New York State Senate Republican Minority

FINANCE COMMITTEE / COUNSEL STAFF ANALYSIS OF THE FY 2022

EXECUTIVE BUDGET

JANUARY 2021

SENATOR ROBERT G. ORTT

Republican Minority Leader

SENATOR THOMAS F. O'MARA

Ranking Member of the Finance Committee

SHAWN MACKINNON

Secretary of Minority Finance Committee

KRISTIN FRANK

Counsel to the Minority

RANKING MINORITY MEMBER
FINANCE
INVESTIGATIONS AND GOVERNMENT OPERATIONS

COMMITTEES
RULES
CODES
JUDICIARY
INSURANCE
ENERGY AND TELECOMMUNICATIONS

THE SENATE
STATE OF NEW YORK

THOMAS F. O'MARA
SENATOR
58TH DISTRICT

ROOM 406 LEGISLATIVE OFFICE BUILDING
ALBANY, NEW YORK 12247
(518) 455-2091
FAX: (518) 426-6976

333 E. WATER STREET, SUITE 301
ELMIRA, NEW YORK 14901
(607) 735-9671
FAX: (607) 735-9675

E-MAIL: omara@nysenate.gov

January 26, 2021

Dear Senators,

Enclosed herewith is the "Staff Analysis of the FY 2022 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,

Thom F. O'Mara

THOMAS F. O'MARA
Ranking Member, Finance

PAGE INTENTIONALLY LEFT BLANK

REPORT OF THE SENATE FINANCE COMMITTEE MINORITY

STAFF ANALYSIS OF THE FY 2022 EXECUTIVE BUDGET

Dedicated to the memory of our friend and colleague Tom Havel

Shawn MacKinnon
Secretary to the Finance Committee Minority

Kristin Frank
Counsel to the Minority

Finance / Counsel Staff

Peter Drao	Morgan Halloran	Dave Thoman	Benjamin Kosinski
Jeffrey DeGironimo	Robert T. Farley	Benjamin Eddy	Barbara A. McRedmond
James W. Eagan	Kevin Gannon	Steven Rodway	John Banville
James Connolly	Brittany Volpe	Charles Silverstein	Joseph Messina
Alison Beck			

Publication Editor
Keith McNab

PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

PAGE INTENTIONALLY LEFT BLANK

SECTION ONE

HIGHLIGHTS OF THE EXECUTIVE BUDGET

PAGE INTENTIONALLY LEFT BLANK

OVERVIEW

FY 2022 EXECUTIVE BUDGET

For the third straight year, the Executive Budget for FY 2022 continues to impose tax and fee increases, while reducing State funding to critical priorities such as education, health care and local government assistance. In the two years preceding this proposal, the Executive and the Legislature have enacted tax increases that have included the following impacts from FY 2020 through FY 2022:

- Extending various taxes that were due to sunset in FY 2020 $7.9 billion
- Collection of internet sales tax from marketplace providers $670 million
- Taxation of tobacco, E-cigarettes and vapor products $40 million
- Increase the auto rental tax $97 million
- Establish an opioid surcharge $300 million
- NYC real estate transfer tax $1 billion
- Discontinue energy sales tax exemption $128 million
- Cap long term care tax credit $28 million
- Increase tobacco products tax $33 million

The Executive continues to advance tax increases at a time when individuals, families and businesses are facing the challenges of the COVID-19 pandemic. The FY 2022 revenue proposal builds on two years of tax increases including a damaging tax increase on the middle class as a gap closing action. This tax increase equates to $394 million in FY 2022, $403 million in FY 2023, $445 million in FY 2024, $464 million in FY 2025 and $368 million in FY 2026, or $2.1 billion until the tax cut becomes fully effective.

In addition, for the second consecutive year, the Executive Budget reduces the State's commitment to education, health care and local government assistance. In the current year the Executive and the Legislature agreed to reduce the State's commitment to education and healthcare and backfill with Federal CARES Act funds. The Executive proposal for FY 2022 utilizes this same approach by again reducing the State's commitment through several formulaic mechanisms and backfilling with funding from the Federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) (see education section). The same approach has been employed for Medicaid where in the current year (FY 2021) the Executive and the Legislature utilized the Medicaid Redesign Taskforce (MRT II) to reduce funding by $2.3 billion and has supplanted this reduction with $500 million in enhanced Federal Medicaid Assistance Percentage (FMAP) funds.

In FY 2022 the Executive proposes to reduce State Medicaid funding by $599 million and backfill the cut using enhanced FMAP funds amounting to $995 million. In terms of local government assistance, the Executive is proposing further cuts to the Aid Incentives to Municipalities (AIM) program beyond what was enacted in FY 2020. In FY 2020 the Legislature and the Executive agreed to reduce the State's commitment to AIM funding by $59.2 million and requiring counties to utilize their sales tax revenue to backfill the lost State funds. The FY 2022 Executive Budget proposal reduces the State's commitment to AIM funding again by $43 million and requires counties to backfill $8.5 million to towns and villages.

The Senate Republican Minority is advancing a plan that stands in stark contrast to this approach. The Senate Republican Minority RESET-NY plan includes a rejection of the Executive's plan to increase taxes on the middle class. The plan also includes an urgent call to have both houses of the Legislature restore the balance of power to our State government so regions across the State can have a voice in the safe reopening of businesses and schools. The New York State Senate Republican Minority Conference's plan focuses on Restarting our local economies, Rethinking how New York operates, and Renewing our commitment to the hardworking people of the State of New York. This bold vision will help our State realize a brighter, stronger, more prosperous future.

According to the US Bureau of Labor Statistics New York State has lost 37,200 jobs between November and December of 2020. Over the course of the last year, the State has lost a significant number of jobs in specific sectors of the economy, which has had a corresponding impact on State and local revenues across the State.

	Change in Total Nonfarm Jobs (private sector + government)		Change in Private Sector Jobs	
	Net	%	Net	%
United States	(140,000)	-0.1%	(95,000)	-0.1%
New York State	(37,200)	-0.4%	(22,100)	-0.3%

When this specific data is viewed by industry sectors, the leisure and hospitality sectors have been hardest hit by the pandemic and Executive orders. The leisure and hospitality sector in NY have clearly seen significant losses. As the below chart from the US Bureau of Labor Statistics shows this industry sector has lost 366,600 jobs between December 2019 and December 2020.

Change in Jobs by Major Industry Sector, NYS December 2019-December 2020	
Leisure & Hospitality	(366,600)
Educational & Health Services	(157,600)
Trade, Transportation & Utilities	(141,900)
Professional & Business Services	(141,800)
Other Services	(53,800)
Government	(52,400)
Manufacturing	(38,100)
Financial Services	(37,200)
Construction	(22,400)
Information	(6,000)
Natural Resources & Mining	(600)
Total Net Losses	(1,018,400)
Source: U.S. Bureau of Labor Statistics	

Repealing the Executive's expanded powers would allow each region's voice to be represented when making determinations as to how to safely reopen business in the State of New York. In addition to this critically important step, the Senate Minority's RESET-NY plan also includes the following components:

- Restart Our Local Economies through the following priorities;
  - Safely reopening our small businesses so they can get back on their feet and residents can seek and obtain gainful employment.
  - Helping our schools and colleges stay open, so our children can continue to receive the resources they need to grow into healthy, happy adults.
  - Investing in our physical and human infrastructure to rebuild our State's competitiveness, especially workforce development, child care and broadband access for unserved and underserved communities.
- Rethink How New York Operates;
  - Ending New York State's unaffordability problem, which has been further magnified by the coronavirus pandemic and has led to the exodus of residents from our state.
  - Taking on State Government's culture of overspending amid a multiyear budget crisis, just as struggling families, business owners and local governments have had to rethink their finances as our state's economy continues to worsen year after year.

- Reasserting the State Legislature's Constitutional authority as a co-equal branch of government with the Executive. The people elect a Legislature to govern with the Governor, and we are their representatives.

- Renew Our Commitment to the hard working overburdened taxpayers of the State of New York;
  - Fostering the growth of vibrant local communities where people want to live.
  - Developing a robust, diverse economy that incorporates opportunities in manufacturing, production and service industries.
  - Creating safer neighborhoods in terms of both public health and crime by ensuring smart, equitable distributions of health resources and reaffirming our State's commitment to common sense public safety measures.

FY 2020 Mid-Year (MY)

Underlying vulnerabilities within the State Operating Funds (SOF) financial plan were exposed by a restatement of FY 2020 expenses (that were initially rolled forward) back into 2019 to keep SOF spending within the two percent cap (see Spending Cap Issue in Focus for further detail).

At the time, The Mid-Year Update assumed that FY 2020 disbursements would be reduced by the full value of a current year savings plan in the General Fund ($1.782 billion) and by $327 million in other funds to maintain the two percent spending cap.[1]

FY 2020 MY Budget Surplus / (Gap) Estimate ***(Millions of Dollars)***	
FY 2020	($1,782)
FY 2021	($6,073)
FY 2022	($7,529)
FY 2023	($8,549)
Structural Deficit	**($23,933)**

DOB did not make the savings plan public until submission of the FY 2021 Executive Budget.

[1] New York State Financial Plan, FY 2020 Mid-Year Update, page 19, footnote five.

Then COVID happened.

FY 2022 FINANCIAL PLAN

The FY 2022 Financial Plan projects relatively flat All Funds spending of $193 billion. This anticipates $3 billion in unrestricted federal aid related to the COVID-19 pandemic. State Operating Funds spending increases by 1.2 percent to $103 billion. The Executive Budget assumes the State will receive an additional $6 billion from the Federal government for unrestricted budgetary relief. According to the Division of Budget's financial plan, $3 billion will be used to close the financial gap in FY 2022 and the remaining $3 billion would be used in FY 2023. This assumption is based on the components of a $1.9 trillion "American Rescue Plan" proposed by President Biden. Under the proposal $350 billion is allocated to states and localities but no distribution plan is outlined.

BUDGET GAPS

The FY 2022 Executive Budget Financial Plan projects a current services structural deficit of $48.6 billion. This cumulative five year deficit would be reduced to $17.5 billion should the Executive's Budget actions be adopted. The two-year budget gap for FY 2022 is projected at $15 billion.

GENERAL FUND SURPLUS / (GAP) PROJECTIONS WITH RECEIPTS FORECAST REVISIONS *(millions of dollars)*					
	2021	**2022**	**2023**	**2024**	**2025**
Mid-Year Surplus / (Gap) - no cuts	($8,180)	($16,725)	($17,743)	($17,419)	($18,722)
General Fund Taxes	$3,348	$6,309	$7,010	$6,376	$6,261
Other Receipts	$60	$215	$209	$208	$206
Updated "Base" Budget Gaps	**($4,772)**	**($10,201)**	**($10,524)**	**($10,835)**	**($12,255)**
FY 2021 / 2022 Combined Gap		***($14,973)***			

FY 2022 Budget Gap Closing Plan *(Millions of Dollars)*	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Mid-Year Surplus / (Gap) Estimate	**($8,180)**	*n/a*	*n/a*	*n/a*	*n/a*
receipts forecast revision	*$3,408*	*n/a*	*n/a*	*n/a*	*n/a*
FY 2021 Updated Gap	**($4,772)**	**($10,201)**	**($10,524)**	**($10,835)**	**($12,255)**
Spending Changes					
Agency Operations	$44	$110	($591)	$26	$43
School Aid / Local District Funding Adjustment	$0	$1,506	$1,518	$1,466	$1,419
Medicaid	$1,230	$599	$351	$297	$136
All Other	$991	$1,265	$880	$997	$928
Debt Service / Capital Projects	$517	$135	$139	($297)	($245)
Total Spending Changes	**$2,782**	**$3,615**	**$2,297**	**$2,489**	**$2,281**
Resource Changes					
PIT High Income Surcharge	$0	$1,537	$1,404	$1,195	$367
PIT Middle-Class Tax Cut One-Year Pause	$0	$394	$403	$445	$464
Misc. Resource Changes	$17	$60	$348	$513	$542
Total Resource Changes	**$17**	**$1,991**	**$2,155**	**$2,153**	**$1,373**
Federal Resources					
CRF	$2,476	$0	$0	$0	$0
Medicaid FMAP	$497	$995	$0	$0	$0
FEMA Reimbursement	($1,000)	$600	$200	$200	$0
Unrestricted Federal Aid	$0	$3,000	$3,000	$0	$0
Total Federal Resources	**$1,973**	**$4,595**	**$3,200**	**$200**	**$0**
Executive Budget Surplus / (Gap)	**$0**	**$0**	**($2,872)**	**($5,993)**	**($8,601)**

For comparison, the FY 2022 budget gap of $10.2 billion is comparable to the $10 billion budget gap from 2012, but less severe than the $13.7 billion gap in 2010.

Executive Budget Gaps (Billions of Dollars)						
2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
$ (13,678)	$ (7,418)	$ (10,001)	$ (3,500)	$ (1,352)	$ (1,742)	$ (1,814)
2017	**2018**	**2019**	**2020**	**2021**	**2022**	
$ (1,781)	$ (3,533)	$ (4,443)	$ (5,300)	$ (6,073)	$ (10,201)	

SPENDING

All Funds FY2022 spending is projected $192.9 billion, which is relatively flat from FY 2021 but represents an increase of approximately $20 billion or 10.3 percent from FY 2020. The $20 billion increase includes federal aid related to the COVID-19 pandemic.

FY 2022 ALL FUNDS SPENDING (Billions of Dollars)				
2020 results	2021 current	2022 proposed	Change ($) from 2020	Change (%) from 2020
$173.0	$192.7	$192.9	$19.9	10.3%

State Operating Funds (SOF) FY 2022 spending is projected at $103.4 billion, an increase of $1.2 billion from FY 2021. The current SOF Financial Plan assumes $3 billion in unrestricted federal aid for both FY 2022 and FY 2023 for a total of $6 billion in federal aid built into the SOF financial plan. The State of New York is requesting $15 billion in aid.

FY 2022 STATE OPERATING FUNDS SPENDING (Billions of Dollars)				
2020 results	2021 current	2022 proposed	Change ($) from 2021	Change (%) from 2021
$102.2	$102.2	$103.4	$1.2	1.2%

RECEIPTS

The Executive Budget projects FY 2022 All Funds receipts decrease from $193.6 billion to $189.8 billion, a decrease of $3.8 billion or two percent. The All Funds receipts decrease reflects a decrease in miscellaneous receipts and federal grants of $7.4 billion offset partially by $5.8 billion in additional taxes.

The FY 2022 Executive Budget includes tax increases in FY 2022 of only $2 billion, but aggregates to $7.9 billion through FY 2025.

FY 2022 RECEIPTS (Billions of Dollars)					
	2020 results	2021 current	2022 proposed	Change ($) from 2021	Change (%) from 2021
All Funds	$177.44	$193.55	$189.75	($3.80)	-1.96%
Federal Receipts	$65.08	$84.10	$78.66	($5.43)	-6.46%
State Operating Funds	$104.23	$99.60	$102.71	$3.11	3.12%

RESERVES

The Executive Budget projects an FY 2022 General Fund closing balance of $5.7 billion; a decrease of $1.5 billion from the FY 2021 projected closing fund balance. Included within the reserve total is $2.5 billion in statutory reserves, $21 million in a contingency reserve for claims made against the State, $500 million for debt reduction and $1.2 billion in financial settlement proceeds.

RESERVES (Millions of Dollars)	FY 2020 Results	FY 2021 Current	FY 2022 Proposed	$ Change	% Change
Total General Fund Balance	**$8,944**	**$7,237**	**$5,730**	**($1,507)**	**-20.8%**
Statutory Reserves					
Tax Stabilization Reserve Fund	$1,258	$1,258	$1,258	$0	
Rainy Day Reserve Fund	$1,218	$1,218	$1,218	$0	
Contingency Reserve Fund	$21	$21	$21	$0	
Community Projects Fund	$31	$15	$15	$0	
Reserved For					
Timing of Payments	$1,313	$0	$0	$0	
Undesignated Fund Balance	$1,103	$550	$2	($548)	
Debt Management	$500	$500	$500	$0	
Economic Uncertainties	$890	$1,490	$1,490	$0	
Subtotal Excluding Settlements	***$6,334***	***$5,052***	***$4,504***	***($548)***	***-10.8%***
Extraordinary Monetary Settlements	***$2,610***	***$2,185***	***$1,226***	***($959)***	***-43.9%***

SPENDING AREA HIGHLIGHTS

SCHOOL AID

The Executive Budget recommends All Funds cash disbursements of $37.4 billion for FY 2022. This represents an increase of $1.1 billion, or three percent. Significant reductions in State support for education programs are offset by Federal funds approved in the December COVID-19 relief package.

The proposed budget would drive $29.8 billion in school aid. This is an increase of $2.2 billion, or eight percent, above the current school year. Highlights of this proposal include flat Foundation Aid, elimination of the $1.1 billion Pandemic Adjustment, $2 billion decrease in State Aid due to two new "funding adjustments", $393 million reduction in expense-based aids, and $2.7 billion net increase in Federal funds. Total funding that goes to school districts on the "run" is $29.3 billion.

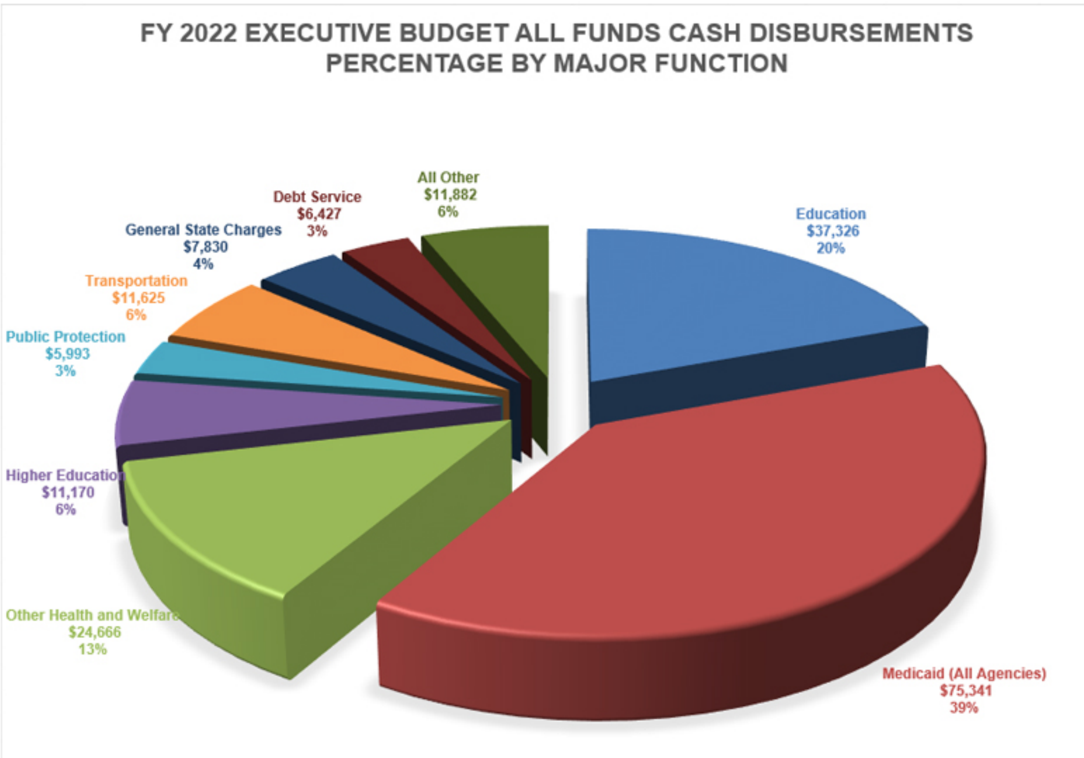
HEALTH - MEDICAID

The FY 2022 Executive Budget recommends All Funds spending of $83 billion, a net increase of $4.3 billion. Enhanced federal Medicaid and Essential Plan funding drive this increase.

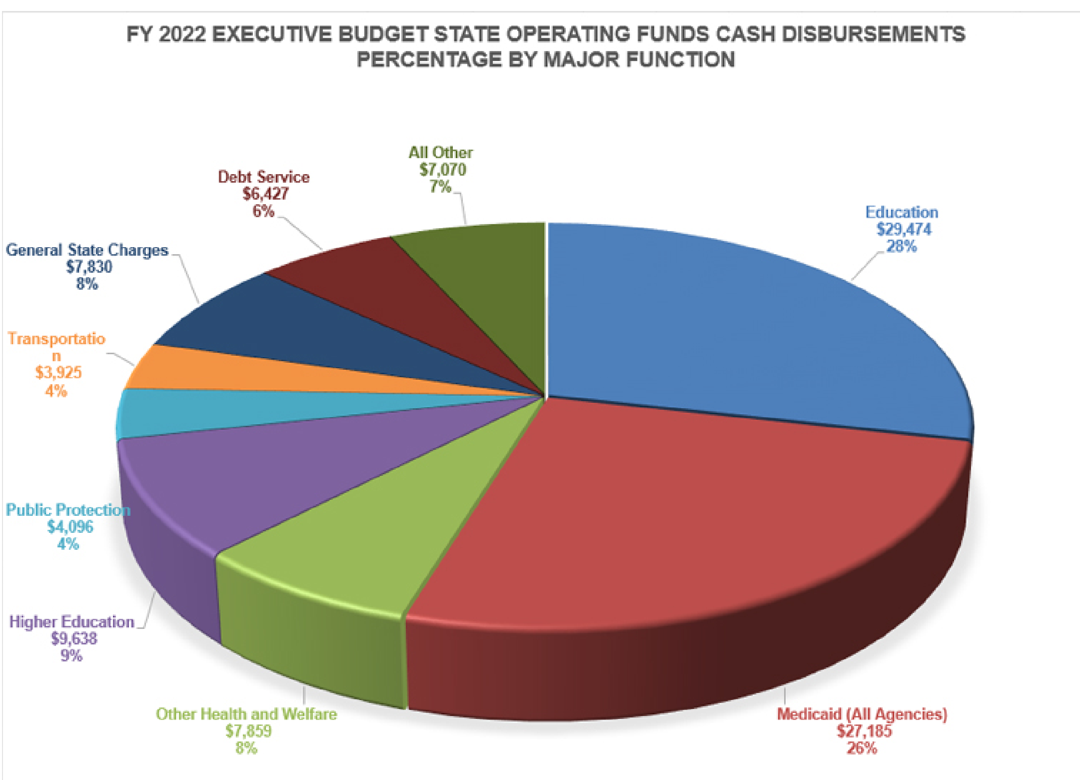
The Executive Budget projects All Funds Medicaid spending (including Medicaid spending for the Mental Hygiene agencies, the $7.2 billion local contribution, and the Essential Plan) of $88.3 billion, an increase of $4.7 billion, or 5.7 percent. The Executive proposes a two-year appropriation structure for Medicaid. This would be the first year.

The Executive proposes multiple initiatives implementing FY 2022 MRT recommendations to generate $800 million in savings. Many of the FY 2022 Executive proposals require legislative action while others can be accomplished administratively. For the first time since the adoption of the Global Cap, the net fiscal impact of the proposals are not budget neutral and would instead reduce Medicaid spending by an additional $400 million under the projected Global Cap deficit for FY 2022 and $199 million in FY 2023. In addition, the Executive assumes state savings of $1.2 billion in FY 2021 and $53.1 million in FY 2022 by retroactively clawing back premium payments for Managed Care Plans due to lower healthcare utilization resulting from the COVID-19 Pandemic.

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 would eliminate premiums for enrollees, expand coverage, and increase premiums for health care plans offering the essential plan for their members.



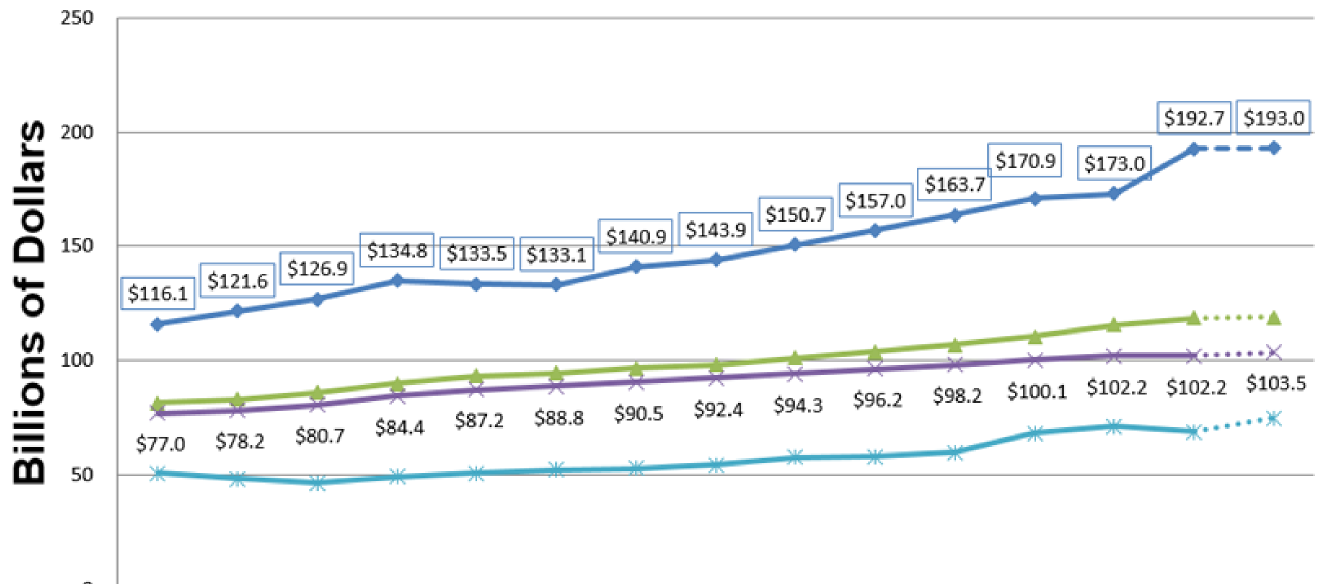
FY 2022 EXECUTIVE BUDGET ALL FUNDS CASH DISBURSEMENTS
PERCENTAGE BY MAJOR FUNCTION
All Other
$11,882
6%
Debt Service
$6,427
3%
General State Charges
$7,830
4%
Transportation
$11,625
6%
Public Protection
$5,993
3%
Higher Educatio
$11,170
6%
Other Health and Welfar
$24,666
13%
Medicaid (All Agencies)
$75,341
39%
Education
$37,326
20%



FY 2022 EXECUTIVE BUDGET STATE OPERATING FUNDS CASH DISBURSEMENTS
PERCENTAGE BY MAJOR FUNCTION
All Other
$7,070
7%
Debt Service
$6,427
6%
General State Charges
$7,830
8%
Transportatio
n
$3,925
4%
Public Protection
$4,096
4%
Higher Education
$9,638
9%
Other Health and Welfare
$7,859
8%
Medicaid (All Agencies)
$27,185
26%
Education
$29,474
28%

Cash Disbursements By Function FY 2022 Executive Budget	All Funds Thousands ($)	 Percent	State Funds Thousands ($)	 Percent	State Operating Funds Thousands ($)	 Percent	General Fund Thousands ($)	 Percent
Local Assistance								
Economic Development / Government Oversight	1,617,118	1.12%	1,609,063	2.13%	197,879	0.29%	125,435	0.23%
Education, school aid	33,176,355	22.90%	26,952,740	35.67%	26,552,740	38.79%	23,164,340	42.54%
Education, STAR	586,502	0.40%	586,502	0.78%	586,502	0.86%	-	0.00%
Education, other	3,102,365	2.14%	2,220,058	2.94%	2,150,192	3.14%	2,137,061	3.92%
Health, other	9,907,215	6.84%	2,252,883	2.98%	1,729,005	2.53%	609,431	1.12%
Health, Medicaid (all components)	72,294,889	49.89%	24,631,745	32.60%	24,631,745	35.99%	18,776,068	34.48%
Higher Education	2,775,892	1.92%	2,775,892	3.67%	2,763,242	4.04%	2,763,242	5.08%
General Government	228,093	0.16%	169,886	0.22%	123,386	0.18%	27,906	0.05%
Local Government Assistance	667,458	0.46%	667,458	0.88%	667,458	0.98%	667,458	1.23%
Mental Hygiene (adjusted)	2,082,409	1.44%	1,945,894	2.57%	1,803,947	2.64%	1,797,653	3.30%
Parks and Environment	466,606	0.32%	310,336	0.41%	4,997	0.01%	1,347	0.00%
Public Protection	1,700,723	1.17%	583,923	0.77%	525,030	0.77%	137,793	0.25%
Social Welfare, other (adjusted)	5,248,439	3.62%	2,443,858	3.23%	1,500,527	2.19%	1,495,943	2.75%
Social Welfare, welfare assistance	3,833,888	2.65%	1,275,615	1.69%	1,275,615	1.86%	1,275,615	2.34%
Transportation	6,207,423	4.28%	5,665,938	7.50%	3,502,424	5.12%	106,690	0.20%
All Other	1,009,215	0.70%	1,477,153	1.95%	431,746	0.63%	1,361,746	2.50%
Total Local Assistance	**144,904,590**	**100.00%**	**75,568,944**	**100.00%**	**68,446,435**	**100.00%**	**54,447,728**	**100.00%**
Percent of Total Spending		*75.06%*		*63.57%*		*66.13%*		*72.78%*
State Operations								
Personal Services	14,595,453	45.15%	13,914,068	48.60%	13,914,068	48.60%	9,130,757	44.83%
Non Personal Services	7,590,944	23.48%	4,947,715	17.28%	4,947,715	17.28%	2,549,650	12.52%
General State Charges	10,143,200	31.37%	9,767,957	34.12%	9,767,957	34.12%	8,688,297	42.66%
Total State Operations	**32,329,597**	**100.00%**	**28,629,740**	**100.00%**	**28,629,740**	**100.00%**	**20,368,704**	**100.00%**
Percent of Total Spending		*16.75%*		*24.08%*		**27.66%**		*27.22%*
Capital Projects	**9,380,436**	**100.00%**	**8,255,174**	**100.00%**	-	*100.00%*	**n/a**	**n/a**
Percent of Total Spending		*4.86%*		*6.94%*				
Debt Service	**6,427,245**	**100.00%**	**6,427,245**	**100.00%**	**6,427,245**	**100.00%**	**n/a**	**n/a**
Percent of Total Spending		*3.33%*		*5.41%*		*6.21%*		
Total FY 2022 Spending	**193,041,868**	**100%**	**118,881,103**	**100%**	**103,503,420**	**100%**	**74,816,432**	**100%**

Multi-Year Cash Disbursements Trend



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
All Funds	$116.1	$121.6	$126.9	$134.8	$133.5	$133.1	$140.9	$143.9	$150.7	$157.0	$163.7	$170.9	$173.0	$192.7	$193.0
State Funds	$81.4	$83.1	$86.0	$90.1	$93.2	$94.5	$96.6	$98.1	$101.2	$104.0	$106.9	$110.5	$115.5	$118.5	$118.9
State Operating Funds	$77.0	$78.2	$80.7	$84.4	$87.2	$88.8	$90.5	$92.4	$94.3	$96.2	$98.2	$100.1	$102.2	$102.2	$103.5
General Fund	$50.6	$48.4	$46.4	$49.4	$50.6	$52.2	$52.9	$54.3	$57.6	$58.0	$59.9	$68.2	$71.4	$68.7	$74.8

FACT SHEET: Education

Analyst- Dave Thoman
Phone- (518) 455-2650
Email- thoman@nysenate.gov

Education Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending authorization of 39.4 billion, an increase of $604 million, or 1.6 percent, over the current year:
    - Decrease of $100,000 for the Council on the Arts, for a total of $46.9 million
    - Increase of $604 million to State Education Department, for a total of $39.4 billion

Notable Issues

- Allows the reissuance of a charter for a K-12 school that has closed in New York City.
- Allows for school districts to receive reimbursement for pandemic-related transportation costs that are otherwise ineligible for transportation aid.
- Eliminates the ability for recipients of the regular STAR Exemption payment to transfer into the Enhanced STAR Exemption (eligible homeowners may still transfer into the Enhanced STAR Credit program, which confers similar benefits).

Spending Highlights

- Total Aid to Schools increases $2.2 billion, or eight percent, for a total of $29.8 billion (includes a $515 million decrease in State aid)
    - Cut of $1.3 billion to school aid formula
    - Federal COVID stimulus bill provides additional $3.9 billion for districts

- Executive represents STAR Exemption payments on the school run
- Unprecedented action
- The STAR Exemption is not support for school districts – it is an offset payment that goes taxpayers to lower their property tax bills
- Allows Executive to falsely claim additional $2 billion in school aid

- Reduces funding for nonpublic school programs by two percent:
    - Nonpublic School Aid (from $193 million to $189 million)
    - Nonpublic STEM Programs (from $30 million to $29.4 million)
    - Academic Intervention for Nonpublic Schools (from $922,000 to $904,000)
- Eliminates annually recurring fiscal stabilization grant for the NYC Department of Education (provides $26.4 million annually)
- Consolidates 11 expense-based aids into a block grant
    - Converts these aid categories – including BOCES and Transportation Aid – into a block grant
    - Slows growth in out-year and reduces funding in FY 2022 by $693 million compared to current law
- Reduces allowable charter tuition rates by the same percentage as the school district's State aid cut in proportion to the district's General Fund spending for one year
    - State law requires State to pay districts approximately $1,000 per charter pupil to offset cost of a district's charter tuition payment (AKA, Supplemental Tuition Payments)
    - The proposed reduction in charter school tuition charged results in lower State aid for supplemental tuition payments
    - Executive realizes $35 million in savings, with $40 million in savings to school districts
- Eliminates NYC Charter Facilities Aid
    - This aid reimburses NYC for the cost of charter schools utilizing public school buildings (encouraging co-location of schools)
    - State saves $47 million in FY 2022 by eliminating this "rent" payment
- Eliminate funding for Instructor Programs:
    - Teachers of Tomorrow: $25 million
    - Teacher Mentor Intern: $2 million
    - Albert Shanker Grants: $368,000

EDUCATION

Education Proposed Disbursements - All Funds (Thousands of Dollars)				
	Estimated	Proposed	Change	
Agency	FY 2021	FY 2022	Amount	Percent
School Aid FY	30,673,222	33,176,355	2,503,133	8.16%
STAR	2,030,377	586,503	(1,443,874)	-71.11%
Programs for the Disabled	2,112,221	2,153,740	41,519	1.97%
All Other	1,389,581	1,363,555	(26,026)	-1.87%
School Aid-Other	140,000	140,000	0	0.00%
Totals:	**36,345,401**	**37,420,153**	**1,074,752**	**2.96%**

The Executive Budget recommends All Funds cash disbursements of $37.4 billion for FY 2022. This represents an increase of $1.1 billion, or three percent. Significant reductions in State support for education programs are offset by Federal funds approved in the December COVID-19 relief package.

Education Department

The Executive Budget provides a State Operations All Funds appropriation for the State Education Department of $612.1 million, an increase of $604.5 million. This reflects an increase in State Operations of $394,000, an increase in Aid to Localities of $580.7 million, and an increase in Capital appropriations of $23.4 million.

State Operations

The Executive proposal includes language within SED's State Operations appropriations stating no funds shall be made available for certain functions of the Department until the Legislature has acted upon the appropriations for SED contained in the Aid to Localities bill and the Division of Budget has determined that such appropriations in the Aid to Localities bill are sufficient for the ensuing fiscal year. Similar language was rejected last year.

The proposed State Operations budget continues funding for the following:

- $8.4 million to create and print standardized assessment test forms. The Legislature, initially approved this funding in 2015 to ensure a reduction in standalone field testing and the release of a significant number of test questions to teachers
- $800,000 for the Office of Religious and Independent Schools
- $800,000 for the Office of Family and Community Engagement

The Executive would eliminate $225,000 associated with a State monitor for the Ramapo School District. Funding to carry out administrative functions of the National School Lunch Act would increase $619,000.

2021-22 School Aid Proposal

The FY 2022 Executive Budget provides $29.8 billion in school aid, an increase of $2.2 billion or eight percent above the 2020-21 school year. Highlights of this proposal include flat Foundation Aid, elimination of the $1.1 billion Pandemic Adjustment, a $1.3 billion decrease in State Aid due to Local District Funding Adjustment, consolidation of 11 expense-based aids, $700 million decrease in State Aid due to adjustments in consolidated expense-based aids, and $2.7 billion in new Federal funds. Funding for categorical grant programs would decrease $11.6 million.

Foundation Aid

The Executive proposal holds Foundation Aid flat at $18.4 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.

Pandemic Adjustment

The Executive eliminates the $1.1 billion Pandemic Adjustment that reduced a school district's support from the State by an amount equal to the federal stimulus funding the district received in 2020-21.

Local District Funding Adjustment

The Executive proposes a new adjustment that reduces State support by $1.4 billion. The reduction is equal to the total STAR Exemption benefits that taxpayers in the district receive or the amount of new Federal stimulus funds received, whichever is less.

COVID-19 Supplemental Stimulus

The Executive budget passes through $3.9 billion in stimulus monies that were approved by the Federal Government in December. Of the total amount, $3.6 billion of the allocation is based on the percentage of the State's total Title-1 students that the district serves, as required by Federal Statute. The remaining $300 million is distributed via formula based on a district's wealth, enrollment, and number of Title-1 students.

Services Aid

The Executive proposes to consolidate the following aids: BOCES, High Tax, Special Services, Charter Transitional, Hardware and Technology, Software, Library Materials, Textbook, Supplemental Public Excess Cost, and Academic Enhancement aids. Districts would receive the same amount for these 11 aids as they would otherwise for 2020-21, but the amounts would be subject to a "Service Aid Reduction" in 2021-22.

The Services Aid Reduction is determined based on a district's wealth, Local District Funding Adjustment, and Supplemental Stimulus Allocation. Its impact is as follows:

- Services Aid for 2020-21 totals $3.7 billion
- Under current law, Services Aid for FY 2022 would increase by $300 million, for a total of $4 billion
- The Services Aid Reduction formula proposal applied to $4 billion reduces this amount by $696 million, to $3.3 billion
- Services Aid ultimately reduces $393 million year-to-year ($300 million in natural growth, offset by the State imposing a $696 million reduction)

Transportation Aid

Although the Executive proposes folding Transportation Aid in the larger Services Aid category, the Executive allows for a change to the total amount in the current school year. In recognition of transportation costs incurred during the pandemic such as meal and homework delivery, the Executive would make those costs aidable for the 2020-21 school year.

Proposed changes to aids are further discussed in the Article VII section for ELFA, Part A.

Additional Aid Categories

The Executive proposal maintains current law formulas for all other reimbursable aid categories for 2021-22. Expense-based aids are calculated based on claims submitted by school districts on expenses for activities such as special education provision and building construction. An increase of $111.5 million, or 2.3 percent, is a reflection of the State's reimbursement obligation based on increased spending by school districts in these aid categories from the prior year.

The following aid formulas represent present law funding:

- *Building Aid:* The Executive increases Building Aid by $7.9 million for a total of $3.1 billion.
- *Reorganization Operating Aid:* The Executive decreases Reorganization Operating Aid by $880,000 for a total of $4.5 million.

- *High Excess Cost Aid:* The Executive increases High Excess Cost Aid by $47.2 million for a total of $666.9 million.
- *Private Excess Cost Aid:* The Executive increases Private Excess Cost Aid by $45.1 million for a total of $440.1 million.
- *Universal Pre-K Aid:* The Executive increases Universal Pre-K Aid by $12.5 million for a total of $848.6 million.
- *Full Day Kindergarten Conversion Aid:* The Executive budget provides an incentive for districts to convert to a full day kindergarten program. Districts would receive the existing incentive available under current law and would receive 50 percent of that amount in the second year of conversion. The Executive Budget provides a decrease of $1.1 million, to $1.4 million total.

Additional Grant Programs and Other Appropriations

Teacher Recruitment and Retention Programs

Funding for three grant programs to promote teacher recruitment and retention would be eliminated:

- Teachers of Tomorrow: $25 million
- Teacher-Mentor Intern: $2 million
- Albert Shanker Grants: $368,000

Center for Autism and Related Disabilities at SUNY Albany

The Executive reduces funding for the Center by $500,000, from $1.2 million to $740,000 in local assistance.

Charter Schools

The Executive proposes modifying the formula for charter schools for one year, reverting back to the current formula for AY 2023. Allowable charter tuition rates would decrease by the same percentage as the school district's reduction in State aid, proportional to the district's General Fund spending for the year. Reduces Supplemental Basic Charter School Tuition Payments by $35 million, or 18 percent.

A $50 million appropriation for Charter School Facilities Aid would be eliminated. This aid reimburses NYC for the cost of charter schools utilizing public school buildings (co-location).

District Grants

The Executive proposal eliminates Legislative adds for grants to Yonkers ($12 million) and East Ramapo ($2 million). It also eliminates Legislative adds to reimburse for district monitors for Rochester ($175,000), Hempstead ($87,500), and Wyandanch ($87,500).

Nonpublic School Assistance

The Executive Budget reduces programmatic aids for nonpublic schools by two percent. These are Nonpublic School Aid ($3.9 million reduction), Nonpublic STEM Programs ($600,000 reduction), and Academic Intervention Services ($18,000 reduction). A $1 million Legislative add to reimburse nonpublic schools for collecting and maintaining immunization records would be eliminated.

Additionally, payments for Nonpublic School Aid will be delayed from March 2021 to June 2021. This will reduce the State's liability in the current fiscal year by $193 million. It would still be paid out in the 2020-21 Academic Year. The State would similarly delay all future payments in the same manner. Payments reimburse for prior year services (e.g., 2020-21 aid goes to reimburse 2019-20 expenses).

Importantly, these schools will be held harmless from aid losses due to spring 2020 closures.

Education of Homeless Children

An additional $875,000 is provided as reimbursement for school district costs associated with educating homeless children, for a total of $23.3 million.

Competitive Grants

SED administers a number of grants for professional development, specialized learning, and other purposes. Funding for these grants totaled $50 million in 2020-21. While existing commitments are reappropriated, there is no new grant funding.

Eliminate Prior Year Aid Queue

The Executive budget would prevent school districts from realizing $18.7 million in funding for prior year claims. Additionally, all prior claims would be expunged and unable to be paid out in the future. These claims are primarily the result of a district's timeliness in submitting reimbursement claims. The Executive proposes complementing Article VII language that would eliminate the queue and tighten deadlines for districts to submit their paperwork.

NYC Fiscal Stabilization Grant

The Executive proposes to eliminate the NYC Fiscal Stabilization. This appropriation was established in 2003 and provides $26.4 million annually to the New York City Board of Education. It was provided to help relieve an untenable debt burden, although the City's fiscal position has improved greatly over the past 18 years.

Schools for the Blind and Deaf

The Executive proposes flat funding of $103.9 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).

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 continues $10 million to incentivize school districts to purchase food from New York farmers for school lunch programs.

Library Aid

The Executive Budget eliminates a $2.5 million legislative add in library funding, and reduces base support an additional five percent. This results in a total year-to-year reduction of $7.1 million, for a total of $87 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.

QUALITYstarsNY Program

The Executive Budget maintains funding for QUALITYstarsNY of $5 million through FY 2022. The QUALITYstarsNY program is currently a voluntary program that monitors the quality of pre-kindergarten programs.

Public Broadcasting Aid

The Executive Budget provides $13.3 million for New York's nine public television stations and 17 public radio stations. This is a decrease of $700,000, or five percent.

NYC Community Learning Schools

The Executive proposes eliminating $450,000 for NYC Community Learning Schools.

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 of $1.9 billion in STAR Exemption payments. This reflects an annual decrease of $91.5 million, or 4.5 percent.

The Executive would ban new entrants into the Enhanced STAR Exemption program, forcing newly eligible homeowners to join the STAR Credit program. This results in a $36 million reduction in spending on the Exemption program. The remaining $55 million in decreased spending is the result of behavioral changes as previous changes to the program continue to push more individuals onto the Credit. Additional discussion can be found in the Article VII Section, Revenue, Part V.

Capital Projects

The Executive would appropriate $85.5 million in Capital projects, an increase of $23.5 million. Among the major changes are:

- Decreases from $25.4 million to $7.9 million for the continued development of a new E-Licensing system for professions registration
- Provides a new $41 million for the development of a State Aid Data System

Education Aid AY 2021-22				
(Millions of Dollars)				
Formula Aids	**2020-21**	**2021-22**	**Change**	**Percent Change**
Foundation Aid	$18,411.79	$18,411.79	$0.00	0.00%
Community Schools Aid	$250.00	$250.00	$0.00	0.00%
Special Education – High Cost	$619.77	$666.93	$47.16	7.61%
Special Education – Private	$395.72	$440.80	$45.08	11.39%
Reorganization Operating Aid	$5.37	$4.49	($0.88)	-16.39%
Services Aid	$3,725.29	$3,332.76	($392.53)	-10.54%
Universal Pre-K	$836.12	$848.61	$12.49	1.49%
Full Day Kindergarten	$2.49	$1.40	($1.09)	-43.78%
Building Aid	$3,055.20	$3,063.08	$7.88	0.26%
Adjustment/Reduction	($1,130.65)	($1,352.36)	($221.71)	19.61%
Federal Funds	$1,133.62	$3,851.69	$2,718.07	239.77%
Formula Aid TOTAL	**$27,054.72**	**$29,269.19**	**$2,214.47**	**8.19%**
Categorical Aids				
Teachers of Tomorrow	$25.00	$0.00	($25.00)	-100.00%
Teacher Mentor Intern	$2.00	$0.00	($2.00)	-100.00%
School Health Services	$13.84	$13.84	$0.00	0.00%
Roosevelt	$12.00	$12.00	$0.00	0.00%
Urban Suburban Transfer	$11.71	$11.71	$0.00	0.00%
Employment Prep Education	$96.00	$96.00	$0.00	0.00%
Homeless Pupils	$32.23	$33.23	$1.00	3.10%
Incarcerated Youth	$10.25	$10.25	$0.00	0.00%
Bilingual Education	$18.50	$18.50	$0.00	0.00%
Education of OMH/OMR Pupils	$53.50	$54.00	$0.50	0.93%
Special Act School Districts	$2.70	$2.70	$0.00	0.00%
Chargebacks	($45.25)	($45.25)	$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	$58.38	$72.26	$13.88	23.78%
School Bus Driver Safety	$0.40	$0.40	$0.00	0.00%
Subtotal	$300.25	$288.63	($11.62)	-3.87%
GSPS Total	**$27,354.97**	**$29,557.82**	**$2,202.85**	**8.05%**
Competitive Grants	$230.11	$230.11	$0.00	0.00%
School Year Total	**$27,585.08**	**$29,787.93**	**$2,202.85**	**7.99%**

FACT SHEET: Higher Education

Analyst- Dave Thoman
Phone- (518) 455-2650
Email- thoman@nysenate.gov

Higher Education Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending authorization of 17.6 billion, a decrease of $822 million, or 4.5 percent, over the current year:
  - Decrease of $328 million to SUNY, for a total of $11.6 billion
  - Decrease of $470 million to CUNY, for a total of $4.9 billion
  - Decrease of $24 million to HESC, for a total of $1.1 billion

Notable Issues

- Extend Financial Aid Eligibility for Certain Students
  - Most State financial aid programs require students to be on track for on-time graduation, and do not extend beyond that time
  - Executive would hold students harmless who were unable to complete academic requirements to maintain eligibility because of the pandemic (e.g., course closure, illness)
  - Conforms State policy to similar guidelines adopted by the Federal Government last year

- Extends predictable tuition at SUNY and CUNY four-year institutions
  - University systems were previously granted four years of $200 annual tuition increases in Academic Years 2018-2021
  - Executive proposes another four-year extension of $200 annually, or $800 total in Academic Years 2022-2025
  - Results in additional revenues of $50 million for SUNY and $33 million for CUNY for each $200 increase
  - Allows for flexibility in tuition rates at SUNY University Centers and Doctoral Degree-Granting colleges, so that they may charge higher rates for in-demand programs
  - Allows SUNY community colleges to charge lower rates for certain certificate programs

Spending Highlights

- State Operations support for senior colleges at SUNY and CUNY decreases five percent ($46 million for SUNY, $26 million for CUNY). Executive does not specify how cuts are to be made, leaving the university systems to develop a plan for the cuts.
- Decrease in community college funding at SUNY and CUNY
  - Community colleges are reimbursed based on full-time equivalent (FTE) student enrollment
  - Reimbursement rate held flat at $2,947 per FTE
  - CUNY community college funding decreases $10 million, and SUNY community college funding decreases $33 million due to lower enrollment numbers

- New SUNY and CUNY capital funding
  - Critical maintenance capital funding of $550 million for SUNY four-year institutions and $284 million for CUNY four-year institutions
  - Additional $150 million for SUNY's three teaching hospitals ($50 million each)
  - Matching capital funds for community college projects of $15 million for SUNY and $35 million for CUNY

- Reduction of $200,000, or five percent, in support to local Cornell Cooperative Extension offices
- Maintains level support for opportunity programs
- Eliminates BUNDY Aid for Private Schools
  - State has historically provided $35 million annually for nonpublic schools. Funds are based on the number and type of degree each school confers

Executive proposal also eliminates current year commitment by failing to reappropriate a $35 million allocation for FY 2020-21

HIGHER EDUCATION

Higher Education Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	**Estimated FY 2021**	**Proposed FY 2022**	**Change Amount**	**Percent**
SUNY	8,557,211	8,732,941	175,730	2.05%
CUNY	2,448,760	1,596,457	(852,303)	-34.81%
Higher Education Services Corp.	799,551	827,200	27,649	3.46%
Higher Education Capital Grants Program	6,000	12,650	6,650	110.83%
Higher Education - Misc.	441	441	0	0.00%
Council on the Arts	46,202	45,452	(750)	-1.62%
Totals:	**11,858,165**	**11,215,141**	**-643,024**	**-5.42%**

The FY 2022 Executive Budget recommends All Funds cash disbursements of $11.2 billion for New York State public and private higher education programs. This represents a decrease of $643 million, or 5.4 percent, from FY 2021.

Cash spending at SUNY would increase $176 million, or 2.1 percent, from $8.6 billion to $8.7 billion. CUNY cash spending would decrease $852 million, or 34.8 percent, from $2.4 billion to $1.6 billion. Higher Education Facilities Capital Matching Grants Program disbursements would increase $6.7 million. The Higher Education Services Corporation, which is responsible for administering the State's financial aid programs including TAP and Excelsior, would increase $27.6 million, or 3.5 percent.

Statewide enrollment at SUNY and CUNY schools fell as a result of the pandemic, resulting in a reduction of tuition revenues, but is expected to return to normal levels in AY 2022. A return to normalcy would result in a 12,800 increase in full-time equivalent students, from 509,700 to 522,500.

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 last year. 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.

Federal Stimulus Funds ($Millions)			
Recipient	CARES (March)	CRRSAA (December)	Total
SUNY	**$172**	**$414**	**$586**
4-Year	**$93**	**$207**	*$300*
2-Year	**$56**	**$167**	*$222*
CUNY	**$118**	**$337**	**$455**
4-Year	*$79*	*$208*	*$287*
2-Year	*$39*	*$129*	*$169*
Private/Other	**$193**	**$334**	**$527**
TOTAL	$460	$1,045	$1,504

State University of New York (SUNY)

The Executive recommends appropriations of $11.6 billion, a decrease of $329 million, or 2.8 percent, from FY 2021. This is the result of a $35 million decrease in Aid to Localities, a $132 million increase in State Operations, and a $426 million decrease in Capital appropriations.

State-Operated Senior Colleges

The Executive Budget recommends a five percent reduction in general operating support for Senior State colleges, or $46 million. The Executive does not prescribe how the reductions would be effectuated, but includes language directing SUNY to develop a plan to implement the cuts.

The FY 2018 Enacted Budget authorized SUNY to increase tuition by $200 annually for four years. The Executive would extend this authority another four years at $200 annually, as discussed in the ELFA Article VII Section. This legislation would be necessary to allow another tuition increase for Academic Year (AY) 2022. The Executive budgets for another $200 increase, bringing total tuition to $7,270 annually. The Executive does not increase spending authority to reflect additional tuition revenues, as sufficient authority exists within the existing appropriation (potentially due to an unprecedented decline in enrollment the past year). A $200 increase would result in a $50 million increase in revenue.

The Executive proposes allowing the four University Centers (Albany, Binghamton, Buffalo, and Stony Brook), as well as the five other doctoral degree granting programs (Downstate Medical, Upstate Medical, College of Optometry, College of Environmental Science and Forestry, and Utica/Polytechnic in) to charge a differential tuition rate of up to 150 percent of the standard tuition rate.

The Executive covers increased fringe benefit costs for SUNY Senior College employees. FY 2022 fringe benefit costs total $1.8 billion, a decrease of $29 million. Funding for opportunity programs was maintained at last year's enacted levels, and Legislative adds were eliminated.

The three SUNY teaching hospitals at Brooklyn, Stony Brook, and Syracuse receive no operating subsidy in the Executive budget – prior to FY 2019 the hospitals received a combined $78 million annually. They are provided increased spending authority of $250 million, reflecting additional projected revenues by the institutions.

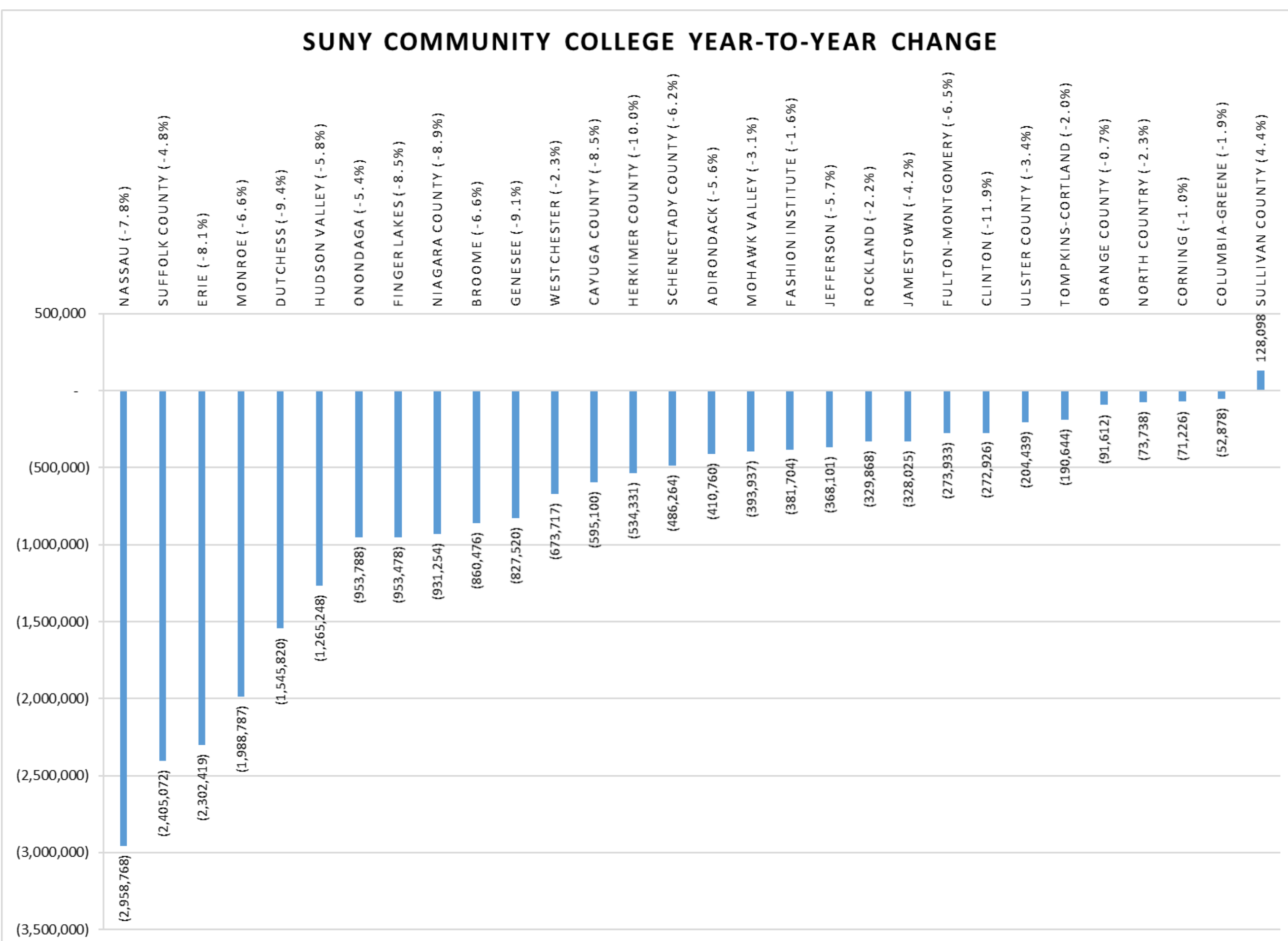
The Long Island Veterans Home operating budget increases $1.6 million, from $53.4 million to $55 million, reflecting additional operating revenues.

Community Colleges

Community colleges receive State aid via formula based on the enrollment of full-time equivalent (FTE) students. The FY 2021 enacted budget held the reimbursement rate at $2,947/FTE. The Executive proposes to leave this unchanged. A projected large decrease in enrollment would reduce assistance by $33 million. This decrease continues a trend of declining enrollment driven primarily by demographic changes, while the pandemic further reduced enrollment rates. Speculation exists that the Excelsior Scholarship drove some students who would typically seek a lower-cost education at community colleges to matriculate to the more expensive four-year universities.

Language is inserted in the appropriation allowing community colleges to charge lower tuition rates for high demand certificate programs. Similar language is proposed in the ELFA Article VII bill.

The Executive eliminates a Legislative add of $549,000 for childcare centers. The proposed budget also subjects community college rental aid ($579,000 decrease) and Cornell Extension Services ($196,000) to a five percent reduction.



Capital

The FY 2022 Executive Budget provides $1 billion in capital appropriation authority for SUNY. This represents a decrease of $426 million, or 29.7 percent. Senior Colleges would receive $550 million in deferred maintenance project funding.

The FY 2021 Enacted Budget created a new matching grant appropriation for SUNY four-year institutions. It provided a 2:1 match for strategic initiative projects funded with outside dollars, and committed $200 million for this purpose. The Executive would not provide a new appropriation for this initiative, although the $200 million from last year is reappropriated.

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 $15 million is provided for projects at community colleges. This represents an decrease of $31 million, or 68 percent. 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 Community College Capital Funding ($thousands)	
Broome	$250
Dutchess	$425
Finger Lakes	$150
FIT	$4,506
Fulton-Montgomery	$100
Herkimer	$235
Jamestown	$345
Mohawk Valley	$663
Monroe	$2,613
Niagara	$345
North Country	$150
Orange County	$213
Rockland	$88
Schenectady	$440
Westchester	$4,095
TOTAL	**$14,618**

SUNY Senior College Capital Funding ($thousands)	
Albany	$9,632
Alfred Ceramics	$798
Alfred State	$2,157
Binghamton	$10,522
Brockport	$5,114
Brooklyn Health Center	$3,322
Buffalo College	$5,777
Buffalo University	$19,338
Canton	$1,761
Cobleskill	$1,866
Cornell	$8,887
Cortland	$4,554
Delhi	$1,767
Empire State	$458
Environmental Science and Forestry	$2,281
Farmingdale	$5,523
Fredonia	$3,294
Geneseo	$3,303
Maritime	$1,819
Morrisville	$2,123
New Paltz	$4,608
Old Westbury	$2,901
Oneonta	$3,886
Optometry	$906
Oswego	$5,359
Plattsburgh	$3,708
Potsdam	$3,496
Purchase	$5,194
State University Plaza	$1,343
Stony Brook (Including Health Center)	$23,974
Syracuse Health Center	$2,635
SUNY Polytechnic	$1,094
University-Wide/Unspecified	$396,600
Total SUNY Senior College Capital	**$550,000**

City University of New York (CUNY)

The Executive recommends appropriations of $4.9 billion, a decrease of $470 million, or 8.8 percent, from FY 2021. This is the result of a $111.8 million decrease in Aid to Localities, a $29 million decrease in State Operations, and a $328.8 million decrease in Capital appropriations.

Senior Colleges

Operating funds for senior colleges would decrease $29 million, or 7 percent. Similar to SUNY, the Executive includes a five percent reduction in state operating assistance, equal to $26 million. The Executive does not specify how the reductions would be effectuated, leaving CUNY to determine how to implement the cut. Tuition revenue reflects a projected $200 increase in tuition in AY 2022 to $7,130. Similar to SUNY, Article VII language would be necessary to allow CUNY to enact the tuition increase. A $200 increase would result in a $33 million increase in revenue. Legislative additions for the CUNY Pipeline at the Graduate Center ($250,000 and Murphy Institute for Labor Studies ($1.5 million) would be eliminated.

Community Colleges

Community colleges receive State aid via formula based on the enrollment of full-time equivalent (FTE) students. The FY 2021 budget held the reimbursement rate flat at $2,947/FTE. The Executive would leave this unchanged. A decrease in enrollment results in a net funding reduction of $10 million

The Accelerated Study in Associate Program, previously funded at $1.3 million, is eliminated under the Executive proposal. The program is designed to improve graduation rates and reduce remediation costs. The Executive cuts a legislative addition of $451,000 for childcare centers, reducing the total available amount to $813,000. Similar to CUNY, rental aid is subject to a five percent reduction.

Capital

The FY 2021 Executive Budget provides a $356.7 million capital appropriation for CUNY. This represents a $328.8 million increase, or 48 percent, from FY 2021. Senior College appropriations would be left unchanged at $284 million.

Similar to SUNY, $200 million for strategic initiative projects that is to be utilized as a matching grant program is reappropriated but the Executive does not provide a new round of funding for this purpose.

Community college appropriations total $35.5 million, a decrease of $28.8 million. Just as with SUNY community colleges, these capital projects must receive a 1:1 dollar match from the local sponsor (New York City). A list of approved projects was not available at the time of this publication.

CUNY Senior College Capital Funding ($thousands)	
Baruch	$3,379
Brooklyn	$7,638
City	$6,715
Grad School & University Center	$890
Honors College	$89
Hunter	$6,331
John Jay	$1,359
Lehman	$3,796
Medgar Evers	$1,453
NYC College of Tech	$1,874
Queens	$6,125
Staten Island	$5,117
York	$2,099
University-Wide Improvement Needs	
ADA Compliance	*$6,147*
Bathroom Facilities	*$1,026*
CUNY TV Renovation	*$300*
Ed. Technology Initiative	*$6,659*
Energy Conservation	*$4,098*
Health and Safety	*$9,220*
Mechanical & Infrastructure	*$7,171*
Occupancy/Public Assembly	*$2,049*
Preservation of Facilities	*$12,396*
Science & Tech Equipment	*$5,020*
Science Lab Upgrades	*$2,049*
University-Wide Critical Maintenance	*$181,222*
TOTAL	**$284,222**

Higher Education Services Corporation (HESC)

The Executive Budget recommends All Funds appropriations of $1.1 billion to support HESC's operations. This is a net decrease of $24.1 million, or 2.1 percent, from FY 2021. 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 $847 million for TAP, the primary source of financial aid assistance from the State. This represents a $13.1 million decrease, or 1.5 percent, due to a decline in utilization.

The Excelsior Scholarship was enacted in FY 2018 to cover tuition costs for eligible SUNY and CUNY students. The Executive would provide funding of $130 million in its fifth year of implementation, a decrease of $1.2 million. The Executive also proposes to take steps to limit reimbursements to schools with Excelsior Scholarship recipients. Students attend school free-of-charge, and the school is then reimbursed for their lost income. However, the reimbursement rate was set at the FY 2018 level and scheduled to be frozen for four years. It is currently $800 less than the actual cost of tuition, and statute requires the rate be reset to equal tuition this year. The Executive would delay the reset for two additional years, allowing the State to reduce payments to SUNY and CUNY schools.

The Enhanced Tuition Award, directed at private school students, is projected to increase from $6.6 million to $7.8 million. While this award was agreed to be funded at a higher number when enacted, it has experienced lower-than-expected participation rates. Changes encouraging greater participation were made in FY 2019, although the impact of these changes are unknown. Additional discussion of these and other scholarship programs is included in the College Affordability Issues in Focus section, including proposed changes to income eligibility.

Higher Education Capital Matching Grant Program (HECap)

The Executive does not provide additional HECap funding. 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 2022 Executive Budget proposes $46.9 million in funding for arts and cultural grants administered by the New York State Council on the Arts. The Aid to Localities appropriation would decrease by $100,000, from $42.6 million to $42.5 million. This represents the elimination of two Legislative additions: $50,000 for NYC Museum, and $50,000 for Bronx Museum of the Arts. Funding of $220,000 is transferred to the Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation, colloquially known as the “Egg”.

Overview of Changes in State Support in Higher Education ($thousands)			
Program	**FY 2021**	**FY 2022**	**Change**
CUNY			
CUNY Pipeline at Graduate Center	250	-	(250)
Rental Aid	8,948	8,501	(447)
CC Childcare	1,264	813	(451)
ASAP Remedial Program	1,250	-	(1,250)
Community College Base Aid	225,215	215,262	(9,953)
SUNY			
Benjamin Center at New Paltz	100	-	(100)
NY Hispanic Leadership Center	350	200	(150)
Local Research & Extension Offices	3,920	3,724	(196)
State Vet College at Cornell	500	250	(250)
CC Childcare	1,550	1,001	(549)
Rental Aid	11,579	11,000	(579)
Graduate Diversity Fellowships	6,639	6,039	(600)
Fringe Benefits	1,858,403	1,829,432	(28,971)
Community College Base Aid	431,208	398,219	(32,989)
HESC			
Enhanced Tuition Award Program	6,601	7,752	1,151
Excelsior Scholarships	131,167	130,000	(1,167)
STEM & Misc. Scholarships	61,172	54,149	(7,023)
TAP	859,699	846,580	(13,119)

PAGE INTENTIONALLY LEFT BLANK

FACT SHEET: Health – Medicaid – Aging

Analyst- Kevin Gannon | Morgan Halloran | Barbara McRedmond (Aging)
Phone- (518) 455-2854 | (518) 455-2262 | (518) 455-2069
Email- gannon@nysenate.gov | halloran@nysenate.gov | mcrdmond@nysente.gov

Health/Medicaid and Aging Budget Overview

- The FY 2022 Department of Health Executive Budget recommends All Funds spending of $83 Billion for State Operations and Aid to Localities, and increase of $4.3 billion or 5.5 percent over the current year. Enhanced federal Medicaid and Essential Plan funding primarily drive this increase.
    - Increase of $2.4B for Medicaid, for a total of $71.2B
    - Increase of $1B for the Essential Plan, for a total of $5.5B
    - Increase of $787.5M for the DOH and Public Health programs, for a total of $6.2B
    - Decrease of $1M for the Office of the Medicaid Inspector General, for a total of $47M
- The FY 2022 Executive Budget recommends a capital appropriation of $2.4B support ongoing provider facility transformation projects and debt restructuring plans.
- The FY 2022 Office for the Aging Executive Budget proposes All Funds spending of $245.3 million, a decrease of $259,000 or a .1 percent decrease over the current year. The decrease is the result of eliminating the legislative additions.

Notable Issues

- **Expand Nourish New York Food Banks**
    - The Executive proposes to increase the Nourish NY Program by $25M for a total of $60M, to support 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. Current funding equates to $35 million for the Nourish NY program, in addition to annual funding of $36.9 million through the Hunger Prevention and Nutrition Assistance Program (HPNAP) administered by DOH.
- **Establish 340B Reimbursement Fund**
    - Proposes establishment of a 340B reimbursement fund to support activities that expand health services to Medicaid recipients, the uninsured and low-income patients supported through the 340B Program. Distribution to the fund in FY 2022 and each year thereafter will be limited to $102 million, with the exact amount to be determined by the Budget Director.

- **Expand the Essential Plan**
    - Eliminates $20 monthly premiums for over 400,000 New Yorkers earning between $39,300 and $52,400 for a family of four, with projected savings of nearly $100 million per year for these families and expands coverage by 100,000 for a total of 500,000 participants
    - Increases rates of payment to insurers who cover Essential Plan enrollees by $420 million. This rate enhancement is expected to be passed on through enhanced provider reimbursement, which will promote access to vital healthcare services.
    - Establishes a $200 million Essential Plan Quality Pool to promote high quality of care for plans. These funds strengthen provider networks, incentivize providers based on performance, and ensure provider access for all Essential Plan members.
- **Expand Telehealth Services**
    - Include additional providers (including mental health and addiction services) and reimbursement, requiring coverage in commercial health insurance and provide access to e-Triage and Virtual Emergency Departments
- **Implement Nursing Home Quality of Care Reforms**
    - Increase the Nursing Home Quality Pool to reward quality in staffing practices
    - Regulatory reform to allow the Department of Health's review and approval of contracted staffing arrangements and only permit Medicaid reimbursement to those in compliance
- **Implement COVID-19 Response Strategies**
    - Include a statewide COVID-19 vaccination program, creation of a public health corps to assist in vaccination and emergency response operations, and expanding diagnostic testing
- **Eliminates the Enhancing the Quality of Adult Living Program for Adult Care Facilities**

Spending Highlights

- **Medicaid Global Cap**
    - The Executive anticipates spending under the Global Cap to total $20.57 billion in FY 2022, an increase of $579 million. 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 2.9 percent, in order to contain Medicaid program growth and spending increases.
- **Enhanced Federal Medicaid Assistance Funding**
    - The Executive Budget assumes enhanced Federal Medicaid Assistance Percentage (eFMAP) of 6.2 percentage points is extended through June 30, 2021, originally enacted by HR 6201 (Families First Coronavirus Response Act) March 18, 2020 and 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 Executive Budget assumes state savings of $1 billion in FY 2022 due to this enhanced rate.

- **Medicaid Cuts**
  - The Executive Budget identifies $411 million in reductions to various Medicaid programs, including the elimination of the public hospital Indigent Care Pool (ICP), eliminating coverage for certain over the counter drugs, and eliminating the right of prescriber prevails where a doctor makes the final determination of prescriptions dispensed to Medicaid patients
  - An additional $599 million in reductions are achieved from across-the-board reductions to Medicaid reimbursement rates

- **Public Health and Aging Cuts**
  - Eliminates several Alzheimer's programs totaling $1.37 million, including the Alzheimer's Diseases Assistance Centers Program, Coordinating Patient Care Program, Community Service Program, Coalition Program and Community Assistance Program
  - Eliminates the Infertility Program ($1.9 million), Maternal and Early Childhood Foundation Program ($227,000), Rabies Prevention and Tick prevention programs ($1.4 million), and the Rural Health Network Development and Health Care Access Program ($3.2 million).
  - Defers the FY 2022 Cost of Living Adjustment of $2 million for the Office of the Aging and Continues the FY 2020 investment of $15 million into the community based supports for seniors

- **Minimum Wage**
  - The Executive Budget includes nearly $2 billion, an increase of $369 million over FY 2021 levels, to support the direct cost of the minimum wage increases 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 $4.8 billion in FY 2022 including approximately $2.4 billion for NYC and $2.4 billion for the Rest of State in costs that would have otherwise been incurred by localities

PAGE INTENTIONALLY LEFT BLANK

HEALTH – MEDICAID – AGING

Health - Medicaid - Aging Proposed Disbursements - All Funds (Thousands of Dollars)					
Agency		Estimated FY 2021	Proposed FY 2022	Change Amount	Percent
Office for the Aging		245,638	245,379	(259)	-0.11%
Medical Assistance		67,299,317	69,702,413	2,403,096	3.57%
Medicaid Administration		1,420,019	1,487,833	67,814	4.78%
Essential Plan		4,460,138	5,525,785	1,065,647	23.89%
Public Health		5,479,283	6,266,776	787,493	14.37%
Medicaid Inspector General		47,978	46,560	(1,418)	-2.96%
	Totals:	**78,952,373**	**83,274,746**	**4,322,373**	**5.47%**

Department of Health (DOH)

The Fiscal Year (FY) 2022 Executive Budget recommends All Funds cash disbursements of $83.3 billion, a net increase of $4.3 billion or 5.5 percent. Enhanced federal Medicaid and Essential Plan funding primarily drive this increase.

The Executive includes language throughout DOH State Operations and Aid to Localities appropriations to:

- Provide the Director of the Division of the Budget (DOB) with authority to transfer appropriations between any State agency or public authority.
- Provide that no funds may be available for certification or payment under the appropriation until the Legislature has finally acted upon the Aid to Localities budget and DOB has determined that those appropriations are sufficient.
- Provide that funds may be transferred or suballocated to the Office of Mental Health, Office of Addiction Services and Support, Office for People with Developmental Disabilities, and Division of Housing and Community Renewal related to assistance with providing affordable housing.
- Provide that funds may be increased or decreased by transfer or suballocation to appropriations of the Office of Temporary and Disability Assistance for the reimbursement of local district administrative costs related to children newly enrolled in Medicaid.
- Allow for payments associated with the resolution by settlement agreement or judgement of rate appeals and/or litigation where the Department of Health is a party.
- Provide that funds may be used by DOH for outside legal assistance on issues involving the federal government, the conduct of preadmission, screening and annual resident reviews required by the state's Medicaid program, computer matching with insurance carriers, to insure that Medicaid is the payer of

last resort, activities related to the management of the pharmacy benefit available under the Medicaid program and administrative expenses of other health insurance programs of DOH.

- Provide the authority to reduce the capital rate add on for hospitals by 10 percent.
- Provide the authority to discontinue the State funded share of the Public Hospital Indigent Care Pool
- Provide the Budget Director authority, after consultation with the Commissioner of Health, to make across-the-board reductions to DOH State Funds Medicaid spending by $467 million for FY 2022.
- Provide that funding for the Workforce Recruitment and Retention program for personal care employees not exceed $170 million for FY 2022

All Funds Cash Disbursements (Thousands of Dollars)				
	FY 2021	FY 2022	Change	% Change
Medicaid	$67,299,317	$69,702,413	$2,403,096	3%
Medicaid Administration	$1,420,019	$1,487,833	$67,814	5%
Essential Plan	$4,460,138	$5,525,785	$1,065,647	19%
Public Health	$5,479,283	$6,266,776	$787,493	13%
Total DOH	**$78,658,757**	**$82,982,807**	**$4,324,050**	**5%**

Medicaid

The FY 2022 Executive Budget projects Gross Medicaid spending (including Medicaid spending for the Mental Hygiene agencies, the $7.2 billion local contribution, and the Essential Plan) of $88 billion, an increase of $4.7 billion, or 5.7 percent. The Executive proposes a two-year appropriation structure.

PROPOSED ALL FUNDS MEDICAID SPENDING (Thousands of Dollars)				
	FY 2021	FY 2022	Change	Percent
Federal Funds with Essential Plan (EP)	$53,605	$53,547	($58)	-0.1%
DOH State Share	$19,574	$23,170	$3,596	18.4%
EP State Total	$67	$65	($2)	-3.0%
DOH Medicaid State Operations	$207	$236	$29	18.4%
Other State Agencies (OSA):				
Mental Hygiene	$2,587	$3,940	$1,353	52.3%
Foster Care	$71	$74	$3	4.2%
Education	$140	$140	$0	0.0%
Corrections	$2	$2	$0	0.0%
Total State Share with EP (All Agencies)	$22,307	$27,259	$4,952	22.2%
All Funds Medicaid with EP	$75,912	$80,806	$4,894	6.4%
Local Share	$7,331	$7,207	($124)	-1.7%
Gross All Funds *(Includes Local Share)*	$83,243	$88,013	$4,770	5.7%

Global Spending Cap

The Executive anticipates spending under the Global Cap to total $20.5 billion in FY 2022, an increase of $580 million. 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. Also extended is the authority for the Commissioner of Health to develop a Medicaid Savings Allocation Plan should state expenditures exceed the cap amount.

Medicaid Global Cap True Spending Growth (Millions of Dollars)	
FY 2020	**$22,364**
3 % Growth	$560
Local Takeover	$183
Minimum Wage	$139
Health Conversion	$172
Reduced COVID-19 eFMAP	($3,481)
FY 2021	**$19,936**
2.9 % Growth	$579
Local Takeover	$183
Minimum Wage	$369
Health Conversion	($22)
Reduced COVID-19 eFMAP	$2,486
FY 2022	**$23,531**
2.9% Growth	$616
Local Takeover	$183
Minimum Wage	$262
Reduced COVID-19 eFMAP	$995
FY 2023	**$25,587**

The Executive proposes extending the state Medicaid Global Cap limiting State-share Medicaid program spending to $23.6 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 billion in FY 2022. In addition, the funding for the State related to the takeover of the growth of local Medicaid costs of $1.46 billion is funded outside of the cap. Additional enhanced Federal Medicaid Assistance Percentages (eFMAP) associated with the COVID-19 pandemic rate offsets state funding in FY 2021 by $3.5 billion and by $1 billion in FY 2022.

A portion of mental hygiene spending is reported under the Medicaid Global Cap. The Global Cap is expected to fund a total of $972 million of Mental Hygiene spending in FY 2022, a decrease of $1.1 billion from FY 2021. The large decrease is due to the shift of approximately $1.1 billion in savings DOH will receive by retroactively clawing back premium payments to Medicaid plans due to lowered healthcare utilization resulting from the COVID-19 pandemic. The Executive Budget is able to achieve Financial Plan relief by this shift of $972 million of non-DOH Medicaid expenses into the Global Cap to stay within the State Operating Funds spending cap.

The FY 2022 Executive Budget projects DOH State Medicaid spending to be $23.2 billion, which exceeds the Global Cap by $2.6 billion. Of the total $1.1 billion growth in DOH Medicaid, $497 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 2022 Executive Budget recommends total state Medicaid spending, including Medicaid spending for the Mental Hygiene agencies of $27.7 billion.

DOH State Medicaid Year to Year Change
State Funds
(Millions of Dollars)

	FY 2021	FY 2022	$ Growth	% Change
Department of Health Regular Medicaid- General Fund	$12,573	$13,970	$1,397	**11.1%**
Non-DOH Medicaid	$2,157	$972	($1,185)	**-54.9%**
State Takeover of Local Growth	$1,283	$1,465	$182	**14.2%**
Minimum Wage	$1,591	$1,961	$370	**23.3%**
Essential Plan*	$67	$65	($2)	**-3.0%**
Medicaid State Ops	$207	$236	$29	**14.0%**
Enhanced FMAP	($3,481)	($995)	$2,486	**-71.4%**
MSA Payments- Offset	($362)	($362)	$0	**0.0%**
Other State Funds/DOH Medicaid Local	$5,539	$5,858	$319	**5.8%**
DOH Medicaid Spending	**$19,574**	**$23,170**	**$3,596**	**18.4%**

Medicaid Minimum Wage Impacts State Funds (Millions of Dollars)			
	FY 2021	FY 2022	Increase
Home Care (MLTC)	$1,327.2	$1,685.1	$357.9
Transportation (MLTC)	$37.0	$42.9	$5.9
Home Care (MMC)	$99.8	$99.8	$0.0
Personal Care	$81.8	$83.4	$1.6
Home Health	$13.0	$13.6	$0.6
Nursing Homes	$14.4	$16.4	$2.0
Inpatient	$2.0	$3.0	$1.0
Outpatient (Clinic)	$5.9	$6.2	$0.3
Assited Living Programs	$2.1	$2.1	$0.0
Hospice	$0.1	$0.1	$0.0
Transportation	$8.1	$8.4	$0.3
Total	**$1,591.4**	**$1,961.0**	**$369.6**

Proposed FY 2022 Medicaid Redesign Team (MRT)

The Executive proposes multiple initiatives implementing FY 2022 MRT recommendations. The first MRT was established in 2011 and was comprised of state staff and Legislators, along with a wide range of stakeholders from the health care industry. It was charged with making reforms to the health care system in order to contain spending and improve health outcomes. The various MRT work groups are no longer active, however the final MRT report issued in May 2012 has served as a multi-year blueprint of prospective changes to the Medicaid program.

In FY 2021 the Executive reconstituted the MRT that was previously tasked with reforming the Medicaid program in 2011. The second MRT identified cost-containment measures in order to provide $2.2 billion in gap-closing savings to ensure Medicaid spending in future years adheres to the Global Cap indexed rate. The MRT II ceased operations following the adoption of the FY 2021 Enacted Budget, though the recommendations serve as a continuing blueprint for ongoing Medicaid policy initiatives

Many of the FY 2022 Executive proposals require legislative action while others can be accomplished administratively. For the first time since the adoption of the Global Cap, the net fiscal impact of the proposals are not budget neutral and would instead reduce Medicaid spending by an additional $400 million under the projected Global Cap deficit for FY 2022 and $199 million in FY 2023.

Executive MRT related proposals include:

Global Cap Base Deficit

The Executive projects a Global Cap base deficit of $396 million and proposes spending reductions in order to close this gap. The following spending reductions are projected to close this gap.

Global Cap Base Reductions

- COVID 19 Managed Care and Long Term Care Rate Reductions: Guidance released by the federal Centers for Medicaid and Medicare Services (CMS) allows states to retroactively clawback premium payments for Managed Care Plans due to lower healthcare utilization resulting from the COVID-19 Pandemic. The Executive Assumes state savings of $1.2 billion in FY 2021 and $599 million in FY 2022.
- Minimum Wage: Due to the COVID-19 Pandemic, the rate of minimum wage growth has slowed due to increased layoffs and furloughs in the healthcare industry. The Executive assumes $50.2 million in State savings in FY 2022 and FY 2023.
- State Only Medicaid Offset: In FY 2019 the conversion of health insurer plans from the sale of the New York's Fidelis Care Medicaid plan to for profit Centene resulted in state proceeds of $750 million per year over a five year peroid. A portion of these proceeds would be used to offset State only Medicaid spending that is not able to generate a federal matching share. The Executive assumes state savings of $110 million in FY 2022.

Managed Care

- Reduces Mainstream Managed Care Quality Pool Payments by 50 percent: This would apply to incentive payments to Medicaid health care plans that meet certain performance metrics. The Executive assumes $60 million in stating savings in FY 2022 and $120 million in FY 2023.
- Managed Care Medical Loss Ratio (MLR) Recoupment: Federal law requires that Managed Care plans use a minimum percentage of premiums to pay for claims. The MLR for 2017 was 86 percent. Plans must remit difference from MLR and medical services payments if they did not meet the minimum requirement. The Executive assumes state savings of $4.4 million in FY 2022.

Hospitals

- Eliminate the Indigent Care Pool for Public Hospitals: Eliminates the Indigent Care Pool, which subsidizes hospitals who provide uncompensated care to the uninsured. The public hospital systems affected include NYC Health + Hospitals and the SUNY Hospital system. The Executive assumes state savings of $65.4 million in FY 2022 and 2023.
- Reduce Vital Access Provider Assurance Program (VAPAP): The VAPAP program was created in 2015 to support safety net hospitals that are not operated by public entities and meet the criteria of a financially distressed hospital (less than 15 days cash on hand). The Executive proposes to reduce funding for certain hospitals in the program due to the influx of Provider Relief Funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The State has not needed to disburse any other VAPAP payments other than the initial payment that went out in April. We are not projecting any additional VAPAP payments in FY 2021. The Executive assumes state savings of $99 million in FY 2022.
- Reduce Hospital Capital Rates by five percent: Hospitals are currently eligible to be reimbursed by Medicaid for certain allowable capital expenses. This proposal would reduce the hospital capital reimbursement rates for this purpose by five percent for a ten percent total reduction in rates including

a five percent reduction enacted in FY 2021. The Executive assumes state savings of $8.5 million in FY 2022 and $17 million in FY 2023.

Long Term Care Actions

- Discontinue the Managed Long Term Care Quality Pool: Eliminates the remaining 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 $51.75 million in state savings in FY 2022 and $103.5 million in FY 2023.
- Electronic Visit Verification Savings: Savings would be derived by improving integrity for personal care and home to health services by electronically collecting information to decrease fraudulent and improper billing for services. The Executive assumes $20 million savings in FY 2022 and FY 2023
- Reduce Workforce Recruitment and Retention Funding: Reduces funding for healthcare workforce recruitment and retention by 25 percent. This would be in addition to the 25 percent reduction enacted in FY 2021. The Executive assumes state savings of $22.5 million in FY 2022 and FY 2023
- Managed Care Medical Loss Ratio (MLR) Recoupment Federal law require managed long term care plans to use a minimum percentage of premiums to pay for claims. Plans must remit difference from MLR (currently 86 percent) and medical services payments if they did not meet the minimum requirement. The Executive assumes state savings of $22.3 million in FY 2022

Pharmacy 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 $6.7 million in state savings for FY 2022 and $26 million in FY 2023.
- Over the Counter Drugs (OTC): Authorizes DOH to eliminate Medicaid reimbursement for OTC drugs that are available without a prescription. The Executive assumes state savings of $8.7 million in FY 2022 and $17.4 million in FY 2023

Other Medicaid Spending Reduction

- One Percent Across the Board Reduction: Medicaid reimbursement rates for hospitals, nursing homes, clinics, and managed care health care plans would be cut Across the Board by one percent effective FY 2022 to achieve state savings of $94 million and All Funds savings of $188 million. This reduction is in addition to an ongoing 1.5 percent reduction that became effective in FY 2021, for a total proposed reduction of 2.5 percent in FY 2022.

$190M Across the Board Cut to Medicaid Reimbursement (Millions of Dollars) (Gross Share)		
Category of Service	**Proportional Share**	**FY 2022 (Gross share)**
Inpatient	10%	$19
Outpatient/Emergency Room	1%	$2
Clinic	2%	$4
Nursing Homes	10%	$19
Other Long-Term Care	3%	$6
Non-Institutional	5%	$9
Medicaid Managed Care and Long Term Care	66%	$124
All Other	2%	$4
Total	**100%**	**$188**

- Return Non Distressed Providers to Payment Lag: Medicaid providers are currently on payment lags that delay reimbursement for a set period of time after claims are submitted. Distresses providers are able to receive reimbursement without this lag . This proposal would return newly designated non distressed providers to the payment lag. The Executive assumes state savings of $75 million in FY 2022.

- Office of People with Developmental Disabilities Rate Reduction: Reduces Medicaid rates for certain OPWDD services. The Executive has not provided information on what services would have their Medicaid rates reduced. The Executive assumes $7 million in state savings in FY 2022 and $9.3 million in FY 2023.

- Pilot Medicaid Respite: The Medical respite programs provide care to homeless patients that are too sick to be on the street or in a traditional shelter, but not sick enough to warrant inpatient hospitalization. These respite programs are designed to provide temporary room and board and for the arrangement of health care services. These medical respite programs would improve the health of medically-impacted homeless individuals while also decreasing costly hospital use. The Executive assumes $1.3 million in state savings in FY 2022 and $1.7 million in FY 2023.

- Telehealth Reform Package: With the expansion of telehealth resulting from the COVID-19 pandemic, this action would derive savings by reducing waste on clinical visits and claims when a provider is not physically at the clinic. Rates for fee-for-service transportation would also be reduced. The Executive assumes state savings of $39.5 million in FY 2022 and $58 million in FY 2023.

- 340b Provider Reinvestment Fund for Community Health Centers: The FY 2021 Enacted Budget transitioned the Medicaid pharmacy benefit from Managed Care to a Fee-for-Service benefit effective April 1, 2021. Providers in the federal 340b program, which offers pharmaceutical drugs at a subsidized price, would receive a lower reimbursement rate a s a result of the transition. This proposal would establish a reimbursement funds to make these Community Health Centers whole and supplement their operations to make up for the expected loss in revenue. The Executive assumes state costs of $17.6 million in FY 2023.

FY 2022 Executive Budget Medicaid Scorecard - Deficit/(Savings)

Proposals - (State Share -- $ millions)	Article VII/Admin	Implementation	FY 2022		FY 2023	
			Gross	Non-Fed	Gross	Non-Fed
Global Cap Base Deficit			**$753**	**$396**	**$660**	**$285**
Base Actions			**($337.49)**	**($213.29)**	**($100.33)**	**($50.17)**
COVID-19 Managed Care Rate Reductions	Admin	2/1/21	($87.15)	($33.12)	$0.00	$0.00
COVID-19 Long Term Care Rate Reduction	Admin	2/1/21	($40.01)	($20.00)	$0.00	$0.00
Financial Plan Minimum Wage Spend	Admin	2/1/21	($100.33)	($50.17)	($100.33)	($50.17)
Off-Set of State Only Medicaid Costs	Admin	4/1/21	($110.00)	($110.00)	$0.00	$0.00
Mainstream Managed Care Actions			**($128.80)**	**($64.40)**	**($120.00)**	**($60.00)**
Discontinue Remaining Mainstream Managed Care (MMC) Quality Pool	Admin	4/1/21	($120.00)	($60.00)	($120.00)	($60.00)
FY18 MMC Medical Loss Ratio (MLR) Recoupment	Admin	4/1/21	($8.80)	($4.40)	$0.00	$0.00
Hospital Actions			**($201.40)**	**($180.52)**	**($119.40)**	**($90.02)**
VAPAP Medicaid Reduction	Admin	2/1/21	($99.00)	($99.00)	$0.00	$0.00
Discontinue the Public Indigent Care Pool	Article VII	4/1/21	($65.40)	($65.40)	($65.40)	($65.40)
Reduce Hospital Capital Rate Add-on (from 5% to 10%)	Article VII	10/1/21	($17.00)	($8.50)	($34.00)	($17.00)
Discontinue VBP Readiness Funding	Admin	2/1/21	($20.00)	($7.62)	($20.00)	($7.62)
Long Term Care Actions			**($233.20)**	**($116.60)**	**($188.50)**	**($94.25)**
Discontinue Managed Long-Term Care (MLTC) Quality Pool Payments by	Admin	4/1/21	($103.50)	($51.75)	($103.50)	($51.75)
Electronic Visit Verification (EVV) Savings	Admin	4/1/21	($40.00)	($20.00)	($40.00)	($20.00)
Reduce Workforce Recruitment and Retention Funding by an additional 25% (flexible language	Article VII	4/1/21	($45.00)	($22.50)	($45.00)	($22.50)
FY18 Managed Long Term Care MLR Recoupment	Admin	4/1/21	($44.70)	($22.35)	$0.00	$0.00
Pharmacy Actions			**($30.80)**	**($15.40)**	**($88.54)**	**($44.27)**
Eliminate Prescriber Prevails	Article VII	1/1/22	($13.40)	($6.70)	($53.70)	($26.85)
Reduce Coverage for Over-the-Counter Drugs	Article VII	10/1/21	($17.40)	($8.70)	($34.84)	($17.42)
Other			**($444.21)**	**($216.79)**	**($293.66)**	**($145.38)**
1% ATB	Admin	4/1/21	($188.00)	($94.00)	($188.00)	($94.00)
Return Non-Distressed Providers to Lag	Admin	4/1/21	($150.00)	($75.00)	$0.00	$0.00
OPWDD Targeted Medicaid Rate Reduction (1%)	Admin	7/1/21	($24.59)	($6.98)	($32.60)	($9.30)
Pilot Medical Respite	Article VII	4/1/21	($2.62)	($1.31)	($3.36)	($1.68)
Comprehensive Telehealth Reform Package	Article VII	4/1/21	($79.00)	($39.50)	($116.00)	($58.00)
Maintain 340B Reinvestment for Community Health	Article VII	4/1/22	$0.00	$0.00	$46.30	$17.60
Net Savings			**($623)**	**($411)**	**($250)**	**($199)**

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, 2021. 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 2022.

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.

As part of the FY 2020 mid-year update DOB revised minimum wage cost projections upward by $322 million in FY 2020 and $560 million in FY 2021, citing trends based on provider reimbursement cost reports of home care agencies.

The Financial Plan continues to fund increases in the minimum wage for health care providers outside the Global Cap, totaling $2 billion in FY 2022. The FY 2022 Medicaid Budget includes savings of $100 million associated with deferred minimum wage expenses due to the COVID-19 statewide shutdown. This resulted in cancelled elective procedures leading to health care worker furloughs and reduced healthcare utilization.

Medicaid Minimum Wage Impacts State Funds (Millions of Dollars)			
	FY 2021	FY 2022	Increase
Home Care (MLTC)	$1,327.2	$1,685.1	$357.9
Transportation (MLTC)	$37.0	$42.9	$5.9
Home Care (MMC)	$99.8	$99.8	$0.0
Personal Care	$81.8	$83.4	$1.6
Home Health	$13.0	$13.6	$0.6
Nursing Homes	$14.4	$16.4	$2.0
Inpatient	$2.0	$3.0	$1.0
Outpatient (Clinic)	$5.9	$6.2	$0.3
Assited Living Programs	$2.1	$2.1	$0.0
Hospice	$0.1	$0.1	$0.0
Transportation	$8.1	$8.4	$0.3
Total	**$1,591.4**	**$1,961.0**	**$369.6**

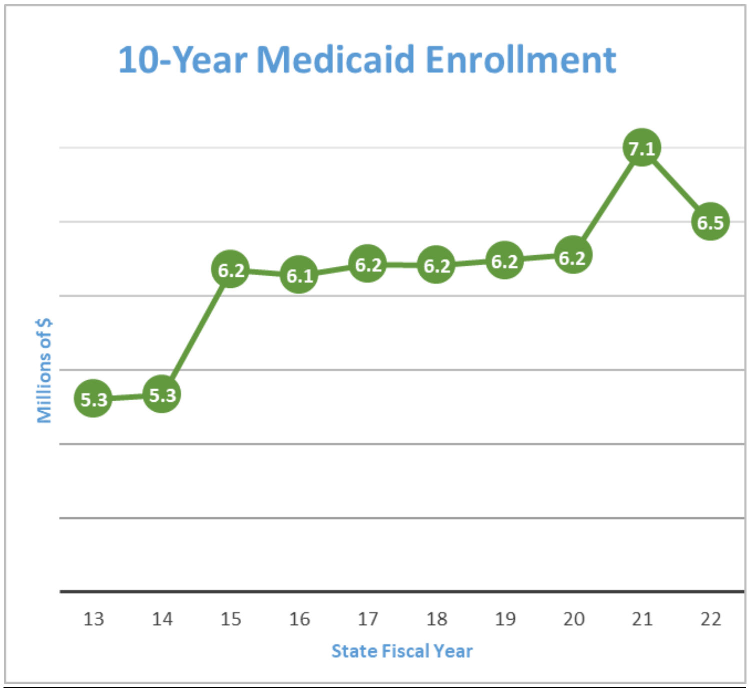
The known and estimated impact of the minimum wage increase on Medicaid is as follows:

Medicaid Projected Minimum Wage Impact (Fiscal Year) (Millions)								
2017	2018	2019	2020	2021	2022	2023	2024	2025
$44	$255	$703	$1,004	$1,500	$2,000	$2,200	$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. The increase in unemployment caused by the COVID-19 lockdown has increased enrollment in public health insurance programs, including Medicaid, Child Health Plus (CHP) and the Essential Plan (EP). At the time of the First Quarterly Update, DOB and DOH projected that approximately 518,000 people will become eligible for Medicaid, CHP, or EP coverage. Based on actual enrollment growth as of September 2020, DOB and DOH have increased this estimate by another 500,000 for a total of over one million people at an additional cost of $180 million in FY 2021. DOB now estimates the cost of the increased enrollment to be $845 million in FY 2021. In FY 2021, Medicaid enrollment is projected to increase by 961,730 individuals over FY 2020 levels for a total projected enrollment of 7,141,716 covered individuals. The FY 2022 Executive Budget projects Medicaid enrollment of 6,553,946. This lower projection is partially attributable to new federal guidance regarding maintenance of effort requirements allowing the State to disenroll ineligible individuals from Medicaid and a projected decline in unemployment expected to lower enrollment as New York's economy recovers from the COVID-19 pandemic.



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 uncompounded 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 $4.8 billion in FY 2022 including approximately $2.4 billion for NYC and $2.4 billion for the Rest of State in costs that would have otherwise been incurred by localities. Savings are projected to increase to $5.9 billion in FY 2025.

Medicaid Local District Contributions (Frozen January 1, 2015)			
County	Statutory Cap	Reduction from Statutory Cap due to ACA Savings	County Cap (net of ACA eFMAP 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
Cattaraugu	$17,371,071	($1,343,577)	$16,296,209
Cayuga	$14,734,435	($1,193,662)	$13,779,506
Chautauqu	$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
Montgomer	$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
Schenecta	$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
Washingto	$11,608,683	($1,006,942)	$10,803,130
Wayne	$14,534,805	($1,033,606)	$13,707,920
Westchest	$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
Statewide	**$7,633,673,111**	**($675,000,000)**	**$7,093,673,111**

Local Government Savings State Takeover of Local Medicaid Costs (2005 CAP and Growth Takeover) FY 2020 to FY 2025					
County	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Albany	45,924,447	49,145,707	52,460,384	55,871,186	$59,380,902
Allegany	7,282,837	7,790,910	8,313,717	8,851,686	$9,405,256
Broome	47,571,195	50,099,859	52,701,854	55,379,307	$58,134,406
Cattaraugus	16,107,474	17,078,352	18,077,385	19,105,391	$20,163,208
Cayuga	16,470,059	17,374,989	18,306,163	19,264,340	$20,250,304
Chautauqua	32,422,534	34,300,740	36,233,414	38,222,136	$40,268,530
Chemung	17,606,113	18,718,393	19,862,930	21,040,658	$22,252,540
Chenango	9,211,451	9,774,926	10,354,742	10,951,372	$11,565,305
Clinton	14,054,886	14,982,677	15,937,373	16,919,755	$17,930,626
Columbia	13,567,329	14,291,940	15,037,564	15,804,811	$16,594,309
Cortland	9,380,674	9,953,023	10,541,971	11,147,998	$11,771,599
Delaware	9,433,363	9,966,352	10,514,798	11,079,148	$11,659,865
Dutchess	59,419,628	62,411,561	65,490,261	68,658,242	$71,918,095
Erie	189,303,042	201,049,829	213,137,272	225,575,252	$238,373,933
Essex	6,001,647	6,376,876	6,762,988	7,160,296	$7,569,126
Franklin	9,155,077	9,719,964	10,301,233	10,899,359	$11,514,830
Fulton	11,419,990	12,162,806	12,927,165	13,713,689	$14,523,023
Genesee	9,592,429	10,157,138	10,738,223	11,336,160	$11,951,437
Greene	10,145,907	10,731,959	11,335,007	11,955,543	$12,594,075
Hamilton	727,545	767,892	809,410	852,132	$896,093
Herkimer	13,037,477	13,820,950	14,627,145	15,456,719	$16,310,350
Jefferson	19,451,308	20,611,724	21,805,792	23,034,488	$24,298,816
Lewis	4,527,009	4,809,201	5,099,576	5,398,373	$5,705,834
Livingston	10,117,564	10,687,610	11,274,187	11,877,774	$12,498,866
Madison	11,274,217	11,933,972	12,612,860	13,311,436	$14,030,271
Monroe	172,706,043	183,074,797	193,744,244	204,723,105	$216,020,353
Montgomery	14,050,740	14,815,117	15,601,660	16,411,013	$17,243,838
Nassau	250,812,829	265,070,006	279,740,641	294,836,725	$310,370,595
Niagara	42,088,881	44,668,758	47,323,452	50,055,132	$52,866,031
Oneida	53,309,028	56,517,821	59,819,668	63,217,269	$66,713,400
Onondaga	107,166,225	113,336,855	119,686,433	126,220,149	$132,943,343
Ontario	17,271,271	18,257,491	19,272,311	20,316,561	$21,391,095
Orange	95,303,291	100,206,057	105,251,004	110,442,254	$115,784,050
Orleans	8,577,544	9,074,029	9,584,912	10,110,610	$10,651,554
Oswego	27,054,376	28,581,761	30,153,439	31,770,697	$33,434,854
Otsego	9,117,002	9,694,918	10,289,593	10,901,514	$11,531,181
Putnam	12,045,986	12,682,592	13,337,660	14,011,725	$14,705,337
Rensselaer	26,323,971	28,097,561	29,922,585	31,800,535	$33,732,945
Rockland	88,391,821	92,942,167	97,624,473	102,442,566	$107,400,384
St. Lawrence	19,484,562	20,761,529	22,075,528	23,427,634	$24,818,950
Saratoga	28,503,780	30,066,880	31,675,310	33,330,384	$35,033,456
Schenectady	39,623,716	41,787,173	44,013,370	46,304,127	$48,661,316
Schoharie	5,498,147	5,828,803	6,169,049	6,519,161	$6,879,427
Schuyler	3,240,753	3,446,828	3,658,879	3,877,080	$4,101,609
Seneca	5,972,765	6,324,404	6,686,240	7,058,570	$7,441,697
Steuben	18,381,710	19,497,022	20,644,679	21,825,618	$23,040,804
Suffolk	300,519,369	316,662,330	333,273,436	350,366,264	$367,954,785
Sullivan	23,346,278	24,629,350	25,949,631	27,308,200	$28,706,168
Tioga	6,744,480	7,182,606	7,633,439	8,097,345	$8,574,705
Tompkins	11,806,747	12,505,782	13,225,089	13,965,256	$14,726,888
Ulster	44,016,950	46,377,060	48,805,613	51,304,594	$53,876,045
Warren	10,615,110	11,288,103	11,980,612	12,693,204	$13,426,461
Washington	12,646,329	13,349,724	14,073,518	14,818,302	$15,584,685
Wayne	19,842,160	20,839,092	21,864,935	22,920,527	$24,006,732
Westchester	187,832,130	199,747,277	212,007,964	224,624,210	$237,606,327
Wyoming	5,861,491	6,193,427	6,534,990	6,886,458	$7,248,118
Yates	3,975,272	4,217,903	4,467,571	4,724,478	$4,988,836
Rest of State	**2,265,335,960**	**2,396,444,576**	**2,531,355,341**	**2,670,178,519**	**$2,813,027,568.00**
New York City	**2,201,926,595**	**2,421,745,114**	**2,647,938,370**	**2,880,691,230**	**$3,120,193,923.00**
Statewide	**4,467,262,556**	**4,818,189,690**	**5,179,293,711**	**5,550,869,749**	**$5,933,221,491.00**

The Executive proposes the continuation of utilizing 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 2022.

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 includes $206 million in State spending in FY 2022 a decrease of $3 million from current year levels. The total operating budget is projected to decrease by $1 million in FY 2022 to $442 million.

A total of 4.9 million people have enrolled in health insurance coverage, including Medicaid, the Essential Plan, and Child Health Plus through the NYSOH through February 2020, an increase of 150,000 people since the first enrollment period of 2020. Updated data for 2021 open enrollment is not yet publically available.

New York State of Health Exchange Budget (millions of dollars)					
FY 2021					
	Qualified Health Plans	Medicaid	Child Health Plus	Essential Plan	Total
State Funds	$37	$91	$11	$58	$197
Federal Funds	$0	$190	$19	$0	$209
All Funds	$37	$281	$30	$58	$406
FY 2022					
	Qualified Health Plans	Medicaid	Child Health Plus	Essential Plan	Total
State Funds	$36	$103	$11	$56	$206
Federal Funds	$0	$219	$17	$0	$236
All Funds	$36	$322	$28	$56	$442

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 2022 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.

Essential Plan Expansion

Total enrollment in the Essential Plan is projected to increase to 962,915 individuals in FY 2022 from 871,304 in FY 2021. Enrollment has increased by over 80,000 following increased unemployment resulting from the COVID-19 pandemic. Enrollment growth in FY 2022 is projected to increase due to the proposed expansion of the program.

The Executive proposal to expand the Essential Plan would:

- Eliminate the $20 monthly premiums for over 400,000 New Yorkers earning between $39,300 and $52,400 for a family of four, with projected savings of nearly $100 million per year for these families and expands coverage by 100,000 for a total of 500,000 participants
- Increases rates of payment to insurers who cover Essential Plan enrollees by $420 million. This rate enhancement is expected to be passed on through enhanced provider reimbursement, which will promote access to vital healthcare services.
- Establishes a $200 million Essential Plan Quality Pool to promote high quality of care for plans. These funds strengthen provider networks, incentivize providers based on performance, and ensure provider access for all Essential Plan members.

The Executive has not provided additional detail on how the additional federal funding would be drawn down from the federal Essential Plan Trust Fund to finance the program expansion.

Office of the Medicaid Inspector General (OMIG)

The FY 2022 Executive Budget provides All Funds cash disbursements of $46.5 million, a decrease of $1.42 million or three percent for OMIG. The cash decrease is driven by removal of an additional 27th pay period in FY 2021 that would not be included as part of OMIG's FY 2022 Budget.

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.

COVID-19 Budget Proposals

The Executive proposes to expand the vaccine distribution program and diagnostic testing capacity. The Executive seeks to increase testing capacity in city centers and work with local governments to help expand infrastructure, which would allow more businesses to reopen, such as movie theaters, throughout the state by utilizing a rapid-testing framework.

Additionally, the Executive seeks to expand the vaccine distribution program by establishing the NYS Public Health Corps. This would entail hiring 1,000 fellows recruited from students in undergraduate and graduate public health programs, nursing schools, medical schools, recent graduates, retired medical professionals and laypersons to aid in vaccination operations. In addition to the fellows, the Executive proposes to recruit and train public health professionals to staff State and county health agencies. The goal of these proposals is to aid the State in the current pandemic and better prepare for any future public health crises. Funding for such initiatives would come from federal appropriations; however, the Executive has not provided additional information on the exact distribution of federal funds to localities.

Public Health

The FY 2022 Executive Budget recommends Public Health spending, excluding Medicaid and the Essential Plan of $6.26 billion, an increase $787.5 million, or 14 percent from current year levels. Increased spending in FY 2022 is mainly attributable to increased federal funding associated with increased eFMAP and COVID-19 pandemic response funding.

The Executive eliminates several Alzheimer’s programs totaling $1.37 million, including the Alzheimer’s Diseases Assistance Centers Program, Coordinating Patient Care Program, Community Service Program, Coalition Program and Community Assistance Program funded out of the Office of Health Insurance Programs.

The Executive eliminates the Infertility Program ($1.9 million), Maternal and Early Childhood Foundation Program ($227,000), Rabies Prevention and Tick prevention programs ($1.4 million).

Public Health FY 2022 Executive Budget Department of Health - State Investments / (Savings) (Millions of Dollars)		
Program	Amount	FY 2022
Local Assistance Proposals		
EI - Teletherapy Rates	A	(1.000)
EI - Group Development	A	(1.100)
EI - Discontinue Consecutive Extended Sessions	A	(9.800)
Health Facility Restructuring Program - transfer to DASNY	A	(10.000)
Reduce ADAP transfer (one-time)	A	(5.000)
Reduce HCRA Rural Health program by 25%	A	(3.170)
Phase Out Spinal Cord Research Program	L	(2.425)
Reduce Center for Liver Transplant funding by 10%	A	(0.025)
GPHW - Reduce GPHW NYC Rate to 10%	L	(20.000)
Discontinue ECRIP	L	(3.445)
Discontinue Rabies Prevention program	A	(1.336)
Discontinue Infertility Program	A	(1.911)
Discontinue of OHIP Alzheimer's Programs	A	(1.367)
Discontinue Health Promotions Initiative	A	(0.430)
Discontinue Enriched Housing Subsidy Program	L	(0.380)
Discontinue Maternal and Early Childhood Foundation program	A	(0.227)
Discontinue Tick Disease Prevention program	A	(0.069)
Discontinue Long Term Care Community Coalition Program	A	(0.026)
Discontinue Capital EQUAL funding	L	(6.532)
Reduce Excess Medical Malpractice Savings Proposals	L	(51.050)
SOFA - Defer FY 2022 1.0% COLA	A	(2.022)
Total Local Assistance		**(121.316)**
State Operations Proposals		
E-Prescribing	L	(0.500)
Phase Out the Stem Cell Research Program	L	(12.840)
Discontinue Section 405.4 Hospital Audits	L	(1.000)
Total State Operations		**(14.340)**
Total Reductions		**(135.656)**

Aid to Localities

Early Intervention

Early Intervention provides therapeutic and support services to children under age three with disabilities or developmental delays as determined by a multi-disciplinary team. Services are accessed and coordinated at the county level. The Executive Budget includes the following program reforms:

- Establish that EI services provided via teletherapy be paid at the existing facility based rate, which acknowledges that teletherapy does not include a travel component;

- Eliminate group services for a child on the same day, limit the size of a group session to six children, and limit the number of children having a 1:1 aide in a group session to 4; and
- Eliminate back-to-back extended sessions of special instruction or other EI services on the same day for the same child's Individualized Family Service Plan.

General Public Health Work

The General Public Health Work program reimburses local health departments for providing core public health services, individually tailored to the needs of their communities. These core services fall into six categories: Family Health, Communicable Disease Control, Chronic Disease Prevention, Community Health Assessment, Emergency Preparedness, and Environmental Health. This proposal reduces the reimbursement rate for non-emergency expenditures above the base grant for New York City from 20 to 10 percent. This proposal does not impact the NYC reimbursement rate for Public Health Emergencies claims, which would continue to be reimbursed up to 50 percent. The Executive assumes savings of $20 million in FY 2022.

Program Transfers

The Executive proposes to shift the entirety of the Family Planning program ($27.4 million) from DOH to DFS, and the Enough is Enough program from DOH to the Office for the Prevention of Domestic Violence (OPDV). These shifts would not have any programmatic impact, and would only shift the funding to a different agency.

Physician Integrity and Accountability

The Executive Budget proposes to expand the Office of Professional Medical Conduct to ensure public health safety and respond to consumer concerns. Furthermore, consumers would have access to more accurate, up-to-date and accessible information about New York State licensed physicians.

Eliminate Electronic Prescribing Exceptions

The Executive Budget removes all exceptions to the electronic prescribing (ePrescribing) system, with limited exceptions made for electronic failure and other extenuating circumstances. Effective November 2021, this initiative would require that providers take necessary steps to implement eprescribing The Executive assumes savings of $500,000 in FY 2022 and $1.2 million in subsequent years from the purchase of official New York State prescription paper.

Phase Out the New York State Stem Cell (NYSTEM) Program

The Executive Budget proposes a phase out of the NYSTEM program, upon expiration of current contract commitments. It is part of a larger research and education proposal to phase out secondary funding in order to focus on core public health programs. The Executive assumes savings $12.8 million in FY 2022 and $24.4 million in FY 2023.

Phase Out the Spinal Cord Research (Spinal Cord) Program

The Executive Budget proposes a phase out of the Spinal Cord program, upon expiration of current contract commitments. It is part of a larger Research and Education proposal to phase out secondary funding in order to focus on core public health programs. Phasing out the Spinal Cord program will provide savings to the Financial Plan of $2.4 million in FY 2022, and $6.6 million in FY 2023.

Eliminate Enhanced Quality of Adult Living (EQUAL) Funding

The Executive Budget eliminates the Enhanced Quality of Adult Living (EQUAL) Funding, which would provide savings of $6.5 million in FY 2022.

The Executive Budget also eliminates the Enriched Housing Subsidy Program, which would provide savings of $380,000 in FY 2022.

Nourish NY

The Executive proposes to increase the Nourish NY Program by $25M for a total of $60M, to support 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. Current funding equates to $35 million for the Nourish NY program, in addition to annual funding of $36.9 million through the Hunger Prevention and Nutrition Assistance Program (HPNAP) administered by DOH.

Food Bank Funding Summary (thousands of dollars)						
Provider	FY21	FY 21%	COVID Support	Support %	Total Funding	Total %
Food Bank For New York City	**$16,124**	**44%**	**10,998**	**44%**	**$27,121**	**44%**
CAMBA Inc.	$215	0.6%	153	0.6%	$368	0.6%
CATHOLIC CHARITIES COMMUNITY SERVICES	$375	1.0%	216	0.9%	$591	1.0%
Catholic Charities Neighborhood Services, Inc.	$304	0.8%	266	1.1%	$570	0.9%
COALITION FOR THE HOMELESS, INC	$375	1.0%	266	1.1%	$641	1.0%
Community Health Action of Staten Island	$185	0.5%	131	0.5%	$317	0.5%
Food Bank For New York City	$4,652	12.7%	4,304	17.2%	$8,956	14.5%
Gay Men's Health Crisis, Inc.	$175	0.5%	124	0.5%	$299	0.5%
God's Love We Deliver, Inc.	$175	0.5%	124	0.5%	$299	0.5%
Harvest Home Farmer's Market	$175	0.5%	124	0.5%	$299	0.5%
Iris House: A Center for Women Living with HIV	$175	0.5%	124	0.5%	$299	0.5%
Metropolitan Council on Jewish Poverty	$375	1.0%	167	0.7%	$542	0.9%
new direction services inc.	$236	0.6%	266	1.1%	$502	0.8%
New York Common Pantry, Inc.	$375	1.0%	266	1.1%	$641	1.0%
PART OF THE SOLUTION	$375	1.0%	266	1.1%	$641	1.0%
Project Hospitality, Inc.	$375	1.0%	266	1.1%	$641	1.0%
St. John's Bread and Life Program	$285	0.8%	202	0.8%	$487	0.8%
THE FORTUNE SOCIETY INC	$175	0.5%	124	0.5%	$299	0.5%
Trinity Services for the Food and Homeless	$175	0.5%	124	0.5%	$299	0.5%
United Bronx Parents, Inc.	$175	0.5%	124	0.5%	$299	0.5%
United Way of New York City	$6,270	17.1%	1,500	6.0%	$7,770	12.6%
Urban Pathways, Inc.	$127	0.3%	91	0.4%	$218	0.4%
West Side Center for Community Life	$375	1.0%	266	1.1%	$641	1.0%
City Harvest	-	0.0%	1,000	4.0%	$1,000	1.6%
World Central Kitchen (Not a foodbank award)	-	0.0%	500	2.0%	$500	0.8%
Food Bank of Central New York	**$3,229**	**8.8%**	**2,202**	**8.8%**	**$5,431**	**8.8%**
CAYUGA SENECA COMMUNITY ACTION AGENCY INC	$100	0.3%	68	0.3%	$168	0.3%
Food Bank of Central New York	$3,129	8.5%	2,134	8.5%	$5,263	8.5%
FOOD BANK OF WESTERN NEW YORK, INC.	**$3,122**	**8.5%**	**2,129**	**8.5%**	**$5,252**	**8.5%**
CATTARAUGUS COMMUNITY ACTION INC	$114	0.3%	78	0.3%	$192	0.3%
Chautauqua County Rural Ministry Inc.-B	$151	0.4%	103	0.4%	$253	0.4%
FOOD BANK OF WESTERN NEW YORK, INC.	$2,682	7.3%	1,830	7.3%	$4,512	7.3%
HEART LOVE & SOUL INC	$175	0.5%	119	0.5%	$294	0.5%
Foodlink Inc.	**$2,472**	**6.7%**	**1,686**	**6.7%**	**$4,158**	**6.7%**
Foodlink Inc.	$2,472	6.7%	1,686	6.7%	$4,158	6.7%
Long Island Cares, Inc.	**$2,327**	**6.3%**	**1,587**	**6.3%**	**$3,915**	**6.3%**
Island Harvest LTD	$269	0.7%	794	3.2%	$1,063	1.7%
Long Island Cares, Inc.	$2,058	5.6%	794	3.2%	$2,852	4.6%
Regional Foodbank of Northeastern New York Inc.	**$6,388**	**17.4%**	**4,357**	**17.4%**	**$10,745**	**17.4%**
Capital Roots Inc.	$231	0.6%	158	0.6%	$389	0.6%
COMFORT FOOD OF WASHINGTON COUNTY, INC.	$113	0.3%	77	0.3%	$190	0.3%
COMMISSION ON ECONOMIC OPPORTUNITY	$147	0.4%	100	0.4%	$247	0.4%
Cornell Cooperative Extension Orange County	$175	0.5%	119	0.5%	$294	0.5%
DELAWARE OPPORTUNITIES INC	$149	0.4%	102	0.4%	$251	0.4%
Food Bank Association New York State	$175	0.5%	119	0.5%	$294	0.5%
Grace Episcopal Church	$116	0.3%	79	0.3%	$195	0.3%
Regional Foodbank of Northeastern New York	$4,758	13.0%	3,245	13.0%	$8,003	13.0%
Schenectady Inner City Ministry	$349	1.0%	238	1.0%	$587	1.0%
TRINITY ALLIANCE OF THE CAPITAL REGION INC	$175	0.5%	119	0.5%	$294	0.5%
The Food Bank for Westchester Inc.	**$1,445**	**3.9%**	**986**	**3.9%**	**$2,431**	**3.9%**
The Food Bank for Westchester Inc.	$1,345	3.7%	917	3.7%	$2,262	3.7%
YMCA of Yonkers Inc	$100	0.3%	68	0.3%	$168	0.3%
Catholic Charities Food Bank of the Southern Tier	**$1,546**	**4.2%**	**1,054**	**4.2%**	**$2,600**	**4.2%**
Broome County Council of Churches Inc.	$100	0.3%	68	0.3%	$168	0.3%
Catholic Charities Food Bank of the Southern	$1,446	3.9%	986	3.9%	$2,432	3.9%
Grand Total	$36,653		25,000		$61,653	

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 2022 Executive Budget estimates HCRA revenues of $6.2 billion and disbursements of $6.2 billion, with a closing balance of zero. HCRA revenue will offset $4.3 billion in Medicaid General Fund costs for FY 2022.

Funding for certain programs would be eliminated as part of the Executive Budget, including the Health Workforce Retraining Initiative, Health Facility Restructuring Pool, and the Physicians Excess Medical Malpractice program. Savings associated with the elimination of these programs will free up HCRA funding to offset General Fund Medicaid expenses.

HCRA Program Reductions and Eliminations	
405.4 Hospital Resident Working Audits	($1.00)
Physician's Excess Medical Malpractice Program	($51.00)
Health Facility Restructuring Pool	($10.00)
Aids Drug Assistance Program	($5.00)
Rural Health Network Development and Health Care Access Program	($3.20)
Eliminate the EMPIRE Clinical Research Inventory Program	($3.40)
Total	**($73.60)**

HCRA Program Account

The Executive proposes to reduce funding and consolidate the following public health related programs currently funded under the HCRA Program Account to achieve state savings.

405.4 Hospital Audits

The Executive Budget discontinues the 405.4 Hospital Audits program, which provides a duplicative service already mandated by law and enforced by health providers and healthcare worker unions. The Executive assumes annual savings of $1 million.

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 2022.

Health Facility Restructuring Pool (HFRP)

The Executive Budget makes a onetime reduction to the HFRP transfer to DASNY. The current balance in the pool is $35.6 million. Payments will be reinstated in FY 2023 to allow health care facilities to refocus on long-term sustainability plans. The full appropriation remains. The Executive assumes $10 million in savings in FY 2022.

AIDS Drug Assistance Program (ADAP)

The Executive Budget makes a one-time reduction of ADAP support in FY 2022, after which the full value will be reinstated. The Executive assumes savings of $5 million in FY 2022.

Rural Health Program Consolidation

Consolidates the Rural Health Care Access Development Program, and Rural Health Care Network Development into one program. Expenditures are reduced by 25 percent to achieve state savings of $3.2 million. In the FY 2021 Enacted Budget, funding was reduced by 25 percent.

The Rural Health Care Access Development Program supports rural hospitals in their efforts to improve operational efficiencies, reduce duplication of services, and develop affiliations with community-based providers. The Rural Health Care Network Development Program supports rural health network agreements among health care providers that result in the merger or integration and coordination of health care services.

Medical Indemnity Fund (MIF)

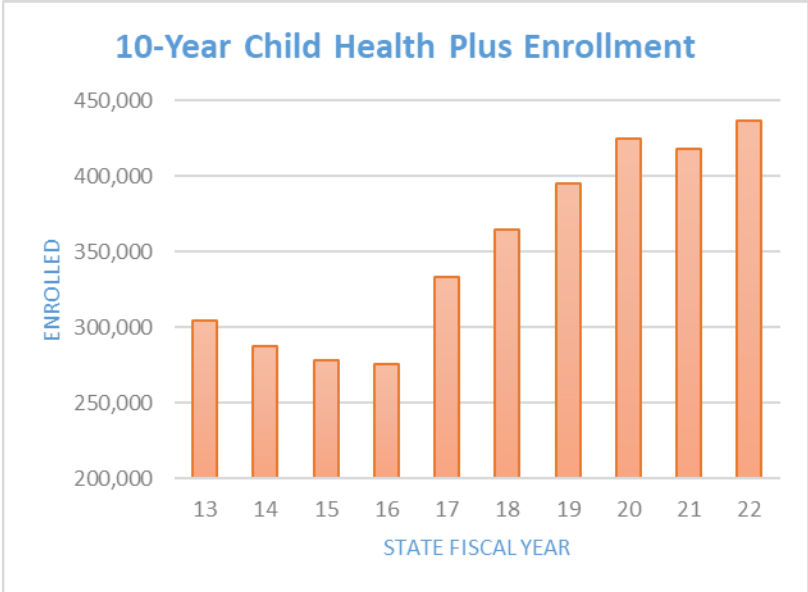
The Executive Budget reinstates annual payments of $52 million to the MIF as originally intended after taking a one-year deferral

Child Health Plus (CHP)

The Executive estimates that CHP enrollment will continue to increase in FY 2022 after trending downward between FY 2012 and FY 2016. Enrollment is projected to increase by approximately 18,825 children in FY 2022, with a total enrollment of 436,838.

The Executive Budget allocates $764 million, an increase of $98 million, in FY 2022 to support CHP, which insures children that come from families with household incomes of 400 percent of the Federal Poverty Level (FPL) are eligible for Medicaid. Federal matching participation is traditionally 65 percent for eligible children, but was raised to 88 percent as a result of the ACA from January 2015 through October 2019.

Increased state spending for Child Health Plus in FY 2022 and beyond is attributable to the expiration of enhanced Federal resources. Enhanced FMAP of 4.34 percent for eighteen months retroactive to January 2020 offsets this increased spending.



State Operations

Decrease to DOH Workforce

The Budget recommends a workforce of 5,418 full time equivalent employees (FTEs) for the Department. This is a decrease of 261 FTEs from the FY 2021 Budget. The decrease of 261 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 (-222), with corresponding increases in the out year to restore to full target FTE. These decreases are combined by a movement of 16 FTEs to the Office of Cannabis Management (OCM) for the medical cannabis program (-16), transition of HEMP/CBD monitoring to the proposed OCM (-17), and a removal of 6 special revenue FTEs that were offset in the prior year by a 10 FTE investment on the General Fund for family planning. (-6).

Department of Health	Medicaid Admin	Public Health	Essential Plan	Total
FY 2022 Initial FTE Target	1,583	4,090	6	**5,679**
Medical Cannabis		(16)		**(16)**
MA Takeover Reconciliation	(222)			**(222)**
Hemp/CBD Transition		(17)		**(17)**
Family Planning Phaseout		(6)		**(6)**
Subtotal of Adjustments	*(222)*	(16)		**(261)**
FY 2022 Target	**1,361**	**4,035**	**6**	**5,418**

Capital

The Executive Budget recommends the continuation of $2.9 billion in capital investments for providers to transition into more efficient and sustainable systems, retire debt, and support new capital projects.

Drinking Water State Revolving Fund (DWSRF) State Match

The FY 2022 Executive Budget proposes a new annual appropriation of $15 million for the DWSRF state match. This match was previously provided under the Clean Water Clean Air Act of 1996, but the funding is anticipated to be completely depleted by FY 2022. A twenty percent State match is a mandatory requirement for receiving Federal DWSRF dollars, which are awarded as loans for water system improvement projects.

Statewide Health Care Facilities Transformation Program (HCFTP)

The FY 2022 Executive Budget does not recommend a new phase for the HCFTP program, which provides health care facilities funding to support capital projects, debt retirement, working capital and other non-capital needs that facilitate transformative activities intended to improve access to healthcare services. A Request for Application (RFA) for the third round of HCFTP funding for $425 million, included in the FY 2019 Enacted Budget, has yet to be released.

State Office for the Aging (SOFA)

The FY 2022 Executive Budget recommends $245.3 million in All Funds cash disbursements for SOFA, a decrease of $259,000 from the current year. This decrease is driven by the elimination of legislative intiatives.

The $15 million initiative from last year continues for the Expanded In-Home Services for the Elderly Program (EISEP). This would increase community based supports for older adults, helping to maintain independence and providing cost savings from avoiding more intensive levels of care.

The workforce of 95 FTEs remains unchanged.

Deferment of FY 2022 Human Services Cost of Living Adjustment (COLA)

The FY 2022 Executive Budget recommends the deferment of the statutory FY 2022 COLA increase, which would result in $2 million in State savings in 2022.

FACT SHEET: Transportation

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

Transportation Budget Highlights

- The FY 2022 Executive Budget recommends All Funds disbursements of $6.7 billion for State Operations and Aid to Localities transportation programs, an increase of $34.3 million, or 0.4 percent from the FY 2021 Enacted Budget.
- The FY 2022 Executive Budget recommends a capital appropriation of $4.9 billion. This is an increase of $1.1 billion or 29.7 percent from FY 2021. This difference is largely attributable to timing of payments.
- The Executive Budget funds $5.8 billion for the second year of a two year $11.9 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.
- The Executive proposes increasing fines and prohibiting commercial vehicles owners from using general consumer GPS devices, in an effort to deter bridge strikes caused by commercial vehicles attempting to drive under bridges that are too low for commercial vehicles.

Spending Highlights

- The Executive Budget maintains levels of funding for the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highway Program ("Marchiselli") at FY 2021 levels of $438.1 million and $39.7 million, respectively.
- The FY 2022 Executive Budget continues level funding for the Local PAVE NY and BRIDGE NY programs, which each provide $100 million per year to municipalities for pavement and bridge projects.
- An additional $65 million for Extreme Winter Recovery traditionally added by the Legislature the last several years was not included.

PAGE INTENTIONALLY LEFT BLANK

TRANSPORTATION

Transportation Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	**Estimated FY 2021**	**Proposed FY 2022**	**Change Amount**	**Percent**
Department of Transportation	8,775	9,657	882	10.05%
Department of Motor Vehicles	423	434	11	2.60%
Thruway Authority	0	0	0	0.00%
Metropolitan Transportation Authority	1,270	1,534	264	20.79%
Totals:	**10,468**	**11,625**	**1,157**	**11.05%**

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 2022 Executive Budget proposes a total spending level of $11.6 billion for all transportation agencies, an increase of $1.2 billion or 11 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 2022 Executive Budget includes 8,182 full-time equivalents (FTEs) for the Department, a decrease of 338 from FY 2021.

The FY 2022 Executive Budget recommends an All Funds cash spending level of $9.7 billion, an increase of $882 million, or 10 percent from FY 2021. This increase is largely attributable to the timing of capital disbursements related to the FY 2021-FY 2022 Capital Plan.

Article VII Provisions

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

- *Addressing Safety of Transportation Workers, Pedestrians, and the Public* (see Section Three\S.2508, Part B 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 Cash Disbursements (Thousands of Dollars)			
	FY 2021 Enacted	FY 2022 Proposed	Difference
Downstate			
NYCTA	1,918,304	1,878,315	(39,989)
MTA Commuter Rail	709,841	678,761	(31,080)
Verrazano	13,800	13,800	-
MTA Regional Taxes	381,974	376,646	(5,328)
MTA Total	**3,023,919**	**2,947,522**	**(76,397)**
Rockland	3,887	3,658	(229)
Staten Island Ferry	37,916	35,686	(2,230)
Westchester	63,640	59,897	(3,743)
Nassau- NICE Bus	76,972	72,444	(4,528)
Suffolk	29,939	28,178	(1,761)
Suffolk- Shuttle	484	500	16
NYC DOT	101,324	95,364	(5,960)
MMCB LHTL	10,657	11,000	343
Remaining Systems	36,754	34,592	(2,162)
Non-MTA Total	**361,573**	**341,319**	**(20,254)**
Subtotal Downstate	**3,385,492**	**3,288,841**	**(96,651)**
Upstate			
CDTA	35,402	38,470	3,068
CENTRO	32,316	35,116	2,800
RGRTA	39,238	42,639	3,401
NFTA	50,971	55,389	4,418
Remaining Systems	38,967	42,344	3,377
Subtotal Upstate	**196,894**	**213,958**	**17,064**
Program Totals	**3,582,386**	**3,502,799**	**(79,587)**

The FY 2022 Executive Budget proposes $3.5 billion in overall cash operating assistance to the State's transit systems, a decrease of $79.6 million, or 2.2 percent. Under this proposal, the MTA would receive $2.9 billion, reflecting a decrease of $76.4 million, or 2.5 percent. Non-MTA transit systems would receive nearly $555.3 million, including $341.3 million for Downstate non-MTA transit systems and $213 million for Upstate transit systems, reflecting a 0.6 percent decrease.

Local Highway and Bridge Funding

The Executive Budget maintains flat levels of funding for the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highway Program ("Marchiselli") of $438.1 million and $39.7 million, respectively.

The additional $65 million for Extreme Winter Recovery that has traditionally been added by the Legislature was not included in the FY 2022 Executive Budget.

The FY 2022 Executive Budget continues funding for the Local PAVE NY and BRIDGE NY programs, which each provide $100 million per year to municipalities for pavement and bridge projects.

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 2022 Executive Budget recommends an All Funds cash spending level of $434 million, an $11 million or 2.6 percent increase. This increase is attributable to technological upgrades intended to support the DMV moving more operations online as a result of the COVID-19 pandemic.

The Executive Budget requests a DMV workforce of 2,899 FTEs, a decrease of 136 from FY 2021.

Article VII Provisions

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

- *Deter Parkway Bridge Strikes* (see Section Three\S.2508, Part A for more detail)
- *DMV Surcharge Extender* (see Section Three\S.2508, Part FF for more detail)
- *Autonomous Vehicle Extender* (see Section Three\S.2508, Part GG for more detail)
- *DMV "Convenience" Fee* (see Section Three\S.2508, Part HH 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 2022 Executive Budget recommends All Funds spending of $1.5 billion, an increase of $264 million, or 20.8 percent. This increase is primarily attributable to the State contribution to the MTA Capital Plan.

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):

- *Additional Toll Enforcement* (see Section Three\S.2508, Part E for more detail)
- *MTA Procurement Reform* (see Section Three\S.2508, Part F for more detail)
- *MTA Utility Relocation* (see Section Three\S.2508, Part G for more detail)
- *MTA Subway Accessibility* (see Section Three\S.2508, Part H for more detail)
- *MTA Worker Assault Penalties* (see Section Three\S.2508, Part I for more detail)

FACT SHEET: Environmental Conservation, Agriculture, And Energy

Analyst- Ben Eddy
Phone- (518) 455-2939
Email- beddy@nysenate.gov

Environment, Agriculture, and Parks Budget Highlights

The FY 2022 Executive Budget recommends All Funds appropriations of $485 million for OPRHP, a decrease of $4.1 million, or one percent from the FY 2021 Enacted Budget. This decrease is attributed to the elimination of $230,000 in Legislative initiatives, and a $4 million deferral of general salary increases. There is a new $112.5 million appropriation for the New York Works Infrastructure Program, the same amount included in the FY 2021 Enacted Budget.

Environmental Conservation

- Maintains total support for the Environmental Protection Fund at $300 million.
- Provides another $500 million to support clean water through the NYS Water Infrastructure Improvement Act of 2017.
- Lowers the junior hunting age from 14 years old to 12 years old and allows for crossbow use in all big game seasons.

Agriculture

- Eliminates $4.4 million in one-time Legislative Adds.
- Eliminates one-time increase in New York Works funding for the State Fair.
- No new capital appropriations for local fairs or animal shelters ($10 million total last provided in FY 2020).

Energy Budget Highlights

- For the Department of Public Service, the FY 2022 Executive Budget recommends All Funds appropriations of $104.3 million, a decrease of $1.9 million from FY 2021, due to across the board workforce savings.

- For the NYS Energy Research & Development Authority, the FY 2022 Executive Budget recommends All Funds appropriations of $20.5 million, an increase of $2.3 million from FY 2021, due to increase support at the West Valley Nuclear site.
- For the New York Power Authority/Canal Corporation, the FY 2022 Executive Budget recommends All Funds appropriations of $86 million, a decrease of $43 million from FY 2021.

Department of Public Service

- Requires internet service providers to offer a $15/month high-speed internet service plan for low-income customers.
- Amends residential utility moratorium provisions included in last year's COVID-19 pandemic relief bills by extending them to small businesses, and allows them to apply to any time a State Disaster Emergency is declared.
- Excludes siting permits issued by the Office of Renewable Energy Siting from requirements of the State Environmental Quality Review Act (SEQRA) process and decreases the capacity of a facility to be considered an "electric corporation" from 80MW to 25MW.

NYSERDA

- Increases the mitigation fund cap from $69 million to $140 million for payments to local government entities which see a significant decrease in tax revenues due to the closure of an electric generating facility.

Power Authorities

- Authorizes NYPA to create a captive insurance company to provide insurance coverage for risks that are not currently insured, not insurable, or prohibitively expensive to insure through commercial markets.
- Raises the statutory cap on the amount of RechargeNY power that NYPA may allocate to from 100MW to 150MW
- Augments LIPA's bonding cap from $4.5 billion in total issuances to allowing $4.5 billion in total bonds to be outstanding at any one time, a technical change necessary to allow for refinancing existing debt. Also identifies "system resiliency costs" as an allowable bonding purpose.

ENVIRONMENTAL CONSERVATION, AGRICULTURE, AND HOUSING

Environmental Conservation, Agriculture and Housing Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	Estimated FY 2021	Proposed FY 2022	Change Amount	Percent
Adirondack Park Agency	5,448	5,773	325	5.97%
Agriculture and Markets	95,308	99,090	3,782	3.97%
Department of Environmental Conservation	1,392,822	1,553,486	160,664	11.54%
Energy Research Development Authority	21,569	23,129	1,560	7.23%
Department of Public Service	90,039	84,299	(5,740)	-6.38%
Housing and Community Renewal	836,394	933,174	96,780	11.57%
Olympic Regional Development Authority	142,652	127,542	(15,110)	-10.59%
Power Authority	65,678	500	(65,178)	-99.24%
Parks, Recreation and Historic Preservation	360,335	340,148	(20,187)	-5.60%
Hudson River Park	8,000	18,000	10,000	125.00%
Totals:	**3,018,245**	**3,185,141**	**166,896**	**5.53%**

The FY 2022 Executive Budget recommends All Funds disbursements of $3.2 billion, an increase of $167 million from the FY 2021 Enacted Budget for the State's Environmental Conservation, Energy, Agriculture, and Housing agencies.

Department of Environmental Conservation

The FY 2022 Executive Budget recommends All Funds appropriations of $1.82 billion for the Department of Environmental Conservation (DEC), a decrease of $5.95 billion from FY 2021, primarily due to one-time capital appropriations for the Restore Mother Nature Bond Act.

The Executive Budget provides $463.3 million in State Operations appropriations, a decrease of $1.4 million from FY 2021 levels. A savings of $6.6 million of salary increase deferrals and hiring freezes drives the decrease, which is offset by increases of:

- $2 million to realign the Lake George Park Commission from the Department of State to the DEC
- $1.5 million in increased hunting license fees from hunting expansion Article VII (See Section Three\S.2508 Part X for details)
- $1 million Federal Clean Air Resources Grant
- $650,000 for seven new FTEs to implement Climate Leadership and Community Protection Act

The Executive Budget reduces Capital appropriations by $5.95 billion or 82 percent, from FY 2021. This decrease is primarily attributable to eliminating two $3 billion, one-time appropriations for the Mother Nature Bond Act. Further decreases include $2 million for building energy efficiency upgrades and $1 million for DEC Capital gifts. These decreases are offset by increases pertaining to:

- $26 million for settlement remediation on Long Island
- $20 million for construction at the Conklingville Dam
- $1.5 million in additional support for flood protection projects (total of $3 million)
- $1 million for services and capital expenses related to land acquisition

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 billion since 2017.

Environmental Protection Fund

The FY 2022 Executive Budget maintains spending for the Environmental Protection Fund at $300 million. The Executive proposes the funds be disbursed as follows:

- $151.4 million for Open Space programs, a decrease of $1.3 million
- $88.4 million for Parks and Recreation programs, a decrease of $685,000
- $40.6 million for Solid Waste programs, an increase of $1.5 million
- $19.6 million for Climate Change Mitigation & Adaptation, an increase of $450,000

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

Article VII Provisions

The Executive proposes the following Article VII Legislation:

- *Hunting Expansion* (see Section Three\S.2508 Part X)
- *Plastic Bag Ban Amendments* (see Section Three\S.2508 Part Y)
- *Bay Park Alienation* (see Section Three\S.2508 Part Z)
- *Brownfield Tax Credit Extender* (see Section Three\S.2508 Part AA)
- *Alleghany County Land Easement* (see Section Three\S.2508 Part BB)
- *Bottle Bill Extender* (see Section Three\S.2508 Part CC)
- *Rail Advantaged Housing Act* (see Section Three\S.2508 Part DD)

Division of Housing and Community Renewal (DHCR)

The FY 2022 Executive Budget recommends All Funds appropriations of $646.5 million, an increase of $337 million, or 109 percent, from FY 2021 levels. This is largely attributed to large one-time capital appropriations.

State Operations spending remains unchanged from FY 2021 at $116.2 million while, the Aid to Localities Budget is increased $21 million, to $112 million for FY 2022. This increase results from transferring the Rural Rental Assistance Program to the General Fund from the Mortgage Insurance Fund.

The Executive proposes a Capital Budget of $418 million, an increase of $316 million from FY 2021. Appropriations of $186 million would support the creation of 20,000 supportive housing units over 15 years and $130 million would support the Governor's Office of Storm Recovery for areas impacted by natural disasters.

Article VII Provisions

The Executive proposes the following Article VII Legislation:

- *Authorize Mortgage Insurance Fund (MIF) and Housing Finance Agency Resources* (see Section Three\S.2506 Part O)
- *Affordable Housing Sales Tax Exemptions* (see Section Three\S.2506 Part U)
- *SONYMA Mortgage Programs* (see Section Three\S.2506 Part X)
- *Tenant Protections* (see Section Three\S.2506 Part Y)

Department of Agriculture and Markets

The FY 2022 Executive Budget recommends All Funds appropriations of $178.6 million, a decrease of $16.8 million, or 8.6 percent, from FY 2021. These decreases include:

- $10 million for one-time State Fair capital appropriation
- $4.4 million for Legislative adds
- $1.5 million for salary increase deferrals and hiring freezes
- $950,000 for Consumer Food Services Federal grant

The Executive Budget maintains 467 FTEs, same as FY 2021.

New York State Energy Research and Development Authority

The FY 2022 Executive Budget recommends All Funds appropriations of $20.5 million for the New York State Energy Research and Development Authority (NYSERDA). This represents an increase of $2.3 million, or 13 percent, from FY 2021. 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 NYSERDA revenue, which comes from off-budget programs funded through mandatory surcharges and assessments imposed upon ratepayers and utility companies.

Article VII Provisions

- *NYSERDA Special Assessment* (see Section Three\S.2508 Part W)
- *Mitigation Fund Cap Increase* (see Section Three\S.2508 Part NN)

Department of Public Service

The FY 2022 Executive Budget recommends All Funds appropriations of $104.3 million for the Department of Public Service (DPS), a decrease of $1.9 million, or 1.8 percent, from FY 2021. This is due to salary increase deferrals and hiring freezes. Staffing levels for DPS are projected to remain at last year's levels of 476 FTEs.

Article VII Provisions

- *ORES Technical Amendments* (see Section Three\S.2508 Part Q)
- *Renewable Energy Credits* (see Section Three\S.2508 Part R)
- *Utility Moratorium* (see Section Three\S.2508 Part OO)
- *Broadband Affordability* (see Section Three\S.2508 Part QQ)

New York Power Authorities

The FY 2022 Executive recommends All Funds appropriations of $86 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 $4.3 to fund the Canal System Development Fund and $31.4 million for NYPA's continued development of the Empire State Trail (Erie Canal way segment).

Article VII Provisions

- *LIPA Debt Restructuring* (see Section Three\S.2508 Part T)
- *RechargeNY Cap Increase* (see Section Three\S.2508 Part U)
- *Captive Insurance* (see Section Three\S.2508 Part V)

Adirondack Park Agency (APA)

The FY 2022 Executive Budget recommends All Funds appropriations of $4.9 million for the APA, a decrease of $1 million or 18 percent, from FY 2021. This decrease is primarily due to the expiration of a one-time $1 million capital appropriation for the rebuilding of the APA headquarters located in Ray Brook. Additionally, the decrease also includes an $88,000 deferral of general salary increases in accordance with the statewide hiring freeze. Staffing levels for the APA are projected to remain unchanged at 49 FTEs.

Office of Parks, Recreation and Historic Preservation (OPRHP)

The FY 2022 Executive Budget recommends All Funds appropriation of $485 million for OPRHP, a decrease of $4.1 million, or one percent, from FY 2021. This funding decrease is attributed to the elimination of $230,000 Legislative initiatives and a $3.4 million deferral of general salary increases in accordance with the statewide hiring freeze. Staffing levels for OPRHP are projected to remain unchanged at 1,981 FTEs.

The Executive Budget maintains the Capital Projects appropriation of $226.9 million, the same total as FY 2021. Funding for New York Works is maintained at $112 million for infrastructure projects at State parks and Historic Sites. Additionally, $20 million in Federal funding is maintained to expand and rehabilitate State property for costs and preparation for facility maintenance and rehabilitation.

Olympic Regional Development Authority (ORDA)

The FY 2022 Executive Budget recommends All Funds appropriations of $119 million for ORDA, a decrease of $42 million, or 26 percent from FY 2021.

This decrease reflects a reduction of $42 million to ski facilities upgrades. The upgrades furthered the strategic plan to modernize ORDA's ski facilities and venues, and will support the 2023 World University Games. 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 2022 Executive Budget recommends All Funds appropriations of $200,000 for the Greenway Heritage Conservancy of the Hudson River Valley (Conservancy). The proposed funding level remains the same from the FY 2021 Enacted Budget.

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.

The Hudson River Valley Greenway Communities Council

The FY 2022 Executive Budget recommends All Funds appropriations of $321,000 for the Hudson River Valley Greenway Communities Council. This proposed funding level remains unchanged from the FY 2021 Enacted Budget. The Capital Projects Budget includes a $14.3 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 2022 Executive Budget does not recommend a new appropriation for the Hudson River Park Trust (HRPT), but includes capital reappropriations of $71 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 59th Street.)

State of New York Mortgage Agency

The FY 2022 Executive Budget recommends All Funds appropriations of $232.8 million for the State of New York Mortgage Agency (SONYMA), an increase of $16.5 million, or 7 percent, 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 2022 Executive Environmental Protection Fund Proposal (In Thousands)	FY 2021 Enacted	FY 2022 Executive	Change
OPEN SPACE			
Land Acquisition	**$ 31,000**	**$ 30,000**	**$(1,000)**
Urban Forestry	*$ 1,000*	*$ 1,000*	**$ -**
Land Trust Alliance	*$ 2,500*	*$ 2,500*	**$ -**
Regions 1, 2 and 3	*$ 3,000*	*$ 3,000*	**$ -**
Conservation Easements for Land Trusts	*$ 1,500*	*$ 3,000*	**$ 1,500**
Albany Pine Bush Commission	**$ 2,675**	**$ 2,675**	**$ -**
LI Pine Barrens Commission	**$ 2,000**	**$ 2,000**	**$ -**
Environmental Commissions	**$ 1,086**	**$ 1,085**	**$ (1)**
Susquehanna River Basin Commission	*$ 259*	*$ 259*	**$ -**
Delaware River Basin Commission	*$ 360*	*$ 360*	**$ -**
Ohio River Valley Water Sanitation Commission	*$ 14.1*	*$ 14*	**$ -**
Interstate Environmental Commission	*$ 41.6*	*$ 42*	**$ -**
New England Interstate Water Poll. Control Comm.	*$ 38.0*	*$ 38*	**$ -**
SUNY ESF Center for Native Peoples and the Environment	*$ 373*	*$ 373*	**$ -**
LI South Shore Estuary Reserve	**$ 900**	**$ 900**	**$ -**

Environmental Protection Fund Continued (In Thousands)	FY 2021 Enacted	FY 2022 Executive	Change
Agricultural Non-Point Source Poll Cont	**$ 18,000**	**$ 18,000**	**$ -**
Cornell Integrated Pest Management	*$ 1,000*	*$ 1,000*	**$ -**
Cornell Cooperative Ext. Suffolk County	*$ 500*	*$ 500*	**$ -**
Cornell pesticide management education program	*$ 250*	*$ 250*	**$ -**
Non-Agricultural Non-Point Source Poll Cont.	**$ 6,000**	**$ 6,000**	**$ -**
Cornell Community Integrated Pest Management	*$ 550*	*$ 550*	**$ -**
Farmland Protection	**$ 18,000**	**$ 17,000**	**$ (1,000)**
ACUB	*$ 1,000*	*$ 1,000*	**$ -**
Cornell Land Classification and Master List of Soils	*$ 95*	*$ 95*	**$ -**
Biodiversity stewardship	**$ 1,350**	**$ 1,350**	**$ -**
Pollinator Protection	*$ 500*	*$ 500*	**$ -**
Cary Institute of Ecosystem Studies - Catskill enviro research	*$ 100*	*$ 100*	**$ -**
Hudson River Estuary Plan	**$ 6,500**	**$ 6,500**	**$ -**
Mohawk River	*$ 1,000*	*$ 1,000*	**$ -**
Finger Lk-Lk Ontario Watershed	**$ 2,300**	**$ 2,300**	**$ -**
Lake Erie Watershed Protection	**$ 250**	**$ 250**	**$ -**
Water Quality Improvement Prog	**$ 18,600**	**$ 19,000**	**$ 400**
Suffolk Co - 50% match to address nitrogen	*$ 4,500*	*$ 4,500*	**$ -**
Suffolk Co - sewer improvement projects	*$ 5,000*	*$ 5,000*	**$ -**
Town of Hempstead Marine Lab	*$ 350*	*$ -*	**$ (350)**
Scajaquada Creek Cleanup	*$ 1,000*	*$ -*	**$ (1,000)**
Chautauqua Lake Association	*$ 150*	*$ 150*	**$ -**
Chautauqua Lake Partnership	*$ 95*	*$ 95*	**$ -**
Oceans & Great Lakes Initiative	**$ 18,750**	**$ 18,000**	**$ (750)**
Peconic Bay Estuary Program	*$ 200*	*$ 200*	**$ -**
Great Lakes Commission	*$ 60*	*$ 60*	**$ -**
Invasive Species	**$ 13,238**	**$ 13,300**	**$ 62**
Lake George	*$ 450*	*$ 450*	**$ -**
Cornell Plant Certification Program	*$ 120*	*$ 120*	**$ -**
Cornell Golden Nematode	*$ -*	*$ 62*	**$ 62**
Eradication	*$ 5,750*	*$ 5,750*	**$ -**
Cornell for Hemlock Wooly Adelgid	*$ 500*	*$ 500*	**$ -**
Southern Pine Beetle Eradication	*$ 500*	*$ 500*	**$ -**
Nassau County Aquatic Weed Harvester	*$ 300*	*$ -*	**$ (300)**
Soil & Water Conservation Districts	**$ 10,500**	**$ 11,500**	**$ 1,000**
Agricultural Waste Management	**$ 1,500**	**$ 1,500**	**$ -**
Cornell dairy acceleration program	*$ 700*	*$ 700*	**$ -**
Open Space Total	**$ 152,649**	**$ 151,360**	**$ (1,289)**

Environmental Protection Fund Continued (In Thousands)	FY 2021 Enacted	FY 2022 Executive	Change
PARKS & RECREATION			
Waterfront Revitalization	**$ 14,000**	**$ 14,250**	**$ 250**
Inner City/Underserved	*$ 9,000*	*$ 9,000*	**$ -**
Climate Change Resiliency Planning/LWRP Updates	*$ 2,000*	*$ 2,000*	**$ -**
Niagara River Greenway	*$ 200*	*$ 200*	**$ -**
Municipal Parks	**$ 19,500**	**$ 19,500**	**$ -**
Innercity/Underserved	*$ 10,000*	*$ 10,000*	**$ -**
Tivoli	*$ 250*	*$ 250*	**$ -**
Hudson River Valley Trail Grants	*$ 500*	*$ 500*	**$ -**
SUNY ESF	*$ 120*	*$ 120*	**$ -**
Paul Smiths College	*$ 180*	*$ 180*	**$ -**
NYC East River Esplanade	*$ 1,000*	*$ -*	**$ (1,000)**
Catskill Center for Conservation and Development	*$ 150*	*$ 150*	**$ -**
Public Access & Stewardship	**$ 34,400**	**$ 35,665**	**$ 1,265**
ORDA/Belleayre	*$ 1,000*	*$ 1,000*	**$ -**
Friends Group Capacity Grants	*$ 1,000*	*$ 1,000*	**$ -**
Empire Forest Incentive Program	*$ 250*	*$ -*	**$ (250)**
NYPAD	*$ 55*	*$ 18*	**$ (37)**
Essex County Shuttle Service	*$ 1,200*	*$ 800*	**$ (400)**
Hudson River Park (HRP)	**$ 3,200**	**$ 4,000**	**$ 800**
Zoos, Botanical Gardens and Aquaria Program	**$ 16,000**	**$ 13,000**	**$ (3,000)**
Administration of Nav Law 79-b Programs	**$ 2,000**	**$ 2,000**	**$ -**
Parks & Recreation Total	**$ 89,100**	**$ 88,415**	**$ (685)**
CLIMATE CHANGE MITIGATION & ADAPTATION			
Greenhouse Gas Management	**$ 1,500**	**$ 1,800**	**$ 300**
Regenerate NY Grant	$ 500	$ 500	**$ -**
NYS Climate Adaptation	**$ 1,000**	**$ 800**	**$ (200)**
Wood Products Development Council	$ 200	$ 200	**$ -**
Smart Growth	**$ 2,000**	**$ 2,000**	**$ -**
Climate Resilient Farms Program	**$ 4,500**	**$ 4,700**	**$ 200**
Cornell Soil Health	*$ 200*	*$ 200*	**$ -**
Climate Smart Communities Competition	**$ 10,150**	**$ 10,300**	**$ 150**
Community Forests	*$ 500*	*$ 500*	**$ -**
Groundwork Hudson Valley	*$ 500*	*$ -*	**$ (500)**
Resiliency planting program	*$ 500*	*$ 500*	**$ -**
Climate Change Total	**$ 19,150**	**$ 19,600**	**$ 450**

Environmental Protection Fund Continued (In Thousands)	FY 2021 Enacted	FY 2022 Executive	Change
SOLID WASTE			
Landfill Closure/Gas Management	**$ 764**	**$ 800**	**$ 36**
Essex County	*$ 300*	*$ 300*	**$ -**
Hamilton County	*$ 150*	*$ 150*	**$ -**
Municipal Recycling	**$ 15,312**	**$ 15,300**	**$ (12)**
Food donation/recycling/organics projects	*$ 2,000*	*$ 2,000*	**$ -**
Secondary Marketing	**$ 200**	**$ 200**	**$ -**
Pesticide Database	**$ 1,800**	**$ 1,800**	**$ -**
Long Island Pesticide Prevention	*$ 200*	*$ 200*	**$ -**
Environmental Justice	**$ 7,000**	**$ 8,000**	**$ 1,000**
Connect Kids	*$ 2,000*	*$ 2,000*	**$ -**
EJ community impact and job training grants	*$ 3,000*	*$ 3,000*	**$ -**
Adirondack Diversity Initiative	*$ 250*	*$ 250*	**$ -**
Natural Resource Damages	**$ 2,025**	**$ 2,025**	**$ -**
Pollution Prevention Institute	**$ 4,000**	**$ 4,000**	**$ -**
Interstate Chemicals Clearinghouse	*$ 100*	*$ 100*	**$ -**
Environmental Health	**$ 6,500**	**$ 6,500**	**$ -**
Clean SweepNY Program	*$ 500*	*$ 500*	**$ -**
Center for Clean Water at Stony Brook for 1,4 Dioxane	*$ 1,000*	*$ 1,000*	**$ -**
Children's Environmental Health Centers	*$ 2,000*	*$ 2,000*	**$ -**
Fresh Connect	*$ 625*	*$ 625*	**$ -**
Brownfield Opportunity Areas (BOA)	**$ 1,500**	**$ 2,000**	**$ 500**
Solid Waste Total	**$ 39,101**	**$ 40,625**	**$ 1,524**
ENVIRONMENTAL PROTECTION FUND TOTAL	**$ 300,000**	**$ 300,000**	**$ -**

FY 2022 Executive Budget Agriculture Local Assistance Programs				
Item	**Executive FY 2021**	**Enacted FY 2021**	**Executive FY 2022**	**Change**
Ag. Child Development Program	$8,275,000	$9,275,000	$8,275,000	($1,000,000)
Cornell Diagnostic Lab	$4,425,000	$4,632,000	$4,425,000	($207,000)
Agriculture Economic Development	$2,000,000	$2,000,000	$2,000,000	$0
Cornell Pro-Dairy	$1,201,000	$1,201,000	$1,201,000	$0
Cornell Quality Milk Program	$1,174,000	$1,174,000	$1,174,000	$0
Wine & Grape Foundation	$1,073,000	$1,073,000	$1,073,000	$0
Farm Viability Institute	$800,000	$1,050,000	$800,000	($250,000)

Agriculture Programs Continued	Executive FY 2021	Enacted FY 2021	Executive FY 2022	Change
Furture Farmers of America	$ 842,000	$ 842,000	$ 842,000	$ -
Farment - Farm Family Assistance	$ 664,000	$ 782,000	$ 664,000	$ (118,000)
Farm to School Initiatives	$ 750,000	$ 750,000	$ 750,000	$ -
Apple Growers Association	$ 478,000	$ 614,000	$ 478,000	$ (136,000)
Apple R&D Advisory Board	$ 500,000	$ 500,000	$ 500,000	$ -
Senate Majority Allocation	$ -	$ 500,000	$ -	$ (500,000)
Cornell Johnes Disease	$ 480,000	$ 480,000	$ 480,000	$ -
Local Fair Assistance	$ 420,000	$ 420,000	$ 420,000	$ -
Cornell Association of Ag Educators	$ 416,000	$ 416,000	$ 416,000	$ -
Cornell Ag in the Classroom	$ 380,000	$ 380,000	$ 380,000	$ -
Dairy Excellence/ Profit Teams	$ 370,000	$ 370,000	$ 370,000	$ -
Cornell Cattle Health Assurance	$ 360,000	$ 360,000	$ 360,000	$ -
Cornell Hops and Barley	$ 300,000	$ 350,000	$ 300,000	$ (50,000)
Northern NY Ag Development/ CCE Jefferson	$ -	$ 300,000	$ -	$ (300,000)
Harvest New York	$ -	$ 300,000	$ -	$ (300,000)
Cornell Berry Research	$ 260,000	$ 260,000	$ 260,000	$ -
Cornell Avian Disease	$ 252,000	$ 252,000	$ 252,000	$ -
Concord Grape Research	$ 200,000	$ 250,000	$ 200,000	$ (50,000)
Tractor Rollover Prevention	$ 125,000	$ 250,000	$ 125,000	$ (125,000)
NYC CCE Urban Agriculture	$ -	$ 250,000	$ -	$ (250,000)
Maple Producers	$ 150,000	$ 246,000	$ 150,000	$ (96,000)
Cornell Labor Specialist	$ 200,000	$ 200,000	$ 200,000	$ -
Cornell University Hard Cider research	$ 200,000	$ 200,000	$ 200,000	$ -
Cornell Rabies	$ 50,000	$ 200,000	$ 50,000	$ (150,000)
American Farmland Trust - Resource Center	$ -	$ 200,000	$ -	$ (200,000)
American Farmland Trust - Regional Navigator	$ -	$ 200,000	$ -	$ (200,000)
Cornell Honeybee Program	$ 150,000	$ 150,000	$ 150,000	$ -
EBT at Farmers' Markets	$ 138,000	$ 138,000	$ 138,000	$ -
Turfgrass Association	$ -	$ 125,500	$ -	$ (125,500)
Christmas Tree Farmers	$ 125,000	$ 125,000	$ 125,000	$ -
Cornell Vets to Farms	$ 115,000	$ 115,000	$ 115,000	$ -
Cornell Vegetable Research	$ 50,000	$ 100,000	$ 50,000	$ (50,000)
NY Organic Farmers Database	$ -	$ 80,000	$ -	$ (80,000)
Cornell Maple Research	$ 75,000	$ 75,000	$ 75,000	$ -
Corn & Soybean Growers Association	$ 75,000	$ 75,000	$ 75,000	$ -
New York State Brewers	$ 75,000	$ 75,000	$ 75,000	$ -
New York State Distillers Guild	$ 75,000	$ 75,000	$ 75,000	$ -
New York State Cider Association	$ 75,000	$ 75,000	$ 75,000	$ -
Cornell Onion Research	$ 50,000	$ 70,000	$ 50,000	$ (20,000)
Golden Nematode/Cornell	$ -	$ 62,000	$ -	$ (62,000)
Berry Growers Association	$ 60,000	$ 60,000	$ 60,000	$ -
NYS Vet Diagnostic Lab-Salmonella Testing	$ -	$ 50,000	$ -	$ (50,000)
Red Hook Farms initiative	$ -	$ 40,000	$ -	$ (40,000)
TOTAL	**$27,408,000**	**$31,767,500**	**$27,408,000**	**($4,359,500)**

PAGE INTENTIONALLY LEFT BLANK

FACT SHEET: Public Protection

Analyst- Ben Kosinski Ben Eddy
Phone- (518) 455-2749 (518) 455-2939
Email- bkosinsk@nysenate.gov beddy@nysenate.gov

Public Protection Budget Overview

Corrections and Community Supervision, Department of

- The FY 2022 Executive Budget provides All Funds spending authorization of $3.38 billion, a decrease of $8.3 million from FY 2021.
  - There is a $30 million reduction in State Operations as a result of eliminating 1,300 to 1,800 beds and decreasing 800 FTEs.
  - Reductions are offset by an increase of $10 million in COVID-related costs and $12 million in Capital.

Criminal Justice Services, Division of

- The FY 2022 Executive Budget provides All Funds spending authorization of $323.9 million, a decrease of $39.9 million from FY 2021.
  - The $39.9 million decrease is largely due to the elimination of legislative adds and Capital funding.
  - $1.1 million increase in State Operations for the expansion of the law enforcement accreditation program (additional 7 FTEs).

End Domestic and Gender Based Violence, Office to

- The FY 2022 Executive Budget provides All Funds spending authorization of $10.5 million, an increase of $4.7 million over FY 2021.
  - The $4.7 million increase is due to the transfer of "Enough is Enough" funding from the Department of Health.
  - This Agency is currently named *The Office for the Prevention of Domestic Violence.*

Indigent Legal Services, Office of

- The FY 2022 Executive Budget provides All Funds spending authorization of $311.2 million, an increase of $50 million over FY 2021.
  - The $50 million increase is directly attributable to the statewide implementation of the Hurrell-Harring Settlement terms.

Homeland Security and Emergency Services, Division of

- The FY 2022 Executive Budget provides All Funds spending authorization of $4.96 billion, an increase of $3.405 billion over FY 2021.
    - The increase is primarily due to an additional $3.4 billion in Federal appropriation authority to reimburse local governments for their share of FEMA COVID-19 claims.

State Police, Division of

- The FY 2022 Executive Budget provides All Funds spending authorization of $1.02 billion, an increase of $8 million over FY 2021:
    - The $8 million increase is due to the cost of the statutorily required Body Camera program.

Notable Issues

Policing Legislation

- Legislation that establishes the New York State Professional Policing Act of 2021 (Part K of PPGG).
    - State Inspector General shall inform DCJS of any complaint against a police officer for corruption, fraud, use of excessive force, criminal activity, conflicts of interest or abuse.
    - Requires accreditation of hiring practices for most police officers in the state. The accreditation process would include background checks, verification of good moral conduct, and reporting of misconduct to DCJS.
- Legislation that requires police departments to install a monitor if they do not comply with Executive Order 203 that requires each department to submit a plan based on the NYS Police Reform and Reinvention Collaborative by April 1, 2021 (Part L of PPGG).
    - The Attorney General in consultation with the Governor will appoint monitor.
    - The Director of the Division of Budget will also withhold state funds to such department until they come into compliance.

Domestic Violence Legislation

- Legislation that transforms the *Office for the Prevention of Domestic Violence into the Office to End Domestic and Gender Based Violence* (Part B of PPGG).
- Legislation that creates a new crime of “domestic violence” in the penal law – offenders would be barred from owning a firearm (Part C of PPGG).
- Legislation that requires domestic violence offenders to pay housing costs to victims – costs would include moving expenses, repairing any damages to housing, and rent or mortgage payments (Part D of PPGG).

Gun Legislation

- Legislation that prohibits an individual with an active arrest warrant for a felony or serious misdemeanor offense from purchasing a firearm (Part N of PPGG)
- Legislation that requires law enforcement agencies to share information on firearms and ballistic evidence with federal database (Part O of PPGG).

Other Legislation

- Legislation that eliminates the crime of loitering for the purposes of prostitution – the crime of prostitution would remain (Part G of PPGG).
- Legislation that authorizes the closure of correctional facilities with 90-day notice through March 31, 2023 (Part M of PPGG).

DCJS Spending Highlights

- $40 million in continued funding for the Discovery Compensation Account, established in the FY 2021 Enacted Budget.
- $10 million in continued funding for statewide Youth Anti-Gang Programming.
- Public Defender Spending:
    - $7.66 million for defense services
    - $2.2 million for the prisoner's legal services for indigent inmates
    - $1 million for NYS Defenders Association
- $3.5 million for rape crisis centers, an increase of $1 million from FY 2021.
- $500,000 in continued funding for Long Island Youth Gang Prevention efforts.

PAGE INTENTIONALLY LEFT BLANK

PUBLIC PROTECTION

Public Protection Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	**Estimated FY 2021**	**Proposed FY 2022**	**Change Amount**	**Percent**
Department of Corrections and Community Supervision	3,856,337	2,953,366	-902,971	-23.42%
Division of Criminal Justice Services	256,324	276,817	20,493	7.99%
Division of State Police	1,114,625	897,468	-217,157	-19.48%
Office of Victim Services	131,728	132,526	798	0.61%
Commission of Correction	2,505	2,467	-38	-1.52%
Judicial Commissions	6,334	6,512	178	2.81%
Division of Military and Naval Affairs	192,956	229,572	36,616	18.98%
Division of Homeland Security and Emergency Services	1,678,189	1,239,891	-438,298	-26.12%
Office of Indigent Legal Services	213,432	226,463	13,031	6.11%
Office for the Prevention of Domestic Violence	3,075	8,022	4,947	160.88%
Totals:	**7,455,505**	**5,973,104**	**(1,482,401)**	**-19.88%**
Judiciary	3,003,378	3,172,817	169,439	5.64%
Department of Law	248,978	236,838	(12,140)	-4.88%

The FY 2022 Executive Budget recommends All Funds cash disbursements of $5.9 billion, a decrease of $1.48 billion or 20 percent from FY 2021 for all public protection agencies. This decrease is primarily driven by substantial reductions in General State Charges for the Department of Corrections and Community Supervision and the Division of State Police.

Department of Corrections and Community Supervision (DOCCS)

The FY 2022 Executive Budget recommends $3.38 billion in All Funds appropriations for the Department, a decrease of $8.3 million from FY 2021 levels. This decrease is primarily the result of eliminating 1,300 to 1,800 beds and decreasing 800 FTEs. Reductions are offset by an increase of $12 million in Capital spending and $10 million in COVID-19 related costs.

The Executive recommends a Capital Budget of $435 million, an increase of $12 million from FY 2021 levels.

The Executive recommends State Operations appropriations of $2.91 billion, a decrease of $25 million from FY 2021 levels. An increase of Facility Commissary spending of $5 million offsets a decrease of $30 million from the elimination of 1,300 to 1,800 beds and 800 FTEs.

The Executive Budget recommends Aid to Localities Budget of $34.49 million, an increase of $5 million from FY 2021 levels. The $5 million increase is related to expenses of localities for the housing and boarding of felony offenders.

The prison population is currently 35,000, a decrease of 9,338 or 21 percent from last year.

Article VII Proposals

The Executive proposes the following Article VII language:

- *Extends for two years the 90-day notice provision for prison closures* (See Section 3\S.2505 Part M for details)

Division of Criminal Justice Services

The FY 2022 Executive Budget recommends $324 million in All Funds appropriations, a decrease of $39.9 million from FY 2021. The $39.9 million decrease is attributable to:

- $25 million elimination of Safety and Security Projects for at Risk Facilities
- $16 million elimination of Legislative additions

Which is offset by a $1.1 million increase in State Operations for the expansion of the Law Enforcement Accreditation Program (additional seven FTEs).

Traditional Criminal Justice Aid to Localities Program Funding

The Executive proposes a decrease of $16 million in General Fund Local Assistance programs. This decrease is attributable to the elimination of Legislative additions from FY 2021.

The Executive continues its support for:

- $10 million appropriation to curb at-risk youth gang violence prevention in conjunction with the Office of Children and Family Services to be allocated regionally
- $4.8 million for Operation SNUG
- $500,000 for MS-13 Gang Prevention efforts on Long Island that would be allocated pursuant to a plan submitted to and approved by the Director of Budget.

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 2022 Executive Budget continues this level of appropriation.

Article VII Proposals

The Executive also proposes the following Article VII language:

- *Creates the crime of Domestic Violence* (see Section Three\S.2505 Part C for details)
- *Repeals the crime of loitering for the purpose of prostitution* (see Section Three\S.2505 Part G for details)
- *Establishes virtual arraignments statewide* (see Section Three\S.2505 Part J for details)
- *Strengthens the hiring standards of police officers* (see Section Three\S.2505 Part K for details)
- *Executive Order 203 – Police Department Monitor* (see Section Three\S.2505 Part L for details)
- *Sharing of crime gun data* (see Section Three\S.2505 Part O for details)
- *Prohibit individuals with an active arrest warrant for a felony or serious offense from purchasing a firearm* (see Section Three\S.2505 Part N for details)

Division of State Police

The FY 2022 Executive Budget recommends $1.02 billion in All Funds appropriations, an increase of $8 million over FY 2021. This increase within the State Operations Budget is attributable to a five-year, $40 million contract to purchase and support 3,000 body cameras to implement a statutorily required body camera program.

The FY 2022 Executive Budget recommends a workforce of 5,602 FTEs, unchanged from FY 2021.

Division of Homeland Security and Emergency Services

The FY 2022 Executive Budget recommends $4.97 billion in All Funds appropriations for the Division, an increase of $3.4 billion from FY 2021. This is primarily attributable to a $3.4 billion increase to the Aid to Locality Federal Disaster Assistance appropriation, which is used to reimburse local governments for their FEMA/COVID-19 claims.

The FY 2022 Executive Budget recommends eliminating a $600,000 legislative add and increases Interoperable Communications Authority Bonds by $5.5 million over FY 2021 levels, for a total of $30.5 million.

The Executive proposes $75 million in funding to support county public safety communications efforts under the Interoperable Communications Grant Program, same as FY 2021 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 570 FTEs remains unchanged from FY 2021.

Division of Military and Naval Affairs

The FY 2022 Executive Budget recommends $146.1 million in All Funds appropriations, a decrease of $160 million from FY 2021. This decrease is due to the elimination of non-recurring one-time FY 2021 capital project appropriations for the Jamaica Armory in Queens ($150 million) and Military Museum ($10 million).

The Executive recommends no changes to State Operations ($79.9 million), Aid to Localities ($1 million) or FTEs (374) from their FY 2021 levels.

Office of Indigent Legal Services

The FY 2022 Executive Budget recommends $311 million in All Funds appropriations, an increase of $50 million over FY 2021. 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 when fully annualized in 2023. The Executive proposes increasing the appropriation authority evenly until fully annualized.

The Executive Budget recommends a State Operations budget of $6.46 million, unchanged from FY 2021.

Judiciary

The FY 2022 Executive Budget recommends All Funds spending of $3.2 billion, an increase of $169.4 million, or 5.6 percent.

Spending for personal service and nonpersonal service/indirect costs for Court and Agency Operations would decrease $26 million, or 1.2 percent. Spending for employee benefit costs would increase $106.1 million, or 13.6 percent. Just over $100 million of this increase is due to the deferment for two years of approximately $68 million of social security payroll taxes, pursuant to authority provided by the CARES Act. Aid to Localities spending would increase $87 million, or 97.7 percent. Capital projects spending would increase $2.2 million, or 9 percent, to $26.8 million.

The $26 million decrease to Court and Agency Operations reflects a personal service decrease of $64 million, or 3.6 percent. This decrease primarily due to the denial of the recertification of 46 judges which is expected to account for approximately $27 million in reduced spending, as well OCA's implementation of a hiring freeze which is reducing OCA's workforce through attrition. Non-personal service/indirect costs increase of $38.1 million, or 11 percent. It should be noted that OCA, in response to the pandemic, reduced non-personal service/indirect costs spending during FY 2021 by nearly $90 million from what they initially planned.

Approximately $62 million of the increase in Aid to Localities spending is due to the suballocation of $15 million to the Interest on Lawyers Account and $47 million to the Office of Indigent Legal Services in the FY 2021 Judiciary budget. There is no change in these suballocations in the FY 2022 Executive Budget. The remaining portion of the increase is primarily due to the deferral of court incentive aid fund expenses. Spending for the Justice Court Assistance program is reduced by $1.5 million, or 33.3 percent.

The $26.8 million of capital projects 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 2022 Executive Budget recommends All Funds spending of $236.8 million, a decrease of $12.1 million, or 4.9 percent, from FY 2021 levels.

State Operations spending would decrease $6.2 million, or 3 percent. Personal service spending would decrease $5.5 million, or 3.7 percent. Non-personal service spending would decrease $736,000, or 1.3 percent. Fringe benefit spending would decrease $2.2 million, or 6.2 percent.

Capital spending on the IT Initiative program would decrease $3.7 million, or 65.1 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 2022 Executive Budget recommends $222 million in All Funds appropriations, unchanged from FY 2021.

Office to End Domestic and Gender-Based Violence

The FY 2022 Executive Budget transforms the Office for the Prevention of Domestic Violence to the Office to End Domestic and Gender-Based Violence (See Section 3\S.2505 Part B for details).

The FY 2022 Executive Budget recommends $10.5 in All Funds appropriations, an increase of $4.7 million over FY 2021. The Budget provides $4.2 million and $6.3 million for State Operations and Aid to Localities, respectively. The increase of $4.7 million is due to the transfer of the "Enough is Enough" program from the Department of Health. The Executive maintains $170,000 in funding for the Women's Rights Clinic at SUNY Buffalo Law School and the Capital District Domestic Violence Law Clinic.

State Commission of Corrections

The FY 2022 Executive Budget recommends $2.95 million in All Funds appropriations, unchanged from FY 2021 levels.

Judicial Commissions

The FY 2022 Executive Budget recommends the same level of funding as in FY 2021 for the Commission on Judicial Conduct ($6 million), the Commission on Judicial Nomination ($30,000) and the Judicial Screening Committees ($38,000).

FACT SHEET: Economic Development

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

Economic Development Budget Highlights

- The FY 2022 Executive Budget recommends All Funds appropriations of $170.8 million for State Operations and Aid to Localities economic development programs, a decrease of $20.4 million, or 10.7 percent, from the FY 2021 Enacted Budget.
- The FY 2022 Executive Budget recommends a capital appropriation of $380.4 million. This is the same funding level as the FY 2021 Enacted Budget.

Notable Issues

- The Executive proposes eliminating the Centers of Excellence Program and allowing the current Centers of Excellence to apply for the Centers for Advanced Technology Program.
    - Unlike a similar proposal from last year, the existing Centers of Excellence would be granted a two-year designation as a Center for Advanced Technology before they have to apply for a ten year designation to stay in the program.
    - According to the Executive, this would allow the State to capitalize on the Centers with the highest performance.

Spending Highlights

- The 10.7 percent reduction in spending primarily reflects the elimination of legislative adds as well as the elimination of a one-time $10 million appropriation for the 2020 Census.
- The Executive Budget includes the following-
    - $220 million for another round of the NY Works Initiative;
    - $150 million for an additional round of Regional Economic Development Awards.

PAGE INTENTIONALLY LEFT BLANK

ECONOMIC DEVELOPMENT

Economic Development Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	**Estimated FY 2021**	**Proposed FY 2022**	**Change Amount**	**Percent**
Department of Economic Development	84,323	70,349	(13,974)	-16.57%
Empire State Development Corp	1,647,177	1,897,705	250,528	15.21%
Economic Development Capital - Other	6,400	0	(6,400)	-100.00%
Strategic Investment Program	2,500	0	(2,500)	-100.00%
Regional Economic Development Program	3,000	0	(3,000)	-100.00%
Totals	**1,743,400**	**1,968,054**	**224,654**	**12.89%**

The FY 2022 Executive Budget recommends an All Funds cash disbursement increase of $224.7 million, or 12.9 percent, over FY 2021 for all Economic Development agencies.

The FY 2022 Executive Budget recommends All Funds appropriations of $170.8 million for State Operations and Aid to Localities economic development programs, a decrease of $20.4 million, or 10.7 percent, from the FY 2021 Enacted Budget.

Department of Economic Development (DED)

State Operations

The Executive Budget recommends an appropriation of $28.7 million in State Operations for the Department of Economic Development (DED). This is the same appropriation level as FY 2021.

Aid to Localities (ATL)

The Executive Budget recommends a General Fund appropriation of $54.5 million in the Aid to Localities budget for DED. This is a decrease of $6.9 million, or 11.3 percent, from FY 2021 levels. This decrease is primarily due to the elimination of FY 2021 Legislative additions.

FY 2022 Executive Economic Development Local Assistance Appropriation Changes (Thousands of Dollars)				
	Program	FY 2021 Enacted	FY 2022 Proposed	Change
DED	Centers of Excellence	$ 10,632	$ 7,826	$ (2,806)
	Centers for Advanced Technology	$ 12,961	$ 11,173	$ (1,788)
	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	$ 6,000	$ 5,000	$ (1,000)
	Innovation Hot Spots and Incubators	$ 5,000	$ 5,000	$ -
	Local Tourism Matching Grants	$ 3,815	$ 2,450	$ (1,365)
	Agritourism- TasteNY	$ 3,971	$ 3,971	$ -
	Science and Technology Law Center	$ 343	$ 343	$ -
	Manufacturing Extension Partnership	$ 13,470	$ 13,470	$ -
	DED Subtotal	**$ 61,501**	**$ 54,542**	**$ (6,959)**
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, Including Advertisement	$ 42,500	$ 42,500	$ -
	Market NY	$ 7,000	$ 7,000	$ -
	2020 Census	$ 10,000	$ -	$ (10,000)
	Bronx Overall Economic Development Corp.	$ 550	$ -	$ (550)
	National Cancer Institute Stony Brook	$ 670	$ -	$ (670)
	CenterState CEO	$ 200	$ -	$ (200)
	Brooklyn Alliance, Inc.	$ 500	$ -	$ (500)
	Queens Chamber of Commerce	$ 544	$ -	$ (544)
	Additional MWBE Lending	$ 365	$ -	$ (365)
	Canisius College	$ 150	$ -	$ (150)
	Buffalo Niagara Partnership	$ 150	$ -	$ (150)
	North Country Chamber of Commerce	$ 200	$ -	$ (200)
	Invest Buffalo Niagara, Inc.	$ 50	$ -	$ (50)
	World Trade Center Buffalo Niagara	$ 50	$ -	$ (50)
	Buffalo Niagara International Trade Gateway Organization	$ 50	$ -	$ (50)
	UDC Subtotal:	**$ 101,062**	**$ 87,583**	**$ (13,479)**
	Economic Development Aid to Localities Grand Total	**$ 162,563**	**$ 142,125**	**$ (20,438)**

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

The FY 2022 Executive Budget recommends All Funds appropriations for the Empire State Development Corporation of $468 million, a decrease of $13.4 million, or 2.8 percent, from FY 2021. This decrease is primarily due to a $13.5 million reduction in Aid to Localities Funding from FY 2021 levels.

Aid to Localities

The FY 2022 Executive Budget recommends an Aid to Localities appropriation of $87.6 million, a reduction of $13.5 million, or 13.3 percent, from FY 2021 levels. This reduction is primarily due to the elimination of FY 2021 Legislative additions.

Capital Funding

The FY 2022 Executive Budget recommends a capital appropriation of $380.4 million. This is an increase of $74,000 from FY 2021, which reflects increased support for the retention of professional football in Western New York.

FY 2022 Executive Urban Development Corporation Capital Funding Appropriation Changes (Thousands of Dollars)

Program	FY 2021 Enacted	FY 2022 Proposed	Change
Retention of Football in Western NY	$ 2,357	$ 2,431	$ 74
Market NY	$ 8,000	$ 8,000	$ -
NY Works	$ 220,000	$ 220,000	$ -
REDC	$ 150,000	$ 150,000	$ -
Total:	**$ 380,357**	**$ 380,431**	**$ 74**

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.2008, Part J for more detail)
- *Extend Authorization of the UDC to Administer the Empire State Economic Development Fund* (see Section Three\S.2008, Part K for more detail)
- *Javits Center Permitting Authorization* (see Section Three\S.2008, Part S for more detail)
- *Conversion of the Centers of Excellence into Centers for Advanced Technology* (see Section Three\S.2008, Part KK for more detail)

PAGE INTENTIONALLY LEFT BLANK

FACT SHEET: Mental Hygiene

Analyst- James Connolly
Phone- (518) 455-2595
Email- jconnoll@nysenate.gov

Mental Hygiene Budget Overview

- The Fiscal Year 2021 Executive Budget proposes All Funds spending authorization of $7.91 billion, an increase of $ 101.3 million, or 1.3 percent, over the current year:
  - Increase of $170 million to the Office of Mental Health (OMH), for a total of $3.228 billion
  - Increase of $107.6 million to the Office for People with Developmental Disabilities (OPWDD), for a total of $3.985 billion
  - Increase of $25 million to the Office of Addiction Supports and Services (OASAS), for a total of $645 million

Notable Issues

- The Executive proposes the merger of OASAS and OMH, creating the Office of Addiction and Mental Health Services (OAMHS). Though the Division of the Budget does not disclose a projected cost savings that would be achieved by this initiative, it is designed to improve the efficiency of behavioral health services. In addition, the Executive has directed OMH, OASAS and OPWDD to explore the creation of a common licensing regimen for all outpatient behavioral health services.
- The Executive proposes to create “Crisis Stabilization Centers” (CSCs) through a collaboration between OMH and John Hopkins University. CSCs will take the form of physical locations offering short-term behavioral health services, open 24 hours a day, 365 days per year. These CSCs will take all admissions without referral, whether at the direction of a medical professional, an individual, or law enforcement. Information about the flow of funds between OMH and John Hopkins is nebulous.
- The Executive commits an additional $15 million to develop independent living opportunities for individuals with intellectual and developmental disabilities. These housing opportunities will increase the amount spent on independent living opportunities to $95 million since FY 2016. Accordingly, the Executive directs OPWDD to regulate access to independent housing, ensuring that individuals are receiving the most integrated living arrangements as possible.
- The Executive includes funding to create an authorization process for the public listing of individuals and businesses that assist New Yorkers in search of addiction treatment. The Executive proposes to fund the approval process and curation of the public list through a registration fee on approved individuals and businesses.

Spending Highlights

- The Executive provides over $600 million in Capital funds for community-based and State-operated facilities for individuals served by the Mental Hygiene agencies.
- The Executive proposes additional funding for OMH and OPWDD housing programs, in the amounts of $20 million and $15 million respectively. Including these increases, OMH has received $70 million since 2015 and OPWDD has received $95 million since 2016.
- The Budget also includes $60 million to maintain and preserve community-based residential facilities that allow people with mental illness to live in the most integrated center possible.
- The Budget includes an additional $9.7 million annually for individuals living in transitional adult homes in New York City who wish to transition to more integrative settings.
- The Executive also proposes an increase of $25 million, or 4.1 percent, in operating and capital support for OASAS. This appropriation will enhance prevention, treatment and recovery programs.
- Finally, the Executive includes an additional $38.5 million in State funds to support minimum wage increases for staff at not-for-profit providers authorized by OPWDD, OMH and OASAS.

MENTAL HYGIENE

Mental Hygiene Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	**Estimated FY 2021**	**Proposed FY 2022**	**Change Amount**	**Percent**
Office of Mental Health	3,057,458	3,227,200	169,742	5.55%
Office for People With Developmental Disabilities	1,919,684	3,012,288	1,092,604	56.92%
Office of Addiction Services and Supports	619,416	644,755	25,339	4.09%
Developmental Disabilities Planning Council	4,200	4,200	0	0.00%
Justice Center for the Protection of People with Special Needs	46,106	44,726	(1,380)	-2.99%
Totals:	**5,646,864**	**6,933,169**	**1,286,305**	**22.78%**

The FY 2022 Executive Budget recommends All Funds cash disbursements of $6.9 billion, an increase of $1.3 billion or 22.8 percent across all mental hygiene agencies. Accounting for Department of Health (DOH) spending for the Office for People with Developmental Disabilities (OPWDD) and the FY 2021 Medicaid savings plan, actual cash spending for Mental Hygiene increases by $101.3 million in FY 2022, for a total of $7.96 billion, or 1.3 percent.

In FY 2022, the Executive projects cash spending at the Office for Mental Health (OMH) to increase by $169.7 million, or 5.6 percent, from $3.06 billion to $3.23 billion. OPWDD increases cash spending by $1.1 billion, or 56.9 percent, from $1.9 billion to $3 billion. Spending for the Office of Addiction Supports and Services (OASAS) increases by $25.3 million dollars, or 4.1 percent, from $619 million to $645 million.

Department of Mental Hygiene

Proposed Executive Language

The Executive has included language in the State Operations appropriations that would authorize the transfer or interchange of funds, without limit, between any department, agency, or public authority. The Executive has also proposed language in the State Operations appropriations bill that states no funds shall be available for payment until the Legislature has acted upon an Aid to Localities bill, and the Budget Director has determined that these funds are sufficient for the fiscal year.

Department of Health Mental Hygiene Offset

The Medicaid Global Cap reports a portion of mental hygiene spending. The Global Cap funds a total of $972 million of Mental Hygiene spending in FY 2022, a decrease of $1.1 billion from FY 2021. The decrease is due to the shift of approximately $1.1 billion in savings DOH will receive by retroactively clawing back premium payments to Medicaid plans due to lowered healthcare utilization resulting from the COVID-19 pandemic. The Executive Budget is able to achieve Financial Plan relief by this shift of

$972 million of non-DOH Medicaid expenses into the Global Cap to stay within the State Operating Funds Spending Cap.

Cost of Living Adjustment (COLA) and Medicaid Trend Factor for Not-for-Profits

The Executive proposes to continue the deferral of the COLA for human services agencies for one year, as required by Chapter 57 of the Laws of 2006, and the OPWDD Medicaid Inflationary Trend Factor. The Executive has not provided projected cost avoidance for this deferment.

Minimum Wage

The Executive Budget recommends a $38.5 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. The amounts per state agency are:

- OASAS - $1.8 million increase
- OMH - $5.1 million increase
- OPWDD - $31.6 million increase

Direct Care and Clinical Worker Salary Enhancement

The Executive did not include any additional funding related to the Direct Care and Clinical Worker Salary Enhancement program. For comparison, in the FY 2021 budget, the Executive included an additional $96.3 million in appropriation authority for the two percent salary enhancement and support programs.

53rd Medicaid Cycle

The Executive Budget includes $6 million in savings in FY 2022 from removing the 53rd Medicaid cycle for OMH and OPWDD. The 53rd Medicaid Cycle refers to the "extra" Medicaid payment as there are only 52 weeks per year.

Mental Hygiene Workforce

Mental Hygiene FY 2021 Full-Time Equivalents (FTEs)			
Agency	FY 2021 Projected FTEs	Expected Change	FY 2022 Projected FTEs
OMH	13,692	(446)	13,246
OPWDD	18,572	12	18,584
OASAS	737	(37)	700
Justice Center	428	(8)	420
DDPC	18	-	18
Total	**33,447**	**(479)**	**32,968**

The Office of Mental Health workforce decreases by 446 FTE, or 3.3 percent, to 13,246. The reduction is entirely through attrition. There are no layoffs. The Office for People with Developmental Disabilities will increase by 12 FTEs to 18,584 FTES in FY 2022. The OASAS workforce will decrease by 37 FTEs through attrition, bringing the total to 700. The Developmental Disabilities Planning Council's workforce will remain stable at 18 employees with no layoffs or attrition. The Justice Center will have an attrition of eight employees, bringing the count to 420 total.

Office of Mental Health

OMH Appropriations

The Executive requests $4.4 billion in All Funds Appropriations for the Office of Mental Health (OMH), a net decrease of $31.9 million, or less than one percent, from FY 2021.

OMH State Operations Cash

The Executive Budget includes $29.9 million for personal service, reimbursed by the Coronavirus Relief Fund in FY 2021. The Executive Budget allocates $11.9 million and $10.6 million for non-personal and personal service, respectively. Additionally, $10 million is allocated for maintenance of OMH's billing system and $7 million is allotted for forensic psychiatry in New York State.

The Executive Budget achieves savings of $9 million through operational efficiencies; $8 million through the transformation of the Rockland Children's Psychiatric Center; and $3 million through the reduction of the cost of outside medical care. In addition, the Executive Budget eliminates the FY 2021 27th administrative payroll and completes the annualization of the FY 2021 savings actions, realizing savings of $2.9 million and $1.5 million, respectively. The Executive also realizes savings of $26 million from closing vacant residential beds.

Finally, the Executive Budget includes a non-recurring savings of $90 million through the CARES Act.

OMH Aid to Localities Cash

The Executive allocates an additional $24.6 million for the active management of OMH's community beds, $5.1 million to compensate providers for the increased minimum wage and $2 million to be reinvested in the community following bed closures. In addition, $1 million in funds designated for suicide prevention among veterans and first responders has been added to the Executive Budget.

The Executive eliminates $400,000 for the Self-Directed Care Demo, $1.5 million for the Regional Planning Consortiums and $6 million for the removal of the 53rd Medicaid Cycle. Finally, as with the other agencies, the Executive withholds five percent of all aid to localities appropriations.

The Executive Budget also includes $10.7 million in savings from non-recurring FY 2021 CARES Act Funding.

OMH Capital Projects Cash

As far as capital projects, $274 million is in the bonded capital fund and $106.6 million originates in the hard dollar fund. New capital project expenditures include $42.8 million for COVID-related project delays and $1.6 million for re-estimates.

Selected Items

First Responder Suicide Prevention

In FY 2021, an appropriation of $1 million was included in the enacted budget that sought to increase suicide prevention efforts specifically for veterans and first responders. Due to the COVID-19 emergency, the Division of the Budget did not release funding for this program during FY 2021. This year, no decision has been made concerning another yearlong delay of the Veteran and First Responders Suicide Prevention funds nor over how it would be allocated if it were to be spent.

Support for High-Need Individuals

The Executive includes an additional $9.7 million appropriation in order to assist individuals living in transitional adult homes in New York City to transition to an integrated setting.

Office of Addiction and Mental Health Services

The Executive proposes to merge the Office of Mental Health with the Office of Addiction Services and Supports, creating the Office of Addiction and Mental Health Services. Though the Executive has yet to announce what savings this move will realize, the merger of the two departments will eliminate bureaucratic overlap. Additionally, both offices will develop integrated licensing regimes. There are no layoffs anticipated from the measure.

Article VII (S.2507 / A.3007)

- *Creates the Office of Addiction and Mental Health Services* (See Section Three\S.2507, Part CC for details)

Article VII (S.2507 / A.3007)

- *Authorize Integrated Licensure* (See Section Three\S.2507, Part DD for details)

Reductions for FY 2022

The Executive will achieve savings of $26 million by closing 200 vacant state-operated beds operated by OMH by the year-end of FY 2022. The Executive has not released the geographic location of these beds.

Deferral of General Salary Increases

The Executive proposes a financial savings of $20 million by deferring the scheduled general salary increase of Office of Mental Health employees.

Rockland Children's Psychiatric Center

The Budget contains language that will convert the Rockland Children's Psychiatric Center to a Comprehensive Children's Center (CCC). The conversion of the Rockland Children's Psychiatric Center into a CCC is projected to save $8 million. Following its conversion, the Comprehensive Children's Center will be volunteer-operated and will serve children and youth in need of brief, intensive community-based care.

PFC Joseph P. Dwyer Peer Support Program

The Executive eliminates the Dwyer Peer Support Program, as well as other Legislative additions typically added by the Legislature.

Office of Addiction Services and Supports

Appropriations

The Executive Budget requests $919 million in All Funds Appropriations, an increase of $94 million, or 11.4 percent, for FY 2021. Minimum wage increases, community-based service development, and additional appropriation authority for potential Substance Abuse Prevention and Treatment (SAPT) Block Grant funding primarily drive this increase.

OASAS State Operations Cash

State Operations Cash expenditures total $96.1 million in 2022, up $302,000 from $95.8 million in 2021. Increases to State Operating Funds include: $3.4 million for personal re-estimates, $3.2 million for SAPT Grant utilization and $1.5 million for personal service costs charged to the Coronavirus Relief Fund in FY 2021. The Executive Budget anticipates a savings of $400,000 through non-personal service reevaluations and by reducing the Public Awareness Campaign by $500,000.

In addition, the Executive Budget also utilizes federal funds, achieving savings from non-recurring CARES Act funding of $3.7 million and a SAPT Grant of $3.2 million.

OASAS Aid to Localities Cash

In FY 2022, the Executive Budget proposes an OASAS Aid to Localities appropriation of $460.3 million, reduced by $15.7 million from a FY 2021 funding level of $476.1 million.

The Executive adds funding of $4.5 million for audit recoveries and performance review, $2.8 million for Community Bed Reinvestments, $1.8 million for statutorily scheduled minimum wage increases, and $941,000 for re-estimates to the Aid to Localities base.

The Executive reduces the NYC Department of Education (DOE) Prevention Funding by twenty percent ($3.5 million), the Jail-Based Treatment Funding by fifty percent ($1.9 million), the College Coalition Initiative by fifty percent ($1.2 million), and the Day Rehabilitation Funding by fifty percent ($826,000). The Executive eliminates the HIV Early Intervention Services Funding ($3.2 million) and Regional Addiction Resource Centers Funding ($903,000). Finally, as with the other agencies, DOB has reduced aid to localities by five percent.

The Executive also achieves a savings of $14.2 million from the FY 2021 Federal SAPT block grant cycle adjustment.

OASAS Capital Projects Cash

Capital expenditures total $10.7 million for hard dollar capital projects and $77.6 million for bonded capital projects. Changes to the OASAS Capital Projects include $96,000 in savings from new hard dollar capital re-estimates and $41 million in COVID-Related project delays.

Selected Items

Jail Based Treatment Funding

The appropriation for jail-based treatment of substance use disorders in the FY 2022 Executive Budget is reduced from $3.75 million to $1.875 million with a projected savings of $1.875 million. According to the Executive, this reduction is due to lower jail populations resulting from bail and discovery reform.

Continued Investment in Residential Treatment Beds

The Executive has continued funding to enhance treatment and recovery programs and provide residential service opportunities. The Executive includes a $25 million, or 4.1 percent, increase to the aforementioned programs. Partially through this funding, OASAS will open more than 160 new residential treatment beds by the end of FY 2022.

Office for People with Developmental Disabilities

Appropriations

The FY 2020 Executive Budget recommends $4.9 billion in All Funds appropriations for OPWDD: $2.6 billion for Aid to Localities, $2.2 billion for State Operations and $109 million for Capital Projects. This reflects a decrease of $60 million, or 1.2 percent from FY 2021.

State Operations Cash

State Operations spending for OPWDD totals $1.34 billion for FY 2022, an increase of $12 million from FY 2021. The Executive expends $13.7 million for personal and non-personal service re-estimates, $12.3 million in personal costs reimbursed by the Coronavirus Relief Fund in FY 2021, $4 million from active management of residential units, and $817,000 from eliminating the Residential Reserve for Action Allowance.

The Executive achieves $1.1 million of savings from the annualization of FY 2021 savings actions and $1 million in savings from combining the Institute for Basic Research with the New York State Psychiatric Institute.

The Executive Budget also achieves savings of $15.8 million from non-recurring FY 2021 CARES Act funding.

Aid to Localities Cash

The Executive Budget expends $44.6 million for a non-recurring cost shift, $31.6 million to compensate for the increasing minimum wage, as well as $53.4 million for the costs associated with new services for individuals who are entering the OPWDD system for the first time. New spending also includes $25.3 million for the annualization of expired Federal Medical Assistance Percentages (FMAP) and $33 million due to spending constraints during FY 2021.

The Executive Budget includes savings of $33 million from the annualization of FY 2021 savings actions, $20.8 million from decreasing coordinated care organization capitation rates and an additional $14.9 million through actively managing residential services.

The Executive Budget achieves a savings of $6.9 million through the Residential Reserve for Replacement Allowance, as well as a savings of $10.5 million through a Medicaid rate cut. The Division of the Budget withholds five percent across the board for OPWDD.

Selected Items

Continued Support for Housing

The Executive continues to support independent living opportunities for individuals with intellectual and developmental disabilities. The state has consistently invested in OPWDD's efforts to develop effective and efficient residential opportunities. In FY 2022, the state invests $15 million to bring total investment to $95 million since FY 2016. OPWDD's goal is to support 36,000 individuals in certified community-based housing during FY 2022, as well as ensure that OPWDD places individuals in the most integrated setting possible.

Justice Center For the Protection of People with Special Needs

Appropriations

In the FY 2022 Executive Budget, the Executive appropriates $57.4 million for State Operations of the Justice Center, a $406,000, or .7 percent decrease from FY 2021. In the Aid to Localities portion, the Community Support Program decreases by $230,000, or 29 percent, from $799,000 to $569,000.

State Operations Cash

State Operations Cash for FY 2022 totals $44.3 million, a $1.15 million dollar decrease from FY 2021. New expenditures include $857,000 for personal and non-personal service, in addition to $32,000 for fringe benefit and indirect costs. The Executive achieves a savings $7.8 million through the Medicaid Cost Allocation Plan Credit, which allows New York to shift these expenses to Federal funds. Additionally, the Executive realizes a savings of $704,000 through personal service and non-personal service re-estimates.

Regarding Federal Funds, the Executive expends $7.8 million through the Medicaid Cost Allocation Plan and $14,000 through personal and non-personal service re-estimates. The Executive Budget achieves a savings of $857,000 through personal service and non-personal service costs charged to the Coronavirus Relief Fund. Finally, the Executive saves $492,000 through fringe benefit and direct cost adjustments.

Local Assistance Cash

Local Assistance totals $419,000 in FY 2022, a decrease of $230,000 or 35.4 percent. This decrease occurs because the Executive removes the Adult Home Advocacy Program from the Justice Center, accruing $230,000 in savings.

Article VII: (S.2507 / A.3007)

- ***Part EE****: Eliminate Requirement to Administer an Adult Home Advocacy Program within the Justice Center* (See Section Three\S.2507, Part EE for details)

Developmental Disabilities Planning Council

The Executive appropriation of $4.8 billion for the Developmental Disabilities Planning Program remains unchanged for FY 2021.

The Executive proposes $4.2 million in disbursements in FY 2022, which reflects no change from FY 2021.

FACT SHEET: Human Services

Analyst- Charles Silverstein
Phone- (518) 455-3355
Email- silverst@nysenate.gov

Human Services Budget Overview

- The (FY) 2022 Executive Budget recommends a decrease in All Funds cash disbursements of $3.7B, or twenty eight percent, for all human services agencies, with total recommended spending of $9.7B.

Notable Issues

Office of Children and Family Services (OCFS)

- Authorizes the closure of four state youth facilities.
- Requires local social service districts to establish differential response programs that would serve as an alternative to child protective services for select allegations of maltreatment.
- Consolidation of ten Community Multi Service Offices (CMSOs) and four satellite offices in New York City and Central New York.
- Authorize the consolidation of the Community Optional Preventive Services (COPS) and Treatment Services for Juveniles Program (STSJP).
- Makes permanent the current elimination of the 18.42 percent State share of reimbursement, to counties outside of New York City, for placements made by the Committee on Special Education (CSE).

Department of Labor (DOL)

- There is a FY 2021 deficiency bill (S.2511) that increases appropriation authority for the Unemployment Insurance Benefit Fund by $11B, for total appropriation authority of $71B.
- Proposes a package of reforms to the unemployment system including technology upgrades, allow work search activates to be conducted via video conference or online, and creating a centralized virtual portal for workers to file wage discrimination, retaliation and other workplace violation claims.
- Authorizes new benefit calculations for partial unemployment insurance.
- Require public and private employers to provide four hours of paid leave for up to two COVID-19 vaccinations for each employee.
- Extends prevailing wage to covered renewable energy projects.

Division of Veterans' Affairs (DVA)

- Authorizes the expansion of Veterans' Treatment Courts ensuring that Veterans receive appropriate services and that their cases are resolved in a fair and reasonable manner.

Division of Human Rights (DHR)

- There is a concurrent resolution to the New York State Constitution to expand protected classes covered under the Equal Rights Amendment to include sex, sexual orientation, gender identity or expression, ethnicity, national origin, age, and disability.

Spending Highlight

Office of Temporary and Disability Assistance (OTDA)

- Continues $128 million in appropriation authority for the Homeless Housing and Assistance Program (HHAP).

Office of Children and Family Services (OCFS)

- $500 million increase in Federal appropriation authority to support additional emergency funding for Child Care Programs.
- $6 million start up grants to create programs in childcare deserts.
- $250 in additional appropriation authority to support implementation of Raise the Age.

HUMAN SERVICES

Human Services Proposed Disbursements - All Funds (Thousands of Dollars)				
	Estimated	Proposed	Change	
Agency	**FY 2021**	**FY 2022**	**Amount**	**Percent**
Children and Family Services	3,193,443	2,849,241	(344,202)	-10.78%
Temporary and Disability Assist.	5,236,835	5,964,944	728,109	13.90%
Welfare Inspector General	768	753	(15)	-1.95%
Department of Labor	4,765,491	647,355	(4,118,136)	-86.42%
Workers' Compensation Board	228,305	230,203	1,898	0.83%
Division of Veterans' Affairs	15,732	15,583	(149)	-0.95%
Division of Human Rights	14,343	13,940	(403)	-2.81%
National and Community Service	16,986	17,305	319	1.88%
Raise the Age	1	1	0	0.00%
Nonprofit Infrastructure Capital Program	18,000	15,000	(3,000)	-16.67%
Totals:	**13,489,904**	**9,754,325**	**(3,735,579)**	**-27.69%**

The Fiscal Year (FY) 2022 Executive Budget recommends a decrease in All Funds cash disbursements of $3.7 billion, or 28 percent, for all human services agencies, with total recommended spending of $9.7 B.

Office of Children and Family Services (OCFS)

The FY 2022 Executive Budget recommends All Funds spending of $4.5 billion, an increase of $418 million or 9.3 percent from FY 2021. OCFS requests a workforce of 2,514 full time equivalents (FTE), which is a decrease of 285 FTEs from FY 2021.

State Operations

The Executive Budget recommends decreasing OCFS State Operations appropriations by $16.4 million. The change can be attributed to the following decreases:

- $10.9 million decrease from the closure of four OCFS operated Youth Facilities: Brentwood Non Secure Residential Center (Suffolk County), Columbia Secure (Columbia County), Goshen Secure (Orange County) and Red Hook Non-Secure Residential Center (Dutchess County).
- $3.7 million decrease for the annualization of the closure of the Youth Leadership Academy Limited Secure Facility, which was part of the FY 2021 Enacted budget.
- $1.8 million decrease as proposed by the Executive to consolidate Community Multi-Service Offices (CMSO). OCFS operates ten CMSOs and four satellite offices. The recommendation will consolidate

offices in New York City and Central New York and result in a total of eight CMSOs and one satellite office. The Executive claims this will produce $1.8 million in savings with a reduction of 25 FTEs.

Aid to Localities

The Executive Budget recommends OCFS Aid to Localities appropriation authority of $3.9 billion, an increase of $432 million from FY 2021. The increase is attributed to changes in the following programs:

- $500 million increase in federal appropriations to support emergency funding for child care programs.
- $27.2 million in General Fund support for the State Child Care Program.
- $8 million increase for the Supervision and Treatment Services for Juveniles Program (STSJP). The increase is a result of combining (STSJP) with the Community Optional Preventive Service Program (COPS). The Executive claims this will allow local governments to react better to changing needs in the field and will provide greater flexibility in service delivery for at-youth risk.
- $1.2 million increase for post-adoption services.

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

- $69.4 million or five percent decrease in local assistance payments. Programs include: Child Care, Child Welfare, Foster Care, Adoption, Adult Protective and Domestic Violence Services, Foster Care and Adoption Assistance to Indian Tribes, Child Fatality Review Teams, Child Advocacy Centers, DASNY, Secure and Non-secure detention, Detention Reconciliation, Detention Capital, Youth Development, Runaway and Homeless Youth, Post-placement Care, Kinship Services, Domestic Violence Flexible Funding Pilot, Home Visiting, Hoyt, NY/NY III Supportive Housing and Family Preservation. The Executive states that the reduction will keep funding consistent with programs throughout the State.
- Eliminates $28.8 million in legislative adds.
- $50,000 elimination of a Legislative addition for the Helen Keller Services for the Blind, which funded the New York State Commission for the Blind.

FY 2022 Legislative Additions Eliminated by the Executive Office of Children and Family Services	
Item	Amount
Child Advocacy Centers	$2,000,000
Fresh Air Fund	$1,000,000
Youth Dev. Prog.	$1,500,000
Runaw ay/Homeless Youth	$500,000
Kinship CareGiver Prog	$950,000
Catholic Family Center Rochester	$100,000
Safe Harbour NY	$2,000,000
Settlement House Prog	$2,450,000
2-1-1 New York (referral to community and social services	$1,250,000
Asian Americans for Equality	$100,000
Associatiom of New York State Youth Bureaus	$250,000
Boys and Girls Club of Harlem	$175,000
Campaign Against Hunger	$60,000
Center for Popular Democracy	$200,000
Chinese American Planning Council	$90,000
Citizens Committee for NYC	$200,000
Common Point Queens	$135,000
Community Voices for Youth and Families of Long Island	$1,500,000
Federation of Italian American Organizations	$80,000
Fresh Air Fund	$1,000,000
Fortune Society Freedom Commons	$100,000
Gantry Parents Association	$30,000
Gatew ay Youth Outreach	$90,000
Hartley House Inc	$40,000
Legal Services of Hudson Valley	$400,000
Long Beach Christmas Angel	$50,000
Metropolitan New York Corrdination Council on Jew ish	$90,000
New Alternatives for Children	$400,000
NYPD Youth Explorers Program	$100,000
New York State Alliance Boys and Girls Club	$750,000
Health, Human Services Oranizations, and Community	$2,846,509
Municiplaities and Nonprofitt Oranizations Lump sum	$6,700,000
New York State YMCA Foundaiton	$400,000
Cornell Center Bufffalo	$150,000
Fearless! (Orange County Safe Homes Project, Inc)	$60,000
Pelham Together	$20,000
Tri Community Youth Agency	$100,000
United Jew ish Organizations of Williamsburg	$125,000
Urban Upbound	$200,000
Weeksville Heritage Center	$25,000
Westchester County Youth Bureau	$225,000
Woodside on the Move	$180,000
YMCA of Greater NY - Bedford Stuyvesant YMCA	$100,000
Youth Theatre Interactions, Inc	$50,000
El Centro Hispano	$30,000
Sister to Sister International	$20,000
Subtotals	**$28,821,509**

Capital

The FY 2022 Executive Budget recommends All Funds capital spending of $43.4 million, which is unchanged from FY 2021.

Raise the Age

The FY 2021 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 2022 Executive Budget recommends $250 million miscellaneous Aid to Localities appropriation to support the continued implementation of Raise the Age, for total appropriation authority of $500 million.

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 2022 Executive budget proposes to make the current funding structure permanent. The Executive claims this will produce $28 million in annual savings.

Federal Family First Prevention Services Act (FFPSA)

The Executive Budget includes legislation to facilitate compliance with the Federal Family First Prevention Services Act (FFPSA), created to help children safely with their families or in the least restrictive, most family like setting appropriate to their special needs when foster care is needed. The FY 2022 Executive Budget includes a $25 million federal appropriation to assist with Statewide FFPSA compliance and a $50 million federal appropriation for temporary grants to entities with expired demonstration projects, such as the NYC Title IV-E waiver.

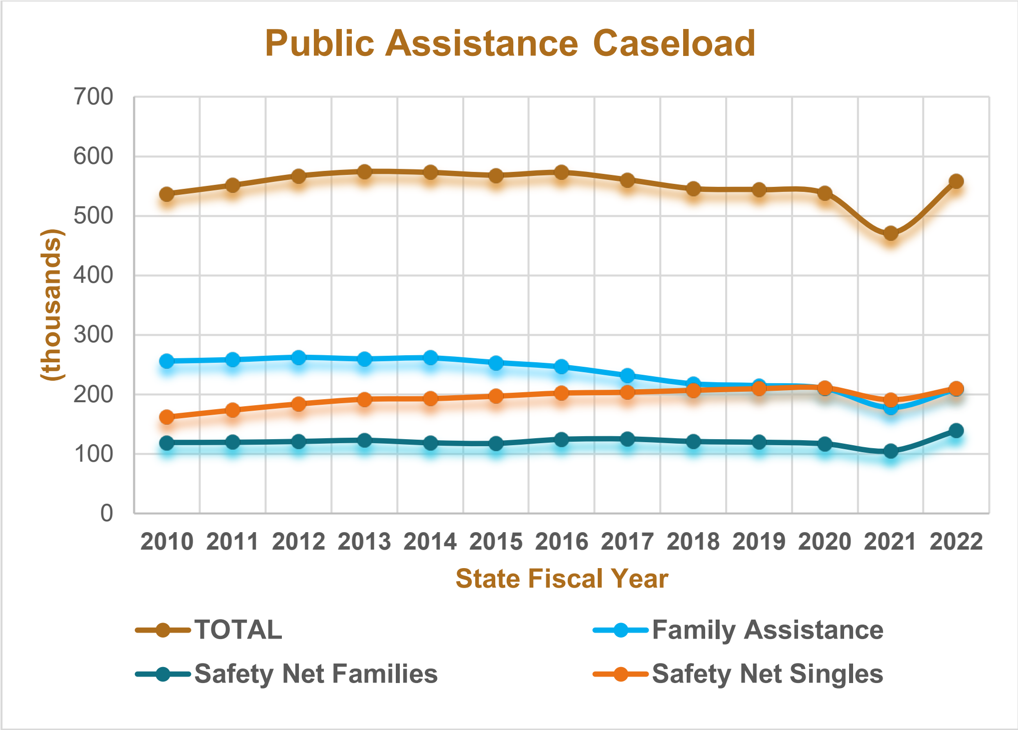
Article VII Proposals

The Executive proposes the following Article VII legislation:

- *Youth Facility Closures* (see Section Three\S.2506, Part H for more detail)
- *Eliminate the State Share for Committee on Special Education* (see Section Three\S.2506, Part I for more detail)
- *Expand Childcare Affordability* (see Section Three\S.2506, Part Z for more detail)
- *Comply with the Federal Family First Act Requirements* (see Section Three\S.2506, Part L for more detail)
- *Require Differential Response Program extender* (see Section Three\S.2506, Part M for more detail)
- *BOCES extender* (see Section Three\S.2506, Part K for more detail)

Office of Temporary and Disability Assistance (OTDA)

The FY 2022 Executive Budget recommends All Funds spending of $7.3 billion, an increase of $1.4 billion or twenty-four percent from FY 2021. The FY 2022 Executive Budget recommends a workforce of 1,824 FTEs, unchanged from the FY 2021 level.



State Operations

The FY 2022 Executive Budget recommends All Funds appropriation authority of $446 million, unchanged from FY 2021 levels.

Aid to Localities

The Executive Budget recommends increasing Aid to Localities appropriations by $6.7 billion, an increase of $1.4 billion or 26 percent. The change can be attributed to the following increases:

- $1.3 billion in Federal appropriation authority proposed by the Executive for the CARES Emergency Rent Assistance Program. The program would support households in rental arrears and who are at risk of homelessness or housing instability, and that earn less than 80 percent of area median income. The program would prioritize the unemployed and those with the lowest incomes.
- $200 million increase in federal appropriation authority for TANF Emergency Assistance to Needy Families (EAF).
- $70 million in additional funding for the State Safety Net Assistance Program.
- $51 million increase in Federal appropriations for the Homeless Housing and Assistance Program.
- $20 million increase in federal appropriations for the Supplemental Nutrition Program (SNAP).
- $2.5 million in additional support for Homeless Housing and Preventive Services Program.

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

- $194 million decrease to the Federal Health and Human Services Fund.
- $24.1 million elimination of Legislative adds.
- $3.5 million to the Adult Homeless Shelters Program.

FY 2022 Legislative Additions Eliminated by the Executive Office of Temporary and Disability Assistance	
Item	Amount
Ibero-American Action League	$50,000
Mohawk Valley Latino Association	$50,000
Family Residence and Essentials Enterprises, Inc	$50,000
Centro Civico of Amsterdam	$50,000
Spanish Action League in Onondaga	$50,000
Hempstead Hispanic Civic Association	$50,000
Hispanic Federation	$50,000
Advantage After School Prog. - additional services/expenses	$5,000,000
Welfare to Careers Prog. (CUNY, NYC and Westchester)	$800,000
Technology Assisted Training Prog	$2,000,000
Career Pathways Prog	$1,425,000
Centro of Onieda	$25,000
CUNY Childcare	$141,000
Facilitated Enrollment Pilot Prog. (Capital Region-Onieda)	$2,549,000
Facilitated Enrollment Pilot Prog. (Brooklyn, Queens, Bronx & Monroe County)	$5,939,000
SUNY Childcare	$193,000
Preventive Services	$785,000
Rochester-Genesee Regional Transportation Authority	$82,000
Non-custodial Parent (NCP) Employment Program	$200,000
Wage Subsidy Program	$475,000
Wheel for Work Program	$144,000
Technology Assisted Learning Programs	$2,000,000
NYS Services to At-Risk-Youth (Nassau and Suffolk)	$1,000,000
Enhanced Services to Refugees Program	$1,000,000
Subtotal	**$24,108,000**

Capital

The FY 2022 Executive Budget recommends OTDA Capital Appropriation of $128 million, unchanged from FY 2021 levels.

Continue the $20 Billion Affordable Housing and Homelessness Initiative

The FY 2022 Executive Budget continues funding to support full implementation of the five-year investment for the Affordable and Homeless Housing Plan, which continue to create new housing opportunities for individuals in need of supportive services and provide resources to support vulnerable populations in securing stable housing.

Create more Homeless Housing

The FY 2022 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.

Align Gifts to Food Banks with Related Programs

A fund associated with a tax check off box for New Yorkers to voluntarily contribute to food banks through their tax return is currently exists within OTDA. Legislation included in the budget would transfer ownership of this fund to the Department of Health (DOH), which administer similar food bank programs. The Executive claims that DOH is best positioned to determine the most impactful distribution of the revenues received from tax returns and consolidation of these efforts will lead to more effective and equitable distribution of the revenues.

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, 2022* (see Section Three\S.2506, Part P for more detail)
- *Align the Gifts to Food Banks Tax Check-Off Fund with Related Programming* (see Section Three\S.2506, Part Q for more detail)
- *Streamline Administrative Process for Transfer of Unclaimed Child Support* (see Section Three\S.2506, Part V for more detail)

Division of Human Rights (DHR)

The FY 2022 Executive Budget recommends an All Funds appropriation of $18.2 million, unchanged from FY 2021 levels. Requested workforce of 149 FTE's remains unchanged from FY 2022.

Article VII Proposals

The Executive proposes the following Article VII legislation

- *Concurrent Resolution to add an Expanded Equal Rights Amendment to the New York State Constitution* (see Section Three\Concurrent Resolutions for more detail)
- *Expand the Human Rights Law to Include For-Profit Schools* (see Section Three\S.2506, Part R for more detail)
- *Prohibit Discrimination Based on Citizenship* (see Section Three\S.2506, Part S for more detail)

Department of Labor (DOL)

The FY 2022 Executive Budget recommends All Funds Spending of $647 million, an increase of $55 million or 9.3 percent from FYT 2020. The financial plan projects current DOL spending in FY 2021 at approximately $4.8 billion. This reflect $4.2 billion in non-recurring federal local assistance disbursements.

The above projections do not include disbursements from the Unemployment Insurance (UI) Enterprise Fund, which is a proprietary fund.

DOL staffing levels remain unchanged at 2,695 FTE.

State Operations

The FY 2022 Executive Budget requests All Funds appropriation authority of $1.79 billion, an increase of $139 million or eight percent from FY 2021. Of this amount, $130 million is a new Enterprise Fund appropriation to the UI Interest Assessment Account to pay interest on federal funds loaned to New York State for the payment of benefits.

Cash disbursements are projected at $66.4 million, an increase of $1.6M or 2.4 percent from FY 2021.

Unemployment Insurance Program

The FY 2022 Executive Budget recommends an appropriation of $60B to the UI Enterprise Fund. The FY 2021 Enacted Budget appropriated $60B to the UI Fund. In addition, an FY 2021 Deficiency Budget bill appropriates an additional $11B to UI for FY 2021, for a total of $71B.

According to the Executive, since the beginning of the pandemic, more than $61 billion in unemployment benefits have been paid out to more than four million New York residents.

Aid to Localities

The FY 2022 Executive Budget recommends All Funds appropriation authority of $262.1 million, an increase of $38.6 million or 17 percent. The increase includes an appropriation for $50 million for a Covid-19 recovery workforce initiative. Any amount of this appropriation can be transferred to other parts of the budget. These amounts exclude funding for the UI Enterprise Fund discussed above.

The FY 2022 Executive Budget eliminates $12.1M in legislative initiatives:

Item	Amount
Department of Labor (DOL)	
AFL-CIO Cornell Domestic Violence	150,000
AFL-CIO Cornell Leadership	150,000
AFL-CIO Cornell Sexual Harassment Prevention	150,000
BTPAP, Rochester	200,000
BTPAP, Nassau County	200,000
BTPAP, WNY	200,000
BTPAP, Newburgh	200,000
Displaced Homemaker	1,620,000
New York State Pipe Trades	140,000
Criminal Records Program, ILR - Cornell	50,000
Manufacturers Association of Central New York	750,000
Project HOPE	100,000
NYCOSH	350,000
NYCOSH (Long Island)	200,000
LaGuardia Community College	100,000
Northeast Coalition for Occupational Safety and Health	85,000
LGBTQ Community Ctr	100,000
Newburgh LGBTQ Center	100,000
Workforce Development Institute	4,000,000
Workforce Development Institute, Manufacturing	2,500,000
WNYCOSH	200,000
Worker Institute, Cornell	300,000
Youth Build	250,000
Subtotals	**12,095,000**

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *Encourage Part-Time Work through Partial Unemployment Insurance Benefits* (see Section Three\S.2508, Part T for more detail)
- *Provide Paid Leave for COVID-19 Vaccination* (see Section Three\S.2506, Part W for more detail)
- *Prevailing Wage for Covered Renewable Energy Products* (see Section Three\S.2506, Part AA for more detail)

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *NYSIF Out-of-State Coverage* (see Section Three \ S.2505, Part V for more detail)
- *NYSIF Enhanced Investment Authority* (see Section Three \ S.2505, Part W for more detail)
- *Reserve and Deposit Accounts* (see Section Three \ S.2505, Part X for more detail)

Workers' Compensation Board (WCB)

State Operations

The FY 2022 Executive Budget recommends an All Funds appropriation of $206 million, unchanged from FY 2021. The Board's workforce of 1,049 FTE's remains unchanged.

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *NYSIF Out-of-State Coverage* (see Section Three \ S.2505, Part V for more detail)
- *NYSIF Enhanced Investment Authority* (see Section Three \ S.2505, Part W for more detail)
- *Reserve and Deposit Accounts* (see Section Three \ S.2505, Part X for more detail)

Division of Veterans' Services (DVS)

The FY 2022 Executive Budget recommends All Funds spending of $19.6 million, a decrease of $2 million from FY 2022. The Executive Budget recommends a workforce of 90 FTE employees for FY2022, which is reduced from 93 FTEs in FY 2021.

State Operations

FY 2022 State Operations Appropriation Authority remains unchanged $8.7 million.

Aid to Localities

The FY 2022 Executive Budget the Division's Aid to Localities appropriations are $10.8 million, a decreases of $1.9 million from FY 2021. The reduction is primarily the elimination of Legislative adds.

Department of Veterans Services (DVS)	
Item	**Amount**
Legal Services Hudson Valley Veterans	$130,000
SAGE	$100,000
NYS Defenders Assoc. Veterans Defense Prog	$250,000
North Country Veterans Association	$100,000
Hudson Valley Veterans and Military Families Advocacy Project	$200,000
Dept. of NY Veterans of Foreign Wars of Us	$125,000
NYS Defenders Assoc. Veterans Defense Prog	$250,000
NYS Defenders Assoc. Veterans Defense Prog (L.I.)	$220,000
Helmets-to-Hardhats	$200,000
Clear Path for Veterans	$250,000
Veterans for American NYS Council	$50,000
Total	**$1,875,000**

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *Ensures Statewide access to Veterans Treatment Courts* (see Section Three\S.2506, N for more detail)
- *Extend the Hire-A-Vet Credit for Two Years* (see Section Three\S.2509, Part II for more detail)

Office of the Welfare Inspector General

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

Miscellaneous

Office of National and Community Service

The FY 2021 Executive Budget recommends $30.8 million in appropriation authority, unchanged from FY 2021.

The Executive Budget recommends a workforce of 10 FTEs, which is unchanged from FY 2021 levels.

PAGE INTENTIONALLY LEFT BLANK

FACT SHEET: General Government

Analyst- Brittany Volpe James Eagan -Barbara McRedmond
Phone- (518) 455-2266 (518) 455-2867 (518) 455-2069
Email- volpe@nysenate.gov eagan@nysenate.gov mcredmon@nysenate.gov

General Government Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending authorization for General Government agencies of $2.8 billion, a decrease of $113 million or a 4 percent, from the current year. This decrease is primarily attributed to a $150 million reduction to the Office of Technology Services offset by a $37.4 million increase in the Division of Alcoholic Beverage Control.
- New York State will not amortize pension costs for FY 2022. The Executive anticipates paying the full amount of the state's pension obligation in April 2021.

Notable Issues

- Create the Office of Cannabis Management within the Division of Alcoholic Beverage Control to regulate legalized recreational marijuana.
- Sixth round of $10 million in funding for the Downtown Revitalization Initiative identical to that included in the FY 2017, FY 2018, FY 2019, FY 2020, and FY 2021 Enacted Budgets ($100 million total).

Local Government Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending authorization of $667.4 million, a decrease of $9.8 million, or one percent, from the current year:

Notable Issues

- Reductions and changes to the Aid and Incentives for Municipalities (AIM) program for cities
  - The Executive proposes to reduce the amount of AIM base payments for cities by 2.5 percent for those cities with the greatest reliance on AIM (calculated as a percentage of the total city budget).
  - The Executive proposes up to a 20 percent cut for those cities that show the least reliance.
  - The Executive proposal would reduce base level grant spending by a total of $39 million, or six percent from FY 2021.

- Reductions and changes to the AIM program for towns and villages
    - Remaining AIM payments for towns and villages will be shifted to AIM-Related payments, which would be funded local sales tax collections.
    - Additionally, these AIM-related payments are reduced by 20 percent to all towns and villages.
    - The average reduction would be $9,252.
- Make the County-wide Shared Services Initiative Permanent:
    - Local governments are required to meet and 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.
    - Since 2019, countywide plans have identified over 850 projects with property tax savings.
    - The budget includes over $200 million in reappropriations and would make the initiative permanent.
- Eliminates Video Lottery Terminal (VLT) Aid
    - This category of State aid was created to support assumed local service needs with hosting VLT facilities.
    - The Executive proposes to eliminate VLT aid to 15 municipalities outside the City of Yonkers.
    - The total reduction in aid would be $9.3 million.
    - The City of Yonkers will continue to receive VLT aid because this is the only municipality that directs funds to educational purposes.

Department of Civil Service Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending level of $14.6 million which is flat from the FY 2021 Enacted Budget.
- The Executive proposes a General Fund appropriation increase of $800,000 for a planned upgrade for virtual testing.

Notable Issues

- Eliminate IRMAA reimbursement effective January 1, 2021
- Implements a sliding scale reimbursement of health care costs at retirement. Such plan would only apply to new hires and would not apply to individuals who retire with an ordinary, accidental, or performance of duty disability pension.
- Freezes current rate for Standard Medicare Part B premium paid to eligible New York State Health Insurance Program Retirees.

Spending Highlights

The Aid to Localities Budget for Civil Service remained the same.

Office of Employee Relations Budget Overview

- The Fiscal Year 2022 Executive Budget proposes All Funds spending level of $6.3 million, which is a decrease of 2.2 percent.

Notable Issues

- Workforce FTE's remain flat at 61 FTE's

Spending Highlights

- State operations for Office of Employee Relations decreased by 2.2 percent

PAGE INTENTIONALLY LEFT BLANK

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 2022 Executive Budget recommends All Funds Cash Disbursements of approximately $2.8 billion for General Government Agencies, General State Charges and Local Government Assistance. This represents a year-over-year decrease of $113 million or 4 percent from FY 2021 levels. The majority of this decrease is attributed to a $150 million reduction to the Office of Technology Services offset by a $37.4 million increase in the Division of Alcohol and Beverage Control.

The following General Government Agencies are projected to have flat or near flat All Funds cash disbursement growth in FY 2022:

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

Division of Alcoholic Beverage Control

The FY 2022 Executive Budget recommends all funds cash disbursements of $31.7 million, an increase of $18.9 million or 85 percent. This entire increase is due to the proposed creation of the Office of Cannabis Management, which would oversee the regulation of Adult Use Cannabis as proposed in the FY 2022 Executive Budget.

The workforce of 322 FTEs includes an increase of 208 FTEs from FY 2021, in anticipation of staffing for the Office of Cannabis Management.

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *Temporary manufacturing permits for Bars and Restaurants* (See Section One\S.2505 Part Y for details)

Division of the Budget

The FY 2022 Executive Budget recommends All Funds spending of $28 million, a decrease of $2.9 million or 10 percent from FY 2021.

This cash decrease is primarily driven by a decrease in personal service costs offset by the elimination of $537,000 for membership dues to the Council on State Government, National Conference of State Legislators, the National Conference of Insurance Legislators and a one-time legislative addition relating to New York State's sponsorship of a Council on State Government conference held in New York.

Agency appropriation authority decreased by $537,000 to 49.2 million.

The workforce of 261 FTE remains unchanged from FY 2021.

Department of Civil Service

The Fiscal Year 2022 Executive Budget proposes All Funds spending level of $14.6 million, which is flat from the FY 2021 Enacted Budget.

The Executive proposes a General Fund appropriation increase of $800,000 for a planned upgrade for virtual testing.

The workforce of 336 FTE's remains unchanged.

Office of Employee Relations

The Fiscal Year 2022 Executive Budget proposes All Funds spending level of $6.3 million, which is a decrease of 2.2 percent from the FY 2021 enacted budget.

The workforce of 61 FTE's remains unchanged.

Department of Financial Services (DFS)

The Fiscal Year 2022 Executive Budget proposes All Funds spending of $391 million a decrease of $906,000 or .2 percent from FY 2021.
Appropriation authority increases by $7.4 million from $439.6 million a 1.5 percent increase from FY 2021. The increase is primarily due to additional support for the Family Planning Program within the Department of Health.

The workforce of 1,391 FTEs remains unchanged from FY 2021.

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *Mortgage forbearance* (see Section Three\S.2505, Part LL for more detail)
- *Discontinuation of London Interbank Offered Rate* (LIBOR) (see Section Three\S.2505, Part PP for more detail)

Gaming Commission

The FY 2022 Executive Budget recommends All Funds appropriation of $424.4 million, a decrease of $8.2 million or two percent.

The Executive Budget recommends State Operations of $103.4 million, a decrease of $10 million. This is primarily driven by a decrease in Lottery Administration contracting and transferring the Gaming Inspector General to the Office of the State Inspector General (four FTEs).

The Executive Budget recommends Aid to Localities appropriations of $321 million, an increase of $2 million. This is in anticipation that four 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 2022 Executive Budget recommends Commercial Casinos local assistance appropriation authority of $62 million, consistent with FY 2021.

The FY 2022 Executive Budget anticipates the Video Lottery Gaming (VLG) program to generate $746 million for Education, a 100 percent increase from updated FY 2021 projections; though $200 million lower than FY 2020 results. VLG receipts have been severely impacted due to restrictions placed upon gaming facilities.

Video Lottery Terminal (VTL) Host Aid Reduction

Currently, 16 municipalities receive $28.9 million on VLT Host Aid to be used to mitigate the local costs associated with the gaming facility, to reduce real property taxes, or to increase support for public schools.

The FY 2022 Executive Budget eliminates aid for 15 of these municipalities for a $9.3 million impact on locals. The City of Yonkers, which is the only municipality eligible to use their aid for education, would continue to receive their FY 2021 portion, which is 95 percent of their FY 2021 allocation, which is approximately $18.6 million per year.

VLT Aid to Municipalities				
Facility	**Municipality**	**2020-21**	**2021-22**	**Change**
Empire City	Yonkers	19,600,000	18,620,000	(980,000)
Saratoga Casino	Saratoga-City	2,325,592	0	(2,325,592)
	Saratoga-County	775,198	0	(775,198)
	Total	3,100,790	0	(3,100,790)
Finger Lakes	Farmington	1,777,573	0	(1,777,573)
	Ontario	591,174	0	(591,174)
	Total	2,368,747	0	(2,368,747)
Monticello	Monticello	291,205	0	(291,205)
	Thompson	634,506	0	(634,506)
	Sullivan	308,570	0	(308,570)
	Total	1,234,281	0	(1,234,281)
Hamburg	Hamburg	865,679	0	(865,679)
	Erie	288,560	0	(288,560)
	Total	1,154,239	0	(1,154,239)
Batavia Downs	Batavia-City	440,789	0	(440,789)
	Batavia-Town	160,388	0	(160,388)
	Genesee	200,392	0	(200,392)
	Total	801,569	0	(801,569)
Vernon Downs	Vernon-Village	137,103	0	(137,103)
	Vernon-Town	231,788	0	(231,788)
	Oneida	256,796	0	(256,796)
	Total	625,687	0	(625,687)
	Total	**$ 28,885,313**	**$18,620,000**	**(10,265,313)**

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 2022 Executive Budget recommends an appropriation of $259 million, a $2 million increase from FY 2021. This is due to the January 2019 arbitration decision that requires the Seneca Nation to repay, and continue to pay, slot machine revenue that they ceased paying in April 2017 due to their interpretation of the Tribal State Compact. The Seneca Nation has appealed this decision, and continue to withhold payments.

General State Charges

The FY 2022 Executive Budget recommends General State Charges (GSC) All Funds Spending of $7.8 billion, an increase of $2.5 billion or 47 percent from FY 2021.

The $2.5B increase is allocated as follows:

- $991M reflects an offset reduction resulting from the shift of personal service costs from agencies to the Common Retirement Fund, the net effective of this is to increase GSC disbursements
- $265M of the increase reflects a 6.5 percent increase in health insurance costs primarily driven by medical inflation and the potential for increased utilization of health care services due to the pandemic

- $312M increase in pension costs derived from increased billings to the system due to investment volatility on the Common Retirement Fund (CRF) and other actuarial factors
- $834M social security reflects partial repayment of a CARES Act deferral of the employer share of the non-Medicare payroll tax in calendar year 2021 with partial repayment in FY 2022
- $30M increased State litigation costs
- $40M driven by underlying growth in Workers' Compensation

Article VII Proposals

The Executive proposes the following Article VII legislation:

- *IRMAA* (see Section Three\S.2505, Part CC for more detail)
- *Sliding Scale Reimbursement within NYSHIP* (see Section Three\S.2505, Part DD for more detail)
- *Cap State Reimbursement of Standard Medicare Part B* (see Section Three\S.2505, Part EE for more detail)

The Office of General Services

The FY 2022 Executive Budget recommends All Funds spending of $1.02 million, an increase of 4 million from FY 2021.

The proposed increase can be attributed to a transfer of FTE's and additional funding for COVID.

The requested workforce of 1,793 remains unchanged from FY 2021.

Inspector General

The FY 2022 Executive Budget recommends All Funds spending of $7.8 million, which is an increase of $584,000, or 3 percent. This increase is attributed to the merger of the Gaming Inspector General into the State Inspector General and increased lease costs.

The Agency's workforce totals 80 FTEs, an increase of four from FY 2021, which can be attributed to consolidation.

Joint Commission on Public Ethics

The FY 2022 Executive Budget recommends All Funds spending of $5.6 million, which is an increase of $187,000, or 3.4 percent. Personal service spending would decrease $40,000, or 0.9 percent. Non-personal service spending would increase approximately $227,000, or 27.7 percent.

Local Government Assistance

The FY 2022 Executive Budget recommends All Funds cash disbursements of $630 million, a reduction of $800,000 from FY 2021. For FY 2022, the total Aid to Localities appropriation is $706.4 million, a reduction of $53 million or seven percent from FY 2021. This reduction is due in large part to the proposed reduction of AIM-base aid payments to municipalities and proposed elimination of $9.3 million in video lottery terminal host aid to 15 municipalities.

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 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 proposes a severe reduction for AIM-based payments to cities, towns, and villages within the AIM program.

The Executive proposes 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 would be 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 fail 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 would result in a $35 million reduction to 61 cities that are in the program.

Towns and villages would be 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 of county sales tax revenue. In addition, beginning December 2021, these AIM-related payments would be reduced by 20 percent across the board.

Overall, this proposal would result in a total reduction of $43 million to 86 towns, 61 cities, and 51 villages. All towns and villages would be removed from the AIM program and see their payments backfilled through county sales tax revenue.

AIM DISTRIBUTION (Millions of Dollars)		
	FY 2021	FY 2022
Big Four Cities	$ 429	$ 419
Other Cities	$ 218	$ 194
Towns and Villages	$ 8	$ -
Total	**$ 655**	**$ 613**

Legislative Initiatives Eliminated from FY 2022 Enacted Budget

- County of Onondaga - $1.2 million
- Village of Delhi - $200,000
- Village of New Paltz - $200,000
- Village of Woodbury - $27,000
- Village of South Blooming Grove - $19,000
- Village of Sagaponack - $2,000

Local Government Assistance Program Reductions

All local government assistance payments will be reduced by five percent. This would primarily affect appropriations in the AIM program, local assistance to the City of Yonkers in the form of VLT Host Aid, and Small Government Assistance (payments to the counties of Essex, Franklin, and Hamilton.)

Downtown Revitalization Initiative

The Executive Budget proposes a sixth round of funding totaling $100 million for downtown revitalization initiatives financed through the Department of State. The downtown revitalization program was first proposed in FY 2017 and continued in FY 2021. 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 designed to increase 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):

- *Eliminate VLT Aid to Municipalities Outside of Yonkers* (see Section Three\S.2505; Part KK for details)
- *Reduce AIM to Cities, Replace AIM for Remaining Towns and Villages with AIM-Related Payments* (see Section Three\S.2505 Part LL for details)
- *Expand Investment Options for Counties* (see Section Three\S.2505 Part MM for details)
- *Make the Countywide Shared Services Initiative Permanent and Enhance Flexibility Within* (see Section Three\S.2505 Part NN for details)
- *Extend Authorization for Local Government Piggyback Contracts* (see Section Three\S.2505 Part OO for details)
- *Authorize Shared County Jails for Contiguous Counties* (see Section Three\S.2505 Part PP for details)

State Board of Elections (BOE)

The FY 2021 Executive Budget recommends an All Funds appropriation of $15.9 million, which is a decrease of $30.5 million, or 65.7 percent.

State operations general funding increases by $7.3 million, or 85.7 percent, to pay for administrative costs of setting up the public campaign finance board program. The Executive proposes 15 new Full Time Equivalent (FTE) positions for this program.

The large decrease in funding for FY 2022 is due to two one-time appropriations in the FY 2021 budget. A $21.8 million appropriation was included for new Help America Vote Act grant funding to support improvements to the administration of elections, including enhanced technology and security improvements. A $16 million capital appropriation was also included to fund the build-out of online voter registration as required by the Voter Enfranchisement Modernization Act of 2019.

Article VII Provisions

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

- *Expansion of Absentee Ballot Request Period* (see Section Three\S.2505; Part Q for details)
- *Establish a Deadline for Processing Absentee Ballot Requests* (see Section Three\S.2505 Part R for details)
- *Early Voting Hours Expansion* (see Section Three\S.2505 Part S for details)
- *Expedite Absentee Ballot Counting* (see Section Three\S.2505 Part T for details)
- *Timely Election Recounts* (see Section Three\S.2505 Part U for details)

Department of State

The FY 2022 Executive Budget recommends All Funds spending of $ 352.6 million, an increase of $31.4 million over FY 2021. This increase is primarily driven by support for the Office of Renewable Energy Siting, the sixth round of the Downtown Revitalization Initiative offset by the removal of $2 million for the moving of the Lake George Park Commission from DOS to DEC.

State Operations appropriations increased by 13.2 million from $89.7 million to $103.5 million in order to support the Office of Renewable Energy Siting as well as an increase in Business licensing.

Aid to Localities changed from $118.2 million to $147.1 million an increase of $29 million due to the addition of legislative initiatives.

Capital Projects remains unchanged at 102 million.

The 2022 Executive Budget recommends a workforce of 572 FTEs, an increase of 31 FTEs from FY 2021. This increase is to support the Office of Renewable Energy Siting.

Statewide Financial System (SFS)

The FY 2022 Executive Budget recommends All Funds spending of $31.2 million, remaining flat from FY 2021.

A workforce of 133 FTE remains unchanged from FY 2021.

Department of Tax and Finance

The FY 2022 Executive Budget recommends All Funds spending of $449 million, a decrease of $19.7 million, or 4.2 percent, from FY 2021 levels.

The Executive Budget recommendation includes $467 million for Local Assistance.

State Operations includes $444 million, a 4 percent decrease from FY 2021. This decrease attributed to the reduction in contractual services, personal and non-personal service.

A workforce of 3,785 FTEs remains unchanged From FY 2021.

Information Technology Services

The FY 2022 Executive Budget recommends All Funds spending of $861.5 million, a 15 percent decrease over FY 2021.

This decrease of $150 million is driven by a one-time Federal Capital Fund appropriation from FY 2021 for costs related to the Integrated Eligibility System.

The workforce of 3,320 FTE remains unchanged from FY 2021.

General Government and Local Government Assistance
Proposed Disbursements - All Funds
(Thousands of Dollars)

Agency		Estimated FY 2021	Proposed FY 2022	Change Amount	Percent
Alcoholic Beverage Control		12,849	31,708	18,859	146.77%
Audit and Control		187,110	187,460	350	0.19%
Deferred Compensaton Board		833	837	4	0.48%
Division of the Budget		32,286	29,307	(2,979)	-9.23%
Civil Service		14,597	14,605	8	0.05%
State Board of Elections		41,174	29,263	(11,911)	-28.93%
Office of Employee Relations		6,431	6,288	(143)	-2.22%
Executive Chamber		13,558	13,436	(122)	-0.90%
Financial Services		392,285	391,379	(906)	-0.23%
Gaming Commission		239,025	169,667	(69,358)	-29.02%
Office for Technology		743,300	809,703	66,403	8.93%
Office of the Lt. Governor		590	590	0	0.00%
Office of General Services		408,705	301,991	(106,714)	-26.11%
General State Charges		5,329,841	7,830,260	2,500,419	46.91%
Office of the Inspector General		9,045	7,816	(1,229)	-13.59%
Commission on Public Integrity		5,435	5,622	187	3.44%
Local Government Assistance		630,077	630,069	(8)	0.00%
Public Empl. Relations Board		3,520	3,333	(187)	-5.31%
Department of State		152,797	193,777	40,980	26.82%
Statewide Financial System		29,835	28,038	(1,797)	-6.02%
Taxation and Finance		361,743	340,095	(21,648)	-5.98%
Division of Tax Appeals		3,150	2,714	(436)	-13.84%
	Totals:	**8,618,186**	**11,027,958**	**2,409,772**	**27.96%**

FACT SHEET: Receipts, Taxes And Fees

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

Receipts, Taxes and Fees Highlights

- The Executive proposes a Temporary PIT Surcharge for high earners. This is a tax increase of $1.5 billion in FY 2022, with a total tax increase of $4.4 billion through FY 2026.
- The Executive proposes deferring the Middle Class Tax Cut for one year. This is a tax increase of roughly $400 million in FY 2022 with a total tax increase of $2.1 billion through FY 2026.
- The Executive proposes to make the authorization for local governments to collect sales tax permanent.
- The Executive proposes a new Pandemic Relief Program, which would establish three new tax credits and expands another to provide $130 million to small businesses, restaurants, and arts and entertainment businesses.
- The Executive proposes a new optional pass through entity tax. This will let certain businesses that elected to be taxed under this proposal to maintain their SALT deductibility.
- The Executive proposes to extend several tax credits including- the film tax credit, the farm workforce retention credit, the low income housing credit, the musical and theatrical production credit, the Hire-a-Vet credit, and the economic transformation and facility redevelopment credit.

Gaming

- The Executive proposes the legalization of mobile sports wagering in New York. The budget authorizes the Gaming Commission to select a provider(s) through a competitive bidding process, which would have all revenues directed to the State Lottery Fund for education aid.
- Allow Upstate Commercial Casinos to petition for a lower slot machine tax rate because of financial hardship experienced. Criteria for selection would include their financial projections, the use of additional funds, impact on the overall competitive landscape, and other economic factors.
- Eliminates restrictions on the size of venue that may conduct Quick Draw games and lifts restrictions on the number of daily drawings of Pick 10, Take 5, and Lotto.
- Temporarily suspends horsemen and breeders support payments from Rivers Casino to Saratoga Casino until both facilities are operating without any COVID-19 restrictions for six full consecutive months.

PAGE INTENTIONALLY LEFT BLANK

RECEIPTS, TAXES, AND FEES

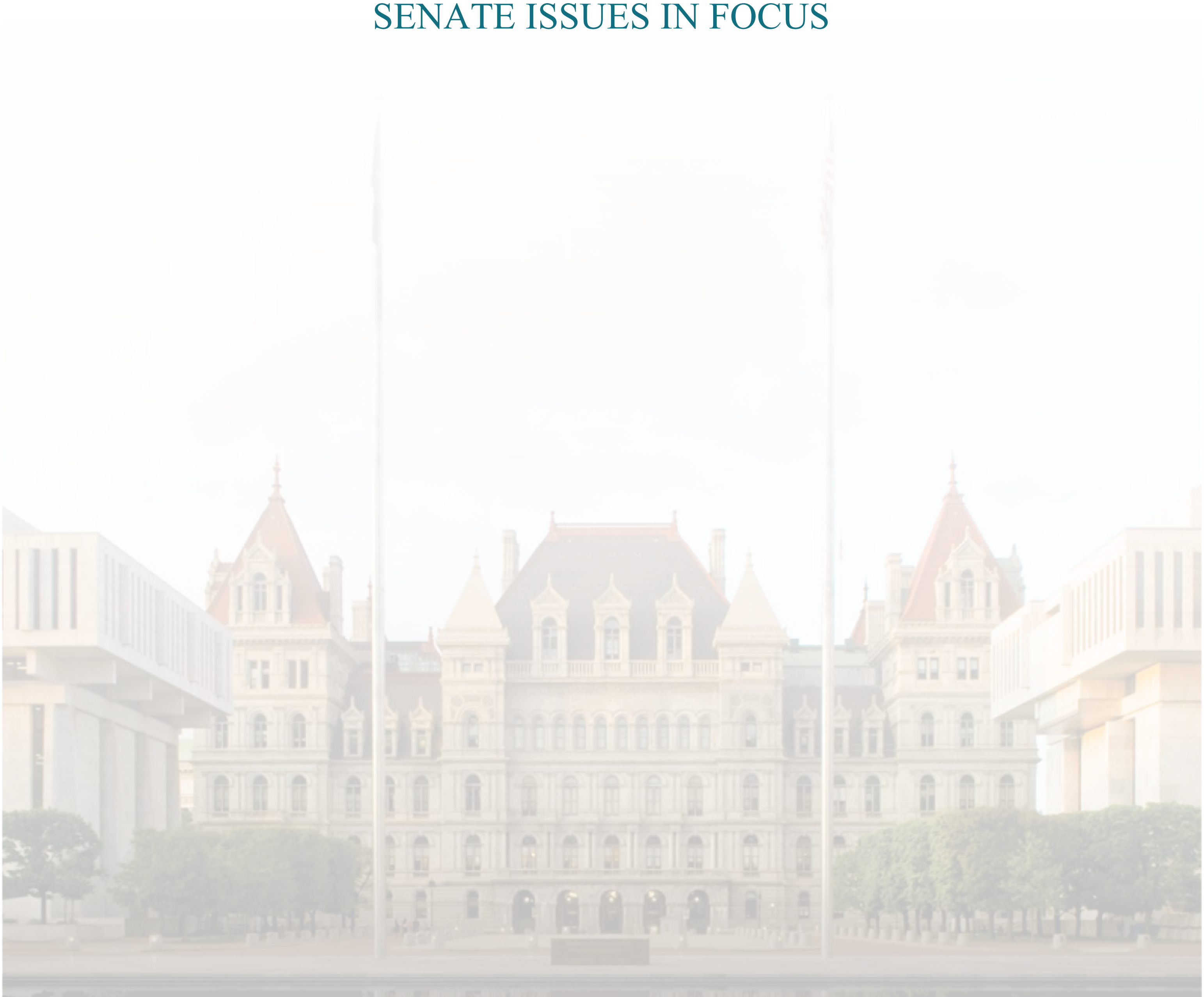
The FY 2022 Executive Budget contains a number of tax and revenue related proposals, tax decreases and revenue enhancements. The explanations of these proposals can be found in Section 3 of this book: Revenue S.2509/A.3009. The Executive Budget contains tax increases, fee increases and new taxes that are estimated to bring in $1.9 billion in FY 2022 and would result in a $7.9 billion aggregate tax increase through FY 2025.

FY 2022 Executive's Tax and Revenue Action Proposals				
(Millions of Dollars)				
	FY 2022	FY 2023	FY 2024	FY 2025
Enact Temporary PIT High Income Surcharge	$1,537	$1,404	$1,195	$367
Delay Middle Class Tax Cut by One Year	$394	$403	$445	$464
Reform and Simplify Various Business Tax Provisions	$0	$6	$6	$6
Increase Wage and Withholding Filing Penalty	$2	$2	$2	$2
Modernize Tax Law To Include the Vacation Rental Industry	$10	$18	$18	$18
Enact the Cannabis Regulation and Taxation Act	$20	$118	$162	$252
Impose a DMV Convenience Fee	$4	$13	$13	$12
Increase Penalties for Mental Hygiene Law Violations and Establish Application Fees for Office of Mental Health (OMH) Operating Certificates	$1	$1	$1	$1
Total Tax, Fee Increases and New Taxes	**$1,968**	**$1,965**	**$1,842**	**$1,122**
Revenue Raisers				
Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process	$49	$357	$465	$493
Expand Hunting and Crossbow Licensing	$2	$2	$2	$2
Eliminate Quick Draw Restrictions	$15	$30	$30	$30
Remove Restrictions on Lottery Draw Game Offerings	$7	$9	$9	$9
Allow Non-CPA Owners of Public Accounting Firms	$2	$0	$0	$0
Total Revenue Raisers	**$75**	**$398**	**$506**	**$534**
Enforcement Actions				
Update Tax Preparer Regulation and Enforcement	$15	$15	$15	$15
Total Enforcement Actions	**$15**	**$15**	**$15**	**$15**
Total Revenue Raising Actions	**$2,058**	**$2,378**	**$2,363**	**$1,671**
Revenue Reductions				
Extend the Farm Workforce Retention Credit for Three Years	$0	$0	($11)	($11)
Preserve Enhanced STAR Exemption Beneficiaries	($36)	($72)	($108)	($144)
Extend the Alternative Fuels Exemption for Five Years	($3)	($4)	($4)	($4)
Enact the Pandemic Recovery and Restart Program	($35)	($90)	$0	($4)
Simplify Certain Tax Filing and Reporting Requirements	($1)	$0	$0	$0
Extend Hire-a-Vet credit for 2 years	$0	$0	($1)	($1)
Improve Mobile Home STAR Exemption Administration	$0	($8)	($8)	($8)
Enact Employer Child Care Credit	$0	$0	($5)	($5)
Extend Low Income Housing Credit	$0	($8)	($16)	($24)
Extend the Economic Transformation and Facility Redevelopment Program Tax Credit for Five Years	$0	$0	($1)	($1)
Total Revenue Reductions	**($75)**	**($182)**	**($154)**	**($202)**
Net Total Revenue Actions	**$1,983**	**$2,196**	**$2,209**	**$1,469**

PAGE INTENTIONALLY LEFT BLANK

SECTION TWO

SENATE ISSUES IN FOCUS



COLLEGE AFFORDABILITY

Analyst- Dave Thoman
Phone- (518) 455-2650
Email- thoman@nysenate.gov

- $13.1M Decrease in TAP Utilization (Total of $847M)
- $1.2M Decrease in Excelsior Utilization (Total of $130M)
- $934M in Federal Stimulus Awards to Students

Unprecedented Times and Federal Action

In March 2020 the COVID-19 pandemic forced the cancellation of in-person learning at colleges and universities, and State-operated schools required students to vacant dormitories and seek alternative housing. This disrupted the lives of over one million students in undergraduate and graduate programs throughout the State.

March CARES Act/HEERF I

Although the Federal CARES Act provided individuals $1,200 stimulus checks, students under age 24 were ineligible if they could be claimed as a dependent on another person's tax return. The CARES Act also included a provision that established the first Higher Education Emergency Relief Fund (HEERF I). This fund provided $14 billion to colleges and universities received, based on a weighted enrollment formula that favored schools with high numbers of Federal Pell Grant recipients. Within this assistance for institutions of higher education, it provided aid specifically for students.

College and universities 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." HEERF I resulted in $459 million in assistance to students in New York. While financial aid programs typically prioritize student need, this wording was unique in that it prioritized expenses. Grants were to compensate students for *expenses* related to the disruption of campus operations, not necessarily a change in a student's *financial need* due to the pandemic. The grants were required to be paid directly – not applied against a student's tuition.

Under this provision, SUNY students received $148 million in assistance, CUNY students received $118 million, private non-profit school students received $154 million, and for-profit college students received

$36 million. Schools were provided broad discretion in how awards were allocated, provided it was for the purpose of covering expenses related to the disruption of campus operations.

December CRRSA Act

A second Federal stimulus bill – the CRRSAA – was approved in December that provided an additional $22.7 billion in higher education funding (HEERF II). Under HEERF II, schools must allocate at least as much of their funding to emergency student aid as under HEERF I. HEERF II allowed broader use of funds, which could be applied against any reasonable element of a student's cost of attendance (including tuition and fees), or for emergency costs relating to the COVID-19 pandemic (including housing, food, health care, or childcare expenses). Under HEERF II, schools were instructed to prioritize students with the most exceptional need.

SUNY and CUNY both allocated the minimum amount in student awards, retaining the rest for operational expenses (funds will offset increased costs related to the pandemic, loss of tuition revenue from declining enrollments, and anticipated reductions in State operating aid). Private not-for-profit schools were expected to expend slightly more than the minimum required in student grants. HEERF II requires proprietary (for-profit) colleges to disburse 100 percent of their funding to students.

Federal Stimulus - Student Grants Awarded ($Millions)			
	HEERF I	HEERF II	Total
SUNY	$ 148	$ 148	$ 297
CUNY	$ 118	$ 118	$ 237
Public College Subtotal	$ 266	$ 266	$ 532
Nonprofit	$ 154	$ 156	$ 310
For-Profit	$ 36	$ 48	$ 84
Other/BOCES	$ 3	$ 3	$ 6
Private/Other Subtotal	$ 193	$ 207	$ 400
Total	$ 459	$ 473	$ 934

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 have 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 30,000 students received an Excelsior Scholarship in AY 2021, with a cost of $131.2 million. Last year's Executive Budget proposed expanding the income eligibility threshold for this program over two years, making families whose AGI is $135,000 or less in AY 2021 and $150,000 or less in AY 2022 eligible to receive an award. This proposal was estimated to cost an additional $35 million when fully phased in, but was abandoned in recognition of the pandemic's impact on available State finances.

The Executive Budget recommends a $1.2 million decrease, or one percent, for the Excelsior Scholarship. The Legislature has not received an estimate of how many students this would cover at the time of this publication. Year-to-year utilization rates are expected to decline for two reasons. Statewide enrollment at SUNY and CUNY schools fell as a result of the pandemic as students have dropped out or taken leave from their schooling until they can safely return to the classroom. Enrollment at the State University of New York declined six percent this fall.

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."*

The State prolonged the final announcement of awards, forcing students to make upfront payments while the State waited until late fall to finalize funding decisions. The uncertainty of whether college attendance would be financially viable may have caused some students to (temporarily or permanently) delay enrollment. The application is once again open as of the date of publication, but will close on February 11.

Students receiving the 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 increased to $7,070 in AY 2020. Tuition is projected to increase to $7,270 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. The Executive Budget proposes delaying this reset for an additional two years (until AY 2024), but then allowing the reimbursement rate to equal tuition every year thereafter. This results in a savings to the State of $21.6 million in FY 2022 (and consequently deprives SUNY and CUNY of $21.6 million in State assistance).

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. An anticipated increase in participation results in a proposed $1.2 million increase, bringing the total appropriation to $7.8 million. This is less than the $19 million originally appropriated for the program.

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 is included in the Executive Budget for FY 2022 as well.

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.

Additional 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). 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.

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. Institutions are not reimbursed for this benefit. The cost to SUNY and CUNY will continue to grow if the Executive Budget pertaining to tuition is enacted as proposed. The Executive Budget includes authority for the Boards of Trustees at each system to raise tuition up to $200 a year beginning in AY 2022 and continuing through AY 2026.

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.

FEDERAL COVID-19 AID TO NEW YORK

Analyst- Jeff DeGironimo Dave Thoman
Phone- (518) 455-2934 (518) 455-2650
Email- degironi@nysenate.gov thoman@nysenate.gov

- The Federal Government has provided billions of dollars of aid to New York over the course of the COVID-19 pandemic.
- While Congress has not provided unrestricted aid to New York, billions in education aid has been received that provides New York with significant budget flexibility.

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, 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%
Total-	**7,543,325**	
Source- FFIS		

CRRSAA

One December 21st, 2020, the United State Congress passed a major COVID relief bill. 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 is possible that these items will be taken up in another bill at a later date. 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**
Aid to Small Businesses	
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
Extend and Augment Unemployment Benefits	
$300/week for 11 weeks	$120 billion
Stimulus Checks	
$600 per person	$166 billion
Education	
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
Health Care	
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
Transportation	
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
Other Spending	
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
Other Tax Cuts	
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
Total	**$910 billion**
Source- *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 suballocate 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 will receive $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 is retaining $5 million to support administration of the $400 million in public school allocations, plus $1 million to administer nonpublic school funds.

The Executive would distribute $3.6 billion (90 percent) of funds based on the number of Title 1-A a district serves, the minimum required by the legislation. The remaining $400 million (10 percent) is distributed among low-income schools via formula. The Executive also enacts two new funding adjustments – one equal to the value of Federal funds received or value of STAR exemption payments in a district (whichever is less), and a second adjustment based on a school's expense-based aid totals relative to their wealth. These adjustments allow the State to reduce its support for schools while overall spending still increases by $2.2 billion.

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 requires proprietary (for-profit) colleges to disburse 100 percent of their funding to students.

Between the two bills, New York Higher Education received $2.4 billion.

Total Hi Ed Federal Funding ($Millions)			
Sector	Total	Student Subtotal	Institution Subtotal
SUNY	818	297	522
CUNY	692	237	455
Nonprofit	792	310	482
For-Profit	120	84	36
Other Public/BOCES	16	6	10
TOTAL	2,438	934	1,505

RECREATIONAL MARIJUANA

Analyst- Ben Kosinski	Morgan Halloran	Jeff DeGironimo
Phone- (518) 455-2749	(518) 455-2481	(518) 455-2934
Email- bkosinski@nysenate.gov	Halloran@nysenate.gov	Degironi@nysenate.gov

Cannabis

The Executive Budget contains a proposal to allow the sale of adult use cannabis (recreational marijuana), which will be licensed, regulated and taxed by the state. Any person at least 21 years of age may purchase up to one ounce of cannabis or 5 grams of cannabis concentrate per day. A new Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control will be charged with oversite of the industry. The proposal also moves the codification of the medical cannabis statute from the Health Law to the new chapter 7-A "Cannabis Law". The proposed Cannabis Law also contains the regulation of commercial hemp growers. In addition, the proposal creates a new Article 20-C of the Tax Law to impose a new excise tax on adult use cannabis and the revenue will be deposited into a new "New York State Cannabis Revenue Fund".

The Office of Cannabis Management

The Office of Cannabis Management (OCM) is proposed within the Division of Alcohol and Beverage Control (ABC). The OCM will be responsible for licensing and regulating medical, adult use and hemp cannabis in the state. There will be established a State Cannabis Control Board who will approve the office's social and economic equity plan, approve the number and type of license available and any new type of license, approve price quotas or price controls set by the executive director and promulgate rules and regulations. The Governor shall choose the Chairperson and four other voting members of the board each of of which will have one vote. Board membership are paid $260 per day when performing duties of the board. The estimate of the number of new FTE's that will be hired for the OCM is 191. The Office is expected to be completely funded in the future from proceeds of the excise tax on adult use cannabis. Until revenue starts to flow into the Cannabis Revenue Fund, the money to fund the office will have to be transferred from other sources.

New York State Medical Cannabis Program

The Executive proposes to repeal Title 5-A of Public Health law relating to the medical use of marijuana/cannabis under the Department of Health and reestablish the program in the newly proposed Office of Cannabis Management (OCM). The Executive proposes to expand the list of serious conditions which qualify for the Medical Cannabis program to include substance use disorder, autism and any condition authorized as part of a cannabis research license. Additionally, the proposal would expand the list of practitioners who may qualify under the program to include any practitioners authorized to prescribe controlled substances. Practitioners must continue to consult the prescription monitoring drug program registry prior to issuing certification to review a patient's-controlled substance history. The Executive proposes to remove the thirty-day supply limit and authorizes the executive director to establish quantity restrictions in regulation. The proposal removes the prohibition on the smoking of medical cannabis in the definition of "certified medical use." Additionally, the proposal does not allow home cultivation for medical cannabis patients

The medical cannabis program is further amended to allow for a patient to have a designated caregiver facility which can be a general hospital or residential healthcare facility, adult care facility, a community mental health residence, an inpatient or residential treatment program a residential treatment facility for children and youth, a private or public school, or any other entity that registers with the OCM to assist patients with acquisition, possession, delivery or administration of medical cannabis. Furthermore, the Executive proposes a new Cannabis Research License to permit a licensee to produce, process, or purchase cannabis to test chemical potency and composition levels, conduct clinical investigations, conduct research on the efficacy and safety of administering cannabis for medical treatment and conduct genomic or agricultural research. Research licensees would be able to contract with higher education institutions to perform research in conjunction with the university. All research projects would require approval by the OCM.

Hemp

The Executive Budget proposal would require the OCM to license and regulate cannabinoid hemp processors and retailers. There will be separate licenses established for a "cannabinoid hemp processor license" which will be for processors that use the hemp plants for production of food products, other hemp based products used directly on the body (oils, lotions, etc.) and extracting cannabinoids from the plant and a "Cannabinoid hemp retailer license" for sellers. The proposed language does not delineate a specific fee structure but rather leaves the establishment of the fees up the Director of the OCM. The growth and cultivation of all hemp products will continue to be regulated by the Department of Agriculture and Markets.

Adult Use Cannabis

The proposed language establishes the licensure, regulation, sale, taxation and use of "adult use cannabis" (a.k.a. recreational marijuana). Any person at least 21 years of age may purchase up to one ounce of cannabis or 5 grams of cannabis concentrate per day. However, cannabis cannot be smoked or vaped in a public place and no more than one ounce can be possessed at any one time. Violators would be subject to a fine and or imprisonment.

Separate licenses will be necessary to grow, process, distribute, create a cooperative, dispense or sell cannabis under the Executive proposal. These licenses include:

- Adult-use cultivator license,
- Adult-use processor license,
- Adult-use cooperative license,
- Adult-use distributor license, and
- Adult-use retail dispensary license

A cannabis retailer may not own or operate any other part of the distribution chain (no vertical integration is allowed). However, the owner of a medical cannabis business may apply for a separate adult use cannabis license and, as long as they sell both medical and adult use cannabis, they may be vertically integrated and own or operate the entire supply chain. The proposed language does not delineate a specific fee structure but rather leaves the establishment of the fees up the Director of the OCM which can be a set dollar amount or based on the gross annual receipts of the applicant. The OCM has discretion to issue licenses for one or two years.

Counties and Cities of more than 100,000 can pass a local law or resolution to prohibit the cultivation, processing, distribution and/or sale of adult use cannabis within their jurisdiction. However, they may not further prohibit the use of cannabis within their jurisdiction.

Tax Structure

The proposal would impose two new taxes on the sale of cannabis. The first tax is imposed on sales from a wholesaler to a retail dispensary, based on type of product and total level of THC on the following schedule:

- Four cents per milligram for edibles,
- One cent per milligram for concentrates,
- 0.7 cents per milligram for cannabis flower.

Additionally, this proposal imposes a new tax on the sale on cannabis from a dispensary to a consumer. This tax would be equal to 10.25 percent of the selling price.

These two new taxes would be deposited into a new Cannabis Revenue Fund established by 99-ii of the state finance law.

Unlike last year's Executive proposal, sales of cannabis would be subject to State and local sales tax. The local sales tax rate in the vast majority of counties is four percent or more.

Every retailer of cannabis must register with the Office of Cannabis Management. Unlike last year's Executive proposal, which would have required all retailers to pay a $600 fee, this year's proposal does not establish a specific fee, and instead authorizes the Office of Cannabis Management to charge a fee. This fee may be annual or biennial may vary by license type or any other factor that the Office deems necessary. The Office is also authorized to waive or reduce fees on social and economic equity grounds.

Cannabis Revenue Fund

Under this proposal, the New York State Cannabis Revenue Fund would be established and all taxes from the cultivation and sale of cannabis in the state, with the exception of State and local sales tax, would be deposited into the fund. Monies in the fund would be expended for the following purposes: administration of the regulated cannabis program, data gathering, monitoring and reporting, the Governor's Traffic Safety Committee, implementation and administration of the initiatives and programs of the social and economic equity plan of the office of cannabis management, substance abuse, harm reduction and mental health treatment and prevention, public health education and intervention, research on cannabis uses and applications, program evaluation and improvements, and any other identified purpose recommended the Executive Director of OCM and approved by the Director of the Budget.

Beginning in FY 2023, a portion of the funds deposited in the New York State Cannabis Revenue Fund will be allocated to the Cannabis Social Equity Fund. In the first year, $10 million will be allocated to the Social Equity Fund, growing to $50 million annually in FY 2027 and thereafter.

The Executive projects these taxes will increase All Funds revenue by $20 million in FY 2022, $118 million in FY 2023, $162 million in FY 2024, $252 million in FY 2025, $350 million in FY 2026, and $374 million in FY 2027.

Criminal Justice Provisions

The proposed language would provide protections for the use of cannabis, except in situations such as the possible loss of federal support, if the property or workplace is registered smoke free or if the individual is under 21 years old.

Under this proposal, it would be illegal for anyone to possess marijuana that is under 21 years old. Additionally, it would be illegal to possess marijuana in a public place if such cannabis is burning and driving under the influence of marijuana would be illegal and a class E felony.

Any person who cultivates for sale or sells cannabis, medical cannabis or cannabinoid hemp without a license or permit would be guilty of a misdemeanor upon their first conviction, a class A misdemeanor upon a second conviction and a class E felony upon all subsequent convictions.

The proposed language makes several technical changes to the Penal Law by renaming ‘marihuana’ to ‘cannabis’. The number of penalties for unlawful possession of cannabis would decrease from six to four, with the lowest two penalties being violations. The number of penalties for the criminal sale of cannabis remains the same; however, the qualifying weights are increased. Individuals currently serving a sentence for a conviction who would not have been guilty of an offense or would have been guilty of a lesser offense under this bill may petition the court for a resentencing or dismissal. If the bill were to become law, the Division of Criminal Justice Services and the Office of Court Administration would begin to seal criminal records of individuals who committed crimes that would now be legal under the proposed language.

Driving under the influence of cannabis would be a class E felony. The proposal would establish an evaluation conducted by a drug recognition expert to determine if an individual is driving while under the influence of cannabis.

OCM will be authorized to run a criminal history through the Division of Criminal Justice Services on any person seeking a registration, license, permit or authorization to cultivate, process, distribute or sell medical cannabis or adult-use cannabis.

MIDDLE CLASS TAX CUT

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

- 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 2022 Executive Budget proposes to pause the Middle Tax Cut phase in by one year.
- This would be a tax increase of $2.1 billion on middle class New Yorkers

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 has occurred for 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 will 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.

The Executive has 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 will result in a tax increase for middle class taxpayers of $394 million in FY 2022, and of $2.1 billion through the full implementation of the tax cut.

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 (million of dollars)				
FY 2018	**FY 2019**	**FY 2020**	**FY 2021**	**Full Implementation (FY 2026)**
$236	$1,071	$1,504	$1,874	$4,200

By 2026, when the tax cut is fully phased in, it will provide an average taxpayer savings of $700 per year.

FY 2022 Executive Budget

The FY 2022 Executive Budget proposes to delay the implementation of the middle class tax cut by one year. This would result in middle class taxpayers paying higher taxes than they otherwise would have, a total tax increase of $2.1 billion through FY 2026.

FY 2022 Proposed Middle Class Tax Increase By Fiscal Year (million of dollars)					
FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total Tax Increase
$394	$403	$445	$464	$368	$2,074

Middle Class Income Tax Cuts
FY 2022 Executive Proposed Pause

Married Filing Jointly

Tax Brackets	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018: 2018	2019	2020	2021	2022	2023	2024	2025	2026 and beyond
$27,900 to $43,000	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$43,000 to $161,550	6.45%	6.85%	**6.33%**	**6.21%**	**6.09%**	**6.09%**	**5.97%**	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$161,550 to $323,200	6.65%	6.85%	**6.57%**	**6.49%**	**6.41%**	**6.41%**	**6.33%**	**6.25%**	**6.17%**	**6.09%**	**6.00%**

Single

Tax Brackets*	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018: 2018	2019	2020	2021	2022	2023	2024	2025	2026 and beyond
$13,900 to $21,400	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$21,400 to $80,650	6.45%	6.85%	**6.33%**	**6.21%**	**6.09%**	**6.09%**	**5.97%**	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$80,650 to $215,400	6.65%	6.85%	**6.57%**	**6.49%**	**6.41%**	**6.41%**	**6.33%**	**6.25%**	**6.17%**	**6.09%**	**6.00%**

Head of Household

Tax Brackets*	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018: 2018	2019	2020	2021	2022	2023	2024	2025	2026 and beyond
$20,900 to $32,200	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$32,200 to $107,650	6.45%	6.85%	**6.33%**	**6.21%**	**6.09%**	**6.09%**	**5.97%**	**5.85%**	**5.73%**	**5.61%**	**5.50%**
$107,650 to $269,300	6.65%	6.85%	**6.57%**	**6.49%**	**6.41%**	**6.41%**	**6.33%**	**6.25%**	**6.17%**	**6.09%**	**6.00%**

*Tax Brackets beginning in the 2018 tax year

PAGE INTENTIONALLY LEFT BLANK

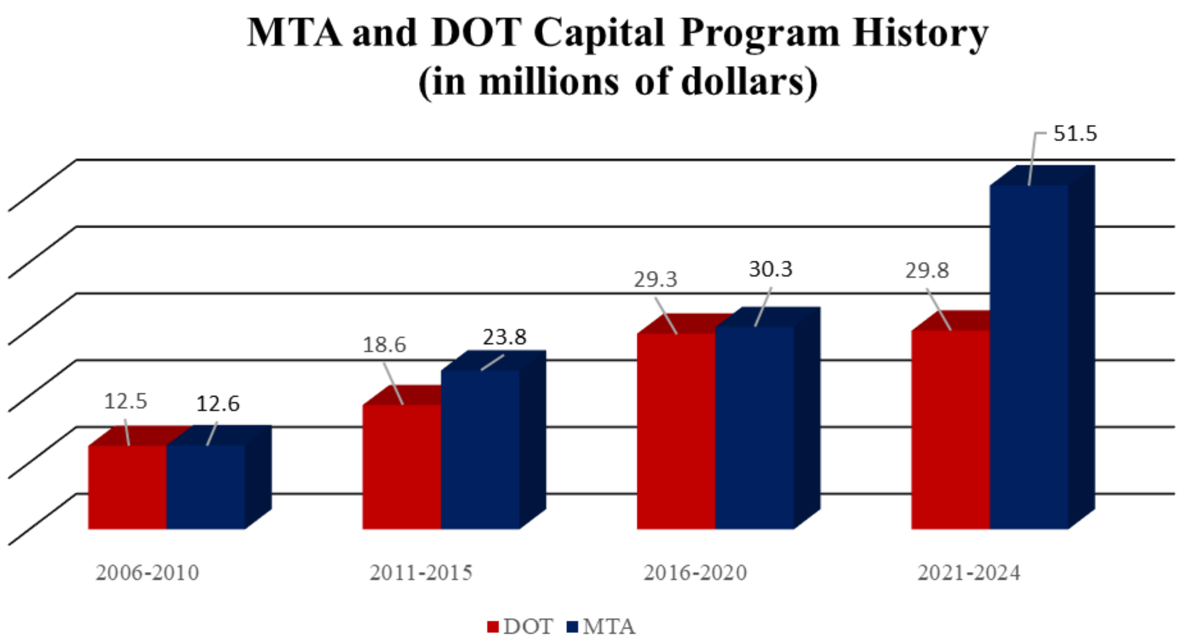
TRANSPORTATION CAPITAL PLANS

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

- Capital Plan parity between the MTA and the DOT will not be restored in the foreseeable future.
- FY 2022 Executive Budget contains $5.8 billion for the final year of a two year, $11.9 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 Sẹnate Rẹpublican Mạjority, in FY 2017 New York adopted balanced multi-year transportation capital programs for the Department of Transportation (DOT) and the Metropolitan Transportation Authority (MTA).



*2016-2020 DOT program includes Thruway Capital Plan.
**Though the FY 2021 Enacted Budget contained a two year capital plan, amount shown is prorated to five years.

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 committed 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, 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 restored in the foreseeable future.

Department of Transportation FY 2021 - FY 2022 Capital Plan Obligations (in millions)			
Obligations	**FY 2021**	**FY 2022**	**Two-Year Total**
Highway Program	3,611	3,611	7,222
Local Pave NY/Bridge NY	200	200	400
Administration	80	82	162
Engineering	931	808	1,739
Preventive Maintenance	365	370	735
Maintenance Facilities	32	32	64
Other Federal Programs	25	25	50
Rail Development	72	72	144
Aviation Systems	117	17	134
Non-MTA Transit	131	125	256
Capital Aid to Localities	478	478	956
Annual Total	**6,042**	**5,820**	
Total Non-MTA Transportation Capital Plan			**11,862**

Department of Transportation – Road & Bridge Capital Plan

In FY 2017, the Senate Republican Majority secured the largest five-year DOT commitment in state history ($21.1 billion for FY 2016-2020), as well as a $4 billion commitment for FY 2021, for a total six-year commitment of $25.1 billion. Through the end of the plan in FY 2020, the DOT capital plan grew to almost $27.3 billion.

The FY 2022 Executive Budget provides funding for the final year of a two year $11.9 billion DOT Capital Program.

Local Aid

Under the Executive's FY 2022 proposal, the Consolidated Highway Improvement Program (CHIPS) would receive $438.1 million, and the Municipal Streets and Highways Program ("Marchiselli") would receive $39.7 million, maintaining base funding levels that are unchanged since FY 2014.

The FY 2022 Executive Budget does not continue the $65 million Legislative add for Extreme Winter that has been included in the last several Enacted Budgets.

The FY 2022 Executive Budget continues the Local **PAVE NY** program, which provides $100 million per year) to municipalities for pavement projects. The distribution of Local PAVE NY allocations are based on the percentage of funding that municipalities receive through the CHIPS formula.

The FY 2022 Executive Budget also continues the Local **BRIDGE NY** program, which provides $100 million per year to municipalities for bridge and culvert projects, as well as an additional $50 million from FY 2018, added by the legislature, for a total of $550 million. To date, the allocations of Local BRIDGE

NY funding has been awarded via a solicitation process that included local input on the selection of projects as well as regional balance across the state.

Non-MTA Transit

The FY 2022 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 (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
Total	**$54.8**
Total Requiring CPRB Approval*	**$51.5**
*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 25th. The level of secrecy surrounding the 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 Authority.

Capital Plan spending by MTA component agency is as follows-

New York City Transit Priority Projects Project (Millions of Dollars)	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 Busses	$217
Improved Customer Experiences on Buses	$109
Total	**$36,606**

Long Island Railroad Priority Projects (Millions of Dollars)	
Project	**Cost**
Station Improvements	$910
Track Replacement	$1,000
Rolling Stock	$487
Signal and Communications	$364
Total	**$2,761**

Metro North Railroad Priority Projects (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
Total	**$2,372**

MTA Bridges and Tunnels Priority Projects (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
Total	**$2,321**

PAGE INTENTIONALLY LEFT BLANK

THE NEW YORK HEALTH ACT (SINGLE PAYER)

Analyst- Kevin Gannon Morgan Halloran
Phone- (518) 455-2854 (518) 455-2481
Email- gannon@nysenate.gov halloran@nysenate.gov

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 retaining at any training provider approved by the Commissioner and up to two years of unemployment benefits if enrolled in an approved program if actively seeking employment and 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 study analysis, and 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 - $27.8 billion
- The local County Medicaid contribution - $7.2 billion
- State payments for public employee health coverage premiums - New York State Health Insurance Plan (NYSHIP) - $4.7 billion
- Other health care spending paid for by the State (ex. Essential Plan $65 million, Child Health Plus $764 million)
- New York currently receives a fifty percent 1:1 federal match for State share Medicaid spending. A total of $48 billion of Medicaid spending is projected to come from federal funds FY in 2020.
- The federal share of the Essential Plan is financed by a trust fund totaling $4.6 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 the 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 $900 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 in over one million reported cases and approximately 41,530 deaths. The impact on public health is alarming, 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 continued refusal to release 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; and
- The punitive enforcement measures on healthcare providers and entities.

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 care is provided. The state would also decide consumer eligibility for services, how much they are changed, 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 single payer healthcare.

LOCAL GOVERNMENT IMPACT

Analyst- James Eagan
Phone- (518) 455-2867

- $43 million total AIM Reduction for Cities, Towns, and Villages
- $9.3 million loss to municipalities that host VLT
- Election proposals would be unfunded mandates on localities

Email- eagan@nysenate.gov

FY 2022 Executive Budget Impact on Local Governments

The FY 2022 Executive Budget includes a number of proposals that would significantly impact local governments.

Aid and Incentives for Municipalities (AIM) Program

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

The Executive proposes 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 would be 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 fail 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 would result in a $35 million reduction to the 61 cities currently in the program.

Under this proposal, towns and villages would be eliminated from the AIM program. 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 of county sales tax revenue. In addition, beginning December 2021, these AIM-related payments would be reduced by 20 percent across the board.

Overall, this proposal would result in a total reduction of $43 million to 86 towns, 61 cities, and 51 villages. All towns and villages would be removed from the AIM program and see their payments backfilled through county sales tax revenue.

Video Lottery Terminal (VLT) Host Aid Reduction

Currently, 16 municipalities receive $28.9 million in VLT Host Aid to be used for the alleviation of local costs associated with the gaming facility, to reduce real property taxes, or to increase support for public schools. The FY 2022 Executive Budget eliminates aid for 15 of these municipalities a reduction of $9.3 million. The City of Yonkers, which is the only municipality eligible to use their aid for education, would continue to receive 95 percent of their FY 2021 portion, approximately $18.6 million a year.

VLT Aid to Municipalities				
Facility	**Municipality**	**2020-21**	**2021-22**	**Change**
Empire City	Yonkers	19,600,000	18,620,000	(980,000)
Saratoga Casino	Saratoga-City	2,325,592	0	(2,325,592)
	Saratoga-County	775,198	0	(775,198)
	Total	3,100,790	0	(3,100,790)
Finger Lakes	Farmington	1,777,573	0	(1,777,573)
	Ontario	591,174	0	(591,174)
	Total	2,368,747	0	(2,368,747)
Monticello	Monticello	291,205	0	(291,205)
	Thompson	634,506	0	(634,506)
	Sullivan	308,570	0	(308,570)
	Total	1,234,281	0	(1,234,281)
Hamburg	Hamburg	865,679	0	(865,679)
	Erie	288,560	0	(288,560)
	Total	1,154,239	0	(1,154,239)
Batavia Downs	Batavia-City	440,789	0	(440,789)
	Batavia-Town	160,388	0	(160,388)
	Genesee	200,392	0	(200,392)
	Total	801,569	0	(801,569)
Vernon Downs	Vernon-Village	137,103	0	(137,103)
	Vernon-Town	231,788	0	(231,788)
	Oneida	256,796	0	(256,796)
	Total	625,687	0	(625,687)
	Total	**$ 28,885,313**	**$18,620,000**	**(10,265,313)**

Permanent 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 Executive Budget proposes to make the current funding structure permanent. This proposal would be an unfunded mandate to localities of $28 million in FY 2022.

Elections Package and Local Government Impact

In the FY 2022 Executive Budget, there are election proposals that, if enacted, would result in unfunded mandates on local governments. These proposals are as follows:

- PPGG, Part Q – Expands the Absentee Ballot Request Period
    - The Executive proposes to expand the time in which a voter may request an absentee ballot from 30 days before an election, to 45 days before an election.
    - No accompanying fiscal appropriation is contained in the Executive Budget to account for the added staff cost for processing and tracking these ballot requests that local boards of election will experience.
- PPGG, Part R – Mandates the Time Frame for Local Boards of Elections to Mail Absentee Ballots
    - The Executive proposes that local boards must mail an absentee ballot to a voter within four business days of receiving the voter's application, or when received between the 10th and 7th day before the election
    - The local board must mail the ballot to the voter within 24 hours after receiving the application.
    - No accompanying fiscal appropriation is contained in the Executive Budget to account for the added staff cost for processing and mailing these ballots within these timeframes.
- PPGG, Part S – Expands Early Voting Hours
    - The Executive proposes to expand the hours available for early voting.
    - The mandate would require that local boards of elections keep their polls open for at least 8 hours between 7 am and 9 pm each weekday during the early voting period and increase voting hours on each Saturday, Sunday, and Legal holiday.
- PPGG, Part T – Mandates the Counting of Absentee Ballots from 40 days Before an Election
    - This proposal would call for added staff cost for examining, assessing, opening, tabulating and counting these absentee ballots.
    - There is no attached fiscal appropriation to fund this mandate
- PPGG, Part U – Mandates Elections Recounts to be Completed Within Five Days of Commencement
    - This proposal does not include for the size of the recounted race, nor for how to assure for the integrity of ballot examinations.
    - There is no attached fiscal appropriation despite the added staff counts for conducting these recounts.

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 Government Savings State Takeover of Local Medicaid Costs (2005 CAP and Growth Takeover) FY 2020 to FY 2025					
County	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
Albany	45,924,447	49,145,707	52,460,384	55,871,186	$59,380,902
Allegany	7,282,837	7,790,910	8,313,717	8,851,686	$9,405,256
Broome	47,571,195	50,099,859	52,701,854	55,379,307	$58,134,406
Cattaraugus	16,107,474	17,078,352	18,077,385	19,105,391	$20,163,208
Cayuga	16,470,059	17,374,989	18,306,163	19,264,340	$20,250,304
Chautauqua	32,422,534	34,300,740	36,233,414	38,222,136	$40,268,530
Chemung	17,606,113	18,718,393	19,862,930	21,040,658	$22,252,540
Chenango	9,211,451	9,774,926	10,354,742	10,951,372	$11,565,305
Clinton	14,054,886	14,982,677	15,937,373	16,919,755	$17,930,626
Columbia	13,567,329	14,291,940	15,037,564	15,804,811	$16,594,309
Cortland	9,380,674	9,953,023	10,541,971	11,147,998	$11,771,599
Delaware	9,433,363	9,966,352	10,514,798	11,079,148	$11,659,865
Dutchess	59,419,628	62,411,561	65,490,261	68,658,242	$71,918,095
Erie	189,303,042	201,049,829	213,137,272	225,575,252	$238,373,933
Essex	6,001,647	6,376,876	6,762,988	7,160,296	$7,569,126
Franklin	9,155,077	9,719,964	10,301,233	10,899,359	$11,514,830
Fulton	11,419,990	12,162,806	12,927,165	13,713,689	$14,523,023
Genesee	9,592,429	10,157,138	10,738,223	11,336,160	$11,951,437
Greene	10,145,907	10,731,959	11,335,007	11,955,543	$12,594,075
Hamilton	727,545	767,892	809,410	852,132	$896,093
Herkimer	13,037,477	13,820,950	14,627,145	15,456,719	$16,310,350
Jefferson	19,451,308	20,611,724	21,805,792	23,034,488	$24,298,816
Lewis	4,527,009	4,809,201	5,099,576	5,398,373	$5,705,834
Livingston	10,117,564	10,687,610	11,274,187	11,877,774	$12,498,866
Madison	11,274,217	11,933,972	12,612,860	13,311,436	$14,030,271
Monroe	172,706,043	183,074,797	193,744,244	204,723,105	$216,020,353
Montgomery	14,050,740	14,815,117	15,601,660	16,411,013	$17,243,838
Nassau	250,812,829	265,070,006	279,740,641	294,836,725	$310,370,595
Niagara	42,088,881	44,668,758	47,323,452	50,055,132	$52,866,031
Oneida	53,309,028	56,517,821	59,819,668	63,217,269	$66,713,400
Onondaga	107,166,225	113,336,855	119,686,433	126,220,149	$132,943,343
Ontario	17,271,271	18,257,491	19,272,311	20,316,561	$21,391,095
Orange	95,303,291	100,206,057	105,251,004	110,442,254	$115,784,050
Orleans	8,577,544	9,074,029	9,584,912	10,110,610	$10,651,554
Oswego	27,054,376	28,581,761	30,153,439	31,770,697	$33,434,854
Otsego	9,117,002	9,694,918	10,289,593	10,901,514	$11,531,181
Putnam	12,045,986	12,682,592	13,337,660	14,011,725	$14,705,337
Rensselaer	26,323,971	28,097,561	29,922,585	31,800,535	$33,732,945
Rockland	88,391,821	92,942,167	97,624,473	102,442,566	$107,400,384
St. Lawrence	19,484,562	20,761,529	22,075,528	23,427,634	$24,818,950
Saratoga	28,503,780	30,066,880	31,675,310	33,330,384	$35,033,456
Schenectady	39,623,716	41,787,173	44,013,370	46,304,127	$48,661,316
Schoharie	5,498,147	5,828,803	6,169,049	6,519,161	$6,879,427
Schuyler	3,240,753	3,446,828	3,658,879	3,877,080	$4,101,609
Seneca	5,972,765	6,324,404	6,686,240	7,058,570	$7,441,697
Steuben	18,381,710	19,497,022	20,644,679	21,825,618	$23,040,804
Suffolk	300,519,369	316,662,330	333,273,436	350,366,264	$367,954,785
Sullivan	23,346,278	24,629,350	25,949,631	27,308,200	$28,706,168
Tioga	6,744,480	7,182,606	7,633,439	8,097,345	$8,574,705
Tompkins	11,806,747	12,505,782	13,225,089	13,965,256	$14,726,888
Ulster	44,016,950	46,377,060	48,805,613	51,304,594	$53,876,045
Warren	10,615,110	11,288,103	11,980,612	12,693,204	$13,426,461
Washington	12,646,329	13,349,724	14,073,518	14,818,302	$15,584,685
Wayne	19,842,160	20,839,092	21,864,935	22,920,527	$24,006,732
Westchester	187,832,130	199,747,277	212,007,964	224,624,210	$237,606,327
Wyoming	5,861,491	6,193,427	6,534,990	6,886,458	$7,248,118
Yates	3,975,272	4,217,903	4,467,571	4,724,478	$4,988,836
Rest of State	**2,265,335,960**	**2,396,444,576**	**2,531,355,341**	**2,670,178,519**	**$2,813,027,568.00**
New York City	**2,201,926,595**	**2,421,745,114**	**2,647,938,370**	**2,880,691,230**	**$3,120,193,923.00**
Statewide	**4,467,262,556**	**4,818,189,690**	**5,179,293,711**	**5,550,869,749**	**$5,933,221,491.00**

PAGE INTENTIONALLY LEFT BLANK

CONGESTION PRICING

Analyst- Jeff DeGironimo
Phone- (518) 455-2934
Email- degironi@nysenate.gov

- The Enacted Budget for FY 2020 included a congestion pricing zone 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, and will not be made public until the middle of November at the earliest. 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.

Prior to Enactment, the Executive 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 fiscal year 2019 authorized a new surcharge on for-hire vehicles trips made south of 96th 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 the fee schedule of the FY 2020 plan will be determined behind closed doors and not released to the public until November of 2020 at the earliest.

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 "lock box," 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, the Executive 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. Even Mayor Bill de Blasio, who previously opposed congestion pricing, now seems more amenable to the idea.

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, the Executive 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, the Executive 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 the 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 travelling into or within Manhattan's central business district. The initial plan included an $8 charge for cars and a $21 charge for trucks that travelled south of 86th 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 south of 60th 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 ($2.75), and 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 last year's 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 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 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 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 secure 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. Despite the MTA experiencing significant financial stress as a result of the COVID-19 pandemic, as of January of 2021, no fee schedule has been released, and implementation is still pending. There have been issues with getting Federal approval, namely over getting guidance as to whether or not has to do a time-consuming environmental impact review.

It is unknown how the Biden administration will handle this issue. Even if the Federal government rules that an environmental impact review is not required, the implantation will still be challenging as a result of the pandemic. 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 pandemic.

PAGE INTENTIONALLY LEFT BLANK

CRIMINAL JUSTICE

Analyst- Ben Kosinski
Phone- (518) 455-2749
Email- bkosinski@nysenate.gov

- Police Reform Legislation
- Prison Closures
- Firearm Legislation
- Repeal Crime of Loitering for the Purposes of Prostitution

The FY 2022 Executive Budget contains extensive criminal justice proposals contained within Article VII language that have a wide range of fiscal implications.

Police Reform Legislation

The Executive advances several proposals that would affect the law enforcement community.

Strengthen New York's Policing Profession

The Executive advances language that would require the State's Inspector General to inform the Division of Criminal Justice Services (DCJS) of any complaint against a police officer with regard to accusations of corruption, fraud, use of excessive force, criminal activity, conflicts of interest or abuse. The legislation requires accreditation of hiring practices for most police departments throughout the State. In order to become accredited, the departments would have to run background checks, verify good moral conduct of new recruits, and report misconduct of any officer to DCJS.

The Law Enforcement Agency Accreditation Council may revoke or withhold the granting of accreditation status of any agency that fails to adhere to mandatory accreditation standards.

DCJS would collect demographic data with respect to persons that are appointed police officers, including the officer's racial and gender characteristics.

Police departments would have three years to have their hiring practices accredited.

Executive Order 203 Police Department Monitoring

The Executive advances language that requires police departments to install a monitor if they do not comply with Executive Order 203, which required each department to submit a plan based on the NYS

Police Reform and Reinvention Collaborative by April 1, 2021. The plan must outline ways to improve police force deployments, strategies, policies, procedures, and practices.

Prison Closures

The Executive proposes language that would continue the reduced notice requirement of a prison's closure of 90 days instead of one year. This provision was set to expire on March 31, 2021. The proposal would extend the provision for an additional two years.

Firearm Legislation

The Executive advances numerous proposals impacting the possession of firearms.

Sharing of Crime Gun Data

The Executive advances language that requires all State and local law enforcement to collect and submit all gun related evidence to a specified centralized database. Law enforcement agencies must report any gun used in the commission of a crime, unlawfully possessed or obtained from a crime scene to the criminal gun clearinghouse within 24 hours of taking possession of the gun. The clearinghouse must promptly submit a request to the national tracing center of the Bureau of Alcohol, Tobacco and Firearms and Explosives.

Arrest Warrant Prohibitor

The Executive advances language that prohibits individuals who have an active arrest warrant for a felony or serious offense from purchasing or acquiring a rifle, shotgun or firearm. Under current law, persons are prohibited from purchasing or acquiring a rifle, shotgun or firearm if they have been convicted of a felony or serious crime.

Domestic Violence Misdemeanor Label

The Executive advances language that creates the crime of "domestic violence," which would be a class A misdemeanor. An individual would commit the crime of domestic violence when they commit any of a number of violent crimes, such as reckless endangerment, assault in the 3rd degrees, etc. against a member of their family or household. The crime of domestic violence would be considered a serious offense. Under current law, individuals convicted of a serious offense are prohibited from purchasing a firearm.

Repeal crime of loitering for the purposes of prostitution

The Executive advances legislation that eliminates the crime of loitering for the purposes of prostitution. Loitering for the purpose of engaging in a prostitution offense is defined as "any person who remains or wanders about in a public place and repeatedly beckons to, or repeatedly stops, or repeatedly attempts to stop or engage passer-bys in conversation or attempts to stop a vehicle for the purpose of prostitution." The crime is a violation for the first offense and a class B or class A misdemeanor for repeat offenders. The Executive claims this provision in the penal law is used to unfairly target transgender individuals. The crime of prostitution would remain in the penal statute.

Repealing the entire section of law is arguably too extreme of a measure. If police were in fact using this law to target transgendered individuals, the more responsible response would be to better train police officers or to amend the existing law to prohibit it from being used as a reason to target certain groups.

Transform the Office for Prevention of Domestic Violence to the Office to End Domestic Violence and Gender-Based Violence

The Executive advances language that would transform the Office for the Prevention of Domestic Violence into the Office to End Domestic and Gender-Based Violence. The office will expand its purview from focusing on domestic violence to focusing on domestic violence and gender based violence. The new office will take over the "Enough is Enough" program from the Department of Health.

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% 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 drives drunk (BAC over .18), crashes into another vehicle and injures the driver.
- Aggravated assault upon a kid less than 11 years old: A grown man punches and kicks a 7-year-old kid 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.
- 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 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% 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.[2]

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 governor 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.
-

[2] 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/

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.[3] 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.

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 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 will 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.

[3] 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

PAGE INTENTIONALLY LEFT BLANK

MINIMUM WAGE (UPDATE)

Analyst- Peter Drao
Phone- (518) 455-2698
Email- drao@nysenate.gov

Statutory Minimum Wage

- $15.00 – New York City
- $14.00 – Long Island and Westchester
- $12.50 – Rest of State

The Executive Did Not Suspend 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, there are now separate minimum wages 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.

Because of Senate advocacy in 2016, §656 of the Labor Law 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. The Director is then required to make a determination if a suspension in any scheduled increase is warranted.

The Division of the Budget's Impact Report

According to the DOB report, 51 percent of the jobs lost due to the pandemic are in retail, trade and hospitality. This is somewhat supported by data from the U.S. Bureau of Labor Statistics that show a net loss of 367,000 jobs in leisure and hospitality from December 2019 to December 2020. Of the more than one million jobs lost in New York State during that period, more than 65 percent are in the leisure, hospitality, education, health care transportation and the trades.

Also, according to the DOB report, the COVID-19 pandemic ended economic expansion for New York State since the 1850s. Prior to COVID unemployment in New York State was at 3.7 percent, as of October statewide unemployment was 9.6 percent and 6.8 percent upstate. Recognizing that increasing the minimum wage imposes additional cost on businesses and further recognizing that, many of the businesses hit hardest are small to mid-sized businesses, specifically in the hospitality and leisure sectors, it is unclear as to why the Executive did not pause increases to the minimum wage in conjunction with pausing middle class tax cuts.

The minimum wage report release in December 2020, at the height of the COVID-19 pandemic, does not seem to recognize that further increases to the minimum wage would only sharpen the debilitating affect that the COVID pandemic has had on businesses, particularly small and mid-sized operations. According to the National Federation of Independent Businesses (NFIB), ***47 percent of small business owners expect to be out of business within a year under the current economic conditions.***

Clearly, New York is not open for business.

Schedule of Statutory and Fast Food Minimum Wage Increases

	NEW YORK CITY						LONG ISLAND / WESTCHESTER				REST OF THE STATE			
Effective Date	Fast Food*		Large Employer		Small Business		Fast Food*		All Other		Fast Food*		All Other	
	$/hour	% change	$/hour	% change	$/hour	% change	$/hour	% change	$/hour	% change	$/hour	% change	$/hour	% change
12/31/15	$9.00		$9.00		$9.00		$9.00		$9.00		$9.00		$9.00	
12/31/16	$12.00	*33.3%*	$11.00	*22.2%*	$10.50	*16.7%*	$10.75	*19.4%*	$10.00	*11.1%*	$10.75	*19.4%*	$9.70	*7.8%*
12/31/17	$13.50	*12.5%*	$13.00	*18.2%*	$12.00	*14.3%*	$11.75	*9.3%*	$11.00	*10.0%*	$11.75	*9.3%*	$10.40	*7.2%*
12/31/18	**$15.00**	*11.1%*	**$15.00**	*15.4%*	$13.50	*12.5%*	$12.75	*8.5%*	$12.00	*9.1%*	$12.75	*8.5%*	$11.10	*6.7%*
12/31/19	$15.00	*0.0%*	$15.00	*0.0%*	**$15.00**	*11.1%*	$13.75	*7.8%*	$13.00	*8.3%*	$13.75	*7.8%*	$11.80	*6.3%*
12/31/20	$15.00	*0.0%*	$15.00	*0.0%*	$15.00	*0.0%*	$14.50	*5.5%*	$14.00	*7.7%*	$14.50	*5.5%*	$12.50	*5.9%*
7/1/21	N/A		N/A		N/A		**$15.00**	*3.4%*	N/A		**$15.00**	*3.4%*	N/A	
12/31/21	$15.00	*0.0%*	$15.00	*0.0%*	$15.00	*0.0%*	N/A		**$15.00**	*7.1%*	N/A		**	

* *pursuant to December 2015 administrative Wage Order*

** *Effective December 31, 2021, and each December 31 thereafter, the minimum wage for the Rest of the State will be as published by the Commissioner of Labor on or before October 1, based on the then current minimum wage increased by a percentage determined by the Director of the Budget, in consultation with the Commissioner, not to exceed $15/hour. The percentage increase is to be based on indicies including, but not limited to: the rate of inflation for the most recent 12-month period ending in June of that year; the rate of State personal income growth for the prior calendar year; or wage growth.*

STATE SPENDING CAP

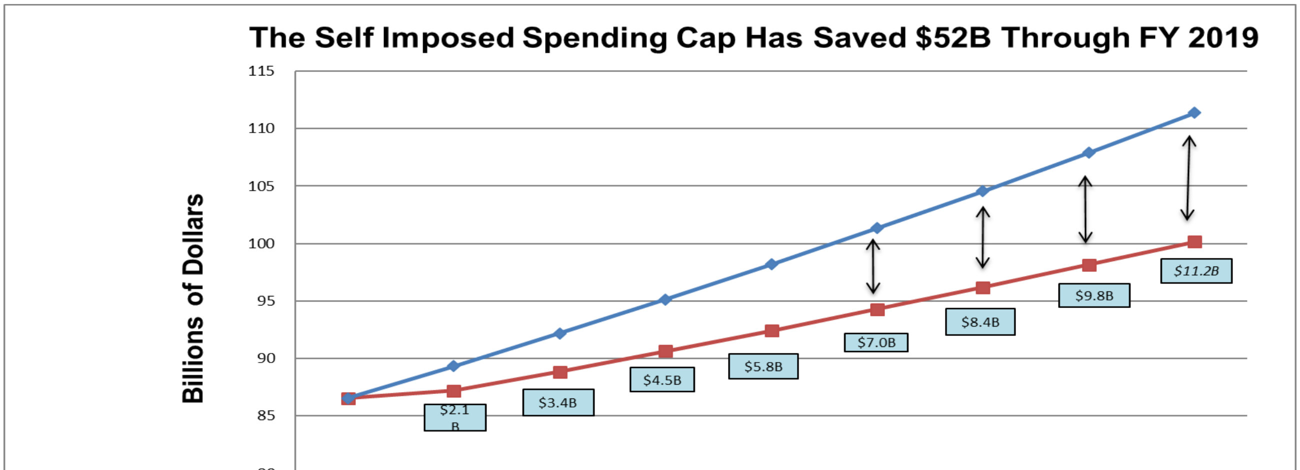
Analyst- Peter Drao
Phone- (518) 455-2698
Email- drao@nysenate.gov

- $15 Billion Two Year Budget Gap
- COVID-19 Exposes Spending Cap Gimmicks
- Executive Blames Washington For Pre-Existing Bad Governance

The Spending Cap That Used To Work

Fiscal responsibility is good for economic growth and job creation. By adhering to a self-imposed State Operating Funds spending cap of two percent from FY 2011 through FY 2019, the Senate had successfully partnered with the Executive to save taxpayers more than $52 billion while maintaining a commitment to high priority areas such as education and health care.

However, the COVID-19 pandemic both changed the context of spending and exposed vulnerabilities arising from irresponsible cost shifting and misplaced priorities.



	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
spending w/ self imposed cap	$86.6	$87.2	$88.8	$90.6	$92.4	$94.3	$96.2	$98.2	$100.1
spending @ 3.2%	$86.6	$89.3	$92.2	$95.1	$98.2	$101.3	$104.6	$107.9	$111.4

The FY 2022 Executive Budget Financial plan has a current $15 billion General Fund two-year budget gap, which is the result of a precipitous, drop in revenue and intrinsic financial plan vulnerabilities that began to initially surface in FY 2020.

FY 2020 Mid-Year

While the FY 2021 Mid-Year Update was a pre-screen to the problems in the current FY 2022 Executive Budget, the State's overspending problem became exposed in the MY report for FY 2020.

According to the FY 2020 Mid-Year Update, the Financial Plan was out of balance by $1.782 billion.

FY 2020 MY Budget Surplus / (Gap) Estimate *(Millions of Dollars)*	
FY 2020	($1,782)
FY 2021	($6,073)
FY 2022	($7,529)
FY 2023	($8,549)
Structural Deficit	**($23,933)**

This was due to a period restatement that was necessary to keep State Operating Funds spending within the self-imposed two percent State Operating Funds cap. Without the restatement, SOF spending would have increased by 3.7 percent.

State Operating Funds Spending FY 2019 and FY 2020 FY 2021 Executive Budget *(Billions of Dollars)*				
	2019 Actuals	**2020 Current**	**Change**	**Percent**
State Operating Funds	$100.137	$103.882	$3.745	3.74%
State Operating Funds, adjusted	$101.829	$103.882	$2.053	2.02%

The restatement was necessary due to the Executive understating the projected cost of the minimum wage increase passed in 2016 and other profligate spending, mostly in Medicaid.

State Operating Funds Spending FY 2019 and FY 2020 Mid-Year Reported and Restated *(Billions of Dollars)*		
	2019 Results	**2020 Estimated**
FY 2020 MY Update	$100.137	$102.153
Adjustment for Medicaid Deferrals	$1.692	$0.00
DOB Restatement of Mid-Year Update	$101.829	$102.153

According to DOB, structural imbalances within the Medicaid Global Cap and understatement of the financial plan impact of the minimum wage increase had caused significant budget gaps for FY 2020 and FY 2021. Even with successful implementation of an FY 2020 saving plan, DOB projected (at the time of the Mid-Year Report) out year budget gaps of $6.1 billion for FY 2021; $7.5 billion for FY 2022; and, $8.5 billion for FY 2023 resulting in a structural deficit of $22 billion.

The minimum wage increase to health care providers, increased enrollment and costs for managed long-term care, payments to financially distressed hospitals, and the phase out of enhanced federal funding were intrinsic cost drivers behind the Medicaid increase.

The entire cost of the Medicaid minimum wage increase falls outside of the Medicaid Global Cap and is thus not subject to the indexed spending limit within the cap. According to the Mid-Year report, since the First Quarter Update, the minimum wage driven cost increase for FY 2020 was $322 million and $560 million for FY 2021, for total minimum wage implementation costs of $1.5 billion and $1.8 billion respectively. According to DOB, these costs were entirely absorbed in FY 2020 and partially absorbed in FY 2021.[4]

In addition to the $6.1 billion FY 2021 budget gap, the Mid-Year projected a $4 billion deficit for spending that falls within the Medicaid Global Cap for FY 2020. The Executive proposed to address the imbalance within the Global Cap through what was described as “payment restructuring” and other cost saving actions that would accompany the FY 2021 Executive Budget.[5]

Excluding the imbalance within the Medicaid Global Cap, the out year gaps were estimated at $4.1 billion for FY 2021, $4.7 billion for FY 2022 and $5.5 billion for FY 2023.

New York’s fiscal troubles existed before COVID and it was not a function of revenue loss but due to overspending.

[4] Mid-Year Update, page eight and page 26.
[5] Mid-Year, page 9

PAGE INTENTIONALLY LEFT BLANK

WORKFORCE UPDATE

Analyst- Peter Drao
Phone- (518) 455-2698
Email- drao@nysenate.gov

- No Layoffs
- 185 New in the Division of Alcoholic Beverage Control
- 800 Net Decrease Department of Corrections
- 339 Net Increase in the Department of Health

Overview

The FY 2022 Executive Budget proposes a net Funds workforce decrease of 830 full time equivalent (FTE) positions. This change is primarily due to net decreases in workforce in the Department of Corrections and Community Supervision, the Office of Children and Family Services and the Office of Mental Health. The decreases are offset by net increases in the Department of Health and the Division of Alcoholic Beverage Control.

Department of Corrections and Community Supervision (DOCCS)

The FY 2022 Executive Budget provides for the Department of Corrections and Community Supervision (DOCCS) to reduce staffing levels by 800 FTEs, projecting to end FY 2022 with 26,847 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 Alcoholic Beverage Control

The Division of Alcoholic Beverage Control requests a net increase of 208 FTE to reflect new hires at the Office of Cannabis Management.

Office of Mental Health (OMH)

The Executive Budget provides that the OMH will realize a net work force reduction of 446 FTE, primarily through attrition.

Department of Health (DOH)

The Department of Health projects a net increase of 339 FTE. This reflects a reduction of 282 FTE through attrition offset by 654 new fills and a reduction of 33 FTE via mergers. It's not clear from the briefings how this articulates with policy proposals. More information is pending from DOH.

Office of Children and Family Services (OCFS)

The FY 2022 Executive budget proposes to close four OCFS operated Youth Facilities: Brentwood Non Secure Residential Center (Suffolk County), Columbia Secure (Columbia County), Goshen Secure (Orange County) and Red Hook Non-Secure Residential Center (Dutchess County). The Executive states that the facilities have been chronically underfilled, with a total bed capacity of 142 and only 50 youth currently placed. Article VII legislation amends the one-year notice requirement to allow these facilities to close in calendar year 2021. The Executive estimates $21.8 million in operational savings annually. According to DOB, staff will be offered reassignments.

Collective Bargaining

The Civil Service Employees Association (CSEA) and DC-37 (Local 1359 Rent Regulation Service Employees) have five-year agreements that include annual salary increases of two percent for FYs 2017 through 2021. These contracts expire 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. The cost of the agreement (approximately $253 million in FY 2020) has been included in the Financial Plan. 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 state continues to negotiate new agreements with the Public Employees Federation (PEF), the Council 82 Security Supervisors Unit and the Police Benevolent Association of New York State (PBANYS).

NEW YORK STATE PROPERTY TAX RELIEF

Analyst- Dave Thoman
Phone- (518) 455-2650
Email- thoman@nysenate.gov

- Taxpayers have cumulatively saved over **$42 billion** in property taxes due to the enactment of the tax cap.
- STAR is projected to save taxpayers **$3.5 billion in FY 2022**, separate from the property tax savings attributed the tax cap.
- New York State continues to have one of the highest tax burdens in the nation.

New York State Property Tax Burden

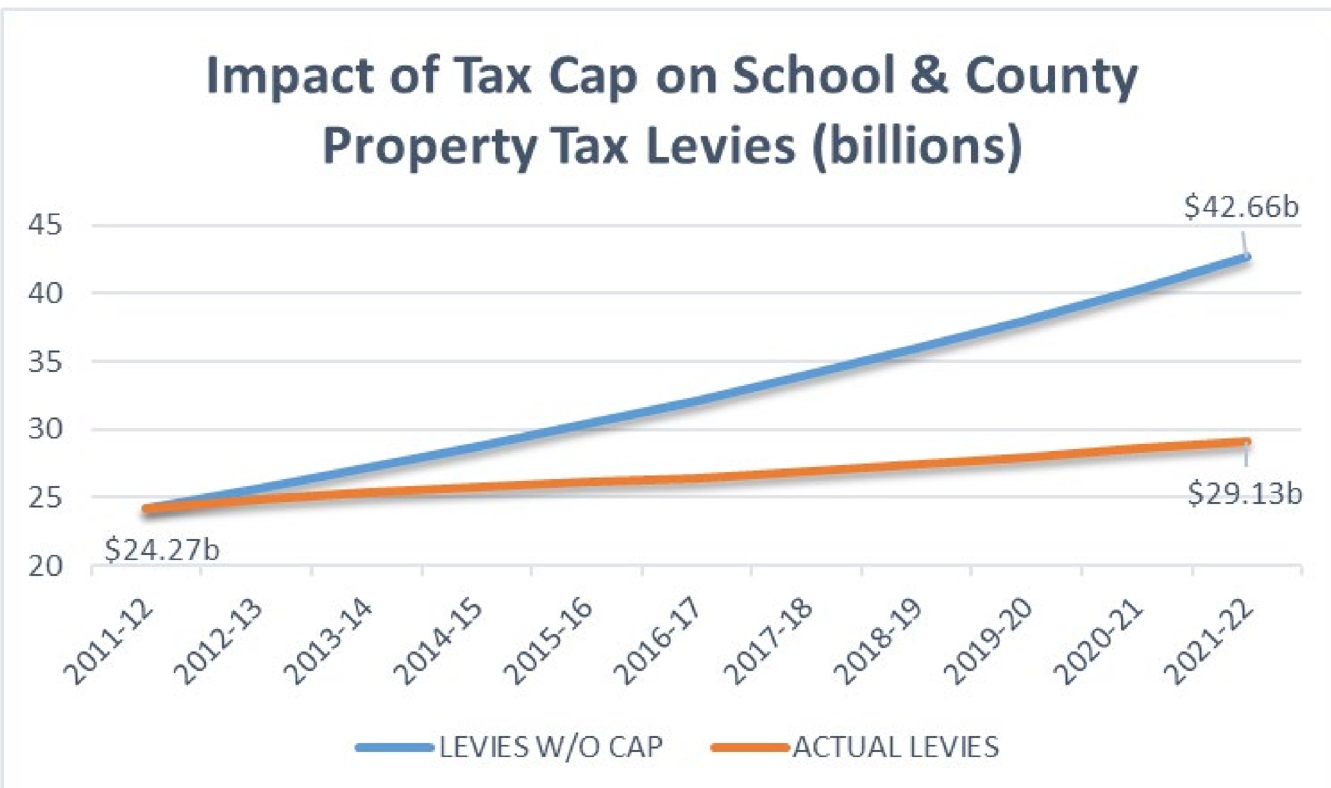
New York State's local governments are entering their ninth year since the historic enactment of the State's property tax cap. All counties, towns, villages, certain cities, special districts and school districts in the State of New York except NYC are subject to the property tax cap legislation passed in 2011. The legislation was a response to untenable growth in the local property tax burden across the State. According to the 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.

<u>New York State Property Tax Cap Extended</u>

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. **<u>In the first nine 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.</u>**



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 2.19 percent for 2020-21 and the average proposed spending increase was 1.78 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 lower than average.

Historical School Tax Levy Increases	
School Year	Tax Levy Increase
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%

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).

In total, 2020-21 school budget voting results show that 98.4 percent of all proposed school budgets passed in the State of New York. Of the 675 school budget votes, 11 were defeated in their first vote. On the second vote, eight succeeded and three districts adopted a contingency budget.

The correlation between school districts seeking to break the tax cap and their success in doing so was weaker than previous years. This likely owes to the unique fiscal challenges associated with the pandemic, as well as a strictly mail-in ballot election resulting in a different collection of voters than is typical. Of the 13 districts seeking to break the cap in June 2020, nine were successful and four failed. Two (Fort Edward and Rensselaer) proposed breaking the cap a second time and failed a second time. Of the 11 failed school budgets, four sought to break the tax cap and seven did not.

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.

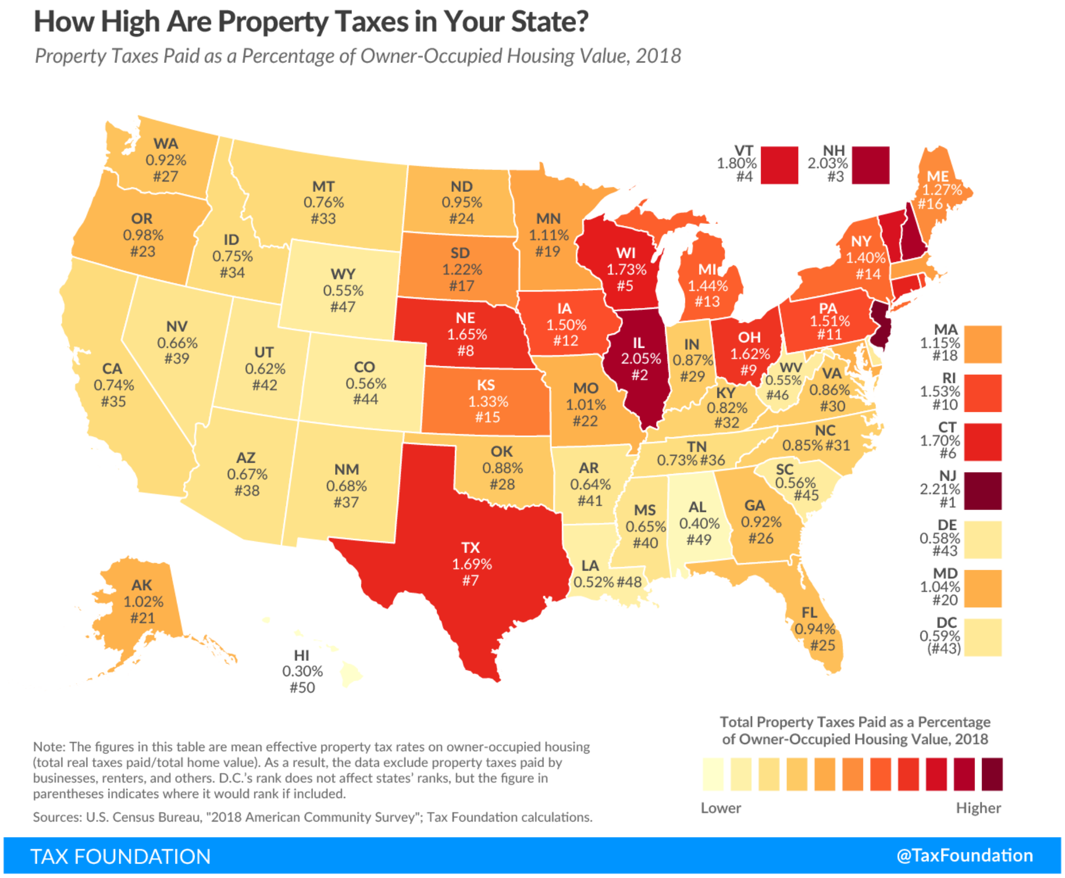
In New York State, most towns and villages have five members that comprise the controlling board. Therefore, three out of five, or 60 percent, of the board members would need to vote in the affirmative to override the tax cap. However, in some towns and villages in New York State, the percent majority 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 35th in 2008 on the measure of state and local tax burden.

Massachusetts' business tax climate ranking, of which property taxes is a significant factor, is 36th 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 11th in FY 2011 to 18th 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 2022 general support for public schools aid increase of $2.9 billion, or eight percent above FY 2021. 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.

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 $90,550 for the 2021-22 school year (increase from $88,050 in 2020-21)
- 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 2022, STAR benefits across the State are estimated to total $3.5 billion. The program provides property tax exemptions to seniors ($774 million) and non-seniors ($1.8 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 $164 million in credits to enhanced STAR recipients and $624 million for basic recipients, as was as $734 million for NYC residents. Since enactment, the STAR program has provided $77.2 billion in property tax relief to homeowners. The table below shows the savings provided to taxpayers over the history of the STAR program.

The Executive would make further changes to the STAR program to accelerate the transition from the exemption to the credit program by barring new entrants into the enhanced STAR exemption. Homeowners that become eligible for the enhanced program could still enter into the enhanced credit. The Executive assumes a $36 million reduction in exemption payments from this change. An additional $36 million is assumed in FY 2023 ($72 million total). This trend would continue into the future as additional homeowners age out of the basic exemption.

The Executive also proposes forcing all mobile home owners within mobile home parks currently receiving the exemption onto the credit program in FY 2023. This proposal could reduce administrative burdens due to the unique manner STAR payments for mobile homes are administered. Because mobile home parks own the land a house is located on, the park is responsible for remitting property taxes to the school district. As such, the park receives the property tax reduction. Park owners pass on the savings to homeowners in the form of reduced rent, but are allowed to retain two percent of the value of the payment as an "administrative fee."

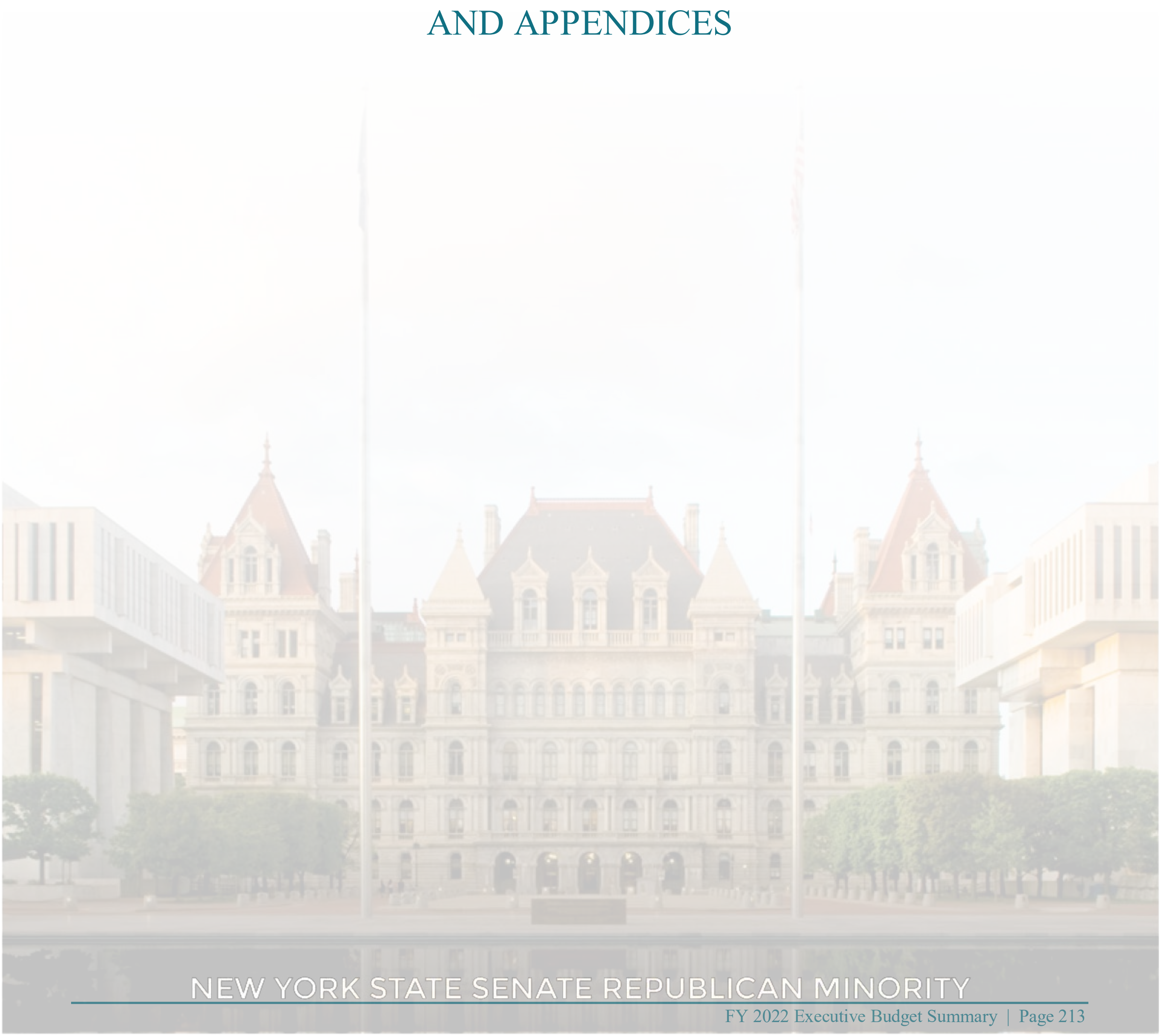
Moving these homeowners onto the credit allows them to realize 100 percent of their STAR benefit. It also relieves the Department of Taxation and Finance from having to verify within each park those homeowners that currently receive the credit in order to remove them from the STAR exemption calculation. Finally, the credit assumes a minimum home value of $20,000 for mobile homes, guaranteeing a higher minimum benefit – the exemption has no such floor. This proposal would result in $8 million in reduced exemption spending in next year.

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
TOTAL	$ 38,188	$ 18,653	$ 14,232	$ 6,133	$ 77,208

PAGE INTENTIONALLY LEFT BLANK

SECTION THREE

SUMMARY OF ARTICLE VII LEGISLATION AND APPENDICES



PAGE INTENTIONALLY LEFT BLANK

SCHEDULE FOR LEGISLATIVE REVIEW OF THE FY 2022 EXECUTIVE BUDGET

Date	Day	Time	Hearing	Request to Testify Can be Found at:
January 26	Tuesday	9:30 a.m.	Transportation	Assembly
January 27	Wednesday	9:30 a.m.	Environmental Conservation	Senate
January 28	Thursday	9:30 a.m.	Elementary Education	Assembly
February 2	Tuesday	9:30 a.m.	Housing	Assembly
		1:00 p.m.	Workforce	Senate
February 3	Wednesday	9:30 a.m.	Health	Senate
February 4	Thursday	9:30 a.m.	Higher Education	Assembly
February 5	Friday	9:30 a.m.	Mental Hygiene	Senate
February 9	Tuesday	9:30 a.m.	Human Services	Assembly
February 10	Wednesday	9:30 a.m.	Public Protection	Senate
February 11	Thursday	9:30 a.m.	Local Government	Assembly
February 23	Tuesday	9:30 a.m.	Economic Development	Senate
		1:00 p.m.	Taxes	Assembly

PAGE INTENTIONALLY LEFT BLANK

APPENDIX

SUMMARY OF THE IMPLEMENTING BUDGET BILLS

This appendix contains a summary of the implementing legislation submitted with, and required to enact the FY 2022 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 2022 EXECUTIVE BUDGET BILLS

Appropriation Bills

S.7500/A.9500	State Operations
S.7501/A.9501	Legislative & Judiciary
S.7502/A.9502	State Debt Service
S.7503/A.9503	Aid to Localities
S.7504/A.9504	Capital Projects

Article VII Bills

S.2505/A.3005	Public Protection & General Government
S.2506/A.3006	Education, Labor & Family Assistance
S.2507/A.3007	Health & Mental Hygiene
S.2508/A.3008	Transportation, Economic Development & Environmental Conservation
S.2509/A.3009	Revenue

Freestanding Article VII Bills

Equal Rights Amendment Concurrent Resolution

PAGE INTENTIONALLY LEFT BLANK

ARTICLE VII LEGISLATION

PUBLIC PROTECTION & GENERAL GOVERNMENT
S.2505 / A.3005

PART A – Extends various criminal justice and public safety programs that would otherwise offset

- Extends for two years, various criminal justice and public safety programs, including, but not limited to:
  - Mandatory surcharge and crime victim assistance fees;
  - Inmate work release programs and furloughs;
  - Protective measures for child witnesses;
  - Mandatory arrest in cases of domestic violence; and
  - Ignition interlock program for individuals convicted of alcohol-related violations.

PART B – Transforms the Office for Prevention of Domestic Violence to the Office to End Domestic Violence and Gender Based Violence

- The Office for the Prevention of Domestic Violence transforms into the Office to End Domestic and Gender-Based Violence.
- The office will expand its purview from focusing on domestic violence to focusing on domestic violence and gender based violence.
- The new office will incorporate the "Enough is Enough" program from Department of Health.

PART C – Domestic Violence Misdemeanor Label

- Creates the crime of "domestic violence," which would be a class A misdemeanor.
  - An individual would commit the crime of domestic violence when he/she commits any of a number of violent crimes, such as reckless endangerment, assault in the 3rd degrees, etc. against a member of his/her family or household.
- The crime of domestic violence would be considered a serious offense and someone convicted of the crime would not be able to purchase a firearm.

PART D – Authorizes Courts to Order Domestic Violence Abusers to Pay Housing Costs

- Authorizes courts to require an accused or convicted domestic violence abuser pay housing related costs. Such costs would include:
  - Rent or mortgage payments on the premises owned or occupied by the victim;
  - Reasonable costs to repair damages to the housing premises caused by the abuser; and
  - Reasonable moving costs of the victim, including security deposits and utility costs.

PART E – Domestic Violence Tracking

- Requires the Office of Court Administration (OCA) to include data on the issuance of orders of protection for family offenses in the report on pretrial release and detention issued every six months.
- Requires OCA to provide a monthly report on the number of individuals charged in each county with misdemeanors or felonies where the defendant and victim are members of the same family or household. The monthly report would be required to be provided to the Division of Criminal Justice Services and the Office for the Prevention of Domestic Violence.

PART F – LGBTQ Fairness in Child Custody

- Prohibits courts from considering the sex, sexual orientation, gender identity or gender expression of the parents when determining the best interests of a child in a child custody proceeding.
- Prohibits courts from prohibiting a parent from undergoing gender reassigning medical care when determining the best interests of a child in a child custody proceeding.

PART G – Eliminates Discriminatory Policing of Transgender New Yorkers

- Repeals the crime of loitering for the purpose of engaging in a prostitution offense.
  - Loitering for the purpose of engaging in prostitution offense: any person who remains or wanders about in a public place and repeatedly beckons to, or repeatedly stops, or repeatedly attempts to stop or engage passerbys in conversation or attempts to stop a vehicle for the purpose of prostitution. The crime is a violation for the first offense and a class B or class A misdemeanor for repeat offenders.
- Advocates call this the "walking while trans" law, claiming police use the law to disproportionately target transgender individuals.

PART H – Removes the term "incorrigible" in law.

- Removes the term "incorrigible" contained in certain provisions within the Family Court Act and Education Law.

- The intent of this part is to ensure that young individuals are not labeled as incorrigible or be viewed as not able to be corrected or improved, since the focus of the Court or Educational institution is to reform and rehabilitate.

PART I – Provides that Election Records of Judges and Members of Their Families Be Exempt from Public Inspection.

- Directs that judges, and family members of judges, upon application to a supreme court, county court or family court, may receive an order to have their voter registration record, exempt from public inspection and disclosure.
- Such an order is currently available for victims of domestic violence.
- Election officials at local boards of elections would continue to have access to such records, which would be required to be kept separate and apart from all other election records.

PART J – Establishes Virtual Arraignments Statewide

- Authorizes any county in the state to conduct arraignments virtually in connection with a criminal action.
- Under current law, about half of the counties around the state can conduct arraignments virtually.

PART K – Strengthens New York's Policing Profession

- Provides that the State Inspector General shall inform DCJS of any complaint against a police officer for corruption, fraud, use of excessive force, criminal activity, conflicts of interest or abuse.
- Requires accreditation of hiring practices for most police officers in the state. The accreditation process would include background checks, verification or good moral conduct and reporting of misconduct to DCJS.
    - Under current law, the Law Enforcement Agency Accreditation Council develops model standards for law enforcement agencies - accreditation is voluntary.
- The Law Enforcement Agency Accreditation Council may revoke or withhold the granting of accreditation status of an agency that fails to adhere to mandatory accreditation standards.
- Adds psychological requirements to the list of requirements the Accreditation Council can set for competitive class of the civil service for police officers.
- DCJS will collect demographic data with respect to persons that are appointed police officers, including the officer's racial and gender characteristics.
- Police departments will have three years to have their hiring practices accredited.

PART L – EO 203 Police Department Monitoring

- Requires police departments to install a monitor if they do not comply with Executive Order 203 that requires each department to submit a plan based on the NYS Police Reform and Reinvention Collaborative by April 1, 2021. The plan must outline ways to improve police force deployments, strategies, policies, procedures and practices.
  - The Attorney General in consultation with the Governor will appoint the monitor. The monitor will oversee the operations of the police agency until the Director of the Division of Budget certifies the department's plan.
  - The director of the Division of Budget will also withhold state funds to such department until compliance occurs.
  - The police department or responsible local government will pay for the costs of installing the monitor.

PART M – 90-Day Notice for Correctional Facility Closures

- The Executive must provide 90 days' notice to the Legislature before closing a correctional facility of the Department of Corrections and Community Supervision.
  - Last year's enacted budget included this provision, which is set to expire on March 31, 2021.
    - This would be a two-year extension and would expire March 31, 2023.

PART N – Arrest Warrant Prohibitor

- Prohibits individuals who have an active arrest warrant for a felony or serious offense from purchasing or acquiring a rifle, shotgun or firearm.
- Under current law, individuals are prohibited from purchasing or acquiring a rifle, shotgun or firearm if convicted of a felony or serious crime.

PART O – Sharing of Crime Gun Data

- Requires all state and local law enforcement to collect and submit all gun related evidence to specified centralized database.
- Law enforcement agencies must report any gun used in the commission of a crime, unlawfully possessed or obtained from a crime scene to the criminal gun clearinghouse within 24 hours of taking possession of the gun. The clearinghouse must promptly submit a request to the national tracing center of the bureau of alcohol, tobacco and firearms and explosives.
  - The law enforcement agency that seizes the gun must arrange the gun be test-fired as soon as practicable and the results be submitted to the national integrated ballistic information network database to determine whether the gun was used in a related crime.

- Current law requires state police collect information on guns seized, forfeited, found or otherwise coming into possession of state or local law enforcement due to their commission of a crime.

PART P – Continues the National Guard Tuition Program

- Continues the highly successful National Guard undergraduate tuition program (known as the Recruitment Incentive and Retention Program) which was originally established in 1996 and provides for direct payments of college tuition for eligible members of the Army and Air National Guard.
- This program, which is scheduled to sunset on September 1, 2021, would be extended for 5 years until September 1, 2026.

PART Q – Expands the Absentee Ballot Request Period

- Expands the time in which a voter may request an absentee ballot, from 30 days before and election, to 45 days before an election.
    - Despite the added staff cost for processing and tracking these requests that will be experienced by local boards of election under this proposal, this unfunded mandate contains no accompanying fiscal appropriation.

PART R – Mandates the Time Frame for Local Boards of Elections to Mail Absentee Ballots

- Mandates mandate the time frame for local boards of elections to mail out Absentee Ballots to Voters.
- Local boards must mail an absentee ballot to a voter within four business days of receiving the voter's application, or when received between the 10th and 7th day before the election, the local board must mail the ballot to the voter within 24 hours of receiving their application.
- Does not include provision that lays out how local boards will properly accomplish application verification, processing and mailing within these time periods that this mandate would impose.
- Despite the added staff cost for assessing the applications, and processing and mailing these ballots within these timeframes, that will be experienced by local boards of election under this proposal, this unfunded mandate contains no accompanying fiscal appropriation.

PART S – Expands Early Voting Hours

- Expands the hours available for early voting.
- Requires local boards of elections to keep their polls open for at least 8 hours between 7am in the morning and 9pm in the evening each weekday during the early voting period.
- Requires that at least one polling place must remain open until 9pm in the evening on at least three week days during the early voting period.
- Polls must increase their voting hours from five hours to 10 hours, between 9am and 9pm on each Saturday, Sunday and Legal Holiday during the early voting period.

- Despite the added staff cost for operating and staffing these poll sites that will be experienced by local boards of election under this proposal, this unfunded mandate contains no accompanying fiscal appropriation.

PART T – Mandates the Counting of Absentee Ballots 40 Days Before an Election

- Commences the counting of absentee ballots forty days before the election.
- Current law provides for the counting of absentee ballots after the election has concluded and their legal time for receipt has passed (but not later than 14 days after the election), in order to assure proper ballot integrity and processing, as well as non-interference with the election process.
- Concerns:
  - No provision is made under this proposal for the necessary absentee ballot assessment time, the prevention of the casting of multiple ballots, or the problems of using scanner machines for this mandate that may be needed and prepared to be used at poll sites for voting.
  - Seriously restricts the bringing of any legal challenge to an election in court, by now mandating that in order to bring such a challenge, the petitioner must demonstrate by clear and convincing evidence that they were irreparably harmed, with such proof required before the challenge is allowed to uncover such evidence.
  - Despite the added staff cost for examining, assessing, opening, tabulating and counting these absentee ballots, all while also trying to properly, prepare and conduct both early voting and an election, that will all be experienced by local boards of election under this proposal, this unfunded mandate contains no accompanying fiscal appropriation.

PART U – Mandates Election Recounts to be Completed within Five Days of Commencement.

- Requires that election recounts must commence within three days of the deadline for receipt of absentee ballots and must conclude within five days of commencement.
- No provision is made within this proposal for the size of the recounted race nor for how to assure the integrity of the examinations of the ballots during the recount.
- Despite the added staff cost for conducting these recounts during the expedited timeframe required by this proposal, this unfunded mandate contains no accompanying fiscal appropriation.

PART V – NYSIF Out-of-State Coverage

- Authorizes the State Insurance Fund (SIF) to enter into agreements with other insurers, licensed to write workers' compensation insurance outside of New York State, for the issuance of a policy to an SIF policyholder, in order to cover such policyholder's obligation for workers' compensation benefits in such other state.

PART W – NYSIF Enhanced Investment Authority

- Allows the State Insurance Fund (SIF) to diversify its portfolio.
- Allows the SIF to invest up to 30 percent of its reserves in BBB rated bonds.
- Division of Budget estimates these changes will reduce workers compensation costs.

PART X – Reserve and Deposit Discounts

- Allows the State Insurance Fund to use updated tables for mortality and remarriage, pursuant to claims on or after January 1, 2022.
- The new tables would be from the Department of Health and Human Services and updated remarriage tables published by the United States Railroad Retirement Board.
- The tables would be updated every ten years.
- Removes the requirement that SIF reserves be discounted by five percent and would use the same reserve standard applied by private workers' compensation insurers under Insurance Law.

PART Y - Temporary Manufacturing Permits for Bars and Restaurants

- Permits the Liquor Authority to grant breweries, wineries, distilleries, and cideries permission to operate their manufacturing facility.
- Amends the Alcohol and Beverage Control Law for prospective licensed premises that are located statewide and in the City of New York, to operate under specific conditions. Repeals the expiration date of October 12, 2021.
- Permits for new bars and restaurants in New York City who meet the operation criteria, to begin operation while their licenses are pending under the restrictions as follows:
  - Premise shall close no later than 12:00am each day
  - No live music, karaoke, DJ's, or any similar form of music, and no dancing
- Temporary manufacturing permits require an application accompanied by a check or draft in the amount of one hundred twenty-five dollars. The application shall be in writing, verified and contain information required by the Liquor Authority as listed below:
  - The applicant has a manufacturing license application at the same premises pending before the Liquor Authority, together with all required filing and license fees;
  - The applicant has obtained and provided evidence of all permits, licenses and other documents necessary for the operation of such a business; and
  - Any current license in effect at the premises has been surrendered, placed in safekeeping, or has been deemed abandoned by the authority.
- Permits may be suspended or cancelled at any time if the Liquor Authority determines a good cause exists. The Liquor Authority shall notify permittee of such action and shall set forth reasons for the suspension or cancellation.

PART Z – License Movie Theaters to Serve Alcohol

- Allows movie theatres to sell alcoholic beverages for motion pictures rated PG-13, R or NC-17
    - Allows holder of a retail on-premises license to sell directly to an individual holding a ticket, with proof of age, with only one alcoholic beverage per transaction.
    - Allows food typically found in movie theatres to be deemed in compliance with food requirements under the Alcohol Beverage Control Law. Such food includes, but is not limited to popcorn, candy and light snacks.

PART AA - Provides a Market-Based Interest Rate on Court Judgments and Accrued Claims

- Changes the post-judgment legal rate of interest for civil actions and accrued claims. The current legal rate of nine per centum per annum would be changed to a market rate, that is equal to the weekly average one-year constant maturity treasury yield, during the calendar week preceding the date of the entry of judgment.
- This proposal would have the effect of reducing or increasing the current legal rate of interest, depending on whether such market rate is higher or lower than the current fixed rate of nine percent.

PART BB – Enacts the "New York Medical Supplies Act"

- Requires that all contracts over fifty thousand dollars in value made and awarded by any state department or agency for the purpose of purchasing personal protective equipment (PPE) or medical supply items be produced or made in the United States. The requirement can be waived by the head of the agency making the purchase under the following circumstances:
    1. It is determined that the purchase would not be in the public's interest;
    2. Obtaining such personal protective equipment or medical supplies in the United States would increases the cost unreasonably;
    3. PPE equipment and medical supplies made in the United States cannot be made in sufficient and reasonable quantities; and
    4. Purchasing PPE equipment and medical supplies outside of the United States is necessary to a delay in critical services.
- The Executive claims that enactment is necessary to address supply chain concerns highlighted by the COVID-19 Pandemic.

PART CC – Eliminates reimbursement of the Medicare Income Related Monthly Adjustment Amounts (IRMAA) to high income State retirees

- Eliminates IRMAA reimbursement effective January 1, 2021. The additional cost would apply to individuals who make more than $88,000 per year or a joint tax return more than $176,000. Savings from implementation of this provision are estimated at $4.0 million in FY 2022, $17.1 million in FY 2023, $20.9 million in FY 2024, and $25.2 million in FY 2025.

PART DD – Implements differential health care premium contributions within the NYS Health Insurance Program (NYSHIP) for new civilian hires at retirement based on years of service

- Implements a sliding scale reimbursement of health care costs at retirement. Subsidies begin at 10 years of service and gradually increase until 30 years of service.
- Only applies to new hires after October 1, 2021. Does not apply to individuals who retire with an ordinary, accidental, or performance of duty disability pension.

PART EE – Freezes State reimbursement of the Standard Medicare Part B premium paid to eligible New York State Health Insurance Program (NYSHIP) retirees

- Freezes the current reimbursement for Medicare Part B premiums at $148.50 per month, the current rate established by the federal government.

PART FF – Authorizes the Director of the Office of Information Technology Services to Issue Design Build Comprehensive Technology Services Contracts.

- Authorizes the director of the Office of Technology Services (ITS) to issue procurements for design build comprehensive technology service contracts to allow the same firm to both design and build technology systems. Presently, the State Finance Law prohibits contracts for both design and implementation to be performed by the same entity, in the same contract, without a contradictory statutory authorization.
- Pursuant to this part, ITS, in order to issue such design/implementation contracts, would be required to advertise the requests for proposal, with a detailed description of the contract's parameters.

PART GG – Standard Clauses and Authorized Signatories Act

- Requires departments with a website to post a current list of the names of all individuals authorized by the department to execute contracts on behalf of the department.
- To limit unfavorable terms in state contracts, provides that a term or condition in a contract of a state or department would be deemed void and unenforceable if it:
    - Requires the state or department to indemnify or hold harmless another person;

- Provides the state or department agrees to binding arbitration or other non-judicial resolution process;
- Authorizes a contractor to unilaterally amend, revise, or add terms or conditions to a contract;
- Limits the liability of a person caused by the negligence or willful misconduct of such person, or their agents or employees;
- Designates the law of a jurisdiction other than New York as the law governing the contract.

PART HH – Allows State Agencies to Share Personal Data Without Violating Personal Privacy Protection Law

- Exempts agencies from the prohibition of disclosing records or personal information when such information is exchanged between state agencies.

PART II – Creates the Data Accountability and Transparency Act

- Mandates that persons or commercial entities that collect, control or process personal information, must disclose the purposes of the data collection and collect only data needed for those purposes.
- Regulates data collection and use, especially with respect to personal identifying, health, biometric and location data.
- Establishes a new enforcement mechanism under the oversight of the Department of State and the Department of Financial Services, to impose restrictions on covered entities, and penalize them for viewed misuses of the data they use, maintain or control.
- Creates a Consumer Data Privacy Bill of Rights, directing New York Government entities to provide outreach and education about these rights.
- Establishes a new Consumer Data Privacy Advisory Board to provide guidance and recommendations on matters related to consumer data privacy.
- Designates the Secretary of State to enforce the provisions of this new law, investigate potential violations, and assess civil penalties.

PART JJ – "Disclosures for Voice Recognition Features in Connected Devices"

- Requires devices with a "voice recognition feature" to include a clear and conspicuous disclosure of their capabilities and settings pertaining to the retention and transmission of recordings. Examples of devices with voice recognition features include smart phones, computers, smart watches, video game consoles, and other internet capable devices.
- Under the disclosure requirement, a person or entity shall not sell or otherwise provide an internet connected device or toy containing a voice recognition feature within New York State without prominently informing purchasers both prior to the sale on its packaging and during the initial setup that, at a minimum, the device may be recoding the user. During the initial setup, such devices must disclose: (a) the categories of personal information collected and (b) if the person or entity is retaining

such voice recorded data, for how long, and whether a natural person may listen to such audio. Additionally, during the initial setup such devices must disclose: the categories of personal information collected, and that if the person or entity is retaining such voice recorded data, for how long and whether a natural person may listen to such audio.

- Upon finding a violation, the Secretary of State may assess a civil penalty of up to $2,500 per violation.

PARK KK – Eliminate VLT Aid to All Municipalities Outside of Yonkers

- Eliminates the aid that 15 municipalities ($9.3 million) receive due to hosting a Video Lottery Gaming Facility.
- Aid has been provided for over 10 years and can be used to:
  - Alleviate local costs associated with the facility;
  - Reduce real property taxes; and
  - Increase support for public schools.
- Yonkers is the only municipality authorized to provide aid to public schools and their share would be reduced by five percent to $18.6 million.

PART LL – Eliminates State Payments to the Aid and Incentives for Municipalities Program, and Reduces County Sales Tax AIM Payments By 20 Percent

- Eliminates state payments to the AIM program.
- This proposal would further advance the Executive's initiative to remove the cost of AIM payments from the general fund, and make all AIM paid from county sales tax dollars.
  - Reduces AIM to all 61 cities outside New York City (which has never received AIM), according to such city's reliance on AIM, as a portion of their budget, with such reduction ranging from 2.5 percent to 20 percent, with more-reliant cities receiving a lower percentage reduction, and less-reliant cities receiving a higher percentage reduction, broken out by quartiles of reliance.
  - Further reduces AIM to the remaining 86 towns and 51 villages that currently receive the remaining $8.5 million of state funded dollars, replacing such payments with sales tax payments, and then reducing all such sales tax payments to all towns and villages, by 20 percent, beginning in December 2021.
- In 2019, the Executive proposed a massive reduction in AIM, with such proposal seeking to permanently eliminate 1326 towns and villages (87 percent) from the program, and reduce total state payments from $715 by $59.2 million. After this proposal, only $8 million (or 1.2 percent of the total amount of $655.8 million in AIM funding) would be going to the state's towns and villages. The $647 million of the remaining funding (98.8 percent) would be distributed to the state's cities (other than New York City).
- The 2019 Executive proposal was eventually restructured in the enacted budget by shifting the AIM payments to instead be paid from county sales tax collections and having the Comptroller make such

payments from county sales taxes held by the State prior to their distribution to the counties, rather than such AIM payments being made from the State's general fund.

PART MM – Expands Investment Authority for Counties to Match Options Currently Authorized for New York City.

- Expands the current investment options for counties to match the options currently authorized for New York City.
- This investment expansion would allow counties to invest in the following:
  - General obligation bonds and notes of any state other than New York, provided that such bonds receive the highest rating of at least one independent rating agency;
  - Obligations of any corporation organized under the laws of any state, provided that such obligations received the highest rating of two independent rating services and that no more than $250 million is invested in any one corporation;
  - Bankers' acceptances maturing within 270 days which are eligible for purchase in the open market by federal reserve banks;
  - Obligations of, or instruments issued by, any agency or instrument of the USA, including federal home loans banks, the Tennessee Valley Authority, the Federal National Mortgage Association, Federal Home Loan Mortgage Association, and the United States Postal Service, provided that no more than $250 million is invested in any one agency; and
  - No load money market mutual funds, provided that such funds are limited to investments in obligations of agencies or instrumentalities of the USA, where payment is guaranteed by the United States.

PART NN – Enhances Flexibility of Local Governments for State Reimbursement and Plan Development Under the County Wide Shared Services Plan

- Extends eligibility for state matching funds, on shared services projects developed under a County-Wide Shared Services Plan, to projects which were advanced under an approved County-Wide Shared Services Plan, but which were not, or could not be, implemented until a year after such an eligible plan. State Matching Funds under the County-Wide Shared Services Imitative, are drawn from a $200 million dollar accompanying state grant, which has been re-appropriated for such purpose this year.
- Allows County Wide Shared Services Plans to select either a January 1 to December 31 implantation date, or a July 1 to June 30 implementation date. Such July 1 date alternative is proposed in the expectation that it will encourage more school districts to participate in County Wide Shared Services Plans (since such school districts operate under the July 1 to June 30 fiscal year).
- Would make the County Wide Share Services Initiative Law, which is scheduled to sunset on December 31, 2021, permanent.

PART OO – Extends the Authorizations of Local Governments to Enter into Purchase Sharing Contracts

- Extends the eligibility for local governments to enter into purchase sharing contracts, which is scheduled to sunset on July 31, 2021, for an additional two years, until July 31, 2023.
  - The authority sought to be extended, authorizes a county, political subdivision or district to purchase any apparatus, materials, equipment or supplies, or to contract for related services through the use of a contract by the United States of America or any one of its agencies and any state, or other county, political subdivision or district therein, so long as their procurement process was consistent with state procurement law, and the contract was made available for use by other governmental entities.

PART PP – Authorizes Counties to Pursue Agreements to Jointly Operate and Maintain a County Jail

- Authorizes counties to pursue and execute agreements to jointly operate and maintain a county jail facility.
- Current law requires that each county must maintain a county jail.
- Expressly provides that counties can satisfy this legal requirement of maintaining a county jail, by means of jointly operating and maintaining such a jail facility, pursuant to a shared services agreement.

PART QQ – Authorization for Transfers, Temporary Loans, and Amendments to Miscellaneous Capital/Debt Provisions, Including Bond Caps

- Provides for 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.

PAGE INTENTIONALLY LEFT BLANK

EDUCATION, LABOR & FAMILY ASSISTANCE
S.2506/ A.3006

PART A – School Aid

- Provides changes to the school aid formula to incorporate additional spending cuts, federal stimulus funds, and other actions.
  - $25.4 billion in State school aid formula, a decrease of $504 million.
  - Flat Foundation Aid Funding.
  - Consolidates 11 expense-based aids into a block grant.
    - Converts these aid categories – including BOCES and Transportation Aid – into a block grant.
    - Slows growth in out-year and reduces funding in FY 2022 by $693 million compared to current law.
    - Total for these aids decreases $393 million, or 10.5 percent, from the 2020-21 school year.
  - Additional cut of $1.3 billion in State Aid.
  - Federal COVID stimulus payments of $3.9 billion.
  - Total School Aid formula of $27.4 billion, an increase of $2.2 billion.
- Allows for school districts to receive reimbursement for pandemic-related transportation costs that are otherwise ineligible for transportation aid.
- Eliminates grant reimbursement for teacher recruitment and retention programs (Teachers of Tomorrow, Teacher Mentor Intern, and Albert Shanker Grant).
- Allows the reissuance of a charter for a K-12 school that has closed in New York City.
- Reduces allowable charter tuition rates by the same percentage as the school district's State aid cut in proportion to the district's General Fund spending for one year.
  - State law requires State to pay districts approximately $1,000 per charter pupil to offset cost of a district's charter tuition payment (AKA, Supplemental Tuition Payments).
  - The proposed reduction in charter school tuition charged results in lower State aid for supplemental tuition payments.
  - Executive realizes $35 million in savings, with $40 million in savings to school districts.
  - Reverts back to current law for the 2022-23 school year.
- Eliminates NYC Charter Facilities Aid.
  - This aid reimburses NYC for the cost of charter schools utilizing public school buildings (encouraging co-location of schools).

   - State saves $47 million in FY 2022 by eliminating this "rent" payment.
- Changes payment schedules for Nonpublic School Aid.
   - Starting with the 2020-21 school year, moves payments from the third to the fourth quarter (thus pushing back the State Fiscal Year in which the payment goes out).
   - Stricter, fixed claiming deadlines (May 15 in 2021, and April 1 thereafter).
   - Allows SED to prorate payments if claims exceed annual funding levels.

PART B – Allows Public Accounting Firms to Have Minority Ownership by Individuals Who Are Not Certified Public Accountants (CPA)

- 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 C – Streamlines New Education Program Approval for Colleges and Universities

- Allows new curricula or programs of study that do not require a master plan amendment to be deemed registered with the State Education Department (would no longer require SED approval).
- Schools must be accredited by the Middle States Commission on Higher Education.
- Proposal is in response to program approval in New York being significantly longer than the nationwide average.
- Does not apply to for-profit schools.

PART D – Extends SUNY and CUNY Procurement Flexibility

- Extends for five years provisions allowing flexibility in State Comptroller procurement requirements for SUNY and CUNY, until 2026.
- Expands the language to allow SUNY to purchase services through a consortium.
- Consortium purchases would remain subject to existing approval requirements of the State Comptroller.

PART E – Extends SUNY and CUNY Predictable Tuition

- Provides for four additional years of $200 annual increases in tuition.
- Allows flexible tuition rates within SUNY at the four university centers and five doctoral degree granting institutions of up to 150 percent of the minimum tuition rate.
- Allows SUNY to reduce tuition rates for "high demand" certificate programs.

PART F – Holds Harmless Student Financial Aid Eligibility Due to the Pandemic

- Student financial aid eligibility would not be negatively impacted due to the COVID-19 pandemic.
    - Examples could include inability to complete requirements due to courses being discontinued or prolonged illness associated with the virus.

PART G – Freezes Excelsior Scholarship Payment to SUNY and CUNY

- SUNY and CUNY are reimbursed for providing free tuition through the Excelsior Scholarship
- Amount of reimbursement is frozen, creating a gap between the value of the scholarship and the payment to the school as tuition rates increase.
- The reimbursement amount is scheduled to reset every four years to equal the actual cost of tuition, including in Academic Year 2021-22.
- The Executive would delay this reset until Academic Year 2023-24 (providing a cost savings to the State for two years).
- Beginning in Academic Year 2024, the freeze on reimbursement rates would be eliminated, allowing SUNY and CUNY to receive an amount equal to the full cost of tuition each year.

PART H – Authorizes the Closure of Four OCFS Youth Facilities in the 2021 Calendar Year

- Provides a six- month notice of closure instead of the one-year closure notice requirement.
- Proposed closure date would be October1, 2021 and facilities include Goshen Secure Center, Columbia Girls Secure Center, Red Hook Residential Center, and Brentwood Residential Center.
- Estimated savings in 2022 of $10.9 million and full annual savings of $21.8 million.

PART I – Permanently Eliminates the State Share of Reimbursement, to Counties Outside of New York City, for Placements Made by the Committee on Special Education (CSE)

- Permanently eliminates 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, 2021.
- Estimated Savings of $28 million.

PART J – Makes Funding Permanent for the Youth Development Program

- The Youth Development Program provides funding for locally approved programs such as Youth Bureaus and afterschool programs.
- Sunsets on December 31, 2021.

PART K – Makes Permanent the Office of Children and Family Services (OCFS) Authority to Contract with BOCES

- Extends authority of the Office of Children and Family Services to contract with BOCES permanently.
- Current law, provision expires on June 30, 2021.

PART L – Authorizes Placement of a Child in a Qualified Residential Treatment Program (QRTP) Per the Federal Family First Prevention Services Act Requirement

- Establishes an assessment and review process when a Local Social Service District or the Office of Children and Family Services places a child in a qualified residential treatment program (QRTP). Within 30 days of placement, a qualified individual who is a trained professional or licensed clinician who is not connected to any placement setting must complete the assessment. The Family Court must review and approve such placement within 60 days. The review must consider the assessment, documentation, and determination made by the qualified individual. Such placement must be consistent with long-term permanency goals.
- Compliance with the Federal Family first Prevention Services Act is necessary to avoid losing up to $600 million in Federal reimbursement.

PART M – Requires Differential Response Programs for Child Protection and Assessments or Investigations

- Requires Local Social Services District to establish and implement differential responses to reports of child abuse and maltreatment. The response shall focus on providing family assessment and services. Such program shall include protocol in place to remove implicit bias from the decision-making process.
- Local Social Service Districts shall submit a plan for approval to OCFS by January 1, 2023.

PART N – Ensures Statewide Access to Veterans Treatment Courts

- Allows for the establishment of veterans' treatment courts.
- Authorizes the removal of a misdemeanor or felony action from a local criminal court or superior court to a veteran's treatment court or human trafficking court in an adjoining county, provided there is consent from the adjoining county's district attorney. Removes the current requirement that the local

district attorney consents to the removal of a misdemeanor or felony action from a local criminal court or superior court to a human trafficking court in an adjoining county.

- Clarifies that for matters where the defendant and victim are members of the same family or household, that such matters shall not be removed to a veterans treatment court.

PART O – Authorizes Mortgage Insurance Fund (MIF) and Housing Finance Agency Resources (HFA) Utilization

- Sweeps $63.4 million of projected MIF excess reserve funds. These funds would be used to support the following programs:
    - Neighborhood and Rural Preservation Programs ($18.2 million) for community based housing across New York; and
    - Homeless housing programs ($45.2 million), including the Solutions to End Homelessness Program, the New York State Supportive Housing Program, and the Operational Support for AIDS Housing program.
- Sweeps $65.6 million of HFA's available resources to reimburse New York City for providing emergency shelter to individuals and families.

PART P – 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, 2022

- Establishes 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 2021 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 2022.

Part Q – Transfers Administration of the Gifts to Food Banks Tax Check-Off Fund to the Department of Health

- Transfers the administration of the Gifts to Food Banks tax check-off fund to the Department of Health from the Office of Temporary and Disability Assistance.

PART R – Expands the Human Rights Law to Include For-Profit Schools

- Current law provides anti-discrimination protections to all public schools and non-religious not-for-profit education institutions.

- The Executive proposes extending the law to all non-sectarian for-profit schools. The New York State Human Rights Law makes it illegal for educational institutions to deny their services to students on the basis of race, color, religion, disability, national origin, sexual orientation, military status, sex, age or marital status, and for such institutions to allow students to be harassed on the basis of any of those characteristics.
- The Executive claims that the lack of enforceable anti-discrimination protections for non-sectarians private schools is a significant concern.

PART S – Prohibits Discrimination Based on Citizenship

- Adds "citizenship or immigration status" to the list of protected classes of people who it is unlawful to discriminate against.
- This list currently includes age, race, creed, color, national origin, status, sexual orientation, gender identity or expression, military status, sex, disability, predisposing genetic characteristics, familial status, marital status, and status as a victim of domestic violence.

PART T – Encourages Part Time Work Through Partial Unemployment Insurance Benefits

- Changes the calculation of unemployment insurance benefits (UI) to a methodology based upon weekly earnings as opposed to the current system, which reduces a claimant's weekly benefit by 25 percent if he/she performs any work on a given day.
- To qualify, a claimant would have to be partially unemployed and eligible for a UI benefit.
- If qualified, a claimant working part time would be eligible to receive a reduced benefit.
- The reduced benefit would equate to the difference between the claimant's benefit amount and that part of the claimant's weekly wage exceeding the greater of $100 or forty percent of the weekly benefit amount. For example: if a claimant has a weekly UI benefit of $400 and earns $500 by working part time in a given week, the partial weekly UI benefit would be $60.
  - STEP 1: ($500 [in part time earnings] – ($400 [weekly benefit amount] *.4) = $500 - $160
  - STEP 2: $500 [part time earnings] - $160 [40% of weekly benefit] = $340
  - STEP 3: $400 (weekly benefit amount) - $340 [earnings counted against UI benefit] = $60
- A new definition of "partial employment" would replace the existing definition of "effective day" for the purposes of qualifying for unemployment.
- Defines "partial unemployment" as any week in which the claimant works less than full time and the wages payable are less than the weekly UI benefit amount plus the greater of $100 or forty percent of the weekly benefit.
- Labor Law §581 related to experience ratings would be amended in various places to replace language exempting educational institutions, the federal government and certain out of state employers from benefit charges to their experience rating in instances prescribed in statute where the claimant cannot use wages paid to establish entitlement. The existing language exempts the aforementioned for the

first 28 effective days of benefits paid; the new language changes the exemption to seven weeks of total unemployment.

- Changes the basis for calculating duration of benefits from 104 effective days in any benefit year to 26 times the claimants weekly benefit rate.

PART U – Clarifies Sales Tax Exemptions for Affordable Housing Development

- Clarifies that not-for-profit Housing Development Fund Corporations (HDFCs) affordable housing projects, that are in partnership with Homes and Community Renewal (HCR) or the NYC Department of Housing Preservation and Development (HPD), are eligible for charitable purposes sales tax exemption regardless if they are affiliated with a for-profit special purpose vehicle.

PART V –Streamlines Administrative Process for the Transfer of Unclaimed Child Support Funds to the Office of the State Comptroller (OSC)

- Deposits unclaimed child support funds to the Office of the State Comptroller if not claimed from a social service support collection unit within two years.

PART W – Provide Paid Leave for COVID Vaccination

- Requires an employer provide up to four hours of paid leave for receiving up to two COVID-19 vaccine injections. Upon the verbal or the employee request of an employee.
- Employer would include government agencies and employers that falls under the definition of §190 of the Labor Law.

PART X – Expands Homeownership through SONYMA Mortgage Programs

- Expands the State of New York Mortgage Agency's (SONYMA) authority to modify mortgages to assist struggling SONYMA's mortgagors, increases the pool of potential lenders, and allows for the purchase of mortgages backed by new construction loans.

PART Y – Protect Tenants through the COVID-19 Emergency Residential Tenant Late Fee Suspension and Security Deposit Utilization Act

- Prohibits landlords from imposing late fees on late payment of rent from March 20, 2020 until May 1, 2021 and allow for tenants to use their security deposit towards meeting their rental obligation.

PART Z – Expands Child Care Affordability and Streamlines Administrative Burdens on Child Care Providers

- Prohibits families who are receiving childcare assistance from contributing more than twenty percent of their income for copays.
- Eliminates requirement that application provide a personal and employment reference with an attestation stating to the best of his or her knowledge the individual has not been convicted of a crime.
- Eliminates the October 1, 2020 implementation date for background check procedures and change date set by the federal guidelines.
- Authorizes OCFS to approve all applications when such application would be approved regardless of the resolution of any pending criminal charge.
- Eliminates the requirement for a Statewide Central Register (SCR) for child abuse and maltreatment background clearance if an individual has been cleared within the last five years and maintained a roll in one or more childcare programs for the last five years without a break in service of more than 180 days.

PART AA – Extends Prevailing Wage to Covered Renewable Energy Projects

- Mandates prevailing wage or project labor agreements for construction work and engineering consulting services on the installation of renewable energy projects with a generation capacity in excess of 25 megawatts and total project costs in excess of $10 million. It would also apply to solar energy projects with a capacity in excess of five megawatts and a cost of over $5 million.
- Defines “covered renewable energy project” to include construction work and engineering consulting services, paid for in whole or in part from public funds and public funds consist of at least 30 percent of the total construction project costs.

HEALTH & MENTAL HYGIENE
S.2507/ A.3007

PART A – Extends the Medicaid Global Cap

- Extends the Medicaid Global Cap through FY 2023.

PART B – Pharmaceutical Related Recommendations

- Eliminates Prescriber Prevails.
- Allows the Commissioner of Health to modify the list of over-the-counter drugs reimbursable through Medicaid by regulation.

PART C – Establishes 340B Reimbursement Fund

- Establishes a supplemental 340B Reimbursement Fund to allocate potential savings from the Fee-for-Service pharmacy benefit carve out to be proportionately distributed to eligible 340B providers, excluding hospitals, to offset 340B revenue losses and limits the fund to $102 million annually.

PART D – Hospital Related Recommendations

- Reduces the capital rate add on by five percent which reimburses hospitals for reimbursable capital expenses and proposes to save $8.5 million in FY 22.

PART E – Modifies Worker Recruitment and Retention Funding

- Reduces the Worker Recruitment and Retention funding by fifty percent for personal care service workers, certified home health agencies, long term home health care programs, AIDS home care programs, hospice programs and managed long term care plans.

PART F – Comprehensive Regulatory Telehealth Reform

- Amends the definition of “originating site” to allow a patient to receive telehealth services wherever the individual may be located.
- Requires entities to share patient information with all SHIN-NY participants after obtaining consent and utilizing a single statewide SHIN-NY consent form.
- Requires the State Education Department to create an interstate licensure program to authorize practitioners licensed by contiguous states or states in the Northeast region to provide telehealth services with consideration given to those practice areas with historical access issues in consultation

with the Department of Health, Office of Mental Health, Office of Addiction Services and Supports and Office for People with Developmental Disabilities.

- Includes in the definition of "telehealth provider," practitioners authorized to provide services in New York pursuant to the interstate licensure program.
- Requires private health insurers to provide adequate network coverage for telehealth services.
- Requires disclosure by health care practitioners to patients of availability of telehealth services.

PART G – Authorization and Implementation of Medical Respite Pilot Program

- Establishes a medical respite program to provide temporary housing and health care services to homeless individuals who require medical care, but do not require hospital inpatient, observation, or emergency room level care.

PART H – Eliminates Essential Plan Premiums

- Changes the title of the plan from the Family Health Plus Plan to the Basic Health Program.
- Eliminates $20 monthly premiums for over 400,000 New Yorkers earning between $39,300 and $52,400 for a family of four (below 200% of federal poverty line), with projected savings of nearly $100 million per year for these families and expands coverage to 100,000.

PART I – New York State of Health Marketplace Federal Waiver Authorization

- Authorizes the Commissioner of Heath, in cooperation with the Superintendent of Department of Financial Services to apply for federal waivers for the Healthcare Marketplace, subject to approval of the director of the Division of the Budget.

PART J – Authorizes an Assortment of Provisions to Protect Consumers from High Drug Prices and Surprise Billing

- Establishes licensure and regulation of pharmacy benefit managers (PBMs) by the Department of Financial Services (DFS) and applies to PBMs providing pharmacy benefit management services on behalf of a health plan.
    - Requires registration with DFS beginning January 1, 2023 with a $1,000 registration fee and subjects all registrants to examination by DFS as often as deemed necessary.
    - Establishes reporting requirements on PBMs beginning July 1, 2022 regarding pricing discounts, rebates, claw backs, fees, grants, chargebacks, reimbursements and the terms and conditions of any contractual arrangements.
    - Deems all documents, materials, or other information disclosed by a PBM which is in the control of DFS, as confidential and provides that they would not be disclosed either pursuant to

FOIL or subpoena, and would not be discoverable or admissible as evidence in a private civil action.

- Establishes minimum standards for licensure of a PBM pertaining to conflicts of interest, deceptive practices and anti-competitive practices, in addition to prohibitions on spread pricing, unfair claims practices and requirements for pharmacy accreditation standards inconsistent or more stringent than with federal or state requirements.
- Gives discretion to the Superintendent to refuse to issue a license if the entity is not trustworthy and competent to act as a PBM or has failed to comply with licensure requirements.
- Establishes license revocation procedures and appeals process and penalties for violations.
- Requires PBMs to adhere to a code of conduct established by the Superintendent.
- Authorizes imposition of assessments on PBMs for operating expenses of DFS related to the regulation of PBMs.

PART K – Restructures and Extends the Physicians Excess Medical Malpractice Program

- Extends the hospital excess liability pool through June 30, 2022.
- Requires physicians and dentists to purchase excess medical malpractice insurance directly from an insurer and requires the insurer to bill the provider for 50 percent of the premium; at the conclusion of the policy period DFS and DOH shall pay half of the remaining 50 percent to the insurer from the hospital excess liability pool, and the remaining half the following year.

PART L – Modifies General Public Health Works (GPHW) Reimbursement

- Reduces from 20 percent to 10 percent state aid reimbursement under the GPHW to New York City only.

PART M – Discontinues Research and Education Programs

- Eliminates the Empire Clinical Research Investigation Program (ECRIP) and phases out the Spinal Cord Research Program and the Stem Cell Research Program funded through HCRA.

PART N – Eliminates ePrescribing Exemptions

- Eliminates exceptions for ePrescribing for veterinarians and those practitioners who have received a waiver while maintaining exceptions for technological or electrical failure and exceptional circumstances determined by the Commissioner, safety of the patient and dispensing outside the state.

PART O – Eliminates Certain Public Health Programs

- Eliminates the Enhancing the Quality of Adult Living Program (EQUAL) for Adult Care Facilities.
- Eliminates the statutory requirement for annual hospital resident working hour audits.
- Eliminates the Enriched Housing Subsidy Program.

PART P – Pharmacist Scope of Practice; Collaborative Drug Therapy Management and Immunizations

- Includes pharmacists as qualified health professionals.
- Adds 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.
- Allows a licensed pharmacist to serve as a referring healthcare provider for diabetes self-management education and asthma elf-management training.
- Removes limits on the types of vaccines that pharmacists and nurse practitioners may administer, provided the patient is at least 18 years of age.
- Expands the facilities that collaborative drug therapy management (CDTM) may be practiced in, and allows nurse practitioners in addition to physicians to practice CDTM with a pharmacist.
- Allows pharmacists to legally prescribe medication in the context of a CDTM agreement.

PART Q – Modernizes Office of Professional Medical Conduct (OPMC)

- Eliminates the lifetime validity of a medical license for physicians, physician assistants, specialist assistants and medical residents by authorizing a license to may be stricken by the Board of Regents on the order of the state board for professional misconduct in the Department of Health (DOH) or to may be stricken if the licensee fails to register with the State Education Department (SED) for two consecutive registration periods.
- Requires medical licensees to consent to being fingerprinted and submit to a criminal history background check prior to becoming licensed.
- Revises the definition of "professional medical misconduct" to include complaints that are resolved by stipulation or agreement before an adjudicatory proceeding, to add willfully harassing, abusing or intimidating a patient's care giver or surrogate as well as the patient, and to add failing to notify DOH within 24 hours of having been charged with a crime in any jurisdiction or of any event meeting the definition of professional misconduct.
- Allows the investigative committee to convene immediately, repealing the current 90-day timeframe and authorizes the immediate publication of charges.
- Authorizes the Commissioner of Health, in his or her sole discretion, to disclose any information relating to the investigation of a possible instance of professional misconduct, removing the disclosure threshold that such information would avert or minimize a public health threat.

- Removes confidentiality requirements on administrative warnings and consultations and requires they be made public.
- Authorizes the Commissioner to take action when a licensee does not respond to DOH's request for records in a timely manner and authorizes the Commissioner to take summery action against a licensee who engages in conduct that is a risk to the health of individuals.
- Requires notification by the hospital or facility to entity providing personnel to the facility that an individual should not be assigned due to quality of care concerns.
- Requires additional information to be included in the physician profiles created by DOH.

PART R – Eliminates Publication Requirement for Court Ordered Name Changes and Allows Individuals to Petition for a Court Ordered Change of Sex Designation or Gender Designation

- Eliminates the requirement that notice be published in a newspaper when a court issues an order changing an individual's name.
- Requires a court to seal the records of a name change proceeding where the court finds an applicant's personal safety is jeopardized.
- Authorizes individuals to seek a court order to change their sex designation or gender designation, and to have the records of such proceedings sealed.

PART S – Extends Various Provisions of the Public Health and Social Services Law

- Extends for two years through June 30, 2023 the authority of bad debt and charity pool for certified home health agencies.
- Extends indefinitely state and local social services official authority to contract with state transportation managers.
- Extends for two years through March 31, 2023 the limitation on reimbursement of certified home health agencies and long-term home health care programs administrative and general costs not to exceed a statewide average.
- Extends for two years through March 31, 2023 the elimination of the trend factor for reimbursement of hospital and nursing home services.
- Extends for three years through April 1, 2024 Delivery System Reform Incentive Payment (DSRIP) regulatory waiver authority.
- Extends for one year through December 31, 2022 Medical Indemnity Fund (MIF) reimbursement rates to enrollees.
- Extends for three years through December 31, 2024 the authority of DOH to issue certificates of public advantage.
- Extends for six years through June 30, 2027 the Nurse Practitioner Modernization Act.

- Extends for two years through March 31, 2023 the residential health care facility cash assessment program maintaining the 6 percent assessment on gross receipts.

PART T - Extends the Authority of Facility Directors to Act as Representative Payees

- Social Security's Representative Payment Program provides benefit payment management for beneficiaries that are incapable of managing their own Social Security or Supplemental Security Income payments.
- Part T amends the Mental Hygiene law in order to extend the authority of the Office of Mental Health (OMH) and the Office for People with Developmental Disabilities (OPWDD) facility directors to serve as representative payees for residents. Part T allows facility directors to use a resident's Social Security's or Supplemental Security income payments for his/her care.
- The Executive asserts that this bill will prevent a potential annual revenue loss of $7 million to OMH and $63 million from OPWDD.

PART U - Extends the Authority of OMH, OPWDD, and OASAS to Appoint Temporary Operators

- A temporary operator is any provider of behavioral health services that agrees to operate a mental health program temporarily, has a history of legal and regulatory compliance and provides their services on a temporary basis. Before appointment has temporary operator, the provider must develop a plan determined to be satisfactory by the commissioner of Mental Health.
- Part U extends the effective date of legislation regarding the availability of temporary operators under Mental Hygiene Law. These temporary operators are essential for the stabilization of established programs.
- This bill is necessary because it will allow OMH and OPWDD the flexibility to utilize the proper levels of funding for mental health and developmental disability programs.

PART V - Extends Demonstration Programs for Inpatient Psychiatric Units

- Extends relevant fiscal period to March 31, 2024 for particular time-limited projects. Allows Commissioners of OMH to carry out time-limited demonstration projects. The extension of this fiscal period will ensure that individuals with intellectual and/or developmental disabilities will receive the appropriate care through these previously time-limited inpatient demonstration projects.

PART W - Extends Reinvestment of State Psychiatric Center Bed Closure Savings

- Extends community reinvestment for State Psychiatric Center inpatient bed closures until FY 2024. That is, by law, whenever OMH opts to discontinue State inpatient psychiatric beds that have been vacant or deemed as superfluous after a census, they must reinvest all savings back into community-based services.

PART X - Suspends MHL One-Year Notification and Community Reinvestment Requirements

- Likely included due to the volatile conditions amidst the COVID-19 pandemic, the proposal suspends for one year the community reinvestment requirements for OMH facility closures. Additionally, the Commissioner can modify the functioning of hospitals, facilities and programs without the mandatory one-year notification.
- Enables the Commissioner to be more nimble, evaluating programs through a fiscal and programmatic lens and changing as necessary. This measure may lead to less accountability, as the Commissioner will not need to give a notification of eliminating beds one year in advance of making changes nor reinvest any savings for a year.
- The proposal would provide for the transformation of the Rockland Children's Psychiatric Center into a Comprehensive Children's Center. Otherwise, the funds saved by discontinuing beds would need to be reinvested in the community. It is unclear why the construction of a comprehensive children's center would not meet the requirement for community services.

PART Y - Establishes Standards of Addiction Professionals to Protect New Yorkers from Predatory Practices

- Delineates the ability of the Office of Addiction Services and Supports to implement a licensing regime for addiction professionals. Additionally, OASAS will be able to implement fees for the cost of credentialing, licensing and certifying addiction professionals and providers.
- Part Y intends to reinforce OASAS's ability to establish a licensing regime that would ensure that New Yorkers seeking addiction professionals receive appropriate services.

PART Z - Increases Penalties for MHL Violations and Establish Application Fees for OMH Operating Certificates

- Increases the Commissioner of OMH's ability to implement sanctions on behavioral health or addiction services providers that fail to meet the standards of their operating certificate or other such applicable law. Furthermore, this part augments the Commissioner's ability to charge fees to cover the cost of the issuance of operating certificates.
- Amends Mental Hygiene Law Section 31.16 by replacing the term "fine" with "sanction," giving the Commissioner wider latitude to ensure provider compliance. Additionally, the current provision limiting fines to one thousand dollars per day or fifteen thousand dollars per violation is amended to allow the Commissioner to develop appropriate sanctions for each individual violation.
- Finally, the Executive estimates that up to $500,000 will be collected due to the sanctions and fees collected by the Commissioner.

PART AA - Comprehensive Crisis Reform

- Furnishes alternative options, Crisis Stabilization Centers (CSCs), to law enforcement when confronted with individuals in the midst of a mental health crisis. These CSCs will be open 24/7, 365 days a year. Specifically, this bill provides for the creation and operation of CSCs, as well as the ability to renew Assisted Outpatient Treatment (AOT) orders.
- OMH and OASAS will jointly license CSCs and empower law enforcement, the court and/or directors of community services to bring afflicted individuals to such CSCs.
- Implements "Kendra's Law" to allow for a renewal of an AOT order if a person subject to an AOT order cannot be located or has experienced significant escalation of mental health symptoms in the last six months. Furthermore, it allows a physician to testify either in person or through other methods in such situations.
- Modifies the definition "likelihood to result in serious harm" to allow for mandatory commitment in situations where the individual lacks food, shelter, personal safety, or clothing or risks illness and/or death if not committed. This definition change will enable police officers to take a person into their custody to get them to a CSC or hospital.

PART BB - Combines Institute For Basic Research with New York State Psychiatric Institute

- Merges the duties and responsibilities of the New York State Institute for Basic Research in Developmental Disabilities (IBR) of OPWDD with the New York State Psychiatric Institute (NYSPI) of OMH.
- IBR would be amalgamated into NYSPI, creating a new research division/program for developmental disabilities. This merger will save $1 million in FY 2022 and $2 million thereafter, on an annual basis.
  - This merger allows for the "collective leveraging of additional external grant funding for both research programs," which indicates potential savings. The language does not specify exactly how such savings would occur, whether through a decrease in personal or non-personal spending. Savings could also come through a decrease of bureaucratic duplicity and an increase of efficiency.

PART CC - Creates the Office of Addiction and Mental Health Services

- Creates the framework for the merger of OMH and OASAS into the Office of Addiction and Mental Health Services (OAMHS). The transformation of OMH and OSAS into OAMHS will enable OAMHS to deliver services more efficiently due to the frequency of co-occurring illness. OAMHS will take the lead in consolidating crisis services across both disciplines and facilitating a prevention agenda that treats all aspects of behavioral healthcare.
- Unified standards for program oversight will cut down on bureaucratic inefficiency and allow for closely integrated treatment of both addiction and behavioral health conditions. Notably, providers who formerly needed to hold licenses and certifications from both OMH and OASAS will now need only to seek a combined license through OAMHS. On the other hand, the merger of the two agencies

could result in a decrease in effectiveness of their treatment if they are too focused on one area of behavioral health over the other.

- Though the merger between OMH and OASAS should theoretically lead to savings for the State, the Executive has not identified a projection of such savings nor how the State will reinvest them. It is unclear whether there will be a decrease in personnel or non-personnel costs.

PART DD - Authorizes Integrated Licensure

- Combines the licensing regimes of DOH, OASAS and OMH in order to create joint oversight and implementation of unified, licensed and comprehensive outpatient health centers. These health centers would be able to provide physical health, mental health and addiction services in one location.
- A growing body of literature among the medical community indicates that it is necessary to treat all aspects of health, whether they be physical, mental or addiction related, conjointly. The proliferation of health centers that treat physical and mental health while offering addiction services will allow for more efficient and effective treatment of the individuals that form OPWDD, OMH and OASAS's populations.
- It is unclear from the language in Article VII how exactly individuals will become trained in the breadth of physical health, mental health and addiction services while maintaining adequate depth of knowledge in them.

PART EE – Eliminates the Requirement to Administer an Adult Home Advocacy Program Within the Justice Center

- Removes the Justice Center for the Protection of People with Special Needs' (Justice Center) responsibility to operate the Adult Home Advocacy and Adult Home Resident Council. Adult Homes refer to congregate residential facilities that were originally designed to house older adults but now largely house individuals with mental illness.
- As the Justice Center's mission focuses on advocating for individuals with special needs, the Adult Home Advocacy and Adult Home Resident Council (both largely comprised of individuals with mental illness) do not fit its purview.
- The Executive predicts the elimination of this requirement will yield a savings of $230,000 annually.
- The Executive does not indicate to which department these programs will be relocated to but also does not give any indication that they will be cancelled.

PAGE INTENTIONALLY LEFT BLANK

TRANSPORTATION, ECONOMIC DEVELOPMENT & ENVIRONMENTAL CONSERVATION

S.2508/ A.3008

PART A – Deterring Parkway Bridge Strikes

- 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.

PART B – Addressing Safety of Transportation Workers, Pedestrians, and the Public

- Attempts to increase safety on the roads of the State by:
- Subpart A
    - Adds highway workers, motor vehicle inspector, and motor carrier investigator 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
  - 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 C
  - 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 D
  - Directs the Governor's Traffic Safety Committee to do additional public outreach to educate the public on work zone safety.

PART C – Clarify Legal Authority for Electronic Bidding for the Thruway Authority

- Clarifies that Thruway Authority bid proposals can be submitted electronically, and may be electronically posted for public view.

PART D – Increase Threshold for Thruway Procurement Contracts

- Increases the threshold for Thruway Authority procurement contracts from $15,000 to $50,000.

PART E – Enhance Toll Enforcement

- Makes toll evasion a theft of services crime.
- Prohibits drivers from obscuring their license plates for the purpose of toll evasion.

PART F – MTA Procurement Reform

- Makes a number of existing procurement provisions.
- Makes a number of changes to MTA procurement, including:
  - Exempts design build contracts solicited through a competitive RFP from procurement rules.
  - If the MTA receives no bids or only a single bid to allow them to negotiate with any firm capable of providing the service.

- If the MTA decides to change specifications or terms after the initial bids have been received, they can do so without additional public advertisements.
- Allows the MTA to award contracts worth less than $5 million for emerging technologies on a reduced timeline.

PART G – MTA Utility Relocation

- Provides the authority for the MTA to direct public utilities and New York City to perform relocation work on utilities that are in the way of MTA construction projects.
- Public utilities and New York City would be required to complete such work under a timeframe established by the MTA.
- The MTA would compensate New York City for work done by the City; however, work done by public utilities would be borne by utility.
- According to the Executive, this will allow the MTA to complete projects in a more timely manner.

PART H – MTA Subway Accessibility

- Clarifies the authority of the MTA to occupy portions of streets in New York City when undertaking projects related to increasing accessibility at subway stations.
- Further clarifies that the authorization of the MTA to occupy portions of streets extends to private companies contracted by the MTA.

PART I – MTA Worker Assault Penalties

- Makes 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
- Makes it a class A misdemeanor of aggravated harassment to strike, shove, kick, or spit on an MTA worker.

PART J – ESDC Loan Power Extender

- Extends the general loan powers of Urban Development Corporation until July 1, 2024.
- Current authority expires July 1, 2021.

PART K – Economic Development Fund Extender

- Extends the authorization of UDC to administer the Empire State Economic Development Fund until July 1, 2024.

- Current authority expires July 1, 2021.

PART L – Repurpose Commercial Space for Housing

- Allows for the conversion of commercial buildings and hotels to residential units within specific areas of New York City, provided those properties enter into a contract with the state or city to offer affordable housing.
- The provision expires December 31, 2026.

PART M – Continue the Empire State Development Corporation's (ESDC) authority to administer agricultural and dairy marketing orders

- Permanently authorizes ESDC to administer agricultural and dairy marketing orders which would otherwise sunset July 31, 2021.
- Industry groups use marketing orders to impose an assessment on certain products, and use the pooled funds for marketing programs beneficial to the group.

PART N- Expedited Handling

- Makes permanent the Secretary of the State to provide for special handling for all documents filed or issued by the Division of Corporations and permits additional levels of such expedited service. Removes the expiration date of March 31, 2021.

PART O – Electronic Service of Process

- Allows process to be served on the Secretary of State through an electronic email system that would be operated by the Department of State. The Secretary of State would be authorized to forward notice of service to the entity being sued and make copies of such process available to such entities electronically.
- The Executive estimates it will cost approximately $3 million to develop the electronic email system, and expects future savings from reduced mailings and improved efficiencies as more entities authorize the Department of State to provide them with electronic service of process.

PART P – Electronic Notarization

- Allows notaries to electronically verify identity and notarize documents remotely provided various requirements are satisfied. Any notary who conducts an electronic notarization would be required to keep an audio/video recording of the notarization, as well as a backup copy, for at least 10 years.

PART Q – Amends the 'Accelerated Renewable Energy Growth and Community Benefit Act' of 2020

- The Office of Renewable Energy Siting (ORES) was established last year to streamline the siting process for medium- and large-scale renewable energy projects.
- Exempts siting permits issued by ORES from the requirements of the State Environmental Quality Review Act (better known as SEQRA).
- Makes it easier for the State to transfer employees of any State agency to ORES.
- ORES is currently allowed to levy fees to recover costs the office incurs related to reviewing and processing applications. The Executive proposes allowing revenue from application fees to support the entirety of ORES operations (could result in higher fees).
- Fixes error in last year's bill that created a loophole for projects with a capacity of between 25 and 80 MW, inadvertently making those projects exempt from certification and enforcement provisions.

PART R – Expands Allowable Types of Renewable Energy Credits in NYC Concerning Building Emission Limit Deductions

- In 2019, the NYC Council passed the Climate Mobilization Act, which required massive reductions in building emissions (including 40 percent below 2005 levels by 2030).
- Building owners can comply by reducing their own emissions, purchasing credits for renewable energy or offsets, or producing on-site "clean" power.
- Renewable energy credits must be located in New York City or service New York City, and already be in operation.
- This proposal preempts local law by also allowing new offshore wind power outside of NYC to count towards purchasable renewable energy credits.

PART S – Permitting Powers of NY Convention Center Operating Corporation

- Empowers the Convention Center Operating Corporation (CCOC) to act as its own construction-permitting agency authorized to issue permits for the Javits Convention Center. The CCOC would be authorized, in its role as the construction-permitting agency to be subject the premises under its jurisdiction to the New York City Codes as opposed to the New York State Uniform Code and the New York State Energy Code.
- As a construction the CCOC would authorized to do the following in regard to its properties:
    - Perform services related to its premises without approval from any state department, agency, officer or office but only directly related to the authority granted herein.
    - This includes issuing permits, conducting inspections and enforcing New York City code.

PART T – LIPA Debt Restructuring

- Augments allowable activities within LIPA's $4.5 billion bond cap
- LIPA currently cannot issue more than $4.5 billion cumulative in bonds. Amends this language to $4.5 billion in total bonds outstanding at any one time, which is necessary to allow for refinancing of debt.
- Adds "system resiliency costs" as an allowable bonding purpose.

PART U – Increase NYPA's Recharge New York Total Benefit Cap

- The New York Power Authority (NYPA) allows certain non-profits and small businesses to access low-cost electricity.
- NYPA is allowed to award 910 MW of electricity, of which up to 100 MW may be allocated to eligible small businesses and not-for-profit corporations.
- Increases the latter's cap from 100 MW to 150 MW.

PART V – Establish NYPA Captive Insurance Company

- Expands entities allowed to create an "industrial insured group to the New York Power Authority (NYPA).
- This authority is currently granted to groups of related businesses, the MTA, and New York City.
- Allows NYPA to establish a subsidiary corporation for the purpose of forming a pure captive insurance company (captive insurers are 100 percent owned by their insureds).
- Allows NYPA to provide coverage for risks that are prohibitively expensive or uninsurable on traditional commercial markets (example: The Port Authority of New York and New Jersey is a captive insurer for risks such as terrorism and workers compensation).
- Allows NYPA to access associated tax exemptions associated with captive insurance companies.
- Proposal was rejected last year (Part CCC of 2020-21 Executive Budget).

PART W – Reauthorization of NYSERDA Special Assessments

- Extends NYSERDA authority to utilize special assessments on gas and electric corporations to support various programs.
- Allocates a total of $22.7 million
- Similar reauthorization is passed annually (Part HH of 2020-21 Executive Budget).

PART X – Hunting Expansion

- Reduces the age that junior hunters are eligible to hunt big game when accompanied by a parent, guardian or mentor from 14 years old to 12 years old.

- Expands crossbow use to all big seasons.

PART Y – Single-Use Plastic Bag Ban Amendments

- Provides technical clarifications and standards for what constitutes a "reusable bag" and a "film plastic bag" pertaining to current statute prohibiting plastic carryout bags from retail establishments. Includes non-film plastic, washable materials in the definition of "reusable bag" provided it has:
  - At least one strap or handle that does not stretch;
  - Minimum lifespan of 125 uses with each use having the ability to carry a minimum of 22 pounds over a distance of 175 feet; and
  - Minimum fabric weight of 80 grams per square meter or the equivalent for bags made of any non-film plastic of natural, synthetic, petroleum based, or non-petroleum based origin.

PART Z - Authorizes the Alienation of Certain Lands to Complete the Bay Park Conveyance Project

- Alienates certain lands beneath parklands owned by Nassau County, in the villages of East Rockaway and Rockville Centre.
- The alienation is necessary to complete the Bay Park Conveyance Project, a sanitary sewer project designed to convey treated effluent from the Bay Park Sewage Treatment Plant to the Cedar Creek Water Pollution Control Plant's ocean outfall.

PART AA – Brownfield Credits Extension

- Provides developers utilizing the tangible property credit component within the brownfield cleanup program an additional 24 months to complete redevelopment of their sites due to having been adversely impacted by the COVID-19 pandemic.

PART BB – Allegheny County Land Easement

- Authorizes easements on real property within the Farmersville State Forest, Swift Hill State Forest, and Lost Nation State Forest in the County of Allegany to Alle-Catt Wind Energy LLC for buried cables between turbines.
- DEC would grant these easements for fair market value, plus 20 percent, and an additional $100,000.

PART CC – Extension of Local Bottle Bill Enforcement

- Extends for two years the ability of New York City, Nassau County and Suffolk County to retain a portion of certain fines stemming from their enforcement of bottle bill provisions. The municipalities are able to retain 25 percent of fines collected with the remaining amount diverted to the Environmental Protection Fund.

PART DD – Rail Advantaged Housing Act

- The Department of Environmental Conservation would establish a uniform set of standards and conditions for housing rezoning proposals within one-half mile of any commuter rail station on the Long Island Rail Road or Metro-North Railroad.
- The standards developed would include a threshold for 'maximum incremental population increase' and 'parking decrease', which if reached, the project would be considered to have an environmental impact.
- If a local legislature has approved rail advantaged housing in their municipality, and the local zoning board has approved of the project, final approval is contingent on the municipal chief executive certifying that the project meets the uniform standards and does not have an environmental impact.

PART EE – Expands Powers of the NYSERDA Build-Ready Program

- NYSERDA is currently authorized to establish a "build-ready" program to facilitate the transfer of rights and other interests to developers for the purpose of developing renewable energy facilities.
- Allows NYSERDA to create single-purpose project holding entities as subsidiaries of NYSERDA
- In addition to transferring rights, Executive would also permit these holding entities to acquire and sell, in addition to transferring rights.

PART FF – DMV Surcharge Extender

- Extends the authority of the Department of Motor Vehicles to collect the mandatory surcharge and crime victim assistance fees for traffic violations for two additional years.
- This authorization is currently scheduled to expire September 1, 2021.

PART GG – Autonomous Vehicle Extender

- Extends for five years the authorization for the testing of autonomous vehicles in New York State.
- Removes the requirement that at least one hand be placed on a steering wheel at all times for autonomous vehicles.
- Removes several current requirements related to the testing of autonomous vehicles and directs the Commissioner of Motor Vehicles to promulgate rules and regulations for the administration of this act.
- Current authority to test autonomous vehicles expires April 1, 2021.

PART HH – DMV "Convenience" Fee

- Adds a fee of one dollar to any transaction for which a fee is charged by the Department of Motor Vehicles. This includes:
    - Registration or the renewal of registration for a motor vehicles, motorcycle, historic motorcycle, snowmobile,
    - The issuance, duplication, or renewal of a learner permit driver's license, or non-driver identification card.
- This additional dollar fee shall be authorized for five years.
- The Executive estimates that this fee will cost New Yorkers $3.8 million in FY 2022.

PART II – DASNY Design and Construction Services Extender

- Extends the authority of the Dormitory Authority of the State of New York (DASNY) to provide design and construction services to the Department of Environmental Conservation and for the Office of Parks, Recreation and Historic Preservation until April 1, 2024. It is currently set to expire April 1, 2021.

PART JJ – No-Fault Insurance

- Authorizes the Superintendent of Financial Services to prohibit a provider of health services from demanding requesting payment for health services rendered other than health services rendered in the emergency department of a general hospital, for a period not to exceed three years if the provider of health services engaged in certain activities, such as being found guilty of professional misconduct.
- The chair of the Workers' Compensation Board must provide the Superintendent with a list of names of all providers of health services that have voluntarily resigned or been disqualified from rendering health services – these providers are not authorized to demand or request any payment for health services other than those rendered by emergency department at general hospital.
- The Superintendent can levy a $50,000 fine on a provider that violates these provisions.

PART KK – Convert Centers of Excellence into Centers of Advanced Technology

- Eliminates the Centers of Excellence program, effective April 1, 2023.
- The existing Centers of Excellence would have a two-year window in which they can apply to be accepted into the Centers of Advanced Technology program.
- According to the Executive, this would result in administrative efficiencies from not having to administer two similar programs.

PART LL – Extends the Covered Period for Residential Mortgage Relief

- Extends the covered period for residential mortgage relief from the current March 7, 2020 through, at least, December 31, 2021, or until Executive Orders issued during the COVID-19 pandemic are no longer in effect.
- Allows mortgagers, during the extended covered period, who are able to demonstrate financial hardship, to be entitled with up to 360 days of forbearance or payments.
- Continues prohibition of foreclosing by state-regulated institutions during the pandemic.

PART MM – COVID-19 Emergency Eviction and Foreclosure Prevention for Tenants and Owners of Commercial Real Property Act of 2021

- Prohibits commercial evictions and foreclosures for non-payment of rent from March 1, 2020 until May 1, 2021 if rent was not paid due to financial hardship caused by COVID-19 or related health and safety restrictions imposed by the government .

PART NN – Increase Electric Generation Facility Cessation Mitigation Fund Cap

- The Cessation Mitigation Fund provides payments to localities that lose at least 20 percent of their tax base (including power plant PILOTS) due to the closure of an electric generating facility.
- Payments are made over seven years (phasing down from 80 percent to 20 percent of lost revenues).
- The total amount the fund may pay out over its lifetime is $69 million.
- The Executive would increase this cap to $140 million.
- This doubling of the cap is largely due to the closure of the Indian Point Nuclear Power Plant, which will require tens of millions of dollars in payments to localities to compensate for their loss in property tax base.

PART OO – Moratorium on Termination of Utility Services

- Among the laws passed last summer in response to the Coronavirus, a moratorium on the termination of services was placed on electricity, cable, water and telephone utilities during the duration of the Declaration of Emergency related to the pandemic.
- Extends this moratorium to any state, national, or global event deemed to have a significant and long-term impact on the State's economic future.
- Explicitly does not include short-term, weather-related disaster emergencies.
- Extends the moratorium from only residential customers to include small business customers.
- Violations punishable by a civil fine of up to $1,000 per violation.

PART PP – Discontinuance of the London Interbank Offered Rate

- Assists with the prevention of hundreds of billions of financial contracts, securities, or instruments from falling into disruptive and costly litigation once the LIBOR rate expires at the end of 2021.
- Many of New York's contracts, securities, and instruments are linked with LIBOR, which is an interest-rate average calculated from estimates submitted by leading banks in London.
- In 2012, it was revealed that a scandal erupted during the 2008 Financial Crisis regarding LIBOR and the possibility that traders were in direct communication with banks before rates were set for the day, allowing traders to have an advantage regarding the day's fixing.
- One of the involved defendants, Barclays Bank, was fined $200 million by the Commodity Futures Commission, $160 million by the U.S. Department of Justice, and $59.5 million euros by the Financial Services Authority for their attempt to manipulate LIBOR.
- This proposal would allow contracts, securities, and instruments that are governed by state law to require the use of the benchmark replacement rate recommended by the Federal Reserve, the New York Fed, or the Alternative Reference Rates Committee.

PART QQ – Mandate Low-Cost Broadband Plans for Low-Income Consumers

- Requires internet service providers to offer a $15/month high-speed internet plan to low-income consumers.
- Eligibility defined as a household eligible for free or reduced school lunch, or if gross household income is less than 185 percent of the federal poverty rate.
- The $15 price could be increased once every five years by an amount equal to 2 percent annually or the rate of inflation, whichever is less.
- Providers would be required to provide voluminous compliance reports to the Department of Public Service.
- The Department of Public Service would have unilateral authority to increase minimum internet speeds and eligibility requirements.
- Violations punishable by a fine of up to $1,000 per violation.

Part RR – Expands DASNYs Design and Construction Loan Services

- Authorizes school districts and not-for-profit entities to utilize resources of DASNY for capital projects in excess of $5 million
- DASNY would also be authorized to issue loans to school districts or not-for-profits if such loans are presented to DASNY's board during the COVID-19 state of emergency.

PART SS – Increasing Dormitory Authority of the State of New York (DASNY) Bond Cap for Medical Facility Improvements

- Increases DASNY authorization to issue bonds for construction projects for healthcare facilities by $800 million, from $16.6 billion to $17.4 billion.

PART TT – Enact Pandemic Recovery and Restart Program

- Establishes three new tax credits, two for small businesses (defined as 100 employees or less) in the accommodations, restaurants, and arts and entertainment industries and a credit for musical and theatrical productions in New York City.
- The credits include the:
  - Small Business Return to Work Tax Credit, which would apply to small businesses in the accommodations sector and the arts, entertainment, and recreation sector.
    - To qualify, businesses must have experienced revenue or job losses of 40 percent or more.
    - Businesses that increase their employment are eligible for a tax credit of $5,000 per FTE added, up to a maximum of $50,000 per qualified business.
    - The total value of this credit is capped at $50 million.
  - Restaurant Return to Work Tax Credit, which would apply to small, independently owned restaurants in New York City or areas outside of New York City that were designated as red or orange zones for at least 30 days.
    - To qualify, restaurants must have experienced revenue or job losses of 40 percent or more.
    - Businesses that increase their employment are eligible for a tax credit of $5,000 per FTE added, up to a maximum of $50,000 per qualified business.
    - The total value of this credit is capped at $50 million.
  - New York City Musical and Theatrical Production Tax Credit
    - A qualified musical and theatrical production company that produces a musical or theater production in New York City and spends at least one million dollars will be eligible for a refundable tax credit equal to 25 percent of production expenditures.
    - The credit is capped at $500,000 per production company.
    - The total value of this credit is $25 million.
- Additionally, this part established a New York State Arts and Cultural Programs Fund in the State Finance Law.

REVENUE
S.2509/ A.3009

PART A – Temporary High Income PIT Surcharge

- Imposes a surcharge on taxpayers with a taxable income of more than $5 million at the following rates:
  - Taxpayers with incomes between $5 million and $10 million- 0.5 percent
  - Taxpayers with incomes between $10 million and $25 million- 1.0 percent
  - Taxpayers with incomes between $25 million and $50 million- 1.5 percent
  - Taxpayers with incomes between $50 million and $100 million- 1.75 percent
  - Taxpayers with incomes over $100 million- 2.0 percent
- Impacted taxpayers would be allowed to prepay their Tax Year 2022 and 2023 surcharge liability in Tax Year 2021, and would be allowed to deduct their prepayment in Tax Year 2024.
- The Executive projects that this will increase All Funds revenue by $1.5 billion in FY 2022, $1.4 billion in FY 2023, $1.2 billion in FY 2024 and $367 million in FY 2025. An All Funds revenue decrease of $160 million would occur in FY 2026.

PART B – Delay the Middle Class Tax Cut by One Year

- Delays the historic middle class tax cuts championed by the Senate Republican Majority.
- Results in a tax increase on middle class tax payers of $394 million in FY 2022, $403 million in FY 2023, $445 million in FY 2024, $464 million in FY 2025 and $368 million in FY 2026.

PART C – Pass-Through Entity Tax

- Creates an optional pass-through entity tax for partnerships and S-corporations.
- Businesses who opt to utilize this tax would preserve State and Local Tax (SALT) deductibility, since business taxes are not subject to the $10,000 deducibility cap that was included in the Tax Cuts and Jobs Act of 2017.
- The rate of tax would be 6.85 percent on partnerships and S-corporations that elect to be subject to this tax.
- Electing partnerships and S-corporations would receive a 92 percent refundable tax credit proportionate to the individual's share of electing business entity.

PART D– Enact Employer Child Care Credits

- Expands the Excelsior Investment Tax Credit to allow participants in the Excelsior Jobs Program to qualify for tax credits for qualified expenditures for childcare services. The credit would be equal to five percent of the cost of the qualified investment in childcare services.
- Creates the Excelsior Child Care Services Tax Credit within the Excelsior Jobs Program. This would be a tax credit for qualified new childcare expenditures in a new excelsior jobs program project. The credit would be equal to six percent of net new childcare expenditures.
- Doubles the amount of the Employer Provided Child Care Credit and increases the maximum amount of the credit in a taxable year from $100,000 to $500,000. The credit would be equal to twice the amount of the credit allowed under section 45F of the Internal Revenue Code.

PART E – Requires Federal S Corporations be Treated as State S Corporations for Tax Purposes and Reforms Tax Provisions Related to Foreign Bus and Taxicab Corporations

- Requires Federal subchapter S corporations be treated as subchapter S corporations for purposes of New York State taxes.
- Eliminates a $15 tax for each trip into New York State for foreign bus and taxicab corporations who conduct between one and twelve trips into New York per year.

PART F – Extension of Film Tax Credit

- Extends the Empire State Film Production credit and the Empire State Film Post Production credit for one year.
- Currently this credit is available through 2025; this proposal would extend the credit through 2026.

PART G – Increase Wage and Withholding Filing Penalty

- Increases from $10,000 to $50,000 the maximum quarterly penalty imposed on employers for failing to provide complete wage reporting and withholding. Increases the withholding penalty from $50 to $100 for each employee whose wage reporting and withholding information is incomplete or inaccurate.

PART H – Cannabis Regulation and Taxation Act

- Legalizes adult use marijuana.
- Creates the New York State Office of Cannabis Management (OCM) within the Division of Alcoholic Beverage Control.
  - OCM would be governed by a five member control board that would oversee the adult-use, medical and cannabinoid hemp industries.

Tax Provisions:

- Adds a new Article 20-C to the Tax Law, Tax on Adult-Use Cannabis Products.
- This article will impose two new taxes:
  - A tax on sales from a wholesaler to a retail dispensary, based on type of product and total level of THC on the following schedule:
    - Four cents per milligram for edibles,
    - One cent per milligram for concentrates,
    - 0.7 cents per milligram for cannabis flower.
  - A tax on the sale from a dispensary to a consumer equal to 10.25 percent of the selling price.
- Additionally, State and local sales tax will apply to all cannabis sales.
- Revenues will be deposited into the New York State Cannabis Revenue Fund.
- Beginning in FY 2023, a portion of the funds deposited in the New York State Cannabis Revenue Fund will be allocated to the Cannabis Social Equity Fund. In the first year, $10 million will be allocated to the Social Equity Fund, growing to $50 million annually in FY 2027 and thereafter.
- The Executive projects these taxes will increase All Funds revenue by $20 million in FY 2022, $118 million in FY 2023, $162 million in FY 2024, $252 million in FY 2025, $350 million in FY 2026, and $374 million in FY 2027.

Medical Cannabis Provisions:

- Medical Marijuana program is moved from the Department of Health to the Office of Cannabis Management.
- Maintains current standard requiring the condition for which medical cannabis can be prescribed must be a “serious condition.”
- Amends the definition of “certified medical use” to remove the prohibition against smoking medical cannabis.
- Amends the definition of “practitioner” to remove the limitation that a licensed physician may only prescribe medical cannabis, to allow anyone authorized to prescribe controlled substances within the state to certify patients for medical cannabis use. Requires the practitioner to have training or experience in treatment of serious conditions and complete a minimum of a two-hour course.

Criminal Justice Provisions:

- Lowers the criminal penalties for illegally possessing and selling cannabis.
- Prohibits the possession of cannabis for anyone under the age of 21.
- Prohibits burning of cannabis in a public place.

- Authorizes a certified drug recognition expert to conduct field-testing on an individual suspected of being impaired while driving due to cannabis consumption.
- Driving while impaired by cannabis would be a class E felony.

PART I – Modernize Tax Law to Include the Vacation Rental Industry

- Imposes sales tax on vacation rentals.
- Imposes $1.50 NYC hotel unit fee on vacation rentals in New York City.
- Requires vacation rental marketplace providers to collect sales tax instead of vacation rental operators, for rentals facilitated by rental marketplace providers. Vacation rental marketplace providers would be required to collect sales taxes, remit sales taxes, and file returns.

PART J – Reform the State Racing Admissions Tax

- Repeals a four percent tax on charges for admissions to race tracks and imposes four percent State sales tax on charges for admissions to race tracks.

PART K – Increase the Interest Free Period for Certain Sales Tax Refunds

- Extends from three months to six months, the amount of time the Tax Department has to review and issue a sales tax refund claim of $100,000 or more before interest begins to accrue.

PART L – 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 M – Extends for Three Years Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act

- Extends for three years until June 2027 the exemption from sales and use tax for certain sales or services transacted between financial institutions and their subsidiaries. Under the Dodd-Frank Wall

Street Reform and Consumer Protection Act, certain financial institutions were required to create subsidiaries and then transfer property or services to those subsidiaries.

PART N – Make Technical Correction to Sales Tax Remote Registration

- Makes technical correction to clarify that the sales volume threshold that triggers sales tax registration and collection requirements for vendors with no physical presence in New York is $500,000.

PART O – Enhance Real Estate Transfer Tax Compliance

- Expands definition of person for purposes of Real Estate Transfer Tax (RETT) to include responsible persons of entities, including corporations that have dissolved.
- Clarifies that the grantor (seller) is responsible for paying the basis RETT, unless the grantor fails to pay the RETT. Establishes a cause of action for a grantee (buyer) to recover the amount of the RETT paid from a grantor that failed to pay the RETT.
- Exempts publicly traded entities, REITs, UPREITs, and mutual funds that are members of LLCs from requirement of disclosing all their members/shareholders on a RETT tax return, where the LLC is a party to the sale of a building with up to four residential units. In addition, exempts from tax secrecy the names and business addresses of all members and shareholders disclosed on a RETT tax return where an LLC is a party to the sale of a building with up to four residential units.

PART P – Make Technical Changes to Cigarette Licensing Provisions

- Prohibits any retail dealer with a cancelled, revoked or suspended license from possessing cigarettes or tobacco products in their place of business. Also, prohibits any retail dealer from possessing cigarettes or tobacco products unless they have a valid retail dealer registration under the Tax Law.
- Establishes presumption that retail dealers in possession of cigarettes or tobacco products who are prohibited from such possession are selling cigarettes or tobacco products in violation of the tax law, subjecting violators to penalties under the tax law.

PART Q – Simplify Certain Tax Filing and Reporting Requirements

- Clarifies that the Department of Tax and Finance is authorized to allow small distributors operating under "farm" production licenses and small producers whose production does not exceed the amounts allowed under farm producer licenses to file alcohol beverage tax returns less frequently than monthly.
- Increases the dollar thresholds where carriers are allowed to file highway use tax returns less frequently than monthly.
    - Increases current threshold from $250 to $1,250 of annual highway use tax liability, which allows carriers to file highway use tax returns annually, rather than monthly.
    - Increases current threshold from $4,000 to $12,000 of annual highway use tax liability, which allows carriers to file highway use tax returns quarterly, rather than monthly.

PART R – Collection and Reporting of Taxicab Tax Congestion Surcharge

- Requires Technology Service Providers (TSP) licensed by the New York City Taxi and Limousine Commission collect and remit the taxicab tax and congestion surcharge.

PART S – Increases Regulation and Penalties for Tax Preparers and Facilitators

- Increases the penalties for failing to register or re-register as a tax preparer or facilitator and eliminates the 90-day cure period for such penalties. The penalty for non-compliance increases to $500 for the first day of non-compliance and $200 for each additional day, up to a maximum of $10,000 per calendar year.
- Increases the maximum penalties for commercial tax preparers who fail to pay the annual registration fee to $10,000 from $5,000. The 90-day cure period for such penalties is also eliminated.
- Requires tax preparers and facilitators conspicuously display various documents at their place of business and any area where they provide tax preparation or facilitation services. Failure to comply would result in a penalty of up to $10,000 per year. They also would be required to conspicuously display:
  - A copy of their most recent registration certificate;
  - A comprehensive current price list; and
  - A copy of the most recent Consumer Bill of Rights Regarding Tax Preparers.

PART T – Allow DTF to Appeal DTA Tribunal Decisions

- Allows the Department of Tax and Finance to appeal decisions of the Division of Tax Appeals Tribunal.
- Under current law, taxpayers have the ability to appeal decisions of the Division of Tax Appeals Tribunal to a court, the Department of Tax and Finance cannot.

PART U – Modernize and Merge Real Property Tax Form and Filing Processes

- Consolidates two forms currently required when real property is sold and a real estate transfer tax is paid.
  - The forms are largely similar, but one is subject to secrecy provisions of Tax Law and contains social security and employer information (Form TP-584), and the other is fully subject to public disclosure (Form RP-5217).
  - The Department of Taxation and Finance (DTF) would consolidate forms while maintaining secrecy provision for the confidential information portion.
- Forms could be e-filed online, and DTF would establish a system for collecting fees associated with the forms and remitting the fees to county clerks.

- County clerks currently collect fees when individuals file these forms.
  - $1 fee associated with filing TP-584.
  - $9 fee associated with filing RP-5217.
    - DTF would collect $10 and subsequently transfer collections to the county on a monthly basis.
- There is no expected timeline for the development of this system, which could take several years before implementation.
- This proposal was rejected as part of last year's Executive Budget (Part Q of REV).

PART V – Amendments to the STAR Program

- Subpart A
  - Bars homeowners receiving the Basic STAR Exemption from switching to receive the Enhanced STAR Exemption once they become age-eligible.
  - These homeowners may still switch over to the Enhanced STAR Credit, receiving a comparable benefit.
- Subpart B
  - Moves up the date a homeowner must register to switch from the STAR Exemption to the STAR Credit from June 15 to May 1.
  - If credit is worth more than the exemption, a homeowner will be sent a check for the difference for that year if they miss the filing deadline.
- Subpart C
  - Allows the Department of Financial Services (DFS) to provide reports of deceased homeowners directly to assessors.
  - Corrects law enacted in 2019 that directed DFS to inform County Property Tax Directors of a decedent's information, but not necessarily assessors.
- Subpart D
  - Provides that appeals will be handled by DFS, not the State Board of Real Property Tax Services.
  - Consolidates provisions related to the appeals process.
  - Seeks to expedite resolution of STAR Exemption appeals with this proposal.
- Subpart E
  - Moves all mobile home owners from the STAR Exemption to the STAR Credit, effective in 2022.
  - Some owners will benefit from higher payments (the credit program assumes a home value floor of $20,000, while the exemption program has no floor).

- Allows mobile homeowners to avoid a 2 percent administrative fee associated with the exemption within trailer parks.

PART W – Various Changes to Real Property Tax Law

- Repeals various references to obsolete sections of law.
- Allows that a majority of appointees to the State Board of Real Property Services constitutes a quorum.
- Allows for the cancellation of such hearings when no complaints have been filed.
- If a municipality opts into a local option exemption requirement related to a population jurisdiction and population changes (thus shifting the municipality out of the population range), the locality would be allowed to remain under the exemption.

PART X – Establish a Standardized Approach for Real Property Tax Assessment for Solar and Wind Infrastructure

- Extends the real property tax exemption for renewable energy projects from 2025 to 2030.
- Clarifies process of providing written notification of construction of a renewable project.
- Allows DFS to develop an assessment rate and discount rate.
- Allows DFS to require facility owners to provide information necessary to develop and maintain appraisal models and discount rates.
- Similar language that would allow NYSERDA to conduct these activities was rejected in the budget last year (Part JJJ).

PART Y – Mobile Sports Betting and Casino Tax Rate Reduction Petition Process

- Legalizes mobile sports wagering with the Gaming Commission selecting providers through a competitive bidding process. The selected providers would need to demonstrate necessary:
  - Technology to ensure all betters are physically within approved locations; and
  - Safeguards against abuses and addictions.
- All mobile sports wagering revenues would be directed to the State Lottery Fund for education aid.
- A commercial casino may petition the Gaming Commission, with final approval by the Director of the Division of Budget, to lower their slot tax rate to no lower than 25 percent based upon the following criteria:
  - Ability to satisfy license obligation of financial stability;
  - An examination of all financial projects;
  - The intended use of the funds resulting from the tax adjustment;
  - The inability to remain competitive under the current tax structure;

- Positions advanced by other gaming operators in the State in response to the petition;
- Other economic facts such as employment and potential impact upon other businesses in the region; and
- The public interest in the facility remaining viable.

PART Z – Request for Information for Gaming Facility Licenses

- Requires the Gaming Commission to issue a Request for Information for the purpose of soliciting interest regarding the three un-awarded downstate casino licenses authorized by the State Constitution. Such request would inform the Commission for determining:
  - The appropriate size and scope of development;
  - The value of the license;
  - The process that should be used in award consideration.

PART AA – Quick Draw Restrictions

- Eliminates the provision restricting Quick Draw be sold at locations with 2,500 square feet or more.
- Under current law, facilities that may offer Quick Draw must meet one of the following criteria:
  - Hold an On-Premise Alcohol Consumption License;
  - Premise has square footage greater than 2,500 square feet but no On-Premise Consumption Alcohol License; or
  - Bowling Alleys and Pari-Mutuel Wagering locations with video drawing display.

PART BB – Lottery Draw Game Offerings

- Removes statutory restrictions limiting *Take 5, Pick 10, and Lotto* lottery draw games from being played only once per day.

PART CC – Decouple the Gaming Commission and the Gaming Inspector General

- Transfer the Gaming Inspector General, and their resources, under the authority of the State Inspector General.

PART DD – Extend Pari-mutuel Tax Rate and Simulcast Provisions

- Extends the followings 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; and
- Current distribution of revenue from on-track wagering on NYRA races.

PART EE – Alternative Fuels Exemptions Extender

- Extends the alternative fuel tax exemptions for s E-85, CNG and hydrogen, and the partial exemption for B-20, for five years.
- Currently, these exemptions are scheduled to expire September 1, 2021.

PART FF — Farm Workforce Retention Credit

- Extends the Farm Workforce Retention Credit for three years through tax year 2024. The credit is set to expire after tax year 2021.

PART GG – Extend Low-Income Housing Credit for Five Years

- Increases the aggregate dollar amount the Commissioner of Housing and Community Renewal may make available for state low-income housing credits by $8 million for each of the next 5 years. Raising the total statewide amount from $104 million to $144 million when fully implemented.

PART HH – Musical and Theatrical Production Credit Extension and Expansion

- Extends the Musical and Theatrical Production Credit for four years.
- Increases the annual credit cap from $4 million to $8 million
- Currently this credit is set to expire December 31, 2021.

PART II – Hire-A-Vet Credit Extension

- Extends the Hire-A-Vet Credit for two years.
- Credit is set to expire December 31, 2021.

PART JJ – Economic Transformation and Facility Redevelopment Credit Extension

- Extends the Economic Transformation and Facility Redevelopment Credit for five years.
- Credit is set to expire December 31, 2021.

PART KK – Delays Deadline for Secure Choice Savings Program to be Implemented

- Delays the deadline for the Secure Choice Savings Program to be implemented by 21 months until December 31, 2021.
- Authorizes the Secure Choice Savings Program Board to delay implementation by an additional 12 months if there are programmatic concerns affecting the viability of the program.

PART LL – Suspend Certain Racing Support Payments

- Temporarily suspends horsemen and breeders support payments from Rivers Casino to Saratoga Casino until both facilities are operating without any COVID-19 restrictions for six full consecutive months. At that point, Rivers would make six equal payments to settle their accrued obligations from January and February 2020.
- Current law holds Saratoga Raceway horsemen and breeders harmless from the decrease of slot revenue at Saratoga Casino due to the opening of Rivers Casino by requiring Rivers to provide support payments; which are statutorily tied to 2013 support levels and the performance of Saratoga Casino. Since Saratoga Casino has significantly lower revenues this year due to COVID-19 restrictions, Rivers is obligated to supplement the difference.

PAGE INTENTIONALLY LEFT BLANK

STAND ALONE LEGISLATION

EQUAL RIGHTS AMENDMENT

- Amends the State's Equal Rights Amendment to add the following protected classes to the existing protected classes:
  - Sex
  - Ethnicity
  - National Origin
  - Age
  - Disability
  - Sexual Orientation
  - Gender Identity or Expression

- The Equal Protection Clause (Article I §11 of the New York Constitution) currently provides that: "No person shall be denied the equal protection of the laws of this state or any subdivision thereof. No person shall, because of race, color, creed or religion, be subjected to any discrimination in his or her civil rights by any other person or by any firm, corporation, or institution, or by the state or any agency or subdivision of the state."

PAGE INTENTIONALLY LEFT BLANK