Municipal Streets and Highway Program or “Marchiselli” (\$39.7 million). This is the first increase of CHIPS in the Executive Budget since FY 2014. This is also the first Executive Budget that maintains the legislative add for Extreme Winter Recovery funding.

The distribution of **Local PAVE-NY** allocations are based on the percentage of funding that municipalities receive through the CHIPS formula.

The FY 2023 Executive Budget also provides \$200 million for an additional year of the Local **BRIDGE NY** program. This program provides funding for municipalities for bridge and culvert projects. This funding is awarded via a solicitation process that included local input on the selection of projects as well as regional balance across the state.

The FY 2023 provides for the first year of funding for a new “**Pave Our Potholes**” program, which will provide \$100 million to local governments to repair local roads. While the Executive has indicated that this funding will be prioritized for roads that are in a significant state of disrepair, final program parameters have yet to be released.

### Non-MTA Transit

The FY 2023 Executive Budget provides capital funding for Non-MTA Downstate and Upstate transit systems. This includes \$20 million lined-out for the following **Upstate transit systems**:

- \$3.6 million for the Capital District Transportation Authority (CDTA)
- \$3.3 million for the Central New York Regional Transportation Authority (CENTRO)
- \$4 million for the Rochester-Genesee Regional Transportation Authority (RGRTA)
- \$5.2 million for the Niagara Frontier Transportation Authority (NFTA)
- \$4 million for all other Upstate transit systems (“formula” systems)

These amounts match last year’s allocations.

## Metropolitan Transportation Authority

Since 1982, the Metropolitan Transportation Authority (MTA) has approved a series of five year capital plans with the stated mission of “renewing, enhancing, and expanding the MTA network.”

| MTA Capital Plan by Agency<br>(Millions of Dollars)                    |               |
|--|---------------|
| Agency   | Cost          |
| New York City Subway   | \$37.3        |
| Long Island Railroad   | \$5.7         |
| Metro North Railroad   | \$4.7         |
| New York City Buses  | \$3.5         |
| Bridges and Tunnels  | \$3.3         |
| Other  | \$0.3         |
| <b>Total</b>   | <b>\$54.8</b> |
| <b>Total Requiring CPRB Approval*</b>                                  | <b>\$51.5</b> |
| *Bridges and Tunnels do not require Capital Plan Review Board Approval |               |

The 2020-2024 Capital Plan was officially released on September 11, 2019, and was approved by the MTA Board on September 25<sup>th</sup>. The level of secrecy surrounding this year’s plan and the limited time for review and public comment drew significant ire from good government groups.

The total cost of the approved Capital Plan is \$51.5 billion. This is an increase of approximately 70 percent from the 2015-2019 plan, making it by far the largest Capital Plan in MTA history. Of this \$51.5 billion, over \$40 billion is being directed at the New York City Transit.

Capital Plan spending by MTA component agency is as follows-

| New York City Transit Priority Projects<br>(Millions of Dollars) |                 |
|--|-----------------|
| Project  | Cost            |
| Signal Modernization   | \$7,100         |
| Second Ave. Subway Phase Two                                     | \$6,900         |
| Subway Cars  | \$6,100         |
| Station Accessibility  | \$5,200         |
| Station Improvements   | \$4,100         |
| Track Replacement  | \$2,600         |
| Replacement Busses   | \$2,300         |
| Electric Buses   | \$1,100         |
| Bus Depots   | \$880           |
| Additional Buses   | \$217           |
| Improved Customer Experiences on Buses                           | \$109           |
| <b>Total</b>   | <b>\$36,606</b> |



| Long Island Railroad Priority Projects<br>(Millions of Dollars) |                |
|---|----------------|
| Project   | Cost           |
| Station Improvements  | \$910          |
| Track Replacement   | \$1,000        |
| Rolling Stock   | \$487          |
| Signal and Communications                                       | \$364          |
| <b>Total</b>  | <b>\$2,761</b> |

| Metro North Railroad Priority Projects<br>(Millions of Dollars) |                |
|---|----------------|
| Project   | Cost           |
| Grand Central Trainshed   | \$895          |
| Station Upgrades  | \$621          |
| Rolling Stock   | \$485          |
| West of Hudson Improvements                                     | \$187          |
| Harlem Line capacity Improvements                               | \$184          |
| <b>Total</b>  | <b>\$2,372</b> |

| MTA Bridges and Tunnels Priority Projects<br>(Millions of Dollars) |                |
|--|----------------|
| Project  | Cost           |
| Verrazzano Bridge  | \$1,127        |
| RFK Bridge   | \$719          |
| Throgs Neck Bridge   | \$241          |
| Henry Hudson Bridge  | \$135          |
| Hugh Carey and Queens Midtown Tunnels                              | \$99           |
| <b>Total</b>   | <b>\$2,321</b> |





## THE NEW YORK HEALTH ACT (SINGLE PAYER)

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### Single Payer v. Universal Coverage

- Single payer healthcare is a healthcare system where a single entity, the government, provides health insurance coverage through a tax-based funding mechanism.
- Universal coverage is a healthcare system that provides health care and insurance protection to all residents of a particular state or country.

### Legislative Proposal

The New York Health Act (NYHA) would replace the current health care financing system with a single-payer government entity that would finance medical care through a new tax structure levied on the backs of residents and businesses. This exists in a limited capacity in the United States today in the form of the Veteran's Administration, Medicaid and Medicare, which accounts for approximately 34 percent of the population and 41 percent of the national health expenditures. The federal government administers these entities, while the NYHA would only apply to New York State, making New York state taxpayers and businesses shoulder the cost. The RAND report estimates that the additional government spending under the NYHA would be \$160 billion in 2022. Current State, local, and federal health care expenditures would be redirected to the NYHA through federal waivers if granted. A combined total of \$39.9 billion of State and local payments would be redirected in 2022, and likewise \$120.9 of federal health care payments would be redirected if federal waivers are granted. In FY 2021, New York's annual Personal Income Tax (PIT) is projected to be \$53 billion, less than one third of the estimated additional tax revenue that would be required to fund the NYHA.

### Eligibility and Benefits

The NYHA would provide universal coverage under a single state-sponsored health plan to every New York State resident, regardless of the individual's immigration status. Under the proposal, there would be no cost sharing in the form of out-of-pocket costs such as deductibles, copayments or coinsurance for

covered services. This zero cost-sharing structure is unique to the New York proposal, and is not utilized in any current single-payer system. Covered benefits include all benefits currently covered by Medicaid, Medicare, Child Health Plus, and the NYS employees' health benefit plan, or mandated benefits in the insurance law for health plans. Health care services would not require prior authorization in any manner more restrictive than required for Medicare Part A or Part B. Furthermore, the proposal includes coverage for long-term care benefits as well, which account for \$11 billion of current state Medicaid costs. According to the RAND report, adding coverage of long-term care benefits to NYHA would increase program costs by approximately \$18 billion to \$22 billion each year between 2022 and 2031 resulting in expenditure increases between 39 to 42 percent. Additionally, government employers would be required to finance health care benefits for retirees living out-of-state.

### Organizational Structure

The NYHA would establish three different entities of unaccountable bureaucrats to implement and manage the new program. First, the NYHA creates a 57 member New York Health Board of Trustees which has the power to amend regulations and establish executive committees to effectuate the program. The Board would consist of 40 gubernatorial appointees and 14 legislative appointees. Second, the bill creates regional advisory councils in six areas of the state to adopt a community health improvement plan to optimize healthcare delivery in the region. The advisory councils would consist of 27 individuals, each residing in the area of representation. Finally, the bill establishes the Temporary Commission on Implementation that would examine current laws and regulations and make recommendations on how to conform those provisions to the NYHA and implement the program. Advocates of the NYHA claim that a single-payer system will reduce administrative waste while the program in fact creates additional layers of government bureaucracy and unnecessary overhead.

### Retraining of Affected Employees

If enacted, the NYHA would result in job loss for approximately 150,000 New York State residents due to the eradication of private health insurance companies under the program. This estimate is comparable to the job loss experienced by the state during the 2008 recession.

The NYHA implements within the Department of Labor a retraining and re-employment task force. The task force would establish a regional training and career services system. Affected employees would be entitled to receive up to two years of retraining at any provider approved by the Commissioner and up to two years of unemployment benefits if enrolled in an approved program while actively seeking employment if not employed full-time. Those affected employees over 63 years of age at the time of loss of employment will be eligible for unemployment benefits without meeting the requirements enumerated above. The provisions establishing the retraining and re-employment system were added to the bill after the RAND analysis, so an estimated cost has yet to be determined.



## **Program Funding and Cost Estimate**

Estimates of the total cost of health care under the existing structure in New York is \$311 billion. This estimate includes premiums paid by employers and employees (\$123 billion) and cost sharing, which includes deductibles and co-payments (\$33.5 billion). According to RAND, the total cost of health care for New Yorkers who have employer sponsored health care, Medicare, Medicaid, or individual market coverage is estimated to be \$311 billion in 2022 and is \$278 billion when federal and state tax benefits are taken into consideration (\$32.8 billion). This figure includes: premiums paid by employees and employers (\$123 billion); cost sharing, which includes deductibles and co-payments (\$33.5 billion); federal and state tax payments that support federal and state spending on health care (\$154.6 billion). The combined tax revenues used to create the New York Health Act Trust Fund would replace current funding for:

- State share of Medicaid - \$33.2 billion
- The local County Medicaid contribution - \$7.2 billion
- State payments for public employee health coverage premiums - New York State Health Insurance Plan (NYSHIP) - \$5.1 billion
- Other health care spending paid for by the State (ex. Essential Plan \$73 million, Child Health Plus \$789 million)
- New York currently receives a fifty percent 1:1 federal match for State share Medicaid spending. A total of \$50 billion of Medicaid spending is projected to come from federal funds FY in 2023.
- The federal share of the Essential Plan is financed by a trust fund totaling \$6.1 billion. These funds reduce premiums and cost sharing that would otherwise be borne by the State and plan enrollees.
- \$4.3 billion of Medicaid spending is currently financed by Health Care Reform Act receipts, including surcharges and assessments on hospital revenues, a “covered lives” assessment paid by insurance carriers, and a portion of cigarette tax revenues. A further \$870 million of Medicaid spending is offset by provider assessment revenue on nursing homes, hospitals, and home care providers.

## **COVID-19 Response—A Healthcare Failure**

New York State has faced unprecedented hardship due to the Coronavirus outbreak resulting to date in over 4.3 million reported cases and approximately 60,638 deaths. The impact on the public health system is staggering, and proponents of single payer argue the pandemic has demonstrated the need for a universal and single state run system. However, this could not be further from the truth. A single payer system would not improve the quality of health outcomes, but rather take the same practices and benefits and entrust their management to the same bureaucracy that has mismanaged the pandemic response from the very beginning. While not an exhaustive list, the following missteps overwhelmingly exemplify the State’s inability to proficiently manage the health care needs of every New York State resident:

- The decision to send COVID-positive patients back into nursing homes;

- The Department of Health’s blatant refusal to provide transparency in the actual number of COVID-19 deaths in nursing homes;
- Failure of the Department of Labor to efficiently process the influx of unemployment claims;
- The inequitable and inconsistent application of business closures throughout the state;
- The establishment of the cluster zone initiative, lack of transparency in the designation of such zones, the ever evolving metrics regarding classification and arbitrary application;
- The complete takeover by the Executive branch of the vaccine distribution process;
- The lack of transparency and clarity provided regarding the vaccine distribution;
- The punitive enforcement measures on healthcare providers and entities;
- Vaccine mandates on healthcare workers worsening an already depleted workforce;
- Unfettered use of the emergency regulation process to implement mask mandates and guidance pertaining to school policies; and
- The one-size fits all approach in statewide mandates.

In closing, another point to consider is that a Single Payer health care system would remove personal health care decisions from the individual and transfer these decisions to the state. The state would decide who can provide health care, what and how much. The state would also decide consumer eligibility for services, when they can access care, and where services will be provided. Recognizing that 95 percent of the state population already has access to quality affordable health care coverage, it is unclear why anyone would support a single payer system in New York run by unelected bureaucrats.



## LOCAL GOVERNMENT IMPACT

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- Gen. Fund AIM payments for 846 towns and 479 villages restored
- New “Pave Our Potholes” Program funding for localities
- Sales Tax Intercept for Distressed Hospitals/Nursing Homes Permanent

### FY 2023 Executive Budget Impact on Local Governments

The FY 2023 Executive Budget includes a number of proposals that would significantly impact local governments.

#### Aid and Incentives for Municipalities (AIM) Program

The AIM program was created in 2006 to consolidate several unrestricted aid programs, referred to as revenue sharing, for cities, towns, and villages (except the City of New York).

The FY 2023 Executive Budget includes a proposal that would resume AIM base aid payments made from the State General Fund to affected towns and villages. This proposal would effectively restore the traditional AIM program mechanism prior to the changes made in FY 2020. The AIM-related payments that are currently paid to 846 towns and 479 villages through the OSC intercept of county sales tax revenue would be repealed and replaced by State General Fund dollars.

The Cuomo administration had sought to reduce the state aid component of AIM in the FY 2020 and FY 2021 Enacted Budgets that was agreed to by both Democratic majorities of the Legislature. The state has provided AIM funding to municipalities for many decades and this funding has been used as unrestricted aid to cities, towns, and villages. The AIM Program base aid funding would be increased by a total of \$59.1 million and would be received by affected towns and villages that currently receive this funding from county sales tax revenue.

#### General Public Health Works/Article 6 Funding

The FY 2023 Executive Budget proposes to increase reimbursement to GPHW bringing total funding to \$229.2 million. GPHW reimburses counties and the City of New York for expenses related the provision

of core public health services. Each county receives a base grant, proportional to its population and the level of services it provides. The Executive Budget would use \$6.7 million of the additional funding to increase base grants. For non-emergency expenditures in excess of the base grant, counties are reimbursed 36 percent of their costs and the City of New York, receives 20 percent. The remaining \$19 million would be used to allow GPHW claims to reimburse for previously excluded costs of fringe benefits provided to employees, as long as the rate remains below 50 percent. The Executive assumes state costs of the program of \$25.7 million in FY 2023

### **Continuation of the Elimination of State Share for Committee on Special Education (CSE)**

Prior to the FY 2021 Enacted Budget, the room and board costs for children with severe disabilities placed by CSEs were shared between local social services districts, school districts, and the State where committees outside of New York City made placements. The FY 2021 Enacted Budget eliminated the existing 18.4 percent State share, placing the fiscal responsibility for the placements with the local social service districts and school districts. The FY 2022 Enacted Budget made this elimination permanent. The FY 2023 Executive Budget continues this unfunded mandate to localities of \$28.6 million in FY 2023.

### **Permanent Sales Tax Intercept for the Distressed Provider Assistance Program**

The FY 2021 Enacted Budget directed the Office of the State Comptroller to withhold sales tax collections in the amount of \$50 million from counties outside of New York City and \$200 million from New York City. The total \$250 million was placed into a New York Agency Trust Fund called the Distressed Provider Assistance Account, annually, for two years. Funds from the Distressed Provider Assistance Account would be utilized to provide support to critically financially distressed hospitals and nursing homes statewide.

The FY 2023 Executive Budget proposes to make the sales tax intercept for Distressed Provider Assistance Account permanent. This proposal would continue the total \$250 million intercept of sales taxes from New York City and counties outside New York City indefinitely and steer this funding to distressed hospitals and nursing home statewide.

### **Increase to the PFC Joseph P. Dwyer Veteran Peer to Peer Services Program**

The Dwyer Veteran Peer to Peer Services Program offers non-clinical support for veterans by veterans and works to ensure that they have access to resources to live a fulfilling life. This program operates in over 30 counties across the state and offers services to veterans suffering from Post-Traumatic Stress Disorders and Traumatic Brain Injuries.

The FY 2023 Executive Budget proposes to increase funding to the Dwyer Program to a total \$7.7 million. Counties would receive \$7.3 million and New York City would receive \$400,000 for program support services.

### **General State Charges**

The Executive proposes language that would provide a variable market-based interest rate on court judgements and accrued claims, similar to what is used in the Federal court system.



The existing statutorily fixed rate of nine percent was established during the 1980s when inflation was high in order to protect consumers from paying high rates of interest. At present, interest rates, both long and short term, have been very low compared to the 1980s. For instance, one-year Treasury bonds have been one percent since 2008.

If enacted, costs to local governments and business' costs would be reduced, as the interest paid on claims would be lowered substantially.

The Executive estimates that the State would save \$6 million annually on the amount of interest paid on court judgements and accrued claims. This would be in addition to any savings realized by local governments.

### **Local Highway and Bridge Funding**

The FY 2023 Executive Budget maintains FY 2022 Enacted Budget levels of funding for the Consolidated Highway Improvement Program or CHIPS (\$538.1 million), PAVE-NY (\$150 million), Extreme Winter Recovery (\$100 million), State Touring Route support (\$100 million) and the Municipal Streets and Highway Program or "Marchiselli" (\$39.7 million).

The FY 2023 Executive Budget proposes to increase the BRIDGE-NY program, which supports bridge and culvert projects by \$100 million, for a new total of \$200 million.

Additionally, the Executive proposes a new "Pave Our Potholes" program that will provide local governments with an additional \$100 million annually over the 5 year Capital Plan.



| LOCAL GOVERNMENT SAVINGS<br>STATE TAKEOVER OF LOCAL MEDICAID COSTS (2005 CAP AND GROWTH TAKEOVER) FY<br>2022 to FY 2027 |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| County  | FY 2022       | FY 2023       | FY 2024       | FY 2025       | FY 2026       | FY 2027       |
| Albany  | 49,145,707    | 52,460,384    | 55,871,186    | 59,380,902    | 62,992,399    | 66,708,630    |
| Allegany  | 7,790,910     | 8,313,717     | 8,851,686     | 9,405,256     | 9,974,880     | 10,561,022    |
| Broome  | 50,099,859    | 52,701,854    | 55,379,307    | 58,134,406    | 60,969,403    | 63,886,615    |
| Cattaraugus   | 17,078,352    | 18,077,385    | 19,105,391    | 20,163,208    | 21,251,702    | 22,371,762    |
| Cayuga  | 17,374,989    | 18,306,163    | 19,264,340    | 20,250,304    | 21,264,862    | 22,308,841    |
| Chautauqua  | 34,300,740    | 36,233,414    | 38,222,136    | 40,268,530    | 42,374,270    | 44,541,076    |
| Chemung   | 18,718,393    | 19,862,930    | 21,040,658    | 22,252,540    | 23,499,567    | 24,782,758    |
| Chenango  | 9,774,926     | 10,354,742    | 10,951,372    | 11,565,305    | 12,197,041    | 12,847,098    |
| Clinton   | 14,982,677    | 15,937,373    | 16,919,755    | 17,930,626    | 18,970,813    | 20,041,165    |
| Columbia  | 14,291,940    | 15,037,564    | 15,804,811    | 16,594,309    | 17,406,702    | 18,242,655    |
| Cortland  | 9,953,023     | 10,541,971    | 11,147,998    | 11,771,599    | 12,413,286    | 13,073,581    |
| Delaware  | 9,966,352     | 10,514,798    | 11,079,148    | 11,659,865    | 12,257,422    | 12,872,309    |
| Dutchess  | 62,411,561    | 65,490,261    | 68,658,242    | 71,918,095    | 75,272,484    | 78,724,150    |
| Erie  | 201,049,829   | 213,137,272   | 225,575,252   | 238,373,933   | 251,543,776   | 265,095,544   |
| Essex   | 6,376,876     | 6,762,988     | 7,160,296     | 7,569,126     | 7,989,812     | 8,422,698     |
| Franklin  | 9,719,964     | 10,301,233    | 10,899,359    | 11,514,830    | 12,148,150    | 12,799,836    |
| Fulton  | 12,162,806    | 12,927,165    | 13,713,689    | 14,523,023    | 15,355,828    | 16,212,784    |
| Genesee   | 10,157,138    | 10,738,223    | 11,336,160    | 11,951,437    | 12,584,557    | 13,236,037    |
| Greene  | 10,731,959    | 11,335,007    | 11,955,543    | 12,594,075    | 13,251,124    | 13,927,228    |
| Hamilton  | 767,892       | 809,410       | 852,132       | 896,093       | 941,328       | 987,876       |
| Herkimer  | 13,820,950    | 14,627,145    | 15,456,719    | 16,310,350    | 17,188,737    | 18,092,597    |
| Jefferson   | 20,611,724    | 21,805,792    | 23,034,488    | 24,298,816    | 25,599,810    | 26,938,532    |
| Lewis   | 4,809,201     | 5,099,576     | 5,398,373     | 5,705,834     | 6,022,212     | 6,347,765     |
| Livingston  | 10,687,610    | 11,274,187    | 11,877,774    | 12,498,866    | 13,137,969    | 13,795,606    |
| Madison   | 11,933,972    | 12,612,860    | 13,311,436    | 14,030,271    | 14,769,952    | 15,531,083    |
| Monroe  | 183,074,797   | 193,744,244   | 204,723,105   | 216,020,353   | 227,645,221   | 239,607,211   |
| Montgomery  | 14,815,117    | 15,601,660    | 16,411,013    | 17,243,838    | 18,100,814    | 18,982,643    |
| Nassau  | 265,070,006   | 279,740,641   | 294,836,725   | 310,370,595   | 326,354,947   | 342,802,845   |
| Niagara   | 44,668,758    | 47,323,452    | 50,055,132    | 52,866,031    | 55,758,445    | 58,734,740    |
| Oneida  | 56,517,821    | 59,819,668    | 63,217,269    | 66,713,400    | 70,310,919    | 74,012,767    |
| Onondaga  | 113,336,855   | 119,686,433   | 126,220,149   | 132,943,343   | 139,861,509   | 146,980,302   |
| Ontario   | 18,257,491    | 19,272,311    | 20,316,561    | 21,391,095    | 22,496,789    | 23,634,549    |
| Orange  | 100,206,057   | 105,251,004   | 110,442,254   | 115,784,050   | 121,280,758   | 126,936,871   |
| Orleans   | 9,074,029     | 9,584,912     | 10,110,610    | 10,651,554    | 11,208,185    | 11,780,959    |
| Oswego  | 28,581,761    | 30,153,439    | 31,770,697    | 33,434,854    | 35,147,273    | 36,909,351    |
| Otsego  | 9,694,918     | 10,289,593    | 10,901,514    | 11,531,181    | 12,179,107    | 12,845,824    |
| Putnam  | 12,682,592    | 13,337,660    | 14,011,725    | 14,705,337    | 15,419,065    | 16,153,490    |
| Rensselaer  | 28,097,561    | 29,922,585    | 31,800,535    | 33,732,945    | 35,721,396    | 37,767,511    |
| Rockland  | 92,942,167    | 97,624,473    | 102,442,566   | 107,400,384   | 112,501,978   | 117,751,518   |
| St. Lawrence  | 20,761,529    | 22,075,528    | 23,427,634    | 24,818,950    | 26,250,614    | 27,723,797    |
| Saratoga  | 30,066,880    | 31,675,310    | 33,330,384    | 35,033,456    | 36,785,917    | 38,589,199    |
| Schenectady   | 41,787,173    | 44,013,370    | 46,304,127    | 48,661,316    | 51,086,864    | 53,582,752    |
| Schoharie   | 5,828,803     | 6,169,049     | 6,519,161     | 6,879,427     | 7,250,141     | 7,631,605     |
| Schuyler  | 3,446,828     | 3,658,879     | 3,877,080     | 4,101,609     | 4,332,648     | 4,570,389     |
| Seneca  | 6,324,404     | 6,686,240     | 7,058,570     | 7,441,697     | 7,835,935     | 8,241,605     |
| Steuben   | 19,497,022    | 20,644,679    | 21,825,618    | 23,040,804    | 24,291,230    | 25,577,918    |
| Suffolk   | 316,662,330   | 333,273,436   | 350,366,264   | 367,954,785   | 386,053,372   | 404,676,819   |
| Sullivan  | 24,629,350    | 25,949,631    | 27,308,200    | 28,706,168    | 30,144,677    | 31,624,903    |
| Tioga   | 7,182,606     | 7,633,439     | 8,097,345     | 8,574,705     | 9,065,908     | 9,571,356     |
| Tompkins  | 12,505,782    | 13,225,089    | 13,965,256    | 14,726,888    | 15,510,607    | 16,317,054    |
| Ulster  | 46,377,060    | 48,805,613    | 51,304,594    | 53,876,045    | 56,522,069    | 59,244,827    |
| Warren  | 11,288,103    | 11,980,612    | 12,693,204    | 13,426,461    | 14,180,983    | 14,957,385    |
| Washington  | 13,349,724    | 14,073,518    | 14,818,302    | 15,584,685    | 16,373,292    | 17,184,770    |
| Wayne   | 20,839,092    | 21,864,935    | 22,920,527    | 24,006,732    | 25,124,436    | 26,274,554    |
| Westchester   | 199,747,277   | 212,007,964   | 224,624,210   | 237,606,327   | 250,964,926   | 264,710,924   |
| Wyoming   | 6,193,427     | 6,534,990     | 6,886,458     | 7,248,118     | 7,620,267     | 8,003,208     |
| Yates   | 4,217,903     | 4,467,571     | 4,724,478     | 4,988,836     | 5,260,861     | 5,540,774     |
| Rest of State   | 2,396,444,576 | 2,531,355,341 | 2,670,178,519 | 2,813,027,569 | 2,960,019,241 | 3,111,273,672 |
| New York City   | 2,421,745,114 | 2,647,938,370 | 2,880,691,230 | 3,120,193,923 | 3,366,642,195 | 3,620,237,466 |
| Statewide   | 4,818,189,690 | 5,179,293,711 | 5,550,869,749 | 5,933,221,492 | 6,326,661,436 | 6,731,511,137 |



## CONGESTION PRICING

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- The Enacted Budget for FY 2020 directed a congestion pricing zone to be established in Manhattan south of 60th Street and not including the West Side Highway and FDR Drive.
- The program was designed to generate enough revenues (approximately \$1 billion, net) to support \$15 billion of bonded MTA capital improvements.

### Congestion Pricing

The Enacted Budget for FY 2020 directed the MTA to design and construct the infrastructure for a congestion pricing (aka the “commuter tax”) system in New York City. Under the Enacted congestion pricing proposal, motorists and trucks will be charged to enter Manhattan below and inclusive of 60th Street, exempting the West Side Highway and FDR Drive, beginning in 2021. This makes New York the first state in the nation to enact a congestion pricing program.

A proposed fee schedule has not yet been released, although recently appointed MTA Chair and CEO Janno Lieber is on record that the Traffic Mobility Review Board — the board responsible for recommending the fees and exemptions for congestions pricing — will be set up this summer. The congestion-pricing plan is designed to generate sufficient revenues to support \$15 billion of capital investment in the MTA’s 2020-2024 Capital Program and include funds to support the infrastructure necessary to implement the program. The MTA’s most recent financial plan shows they do not expect revenue from the congestion pricing until 2023. This delay is mainly due to an ongoing Environmental Assessment (EA), per the National Environmental Policy Act, that includes “outreach to provide members of the public in the 28-county study area, including Environmental Justice communities.” Under the current schedule, a decision from the Federal Highway Administration (FHWA) is anticipated in late 2022.

Prior to enactment, then-Governor Cuomo had maintained that a congestion pricing program was needed in Manhattan to address the problem of increased traffic and gridlock as well as provide a new recurring revenue source to support needed capital investments for New York City's subway system. The Executive had argued that the subway system, operated by the Metropolitan Transportation Authority (MTA), is in crisis and needs substantial additional investment to modernize its antiquated signal system and make other infrastructure upgrades necessary to improve overall performance.

As a prelude to congestion pricing, the Enacted Budget for FY2019 authorized a new surcharge on for-hire vehicle trips made south of 96<sup>th</sup> Street in Manhattan to ease vehicular traffic and establish a new funding stream for the MTA. One major difference between the FY 2019 Enacted Budget plan and the FY 2020 Enacted Budget plan was that the 2019 plan included a negotiated and transparent fee schedule, whereas an unelected body will determine the fee schedule of the FY 2020 plan.

The new surcharge authorized in FY 2019 is \$2.75 for mobile phone application-based for-hire vehicles, \$2.50 for yellow and green taxis, and \$0.75 for pooled trips. The revenues will go into an MTA "lockbox," and will provide long-term funding for the Subway Action Plan, outer borough transit improvements, and a NYC general transportation account. While the surcharges were supposed to take effect at the start of 2019, a legal challenge by the taxi industry delayed implementation.

Although the originators of an earlier plan called Move NY generated political and business support for congestion pricing in recent years, until a sudden surge of subway-related problems began in 2017, then Governor-Cuomo remained skeptical about the viability of congestion pricing. The need to address the increase in subway service problems, such as extensive and frequent delays, and fund additional modernization improvements may have persuaded the Executive to become an advocate of congestion pricing.

Congestion pricing involves using electronic or cashless tolling technology to charge vehicles that enter designated zones. It is in place in several international cities such as London, Stockholm, and Singapore, where it can cost more than \$15 to drive into the central business district of the city during peak periods. It has not yet been adopted anywhere else in the United States. The adopted congestion pricing plan in New York City will be coordinated with the MTA's existing E-Z Pass and cashless tolling programs. The installation of cashless tolling at the MTA's bridge and tunnel crossings was completed in September 2017.

During the first half of 2017, New York City's subway system began to experience a series of major service-related problems that often resulted in widespread and lengthy delays. According to the MTA, problems such as frequent signal system outages revealed the need for significant corrective action and additional investment, both short-term and on a long-term basis. In late June 2017, then-Governor Cuomo signed an executive order declaring a state of emergency in the subway system. The order, which remains in effect, is intended to streamline procurement provisions.

After a comprehensive review undertaken by then newly returned (and now former) MTA chairman Joseph J. Lhota, the MTA released a Subway Action Plan designed to stabilize and improve the system by addressing the key factors of the major incidents of delay. The Subway Action Plan cost \$836 million for 2017 and 2018, and the program will be ongoing. The Enacted Budget for FY 2019 included language



evenly splitting the cost of the Subway Action Plan between the State and New York City, a funding requirement strongly opposed by the City.

In August 2017, then-Governor Cuomo announced that it was time to revisit the idea of congestion pricing in order to provide a new revenue source to support increased MTA capital investments and address New York City's worsening traffic problems. The Executive created an advisory panel, called Fix NYC, to develop new congestion pricing proposals. In January 2018, Fix NYC released its final report endorsing implementing congestion pricing using a multi-phased approach.

In a follow up to the Fix NYC panel, the Enacted Budget for FY 2019 established the Metropolitan Transportation Sustainability Advisory Workgroup to make recommendations to improve public transportation in the New York metropolitan region while confronting the need to both address excess traffic congestion and identify new sources of sustainable revenue for the MTA.

## **History**

It has been over a decade since a major congestion pricing effort led by former Mayor Michael R. Bloomberg failed to gain approval in Albany. While Mayor Bill de Blasio has expressed support for a new revenue source to finance increased investment in transit, he has endorsed using a so-called "millionaires' tax" on City residents as a better way to support additional transit improvements.

In April 2007, as part of an environmental sustainability initiative called PlaNYC 2030: A Greener, Greater New York, Mayor Bloomberg proposed a traffic congestion pricing fee for vehicles traveling into or within Manhattan's central business district. The initial plan included an \$8 charge for cars and a \$21 charge for trucks that traveled south of 86<sup>th</sup> Street in Manhattan or within the congestion zone. The charge would have applied from 6:00 a.m. to 6:00 p.m. on weekdays and no vehicle would be charged more than once per day. Taxi and livery trips that began, ended, or passed through the zone would have been subject to a \$1 surcharge. It was estimated that the fees would generate \$380 million annually.

Mayor Bloomberg's proposal was not approved in Albany. Instead, legislation was passed that created the New York City Traffic Congestion Mitigation Commission to study several options, solicit public input for reducing traffic in Manhattan, and make recommendations to that end. In 2008, the commission presented a congestion pricing proposal that was a modified version of Mayor Bloomberg's plan. Differences included reducing the congestion pricing zone to the south of 60<sup>th</sup> Street, reduced fees for certain low emission vehicles, and no intra-zonal charge. Despite the support of Governor David A. Paterson the commission's plan failed to gain approval in Albany, as the Legislature failed to vote on the measure.

While the subway crisis of 2017 seemingly created the latest opportunity to reconsider congestion pricing, the Move NY campaign worked steadily over the past few years to address and refine the most criticized elements of the earlier plan proposed by Mayor Bloomberg, possibly paving the way for the approval of a congestion program. The Move NY campaign was led by Sam Schwartz, a former city traffic commissioner also known as "Gridlock Sam," and Alex Matthiessen. Mr. Schwartz also served as a member of the Fix NYC panel and Metropolitan Transportation Sustainability Workgroup, both of which recommended congestion pricing.

## Move NY

A major criticism of the Bloomberg plan was that Manhattan would receive the benefits of congestion pricing while the outer boroughs would bear the costs. The Move NY plan would have added tolls to the East River bridges, the proposal included a “toll swap” that would have reduced bridge tolls in the outer boroughs, creating a benefit in areas that had strongly resisted congestion pricing. In addition, under the Move NY proposal, a portion of the revenue raised from congestion pricing would have been reserved for roads and bridges to benefit drivers instead of all of the revenue going to mass transit.

Move NY developed a congestion pricing plan that included Mr. Schwartz’s toll swap and revenue for roads and bridges. To address the surge in Uber and other ride-hail-application services, they also proposed adding per-mile and per-minute surcharges to fares for cabs and other for-hire vehicles in Manhattan south of 96th Street, which was intended to improve traffic flow in heavily congested business areas.

Move NY estimated that its plan would generate about \$1.5 billion annually for mass transit as well as local road improvements.

The surcharges on for-hire vehicle trips (\$2.75), yellow taxi (\$2.50) trips, and pooled rides (\$0.75 each) included last year’s Enacted Budget are in line with Phase two recommendations in the Fix NYC report.

## Metropolitan Transportation Sustainability Advisory Workgroup

The Metropolitan Transportation Sustainability Workgroup was established as part of FY2019 Enacted Budget and met regularly throughout the fall of 2018 to discuss how best to address the MTA’s growing operating and capital needs, as well as consider new, sustainable revenue sources. The workgroup looked to build upon the work of the Fix NYC panel as it revisited the feasibility of implementing congestion pricing in New York City.

The 10-member workgroup chaired by Kathryn S. Wylde, president and CEO of the Partnership for New York City, included appointees of the Executive, Senate Majority Leader, Assembly Speaker, the New York City Mayor, and the New York State and New York City Departments of Transportation. A majority of the workgroup members agreed that the creation of a congestion pricing zone in the Central Business District of Manhattan was the preferred alternative as a new sustainable funding source for the MTA. Other cities, such as London and Stockholm, have successfully implemented congestion pricing to reduce traffic and raise funding for transit.

## The 2019 “Commuter Tax”

**The Enacted Budget for FY 2020 included a congestion pricing zone be established in Manhattan south of 60<sup>th</sup> Street and not including the West Side Highway and FDR Drive.** The program was designed to generate enough revenues (approximately \$1 billion, net) to support \$15 billion of additional bonded MTA capital improvements.

The MTA feels this revenue is needed to continue to move forward with plans to modernize the subway system, including installing new signal technology, as well as securing a new revenue source to help fund its new five-year, multi-billion dollar capital spending program.





Any discussion of congestion pricing should have included some recognition that a new congestion pricing “tax” will have some adverse financial impacts on hardworking middle-class families and small businesses. Unfortunately, the plan Enacted in FY 2020 contained no carve-out for middle-class commuters, farmers, or small businesses that have to drive into Manhattan.

The enacting legislation stated that the fee schedule for congestion pricing could not be released until November 15, 2020. A fee schedule is still not available although the M.T.A.’s deputy chief operating officer, has said at public meetings “...that rates were expected to range from \$9 to \$23 for passenger vehicles using the E-ZPass toll system, with possible discounts overnight or during off-peak hours. If there are more exemptions, officials said, the base rate would likely be higher.” However, a formal fee schedule is not expected for some time as the Traffic Mobility Review Board is reportedly not being stood up until this summer and federal approval is not expected until late 2022. Since the enacting legislation states that the revenue must be sufficient to bond for \$15 billion for the current MTA capital plan, instead of laying out a standalone fee structure, the MTA may have to establish a fee structure during a time when vehicle travel in New York City is reduced due to the lingering effects of the pandemic.



## CRIMINAL JUSTICE

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- Increased Funding for Gun Tracing and Gun Crime Investigation
- Incarcerated Individual Re-Entry Efforts
- Clean Slate – Automatic Sealing of Criminal Records

The FY 2023 Executive Budget contains extensive criminal justice proposals contained within Article VII language that have a wide range of fiscal implications.

### Increased Funding for Gun Tracing and Gun Crime Investigation Efforts

The Executive advances a proposal to provide \$215,000 in funding for the purpose of increasing staffing in the New York State Intelligence Center, allowing for more analysts to trace guns used in crimes across the state. The Executive also proposes investing in New York's Crime Analysis Center network by establishing Gun Intelligence Centers across the state. These Centers will be tasked with sharing gun violence and crime data to aid state and local law enforcement agencies in investigating and preventing gun crime.

### Incarcerated Individual Re-Entry Efforts

The Executive advances legislation that would increase funding for programs for incarcerated individuals and formerly incarcerated individuals aimed at assisting with re-entry into the community.

### Elimination of Supervision Fees

The Executive has proposed eliminating mandatory supervision fees imposed on individuals under supervision of the Department of Corrections and Community Supervision (DOCCS). Under current law, DOCCS is required to collect \$30 per month from adults who are supervised on presumptive release, parole, conditional release or post-release supervision. All or part of the supervision fee can be waived where payment of such fee would work an unreasonable hardship on the supervised individual.

### Post-Incarceration Job Readiness

The Executive has advanced multiple proposals to prepare incarcerated individuals for re-entry into the community after being released from incarceration. The Budget funds the training of parole officers and re-entry specialists to assist formerly incarcerated individuals with career planning and job placement. The Executive also proposes allowing incarcerated individuals to work for and receive just compensation



from a private sector entity. This plan would enable the Commissioner of DOCCS to enter into contracts with private sector businesses to create work opportunities for incarcerated individuals.

### **Transitional Housing Pilot Program**

The Executive advanced legislation creating and funding a pilot program that would secure transitional residences for parolees who would ordinarily enter a shelter upon release. This program would set former inmates up with temporary housing for ninety days while they seek employment and permanent housing. The proposal would also provide eligible former inmates who secure permanent housing with a temporary stipend for a 12-week period which is to be used to offset household costs.

### **Clean Slate – Automatic Sealing of Criminal Records**

The Executive advances legislation that would allow for the automatic sealing of criminal convictions, referred to as the Clean Slate Act. This legislation would establish timeframes within which conviction records must be sealed.

For misdemeanors and felonies, convictions must be sealed if (1) the conviction is a misdemeanor and at least three years has passed since the expiration of the sentence or the conviction is a felony and seven years have passed since the expiration of the sentence, (2) the conviction is not for an offense that requires registration as a sex offender, (3) the defendant is not currently incarcerated or under supervision of any parole or probation department, and (4) the defendant does not have a criminal case pending in this state.

Sealed records would only be accessible in certain situations. Parties in criminal actions, including the courts, defendants, defense attorneys and prosecutors may access sealed records if they are necessary for a pending criminal proceeding. This would include situations where the defendant becomes a witness in a criminal proceeding. Prospective employers of a police or peace officer would be able to access criminal histories of applicants. The legislation also allows access for any federal, state, or local officer or agency responsible for issuing gun licenses.

Once a conviction is eligible for sealing, the Office of Court Administration would be required to inform relevant entities that maintain records related to the conviction of the sealing. Those entities, which would include prosecutors' offices, police departments and other law enforcement agencies, would then be required to seal any records related to the conviction. Records to be sealed would include any photographs, palmprints, fingerprints and retina scans of the defendant. Once the conviction has been sealed, the entities required to seal their records would be prohibited from releasing such documents. All documents subject to sealing would need to be conspicuously marked as sealed on the face of the record or beginning of a digitized file of the record. Records for convictions entered before the effective date of the law would need to be sealed promptly and no later than two years after the effective date.

This legislation would be problematic. Private employers and most public employers would be barred from accessing criminal records for prospective employees and landlords would be unable to criminal background checks for prospective tenants. Companies or agencies that serve vulnerable populations would not be able to the criminal records of those that will be working closest with the vulnerable people they serve. For example, a child care provider or a nursing home may be unable to run a background check on a potential employee to confirm that they have never been convicted of an offense related to child or elder abuse. Similarly companies with genuine and serious concerns about theft, such as banks, would be unable check the criminal history of a potential employee to ensure that no one with access to



the companies' assets have been convicted of larceny. Moreover, the sealing of all eligible convictions would be an incredibly burdensome task for the agencies tasked with the responsibility.

### **Bail and Discovery Changes: FY 2020 and FY 2021 NYS Budgets**

The FY 2020 New York State Budget contained legislation that significantly altered the criminal justice system across the state. The reforms overhauled the cash bail system and the discovery process in the state to favor the accused.

#### **Bail Changes**

Legislation in the FY 2020 Enacted Budget ended cash bail for 90 percent of defendants and put dangerous defendants back on the streets pending trial.

Under the FY 2020 Enacted Budget, some of the more serious crimes that did not qualify for bail or pre-trial detention:

- Aggravated vehicular assault: An individual recklessly drives drunk (BAC over .18), crashes into another vehicle and causes serious physical injury to the driver.
- Aggravated assault upon a child less than 11 years old: A grown man punches and kicks a 7-year-old child, causing physical injury, and the man has been convicted of the same crime within the past decade.
- Assault in the third degree: An individual that punches and kicks an elderly individual, causing physical injury.
- Criminally negligent homicide: Schoharie Limo Crash tragedy. Operator of limo company that knew the limousines were not safe to drive.
- Aggravated vehicular homicide: Drunk driver with a BAC over .18 drives recklessly, hits and kills a construction worker along the side of the road.
- Manslaughter in the second degree: An individual helps another commit suicide.
- Drug dealer that sells 100 bags of fentanyl.

A handful of these crimes were made bail eligible under “tweaks” passed by the legislature in the FY 2021 budget, however, these “tweaks” did not go nearly far enough.

Under bail changes, tens of thousands of criminal defendants are now issued an appearance ticket and allowed to go on their way. Other defendants, charged with more serious crimes, are issued an electronic monitoring device and then released back into the public. This new system does little to incentivize defendants from appearing at future court dates.

Under the bail reform legislation passed in the FY 2020 Enacted Budget, when a judge is making a determination on bail, they are only allowed to take into account whether the defendant is a flight risk. Unlike in New Jersey, where the state recently passed comprehensive bail reform, New York judges are

not able to take into account whether a defendant is a threat to the safety and well-being of the community at large. This restriction eliminates a judge's ability to remand a defendant when that individual poses a danger to the community.

Prohibiting cash bail for 90 percent of defendants will dramatically increase the number of defendants subjected to pre-trial monitoring. The cost of pre-trial monitoring and pre-trial hearings will be substantial for counties around the state. Washington D.C. eliminated cash bail in the early 1990s and now the district's pretrial services program costs \$65 million per year. New Jersey's pretrial services cost the state \$62 million on 33,741 cases last year and the nonprofit Vera Institute of Justice estimates pretrial services in this state will cost \$75 million annually.<sup>3</sup>

Unlike in New Jersey, where the state increased court filing fees to help pay for the bail reforms, the FY 2020 NYS Budget provided no funding for the implementation of bail reform, leaving already cash-strapped counties dealing with the aftermath.

The Executive and the legislature argue critics' concerns are unfounded fearmongering and point to New Jersey as a test case for the reforms that have been instituted in this state. However, as stated above, there are glaring differences between New Jersey's bail reform and what was hastily passed in this state. Some key differences:

- New Jersey provides judges with a risk assessment tool that allows them to keep dangerous defendants off the streets.
- New Jersey funded critical services, such as pre-trial services.
- New Jersey spent more than 18 months carefully planning the reforms, New York took less than six months and did not receive input from law enforcement.

Since the bail reform legislation went into effect in 2020, New York has experienced an increase in crime. The number of shootings around the state dramatically increased during 2020 and many people in law enforcement, including New York City Police Commissioner Dermot Shea, believe bail reform was the main reason for the increase.<sup>4</sup> New York City saw its most shootings in 15 years with the number of shootings from 2020 nearly doubling the number of shootings in 2019. Outside of New York City, the rate of gun-related violent crime rose 28.9 percent from 2019 to 2020.<sup>5</sup> From 2019 to 2020, the murder

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<sup>3</sup> NY District Attorneys Protest Lack of Funding for Criminal Justice Reform, NY Post, <https://nypost.com/2019/07/08/ny-district-attorneys-protest-lack-of-funding-for-criminal-justice-reform/>

<sup>4</sup> NYPD's top cop blames bail reform for 14-year high in NYC shootings, NY Daily News, <https://www.nydailynews.com/new-york/nyc-crime/ny-nyc-shootings-dermot-shea-bail-reform-20201208-eszymgyix5fu7owmcq5lvkgyui-story.html>

<sup>5</sup> Violent Crime Involving a Firearm and Shooting Activity Report, Gun Involved Violence Elimination Initiative, Division of Criminal Justice Services, <https://www.criminaljustice.ny.gov/crimnet/ojsa/GIVE%20VCBF%20and%20Shooting%20Activity%20Report.pdf>



rate statewide increased 46.7 percent and the rate of motor vehicle thefts, a crime that is bail eligible, increased 54.3 percent.<sup>6</sup>

### **Discovery Changes**

Legislation in the 2019-2020 Enacted Budget overhauled the discovery process by requiring the prosecution to perform its initial discovery within 15-days after arraignment on an indictment and to disclose the information with the defendant. This would give the defendant access to the name and personal contact information of victims and witnesses, in some cases defendants would even be provided with a victim or witness' physical address. The quick discovery timeline and required disclosure of identity and personal contact information could deter potential witnesses from coming forward.

These changes to the discovery law were “tweaked” in the 2020-2021 Enacted Budget. The tweaks extended the discovery timeline from 15-days to 20-days for a defendant in custody and 35-days for a defendant that is not in custody pending trial. Additionally, the tweaks allow the prosecution to withhold certain material from being shared with the defense, such as the identity of a 911 caller and information related to the identity of a victim or witness of a sex crime or criminal enterprise (gang).

The changes to the discovery could have a chilling effect on witnesses and victims coming forward to report crimes if they feel their life will be in danger if the defendant is made aware of their identity.

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<sup>6</sup> Index Crimes Report to Police by Region: 2011-2020, Division of Criminal Justice Services, <https://www.criminaljustice.ny.gov/crimnet/ojsa/indexcrimes/Regions.xls>



## MINIMUM WAGE (UPDATE)

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### Statutory Minimum Wage

- \$15.00 – New York City
- \$15.00 – Long Island and Westchester
- \$13.20 – Rest of State

**The Executive Did Not Suspend Upstate Statutory Increases to the Minimum Wage Due to the COVID-19 Pandemic**

### Background

The FY 2017 Enacted Budget included legislation (Chapter 54 of the Laws of 2016, Part K) to increase the statutory minimum wage commencing December 31, 2016. Historically, there had been one single minimum wage applied statewide, however, during the phase in period, there were separate minimum wage rates for: large employers in New York City (11 or more employees); small employers in New York City; Nassau, Suffolk, and Westchester Counties; and the rest of the state.

Effective December 31, 2021, the minimum wage in New York City, Long Island and Westchester is \$15 per hour. The minimum wage upstate (Rest of State) is \$13.20 per hour.

Labor Law §652 (6) contains a provision to protect businesses from increased labor costs in the event of an economic downturn. Beginning in 2019, and annually thereafter until the minimum wage reaches \$15 per hour in all areas of the state, the Division of the Budget (DOB), is required to conduct an analysis, by region, of the state of the economy and make a determination if a suspension in any scheduled increase is warranted. **The Executive did not freeze the scheduled minimum wage increase for Long Island / Westchester or upstate (Rest of State) in 2022.**

## The Division of the Budget's Impact Report

The Minimum Wage Impact Report is compiled by DOB in consultation with the Department of Labor and other economic experts. According to the report released September 22, 2021, there is a labor shortage in New York State, particularly upstate and for low wage jobs. The Covid-19 pandemic has had a disproportionate impact on low wage workers. Of all minimum wage private sector job losses statewide, 57.2 percent were in three predominantly low wage industries: 1) retail trade; 2) leisure and hospitality; and 3) health care and social assistance.

According to Current Employment Statistics (CES) Data, as of July 2021, New York has regained approximately 1.1 million of the 1.9 million private sector jobs lost when the economy shut down in March and April 2020. When decomposed by region, Upstate, has recovered 68.7 percent of its total private sector jobs while New York City and the Rest of Downstate have respectively recovered 63.6 percent and 46.3 percent of total private sector jobs lost.

However, for low-wage jobs, Upstate is lagging behind both New York City and Rest of Downstate. For Upstate, low-wage jobs comprise 74.7 percent of the remaining unrecovered private sector jobs, while for New York City and Rest of Downstate low-wage jobs are respectively 50.2 percent and 52.1 percent of total unrecovered private sector jobs. Hence, even though upstate is overall recovering faster than downstate, the low wage jobs are remaining unfilled. This analysis is from Moody's Current Employment Statistics Data, which includes Orange and Rockland Counties in the definition of "Rest of Downstate" and hence differs slightly from the statutory definitions.

The Executive's justification for not freezing statutorily scheduled minimum wage increases rests on the assertion that there is a statewide labor shortage, particularly with low-wage jobs in the Upstate region. That presumption is supported by three things:

1. **While on a statewide basis 71.8 percent of the adult population is fully vaccinated, only 56.4 percent of the private sector jobs have returned.** According to the same report 77.6 percent of private sector jobs were regained. Clearly New York is lagging. Although it is likely that increasing the minimum wage in conjunction with various UI supplemental benefits expiring could serve as an incentive for some people to return to work, the correlation between vaccines and a labor shortage seems weak. It's also possible that people don't want to be vaccinated just so they can work in a low-wage job. Some would likely rather just collect unemployment and not have to deal with the cost of day care and the endless aggravation of forcing kids to wear masks is likely an incentive to stay home and be ready to work but not look that hard.
2. According to Help Wanted Online (HWOL), upstate job postings for July 2021 are approximately 72 percent higher than March 2020 and job postings requiring a high school education or vocational training are approximately 95 percent higher. This should not come as a surprise because the economy was in the process of shutting down in March 2020.
3. Availability of low-wage jobs upstate at least partially reflects an increase in the reservation wage (the lowest wage for which a worker would be willing to accept a job in their chosen line



of work), which nationally increased by 15.7 percent to \$71,400 from March 2020 to March 2021 and settled in at approximately \$69,000 in July 2021.

Certainly, the State economy is showing signs of renewed life in that Prior to COVID, unemployment in New York State was at 3.7 percent (November 2019), as of November 2021, statewide unemployment is 6.6 percent (nine percent in New York City and 4.8 percent Rest of State) which is down from 8.7 percent in November 2020 and approximately 16.2 percent in April 2020.

Whether or not there is a labor shortage for low wage upstate jobs is subjective and certainly does not justify immediately allowing an increase to the minimum wage and chocking off businesses that are just now struggling to recover and will likely continue to struggle with increasing unemployment insurance costs. An alternative approach might be to suspend mask mandates and see if people are more receptive to working in low wage jobs again and if children get to live happier and better adjusted lives as they attend school and are able to actually see their friends.

| Minimum Wage Schedule |                                     |                                   |                                   |                                  |                           |                                  |                 |                                  |
|-----------------------|-------------------------------------|-----------------------------------|-----------------------------------|----------------------------------|---------------------------|----------------------------------|-----------------|----------------------------------|
|                       |                                     | New York City                     |                                   |                                  | Long Island & Westchester |                                  | Upstate         |                                  |
| Date of Increase      | Calendar Year (s)<br>Rate in Effect | Minimum Wage<br>(large employers) | Minimum Wage<br>(small employers) | Fast Food Wage<br>Board Schedule | Minimum<br>Wage           | Fast Food Wage<br>Board Schedule | Minimum<br>Wage | Fast Food Wage<br>Board Schedule |
| 7/24/09               | 2009-2013                           | \$7.25                            | \$7.25                            | \$7.25                           | \$7.25                    | \$7.25                           | \$7.25          | \$7.25                           |
| 12/31/13              | 2014                                | \$8.00                            | \$8.00                            | \$8.00                           | \$8.00                    | \$8.00                           | \$8.00          | \$8.00                           |
| 12/31/14              | 2015                                | \$8.75                            | \$8.75                            | \$8.75                           | \$8.75                    | \$8.75                           | \$8.75          | \$8.75                           |
| 12/31/15              | 2016                                | \$9.00                            | \$9.00                            | \$10.50                          | \$9.00                    | \$9.75                           | \$9.00          | \$9.75                           |
| 12/31/16              | 2017                                | \$11.00                           | \$10.50                           | \$12.00                          | \$10.00                   | \$10.75                          | \$9.70          | \$10.75                          |
| 12/31/17              | 2018                                | \$13.00                           | \$12.00                           | \$13.50                          | \$11.00                   | \$11.75                          | \$10.40         | \$11.75                          |
| 12/31/18              | 2019                                | \$15.00                           | \$13.50                           | \$15.00                          | \$12.00                   | \$12.75                          | \$11.10         | \$12.75                          |
| 12/31/19              | 2020                                | \$15.00                           | \$15.00                           | \$15.00                          | \$13.00                   | \$13.75                          | \$11.80         | \$13.75                          |
| 12/31/20              | 2021                                | \$15.00                           | \$15.00                           | \$15.00                          | \$14.00                   | \$14.50                          | \$12.50         | \$14.50                          |
| 12/31/21              | 2022                                | \$15.00                           | \$15.00                           | \$15.00                          | \$15.00                   | \$15.00                          | \$13.20         | \$15.00                          |





## WORKFORCE UPDATE

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- No Layoffs
- 560 Net Increase in the Department of Health
- 338 Net Increase at the Department of Transportation
- 1,096 Net Decrease Department of Corrections
- 104 Net Increase at Increase at The vision of State Police
- 248 Net Increase in the Office of Information Technology Services

### Overview

The FY 2023 Executive Budget proposes a net workforce increase of 1,937 full time equivalent (FTE) positions. This change is driven by a net decrease in the Department of Corrections and Community Supervision, which is offset by net increases in the Department of Health, Department of Transportation, Division of State Police and Office of Information Technology Services.

#### Department of Health (DOH)

The Department of Health projects a net increase of 560 FTE. This reflects a reduction of 405 FTE through attrition offset by 965 new fills. Most of this increase is associated with a phased in takeover of the administrative functions of local social services districts

#### Department of Transportation

The Department of Transportation requests a net increase of 338 FTE. This reflects a reduction of 338 FTE through attrition offset by 676 new fills.

#### Department of Corrections and Community Supervision (DOCCS)

The FY 2023 Executive Budget provides for the Department of Corrections and Community Supervision (DOCCS) to reduce staffing levels by 1,096 FTEs, projecting to end FY 2023 with 26,426 FTEs. This

reduction will be executed through attrition due to facility right-sizing efforts resulting in the elimination of 1,300 to 1,800 beds.

### **Division of State Police**

The FY 2023 Executive Budget provides for an increase of 104 FTE. This reflects 178 vacancies by attrition (mostly through retirements) offset by 282 new hires (two new classes of Troopers).

### **Office of Information and Technology Services (ITS)**

The FY 2023 Executive Budget provides for an increase of 248 FTE. This reflects 121 vacancies by attrition offset by 282 new hires. These increases are for employees in the field of cyber security.

### **Collective Bargaining**

The Civil Service Employees Association (CSEA) and have five-year agreements that include annual salary increases of two percent for FYs 2017 through 2021. These contracts expired April 1, 2021.

United University Professions (UUP) ratified a collective bargaining agreement that covers academic years 2017 through 2022. SUNY funds this contract, which provides for a two percent general salary increase. This contract expires July 2, 2022.

The Police Benevolent Association of the New York State Troopers (NYSTPBA) ratified a five-year agreement for FY 2019 through FY 2023. The agreement provides for two percent annual general salary increases, which have been paused until 2023, at which time there will be a lump sum pay out for the deferred periods. The New York State Police Investigators Association (NYSPIA) is in a nearly identical contract. New York State Correction Officers and Police Benevolent Association (NYSCOPBA) is also in a contract until March 31, 2023.

The Public Employees Federation (PEF) and the Graduate Student Employees Union (GSEU) are in contracts that provide two percent annual raises until FY 2023.

The state continues to negotiate new agreements with the Civil Service Employees Association (CSEA), DC-37 (Local 1359 Rent Regulation Service Employees), the Council 82 Security Supervisors Unit and the Police Benevolent Association of New York State (PBANYS).



## NEW YORK STATE PROPERTY TAX RELIEF

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- Taxpayers have cumulatively saved over **\$42 billion** in property taxes due to the enactment of the tax cap.
- STAR is projected to save taxpayers **\$3.4 billion in FY 2022**, separate from the property tax savings attributed the tax cap.
- A new **\$2.2 billion Property Tax relief Credit** proposed.

### Executive Budget Proposed Property Tax Relief Credit

With the State's revenue position significantly improved from early FY 2022 financial plan estimates the Governor has proposed a \$2.2 billion Property Tax Relief credit for homeowners who qualify. Adjustments to the early financial plan estimates increased projected revenues to the State by \$5 billion in the current fiscal year and \$6.4 billion in FY 2023. The credit proposal would provide a one-time benefit to STAR eligible homeowners. This proposal is almost identical to the STAR rebate checks enacted in 2015, which was a signature component of the Senate Republican agenda. Those checks were allocated for three years providing \$3.1 billion in property tax relief. This plan would provide relief in FY 2023 based on the following income criteria:

| Income Level                    | Rest of State Benefit<br>Percent of 2021 STAR<br>Savings | NYC Benefit<br>Percent of 2021 STAR<br>Savings |
|---------------------------------|--|--|
| Less than \$75,000              | 163 percent  | 125 percent                                    |
| Between \$75,000 and \$150,000  | 115 percent  | 115 percent                                    |
| Between \$150,000 and \$200,000 | 66 percent   | 105 percent                                    |
| Between \$200,000 and \$250,000 | 18 percent   | 100 percent                                    |
| Over \$250,000                  | 0 percent  | 0 percent                                      |

- Basic STAR exemption and credit beneficiaries with incomes below \$250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners' existing STAR benefit.
- Outside of New York City, the average benefit will be nearly \$970, providing relief to more than 2 million property tax-paying households. The New York City average benefit will be about \$425, with benefits reaching another 479,000 property tax-paying households.
- For homeowners with income below \$75,000 the statewide average credit is estimated at nearly \$1,050, benefiting an estimated 837,800 recipients.
- The benefit will be in the form of an advanced credit, instead of being claimed when tax returns are filed, thus getting benefits in the hands of New York homeowners more quickly. Credits will be an advance on Tax Year 2022 income tax returns, to be directly sent to eligible homeowners beginning in Fall 2022.

### New York State Property Tax Burden

New York State's local governments are entering their twelfth year since the historic enactment of the State's property tax cap. All counties, towns, villages, certain cities, special districts and school districts in the State of New York except NYC are subject to the property tax cap legislation passed in 2011. The legislation was a response to untenable growth in the local property tax burden across the State. According to The Tax Foundation New York State ranks number 1 in the country in terms of State and local tax burden. According to the State Comptroller, growth in property taxes skyrocketed by over 73 percent for school districts between 2001 and 2011, and by 53 percent in counties. Three New York State counties (Nassau, Westchester, and Rockland) placed in the top ten nationally for highest tax burden. New York State property taxes increased at an average rate of nearly six percent per year - more than twice the rate of inflation over the same period. When compared to roughly 2,700 counties nationally, all New York counties were in the top 24 percent of Median Property Taxes paid between 2006 and 2010. Of that



amount, over half of counties (39) fell within the top 10 percent of Median Property Taxes paid in the same comparison.

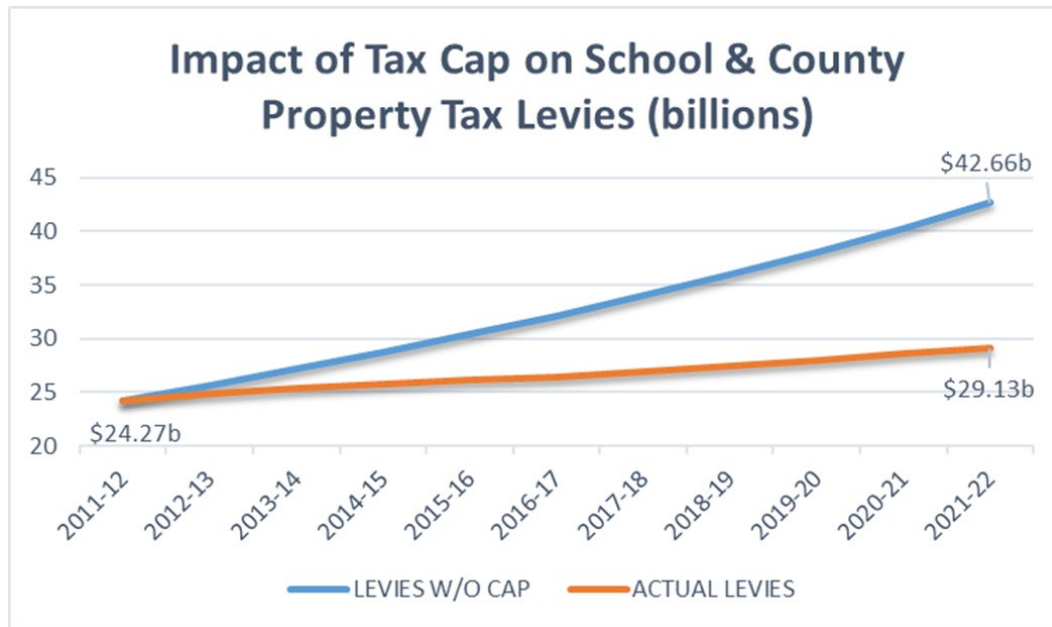
When comparing property taxes as a percentage of home value, 47 counties were in the top 10 percent nationally between 2006 and 2010. Most of these counties are located in upstate New York. A different property tax burden exists for counties in the suburban areas surrounding New York City. When measuring property taxes as a percentage of income six New York counties were in the top 10 percent nationally in 2010: Westchester, Rockland, Putnam, Suffolk, Nassau and Orange.

### **New York State Property Tax Cap Extended**

The State's property tax cap was enacted in conjunction with a State commitment to enact meaningful mandate relief as well as a statutory commitment to annual increases in State aid to schools in an amount equal to the annual growth in personal income across the State. The property tax cap was extended in the 2015 Legislative session. It was then made permanent in the FY 2019-20 budget. New York's property tax cap focuses on the actual property taxes levied to support school district and local government expenses. The law became effective for local fiscal years starting on or after Jan. 1, 2012. The law limits the annual growth of property taxes levied by local governments and school districts to two percent or the rate of inflation, whichever is less. **In the first ten years of the tax cap it is estimated that property tax payers saved over \$42 billion in school and county property taxes. The Empire Center previously projected that the tax cap will save taxpayers over \$67 billion cumulatively over the first ten years of its implementation.**

The Executive estimates the typical taxpayer has saved \$7,900 since the enactment of the cap.

The property tax cap has had the greatest effect on school district tax levies. This statewide average proposed tax levy increase was 1.39 percent for 2021-22 and the average proposed spending increase was 2.87 percent (a combination of federal, state, and local spending). This is in line with previous tax levy increases, although the increase in state aid was substantially greater than in past years.



School budget voting behavior has undergone a change as a result of enactment of the property tax cap. For example, from 1969 to the year prior to the enactment of the tax cap, the average school budget passage rate was 84 percent. However, since the introduction of the tax cap in 2012, the average passage rate for school district budgets is over 98 percent (including June re-votes).

| Historical School Tax Levy Increases |                   |
|--------------------------------------|-------------------|
| School Year                          | Tax Levy Increase |
| 2021-22                              | 1.4%              |
| 2020-21                              | 2.2%              |
| 2019-20                              | 2.5%              |
| 2018-19                              | 2.4%              |
| 2017-18                              | 2.3%              |
| 2016-17                              | 0.6%              |
| 2015-16                              | 1.1%              |
| 2014-15                              | 2.6%              |
| 2013-14                              | 2.9%              |
| 2012-13                              | 1.5%              |

In total, 2021-22 school budget voting results show that 99.3 percent of all proposed school budgets passed in the State of New York. Of the 675 school budget votes, 5 were defeated in their first vote (3 passed on a revote). School districts were the recipients of a massive unprecedented infusion of revenue from the



State and federal Government on 2021-22. \$3 billion in new State aid alone was provided to school districts and over \$12 billion came to NYS school districts from the Federal government for a variety of purposes.

In 2019-20, 99.5 percent of schools proposing a budget within the tax cap saw their budgets pass. In total, 18 districts had budgets with tax levies that exceeded the cap and required a 60 percent “supermajority” to pass. Of those districts, 9, or 50 percent saw their budgets pass. In 2018-19, there was an 80 percent passage rate for first-time override attempts. The practical effect of the property tax cap has been the altering of taxing and spending behavior and fiscal discipline in budgeting at the local level.

A local government has the option to override the “tax levy limit” by passing a local law with a 60 percent majority vote of the controlling board of the local government. Upon the passage of the local law, the local government may adopt a budget and its respective tax levy at an amount over the “tax levy limit”.

For fire districts and other districts which have their own taxing authority, they may override the “tax levy limit” upon the passage of a resolution approved by 60 percent of the controlling board’s vote.

In New York State, most towns and villages have five members that comprise the controlling board. Therefore, three out of five, or 60 percent, of the board members would need to vote in the affirmative to override the tax cap. However, in some towns and villages in New York State, the percent majority vote required to override the tax cap is actually greater than 60 percent. For example, a town or village with only three board members would need two out of three, or 66.6, percent of their board members to vote in the affirmative to override the tax cap. Similarly, a town or a village with seven board members would need five out of seven or 71.4 percent of their board members to vote in the affirmative to override the tax cap.

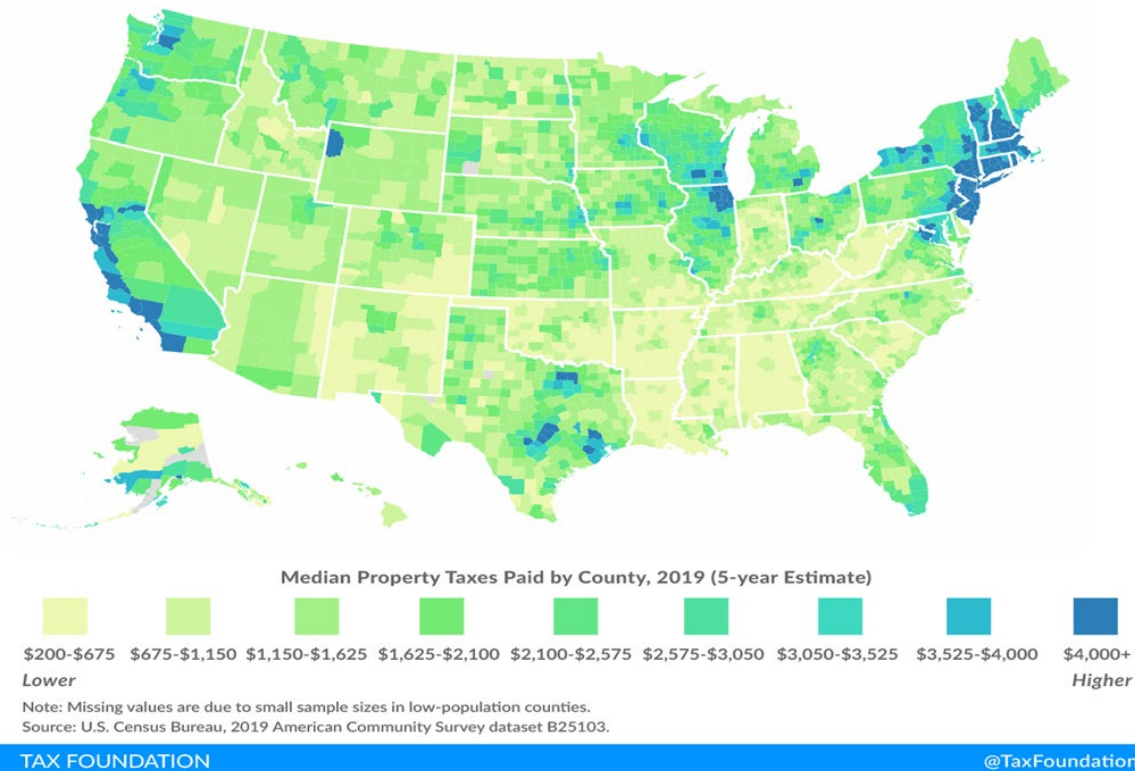
### **The Full Impact of the Property Tax Cap Takes Time to be Realized**

Massachusetts has the longest history with an enacted property tax cap. “Proposition 2½” both a levy cap and a rate cap, was a reaction to the fact that Massachusetts was among the highest taxed state in the nation. The cap has been successful in lowering the property tax burden in Massachusetts. In the first 20 years following the passage of “Proposition 2½”, the per capita residential property tax levy dropped 1.6 percent, after adjusting for inflation. According to the Tax Foundation, since the enactment of “Proposition 2½”, Massachusetts dropped from 3rd nationally in 1980 to a low of 35<sup>th</sup> in 2008 on the measure of state and local tax burden.



## Where Do People Pay the Most in Property Taxes?

Median Property Taxes Paid by County, 2019 (5-year Estimate)



Massachusetts' business tax climate ranking, of which property taxes is a significant factor, is 36<sup>th</sup> for the upcoming year - more competitive than its geographic peer states of Rhode Island (39), Connecticut (47), New York (48) and New Jersey (50). New York notably increased one rank from 2020. This largely reflects the State now ranking more favorably than New Hampshire and New Jersey in the property tax component of the State Business Tax Climate Index (improving from #47 to #45).

Similarly, in 2018 Massachusetts ranked #18 nationally in residential property tax burden when measuring property taxes paid as a percentage of owner-occupied housing value. New York ranked slightly worse at #14. Comparatively, New Jersey ranked highest (worst) in the nation.

In 1980, the combined Massachusetts state-local tax burden was 11 percent of residential income, well above the national average and only behind New York and Wisconsin. As of 2018, the total Massachusetts tax burden was 9.03 percent - slightly below the national average of 9.9 percent. Massachusetts moved down on the state and local tax burden rank from 11<sup>th</sup> in FY 2011 to 18<sup>th</sup> in FY 2019. New York's state and local tax burden was 12.7 percent in 2012, a full 2.8 percentage points or 28 percent higher than the national average, and is currently 12.97 percent. This is a decrease from 13.04 percent the prior year.

Over the same time period Massachusetts dropped in ranking in terms of state and local tax burden while New York maintained its number one position as the state with the highest state and local tax burden.



## **Beyond the Property Tax Cap: NYS' Multifaceted Approach to Relieve the Burden of High Property Taxes: State Aid to Schools/Mandate Relief/Direct Property Tax Relief**

### **Education Funding:**

The cap was only one part of the State's commitment to property taxpayers and school districts. Over the same nine year period in which the property tax cap has been in effect the State has increased aid to school districts by \$7 billion, or 36 percent (and \$8.1 billion, or 42 percent, when Federal stimulus funds are included in the calculation). The rate of inflation over that same period was only 16 percent.

The Executive proposes a FY 2023 General Support for Public Schools increase of \$2.1 billion, or eight percent above FY 2022. The Senate has historically adopted an approach to provide substantial State aid increases to help contain local education tax increases – the largest component of local property tax levy growth. Since the inception of the cap GSPS has grown by \$9.75 billion or 50 percent (CPI over that same period was 27 percent).

In addition to a major infusion of additional State aid resources, the State committed to provide mandate relief to municipalities which translates into cost savings and budget relief for localities. Since January 1, 2011, the Senate has adopted a wide range of mandate relief proposals, of which over 63 have become law.

### **Mandate Relief:**

Major local savings initiatives enacted since the implementation of the Property Tax Cap include:

- State takeover of the growth in the local share of Medicaid beginning in FY 2013, saving counties over \$25 billion, including \$4.8 billion in FY 2022
- A Stable Pension Contribution System for municipalities and school districts (\$6.4 billion in savings over five years)
- Increased collaboration between the Office of the Medicaid Inspector General (OMIG) and local social service districts by requiring the OMIG to develop training materials for identifying fraud and abuse, to meet quarterly with representatives of local service districts, and to develop a work plan for such collaboration. Increases from 10 percent to 20 percent the local share of savings resulting from Medicaid recoveries under the county demonstration program
- Reformed Workers Compensation to provide \$45 million in annual savings to localities
- Repealed the requirement for BOCES to perform special education space requirements every five years ( \$3.2 million in savings)
- Permitted school districts to take their annual census biannually (\$1.7 million in annual savings)
- Exempted school districts with less than 1,500 students from the internal control audit requirement (\$19.3 million in annual savings)

- Permitted school districts that were unable to open due to an extraordinary circumstance, natural disaster or emergency to obtain up to a 10-day waiver to the 180 school day requirement (ensures no loss in State aid)
- A four-year moratorium on assumed amortization interest rates used to calculate Building Aid (\$155 million in savings for over 500 school districts)
- Relief to various school districts facing penalties and exorbitant chargebacks (\$4 million in savings)
- Permitting school districts to use excess Employee Benefit Accrued Liability Reserve (EBALR) funds to maintain educational programs for five consecutive years (Up to \$191 million in excess funds is available for districts to access)
- An amnesty provision for school districts that have late filed or unfiled final cost reports for building projects SED approved prior to July 1, 2011 (Over \$100 million in final cost report penalty avoidance (savings) and additional prior year aid (funding))
- Additional amnesty provisions for specific school districts since 2011 (note that the Executive has also vetoed several amnesty bills, denying those districts relief)
- An elimination for five years of the requirement for all districts Statewide to perform annual visual inspections of all school buildings and submit documentation of the results thereon to SED
- Staggered the timeframe during which districts must conduct Building Condition Surveys over five years
- Relief for school districts (on teacher disciplinary procedures) by requiring the parties to select a hearing officer within 15 days and limiting the submission of evidence within 125 days of filing. Savings will result from reduced expenditures for substitute teachers and administrators as well as a reduction in legal fees

### **Direct Property Tax Relief:**

In addition to the long-standing STAR program, the State has enacted two direct property tax relief provisions intended to reduce the burden of property taxes. The FY 2014 Enacted Budget included the Property Tax Freeze Credit and the FY 2015 Enacted Budget included the Property Tax Relief Credit program.

### **Property Tax Freeze Credit:**

For tax years 2014, 2015, and 2016, the State froze real property taxes by allowing homeowners to receive a reimbursement check equal to the year-over-year increase in the homeowner's real property taxes.

Approximately 2.8 million homeowners benefitted from the credit, receiving an average of \$536. The program provided over \$1.5 billion in direct property tax relief over three years.

### **Property Tax Relief Credit:**

In the 2015 Legislative session, Chapter 20 of the Laws of 2015 created the Property Tax Relief Credit. The credit totals \$3.1 billion over four years for STAR eligible homeowners who reside in property tax cap compliant school districts. The Executive would not extend this program for 2020.



Beginning in FY 2017, STAR eligible recipients who have income less than \$275,000 and reside in a real property tax cap compliant school district received a property tax relief check. Upstate homeowners received a flat \$185 property tax relief credit check and downstate homeowners received a flat \$130 relief credit check. Those checks were issued as advance refunds for the 2016 income tax year and were paid to eligible recipients beginning in the fall of 2016.

After the first year, the property tax relief credit was designed to provide a credit equal to a percent of an eligible recipient's STAR savings with the utilization of income thresholds as follows:

| STAR Property Tax Rebate Income Brackets |                 |           |         |
|--|-----------------|-----------|---------|
| Bracket                                  | Minimum         | Maximum   | Percent |
| 1  | \$0             | \$75,000  | 28.0%   |
| 2  | Above \$75,000  | \$150,000 | 20.5%   |
| 3  | Above \$150,000 | \$200,000 | 13.0%   |
| 4  | Above \$200,000 | \$275,000 | 5.0%    |

Lower income brackets received a higher percent benefit based on their STAR program benefit or savings amount. Seniors who qualify for the enhanced STAR benefit also received the property tax relief credit checks over the four years of the program. Similarly, the credit for eligible seniors is also calculated as a percentage of a homeowner's STAR benefit but without regard to their income. In addition, the previously enacted NYC circuit breaker credit was extended for four years (\$85 million annually)

In the fall of 2019, eligible homeowners received the following benefit by region:

| 2019 Property Tax Relief Check Benefits, By Region |                     |
|--|---------------------|
| Region   | Fall 2019 AVG Check |
| Upstate  | \$ 532              |
| Nassau   | \$ 416              |
| Suffolk  | \$ 726              |
| Downstate Suburbs                                  | \$ 658              |
| Statewide  | \$ 775              |

The Executive and Democratic majority chose not to renew these checks last year. As a result, homeowners did not receive this benefit in 2020 and there is no plan in place to renew relief checks in the future.

## School Tax Relief Program (STAR)

The FY 2017 enacted budget restructured the current School Tax Relief Program (STAR) by phasing out direct payments to school districts on behalf of eligible homeowners by converting STAR exemptions into a refundable property tax credit for new homeowners. This conversion applied to people who purchased their primary residence after the 2015 STAR application deadline or did not apply for the STAR exemption by the 2015 STAR application deadline.

A number of additional changes were made in the past two enacted budgets to reduce State spending on the STAR program as well as create administrative improvements. These changes are to incentivize homeowners to switch from the STAR exemption to the STAR credit. Changes to State spending do not reduce overall benefits to homeowners, but change the number of recipients who receive a tax credit rather than a rebate check, thus lowering the amount spent on the program (the State merely foregoes tax revenue rather than collecting taxes that are later distributed in the form of rebate checks).

The original STAR program provides three types of property tax relief:

### Basic STAR

- Available for owner-occupied, primary residences where the resident owners' and their spouses income is less than \$500,000 for the STAR credit (income limit of \$250,000 for the STAR exemption)
- Exempts the first \$30,000 of the full value of a home from school taxes.

### Enhanced STAR

- Provides an increased benefit for the primary residences of senior citizens (age 65 and older) whose income is less than \$92,000 for the 2022-23 school year (increase from \$90,550 in 2021-22)
- Exempts the first \$70,700 of the full value of a home from school taxes from school tax bills.

### NYC PIT

- Provides a personal income tax credit for NYC residents. The credit is limited to those individuals whose income is less than \$250,000.

STAR exemptions only apply to school district taxes. They do not apply to property taxes for other purposes, such as county, town or city levies (except the Big Five School Districts - Buffalo, New York City, Rochester, Syracuse and Yonkers - where city property taxes fund the local school district).

In FY 2023, STAR benefits across the State are estimated to total \$3.4 billion. The program provides property tax exemptions to seniors (\$947 million) and non-seniors (\$1.7 billion). Additionally, the State has taken several steps to move STAR recipients from the exemption program to an income tax rebate program. This program will provide \$136 million in credits to enhanced STAR recipients and \$686 million for basic recipients, as was as \$772 million for NYC residents.



| School Tax Relief Program Funding History |                  |                  |                  |                 |                  |
|---|------------------|------------------|------------------|-----------------|------------------|
| (Millions of Dollars)                     |                  |                  |                  |                 |                  |
| FY  | Basic            | Enhanced         | NYC              | Rebates         | Total            |
| 1999                                      | \$ -             | \$ 497           | \$ 85            | \$ -            | \$ 582           |
| 2000                                      | \$ 418           | \$ 576           | \$ 200           | \$ -            | \$ 1,194         |
| 2001                                      | \$ 875           | \$ 587           | \$ 415           | \$ -            | \$ 1,877         |
| 2002                                      | \$ 1,393         | \$ 597           | \$ 520           | \$ -            | \$ 2,510         |
| 2003                                      | \$ 1,512         | \$ 612           | \$ 540           | \$ -            | \$ 2,664         |
| 2004                                      | \$ 1,636         | \$ 643           | \$ 540           | \$ -            | \$ 2,819         |
| 2005                                      | \$ 1,751         | \$ 676           | \$ 632           | \$ -            | \$ 3,059         |
| 2006                                      | \$ 1,838         | \$ 683           | \$ 692           | \$ -            | \$ 3,213         |
| 2007                                      | \$ 1,865         | \$ 759           | \$ 696           | \$ 674          | \$ 3,994         |
| 2008                                      | \$ 1,855         | \$ 748           | \$ 955           | \$ 1,099        | \$ 4,657         |
| 2009                                      | \$ 1,781         | \$ 710           | \$ 733           | \$ 1,212        | \$ 4,436         |
| 2010                                      | \$ 1,780         | \$ 715           | \$ 917           | \$ -            | \$ 3,414         |
| 2011                                      | \$ 1,875         | \$ 760           | \$ 599           | \$ -            | \$ 3,234         |
| 2012                                      | \$ 1,856         | \$ 808           | \$ 570           | \$ -            | \$ 3,234         |
| 2013                                      | \$ 1,857         | \$ 842           | \$ 588           | \$ -            | \$ 3,287         |
| 2014                                      | \$ 1,879         | \$ 867           | \$ 611           | \$ -            | \$ 3,357         |
| 2015                                      | \$ 1,734         | \$ 930           | \$ 627           | \$ -            | \$ 3,291         |
| 2016                                      | \$ 1,774         | \$ 943           | \$ 618           | \$ -            | \$ 3,335         |
| 2017                                      | \$ 1,764         | \$ 953           | \$ 615           | \$ 414          | \$ 3,746         |
| 2018                                      | \$ 1,776         | \$ 960           | \$ 342           | \$ 453          | \$ 3,531         |
| 2019                                      | \$ 1,717         | \$ 929           | \$ 626           | \$ 957          | \$ 4,229         |
| 2020                                      | \$ 1,716         | \$ 930           | \$ 680           | \$ 1,324        | \$ 4,650         |
| 2021                                      | \$ 1,747         | \$ 990           | \$ 697           | \$ -            | \$ 3,434         |
| 2022                                      | \$ 1,789         | \$ 938           | \$ 734           | \$ -            | \$ 3,461         |
| <b>TOTAL</b>                              | <b>\$ 38,188</b> | <b>\$ 18,653</b> | <b>\$ 14,232</b> | <b>\$ 6,133</b> | <b>\$ 77,208</b> |





## CLIMATE CHANGE

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- Climate Leadership and Community Protection Act
- Funding for offshore wind turbines
- Zero greenhouse emissions on new construction beginning in 2027

### Climate Leadership and Community Protection Act

The Climate Leadership and Community Protection Act (CLCPA), enacted in 2019, mandates greenhouse gas emissions reduction from all sectors of New York's economy by 40 percent by 2030, 85 percent by 2050, and net-zero emissions by 2050. The CLCPA also requires the electrical grid to be powered with 70 percent renewable energy by 2030 and 100 percent zero-emission by 2040. The extremely ambitious goals will require significant business and resident participation and compliance to achieve.

Under the CLCPA, a Climate Action Council (CAC) was formed consisting of twenty-two members. The CAC will prepare and approve a scoping plan outlining recommendations for how the state will reach its emissions goals. A draft of the Scoping Plan was issued on December 30, 2021 and it lays out a roadmap for how the state will reach the emissions goals established under the CLCPA. The final scoping plan is expected to be adopted in 2023.

### New York's Climate Transformation

As the roadmap to achieve the emission targets becomes more finalized, the primary question that needs answering is, how will the electrical transformation be paid for? Currently, both passenger and medium-heavy duty electric vehicles, and residential and commercial heat-pumps, are more expensive than their fossil-fuel counterparts. The Integrated Analysis provided to the CAC anticipates approximately 1 to 2 million homes will need to be electrified with heat pumps by 2030, and approximately 3 million zero-emission vehicles will need to be sold by 2030. NYSERDA and utilities currently offer various rebates to electrify these items, but is it enough or do new revenue streams need to be explored?



A study provided to the CAC found that the various scenarios of the proposals provided in the Draft Scoping Plan would cost between \$290 billion and \$310 billion, with net benefits between \$400 billion and \$420 billion. While the direct costs will be more clear to residents in the form of investments in electrification of buildings and the grid, it is less clear how the savings will be felt. Especially as approximately 40 percent of the savings are defined as “health benefits.” While improved air quality leading to lower cases of asthma is conceivable, improved public health through increased activity such as walking and cycling seems more uncertain. A per capita cost accounting of the various proposals has not been released to this point and not likely until the Scoping Plan is finalized.

The other important question that needs solving is how the electrical grid will maintain its reliability and resource availability as it transitions to 100 percent zero-emission by 2040. It is believed that electricity demand will grow 65 percent to 80 percent by 2050. As more vehicles and households electrify, the grid will begin experiencing winter peak by 2035. As experiences in Texas and California have shown us in recent years, blackouts can be deadly. While the required goal of the grid being 70 percent renewable is attainable, the goal of 100 percent zero-emission is not possible with existing technologies. Currently, the grid is heavily reliant on peaker-plants to supplement the grid on the hottest days of the year. As those fossil-fuel based generators are phased out, the grid will need significant dispatchable zero-emission resources. However, current technology is primarily limited to short-term battery storage that is not able to handle multiple days of hot or cold temperatures.

## **FY 2023 Executive Proposals**

The FY 2023 Executive Budget contains a number of proposals that are focused on reaching the emissions goals created under the CLCPA.

### **Wind Turbines**

The Executive Budget dedicates hundreds of millions of dollars to renewable energy sources. Included in the Executive Budget is a \$500 million investment in offshore wind manufacturing and supply chain. This half billion dollar investment is intended to get New York closer to its goal of 9 gigawatts of offshore wind by 2035.

### **Zero Emissions for New Construction**

The Executive Budget includes legislation that would require, to the fullest extent practicable, new construction statewide to have zero on-site greenhouse gas emissions no later than 2027. The proposal also authorizes NYSERDA to establish new efficiency standards for a number of appliances such as commercial dishwashers and ovens, computers, air conditioners and lamps.

### **Environmental Capital Funding**

The FY 2023 Executive Budget increases the Environmental Bond Act that was part of the FY 2022 Enacted Budget by \$1 billion, for a total obligation of \$4 billion. The Bonding will support capital projects for: Restoration and Flood Risk Reduction (at least \$1.2 billion), Open Space Land Conservation and Recreation (up to \$650 million), Climate Change Mitigation (up to \$1 billion), and Water Quality Improvement and Resilient Infrastructure (at least \$650 million). The Executive Budget provides support of \$400 million for the Environmental Protection Fund, an increase of \$100 million from FY 2022.



## UNEMPLOYMENT INSURANCE (UPDATE)

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- New York State has a \$9.1B deficit in the UI Benefit Fund
- New York State had to borrow from the Federal government to cover the deficit and be able to pay claimants
- New York State Interest Assessment Surcharge for 2022 is projected at over \$200 million

### Overview

The Unemployment Insurance (UI) Benefit Fund has a deficit of approximately \$9.1 billion as of December 31, 2021. Although layoffs due to the economic impact of COVID-19 were excluded from employer experience rating (Chapter 21 of the Laws of 2021), employer UI contribution rates continued to increase.

The reason for this is twofold: first, the relief provided employers through the experience rating did not actually reduce the system wide UI cost, rather it socialized these costs across all employers; second, because the UI Benefit Fund is insolvent, all employers are required to pay a higher rate of contribution as determined by the size of fund index (discussed below).

In addition, in 2022 employers will be hit with two other categories of increased UI taxes, a federal (FUTA) tax increase (imposed on states with outstanding federal advances), and a special state assessment to pay interest on federal UI loans.

According to the Business Council, the employer impact of the state-level UI tax table shift is at least \$1.3 billion, while at the same time, the experience rating costs were diffused across the system as opposed to being paid for with external funding. This is why employers saw their UI rates continue to sky rocket

even though the Legislature enacted legislation to protect them from experience rating increases caused by COVID-19.

### **UI Benefit Fund Deficit**

The pandemic driven spike in unemployment in 2020, drove the UI Benefit Fund from an approximate \$2.6 billion surplus to a deficit exceeding \$9 billion. Under current law the entirety of this deficit will be repaid through increased payroll taxes on employers, with these high federal and state payroll taxes likely lasting the rest of the decade or beyond. Over the same period, New York State received \$12.5 billion in unrestricted American Rescue Plan Act (ARPA) funds, \$6 billion of which was appropriated in the FY 2022 Budget.

According to the Tax Foundation, as of September 2021, 31 states had already used federal relief funds in their UI programs. Of these states, only three still have federal UI advances (California used \$6 million in federal funds for UI relief and has \$19.9 billion still outstanding), Connecticut (\$25 million) and Hawaii (\$12.6 million). In October 2021, Texas allocated \$7.2 billion in federal relief funds to UI relief.

States that have not allocated any federal funds to their UI deficits (and California which allocated a very small amount), account for nearly all of the \$38.9 billion in outstanding federal advances.

### **UI Revenue Structure**

The UI system is supported by the following revenue streams: Federal Unemployment Tax Act (FUTA), State Unemployment Tax Act (SUTA), Supplemental Tax, Reemployment Services Tax and the Interest Assessment Surcharge (IAS).

Federal Unemployment Tax Act (FUTA) is applied at the rate of six percent to the first \$7,000 of wages per covered employee each calendar year. The maximum amount assessed is \$420 per employee per year. Employers that pay their State UI taxes on time receive a credit of 5.4 percent against the FUTA tax, reducing the maximum amount assessed to \$42 per employee per year.

Employers in states whose UI funds have outstanding federal loans against UI claims, have their FUTA credit reduced by .3 percent for year of outstanding balances. For outstanding balances more than three years old, the federal government begins to “claw back” the principal, this results in a second credit reduction (referred to as the “2.7 reduction”). After five years it steps up again and a different FUTA credit reduction kicks in.

State Unemployment Tax Act (SUTA) is applied to the first \$12,000 of wages per covered employee in calendar year 2022. The SUTA is assessed based on an employer specific tax rate based on the solvency of the State UI Fund and an “experience rating” specific to each employer.

Supplemental Tax ranges from zero to .925 percent of the employer’s taxable wage base (like the SUTA). The proceeds are used to pay the State’s cost of managing it’s UI system and pay claims costs not assigned to a specific employer.

Reemployment Services Tax is a fixed tax of 75 basis points (.075 percent) which is used to support job services programs outside the UI system.



Interest Assessment Surcharge (IAS) is a special assessment for the payment of interest on outstanding federal loans to the state's UI fund.

Chapter 21 of the Laws of 2021 provided statutory relief to employers by allowing that UI benefits paid as a result of workforce reductions or closures due to the COVID-19 pandemic would not be counted against the employer's experience rating; rather, it would be charged to the state UI fund's general account. This relief ended December 31, 2021.

However, even though specific employers were relieved from the costs of experience rating increases, those costs were still recouped through the state imposed "supplemental tax" imposed on all employers (which effectively socialized the cost of the experience rating increases). The end result is what was described as employer relief, actually ended up spreading the cost out to all employers, when the Executive could have used federal COVID funds to finance increases to the Supplemental Tax. What made this even more egregious, was that the FY 2022 Budget appropriated \$2.1 billion to the Excluded workers fund to expand UI benefits to populations not previously eligible for UI.

In addition, the IAS will also soon again rear its ugly head. The federal Families First Coronavirus Response Act (FFCRA) eliminated interest on federal loans to the UI benefit fund through the end of 2020 and the American Rescue Plan extended that suspension through September 6, 2021.

On September 7, 2021, the U.S. Department of Labor approved deferral of 75 percent of the interest due for 2021, with balances due by September 30 of each of the three succeeding years.

Absent further Congressional action, New York is now accruing interest on more than \$9.1 billion in federal advances for UI payments to claimants. Given the current interest rate of 2.277 percent, the State's interest payment for 2022 is projected at \$207 million.



## PAID SICK LEAVE

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- Statutory Sick Leave: 40 to 56 hours per year
- Chapter 25 COVID Sick Leave: 5 to 14 days per period of quarantine, maximum of three orders of quarantine
- Quarantined employees who can work from home do not qualify

### Overview

Employers are required to provide sick leave to their employees in New York State. There are three classifications of sick leave: 1) Sick Leave; 2) COVID Sick Leave; and, 3) Vaccination Leave.

#### Statutory Sick Leave

Pursuant to §196-b of the Labor Law employers are required to provide sick leave as follows:

- 0-4 employees and less than \$1 million in net income in the previous year, the employer is required to provide up to 40 hours of **unpaid** sick leave per calendar year.
- 0-4 employees and greater than \$1 million in income in the previous tax year, the employer is required to provide up to 40 hours of **paid** sick leave per year.
- 5-99 employees, employer is required to provide 40 hours of paid sick leave per year.
- 100+ employees, employer is required to provide up to 56 hours of paid sick leave per year.

### Statutory COVID Paid Leave of Absence For Vaccinations

Pursuant to §196-c of the Labor Law employers are required to provide up to four hours of paid leave of absence from their employer for up to four hours per injection for the purpose of getting vaccinated. This is in addition to other forms of leave. It expires December 31, 2022.

## **Chapter 25 Quarantine Sick Leave**

Chapter 25 of the Laws of 2020 authorized sick leave for employees subject to a mandatory precautionary order of quarantine or isolation due to COVID-19. The law provides paid and unpaid sick leave with access to expanded paid family leave and temporary disability depending on the size of the employer. ***This leave is in addition to Paid Family Leave and leave that provided pursuant the §196-b and §196-c of the Labor Law.***

- 0-10 employees and **less than** \$1 million in net income in the previous year, the employer is required to provide compensation during the period of quarantine using their existing Paid Family Leave of Disability Benefits policy.
- 0-10 employees and **greater than** \$1 million in income in the previous tax year, the employer is required to provide at least 5 days of paid sick leave and compensation during the period of quarantine using their existing Paid Family Leave of Disability Benefits policy.
- 11-99 employees, the employer is required to provide at least 5 days of paid sick leave and compensation during the period of quarantine using their existing Paid Family Leave of Disability Benefits policy.
- 100+ employees, employer is required to provide up to 14 days of paid sick leave per year.
- Public employers are required to provide at least 14 days of paid sick leave.

If an employer mandates that an employee who is not otherwise subject to a mandatory or precautionary order of quarantine or isolation to remain out of work due to exposure or potential exposure to COVID-19, that employer must pay the employee their regular rate of pay.

**In no event shall an employee qualify for sick leave under New York's COVID-19 sick leave law for more than three orders of quarantine or isolation.**

# SECTION THREE

## SUMMARY OF ARTICLE VII LEGISLATION AND APPENDICES



NEW YORK STATE SENATE **REPUBLICAN MINORITY FINANCE COMMITTEE**





# SCHEDULE FOR LEGISLATIVE REVIEW OF THE FY 2023 EXECUTIVE BUDGET



## 2022 Joint Legislative Hearing Schedule

(Hearings will be conducted virtually using web-based video conferencing)

| Date        | Day       | Time       | Hearing                          | Request to Testify<br>Can be Found at: |
|-------------|-----------|------------|----------------------------------|--|
| January 25  | Tuesday   | 9:30 a.m.  | Public Protection                | <a href="#">Senate</a>                 |
| January 26  | Wednesday | 9:30 a.m.  | Elementary & Secondary Education | <a href="#">Assembly</a>               |
| January 31  | Monday    | 11:00 a.m. | Workforce Development            | <a href="#">Senate</a>                 |
|             |           | 2:00 p.m.  | Housing                          | <a href="#">Assembly</a>               |
| February 1  | Tuesday   | 9:30 a.m.  | Environmental Conservation       | <a href="#">Senate</a>                 |
| February 2  | Wednesday | 9:30 a.m.  | Human Services                   | <a href="#">Assembly</a>               |
| February 7  | Monday    | 11:00 a.m. | Higher Education                 | <a href="#">Assembly</a>               |
| February 8  | Tuesday   | 9:30 a.m.  | Health                           | <a href="#">Senate</a>                 |
| February 9  | Wednesday | 9:30 a.m.  | Local Government                 | <a href="#">Assembly</a>               |
| February 14 | Monday    | 11:00 a.m. | Mental Hygiene                   | <a href="#">Senate</a>                 |
| February 15 | Tuesday   | 9:30 a.m.  | Transportation                   | <a href="#">Assembly</a>               |
| February 16 | Wednesday | 9:30 a.m.  | Economic Development             | <a href="#">Senate</a>                 |
|             |           | 1:00 p.m.  | Taxes                            | <a href="#">Assembly</a>               |



## APPENDIX

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### SUMMARY OF THE IMPLEMENTING BUDGET BILLS

This appendix contains a summary of the implementing legislation submitted with, and required to enact the FY 2023 Executive Budget. The Governor's presentation consists of twelve total bills, five appropriation and seven article VII bills. While this section provides a brief summary, any questions or additional information on any of the provisions contained in these bills should be addressed to the appropriate Senate Finance or Counsel analyst.

#### **FY 2023 EXECUTIVE BUDGET BILLS**

##### **Appropriation Bills**

|                 |                         |
|-----------------|-------------------------|
| S.8000 / A.9000 | State Operations        |
| S.8001 / A.9001 | Legislative & Judiciary |
| S.8002 / A.9002 | State Debt Service      |
| S.8003 / A.9003 | Aid to Localities       |
| S.8004 / A.9004 | Capital Projects        |

##### **Article VII Bills**

|                 |   |
|-----------------|---|
| S.8005 / A.9005 | Public Protection & General Government                            |
| S.8006 / A.9006 | Education, Labor & Family Assistance                              |
| S.8007 / A.9007 | Health & Mental Hygiene   |
| S.8008 / A.9008 | Transportation, Economic Development & Environmental Conservation |
| S.8009 / A.9009 | Revenue   |

##### **Freestanding Article VII Bills**

Equal Rights Amendment Concurrent Resolution



## ARTICLE VII LEGISLATION

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### **PUBLIC PROTECTION & GENERAL GOVERNMENT** **S.8005 / A.9005**

#### **Part A – Make Permanent Criminal Justice Discovery Compensation**

- Makes permanent the Criminal Justice Discovery Compensation Fund, which consists of \$40 million transferred annually from the Manhattan District Attorney's Office consisting of revenue raised through deferred prosecution agreements.
- This fund is used to provide financial assistance to localities, district attorney's office and local law enforcement agencies to help cover expenses related to discovery reforms.
- Currently, the fund is set to expire on March 31, 2022.

#### **Part B – Gender-Affirming Treatment of Incarcerated Individuals**

- Allows inmates who have a gender identity that differs from their assigned sex at birth, have been diagnosed with gender dysphoria, are intersex or identify as transgender, gender nonconforming, or nonbinary to request to be placed in a correctional facility that houses genders consistent with the inmate's gender identity.
- Decisions regarding the placement of such inmates would be made on a case-by-case basis following an individualized and informed assessment, with careful consideration given to housing consistent with the inmate's gender identity. The request may be denied based on safety, security or health concerns.
- Inmates who have a gender identity that differs from their assigned sex at birth, have been diagnosed with gender dysphoria, are intersex or identify as transgender, gender nonconforming, or nonbinary must have access to clothing and undergarments consistent with the inmates' gender identity and have access to gender affirming medical and mental health care consistent with the community standard of care.
- Inmates do not need a documented history of gender variance in order to self-identify as transgender, gender nonconforming, or nonbinary.
- Employees of the Department of Corrections and Community Supervision (DOCCS) would be prohibited from misgendering inmates and revealing an inmate's gender identity other than to the extent necessary for legitimate operational functions.

### **Part C – Expands Educational Release and Furlough Eligibility**

- Allows inmates to earn a limited time credit allowance (LTCA) for participating in one year of college programming while confined in a general confinement facility, followed by participating in six months of college programming through an educational release program.
- LTCA is a six-month reduction in incarceration that can be earned by eligible inmates that do not qualify for merit time allowances., which allows non-violent felony offenders to have a one-sixth reduction off of their minimum sentence. Inmates are eligible for LTCA if they are serving:
  - An indeterminate sentence imposed for a class A-I felony offense, other than Criminal Possession of a Controlled Substance in the First Degree or Criminal Sale of a Controlled Substance, or an attempt or conspiracy to commit such offenses
  - An indeterminate or determinate sentence imposed for a violent felony offense
  - An indeterminate or determinate sentence imposed for a homicide conviction, except Murder in the First Degree
  - An inmate convicted of a sex offense under article 130 of the Penal Law is ineligible for LTCA
- The legislation would also expand eligibility for furlough programs and educational release to include inmates who are eligible for LTCA.

### **Part D – Eliminate DOCCS Parole Supervision Fees**

- Eliminates the monthly \$30 supervision fee imposed on individuals who are supervised on presumptive release, parole, conditional release or post-release supervision.

### **Part E – Facilitate Access to ID Cards and Other Vital Records to Enhance Opportunities for Released Individuals**

- Allows DOCCS to request birth certificates on behalf of an inmate confined to a state correctional facility.

### **Part F – Establishes Employment for Parole Board Members is Full-Time**

- Prohibits members of the Parole Board from holding outside employment and requires members to devote their entire time to their responsibilities as Parole Board members.

### **Part G – Suspend Subsidy to Revolving Loan Fund from Cell Surcharge Revenue**

- Extends the existing suspension of the annual transfer of \$1.5 million from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund for two fiscal years.
- The Emergency Services Revolving Loan Fund is a means to assist local governments, fire districts and not-for profit fire/ambulance corporations in financing emergency response equipment, such as firefighter apparatus, fire engines and ambulances, and construction costs related to the housing of such equipment.



### **Part H – Establishes the Gender-Based Violence Training Institute**

- Requires the Office for the Prevention of Domestic Violence to establish minimum training standards and procedures for the certification of domestic violence advocates.
- Minimum training standards would include 30 hours of pre-service training and an additional ten hours of in-service training within the first year of service. Any person trained and certified as a rape crisis counselor will have met the minimum standards a for domestic violence advocate.
- The legislation also establishes the Gender-Based Violence Training Institute, which would be tasked with providing guidance and training to domestic and gender-based violence programs to implement the training required by this legislation.

### **Part I – Expand Benefits for Victims of Hate Crimes and Other Acts of Violence by Increasing the Cap for the Replacement of Essential Personal Property**

- Increases the monetary cap on awards for victims from the Office of Victim Services for reimbursements for items of essential personal property that were lost, damaged, or destroyed as a direct result a crime.

### **Part J – Emergency Contracts Extender**

- Extends the authority of the Office of General Services to perform emergency construction projects without competitive bidding for five years until June 30, 2027.

### **Part K - Adds Email as a Permissible Notification From the State Liquor Authority (SLA) to Municipalities**

- Proposal would allow applicants for certain SLA licenses to serve statutory notice on a municipality through email.
- Currently, notice must be served on a municipality 30 days prior to application submission to SLA through registered mail or personal service.
- Email notice has been utilized during the pandemic to streamline the process of serving a statutory notice to municipalities.
- This proposal, if enacted, would take effect immediately.

### **Part L – Streamline Application Requirements**

- Modifies application information requested by State Liquor Authority (SLA) for licenses and permits. Language removes federal fingerprint background checks pertaining to applicants, background fingerprint checks will still be performed by the Division of Criminal Justice Service (DCJS).
- Eliminates the requirement of applicant statements regarding spouse criminal history when processing applications under the Alcohol Beverage Control law sect.110 (d).

- Applicant financial statement requirement language is modified where applicant must show how they have control of the premises by: ownership of a fee interest; a lease; a management or other agreement giving the applicant control over the food and beverage operations at the premises; or a binding agreement to obtain such ownership, lease or agreement. Statements include anticipated expenses to start the business. Persons with a financial interest through loans, gifts, percentages of revenue will still need to be listed.

### **Part M – Temporary Retail Permits Extender**

- Extends section 97 of the Alcohol Beverage Control (ABC) law allowing the State Liquor Authority (SLA) to issue temporary permits related to liquidator and retail applicants while they await a full review of their license application.

### **Part N – 10 Day Voter Registration Deadline**

- Shortens the deadline for a voter to register to vote from 25 days before the election to ten days before the election.
- Ten days in the shortest possible timeframe that does not violate the State Constitution.
- Early voting begins on the tenth day before an election so on the first day of early voting an individual could register to vote and vote on the same day.
- The Legislature passed this legislation earlier this session.

### **Part O – Polls Sites on College Campuses**

- Requires a poll site be located on a college or university campus whenever the contiguous property of the college or university contains 300 or more registrants.
- There are more than 225 colleges and universities in New York State.
- The Legislature passed this legislation earlier this session.

### **Part P – Allow for the Sale of To-Go Alcoholic Drinks**

- Authorizes any holder of a retail license for the consumption of wine or liquor on premise to sell wine or liquor for consumption off premise.
- The State Liquor Authority would be authorized to develop rules and regulations for these sales.
- The sale of alcohol for off premise consumption was first authorized via Executive Order as part of the response to the COVID-19 pandemic.

### **Part Q – Ethics Requirements for Local Officials**

- Prohibits a municipal officer or employee from accepting a gift worth more than a nominal value. Currently municipal officers and employees are prohibited from accepting a gift worth \$75 or more.



- Amends the definition of a municipal officer's or employee's interest in a contract of a family member to include any person who lives in the same household, any person who is a direct descendant of such municipal officer or employee's grandparents or the spouse of such descendant.

#### **Part R – Expands the use of Continuous Recruitment Testing.**

- Eliminates the requirement that positions have an inadequate number of well-qualified personal available in order to establish a continuous recruitment exam.

#### **Part S - Allows individuals in the non-competitive or labor class the same opportunity to take promotional exams as an individual in the competitive class.**

- Eliminates the requirement that an open competitive exam must be offered for an individual in the non-competitive or labor class to take a promotional exam that would be available to an employee in the competitive class.

#### **Part T – Authorizes the transfer of Non-Competitive Employees appointed through the States' 55-B and 55-C programs into the Competitive Class.**

- Allows employees hired under the 55-B (Individuals with disabilities) and 55-C (Individuals who are veterans with a disability) programs to transfer into the competitive Class provided they meet the requirements for the competitive examination and possess the requisite credentials, licenses, and certification as necessary.

#### **Part U – Authorizes the Expansion of the Statutory Shift Pay Differential.**

- Expands the shift pay differential by allowing the Director of Classification and Compensation to authorize shift pay for any works shift, including weekend day shifts.
- Eliminates requirement that an employee be regularly assigned to a specific shift in order to qualify for pay shift differential.
- Authorizes the shift pay differential rate to include an hourly rate or annual rate.

#### **Part V – Market-Based Interest Rate on Court Judgments**

- Executive proposal changes the post-judgment legal rate of interest for civil actions and accrued claims. The current legal rate of nine percent per year would be changed to a market rate that is equal to the weekly average one-year constant maturity yield, during the calendar week preceding the date of the entry of judgment.

#### **Part W - Streamline County-wide Shared Services Initiative**

- Would allow for shared service projects that were included in previous plans, but were not implemented, to be eligible for state matching fund in one consolidated application per shared service plan when appropriations are available,



- Proposal would require that Shared Services Panels submit their individual applications for State matching fund by December 31 of the second year following plan adoption in order to be eligible for state matching funds for project net savings
- This proposal, if enacted, would take effect immediately

### **Part X - Resume General Fund AIM for Towns and Villages**

- Proposal would restore Aid and Incentives for Municipalities (AIM) for 846 towns and 479 villages
- Currently, these municipalities receive \$59.1 million, not from the state general fund, but from AIM-Related payments that derive from county sales tax revenue due to the Office of the State Comptroller (OSC) intercept
- Proposal would fund these municipalities through the state general fund as was done in the FY 2019 Enacted Budget and end the OSC intercept of county sales taxes
- This proposal, if enacted, would take effect on July 1, 2022

### **Part Y – Authorization for Transfers, Temporary Loans, and Amendments to Miscellaneous Capital/Debt Provisions, Including Bond Caps**

- New sweeping authority to authorize temporary loans and deposits for certain funds and accounts, authorize transfers and deposits of funds to and across various accounts, extend various provisions concerning certain capital projects and certifications, and modify various debt and bond provisions to adjust state cash flow.
- Seeks to reimburse projected Capital Projects Fund spending with the proceeds of bonds sold by public authorities, to ensure the continued borrowing necessary for certain State-supported debt issuances.
- Adjusts various bond caps to reflect capital spending financed by the issuance of debt.

### **Part Z – Independent Ethics Reform Act of 2022**

- Replaces the Joint Commission on Public Ethics with a new commission entitled the Independent Commission on Ethics and Lobbying in Government.
- The commission would consist of five members chosen by the committee of the American Bar Association accredited New York state law school deans or interim deans.
- Commission members would receive a per diem allowance calculated as the salary of a justice of the supreme court divided by 220 for each full day worked(deemed at least 7.5 hours worked) or for each pro-rated day worked.

### **Part AA – Clean Slate Act**

- Provides for the automatic sealing of criminal convictions.



- Misdemeanors would be sealed three years after the expiration of the sentence. Felonies would be sealed seven years after the expiration of sentence
  - Expiration of sentence means the maximum date on which either any sentence of incarceration, including any term of post-release supervision, or any sentence of probation would expire if the sentence were to run from the date of imposition without consideration of any conditional or supervised release from custody or any credits or reductions that may have been earned.
- Convictions for Driving While Ability Impaired by Alcohol, a traffic violation, would be sealed three years after the completion sentence, which could include the payment of a fine.
- Convictions would not be sealed if:
  - The conviction for a sex offense which requires registration as a sex offender
  - The defendant is incarcerated or under supervision of a parole or probation department
  - The defendant has a pending criminal case in New York State
- Once sealed, records of conviction would only be available:
  - To the defendant or the defendant's attorney;
  - To any court or prosecutor for the purposes of a pending criminal action or the court, prosecutor, or defense attorney if the defendant is a witness in a criminal proceeding, or the claimant and respondent if the defendant is a witness in a civil proceeding;
  - To qualified agencies, as defined in Executive Law section 835(9), such as the Unified Court System, District Attorneys' offices, DOCCS, and Child Protective Services, when acting within the scope of law enforcement duties or other statutory authority;
  - To any prospective employer of a police officer or peace officer;
  - To any federal, state or local officer or agency responsible for issuing gun licenses;
  - For the purpose of civilian investigation or evaluation of civilian complaint concerning law enforcement or prosecution actions; and
  - Bona fide research purposes, however identifying information must be removed.
- When a conviction is eligible for sealing, the Office of Court Administration must notify the Division of Criminal Justice Services, the court where the conviction occurred, and the appropriate police department, prosecutors' offices and law enforcement agencies, that the conviction is sealed. Upon receipt of such notification, such agencies must seal all records relating to the conviction and may not release such records unless to an authorized entity or for an authorized purpose.

### **Part BB – Private Sector Employment for Incarcerated Persons**

- Authorizes inmates to be employed by and paid fair and just compensation by a private business or to be paid as part of a prison industries certification program established by the commissioner of DOCCS

- The Commissioner of DOCCS would be able to enter into contracts with private sector business entities that allows such entities to establish within correctional facilities worksites at which inmates may be employed.
- The Commissioner would also be able to establish and implement prison industries certification programs within state correctional facilities.
- Inmates participating in such programs would be compensated with wages comparable to wages paid for similar work in the locality in which the work is performed.
- Gross wages can be offset for taxes, family support, restitution and other lawful obligations in an aggregate amount not more than 50 percent.
- New York State laws related to employment conditions would apply to private business worksites and prison industries certification programs.



## **EDUCATION, LABOR & FAMILY ASSISTANCE**

### **S.8006/ A.9006**

**Part A – This bill contains various provisions necessary for implementation of the education portion of the FY 2023 Executive Budget.**

- Includes provisions proposed the Executive that define the school aid package for FY 2023. Specifically, this proposal would:
  - Allocate formulaically \$31.3 billion in General Support for Public School (GSPS).
  - Increase Foundation Aid by \$1.6 billion and ensures each school district with a minimum three percent increase in Foundation Aid.
  - Fully fund expense based aids through an increase of \$471 million.
  - Provide a fully passed in Foundation Aid formula by FY 2024.
  - Provide Building Aid and Transportation Aid Penalty Forgiveness.
  - Extends mayoral control of New York City Schools for four years.

**Part B – Achieve 100% Electric School Buses by 2035**

- Defines "zero-emission school bus" to mean a school bus that: (a) is propelled by an electric motor and associated power electronics, which provides acceleration torque to the drive wheels during normal vehicle operations; and (b) draws electricity from a hydrogen fuel cell or battery.
- Provides that no later than July 1, 2027, every school district shall:
  - Only purchase or lease zero-emission school buses when purchasing or leasing new buses; and
  - Include requirements in any procurement for school transportation services that any contractors providing transportation services for the school district must only purchase or lease zero-emission school buses when purchasing or leasing new school buses.
- Provides that no later than July 1, 2035, every school district shall:
  - Only operate and maintain zero-emission school buses; and
  - Include requirements in any procurement for school transportation services that any contractors providing transportation services for the school district must only operate zero-emission school buses when providing such transportation services to the school district.
- Includes, for state aid purposes, as an allowable transportation capital, debt service, and lease expense approved costs relating to the lease, purchase, construction, or installation of zero-emission school bus electric charging or hydrogen fueling stations and includes electricity to charge or hydrogen to fuel such buses as an aid-able expense.
- Extends the amortization period when purchasing zero-emission busses to ten years. Currently, such period for diesel buses is five years.

### **Part C – Allows Provisional Certification of School Professionals**

- Provides for the issuance of temporary (one year) professional permits to applicants pending certification who are to be employed in a teaching or other professional capacity in a public school under the supervision and mentorship of a certificate holder in the same profession.
- Allows individuals holding an expired teaching, supervisory, or administrative certificate to be employed in a public school if they notify the Commissioner of the State Education Department and provide payment of the applicable certification fee.

### **Part D – Provide State Support to CUNY and SUNY in FY 2023 to Fully Fund TAP Tuition Credits**

- Authorizes the General Fund operating support to CUNY and SUNY to fully fund tuition credits provided to TAP recipients in FY 2023 and thereafter.

### **Part E – Expand the Part-Time Tuition Assistance Program**

- Expands TAP eligibility to part-time students enrolled in degree programs and part-time students enrolled in high-demand workforce credential programs at community colleges.
- Eliminates the current rule, which only allows part-time students to be eligible for TAP where they attended school full time for a year (24 credits) prior to receiving awards.
- Allows Empire State Development Corporation (ESDC) and the Regional Economic Development Councils (REDC) to determine what workforce credential programs will be considered “high-demand” for purposes of deciding eligibility.

### **Part F – Restore the Tuition Assistance Program for Incarcerated Individuals**

- Repeals the section of Education Law which prohibits incarcerate individuals from being eligible for TAP awards.

### **Part G – Accelerates the Reset of Excelsior Scholarship Tuition Support Levels**

- Accelerates the tuition reset from AY 2024 to AY 2023, meaning that SUNY and CUNY can charge the current tuition rate rather than the tuition for AY 2017.

### **Part H – Allow Use of College Savings (529) Accounts for Apprenticeship Programs**

- Makes apprenticeships programs a qualified use of College Savings (529) savings accounts under New York State law as allowable under the Internal Revenue Code.



### **Part I – Stop Transcript Withholding at Institutions of Higher Education Due to Unpaid Student Bills**

- Directs higher education institutions from withholding transcripts as a debt-collection mechanism for students with unpaid fees.
- Grants the Department or the Superintendent of Financial Services a right of action against any college found in violation of the provisions to pay the people of the state a penalty of \$500 per violation.
- Allows injured parties to bring an action in their own name to enjoin the practices of the institution, and also allows the court to award reasonable attorney's fees where applicable.
- Allows the President of the Higher Education Services Committee to suspend, limit or terminate an institution's participation in financial aid programs where an institute acts in violation of this article.

### **Part J– Streamline New Higher Education Program Approval to Meet Workforce Needs**

- Allows that new curricula or programs of study which does not require Board of Regents approval of a master plan amendment will be deemed registered with the State Education Department; no longer requires SED approval.
- Schools must be accredited by the Middle States Commission on Higher Education.
- Does not apply to for-profit schools.

### **Part K– Allow Public Accounting Firms to Have Minority Ownership by Individuals Who Are Not Certified Public Accountants**

- Authorizes public accounting firms to incorporate in New York State with minority ownership by individuals who are not CPAs, provided that the words "Certified Public Accountant" or the abbreviation "CPA" do not appear in the firm's name.

### **PART L - Expands income eligibility for childcare subsidies.**

- Increases eligibility for childcare subsidies from 200 percent of state income standard to 300 percent by 2024, provided the family income does not exceed eighty-five percent of the state median income.
- Changes from shall to may, the ability of the Social Service district to receive the unclaimed block grant allocation for the next federal fiscal year.

### **Part M - Permanently eliminates the State share of reimbursement, to counties outside of New York City, for placements made by the Committee on Special Education (CSE)**

- Executive proposes to permanently, eliminate the current 18.42 percent State share of reimbursement, to counties outside of New York City, for placements made by the Committee on Special Education (CSE). Provision currently has a sunset date of April 1, 2022.

**Part N - Extends the current Child Welfare Financing structure for five years until June 30, 2027.**

- Continues current reimbursement for preventative services such as child protective services, independent living, adoption administration costs and costs related to the maintenance, supervision and tuition of children in foster care.

**Part O - Updates Maximum State Aid Rates for Voluntary Agencies**

- Requires Local Social Service Districts to increase payment to at least 100 percent of the applicable rates published by the Office of Children and Family Services effective July 1, 2023 for care provided to foster children in regular, therapeutic, special needs, and emergency foster boarding.

**Part P - Homeless Youth Health Care Consent**

- Authorizes a homeless youth to provide consent for medical, dental, health and hospital services for himself or herself.

**Part Q – Juvenile Justice Delinquency Prevention Compliance Act.**

- Executive proposes amending the current administrative process for approving alternate jail placement for youth under 21 in detention and transfers of Juvenile Offenders (JO) and Adolescent Offenders (AO) to DOCCS prior to age 21.
- If the individual is unable to be lodged in a secure facility operated by the OCFS, the officer having custody or other appropriate official must petition the court for approval to lodge in the local correctional facility.
  - The court shall hold a hearing to determine if it is in the interest of justice for a violator to be held in a local correctional facility. Considerations include:
    - Age of the alleged violator;
    - The physical and mental maturity of the alleged violator;
    - The present mental state of the alleged violator, including an imminent risk of harm to self or others;
    - Nature and circumstances of alleged offense;
    - The alleged history of prior delinquent or criminal acts;
    - The relative ability of the available local correctional and detention facility to not only meet the specific need but to also protect the safety of the public as well as other detained youth; and
    - Any other relevant factors.
  - A hearing must be held every 30 days to determine if lodging in the local correctional facility continues to be in the interest of justice.
  - No alleged violator may be detained in a local correctional facility for longer than one hundred eighty days unless the violator waives such limitation or the court finds good cause for such continued detention.





- Provides that a hearing is not required if a youth is detained in an adult jail or lock up, with sight and sound separation from incarcerated adults when:
  - For a period not to exceed six hours for processing or release; or
  - While awaiting transfer to a juvenile facility; or
  - While awaiting a court appearance or awaiting court appearance that will occur within 48 hours after being taken into custody (excluding Saturday, Sundays, and Holidays); or
  - Condition of safety (sever, adverse, life threatening conditions weather conditions).

### **Part R – Investments for Veterans Services**

- Increases the minimum state funding allocations to county and city Veterans' Services Agencies from \$10,000 to \$25,000. The estimated fiscal impact of this change is \$1 million.

### **Part S – Authorizes the pass-through of any federal Cost of Living Adjustment in relation to Supplemental Security Income (SSI) which becomes effective on or after January 1, 2023**

- Executive proposal would establish specific amounts for the monthly Personal Needs Allowance (PNA) and the monthly standard of need for SSI recipients in various living arrangements in the Social Services Law. The federal SSI benefit amount is increased annually, through a cost of living adjustment (COLA), and State Law must be amended accordingly to ensure accurate payments are made.
- Sets forth the actual dollar amounts for the 2022 PNA and the standard of need for eligibility and payment of additional State payments. It also authorizes those amounts to be automatically increased, by the percentage of any federal SSI COLA, which becomes effective within the first six months of the calendar year 2023.

### **Part T - Extends Authorization to appoint a Temporary Operators for Emergency Shelters**

- Extends authorization to appoint a Temporary Operator for an Emergency Shelter for three years until March 31, 2025.

### **Part U - Expands Income Eligibility for Public Assistance Programs**

- Requires local Social Service Officials to determine eligibility for Safety Net Assistance within 30 days of applications from 45 days.
- Increases the exemption to fifty percent of earned income for such month of any recipient.
- Increase the exemption to an additional \$150 per month.
- Increases cash and liquid or non-liquid resource from \$2,000 to \$2,500 for applicants.
- Increases cash and liquid or non-liquid resource from \$3,000 to \$3,750 in households in which any member is 60 years of age or older for applicants.
- Increases cash and liquid or non-liquid resource from \$2,000 or \$3,000 to \$10,000 for recipients.

- Has an estimated annualized gross cost of \$61.6 million. (Local Cost share of approximately \$39.5 million with a \$22.1 million State share).

### **Part V – Ban Non-Compete and No-Poach Agreements**

- Bans certain non-compete and no-poach agreements for employees earning less than the median wage in the State of New York.
- Places limitations on non-compete agreements for employees that do not meet the definition of “covered employee” in the statute.
  - The agreement must be strictly limited and no more expansive than necessary to protect the legitimate interest of the employer.
  - Not impose undue hardship on the employee.
  - No be injurious to the public.
  - Be disclosed in written offer of employment.
  - Be written in the primary language identified by the employee and not be written at a reading comprehension level exceeding that of the employee.
  - Not extend beyond one year after the termination of employment.
  - Not require that the employee adjudicate outside the State of New York a claim arising within the State of New York.
  - Be maintained by the employer for at least six years from the end of the agreement.
  - Be voidable at the option of the employee if the employer cannot demonstrate a continued willingness to employ the employee.
  - Not deprive the employee of a substantial protection of New York Law for controversy arising in New York State.
- Incorporates these provisions into §218 of the Labor Law, which governs the imposition of civil penalties for various labor violations.

### **Part W – Increase Criminal Penalties for Wage Theft**

- Amend §198-a of the Labor Law to increase the penalties for non-payment of wages as follows:
  - Non-payment of wages per employee is increased from an unclassified misdemeanor to a class A misdemeanor. The amount of the underpayment for a single employee would be any amount less than \$1,000 or less than \$25,000 for more than one employee.
  - Non-payment in an amount greater than \$1,000 for a single employee or \$25,000 for multiple employees would be a class E felony.
  - Non-payment of wages exceeding \$3,000 or \$100,000 per above would be a class D felony.
  - Non-payment exceeding \$50,000 or \$500,000 per above would be a class C felony.



- Amends §213 of the Labor Law to make any violation of provisions of the Labor Law criminal offenses defined as follows:
  - This would apply to any officers of a corporation who allow such violations to occur. Current law provides for a civil fine in the amount of \$100 and /or 15 days imprisonment if the violation constitutes a public safety issue. This Part would make such violations punishable as a class A misdemeanor under the Penal Law.
  - For subsequent offenses within six years the penalty would be increased to a class E felony.

### **Part X – Prohibit Discrimination Against Domestic Violence Victims in All Jurisdictional Areas**

- Amends Human Rights Law to add an individual’s “status as a victim of domestic violence” as a protected class for provisions of the Human Rights Law where such status is not currently a protected class. The Human Rights law currently prohibits employment discrimination against a victim of domestic violence.

### **Part Y – Make Explicit that Discrimination on the Basis of Citizenship and Immigration Status is Unlawful**

- Codifies and clarifies to employers, housing providers, places of public accommodation and others, that discrimination because of immigration status or citizenship is unlawful.
- States that nothing precludes verification of citizenship or immigration status where it is required by law, nor will action be prohibited based on citizenship or immigration status where action is required by law.

### **Part Z – Mortgage Insurance Fund Utilization**

- Authorizes the utilization of \$39.8 million in surplus Mortgage Insurance Fund (MIF) reserves to support the following programs:
  - Rural Rental Assistance Program (\$21.6 million).
  - Neighborhood and Rural Preservation Programs (\$18.2 million).

### **Part AA – Permit the Creation of Accessory Dwelling Units**

- Requires local governments to provide for the creation of accessory dwelling units (ADUs). Authorizes the creation of at least one ADU per residential lot, and requires local governments to provide reasonable standards for structural requirements for ADUs.
- ADUs are detached or attached residential units that are independent but on the same lot as a primary residence.
- Prohibits an ADU from being sold separately from the main residence or being used as a short-term rental, and restricts local government from regulating the size of an ADU;

- Requires New York City to create a program to address ADUs that existed before the passage of this language that could provide amnesty for property owners; and
- Establishes a lending program for low-moderate income property owners to obtain financing and technical assistance to create ADUs.

### **Part BB – Improve Access to Housing for People with Prior Conviction Records**

- Prohibits housing providers or agents from automatically rejecting potential tenants or homeowners with one or more previous criminal convictions;
- Property owners or their agents would only be allowed to consider convictions resulting from convictions that involved a threat to the health and safety of individuals or property.

### **Part CC – Amend New York City’s Floor-Area Ratio on Residential Density**

- Would return autonomy to New York City to change the floor-area ratio to create more residential units by allowing for denser dwelling unit development.
- Current law limits the density of residential floor-area ratio in New York City to 12.0.

### **Part DD – Facilitates the Conversion of Hotel and Commercial Space into Residential Housing**

- Authorizes Class B hotels in or near residential zoned area in New York City to convert their units into permanent dwelling units without the need to change their certificate of occupancies.
- Allows certain commercial office buildings in New York City to be converted into Class A multiple dwellings.
- These converted units would be subject to rent stabilization and would need to be under a regulatory agreement with the Department of Housing and Community Renewal or another agency.

### **Part EE – Encourage Transit-Oriented Development of Housing**

- Prohibits municipalities from prohibiting housing with a density of at least 25 units per acre on land where residential construction and occupancy is already permitted.
- Local governments would not be permitted to restrict this housing through excessive restrictions on height, floor-area ratio, setbacks or other requirements.
- These provisions would apply to all municipalities with residential zoning within a half mile of a bus transportation center, Long Island Railroad, Metro North, Port Authority or New Jersey Transit station within 60 miles of New York City.



### **Part FF – Reform the Use of Credit Checks in Tenant Screenings for Housing**

- Prohibits property owners from automatically rejecting an applicant housing due solely to a poor credit score or credit history.
- Requires landlords to consider if an applicant has shown and ability to pay their rent on time, if they receive rental subsidies, and if their credit history or poor credit score is solely the result of medical debt, outstanding student loans, or the direct result of stalking, sexual assault, or domestic or dating violence.

### **PART GG – Codify Language Access Policy**

- Codifies the State language access policy, which requires that forward facing State agencies provide interpretation and translation services for the ten most spoken non-English languages in the State.
- The Office of General Government would be tasked with coordinating implementation of this policy.
- The ten most spoken non-English languages would be determined using data from the United States Census Bureau.

### **Part HH - Temporarily eliminates the \$35,000 earnings limit for retired individuals who are employed by a public school in the state.**

- Eliminates the \$35,000 earnings limit for retired individuals who are employed by a public school in the State until June 30, 2024.

### **Part II – Enact the Affordable Neighborhoods for New Yorkers Tax Incentive**

- Replaces the 421-A affordable housing tax incentives in New York City with a new program.
  - Adds a new section 485-w of the Real Property Tax law establishing the Affordable Neighborhoods for New Yorkers Tax Incentive program (ANNY), replacing and updating aspects of the expiring program as follows.
  - Affordability Options: The current 421-a program provides seven affordability options for rental buildings ranging from requiring a certain percentage of units to be affordable to households with incomes from 40 percent of Area Median Income (AMI) to 130 percent of AMI.
  - The new ANNY program would provide deeper affordability through two options for rental buildings depending on the size of the building. Rental buildings with 30 units or more would be required to have at least 10 percent of units to be affordable to households with incomes at 40 percent of AMI, 10 percent affordable at 60 percent of AMI, and 5 percent at 80 percent of AMI.
  - Rental buildings with less than 30 units would be required to have at least 20 percent of units affordable to those with household incomes at 90 percent of AMI.
  - Relative to homeownership (i.e., co-ops and condos), the new program would require 100 percent of units to be affordable at 130 percent AMI, replacing the current 421-a program's use of property assessment.

- Affordability Period: The current 421-a program requires affordability options (i.e., the restricted period) to be in place for 35 years after construction completion, or for 40 years for projects receiving an Enhanced Benefit. Additionally, all units, including those rented at market-rate, are subject to Rent Stabilization for the entire restricted period.
- The new ANNY program would set restricted periods based on the size and type of the project:
  - Large rental projects with 30 units or more would be required to maintain affordability restrictions permanently.
  - Small rental projects with less than 30 units would be required to maintain affordability restrictions for 35 years after construction completion.
  - Additionally, all affordable rental units would remain subject to Rent Stabilization, permanently.
  - Homeownership projects would maintain affordability for 40 years after construction completion, subject to regulatory agreements.
- Tax Benefit: The current 421-a program provides a 20-year tax benefit period for co-ops and condominiums, with a full tax exemption for 14 years and a 25 percent exemption for 6 years. It provides rental projects with less than 300 units a full tax exemption for 25 years, and a partial exemption set at the rate that matches the percentage of affordable units for 10 years.
- For rental projects with 300 units or more, the program provides a full tax exemption for 35 years.
- The new ANNY program would provide co-ops and condominiums a full tax exemption for up to three years during construction and for 40 years after construction is complete.
- All rental projects under the program would be provided a full tax exemption for up to three years during construction and for 25 years after construction is complete, followed by a partial tax exemption for 10 years thereafter set at a rate matching the percentage of affordable units.
- Geography: The current program outlines Enhanced Affordability Areas (EEAs) in Manhattan, Brooklyn, and Queens, where enhanced affordability is required, extended benefits are available, and construction workers are required to be paid minimum wages established in law. The new program would not change the geographic coverage of the three EEAs, but renames them to Prime Development Areas (PDAs). Buildings in the PDAs are required to pay established rates for construction workers and building service workers.
- Labor Requirements: Under the current program, prevailing wage requirements—enforced by the New York City Comptroller—require the minimum construction worker wage to be \$60 per hour in Manhattan and \$45 per hour in Brooklyn/Queens, plus a 5 percent escalator every 3 years. Projects with 50 percent of units affordable at 125 percent of AMI or a Project Labor Agreement (PLA) are exempt from both wage requirements.
- Under the new program, construction wages for projects with 300 units or more in the PDAs would be set at a minimum of \$63 per hour in Manhattan and \$47.25 per hour in Brooklyn/Queens, increasing 5 percent after one year and every three years thereafter. These wages would remain in place until the Department of Labor establishes an alternative construction wage standard.
- Under the new program, construction wage requirements would not be applicable to co-ops/condominiums, projects where 50 percent of the units are affordable up to 80 percent of AMI, and



those with a PLA. Building service employee wage requirements would not be required for buildings with less than 300 units or where at least 50 percent of units are affordable up to 90 percent of AMI.

- Expiration: The new program would be set for five years after the expiration of 421-a.
- Effective Date: This bill would take effect immediately.





## **HEALTH & MENTAL HYGIENE**

### **S.8007/ A.9007**

#### **Part A – Establishes Nurses Across New York (NANY)**

- Establishes a nurse student loan repayment program for registered professional nurses who work in underserved communities for a period of three consecutive years.
- Disperses funds regionally with one-third of funds going to New York City and two-thirds going to the rest of the state to mirror the Doctors Across New York program.

#### **Part B – Interstate Medical Licensure Compact**

- Authorizes the establishment of a physician licensure compact in order to increase cooperation among states and provide opportunities for interstate practice.
- Allows multistate licenses to practice medicine to be recognized by each party state authorizing a physician to practice in the jurisdictions, provided the physician meet certain eligibility requirements.
- Requires physicians seeking licensure through the compact to submit an application for an expedited license with the principal state of licensure and complete a registration process of the compact.
- Requires physicians practicing in party state to comply with the respective practice laws and would subject the physician to the jurisdiction of the licensing board, courts and laws of the state where the client is located at time of service.
- Requires party states to participate in a coordinate licensure information system, which includes licensure and disciplinary information for all physicians participating.
- Establishes an interstate commission of physician licensure compact administrators to promulgate rules to facilitate and coordinate implementation and administration of the compact.

#### **Part C– Scope of Practice**

- Includes pharmacists as qualified health professionals under the Public Health Law.
- Amends the Education Law to add licensed pharmacists as qualified health care professionals for the purposes of directing a limited laboratory and administering tests approved by the Federal Food and Drug Administration.
- Exempts nurse practitioners who have more than 3,600 hours in primary care from maintaining collaborative agreements with physicians.

#### **Part D – Establishes Healthcare Workforce Bonuses**

- Establishes a one-time \$3,000 bonus for hands-on front line health care and mental hygiene practitioners, technicians, assistant and aides with an annual salary of \$100,000 or less.

- Applies to Medicaid providers, programs funded by the Office of Mental Health, the Office of Addiction Services and Supports or the Office for People with Developmental Disabilities.
- Authorizes the Department to establish guidelines and procedures in order to provide reimbursement to employers to disperse the bonuses, and authorizes monetary penalties on providers that fail to identify, claim or pay bonuses to employees and exempts bonus from state or local income tax.

### **Part E – General Public Health Work County Support**

- Authorizes the Department of Health to increase base grant funding to full-service Local Health Departments to the larger of \$750,000, an increase from \$650,000, or \$1.30 per capita, an increase from \$0.65 per capita, and for partial-service Local Health Department's the Commissioner will limit the base grant to reflect the scope of services provided to no more than \$577,500.
- Authorizes a municipality's fringe benefit costs to be eligible for reimbursement up to 50 percent of qualifying personal fringe benefits.

### **Part F – Modernize Emergency Medical Services**

- Requires the State Emergency Medical Services Council (SEMSCO ) to advise the Commissioner on emergency medical services, specialty care, designated facility care, disaster medical care and assist in the coordination of such services.
- Requires each Regional Emergency Medical Services Council (REMSCO) to advice SEMSCO and the Commissioner on the related issues and assist in regional coordination.
- Authorizes the Commissioner, with the advice of SEMSCO, to create an emergency medical services quality and sustainability assurance program with standards and requirements which may include clinical standards, quality metrics, safety standards, emergency vehicle operator standards, clinical competences, sustainability metrics and minimum requirements for quality assurance and sustainability assurance programs and EMS agencies that do not meet program standards may be subject to enforcement action.
- Requires the Department of Health, in consultation with SEMSCO, to develop and maintain a statewide comprehensive emergency medical systems plan to provide a coordinated emergency medical system in the state which incorporates facilities, transportation, workforce, communications, improving accessibility and delivery of services and requires updating every 5 years.
- Requires each county office of emergency medical services to develop and maintain a comprehensive county emergency medical system plan to provide a coordinated emergency medical system in the county.
- Requires the Department of Health, in consultation with SEMSCO, to establish a training program for emergency medical systems and establish minimum education standards, curriculums and requirements for all emergency medical system training programs.
- Requires the Commissioner to establish an emergency medical system mental health and wellness program that provides resources to practitioners to reduce burnout, prevent suicide and increase safety.



- Amends the definition of “emergency medical service” to include additional modalities of emergency medical service delivery, including the administration of immunizations as approved by SEMSCO.

### **Part G – Transfers Oversight for Licensed Healthcare Professions**

- Transfers and authorizes the oversight of licensed healthcare professions to the Department of Health from the State Education Department effective January 1, 2023.
- Establishes Department of Health oversight of the following professions: medicine and professional misconduct, physicians assistants, specialists assistants, chiropractic, dentistry and dental hygiene, perfusionists, physical therapy, pharmacy, pharmacy technicians, nursing, midwifery, podiatry, optometry, ophthalmic dispensing, psychology, social work, massage therapy, occupational therapy, dietetics and nutrition, speech-language pathology and audiology, acupuncture, athletic trainers, mental health practitioners, respiratory therapists and respiratory therapy technicians, clinical laboratory practice, medical physics practice, applied behavior analysis and licensed pathologists’ assistants.

### **Part H – Modifies the Medicaid Global Cap**

- Updates the calculation metric used to determine allowable Medicaid disbursements under the Global cap from the 10-year rolling average of the Medicaid component of the Consumer Price Index to the 5-year rolling average of the Medicaid spending annual growth rate projections within the National Health Expenditure Accounts set by the Office of the Actuary in the Centers for Medicare & Medicaid Services for the preceding five years and extends statutory authority for the cap through 2024.

### **Part I – Increase Medicaid Trend Factor**

- Authorizes a one percent across the board rate increase for Medicaid fee-for-service rates for fiscal years beginning April 1, 2022 and ending March 31, 2024 and exempts the following: payments that would violate federal law including hospital disproportionate share payments; Medicaid payments made by other state agencies including the Office of Mental Health Article 16, 31 and 32 clinics; payments the state is obligated to make pursuant to court orders; payments for which there is no federal share; and at the discretion of the Commissioner and Director of the Budget, payments that would result in a lower federal medical assistance percentage (FMAP).

### **Part J – Hospital Rebasing**

- Extends the requirement to rebase and reweight acute hospital rates from July 1, 2022 to no earlier than January 1, 2024 to delay rate rebasing to allow the industry cost base to normalize following the COVID-19 pandemic.

## **Part K – Statewide Health Care Facility Transformation Program IV**

- Establishes a new \$1.6 billion Statewide Health Care Facility Transformation Program IV to provide capital to fund:
  - Unfunded project applications under Statewide III to be awarded \$450 million no later than December 31, 2022 with the following minimum allotments: \$25 million for community-based health care providers such as diagnostic and treatment centers, \$25 million for mental health and substance use disorder treatment clinics, independent practice association or organizations, OPWDD clinics, home care providers and hospice; and \$50 million to residential health care facilities and adult care facilities;
  - Grants totaling \$200 million to health care providers for modernization of an emergency department of regional significance which includes facilities that (a) serve as a Level 1 trauma center with the highest volume in the region, (b) has the capacity to segregate patients with communicable diseases, trauma or severe behavioral health issues from other emergency department patients, (c) provides training in emergency and trauma care to residents from multiple hospitals in the region, and (d) serves a high proportion of Medicaid patients without competitive bid or a request for proposal;
  - Grants up to \$750 million to health care providers will be awarded without competitive bid or a request for proposal to fund capital projects, build innovative, patient-centered models of care, increase access to care, improve quality of care and ensure financial stability of providers;
  - Grants up to \$150 million for technological and telehealth transformation projects will be awarded without a competitive bid or request for proposal process;
  - Grants up to \$50 million to be awarded without a competitive bid or request for proposal process to residential and community-based alternatives to the traditional model of nursing home care such as the “Green House” nursing home initiative to deliver nursing home level care in small residential settings.
- Awards shall be contingent on an evaluation process and may require achieving certain process and performance metrics structured to ensure the goals of the project are achieved.
- Requires the Department of Health to report on a quarterly basis to the chairs of the senate finance and health committees and the assembly ways and means and health committees the award and amount, name of the applicant, description of the project, disbursement date and status of achievement of process and performance metrics.

## **Part L – Modifications to the Certificate of Need Process**

- Includes “controlling persons” within the list of individuals required to undergo character and competence review by the Public Health and Health Planning Council (PHHPC) in the hospital establishment application, and reduces from ten years to seven years the review period of an applicant’s affiliations with any healthcare entity.
- Includes “stock” as an interest that may be transferred, assigned or disposed with PHHPC approval, and adds interest in “sole proprietorship”, “non-for-profit corporation” and “corporation” to list of required PHHPC approval.



- Establishes that no prior approval by the PHHPC is required of any person, partner, member or stockholder that has been previously approved by the PHHPC, and change in ownership is not required to undergo a public needs assessment.
- Clarifies that when a transfer of interest, stock or voting rights is less than ten percent, no prior approval is required by the PHHPC, although transfers of ownership of less than ten percent requires notification to the Department and PHHPC and it will be finalized within 90 days following any additional requests for information by the Department.
- Establishes that failure to obtain PHHPC approval shall result in revocation or suspension of the license or certificate.
- Establishes the same amendments to ownership and transfer interests subject to PHHPC approval to licensed home care services agencies, certified home health agencies and hospice programs.

### **Part M – Nursing Home Reforms**

- Amends the “70/40” direct care minimum spending requirements for nursing homes to exclude from the revenue formula provider assessments and the capital per diem portion of the reimbursement rate for nursing homes that have a four or five star rating from the Center for Medicare and Medicaid Services (CMS);
  - Provides the Commissioner discretion to exclude from revenues the capital per diem portion of the reimbursement rate for nursing homes with a three star rating from CMS on a case-by-case basis.
- Expands funding for the Nursing Home Quality Pool, at the discretion of the Commissioner, by either Medicaid rate adjustments, state appropriations or a combination of both.
- Includes financially distressed nursing homes, adult care facilities, independent practice associations and accountable care organizations within the Vital Access Provider Access Program (VAPAP).

### **Part N – Medicaid eligibility expansion for seniors and individuals with disabilities**

- Eliminates the resource test and raises income levels to 138 percent the federal poverty level for New Yorkers 65 years of age and older and those with disabilities so they may maintain Medicaid eligibility after they become eligible for Medicare.
- Provides Medicaid postpartum coverage for mothers for one year, with federal approval, an increase from 60 days after they give birth.

### **Part O – Managed Long Term Care Program Reforms**

- Authorizes an increase in reimbursement to those providers of private duty nursing services, who are listed in the fee-for-service directory, to medically fragile adults.
- Authorizes the Department to develop service authorization guidelines and standards for long-term services and supports and authorizes the Department to implement the uniform tasking tool.

- Establishes a separate licensing process for Programs for All-Inclusive Care for the Elderly (PACE) plans to streamline application and approval processes and expand access to coverage and service delivery for individuals requiring long-term care services.

## **Part P – Managed Care Reforms**

- Establishes a moratorium on the processing and approval of all applications seeking to establish a managed care provider, including expanding the scope of eligible enrollee populations effective April 1, 2022 and expiring on the date the Commissioner publishes a request for proposals on the website;
  - Exempts from the moratorium (i) applications submitted prior to January 1, 2022; (ii) applications seeking to approve or transfer ownership or control of an existing managed care provider; (iii) applications seeking authorization to expand an existing managed care providers service area; (iv) applications seeking authorization to form or operate a managed care provider through HIV Special Needs Plans or Developmental Disability Individual Support and Care Coordination Organization; or (v) applications that demonstrate it would address a serious concern with care delivery such as lack of adequate access and appropriate care, language and cultural competence or special needs services.
- Authorizes the Department of Health to initiate a competitive bid process for Managed Care Organizations participating in certain Medicaid managed care program;
  - Establishes the following criteria for the Commissioner to consider: (a) accessibility and geographic distribution of network providers taking into account regional differences; (b) the extent to which major public hospitals are included in provider networks; (c) demonstrated cultural and language competencies; (d) the corporate organization and status of the bidder as a charitable corporation; (e) the ability of the bidder to offer plans in multiple regions; (f) the type and number of products proposed to operate including health maintenance organizations; (g) the type and number of products proposed to operate including those for integrated care for dual eligible; (h) participation in value based payment arrangements; (i) commitment to participation in managed care in the state; (j) the bidder's commitment to quality improvement; (k) the bidder's commitment to community reinvestment spending; (l) past performance in meeting managed care contract or federal or state requirements; (m) criteria developed by the Department with the Commissioners of the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Addiction Services and Supports and the Office of Children and Family Services; and (n) any other criteria deemed appropriate by the Commissioner.
- Establishes awards shall be made to at least two managed care providers in each geographic region and provides discretion to offer more contracts based on need for access, provided that no more any five contracts shall be offered in any one region.
- Provides the Department, Office of Mental Health and the Office of Addiction Services and Supports the authority to select a limited number of Health and Recovery Plans (HARP) which manage behavioral and physical health needs of Medicaid enrollees with significant behavioral health needs.
- Authorizes the Department of Health to initiate a competitive bid process for managed long-term care plans and applies the same criteria as established for managed care plans.





### **Part Q – Essential Plan Expansion**

- Expands coverage from 200 percent FPL to 250 percent FPL, with federal approval, expanding healthcare coverage to 14,000 currently uninsured New Yorkers;
- Authorizes coverage for pregnancy to include one-year postpartum, and children born to a mother in the Essential Plan will be automatically enrolled in Medicaid and remain eligible for one year, with federal approval;
- Includes within the Essential Plan coverage services for long-term chronic illnesses.

### **Part R – Codification of Insurance Coverage for Abortion Services**

- Requires every individual and group medical insurance policy to include coverage for abortion services and prohibits any copayments, coinsurance or deductibles, except when an individual has a high deductible health plan.
- Provides for an exemption for religious employers upon obtaining an annual certification that the employer primarily serves and employs individuals that share the religious tenants of the employer.
- Requires health plans to issue riders to all group plan enrollees, which would provide insurance coverage for abortions and requires the rider to clearly state that the religious employer does not administer abortion benefits.

### **Part S – Medicaid Maternal Health Reforms**

- Includes pre-natal and post-partum care and services as “standard coverage” under the Medicaid program when services are recommended by a physician or other licensed practitioner of the healing arts so long as federal financial participation is approved;
- Extends post-partum coverage eligibility from 60 days to one year following the last date of pregnancy;
- Provides standard coverage to a pregnant individual who is ineligible for Medicaid due to their immigration status where the individual has an adjusted gross income that does not exceed 200 percent of the federal poverty line;
- Repeals Extended post-partum coverage on the Essential Plan for individuals with income between 200 and 233 percent of the federal poverty line due to the proposed Medicaid expansion.

### **Part T – Third Trimester Syphilis Screenings**

- Requires every physician and authorized practitioner to order a syphilis test during the third trimester of pregnancy in addition to testing at the time of first examination.



### **Part U – Child Health Plus (CHP) Reforms**

- Expands covered health care services in the CHP program to align with benefits provided in the Medicaid program.
- Eliminates the \$9 per month premium for eligible children whose family household income is less than 233 percent of the federal poverty level.
- Transfers the authority to set premium rates for CHP from the Department of Financial Services to the Department of Health effective January 1, 2024.

### **Part V – Establishes Telehealth Reimbursement Parity**

- Requires health plans, including those in Medicaid, to reimburse providers for services delivered through telehealth on the same basis, at the same rate as services delivered in person and excludes “costs not actually incurred” including clinic or other facility fees.
- Establishes network adequacy requirements on health plans for services delivered through telehealth.

### **Part W – Eliminate Certain Utilization Threshold Program Requirements**

- Includes health maintenance organization (HMO) products within provisions prohibiting plans from requesting entire medical records for prospective and concurrent utilization review amending monitoring service utilization to a retrospective function and removes the requirement for provider-submitted increase requests.

### **Part X – Renames the Office of Minority Health**

- Renames the Office of Minority Health under the Department of Health to the Office of Health Equity and clarifies definitions for “underserved populations,” “racially and ethnically diverse,” “health disparities,” “health equity” and “social determinants of health.”

### **Part Y – Marriage Certificates**

- Requires the town or city clerk, where a marriage license and certificate was issued, to issue a new marriage certificate upon the receipt of proof of a name change or a change in gender designation.
- The town or city clerk would be entitled to a fee of ten dollars for amending and providing a certified new marriage certificate.

### **Part Z – Restructures and Extends the Physicians Excess Medical Malpractice Program**

- Extends the Excess Medical Malpractice Program for one year through June 30, 2023.



- Requires excess coverage to be purchased by an eligible physician or dentist directly from a provider of excess insurance coverage and the Department of Financial Services will reimburse 50 percent of the premium at the conclusion of the policy period, and the remaining 50 percent one year after.

### **Part AA – Clarifying provisions for emergency medical services and surprise billing**

- Conforms New York State’s independent dispute resolution process for emergency services or surprise bills to reflect changes made by the federal No Surprises Act (NSA) by expanding the independent dispute resolution process to include all provider types and requires disputes to be submitted within three years of the date the claim was paid by the health plan.
- Eliminates the exceptions in state law for safety-net hospitals and certain emergency Current Procedural Terminology (CPT) codes.
- Requires an independent dispute resolution entity to consider the median of the in-network rate utilized by the health care plan.
- Removes provisions regarding circumstances where an insured completes an Assignment of Benefits form.
- Requires health plans to ensure the insured is held harmless for surprise bill amounts that exceed in-network cost-sharing.
- Includes in the external appeal process reference to the federal No Surprises Act;

### **Part BB – Pharmaceutical Related Recommendations**

- Eliminates prescriber prevails effective June 1, 2022.

### **Part CC – Extends provisions of the Public Health and Social Services Law**

- Extends for two years through April 1, 2025 the deadline to determine the Assisted Living Program (ALP) Need Methodology.
- Extends for three years through April 1, 2025 the Statewide Patient Centered Medical Home program.
- Extends authorization for the appointment of temporary operators of adult home permanently.
- Extends for three years through March 31, 2025 the authority of the Department to make disproportionate share program (DSH)/Intergovernmental Transfer payment (IGT) payments to hospitals outside of New York City.
- Extends authorization of pharmacists to enter into collaborative agreements with physicians in certain settings permanently.
- Extends for two years through March 31, 2024 a Statewide Medicaid integrity and efficiency initiative.
- Extends the Distressed Provider Assistance Program permanently.

- Extends for four years until May 1, 2023 the Lyme and Tick-Borne Disease Working Group’s Report originally due May 1, 2019.
- Extends for four years until October 1, 2022 the Tick-Borne Diseases and Blood-Borne Pathogen Impact Study originally due October 1, 2019.
- Extends the due date for the Rare Disease Workgroup Report to December 20, 2022 and extends the repeal of the Workgroup to December 31, 2022.
- Extends for one year the due date of the Radon Task Force Report to November 1, 2021 and extends the repeal date for the task force to December 21, 2022.

#### **Part DD – Human Services Cost-of-Living Adjustment**

- Provides a 5.4% cost-of-living adjustment (COLA) in FY 2023 for eligible human service programs.
- Requires local government units to supply their use of the funds and would also allow recoupment of non-utilized funds by the relevant agency Commissioners.

#### **Part EE– 988 Crisis Prevention and Behavioral Health Crisis Act**

- Establishes the 988 Suicide Prevention and Behavioral Health Crisis Act, which allows for the creation of the 988 hotline system.
- Includes mobile crisis teams, access to crisis stabilization centers and other services as deemed appropriate.
- Authorizes the Commissioners of the Office of Mental Health and the Office of Addiction Services and Supports to create and enforce standards for crisis hotline centers.
- Requires the provision of reporting metrics relating to the hotline’s usage, services and impact as well as an annual report to be given to the Governor, the Temporary President of the Senate, the Speaker of the Assembly, the Minority Leader of the Senate, and the Minority Leader of the Assembly.

#### **Part FF– Requires Reinvestment of Underspending from Behavioral Health Transition to Managed Care Back into Behavioral Health Services**

- Appropriates savings from managed plans that realized savings following the transition of these the behavioral health populations from fee-for service to managed care. Funding would be recouped from the plan premium and appropriated back into the community based behavioral health system.

#### **Part GG – Extend Delivery System Reform Incentive Payment Practices**

- Extends the regulatory flexibilities and allowance of integrated physical and behavioral health delivery practices under Delivery System Reform Incentive Payment (DSRIP) until April 1, 2025.



### **Part HH – Expand Access to Naloxone and Buprenorphine in Pharmacies**

- Requires New York registered pharmacies who have a DEA registration to have controlled substance to have at least a thirty-day stock of both an opioid antagonist medication (naloxone) and an opioid partial agonist medication (buprenorphine) for the treatment of an opioid use disorder.
- Defines thirty-day supply as being any combination of dosages sufficient to fill a prescription of sixteen milligrams per day for a period of thirty days.

### **Part II – Establish Certification for Recovery Residences**

- Establishes a process through the OASAS to certify recovery-supportive housing as a means of providing support for those in recovery; completion may be done directly or through a contract with a designated entity.
- Instructs the Commissioner to regulate and assure consistent high quality of certified recovery residences.

### **Part JJ – Modernize and Expand Alcohol Awareness Program**

- Changes the “Alcohol Awareness Program” to the “Substance Use Awareness Program,” to include recreational cannabis use.

### **Part KK – OASAS Capital Program Reforms**

- Allows the Dormitory Authority of the State of New York (DASNY) to acquire property and thereafter design and construct mental hygiene facilities to offer treatment programs, rehabilitations programs and other related services for addiction, in the name of the State or OASAS.
- Authorizes OASAS to then make the property available to voluntary agencies and set terms for the possession of the property.

### **Part LL – Ambulatory Patient Group (APG) Rate Methodology Extension**

- Extends previously enacted savings initiatives to ensure adjusted rates paid to Article 31 and Article 32 providers align with the current Medicaid Ambulatory Patient Group methodology through March 31, 2027.

### **Part MM – Extend Kendra’s Law**

- Extends Kendra’s Law, which is set to expire in June 2022, until June 30, 2027.
- Adds criteria which allows a court order for Assisted Outpatient Treatment (AOT) where the individual’s previous AOT expired within the last six months, and since expiration the individual has experienced a substantial increase of symptoms of mental illness.

- Allows for examining physicians to testify via video-conference in court hearings to order assisted outpatient treatment.
- Clarifies the existing obligation to share information, such as clinical records and other information concerning individuals receiving AOT, to directors of community services.

**Part NN – Expands the Property Pass Through Laws Which Affect Individuals with Mental Illness Living in Communities Based Residential Programs**

- Expands allowable reimbursement, under the Mental Hygiene Law, to apply to supportive housing providers for property costs like rent, mortgage payments, principle, and interest on loans.

**Part OO – Permanent Authority for OMH and OPWDD to Appoint Temporary Operators**

- Removes the expiration date and makes permanent the current authority of the Office of Mental Health and the Office of People with Developmental Disabilities to appoint temporary operators in emergency situations.



## **TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION**

**S.8008 / A.9008**

### **Part A – Highway Safety SLOW Act**

- Subpart A
  - Adds highway workers, motor vehicle inspectors, and motor carrier investigators to the list of professions that current penal law punishes with enhanced penalties (Assault in the Second Degree) if a person tries to interfere with the lawful execution of their public duties.
  - Establishes the crime of “Menacing a Highway Worker,” defined as someone intentionally attempting to place a highway worker in reasonable fear of death or imminent harm, as a Class E felony (imprisonment up to four years). Highway worker is defined as “any person employed by or on behalf of the state, county, city, town, or village, a public authority, a local authority, or a public utility company, or the agent or contractor of any such entity, who has been assigned to perform work on a highway.”
  - Adds the violation of “Intrusion into an active work zone.”
  - Active work zone is defined as any section of the road “on which construction, maintenance, or utility work is being conducted.” Violations of this intrusion constitute a class B misdemeanor, punishable by not less than \$200 and no more than \$500 or by imprisonment up to three months or both.
  - Establishes the “Work Zone Safety and Outreach” committee meant to design and implement a public outreach program to educate the public on highway zone safety.
- Subpart B
  - Increases the fines for striking a pedestrian or bicyclist and causing physical injury while failing to exercise due care from \$500 to \$1,000. The fine for causing a “serious” physical injury is increased from \$750 to \$1,500.
- Subpart C
  - Exempts operators who move their vehicles to a location off the roadway after an accident from any violation of the law.
  - Authorizes “a police officer, or any person acting at the discretion of the Commissioner” to have the power to remove “cargo and debris” that obstructs or interferes with the use of the highway.
  - Exempts such an officer or person acting on the authority from the Commissioner from any liability of damage to vehicles or debris they move off the road unless the removal was carried out in a “reckless or grossly negligent manner.”

- Subpart D
  - Directs the Governor’s Traffic Safety Committee to do additional public outreach to educate the public on work zone safety.
- Subpart E
  - Attempts to reduce the number of commercial vehicles that strike bridges:
    - Increases the fine for commercial vehicles operating on State parkways.
    - Increases penalties for vehicles operating on a roadway that exceed the posted clearance height of the roadway.
    - Requires that commercial vehicle operators use commercial GPS devices and prohibits the use of general consumer GPS devices.
  - According to the Executive, there are roughly 150 bridge strikes by commercial vehicles annually, which cost the state approximately \$30 million per year.
- Subpart F
  - Increases maximum fines for violating law regarding state highway right away and related work permits from a fine on “not less than \$25 nor more than \$1,000” to a fine of not more than \$25,000.

### **Part B – Increase to the CHIPS Bidding Threshold**

- Increases the CHIPS bidding threshold from \$350,000 to \$750,000. This would allow municipalities the ability to undertake projects costing below this threshold on their own.

### **Part C – Increase to the Maximum Grant Award under the Airport Improvement and Revitalization Program**

- Increases the maximum grant award under the Airport Improvement and Revitalization Program from \$2.5 million to \$5 million.
- Additionally the Executive proposes making additional changes to program, including the repeal of the capital improvement loan program and the requirement for matching ratios for technical assistance. According to the Executive, this is intended to increase efficiency of project delivery.

### **Part D – Authorizes Entry to Lands Adjacent to State Highways for Safety Purposes**

- Expands the list of situations under which the Department of Transportation is authorized to enter lands adjacent to State highways to include storm damage or drainage structure failure.
- According to the Executive, there have been multiple cases where the lack of this authority has led to public safety issues.

### **Part E – Include Montgomery County within the CDTA District**

- Adds Montgomery County to the Capital District Transportation Authority district.





- Currently the CTDA service area includes the counties of Albany, Schenectady, Rensselaer, and Saratoga.

#### **Part F – Electronic Bid Submissions for Thruway Authority Contracts**

- Clarifies that Thruway Authority bid proposals can be submitted electronically, and may be electronically posted for public view.

#### **Part G – Increase the Threshold for Thruway Authority Procurement Contracts**

- Increases the threshold for Thruway Authority procurement contracts from \$15,000 to \$50,000.

#### **Part H – Increase MTA Design-Build Threshold**

- Increases the mandatory threshold for the use of design-build for MTA projects from its current level of \$25 million to \$200 million for new construction and \$400 million for the repair or replacement of existing assets.
- According to the Executive, this will provide greater flexibility and lead to more efficient capital spending.
- The previous administration had expanded the use of design build claiming that it reduced costs.

#### **Part I – MTA Procurement Reform**

- Makes a number of existing procurement provisions.
- Makes a number of changes to MTA procurement, including:
  - Allows MTA and NYCTA to increase the threshold for discretionary procurements to MWBEs, SDVOBs and small businesses from \$1 million to \$1.5 million;
  - Allows MTA and NYCTA to shorten the time between advertisements for bids and the bid due date from 15 days to 10 days, except for public works contracts;
  - Permits MTA and NYCTA to use existing government agency contracts; and • Allows MTA and NYCTA to review its Qualified Products List once per year, rather than twice.

#### **Part J – MTA Tax Increment Financing Extender**

- Extends the authority for municipalities within the metropolitan commuter transportation district to share property tax revenue on real estate value that results from MTA capital projects from April 1, 2022 to April 1, 2032.

#### **Part K – Utility Relocations on MTA Projects**

- Requires utility companies to review and approve MTA's designs to relocate the utilities within a reasonable period set by MTA after consultation with the utility.

- Provides that utility companies may not require utility betterments or any work beyond what is required to meet current standards or ensure reliability as determined by the Department of Public Service.
- Requires that relocation work performed by the utility company must be completed within a reasonable timeframe set by the MTA after consultation with the utility.

#### **Part L – MTA Worker Assault and Harassment**

- Amends the Penal Law to make it a felony to attack and physically injure an MTA worker.
  - Current law provides protections to some transit workers, this proposal would expand the list of workers that are protected
- Further amends the Penal Law to make it a class A misdemeanor of aggravated harassment to strike, shove, kick, or spit on an MTA worker.

#### **Part M – Traffic Enforcement for MTA Bus Operations**

- Authorizes the city of New York to impose monetary liability on a driver who fails to comply with local laws and regulations regarding bus operation-related traffic restrictions. The penalty shall not exceed \$125 for the first offense, \$150 for the second offense within 12 months, \$200 for a third offense, \$250 for a third offense, and \$350 for each subsequent offense. An additional penalty of \$25 shall be assessed for each violation for the failure to respond to a notice of liability within in the prescribed time period.
- Further provides that the New York City Department of Transportation and/or an applicable mass transit agency shall operate photo devices for monitoring such infractions and install signs to inform motorists that such photo devices are operating.
- Violations under this section shall not be deemed a conviction nor made a part of the operating record of a driver.

#### **PART N – Toll Violation Enforcement**

- Amends the penal law to make toll evasion in the Central Business District of Manhattan (the area impacted by congestion pricing) a theft of services crime.
- Amends the vehicle and traffic law to prohibit drivers from obscuring their license plates for the purpose of toll evasion.
- Authorizes DMV to suspend the registration of vehicles with three or more notices

#### **PART O – Extend New York State Internet Point & Insurance Reduction Program**

- Extends the Internet Point and Insurance Reduction Program for two years until April 1,2024.
- This program was first authorized in 2005, and allows drivers to take an online course to reduce points accumulated on their driving record.



### **PART P – Extend the Authorization of Revenues to and Costs from the Dedicated Highway and Bridge Trust Fund**

- Extends for two years the authority of funds of the Dedicated Highway and Bridge Trust Fund to be used in part for certain Department of Motor Vehicle costs.

### **Part Q – Non-Driver ID Cards for Incarcerated Persons**

- Authorizes the Department of Motor Vehicles Commissioner to waive fees required to obtain a non-driver identification card for an incarcerated individual in an institution under the jurisdiction of a state department or agency. Currently, the Commissioner is only explicitly authorized to waive such fees if the applicant is a victim of a crime and the identification card applied for is a replacement for one that was lost or destroyed as a result of the crime.

### **Part R – Provide Gender "x" Options at All Public-Facing State Agencies**

- Directs State agencies that collect demographic information about gender or sex to make available to a person at the point of data collection an option to mark their gender or sex as “x”. Directs the Department of Labor, Office of Children and Family Services, Office of Temporary Disability Assistance, and the Division of Criminal Justice Services to update applicable forms or data systems by January 1, 2024, and all other State agencies to update applicable forms or data systems by January 1, 2023.

### **Part S – A State Agency May Share Records to Facilitate Automating Student Loan Debt Forgiveness for NYS Employees**

- Allows for state agencies to share records to officers or employees of the United States Department of Education for the purposes of processing credit for qualifying employment and loan forgiveness under the Public Service Loan Forgiveness (PSLF) Program.

### **Part T – Extension of the Continuation Assistance Demonstration Program**

- Extends for one year through July 1, 2023 the health insurance continuation assistance demonstration project, which provides health insurance for persons in the entertainment industry due to intermittent employment.

### **Part U – Enhancement of the Brownfield Opportunity Area (BOA) Program**

- State financial assistance for pre-nomination study of BOA applicants would be expanded to include strategies/descriptions related to job growth, reduction of greenhouse gas emissions, increased climate resiliency, and achievement of environmental justice
- Financial assistance for predevelopment activities within a designated BOA would be expanded to renewable energy feasibility studies, legal and financial services, impact analyses, demolition, site preparation, and asbestos removal

- Would authorize that all BOA applicants for financial assistance and participation may contract with the Dormitory Authority of the State of New York regarding planning, design, construction services, and to contract for services

#### **PART V – Transfer of the National School Lunch Program to Ag and Markets**

- Would transfer the National School Lunch Program, and related breakfast programs, from the State Education Department to Ag and Markets.
- The transfer would need to be approved by the US Department of Agriculture, and if successful, would happen 180 days thereafter.
- The transfer would have a fiscal impact of \$1.3 million due to increased staffing and non-personal expenses such as office space.

#### **Part W – Reduces Barriers to Occupational Licensing**

- Would establish a new salon assistant license that reduces requirements to entry to allow such persons to gain experience as an assistant.
- Creates traineeship license where individuals could work under the supervision of an already licensed professional and gain experience in lieu of traditional education to then apply for a full license after one year. Additionally repeals license requirements for natural hair braiders.
- Projected Revenue: \$2.7 million.

#### **Part X – World University Games Medical Exemptions**

- Allows healthcare professionals who are licensed to practice in other jurisdiction to perform services on the athletes and personnel at the Winter World University Games, which are held in Lake Placid, between the dates of January 5, 2023 and January 25, 2023

#### **Part Y – Extend the General Loan Powers of the New York State Urban Development Corporation**

- Extends the general loan powers of Urban Development Corporation until for three additional years.
- Current authority expires July 1, 2022

#### **Part Z – Extend the Authorization of the New York State Urban Development Corporation to Administer the Empire State Economic Development Fund**

- Extends the authorization of UDC to administer the Empire State Economic Development Fund for three additional years.
- Current authority expires July 1, 2022.

#### **Part AA – Extend the Infrastructure Investment Act**

- Extends the Infrastructure Investment Act for five additional years until December 31, 2027.



- The Infrastructure Investment Act was originally passed in 2011, and allows certain State entities to utilize design-build on infrastructure projects.

#### **Part BB – Linked Deposit Program Expansion**

- Amends the Excelsior Linked Deposit program to authorize Community Development Financial Institutions to borrow funds from the program to provide as loans to prospective businesses.
- According to the Executive, this is intended to increase minority participation in the program.

#### **Part CC – Small Business Seed Funding Grant Program**

- Creates a new program to provide seed funding for newly formed micro and small businesses in New York State.
- To qualify, businesses must:
  - Be located in New York,
  - Have between \$5,000 and \$1,000,000 in gross receipts or business expenses of at least \$10,000,
  - Were started after March 1, 2019,
  - Have been operation for at least six months prior to applying for the program.
- ESDC shall develop procedures for grant application and approval.

#### **Part DD – Extend the authorization of the Dormitory Authority of the State of New York (DASNY) to form subsidiaries.**

- Extends Chapter 584 of the Laws of 2011 until July 1, 2025. Under current law, DASNY's authorization to form subsidiaries would expire July 1, 2022.

#### **Part EE – Authorize the Dormitory Authority to provide its services to not-for-profit corporations.**

- Authorizes any not-for-profit corporation or collaboration thereof to utilize DASNY to finance capital projects related to infrastructure, located in New York State and greater than \$5 million in cost.

#### **Part FF – Expand the Prequalification Program to include DASNY**

- Authorizes DASNY to establish guidelines governing the qualifications of bidders seeking to bid on or enter into a contract for public work being let by DASNY.
- Solicitations for public work would be limited to a list of qualified bidders.
- Qualifications to bid on public work contracts would be based on the following:
  - Experience and record of performance of the prospective bidder on that type of work
  - Financial reliability and capability of the bidder

- Compliance with labor law, workplace safety and general labor harmony

**Part GG – Authorize downtown communities to utilize DASNY’s planning, design, procurement and construction management services to facilitate and support the New York State Downtown Revitalization Initiative program.**

- This Part would take effect immediately.

**Part HH – Authorize state authorities to utilize DASNY’s design and construction services.**

- DASNY would be authorized to enter into a design and construction management agreement with any state authority. The awarding of design-build contracts as defined in Part F of Chapter 56 of the Laws of 2011 would be limited to agencies currently authorized use design build

**Part II – Authorize a Social Equity Fund for Retail Cannabis Dispensaries**

- Establishes a Social Equity Fund to provide financial assistance to socially and economically disadvantaged individuals who want to establish a retail cannabis dispensary.
- The bill would amend the State Finance to create this social equity fund in the New York State Cannabis Revenue Fund.

**Part JJ – ConnectALL Initiative**

- Exempts all New NY Broadband Program successor offices’ projects from the fiber optic fee.

**Part KK– Inactive Landfill Initiative**

- Removes the appropriation cap on the Solid Waste Mitigation Program created by the Clean Water Infrastructure Act of 2017.
- The program investigates the quality of groundwater at and around inactive landfills and provides remediation if the site is impacting or contaminating drinking water supplies.
- The cap is currently set at \$25 million and is expected to be reached this calendar year.

**Part LL – Extend Brownfield Cleanup Program**

- Extends the Brownfield Cleanup Program for 10 years through 2032.
- Adds new categories for the Tangible Property Credit to also include renewable energy sites, in a disadvantaged community, or in an area designated by the Department of State as a brownfield opportunity area.
- Creates a new nonrefundable program fee of \$50,000 to pay for DEC oversight staff, which may be waived if a demonstration of financial hardship is granted.

**Part MM– Extend Waste Tire Management**



- Extends the Waste Tire Management and Recycling Fee of \$2.50 per tire through 2027.
- Combines the Waste Tire returns with Sales Tax returns that businesses are both required to file with the Department of Tax and Finance.

### **Part NN – Financing the Clean Water, Clean Air, and Green Jobs Bond Act of 2022**

- Authorize the issuance of \$4 billion of general obligation bonds for the purpose of environmental improvements that preserve, enhance and restore New York's natural resources and reduce the impact of climate change.

### **Part OO– Implementation of the Clean Water, Clean Air, and Green Jobs Bond Act of 2022**

- Provides framework for the Environmental Bond Act that was part of the FY 2022 Enacted Budget and increases the bonding by \$1 billion, for a total obligation of \$4 billion. The Bonding will support capital projects for Restoration and Flood Risk Reduction (at least \$1.2 billion), Open Space Land Conservation and Recreation (up to \$650 million), Climate Change Mitigation (up to \$1 billion), and Water Quality Improvement and Resilient Infrastructure (at least \$650 million).

### **Part PP – Increased Support to the Environmental Protection Fund**

- Increases the amount that revenues from the Real Estate Transfer Tax (RETT) are used to support the Environmental Protection Fund from \$119 million to \$257 million.
- Revenue from the RETT is expected to be \$1.059 billion in FY 2022 and \$1.122 in FY 2023.

### **Part QQ – Freshwater Wetlands Regulatory Reform**

- Changes the role of the Freshwater Wetlands Map to no longer be the determining factor as to whether a permit is required for development at that location and instead requires it to be any area of at least 12 and 4/10 acres or of unusual importance that meets the previous standards.
- Increases the permitting fees and directs them to the Conservation Fund instead of the Environmental Protection Fund.

### **Part RR – Extended Producer Responsibility**

- Requires any company that produces packaging or paper product and sells them in the state to file, with the Department of Environmental Conservation, either individually or as a partnership, a plan to provide for the collection and recycling of such material.
- Any producer or producer responsibility organization would need to file a program plan with the Department by April 1, 2025, and implement such plan by April 1, 2026.



### **Part SS – Reduce Toxins in Packaging**

- Expands the current ban on a certain level of phthalates and PFAS on food packaging to all packaging beginning December 31, 2024.
- Under current law, all packaging containing a certain level of lead, cadmium, mercury, or hexavalent chromium are banned.

### **Part TT – Suffolk County Water Quality Restoration**

- Authorizes the Suffolk County Legislature to establish a wastewater management district, in an attempt to consolidate the county’s 27 sewer systems into a single, county-wide wastewater management district.
- The County, through local law, would have the authority to assess, levy and collect taxes for each subjected parcel.

### **Part UU – Public School Access to the Clean Water State Revolving Fund**

- Authorizes school districts to participate in the Clean Water State Revolving Fund, making it consistent with their ability to participate in the Drinking Water Revolving Fund program.

### **Part VV – Strengthen Code Enforcement Standards**

- Would increase oversight authority over local governments administration to meet minimum standards and enforcement of the State Uniform Fire and Prevention and Building Code (uniform code) and the State Energy Conservation Construction Code (energy code)
- Would address local governments non-compliance of these codes through an increase in fines and penalties, expanded enforcement by Department of State (DOS), and authorization of DOS to delegate Energy code enforcement to neighboring jurisdictions

### **Part WW – I Love NY Waterways Vessel Access Account**

- Eliminates the vessel surcharge fee attached as part of vessel registration and renewal and the “I Love NY Waterway” vessel access account that said fee supported. The Executive contends the “surcharge was recently found to be non-compliant with Federal law.”

### **Part XX – Hudson River Black River Regulating District**

- Treats State lands under the purview of the Hudson River-Black River Regulating District (HRBRRD) in the same manner as State lands subject to taxation pursuant to title 2 of article 5 of the Real Property Tax Law.
- Shifts the responsibility for paying real property taxes from the HRBRRD to the State.
- The land was acquired by HRBRRD for regulatory purposes but is owned by the State.



- The impact of this bill to the state financial plan is approximately \$3.4M.

**Part YY – Removes the functional oversight of the State Council of Parks, Recreation and Historic preservation and the Regional Park, Recreation and Historic preservation Commissions to accurately reflect their advisory role.**

- This would remove certain powers and duties of the State Council of Parks and Recreation and Historic Preservation and the Regional Park, Recreation and Historic Preservation Commissions that were made obsolete with the creation of the OPRHP.
- Takes effect immediately.

**Part ZZ – New York Power Authority Captive Insurance**

- Authorizes the New York Power Authority (NYPA) to form a captive insurance company.
- The captive insurance company would enable NYPA to provide coverage for risks that are not currently insured or insurable on traditional markets. These include risks related to terrorism, cyber security, hydropower flows and environmental damage.
- Under current law, the Metropolitan Transportation Authority and its subsidiaries have the authority to file to form a pure captive insurance company.
- Rejected in 2021-22 final budget.

**Part AAA – Continue to Authorize the New York State Energy Research and Development Authority Special Assessment**

- Authorizes NYSEDA to finance its energy research, development and demonstration program, its energy policy and planning program, climate change related to expenses of the Department of Environmental Conservation and the Department of Agriculture and Markets Fuel Program, from the special assessment on gas and electric corporations.
- The collection of assessments shall not exceed \$22.875 million.

**Part BBB – Authorizes the use of Utility and Cable Television Assessments for Public Health Campaigns and Regulatory Oversight to the Department of Health from Cable Television Assessment Revenues and to the Departments of Agriculture and Markets, Environmental Conservation, and State, and Office of Parks, Recreation and Historic Preservation from Utility Assessment Revenues**

- Authorizes utility oversight related expenditures of the Department of Agriculture and Markets, Environmental Conservation, State and the Office of Parks, Recreation and Historic Preservation as eligible expenses of utility assessment revenues.

- Authorizes certain expenditures of the Department of Health as eligible expenses for cable television assessment revenues.

### **Part CCC – Gas Service**

- Authorizes the Public Service Commission (PSC) to disallow gas corporations from covering the costs of the first 100 feet of infrastructure between a natural gas main and a building proposed to be served by natural gas. The purpose of this legislation is to disincentive the use of natural gas.
- Allow facilities providing geothermal energy to be owned by or operated by gas and/or electric corporations. Currently, such corporations can only own or operate gas or electric plants and not geothermal facilities.

### **Part DDD – Allow Hospitals to Benefit from Services Provided by the New York Power Authority**

- Authorizes NYPA to finance, design, develop, construct, implement, provide and administer energy-related projects, programs and services for general hospitals in the state. This would help the hospitals reduce energy usage. Hospitals use large amounts of energy to operate.
- Under current law, NYPA is authorized to provide energy services for any public entity, independent not for profit institution of higher education and any recipient of the economic development power, expansion power, replacement power, preservation power, high load factor power, municipal distribution agency power, power for jobs, and recharge NY power programs.

### **Part EEE – Advanced building codes, appliance and equipment efficiency standards, and the Building Benchmarking Act of 2022**

- To the fullest extent feasible, requires no on-site emissions of greenhouse gases for new construction by 2027. There would be an exemption for historic buildings. This will be accomplished through changes to the structure and mission of the State Fire Prevention and Building Code Council.
  - Updates building energy codes to modify existing buildings and require new construction to have no on-site emissions of greenhouse gases by 2027.
  - When promulgating rules and regulations, the State Fire Prevention and Building Code Council now considers more costs and potential benefits. Currently, only the cost of the materials and their installation is considered. Now, life-cycle costs, e.g., the cost the materials, installation, and all aspects of upkeep, are being considered. Moreover, the Council shall also consider “secondary or societal effects.
- Authorizes NYSERDA to establish new efficiency standards for a number of appliances such as commercial dishwashers and ovens, computers, gas fireplace, air conditioners and lamps. These standards will be established after public comment and would only apply to new appliances.
  - Exemptions to the regulations would include, but not be limited to products manufactured in the state but sold outside the state.



- Knowing and false certification would carry a maximum civil fine of \$10,000 per product and \$10,000 for every day the violation continues.
- The purpose of the legislation is to help the state reach the emission goals established in the Climate Leadership and Community Protection Act.

### **Part FFF – Broadband Technologies and Infrastructure**

- Authorizes the Power Authority of the State of New York to dispose of excess capacity in its broadband technologies and infrastructure to other instrumentalities of the State to support the State's broadband initiative.

## **REVENUE**

### **S.8009 / A.9009**

### **Part A – Accelerate the Middle-Class Tax Cut**

- Proposes to accelerate the historic middle class tax cuts championed by the Senate Republican Majority.
- Currently, the tax cut is scheduled to fully phase-in in tax year 2025, this proposal would fully phase the tax cut in tax year 2023.

### **Part B – Enhances Tax Credits for Farmers**

- Increases the Investment Tax Credit (ITC) for farmers by increasing the percentage used to calculate the ITC for farmers to 20 percent.
- Increases the per employee amount of the farm workforce retention credit from \$600 per employee to \$1,200 per employee. Extends the workforce retention credit an additional year so that it will be available in tax year 2025.
- Establishes a new farm employer overtime tax credit. This tax credit would be calculated as the amount of an employee's eligible overtime over the year multiplied by the amount the employee's overtime rate of pay exceeds their regular rate of pay. Eligible overtime would be calculated as the number of hours worked by an employee (up to a maximum of 60 hours) that exceeds the overtime work threshold set by the commissioner of labor.

### **Part C – Provide Small Business Tax Relief**

- Provides tax relief for small businesses by increasing the small business subtraction modification from 5 percent to 15 percent.

- Under current law, a small business for this purpose is a sole proprietorship, LLC, or S-Corporation with at least one employee and a net business income of less than \$250,000. This proposal would expand that threshold to \$1.5 million.
- The Executive estimates that this would save small businesses roughly \$100 million per year.

#### **Part D – Create a Tax Exemption for Student Loan Forgiveness Awards**

- Excludes income attributable to any student loan forgiveness award under programs administered by the Higher Education Service Corporation (HESC) from New York State personal income tax, to the extent such loan forgiveness is treated as income for purposes of federal income tax.

#### **Part E – Create a Tax Credit for Small Business COVID-19 -Related Expenses**

- Creates a tax credit for small businesses with up to \$2.5 million in gross receipts for qualified COVID-19 capital costs incurred between January 1, 2021 and December 31, 2022. Qualified expenses would include capital expenses intended to comply with public health orders or to otherwise decrease the likelihood of infectious disease spread.
- A small business would be eligible for up to fifty percent of their qualified costs incurred, up to \$25,000.
- The total value of this credit is capped at \$250 million, and would be administered by ESDC.

#### **Part F – Extend the New York City Musical and Theatrical Production Tax Credit**

- Increases the overall cap on the New York City Musical and Theatrical Production Tax Credit from \$100 million to \$200 million.
- Extends the initial application deadline for a production seeking to apply for the tax credit from December 31, 2022 to June 30, 2023. Clarifies that the \$3 million per production cap on the tax credit applies to productions that have their first performance before January 1, 2023.
- Clarifies that moneys contributed by theatrical productions to the NYS Council on the Arts Cultural Programs Fund can be used for arts and cultural grant programs of the NYS Council on the Arts.

#### **Part G – Establish a Permanent Rate for the Article 9-A MTA Surcharge**

- Establishes a permanent statutory rate of 30 percent for the Article 9-A MTA surcharge.
- Since the FY 2015 Budget, the Commissioner of Tax and Finance has had the authority to set what had previously been a fixed rate. The rate has been at 30 percent since 2021, which this proposal would set in law.

#### **Part H – Extend and Enhance the Hire-A-Vet Tax Credit for Three Years**

- Extends the Hire-A-Vet Tax Credit for an additional three years, through December 31, 2025.
- Additionally, the credit is extended to the employment of veterans who served in Space Force.



### **Part I – Fuel Oil Tax Credits**

- Provides a refundable tax credit for up to 50 percent of the costs incurred by taxpayers to convert their grade no.6 heating oil system to biodiesel fuel or a geothermal system.
- Tax and Finance, in consultation with NYSERDA, will develop an application process to certify the application which will ultimately need to be certified by NYSERDA.

### **Part J – Increase the State Low-Income Housing Tax Credit Aggregate Cap Growth**

- Increases the aggregate amount allocable for the State Low Income Housing Credit by \$7 million annually over the next four years.

### **Part K – Extend the Clean Heating Fuel Tax Credit for Three Years**

- Extends the tax credit for the purchase of bio-heating fuel for three years.
- Currently, this credit is scheduled to sunset January 1, 2023.

### **Part L – Extend the Tax Credit for Companies who Provide Transportation to Individuals with Disabilities an Additional Six Years**

- Extends the tax credit for companies that provide transportation for individuals with disabilities for six years, through 2028.
- The credit is available to businesses that upgrade vehicles to make them accessible to the handicapped.
- The credit is worth up to \$10,000 per vehicle upgraded.

### **Part M – Extend the Film Tax Credit for Three Years**

- Extends the Film Tax Credit for an additional three years, through December 31, 2030.
- Increases the required contribution to the Empire State Entertainment Diversity Job Training Development Fund for recipients of the credit by one quarter of one percent, for a new total of one half of one percent.
- Additionally requires that applicants for the credit file a diversity plan detailing how they plan to hire a diverse workforce.

### **Part N – Extend the New York Youth Jobs Program Tax Credit for an Additional Five Years**

- Extends the New York Youth Jobs Program Tax Credit for an additional five years through December 31, 2027.
- This credit is worth roughly \$40 million annually.

### **Part O – Extend the Empire State Apprenticeship Tax Credit for an Additional Five Years**

- Extends the Empire State Apprenticeship Tax Credit for an additional five years through December 31, 2027.

#### **Part P – Extend the Alternative Fuels and Electric Vehicle Recharging Property Credit for Five Years**

- Extends the Alternative Fuels and Electric Vehicle Recharging Property Tax Credit for an additional five years through December 31, 2028.

#### **Part Q – Extend the Workers with Disabilities Tax Credit for Six Years**

- Extends the Workers with Disabilities Tax Credit for an additional six years through December 31, 2029.

#### **Part R – Require S-Corporation Conformity with Federal Return**

- Requires all corporations treated as S-Corporations under Federal Law be treated as S-Corporations for New York tax purposes.
- According to the Executive, this would eliminate potential tax avoidance schemes, and generate roughly \$13 million annually in additional revenue for the State.

#### **Part S – Eliminate the Investment Tax Credit for Production of Master Tapes**

- Excludes master tapes of any audio or visual recording from the definition of eligible tangible property for the Investment Tax Credit.
- According to the Executive, under current law, all activity related to the creation of a master tape (i.e. the costs of filming and/or producing content) is eligible for the Investment Credit, and that the activities to do not have to even take place in New York State as long as the master tape is located in New York.
- Eliminating this eligibility would save the State \$75 million annually.

#### **Part T - Exempt Certain Water Vessels from the Petroleum Business Tax**

- Exempts tugboats and towboats from the Petroleum Business Tax.
- According to the Executive, due to the locations that most tugboats operate in the State (such as New York Harbor or the Saint Lawrence River), it is not possible to tell if operations took place in New York waters or in the waters of our neighbors. This makes accurate enforcement impossible.
- This proposal would reduce State revenue by roughly \$2 million annually.

#### **Part U – Make Local Sales Tax Authorizations Permanent**

- Makes permanent the authorization for local governments to collect sales tax.





- Applies to the local governments that currently collect sales tax (57 counties outside of New York City, and 5 cities).
- Currently, counties have the authorization to impose sales tax at a rate of three percent. 54 of the State's 57 counties outside of New York City impose an additional rate of sales tax, which requires the authorization of the State Legislature.
- Traditionally, the additional rates were authorized by the Legislature in two-year increments in odd numbered years. However, the last extension was for three years, and this led to a great deal of confusion and led to delays in some cases that negatively impacted local finances.
- According to the Executive, this proposal would ensure revenue stability for local governments.

### **Part V – Modernize Tax Law to include the Vacation Rental Industry**

- Amends Tax Law to require vacation rental marketplace providers to collect sales tax on vacation rentals that they facilitate.
- Requires vacation rentals to impose sales tax on individuals who rent the location for more than three days.
- The Part would essentially reverse the “bungalow” rule,” which excluded from sales tax rentals of furnished living units (e.g., bungalows, cabins, etc.) without typical hotel amenities.
- In addition, the Part would also include vacation rentals in the imposition of the \$1.50 per day NYC hotel unit fee.
- In essence this Part is attempting to treat entities that facilitate vacation rentals (such as Airbnb, VRBO, etc.) as persons required to collect tax on such sales, thereby requiring them to collect tax, file returns, and remit the tax collected.
- Defines a “vacation rental marketplace provider” as a person who collects the rent and provides the forum, physical or virtual, where the transaction occurs.
- Relieves persons renting properties through vacation rental marketplace providers of any tax collection responsibilities, as long as that person receives, in good faith, a certification from the vacation rental marketplace provider, on a form authorized by the Department, that the vacation rental marketplace provider is collecting the tax on such transactions.
- A seller of vacation rentals that makes all of its sales through vacation rental marketplace providers who certify that the providers will collect the tax would have no New York sales tax registration, collection, filing or remittance responsibilities.
- Requires vacation rental marketplace providers (Airbnb VRBO) to collect sales tax on the vacation rentals that they facilitate, thereby easing the sales tax collection burdens for many individuals who rent their residences as vacation rentals, improve taxpayer compliance, and level the playing field for New York's hotel operators that compete with vacation rental marketplaces that do not collect tax on vacation rentals in the state.
- Any persons who rent their own property for three days or fewer in a calendar year and who do not use a vacation rental marketplace provider to facilitate that rental would be excluded from the

definition of “persons required to collect tax” and “person required to collect any tax imposed by this article”.

- The financial plan estimates that enactment of this part will increase All Funds revenue by \$22 million in FY 2023 and \$43 million annually thereafter.
- Effective on or after September 1, 2022.

#### **Part W – Streamline the Withholding Table and Quarterly Interest Rate Publication Process**

- Modifies the requirements for the publication of tax withholding tables and quarterly interest rates for underpayment and overpayment of tax to allow the information to be published on the Department of Tax and Finance’s website while publishing notice of the rates in the State Register.
- Currently, the publication process is administratively burdensome for the Department due to the size of the tables and rules related to publication in the State Register. This proposal would streamline this process.

#### **Part X – Expand the Financial Institution Data Management Program**

- Expands the definition of financial institution for purposes of the Financial Institution Data Management Program to include crypto currency businesses.
- Under current law, this program allows for Tax and Finance to communicate with financial institutions such as banks or credit unions with which a taxpayer with outstanding tax liability to the State has an account, to determine if they can pay off their outstanding debt and issue levies or negotiate with the taxpayers about their ability to pay. This proposal would expand that power to cryptocurrency exchanges.

#### **Part Y – Extend and Amend the Telecommunications Assessment Ceiling Program for Four Years**

- Allows local assessing units to have the challenge against its value consolidated with the challenge to the State’s ceiling value for the same property. The telecommunications ceiling program was enacted to create a standardized, state-level process for determining the taxable assessed value of telecommunications mass property.

#### **Part Z – Enact STAR Administrative Reforms**

- This proposal would enhance the equity and efficacy of the STAR Exemption and Credit programs.
- Subpart A of the bill would simplify provisions of the STAR exemption program by allowing the Department to send a refund check directly to the homeowner.
- This will reduce the burden on local municipalities by no longer requiring them to correct tax bills 25 or issue refunds when the Department approves late good cause applications, while expediting the availability of relief to affected homeowners.



- Subpart B would allow taxpayers to seamlessly switch from the STAR exemption to the credit until the 45th day before the filing of the final assessment roll. This will ease administration by giving assessors and the Department more time to process changes.
- Subpart C would clarify the “income tax year” that is used to determine eligibility for the Basic STAR credit. Though it is clear in the law that eligibility for the Basic and Enhanced STAR exemptions is based on the second most recent income tax year (e.g., eligibility for a STAR exemption in 2022 is based on 2020 income), and that the same is true for the Enhanced STAR credit, the Basic STAR credit lacks explicit language to this effect.
- Subpart D would allow the Commissioner to share lists of STAR credit recipients with assessment officials outside New York State if the laws of the other state allow similar sharing. This would make it easier to determine whether individuals who own homes in multiple states are improperly trying to obtain multiple exemptions, tax credits or other forms of tax relief, under laws that, like STAR, limit the exemption, tax credit or other tax relief to the homeowner’s primary residence.
- Subpart E would allow the Commissioner to share lists of decedents with assessors, so they may update their records accordingly. Though current law allows such lists to be provided to county directors of real property tax services, numerous assessors have asked to receive such reports directly. This will allow assessors to update their rolls with this information more promptly and efficiently.
- Subpart E also would establish a formal mechanism for an executor, heir or other responsible party to notify local officials directly of a property owner’s death. This would help ensure that tax-related notices reach the proper party, while reducing the burdens on local governments when the taxes on a decedent’s property go unpaid.
- Takes effect immediately.

### **Part AA – Solar and Wind Valuation Program Technical Corrections**

- Provides property owners a mechanism to challenge the values determined under Real Property Tax Law Section 575-b.
- Real Property Tax Law section 575-b determines the value of solar and wind energy systems with a capacity of 1 megawatt or more and states the local assessor must use a valuation model and discount rates developed by the State Department on Taxation and NYSERDA.

### **Part BB – Provide a homeowner tax rebate check**

- This proposal would provide property tax relief to New York’s homeowners in the form of a new Homeowner Tax Rebate Credit.
- Creates a Homeowner Tax Rebate Credit against personal income tax for Tax Year 2022.
- This credit would be available as an advance payment (check) issued to income-eligible resident taxpayers who own and reside in property receiving Basic or Enhanced STAR.
- The amount of the credit would be a percentage of the property’s Basic or Enhanced STAR savings, whichever applies, using a progressive income-based schedule:

- For taxpayers with Basic STAR exemptions or credits:
  - If income is not over \$75,000, the credit would be 163 percent of the 2021 STAR savings for locations outside of New York City and 125 percent in New York City.
  - If income is over \$75,000 but not over \$150,000, the credit would be 115 percent of the 2021 STAR savings for locations outside of New York City as well as 115 percent in New York City.
  - If income is over \$150,000 but not over \$200,000, the credit would be 66 percent of the 2021 STAR savings for locations outside of New York City and 105 percent in New York City.
  - If income is over \$200,000 but not over \$250,000, the credit would be 18 percent of the 2021 STAR savings for locations outside of New York City and 100 percent in New York City.
    - For taxpayers with Enhanced STAR exemptions or credits, the credit would be 66 percent of the 2021 STAR savings for locations outside of New York City and 110 percent in New York City.
    - No credit would be given where income is above \$250,000.
    - No credit would be given where the calculated benefit is less than \$100.
- The fiscal estimate on this Part is \$2.2 billion in Aid To Localities funding and \$1.1 million to the Department of Taxation and Finance to administer the program
- Takes effect immediately.

### **Part CC– Authorize Additional Casino Licenses**

- Authorizes the NYS Gaming Facility Location Board to issue a Request for Application for the awarding of up to three casino licenses within New York State by the Gaming Commission.
- The RFA process would largely mirror the one used to place the first four commercial casinos authorized under the 2013 legislation.
- The tax on gaming revenue would be determined by the Commission during the application process.

### **Part DD – Extend Use of Capital Funds for Certain Off-Track Betting Corps**

- Authorizes Capital OTB to use 23 percent of its capital acquisition fund, not to exceed \$440,000, towards operational expenses and statutory obligations.

### **Part EE – Extend Pari-Mutuel Tax Rates & Simulcast Provisions for One Year**

- Extends the following provisions:
  - In-home simulcasting
  - Current percentage of total pools allocated to purses at a track located in Westchester County receives from a franchised corporation



- Simulcasting of out-of-state thoroughbred races on any day the Saratoga thoroughbred track is operating
- Simulcasting of races conducted at out-of-state harness tracks
- Distribution of revenue and governing provisions from out of state simulcasting during the Saratoga meet
- Binding arbitration of disagreements
- Current distribution of revenue from on-track wagering on NYRA races

## STAND ALONE LEGISLATION

### Two Year Term Limits on Statewide Elected Officials

- Constitutional amendment that would prohibit a statewide office holder from serving more than two consecutive terms in such office.
- The individual would be able to run for a third term of such office if one full term or more has elapsed since that person last held such office.
- The prohibition shall apply to the Governor, Lieutenant Governor, Attorney General and Comptroller.