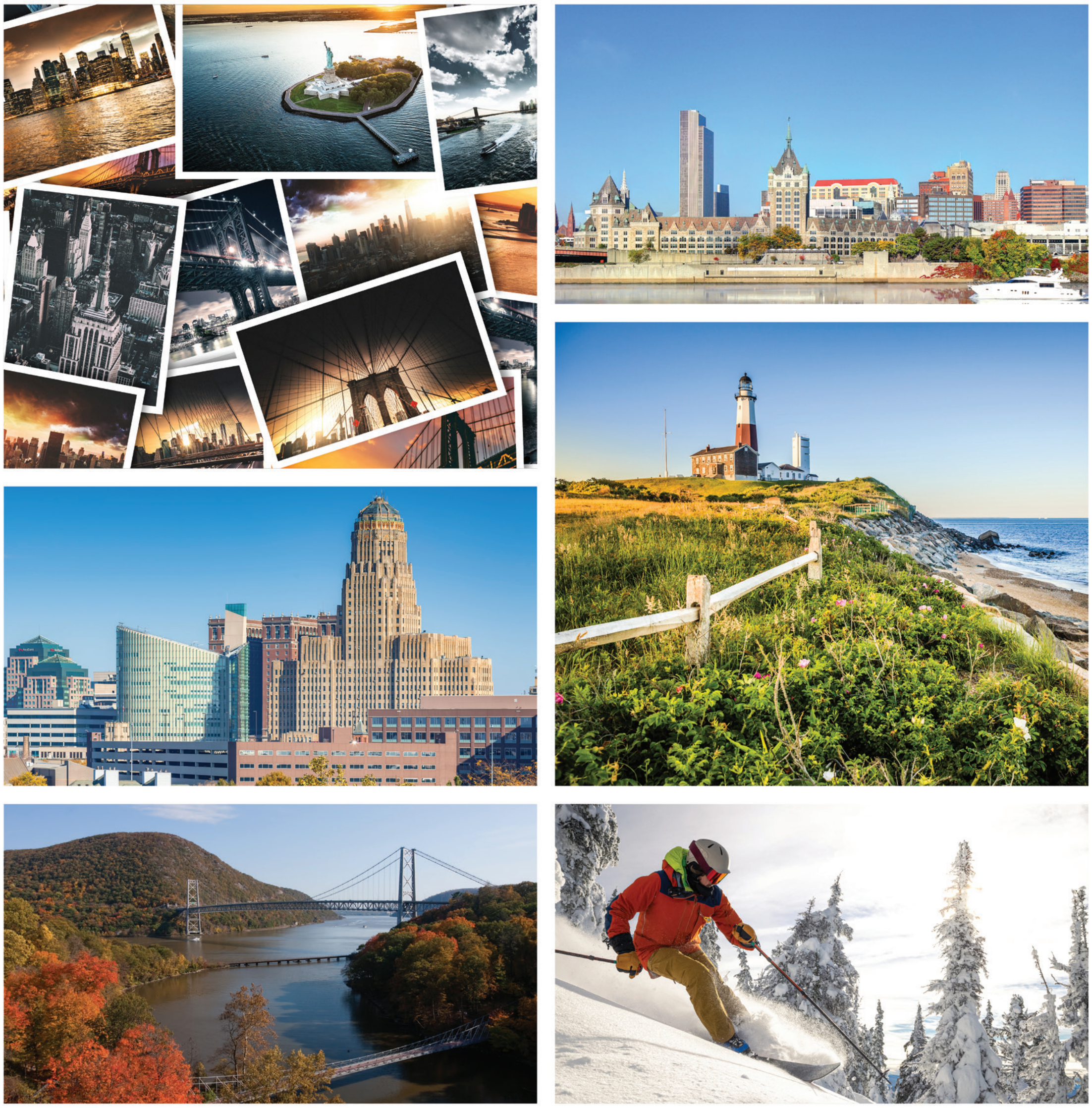
STAFF ANALYSIS OF
the 2023-24 Executive Budget
New York State Senate Democratic Majority



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Secretary to the Finance Committee

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Staff Analysis of the SFY 2023-24 Executive Budget

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COMMITTEES:
RULES
BUDGET & REVENUE

February 6, 2023

Dear Colleagues:

On Wednesday, February 1, Governor Kathy Hochul proposed the Executive Budget for State Fiscal Year 2023-24. The Executive Budget proposes All Funds expenditures of $227 billion, State Operating Funds expenditures of $125.2 billion, and General Fund expenditures of $106.9 billion.

The Executive now estimates that tax receipts in SFY 2022-23 will exceed prior estimates by $5.9 billion, and the Executive intends to deposit almost of all that excess revenue into reserves. This will increase total principal reserves to $19.5 billion or 16 percent of state operating spending.

The Executive Budget proposal estimated a base budget surplus of $214 million. The Executive Budget proposal includes $2.6 billion in spending increases compared to prior estimates, recognizes $900 million in reduced debt service from prior pre-payments, and utilizes $1.6 billion in reserves. Out-year budget gaps have grown to $5.7 billion in SFY 2024-25, $9.0 billion in SFY 2025-26, and $7.5 billion in SFY 2026-27.

The Executive Budget also includes significant policy proposals that will require careful review. These include authorizing tuition increases at public universities, creating a greenhouse gas cap-and-invest program, increasing the payroll mobility tax, increasing the state minimum wage, changes to bail reform, and a package of housing reforms.

This analysis prepared by staff of the Senate Finance Committee and Counsel's Office will support our careful deliberation of the Executive Budget. I look forward to working with you to craft an enacted State Budget that serves the needs of all New Yorkers while being responsible stewards of public resources.

Sincerely,

Liz Krueger

Liz Krueger
Chair
Senate Finance Committee

2023 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

Date	Day	Time	Hearing
February 6	Monday	11:30 a.m.	Transportation
February 7	Tuesday	9:30 a.m.	Public Protection
February 8	Wednesday	9:30 a.m.	Elementary/Secondary Education
February 9	Thursday	9:30 a.m.	Economic Dev./Arts
		2:00 p.m.	Taxes
February 13	Monday	11:30 a.m.	Human Services
February 14	Tuesday	9:30 a.m.	En Con
February 15	Wednesday	9:30 a.m.	Local/General Gov
February 16	Thursday	9:30 a.m.	Mental Hygiene
February 27	Monday	11:30 a.m.	Higher Education
February 28	Tuesday	9:30 a.m.	Health
March 1	Wednesday	9:30 a.m.	Housing
		2:00 p.m.	Workforce Dev./Labor

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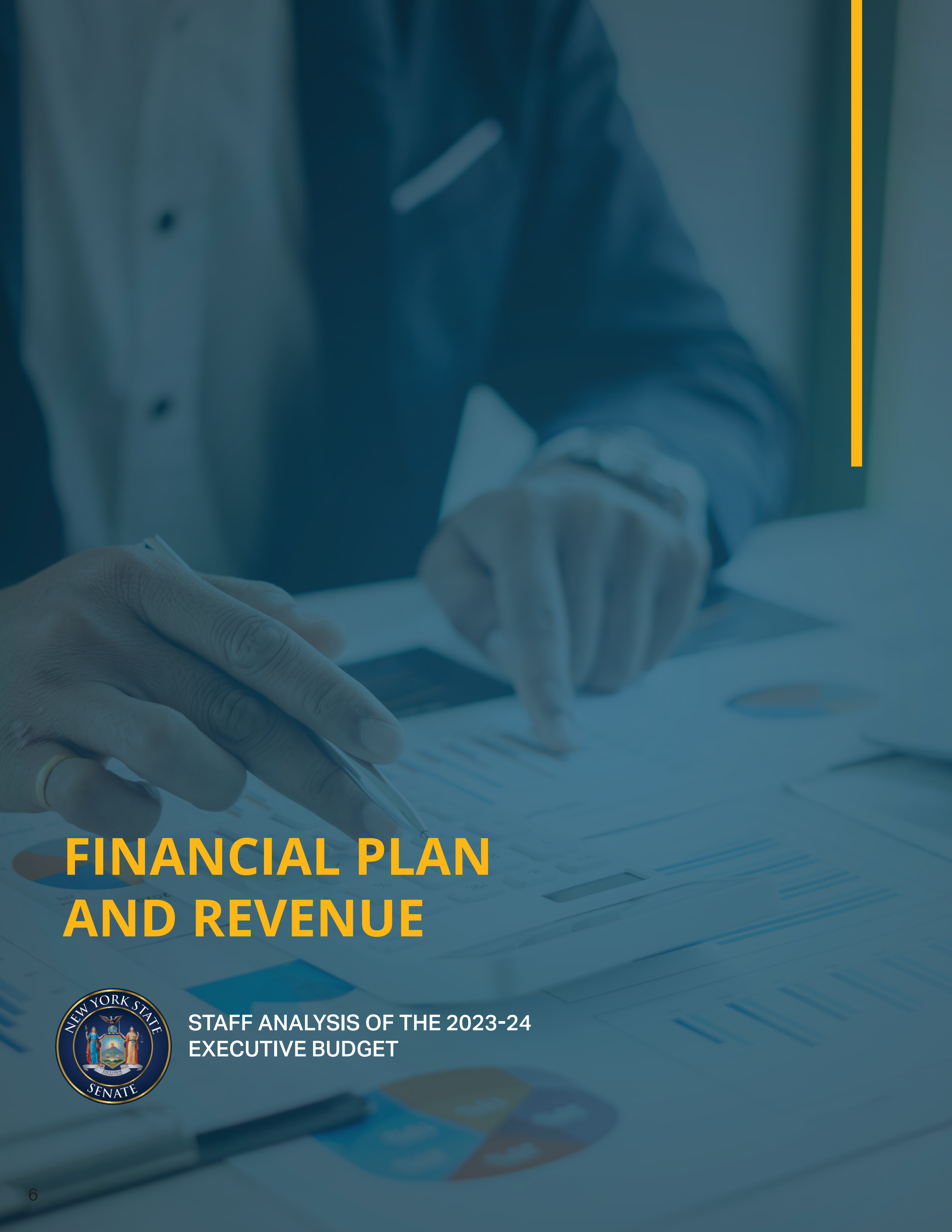


FINANCIAL PLAN AND REVENUE

STAFF ANALYSIS OF THE 2023-24 EXECUTIVE BUDGET

SFY 2023-24 Executive Budget Financial Plan Overview

Overview

The State Constitution requires that the Executive make an annual submission to the Legislature containing a plan of recommended appropriations, expenditures, and cash disbursements necessary to carry out its programs, along with estimates of revenues and cash receipts expected to be available to support these expenditures and disbursements for the forthcoming fiscal year. The State Constitution requires explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations.

The budget legislation contains all proposed appropriations, reappropriations, and other provisions needed to implement the Executive Budget. It is accompanied by the Executive Budget Financial Plan. The Financial Plan provides a comprehensive outline of the government's financial resources and the spending amounts that are required to carry out programs.

Notably, the SFY 2023-24 Executive Budget includes new language that allows for the unlimited transfer of appropriation authority and makes certain agency appropriations within the State Operations budget contingent on the passage of the Aid to Localities budget.

Changes in Spending from SFY 2022-23

SFY 2023-24 Change in Spending ($ millions)				
	SFY 2022-23 Current	SFY 2023-24 Proposed	Change	Percent Change
General Fund (Including Transfers)	$94,491	$106,933	$12,442	13.2%
State Operating Funds	$122,703	$125,184	$2,481	2.0%
State Funds	$138,640	$146,607	$7,967	5.7%
All Funds	$221,564	$226,991	$5,427	2.4%

The SFY 2023-24 Executive Budget proposal projects an increase in State Operating Funds spending of $2.5 billion or 2.0 percent from SFY 2022-23, for a total of $125.2 billion. The SFY 2023-24 Executive Budget also updates projections for the remainder of SFY 2022-23 and now estimates that State Operating Funds disbursements for the current year will increase 4.5 percent over SFY 2021-22.

On an All Funds basis, the SFY 2023-24 Executive Budget projects total spending of $227.0 billion which is an increase of $5.4 billion or 2.4 percent from the current estimate for SFY 2022-23

Budget Surplus / (Gap)

Executive Budget General Fund Surplus / (Gap) Estimate ($ millions)			
	SFY 2023-24	SFY 2024-25	SFY 2025-26
Mid-Year Update Base	($310)	($3,587)	($3,546)
Mid-Year Update Revision	($148)	($3,499)	($3,311)
Executive Budget Base	$214	($7,422)	($7,829)
Executive Budget after Policy Action	$0	($5,688)	($9,008)

The Mid-Year Update released in November by the Division of Budget (DOB) began with a $310 million General Fund budget gap in SFY 2023-24. Before any re-estimates, the budget gap was estimated at $3.6 billion and $3.5 billion in SFY 2024-25 and SFY 2025-26, respectively. Following revisions to tax receipts and disbursements, the Mid-Year Update anticipated budget gaps of $148 million in SFY 2023-24, $3.5 billion in SFY 2024-25 and $3.3 billion in SFY 2025-26.

Since the release of the Mid-Year Update, tax collections through January 2023 have surpassed Mid-Year projections, however, DOB's updated economic forecast projects a mild recession in the first half of 2023. The Executive Budget Financial Plan decreases estimates for tax receipts by $1.9 billion in SFY 2023-24, other receipts and transfers are estimated to partially offset the decrease in tax receipts, bringing the total net decrease in revenues to $1.1 billion. These trends worsen in the out-years of the plan and result in an average decrease in revenues of $2.9 billion annually. This is the primary driver behind budget gaps through the out-years of the financial plan timeframe.

The updated revenue estimates and disbursement revisions have resulted in a budget surplus of $8.7 billion in the current fiscal year and $214 million in SFY 2023-24. The Executive proposes to use the current year's surplus to accelerate deposits to principal reserves previously planned for SFY 2023-24 ($2.4 billion) and SFY 2024-25 ($2.9 billion). The Executive also proposes to increase deposits to the debt reduction reserve, to the Retiree Health Benefit Trust Fund and to prepay expenses, and manage future budget gaps.

The Executive Budget proposes to use the SFY 2022-23 surplus for various initiatives and to accelerate planned deposits into reserves. These initiatives include:

- $5.3 billion for deposits to principal reserves originally planned for SFY 2023-24 and SFY 2024-25;
- $1.0 billion for deposits to the debt reduction reserve;
- $900 million to prepay future debt service;
- $600 million to accelerate deposits to the Retiree Health Benefit Trust Fund; and
- $782 million to manage future budget gaps.

Revenues

SFY 2023-24 Receipts ($ millions)				
Funding Source	**SFY 2022-23 Current**	**SFY 2023-24 Proposed**	**Change**	**Percent**
General Fund	$98,512	$104,515	$6,003	6.1%
State Operating Funds	$128,425	$125,816	($2,609)	-2.0%
All Funds	$232,828	$225,346	($7,482)	-3.2%

The Executive Budget projects that All Funds receipts will total $225.3 billion in SFY 2023-24, a decrease of 3.2 percent compared to the current year estimate of $232.8 billion. The All Funds amount includes Federal resources, both operating and capital, which are projected to be almost $1.1 billion lower in the SFY 2023-24 Executive Budget, relative to the current fiscal year.

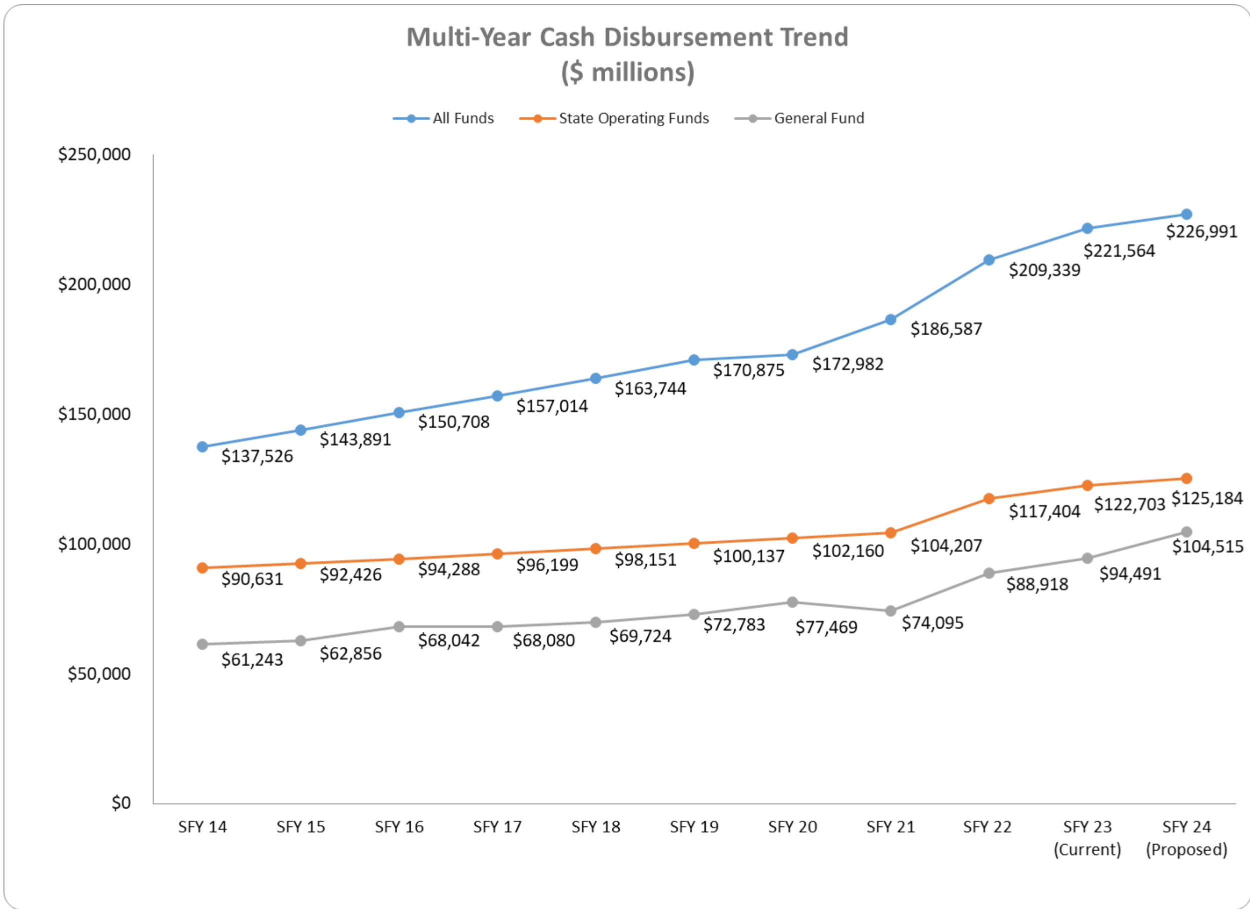
Reserves

SFY 2023-24 Executive Budget Reserves ($ millions)				
	SFY 2021-22	**SFY 2022-23**	**SFY 2023-24**	**SFY 2024-25**
Planned Deposits	**$5,018**	**$10,554**	**$0**	**$0**
Rainy Day Reserves	$843	$3,149	$0	$0
Economic Uncertainty	$4,175	$7,405	$0	$0
Balance at Year-End	**$8,984**	**$19,538**	**$19,538**	**$19,538**
Rainy Day Reserves	$3,319	$6,468	$6,468	$6,468
Economic Uncertainty	$5,665	$13,070	$13,070	$13,070

The SFY 2022-23 Enacted Budget included language to amend the Rainy Day Reserve statute, allowing for increased deposits and balance requirements with the goal of reaching 15 percent of State Operating Fund spending in SFY 2024-25. This will be accomplished through annual deposits in the State's two statutory funds, the Tax Stabilization Reserve and the Rainy Day Reserve. Additionally, funds will be reserved for economic uncertainty, an informal set-aside of General Fund resources that does not have statutory limitations or requirements.

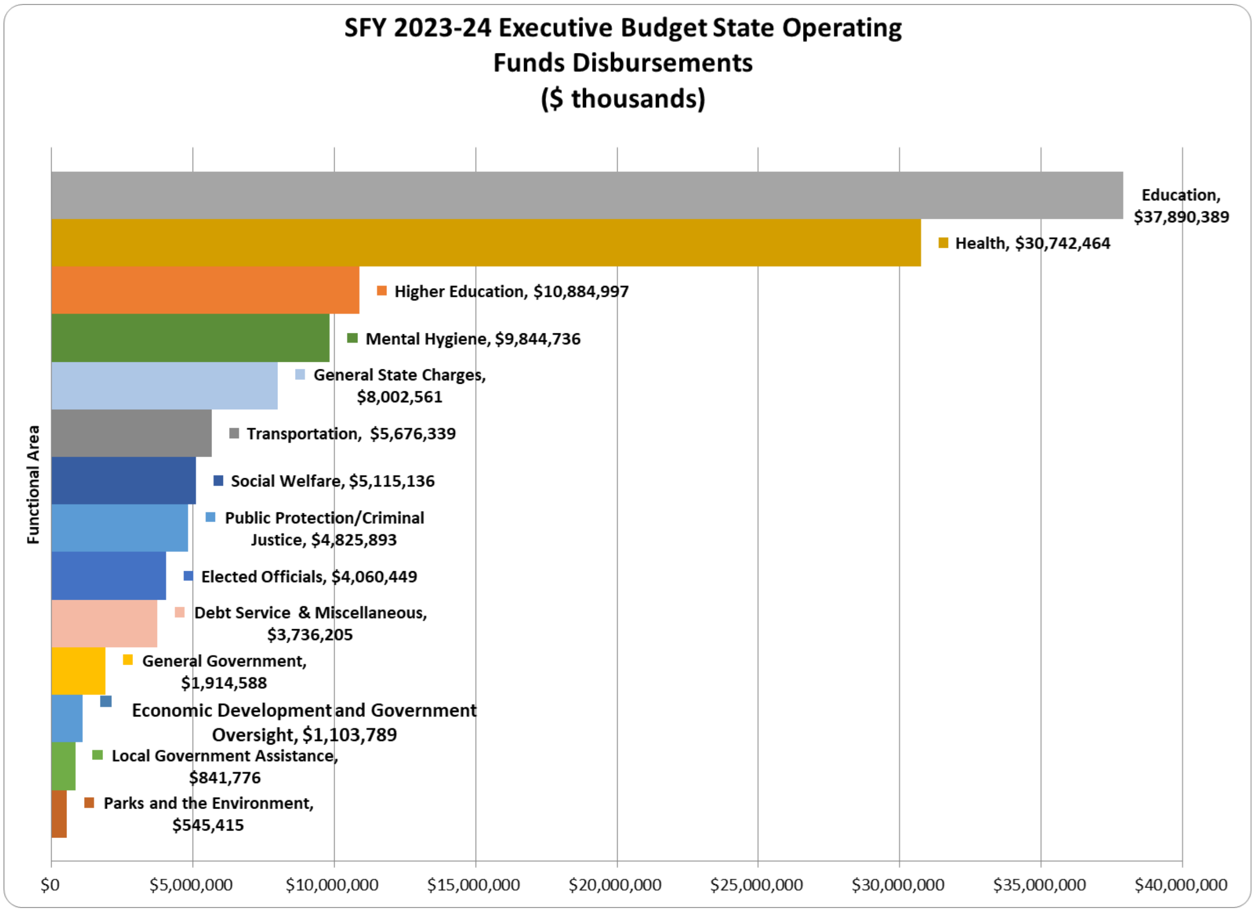
The Executive Budget plans to use the current year's surplus to increase planned deposits to principal reserves. This accelerates the State's timeline to reach 15 percent of State Operating Fund spending at the end of SFY 2022-23, two years ahead of schedule. In order to realize this higher level of savings, the Executive Budget includes language to amend the Rainy Day Reserve statute to allow for increased deposits and balance requirements. In addition, the Executive Budget proposes using $1.0 billion to recapitalize the debt reduction reserve and $600 million to accelerate deposits to the Retiree Health Benefit Trust Fund.

Spending

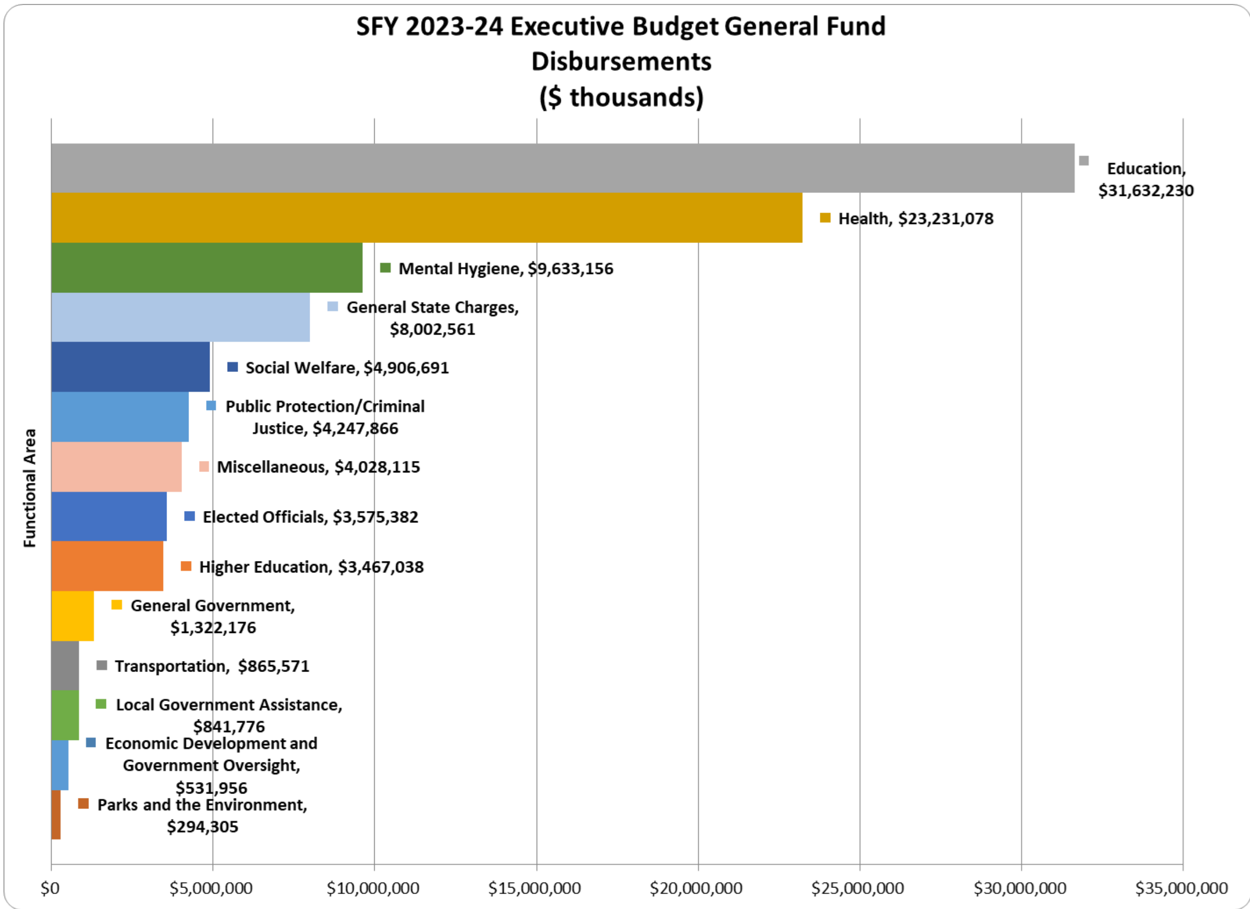


All Funds disbursements in SFY 2023-24 are projected to total $227.0 billion, which is an increase of $5.4 billion or 2.4 percent over the current estimate for SFY 2022-23.

State Operating Funds disbursements in SFY 2023-24 are projected to total $125.2 billion which is an increase of $2.5 billion or 2.0 percent. Below is a breakdown of how the State Operating Funds disbursement is proposed in the Executive Budget.



General Fund disbursements excluding transfers in SFY 2023-24 are projected to total $106.9 billion which is an increase of $12.4 billion or 13.2 percent over the current estimate for SFY 2022-23. Below is a breakdown of how the General Fund disbursement is proposed in the Executive Budget.



All Funds Cash Financial Plan SFY 2021-22 through SFY 2023-24 ($ millions)							
	SFY 2021-22	SFY 2022-23			SFY 2023-24		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	**$18,751**	**$53,549**	**$34,798**	**185.6%**	**$47,282**	**($6,267)**	**-11.7%**
Receipts							
Taxes	$121,136	$100,395	($20,741)	-17.1%	$111,148	$10,753	10.7%
Miscellaneous Receipts	$27,932	$25,412	($2,520)	-9.0%	$27,885	$2,473	9.7%
Federal Receipts	$95,307	$89,720			$82,866		
Total Receipts	**$244,375**	**$215,527**	**($28,848)**	**-11.8%**	**$221,899**	**$6,372**	**3.0%**
Disbursements							
Local Assistance	$153,938	$168,298	$14,360	9.3%	$170,020	$1,722	1.0%
State Operations						$0	
Personal Service	$15,094	$16,229	$1,135	7.5%	$15,990	($239)	-1.5%
Non-Personal Service	$9,280	$8,086	($1,194)	-12.9%	$7,559	($527)	-6.5%
General State Charges	$11,060	$10,235	($825)	-7.5%	$10,971	$736	7.2%
Debt Service	$12,587	$7,612	($4,975)	-39.5%	$4,904	($2,708)	-35.6%
Capital Projects	$7,380	$11,482	$4,102	55.6%	$13,156	$1,674	14.6%
Total Disbursements	**$209,339**	**$221,942**	**$12,603**	**6.0%**	**$222,600**	**$658**	**0.3%**
Other Financing Sources (Uses)							
Transfer from Other Funds	$61,299	$46,275	($15,024)	-24.5%	$56,818	$10,543	22.8%
Transfer to Other Funds	($61,537)	($46,525)	$15,012	-24.4%	($57,071)	($10,546)	22.7%
Bond and Note Proceeds	$0	$398			$399		
Net Other Financing Sources (Uses)	**($238)**	**$148**	**$386**	**162.2%**	**$146**	**($2)**	**-1.4%**
Excess (Deficiency) of Receipts over Disbursements and Reserves	**$34,798**	**($6,267)**	**($41,065)**	**118.0%**	**($787)**	**$5,480**	**-87.4%**
Closing Fund Balance	**$53,549**	**$47,282**	**($6,267)**	**-11.7%**	**$46,495**	**($787)**	**-1.7%**

State Operating Funds Cash Financial Plan SFY 2021-22 through SFY 2023-24 ($ millions)							
	SFY 2021-22	SFY 2022-23			SFY 2023-24		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	**$14,934**	**$40,767**	**$25,833**	**173.0%**	**$35,035**	**-$5,732**	**-14.1%**
Receipts							
Taxes	$119,823	$99,121	($20,702)	-17.3%	$109,621	$10,500	10.6%
Miscellaneous Receipts	$22,743	$16,269	($6,474)	-28.5%	$16,275	$6	0.0%
Federal Receipts	$4,606	$2,402	($2,204)	-47.9%	$2,300	-$102	-4.2%
Total Receipts	**$147,172**	**$117,792**	**($29,380)**	**-20.0%**	**$128,196**	**$10,404**	**8.8%**
Disbursements							
Local Assistance	$74,998	$83,448	$8,450	11.3%	$88,478	$5,030	6.0%
State Operations							
Personal Service	$13,243	$15,541	$2,298	17.4%	$15,298	-$243	-1.6%
Non-Personal Service	$6,593	$5,382	($1,211)	-18.4%	$5,577	$195	3.6%
General State Charges	$10,025	$9,849	($176)	-1.8%	$10,585	$736	7.5%
Debt Service	$12,545	$7,612	($4,933)	-39.3%	$4,904	-$2,708	-35.6%
Capital Projects	$0	$0	$0	0.0%	$0	$0	0.0%
Total Disbursements	**$117,404**	**$121,832**	**$4,428**	**3.8%**	**$124,842**	**$3,010**	**2.5%**
Other Financing Sources (Uses)							
Transfer from Other Funds	$54,127	$41,515	($12,612)	-23.3%	$50,150	$8,635	20.8%
Transfer to Other Funds	($58,062)	($43,207)	$14,855	-25.6%	-$53,694	-$10,487	24.3%
Bond and Note Proceeds	$0	$0	$0	0.0%	$0	$0	0.0%
Net Other Financing Sources (Uses)	**($3,935)**	**($1,692)**	**$2,243**	**57.0%**	**-$3,544**	**-$1,852**	**109.5%**
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	**$25,833**	**($5,732)**	**($31,565)**	**-122.2%**	**-$422**	**$5,310**	**-92.6%**
Closing Fund Balance	**$40,767**	**$35,035**	**($5,732)**	**-14.1%**	**$34,613**	**-$422**	**-1.2%**

General Fund Cash Financial Plan SFY 2021-22 through SFY 2023-24 ($ millions)							
	SFY 2021-22	SFY 2022-23			SFY 2023-24		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	**$9,161**	**$33,053**	**$23,892**	**260.8%**	**$27,504**	**($5,549)**	**-16.8%**
Receipts							
Taxes							
Personal Income Tax	$33,464	$22,646	($10,818)	-32.3%	$28,134	$5,488	24.2%
Consumption/Use Tax	$4,721	$7,029	$2,308	48.9%	$9,526	$2,497	35.5%
Business Taxes	$16,697	$17,357	$660	4.0%	$16,424	($933)	-5.4%
Other Taxes	$1,407	$1,682	$275	19.5%	$1,414	($268)	-15.9%
Miscellaneous Receipts	$2,325	$2,195	($130)	-5.6%	$1,814	($381)	-17.4%
Federal Receipts	$4,500	$2,350	$0	0.0%	$2,250	($100)	0.0%
Transfers from Other Funds							
PIT in Excess of Revenue Bond Debt Service	$26,055	$18,598	($7,457)	-28.6%	$26,759	$8,161	43.9%
PTET in Excess of Revenue Bond Debt Service	$8,215	$7,499	($716)	0.0%	$7,928	$429	5.7%
ECEP in Excess of Revenue Bond Debt Service	$0	$7	$7	0.0%	$7	$0	0.0%
Sales Tax in Excess of LGAC Bond Debt Service	$4,121	$2,198	($1,923)	-46.7%	$0	($2,198)	-100.0%
Sales Tax in Excess of Revenue Bond Debt	$5,572	$7,344	$1,772	31.8%	$7,523	$179	2.4%
Real Estate Taxes in Excess of CW/CA Debt	$1,479	$1,157	($322)	-21.8%	$1,077	($80)	-6.9%
All Other	$4,254	($430)	($4,684)	-110.1%	$1,892	$2,322	-540.0%
Total Receipts	**$112,810**	**$89,632**	**($23,178)**	**-20.5%**	**$104,748**	**$15,116**	**16.9%**
Disbursements							
Local Assistance	$58,384	$65,114	$6,730	11.5%	$71,991	$6,877	10.6%
State Operations							
Personal Service	$8,063	$10,481	$2,418	30.0%	$10,302	($179)	-1.7%
Non-Personal Service	$3,675	$2,763	($912)	-24.8%	$3,051	$288	10.4%
General State Charges	$8,983	$8,666	($317)	-3.5%	$9,397	$731	8.4%
Transfers to Other Funds							
Debt Service	$340	$290	($50)	-14.7%	$253	($37)	-12.8%
Capital Projects	$6,818	$4,358	($2,460)	-36.1%	$6,288	$1,930	44.3%
SUNY Operations	$1,385	$1,508	$123	8.9%	$1,499	($9)	-0.6%
Other Purposes	$1,270	$2,001	$731	57.6%	$1,883	($118)	-5.9%
Total Disbursements	**$88,918**	**$95,181**	**$6,263**	**7.0%**	**$104,664**	**$9,483**	**10.0%**
Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balances Over Disbursements	**$23,892**	**($5,549)**	**($29,441)**	**123.2%**	**($148)**	**$5,401**	**97.3%**
Closing Fund Balance	**$33,053**	**$27,504**	**($5,549)**	**-16.8%**	**$27,356**	**($148)**	**-0.5%**

State Receipts Tables

All Funds Receipts (millions of dollars)				
	Estimated SFY 2022-23	Forecast SFY 2023-24	$ Change	% Change
Personal Income Tax				
Withholding	$51,888	$52,558	$670	1.3%
Estimated Payments	$18,145	$16,314	($1,831)	-10.1%
Final Returns	$5,259	$4,830	($429)	-8.2%
Other Payments	$1,832	$1,609	($223)	-12.2%
Gross Collections	**$77,124**	**$75,311**	**($1,813)**	**-2.4%**
Refunds/Offsets	($18,753)	($13,999)	$4,754	-25.4%
Revenue Bond Tax Fund	$0	$0	$0	0.0%
Net Collections	**$58,371**	**$61,312**	**$2,941**	**5.0%**
User Taxes and Fees				
Sales and Use	$18,852	$19,801	$949	5.0%
Cigarette/Tobacco	$886	$721	($165)	-18.6%
Vapor Excise Tax	$27	$27	$0	0.0%
Motor Fuel Tax	$184	$495	$311	169.0%
Highway Use Tax	$139	$284	$145	104.3%
Alcoholic Beverage	$280	$29	($251)	-89.6%
Opioid Excise Tax	$29	$12	($17)	-58.6%
Medical Cannabis Excise Tax	$12	$133	$121	1008.3%
Adult-Use Cannabis Tax	$2	$141	$139	6950.0%
Auto Rental Tax	$122	$100	($22)	-18.0%
Peer to Peer Car Sharing Tax	$2	$7	$5	250.0%
Total	**$20,535**	**$21,750**	**$1,215**	**5.9%**
Business Taxes				
Corporation Franchise	$8,855	$7,650	($1,205)	-13.6%
Corporation and Utilities	$540	$479	($61)	-11.3%
Insurance	$2,627	$2,660	$33	1.3%
Bank	$71	$0	($71)	-100.0%
Pass Through Entity Tax	$12,948	$11,460	($1,488)	-11.5%
Petroleum Business Tax	$1,071	$1,120	$49	4.6%
Total	**$26,112**	**$23,369**	**($2,743)**	**-10.5%**
Other Taxes				
Estate	$2,025	$1,257	($768)	-37.9%
Real Estate Transfer Tax	$1,491	$1,366	($125)	-8.4%
Emp. Comp. Expense Program	$13	$14	$1	7.7%
Pari-Mutuel	$13	$13	$0	0.0%
Other	$2	$2	$0	-
Total	**$3,544**	**$2,652**	**($892)**	**-25.2%**
Total Tax Collections	$108,562	$109,083	$521	0.5%
Miscellaneous Receipts	$26,993	$27,075	$82	0.3%
Federal Grants	$89,542	$88,492	($1,050)	-1.2%
Total Receipts	**$225,097**	**$224,650**	**($447)**	**-0.2%**

General Fund Receipts (millions of dollars)				
	Estimated SFY 2022-23	Forecast SFY 2023-24	$ Change	% Change
Personal Income Tax				
Withholding	$51,888	$52,558	$670	1.3%
Estimated Payments	$18,145	$16,314	($1,831)	-10.1%
Final Returns	$5,259	$4,830	($429)	-8.2%
Other Payments	$1,832	$1,609	($223)	-12.2%
Gross Collections	**$77,124**	**$75,311**	**($1,813)**	**-2.4%**
Refunds/Offsets	($18,753)	($13,999)	$4,754	-25.4%
Reported Tax Collections	**$58,371**	**$61,312**	**$2,941**	**5.0%**
STAR (Dedicated Deposits)	($1,781)	($1,717)	$64	-3.6%
RBTF (Dedicated Transfers)	($29,184)	($30,653)	($1,469)	5.0%
Net Collections	**$27,406**	**$28,942**	**$1,536**	**5.6%**
User Taxes and Fees				
Sales and Use	$17,635	$18,532	$897	5.1%
Cigarette/Tobacco	$281	$218	($63)	-22.4%
Alcoholic Beverage	$280	$284	$4	1.4%
Opioid Excise Tax	$29	$29	$0	0.0%
Peer to Peer Car Sharing	$2	$6	$4	200.0%
Gross Tax Collections	**$18,227**	**$19,069**	**$842**	**4.6%**
LGAC/STBF (Dedicated Transfers)	($11,013)	($9,266)	$1,747	-15.9%
Total	**$7,214**	**$9,803**	**$2,589**	**35.9%**
Business Taxes				
Corporation Franchise	$7,178	$6,071	($1,107)	-15.4%
Corporation and Utilities	$410	$361	($49)	-12.0%
Insurance	$2,355	$2,384	$29	1.2%
Pass Through Entity Tax	$12,948	$11,460	($1,488)	-11.5%
Busines Tax Revenue Bond	($6,474)	($5,730)	$744	-11.5%
Bank	$60	$0	($60)	-100.0%
Total	**$16,477**	**$14,546**	**($1,931)**	**-1.5%**
Other Taxes				
Estate	$2,025	$1,257	($768)	-37.9%
Real Estate Transfer Tax	$1,491	$1,366	($125)	-8.4%
Employer Compensation Expense Program	$13	$14	$1	7.7%
Pari-Mutuel	$13	$13	$0	0.0%
Other	$2	$2	$0	-
Gross Other Taxes	**$3,544**	**$2,652**	**($892)**	**-25.2%**
Real Estate Transfer Tax (Dedicated)	($1,491)	($1,366)	$125	-8.4%
RBTF (Dedicated Transfers)	($6)	($7)	($1)	16.7%
Total	**$2,047**	**$1,279**	**($768)**	**-37.5%**
Total Tax Collections	$53,144	$54,570	$1,426	2.7%
Miscellaneous Receipts	$2,660	$1,811	($849)	-31.9%
Federal Receipts	$2,350	$2,250	$0	0.0%
Total Receipts	**$58,154**	**$58,631**	**$477**	**0.8%**

Capital Fact Sheet

Monetary Settlements

Beginning in SFY 2014-15, the State began receiving and recording Extraordinary Monetary Settlements. To date the State has received nearly $13.5 billion in Extraordinary Monetary Settlements. Approximately $8.1 billion in Extraordinary Monetary Settlements has been appropriated for capital projects to date. The SFY 2023-24 Executive Budget does not include any new use of settlement money for capital purposes.

Appropriated Monetary Settlement Funds ($ thousands)										
	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	Total
Thruway Stabilization Program	$1,285,000	$700,000	$0	$0	$0	$0	$0	$0	$0	$1,985,000
Upstate Revitalization Initiative	$1,500,000	$170,000	$0	$0	$0	$0	$0	$0	$0	$1,670,000
Health Care	$355,000	$0	$200,000	$125,000	$0	$0	$0	$0	$0	$680,000
Affordable and Homeless Housing	$0	$640,000	$0	$0	$0	$0	$0	$0	$0	$640,000
Broadband Initiative	$500,000	$0	$0	$0	$0	$0	$0	$0	$0	$500,000
Buffalo Billion, Phase II	$0	$0	$400,000	$0	$0	$0	$0	$0	$0	$400,000
Life Sciences Initiative	$0	$0	$320,000	$0	$0	$0	$0	$0	$0	$320,000
MTA Capital Plan	$250,000	$0	$65,000	$0	$0	$0	$0	$0	$0	$315,000
Municipal Restructuring/Downtown Revitalization	$150,000	$20,000	$100,000	$0	$0	$0	$0	$0	$0	$270,000
Security and Emergency Response	$150,000	$0	$100,000	$0	$0	$0	$0	$0	$0	$250,000
Clean Water Infrastructure	$0	$0	$0	$0	$250,000	$0	$0	$0	$0	$250,000
DOT Capital Plan Contribution	$0	$200,000	$0	$0	$0	$0	$0	$0	$0	$200,000
Long Island Transformative Projects	$150,000	$0	$0	$0	$0	$0	$0	$0	$0	$150,000
Environmental Protection Fund	$0	$120,000	$0	$0	$0	$0	$0	$0	$0	$120,000
Upstate Infrastructure and State Fair	$115,000	$0	$0	$0	$0	$0	$0	$0	$0	$115,000
Other Economic Development Projects	$0	$85,000	$0	$0	$0	$0	$0	$0	$0	$85,000
Southern Tier & Hudson Valley Farmland	$50,000	$0	$0	$0	$0	$0	$0	$0	$0	$50,000
Empire State Poverty Reduction Initiative	$0	$25,000	$0	$0	$0	$0	$0	$0	$0	$25,000
Non-MTA Transit	$0	$0	$20,000	$0	$0	$0	$0	$0	$0	$20,000
Community Health Care Revolving Loans	$19,500	$0	$0	$0	$0	$0	$0	$0	$0	$19,500
Roswell Park Cancer Institute	$15,500	$0	$0	$0	$0	$0	$0	$0	$0	$15,500
Behavioral Health Care Grants	$10,000	$0	$0	$0	$0	$0	$0	$0	$0	$10,000
Total	**$4,550,000**	**$1,960,000**	**$1,205,000**	**$125,000**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$8,090,000**

In addition to providing funding for the appropriated projects above, Monetary Settlement funds have been used to provide flexibility with regard to timing bond issuances to save on interest costs. For example, settlement funds were used to advance $1.3 billion in funding for higher education, transportation and economic development that was subsequently reimbursed with bond proceeds.

Going forward, the Executive plans to deposit future settlement receipts into the State reserves.

New York State Infrastructure Plan

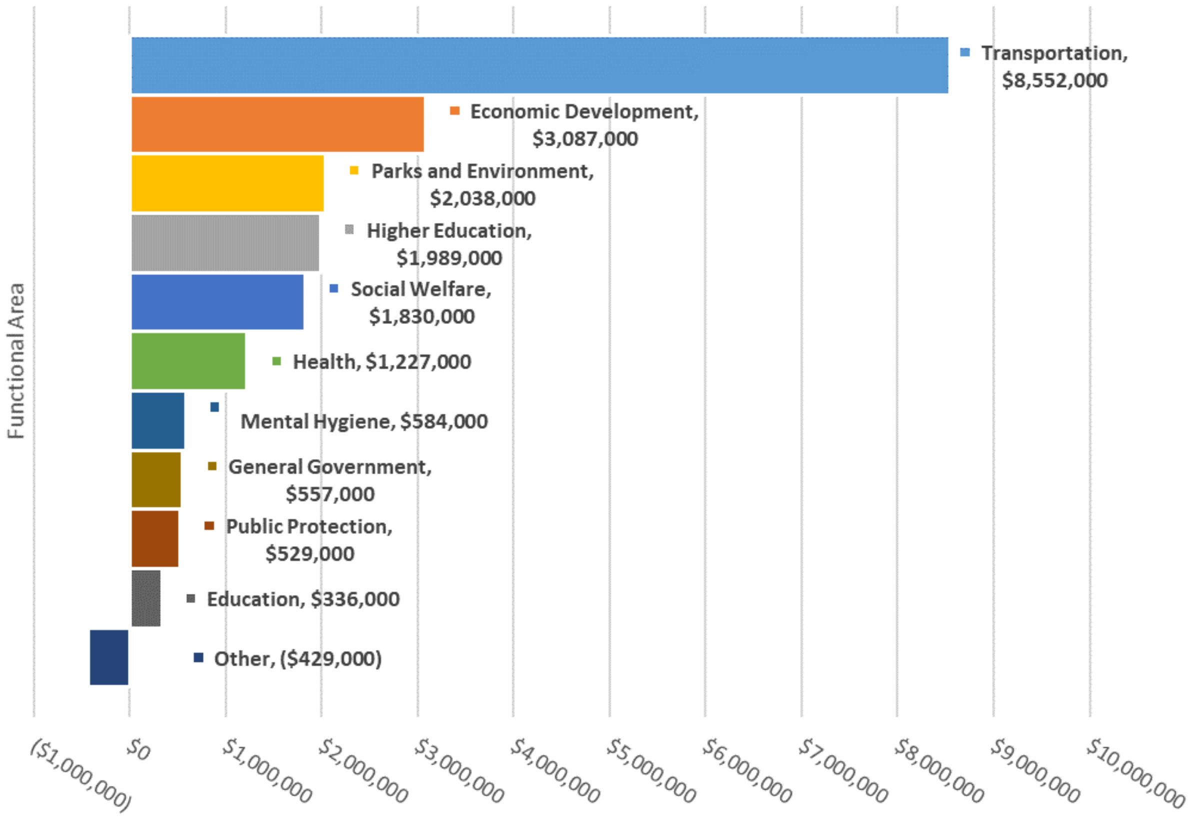
The Executive Budget includes new capital appropriations totaling $21.7 billion in SFY 2023-24, which will be committed and spent over a number of years. The plan includes appropriations for transportation and mass transit systems, affordable housing, economic and community development, schools, environmental and park facilities, and energy efficiency upgrades. Appropriations in major functional areas include:

- $8.5 billion for transportation, including $7.8 billion for the second year of the five-year Department of Transportation (DOT) Capital Plan
- $3.7 billion for health and mental hygiene, including $1.7 billion for mental hygiene programs
- $2.3 billion in total for other smaller capital initiatives
- $2.2 billion for education and higher education, including $1.1 billion for SUNY/CUNY maintenance and preservation
- $1.5 billion for economic development, including $455 million for Belmont renovations
- $1.4 billion for public protection and general government
- $1.4 billion for parks, the environment, agriculture and markets
- $666 million for social welfare, including $243 million for ongoing housing programs

SFY 2023-24 Capital Spending

New York State capital spending is projected to total $21.4 billion in SFY 2023-24. The Executive Budget proposal includes $21.4 billion in spending that appears in the Financial Plan and $7 million in off-budget spending that is currently being financed directly from bond proceeds. Financing for capital spending in SFY 2023-24 is supported with State debt ($10.8 billion or 50 percent), State cash resources ($7.0 billion or 33 percent), and Federal aid ($3.7 billion or 17 percent). State capital spending over the next five years is expected to average approximately $18.9 billion annually. In SFY 2023-24, capital spending is projected to increase by 34.3 percent as compared to SFY 2022-23. The increase is mostly attributable to the second year of the five-year capital plan for transportation, increased spending in economic development, increased funding for mental hygiene programs and new spending included in the SFY 2023-24 Executive Budget. The graph below summarizes SFY 2023-24 spending. The negative "All Other" category is related to potential underspending due to the timing of capital project delivery.

SFY 2023-24
Capital Spending by Function
(thousands of dollars)



SFY 2023-24 DEBT SUMMARY

Current State-related debt outstanding is projected at $66.7 billion for SFY 2023-24. This is an increase of $8.2 billion or 14 percent, over the previous year. The Executive Budget expects debt issuances of $9.8 billion and debt retirements of $1.6 billion. From SFY 2023-24 through SFY 2027-28, State-related debt is projected to increase an average of 8.8 percent annually, reaching $89.0 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt, subject to the debt cap, to reach 3.08 percent of personal income in SFY 2023-24. State-supported debt is a narrower definition of debt than State-related debt, and is used to measure compliance with the Debt Reform Act of 2000. The Debt Reform Act caps outstanding State-supported debt issued since April 1, 2000 at four percent of personal income.

The SFY 2020-21 and 2021-22 Enacted Budgets suspended the Debt Reform Act for those years, allowing any debt issued during those fiscal years to be exempted from counting against the debt cap. This suspension was to facilitate the State's response to the COVID-19 pandemic. The Executive Budget does not include this authorization for SFY 2023-24. Recent Enacted Budgets included permission for the Executive to use emergency Personal Income Tax (PIT) notes and a line of credit (LOC) to help manage cash flow during the uncertainty of the pandemic. The Executive has again proposed allowing DOB to access liquidity financing of $3 billion in emergency PIT notes and $2 billion in a LOC but has stated that it does not plan on using these authorizations.

Revenue Fact Sheet

- **Extend the Temporary Corporate Franchise Tax Rates for Three Years:** The Executive Budget proposes to extend the temporary 7.25 percent rate for Corporate Franchise tax filers with a business income tax base over $5 million by three years through tax year 2023. The temporary 0.1875 percent capital base tax rate is also extended for three years through 2026.

- **Extend and Enhance the Film Tax Credit:** The Executive Budget proposes to extend the Film Tax Credit program by five years to 2034. In addition, the Executive Budget proposes to increase the annual funding cap to $700 million from the current $420 million beginning in Tax Year 2024. The credit base rate for productions is increased from 25 percent to 30 percent and eligible relocating television series would have a base credit of 35 percent.

- **Create a Tax Credit for Child Care Creation and Expansion:** The Executive Budget proposes to establish a new tax credit administered by OCFS that would grant a tax credit to companies that create new child care slots or expand the child care slots available to their employees. The credits would be based on a percentage of the childcare market rate as determined by OCFS, multiplied by the number of additional child care slots. The credit program would be capped at $25 million per year and lasts two years.

- **Extend the New York City Musical and Theatrical Production Tax Credit:** The Executive Budget proposes to extend the credit program by two years, including extending the initial application deadline from June 30, 2023 to June 30, 2025 and increasing the credit program to $300 million, up from the current $200 million.

- **Modify the Investment Tax Credit for Farmers:** The Executive Budget proposes to give farmers the option to get a refundable credit for any excess portion of the Investment Tax Credit, instead of having to carry forward the credit into future tax years. Farmers would be given this option through Tax Year 2027.

- **Extend the Tax Credit for the Rehabilitation of Historic Properties:** The Executive Budget proposes to extend the rehabilitation of historic properties tax credit for five years through 2030.

- **Make Local Sales Tax Rate Authorizations Permanent:** The Executive Budget proposes to grant localities the authority to extend their current sales tax rates or to increase their rate up to four percent without State legislative approval. Any locality wanting to increase their sales tax rate beyond these levels would still require approval from the Legislature. Existing sales tax revenue distribution agreements that exist in statute would be extended indefinitely.

Revenue Agency Details

Department of Taxation and Finance (DTF)

All Funds Appropriations - Department of Taxation and Finance ($ in Millions)				
	SFY 2022-23 Available	SFY 2023-24 Executive Recommendation	$ Change	% Change
State Operations	$471.9	$471.9	$0.0	0.00%
Aid To Localities	$6.9	$7.9	$1.0	12.62%
Total	$478.8	$479.8	$1.0	0.21%

The Executive Budget recommends an All Funds appropriation of $479.8 million for the Department of Taxation and Finance, which is an increase of $1.0 million or 0.2 percent from SFY 2022-23. The Executive Budget recommends a workforce of 3,785 FTEs, which is consistent with SFY 2022-23 levels.

Division of Tax Appeals (DTA)

The Executive Budget recommends an All Funds appropriation of $3.4 million for the Division of Tax Appeals in State Operations funds, which is an increase of $72,400 or 2.1 percent. The Executive Budget recommends a workforce of 26 FTEs, which is consistent with SFY 2022-23 levels.

Article VII

Provide Authority to Abate Interest for Taxpayers Impacted by Declared Disasters (REV Part A): The Executive Budget proposes to give the Commissioner of the Department of Tax and Finance the authority to abate any interest charges for the underpayment of taxes for taxpayers directly affected by disaster that led to an emergency declaration made by the President or the Governor. Currently interest on taxes is only abated if the Commissioner uses their authority to extend a state tax filing deadline because of a declared emergency. The proposal also clarifies the language that gives the Commissioner the authority to extend filing deadlines due to a declared emergency by the President or Governor without making any changes to the authority.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Clarification of the Treatment of Limited Partners for the Metropolitan Commuter Transportation Mobility Tax (REV Part B): The Executive Budget proposes to clarify the definition of a limited partner for the purposes of being exempt from paying the Metropolitan Commuter Transportation Mobility Tax, also known as the MTA Payroll Tax. Limited partners are exempted from paying the MTA Payroll Tax on the self-employed for any income they derive from the partnership. This proposal would amend the law to state that anyone who has some direct control over the operations or management of a partnership and is not a passive investor may not claim to be a limited partner, regardless of their title within the partnership.

Fiscal Impact: This proposal would have no fiscal impact to the State. This proposal would increase the Metropolitan Transportation Authority revenues by $20 million annually beginning in SFY 2023-24.

Modify the Investment Tax Credit for Farmers (REV Part C): The Executive Budget proposes to give farmers the option to claim excess Investment Tax Credits (ITC) as a refund, instead of carrying them over to future tax years, for Tax Years 2023 through 2027. The ITC can be claimed for expenses related to the acquisition of property, including real property and equipment, and claimed for the tax year the property was put into service. Currently, all taxpayers other than new business owners must carry forward any excess credits. New business owners may carry forward credits or claim a refund. This proposal would give farmers the same option for five tax years.

Fiscal Impact: This proposal would have no fiscal impact in SFY 2023-24 and would reduce receipts by $7 million in SFY 2024-25, SFY 2025-26, and SFY 2026-27.

Extend and Enhance the Film Tax Credit (REV Part D): The Executive Budget proposes to extend the Film Tax Credit for five years, from 2029 through 2034, and to increase the amount set-aside for the credit to $700 million from the current maximum of $420 million starting in Tax Year 2024. The proposal returns the credit to 30 percent of eligible production expenses and for eligible post production expenses from the 25 percent level that was enacted in the FY21 Enacted Budget, and returns the credit for eligible post production expenses for post-production work done outside of the Metropolitan Commuter Transportation District to 35 percent from the 30 percent set in the FY21 Enacted Budget. The amount set-aside for the post-production credit would increase to $45 million in Tax Year 2024 from the current $25 million. A new 35 percent credit would be added specifically for the production of reallocated television series, which the proposal defines as a regularly occurring production for at least two seasons producing episodes for original broadcast, which had at least six episodes filmed outside of New York at a cost of at least $1 million per episode.

Production costs for salaries of actors, writers, directors, composers, and producers would become eligible production costs, as long as only the first $500,000 in salaries are included, and as long as the cost of these salaries did not exceed 40 percent of the value of the other eligible production costs being claimed. Productions would be able to receive the credit on the tax year including the last day of their allocation year, as opposed to waiting to claim it on the first tax year after their allocation year.

Fiscal Impact: This proposal would have no fiscal impact in SFY 2023-24 and SFY 2024-25, and would reduce receipts by $115 million in SFY 2025-26 and $208 million in SFY 2026-27.

Abatement of Penalties for Underpayment of Estimated Tax by a Corporation (REV Part E): The Executive Budget proposes to allow the Commissioner of the Department of Tax and Finance to abate the underpayment penalty for a company filing under Article 9 (corporate), Article 9-A (corporate franchise), or Article 33 (insurance corporation) taxes, if the Commissioner determines that an underpayment occurred because of a casualty, disaster or other unusual circumstance. The Commissioner currently can abate underpayment penalties for this reason for companies paying under Article 22, the personal income tax.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Extend the Application Deadline for COVID-19 Capital Costs Tax Credit Program (REV Part F): The Executive Budget proposes to extend for six months the deadline to apply for the COVID-19 Capital Costs Tax Credit Program. This program was created in the SFY 2022-23 Enacted Budget and set-aside $250 million for credits for eligible capital costs incurred by businesses due to the COVID-19 pandemic. The deadline to apply for the credit would be extended from March 31, 2023 to September 30, 2023.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Create a Tax Credit for Child Care Creation and Expansion (REV Part G): The Executive Budget proposes to create a tax credit program administered by the Office of Children and Family Services (OCFS) to provide a refundable tax credit to companies that create or expand licensed programs to provide their employees with child care. The credit will be based on the number of additional child care slots the company creates for toddlers and infants between the ages of zero and three. OCFS will be responsible for ensuring that new slots had been created and were occupied and would issue companies the certificates of credit. Companies filing under the Corporate Franchise, Personal Income, and Insurance Corporation Tax would be able to obtain this credit. The amount of the credit is calculated by multiplying the number of seats created and occupied by 20 percent of the applicable weekly child care subsidy market based on the eightieth percentile of the 2021-22 New York State child care market rate survey, as reflected in the 2022 child care market rate survey report published by OCFS. No company can be awarded a credit for more than 25 new child care slots. The total credit amount OFCS can provide is capped at $25 million and the program would run in 2023 and 2024.

Fiscal Impact: This proposal would have no fiscal impact to the State in SFY 2023-24, and would reduce receipts by $25 million in SFY 2024-25, $25 million in SFY 2025-26, and would have no fiscal impact in SFY 2026-27.

Create a NYC Biotechnology Tax Credit **(REV Part H):** The Executive Budget proposes to reauthorize New York City to offer the Biotechnology credit, which expired on January 1, 2019, for Tax Years 2023 through Tax Year 2025. The Biotechnology Credit allowed investors and owners of qualified emerging technology companies (QETCs) in the field of biotechnology to claim a tax credit against the General Corporation Tax and Unincorporated Business Tax for amounts paid or incurred for certain facilities, operations, and employee training in New York City. To qualify for the credit a QETC would need to have 100 or fewer employees, with 75 percent of them working in New York City, gross revenue not exceeding $20 million the year prior to claiming the credit, and have a ratio of research and development funds to net sales which equal or exceed six percent. The credit would be equal to the sum of 18 percent of the cost of research and development property, and certain other costs incurred in connection with emerging technology activities, nine percent of qualified research expenses, and 100 percent of high-technology training expenses paid, limited to $4,000 per employee per year. The maximum credit a company could claim is $250,000 a year, and a company could claim the credit for up to three years.

Fiscal Impact: This proposal would have no fiscal impact to the State and would reduce revenue in New York City by $3 million in SFY 2023-24.

Extend Certain Provisions of Tax Law **(REV Part I):** The Executive Budget proposes to extend a number of provisions of the Tax Law, including:

> **Subpart A:** Extend the 7.25 percent business income tax rate on businesses with a taxable business income above $5 million and the 0.185 percent capital base tax rate in the corporate franchise tax for three years, through the end of Tax Year 2026.
> **Subpart B:** Extend the historic properties rehabilitation credit for an additional five years. The credit is set to expire on January 1, 2025 and this proposal would move the expiration to January 1, 2030.
> **Subpart C:** Extend the Empire State commercial production tax credit for five years. $7 million is set-aside for this credit, which is for companies producing commercials in the State and is currently set to expire on January 1, 2024. This proposal would extend the credit to January 1, 2029.
> **Subpart D:** Extend the grade no. 6 heating oil conversion tax credit for six months. This credit is for costs incurred transitioning from the use of grade no. 6 heating oil systems to other heating systems and covers costs incurred prior to July 1, 2023. This proposal would extend the date for allowable costs to be incurred to January 1, 2024.
> **Subpart E:** Extend the New York City Musical and Theatrical Production Tax Credit for two years, ensures that all productions are eligible for the maximum $3 million credit amount, and makes an additional $100 million available for the credit program. The proposal removes language that would lower the maximum credit amount per production from $3 million to $1.5 million for productions having their first performance after

January 1, 2023 if ESD determined that tourism had recovered in New York City, with all production now eligible for the full $3 million award. The proposal extends the expiration of the credit from January 1, 2024 to January 1, 2026.

Fiscal Impact: This proposal would have no fiscal impact to the State in SFY 2023-24 and would increase revenue by $810 million in SFY 2024-25, $1.1 billion in SFY 2025-26, and $729 million in SFY 2026-27.

Make Technical Changes to Tax Law (REV Part J): The Executive Budget proposes to make several technical changes to the Tax Law, including:

- **Subpart A:** Removes a reference to federal regulations no longer in effect and corrects another reference back to federal regulations in the definition of what "accessible to individuals with disabilities" means for purposes of the credit for companies that provide transportation to individuals with disabilities.
- **Subpart B:** Amends the Brownfield tax credit program to correct inconsistent language in the definition of site preparation costs, which mentions certain costs incurred on properties for which the Department of Environmental Conservation (DEC) had granted notice within a period of time are to be included, instead of stating that properties were required to have obtained a certificate of completion in that period of time before such costs could be included.
- **Subpart C:** Amends the computation of pass-through entity taxable income for the Pass-Through Entity Tax (PTET) and the New York City PTET. Currently, in calculating pass-through entity taxable income, a taxpayer is required to deduct certain taxes paid, including the PTET, but this is to be done prior to the taxpayer being able to determine what the amount of PTET they are supposed to pay is. This subpart would amend the calculation by requiring taxpayers to include any PTET taxes, or substantially similar taxes paid to other jurisdictions that were paid and deducted in the taxable year for federal income tax purposes, in the computation of their PTET and NYC PTET taxable income. This subpart also amends the definition of a city taxpayer for purposes of the NYC PTET to include City resident trusts and estates, which would allow S-corporations and partnerships with City resident trust and estate owners to participate in NYC PTET if they chose.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Simplify and Modernize the Senior Citizens Real Property Tax Exemption (REV Part K): The Executive Budget proposes to change the definition of income for the senior citizen real property tax exemption to match the existing definition of income utilized for the school tax relief (STAR) program with the addition of social security benefits, which are currently included in the existing definition of income for the senior citizens real property tax exemption but are excluded from the definition of income used for STAR. Localities would have the option of opting out of including social security benefits in the definition of income. The proposal also removes gendered language currently in the statute.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Extend the Oil and Gas Fee (REV Part L): The Executive Budget proposes to extend for three years the authority of the Department of Tax and Finance to set fees to recover the cost of setting unit of production values for the oil and gas industry. The authorization currently expires on March 31, 2024 and this extends it to March 31, 2027.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Return Foreclosure Excess to Property Owners (REV Part M): The Executive Budget proposes to create a new rule for how the proceeds are distributed with respect to the sale of a property that was foreclosed upon by a locality for the failure to pay property taxes. Currently, if a locality foreclosed on a property due to a failure to pay property taxes, the locality gains title on the property and is allowed to keep all the proceeds from the sale of the property. Under this proposal, the locality would be entitled to proceeds equal to outstanding taxes plus interest, any other outstanding penalties on the property, and the administrative costs of the foreclosure process. If there were proceeds from the sale in excess of these local costs, then if the property is subject to other liens, the lienholders would be paid from the excess proceeds in the same order and to the same extent as they would be in an action to foreclose on a mortgage. Any proceeds remaining after the other lienholders have been so paid shall be paid to the prior property owner or owners. If there were no lienholders, excess proceeds would go to the prior owner or owners. This distribution formula would not be in effect for the sale of any abandoned properties foreclosed for the failure to pay property taxes.

Fiscal Impact: The Executive states that this proposal would have no fiscal impact on the State or its localities.

Clarification of the Wind and Solar Valuation Model (REV Part N): The Executive Budget proposes to clarify that the appraisal model for solar and wind energy systems developed by the Department of Tax and Finance in concert with the New York State Energy Research and Development Authority (NYSERDA), meant to create one consistent methodology for valuing wind and solar systems in the State for the purposes of property appraisals, can be published and updated without having to go through the process laid out in the State Administrative Procedure Act (SAPA). The proposal also amends SAPA to exempt the creation of appraisals, models, and discount rates from being subject to SAPA. Under SAPA, new rules must be published in a draft form in the State Register, and the public is given time to comment before an agency may adopt a final rule. The appraisal model for solar and wind adopted by the Department of Tax and Finance would apply for tax rolls beginning in 2024.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Make Local Sales Tax Rate Authorizations Permanent (REV Part O): The Executive Budget proposes to give all 57 counties outside of New York City and the five cities that currently have additional rates the permanent authority to extend their current additional rates of sales tax. In addition, any counties that are currently at their statutorily allowed 3 percent (Saratoga, Warren, and Washington) or have additional rates that are below 4 percent (Ontario) would be allowed to impose a rate of up to 4 percent without needing legislative approval. Localities would still require Legislative approval to raise the rates above 4 percent or their current level if it is higher than 4 percent. Local authorizations would be valid for two years, and all would be required to expire on the same date of November 30, bringing all localities into a consistent two-year cycle ending in odd years. Counties and cities would still be required to follow existing rules regarding notification to the Department of Taxation and Finance of local enactments of sales tax rates. The proposal does not change any existing preemption rights between cities and counties, and all existing revenue distribution agreements that are set in statute are permanently extended. Counties will still be required to seek Legislative action in the future to amend any revenue distribution agreements that are set in statute.

Fiscal Impact: This proposal would have no fiscal impact on the State.

Eliminate the Congestion Surcharge Registration Requirements (REV Part P): The Executive Budget proposes removing the requirement to register to submit payments of the for-hire vehicle congestion surcharge. The congestion surcharge of $2.75 is imposed on all for-hire trips that happen in, or enter or leave from the congestion zone in Manhattan. The SFY 2022-23 Enacted Budget made technology service providers (TSP) primarily responsible for collecting and remitting taxes on for-hire trips, including the congestion surcharge, and they would continue to be responsible for remitting the surcharge. Previously paid registration fees would not be refunded.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Amend Motor Fuel Reporting Designation (REV Part Q): The Executive Budget proposes requiring distributors of motor fuel and diesel motor fuel to collect, report, and remit all taxes they have collected from purchasers on every gallon of fuel sold, including those additional gallons realized due to temperature fluctuations. Distributors are required to prepay the taxes on fuel at the time fuel is first imported into the state. They then pass on the tax to the purchasers. Since taxes on fuel are based on volume, and fuel expands or contracts based on temperature, the actual volume being sold can vary by temperature, which means there are times, particularly when fuel expands due to higher temperatures, when the distributor passes on the cost of taxes on a larger volume of gallons to the purchaser than they paid. This proposal requires distributors to remit to the Department of Tax and Finance all the taxes they passed through to the purchasers.

Fiscal Impact: This proposal would increase State revenue by $2 million in SFY 2023-24 and by $4 million in SFY 2024-25, SFY 2025-26, and SFY 2026-27.

Extend and Limit the Vending Machine Sales Tax Exemption to Business Enterprise Program Vendors for One Year (REV Part R): The Executive Budget proposes to extend the sales tax exemption for goods sold from a vending machine for one year for vending machines operated by participants in the business enterprise program for blind vendors. The current exemption covers products that cost under $1.50 or $2 if the machine accepts card payments and is set to expire May 31, 2023. This proposal extends it for this group of vendors to May 31, 2024.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Increase the State Excise Tax on Cigarettes (REV Part S): The Executive Budget proposes increasing the excise tax on a package of 20 cigarettes by $1, from $4.35 to $5.35, and increase the rate for each additional five cigarettes to $1.3375 from the current rate of $1.0875. The proposal also requires the payment of the increased tax for all stamped cigarettes in stock on August 31, 2023, with the new rate taking effect on September 1, 2023.

Fiscal Impact: This proposal would reduce State revenue by $13 million in SFY 2023-24 and by $25 million in SFY 2024-25, $24 million in SFY 2025-26, and $22 million in SFY 2026-27.

Revoke Cigarette and Tobacco Taxes Certificate of Registration for Inspection Refusal (REV Part T): The Executive Budget proposes instituting consequences for retailers who refuse to comply with an inspection by the Department of Tax and Finance. The first refusal will result in a one-year suspension and a second refusal within a three-year period will result in a permanent certification revocation. In a case where a retailer does not have a valid certificate, a first refusal will result in a $5,000 penalty and up to $10,000 for a second refusal within a three-year period. This proposal also adds gender-inclusive language.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Extend Reduced Transfer Tax Rates for Qualifying REITs For Three Years (REV Part U): The Executive Budget proposes to extend the preferential rate provided to Qualifying Real Estate Investment Trusts (REITs) under both the State Real Estate Transfer Tax and the New York City Real Property Transfer Tax for three years. Property being transferred to a Qualifying REIT is charged a rate equal to half of the rate charged on other transfers of property. This preferential rate is due to expire September 1, 2023. This proposal extends that expiration to September 1, 2026.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

<u>Allow Department of Tax and Finance the Right to Appeal Tax Appeals Tribunal Decisions</u> (REV Part V): The Executive Budget proposes legislation allowing the Department of Taxation and Finance to appeal a decision made by the Division of Tax Appeals Tribunal in court. The Tribunal is a three-member body whose members are appointed by the Executive and confirmed by the Senate for nine-year terms, with the power to make rulings on any disputes between a taxpayer and DTF, including decisions made for any taxes administered by DTF. Under current law, a taxpayer who disagrees with a ruling by the Tribunal may appeal such a ruling in Court. DTF is not allowed to appeal the decisions of the Tribunal in court, making any decisions against DTF final. In such circumstances, DTF may seek legislative action to change any statute cited by the Tribunal for its decisions. The Executive proposal would give the Commissioner of DTF the power to appeal a Tribunal decision in court.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

<u>Technical Correction to the Deposit Timeframe</u> (REV Part W): The Executive Budget proposes changing the time frame by which the Department of Taxation and Finance must deposit money it has received to within three business days instead of three calendar days.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

<u>Require State S-Corporation Conformity with Federal Return</u> (REV Part CC): The Executive Budget proposes that any entity electing to be treated as an S-corporation for federal tax purposes be automatically treated as an S-corporation for State tax purposes unless the entity is a qualified manufacturer. Qualified manufacturers would still be allowed to elect to be treated as a C-corporation for New York state purposes while being an S-corporation for federal tax purposes. Currently, the State requires a separate State election from the federal one, allowing companies to choose to be treated differently for federal and State tax purposes.

Fiscal Impact: This proposal would have no fiscal impact on the State in SFY 2023-24 and would generate revenue of $15 million in SFY 2024-25, SFY 2025-26, and SFY 2026-27.

<u>Sweeps and Transfers</u> (PPGG Part CC): The Executive Budget proposes a number of different transfers of State funds between different accounts, as well as changes to the various State authority debt caps. In addition, this section includes the following proposals:

- Increase New York's share in capital commitments for the Gateway Project by $500 million to $2.85 billion.
- Extend for one year the authority to issue up to $3 billion in short-term personal income tax bonds with a maturity no later than March 31, 2023 in order to deal with any unexpected budget shortfalls.

- Extend for one year the authority to utilize lines of credit of up to $2 billion to deal with any unexpected budget shortfalls. Any use of such lines of credit would be limited to a final maturity of March 31, 2023.

ECONOMIC DEVELOPMENT

STAFF ANALYSIS OF THE 2023-24 EXECUTIVE BUDGET

Economic Development Fact Sheet

Appropriations

- **Workforce Development:** The Executive provides $180 million towards the Office of Strategic Workforce Development, workforce local development and capital grants programs, and workforce investments in teachers, apprenticeships and internships for SUNY and CUNY, healthcare workers, mental health professionals, and caregivers.

- **Regional Economic Development Council Initiative:** The Executive Budget maintains $150 million in capital funding for the 12th round of Regional Economic Development Councils projects and provides $75 million in new Excelsior tax credits.

- **Pace University Performing Arts Center:** The Executive Budget maintains $5 million in capital funding for Pace University Performing Arts Center for the second year.

Article VII

Create the Extended Prosperity and Innovation Campus ("EPIC") Initiative: The Executive Budget renames the START-UP NY program to the EPIC Initiative. EPIC would provide new and expanding businesses the ability to operate tax-free for 10 years on or near eligible university or college campuses. The program is expanded to make it easier to include universities and colleges located in Nassau, Suffolk, and Westchester Counties.

Innovation Matching Funds for Small Businesses: The Executive Budget proposes the creation of a matching grant program for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant programs. One-to-one matching funds will be awarded to businesses who receive grants under the federal program. Grants will be awarded based on a company's commercialization and job growth potential.

MWBE Certification and Discretionary Buying Threshold Reciprocity: The Executive proposes to require the New York State Division of Minority and Women's Business Development to accept New York City MWBE certification in lieu of State certification. Under the proposal, both the State and City agency MWBE discretionary buying thresholds are increased to $1.5 million. Currently the State's MWBE discretionary buying threshold is $500,000 and the City's is $1 million.

ECONOMIC DEVELOPMENT AGENCY DETAILS

Economic Development Agency All Funds Appropriations ($ in millions)				
	SFY 2023 Available	Executive Recommendations	$ Change	% Change
Department of Economic Development	$103.75	$102.89	($0.86)	-0.83%
Empire State Development Corporation	$5,221.32	$1,291.37	($3,929.94)	-75.27%
Total Economic Development	**$5,325.07**	**$1,394.27**	**$3,930.80**	**-73.82%**

Overview

The Executive Budget proposes $1.4 billion in All Funds appropriations for SFY 2023-24, a decrease of $3.9 billion or 73.8 percent from SFY 2022-23. This decrease largely results from the elimination of various capital projects, including $1.5 billion for the ConnectALL Initiative, $800 million for the New York State Regional Economic and Community Assistance Program, $500 million for Offshore Wind Ports, $250 million for Restore New York Communities, $600 million for the new Buffalo Bills Stadium, and $13 million in legislative additions.

Department of Economic Development

The Executive Budget proposes $103 million in All Funds appropriations for the Department of Economic Development (DED), a decrease of $856,021 or 0.83 percent from SFY 2022-23. This decrease largely results from the elimination of $4.4 million in legislative additions for the Centers for Advanced Technology (CAT), Centers of Excellence (COE), and Tourism Promotion Matching Grants; offset by a $7 million increase for the High Technology Matching Grants Program. The Executive Budget recommends a DED workforce of 165 FTEs for SFY 2023-24, unchanged from SFY 2022-23.

The Executive Budget proposes $13.6 million for the Centers for Advanced Technologies (CAT) and $12 million for the Centers of Excellence (COE), a decrease of $3.4 million in legislative additions from SFY 2022-23. The Executive provides $2.5 million for Tourism Promotion Matching Grants, a decrease of $1 million due to the elimination of a legislative initiative. The Executive maintains support of $5 million for the Innovation Hot Spots and Incubators Program.

High Technology Matching Grants Program

The Executive proposes $12 million for the High Technology Matching Grants Program, an increase of $7 million from SFY 2022-23. The High Technology Matching Grant Program provides matching grants to small businesses who have been awarded grants under the federal Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (SBTT) programs. The increase in funding will support $6 million in matching grants for New York companies that are awarded competitive federal SBIR or SBTT grants.

Empire State Development Corporation

The Executive Budget proposes $1.3 billion in All Funds appropriations for the Empire State Development Corporation (ESD), a decrease of $3.9 billion or 75.3 percent from SFY 2022-23. The decrease reflects the elimination of various capital projects, including $800 million for the NYS Regional Economic and Community Assistance Program, $250 million for the Restore NY Communities Initiative, $200 million for the Small Business Seed Funding Grant program, $170 million for Workforce Development initiatives, and $8.8 million in legislative additions, offset by an $80 million increase for the New York Works Economic Development Fund.

The Executive Budget proposes $400 million in capital funding for the New York Works Economic Development Fund, an increase of $80 million from SFY 2022-23. The Executive maintains support for $150 million in capital support for the Regional Economic Development Councils (REDC) and $45 million to support economic development and tourism promotion in the State. The Executive proposes $635,000 for the Minority and Women-Owned Business Development and Lending Program, a decrease of $1.4 million due to the elimination of legislative additions. The Executive eliminates a one-time appropriation of $75 million for the Innovation Venture Program. This funding will be spent over five years.

Governor's Office of Semiconductor Expansion, Management, and Integration (GOSEMI)

The Executive announced the creation of The Governor’s Office of Semiconductor Expansion, Management, and Integration. The office will oversee the $100 billion Micron investment in Central New York to build a memory chip lab. The office will lead the efforts to implement the Micron Project, develop and advance policies to attract the semiconductor industry and its supply chain, and coordinate workforce development and community investments between local, State, federal, and private partners. GOSEMI will partner with various State agencies to work collaboratively to implement plans and policies to ensure success in the growth of the semiconductor industry in New York. GOSEMI will be funded within ESD’s existing resources.

The Office of Strategic Workforce Development and Workforce Initiatives

The Executive provides $180 million in continued support for the Office of Strategic Workforce Development and workforce initiatives, a decrease of $170 million from SFY 2022-23. The workforce initiatives include workforce investments for teachers, healthcare and mental health professionals, caregivers and apprenticeships and internships for SUNY and CUNY.

Workforce Development Project Schedule ($ in millions)				
	SFY 2023 Available		SFY 2024 Executive Recommendations	
The Office of Strategic Workforce Development*	$	20.80		-
Capital Grant Program*	$	35.00		-
Pay For Performance Grant Program*	$	115.00		-
Teacher Residency Program	$	30.00	$	30.00
SUNY and CUNY Internships	$	10.00	$	10.00
SUNY and CUNY Apprenticeships	$	5.00	$	5.00
Expansion of Alternative Certifications	$	10.00	$	10.00
Upskilling School Paraprofessionals	$	8.00	$	8.00
Expansion of Psychiatric Rehabilition Services at OMH	$	2.80	$	5.30
Office for People with Developmental Disabilites	$	2.60	$	0.16
Diversity in Medicine	$	1.20	$	2.40
Expansion of SUNY Pre-Medical Opportunies Program	$	1.00	$	1.00
Caregiver Flexbility for Direct Care Workers	$	39.00	$	39.00
Financial Burden Relief for Healthcare Workers	$	47.00	$	47.00
Training Capacity Expansion for Statewide Institutions	$	22.50	$	22.50
	$	349.90		180.36

*The Economic Development Workforce Development programs funding will be spent over 5 years.

Article VII

Empire State Development Corporation (ESD)

Create the Extended Prosperity and Innovation Campus ("EPIC") Initiative (TEDE CC): The Executive Budget renames the SUNY Tax-Free Areas to Revitalize and Transform Upstate New York ("START-UP NY") program to the EPIC Initiative. EPIC would provide new and expanding businesses the ability to operate tax-free for 10 years on or near eligible university or college campuses in the state. The program is expanded to include universities and colleges located in Nassau, Suffolk, and Westchester County without any additional eligibility requirements. Businesses seeking to participate must apply to the sponsoring campus by December 31, 2030.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Innovation Matching Funds for Small Businesses (TEDE DD): The Executive Budget proposes the creation of a matching grant program for the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant programs. One-to-one matching funds would be awarded to businesses who receive a grant under the respective federal program. Grants would be awarded based on a business's commercialization and job growth potential. Businesses would be provided a commitment letter from ESD on behalf of the State when applying for the federal program to increase their likelihood of federal selection. ESD would provide an annual report on the program starting in 2024 and annually thereafter.

Fiscal Impact: The Executive includes $6 million for this proposal.

Increase Maximum Award Under the Excelsior Linked Deposit Program (TEDE FF): The Executive Budget increases the maximum loan amount under the Linked Deposit Program from $2 million to $6 million. The Linked Deposit Program (LDP) helps existing New York State businesses obtain reduced-rate financing so they can undertake investments to improve their competitiveness, expand their markets, develop new products, introduce new technologies, modernize their equipment, and increase their capacity or capabilities. Eligible businesses include manufacturing firms with 500 or fewer full-time New York State-based employees and service businesses that are independently owned and not dominant in their field, with 100 or fewer full-time New York State-based employees.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Extend the General Loan Powers of the New York State Urban Development Corporation (TEDE GG): The Executive Budget proposes the extension of the general loan powers of the Urban Development Corporation (UDC) to make loans in connection with a broad range of economic development programs for an additional five years until July 1, 2028. Currently, these powers are set to expire on July 1, 2023. They were previously extended for one year.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

New York State and City Minority and Women-owned Business Enterprise (MWBE) Certification and Discretionary Buying Threshold Reciprocity (TEDE HH): The Executive Budget proposes requiring the New York State Division of Minority and Women's Business Development to accept New York City MWBE certifications in lieu of State certification through the issuance of a Memorandum of Understanding between the City and State, provided that they meet the State's MWBE definition. Other municipal corporations would also be able to enter into

MOUs with the State for similar reciprocity. The Executive proposal also eliminates the existing statutory framework setting eligibility baselines for the City to enter into reciprocity agreements with the State's program. Under the proposal, both the State and City agency MWBE discretionary buying thresholds are increased to $1.5 million. Currently, the City's discretionary buying threshold for MWBEs is $1 million and the State's is $500,000.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Extend the Authorization of UDC to Administer the Empire State Economic Development Fund (TEDE JJ): The Executive Budget proposes the extension of UDC's authorization to administer the Empire State Development Fund (EDF) for an additional five years until July 1, 2028. This authorization is currently set to expire on July 1, 2023. The EDF offers financial assistance for projects that promote New York State's economic health by facilitating job creation and/or retention, or increased business activity in the state. EDF funds can assist with construction, expansion and rehabilitation of facilities, acquisition of machinery and equipment, working capital, and training full-time, permanent employees. This extension has previously been done for one year.

Fiscal Impact: The Executive includes $26.2 million for this proposal.

Dormitory Authority of New York (DASNY)

Increase the Authorization of the Dormitory Authority of the State of New York to Issue Hospital and Nursing Home Project Bonds and Notes (TEDE Z): The Executive Budget proposes to increase the Dormitory Authority's (DASNY) bond cap under the New York State Medical Care Facilities Finance Agency Act for hospital and nursing home projects by $800 million from $17.4 billion to $18.2 billion. The last such increase was also by $800 million in 2021.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Authorize DASNY to Provide Construction and Financing Services for DRI and NY Forward Awardees (TEDE AA): The Executive Budget proposes to authorize recipients of loans or grants awarded under the Downtown Revitalization Initiative (DRI) program or NY Forward Grant program to use DASNY's planning, procurement, financing, construction management, and design services. The DRI's stated goal is to restore communities through renovation, economic development, transportation, design improvement, and other community projects, with a focus on compact, walkable downtowns. NY Forward has similar goals but focuses on smaller, more rural municipalities.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Extend the Authorization of DASNY to Operate a PILOT Program for Small and Minority-Owned and Women-Owned Businesses (TEDE BB): The Executive Budget proposes to extend an authorization for DASNY to use a pilot program for small business and MWBE mentoring for an additional four years. DASNY was initially authorized in 2019 to set-aside up to $20 million in procurements for purposes of establishing a small business and MWBE mentoring program, in which it can limit advertisements for goods and services contracts and construction and rehabilitation contracts to eligible firms and establish mentoring programs. It is set to expire July 1, 2023.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

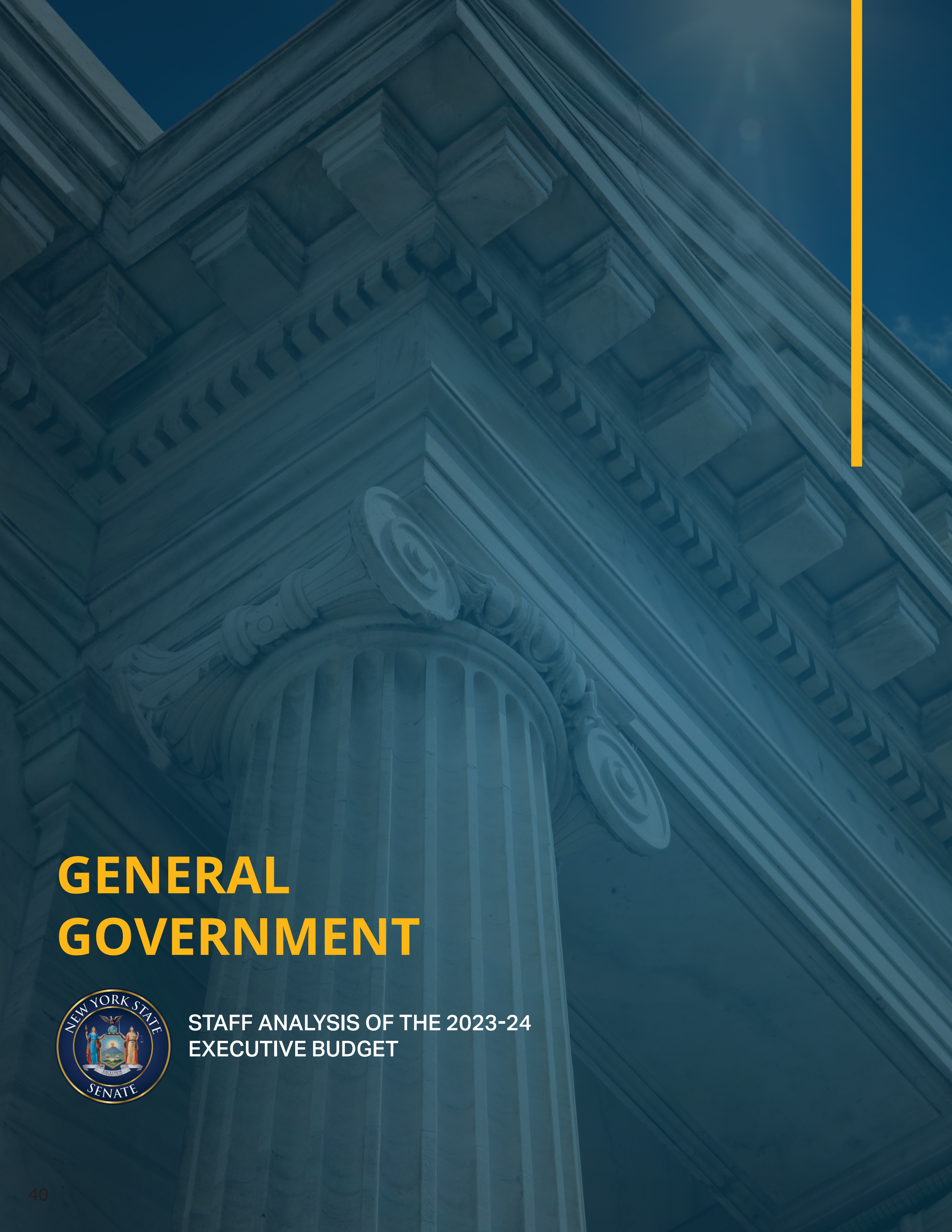
Extend DASNY's Ability to Enter into Design and Construction Management Agreements (TEDE LL): The Executive Budget extends DASNY's authorization to undertake design and construction projects on behalf of the Department of Environmental Conservation and Office of Parks, Recreation and Historic Preservation to April 1, 2028. The current authorization is set to expire on April 1, 2023 and was last extended in 2021 by two years.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Battery Park City Authority (BPCA)

Increase in Battery Park City Authority Bond Capacity (TEDE Part EE):
The Executive Budget increases the bonding authority for the Battery Park City Authority (BPCA) project area from $300 million to $500 million. This authorization was last increased in 1995. The Executive proposal also increases BPCA's aggregate bond cap by $1 billion for the purpose of financing costs for infrastructure improvements from $500 million to $1.5 billion dollars. The proposed increase for infrastructure bonds would be the first since the additional bonding authority of $500 million for this purpose was granted in 2019.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.



GENERAL GOVERNMENT

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

General Government Fact Sheet

Appropriations

- **Office of the Attorney General:** The Executive proposes $2.6 million for OAG to implement the John R. Lewis New York Voting Rights Act.

- **Office of Cannabis Management:** The Executive proposes an increase of $15 million for new staff to enforce prohibitions of the sales of illicit unregulated adult-use cannabis.

- **Public Campaign Finance Board:** The Executive proposes $25 million in Aid to Localities funding for the Public Campaign Finance Board.

- **Office of Information and Technology:** The Executive proposes an increase in appropriations of $15 million for a new electronic procurement system.

Article VII

- **Review of Alcoholic Beverage Control Law:** The Executive Budget proposes directing the State Liquor Authority (SLA) to undertake a review of the State's Alcoholic Beverage Control (ABC) Law with the purpose of recommending how to rewrite the Law to be clearer and easier to understand.

- **Natural Organic Reduction:** The Executive Budget proposes to authorize any person or business to obtain a permit for performing natural organic reduction, a process of reducing human remains through biological decomposition. The Executive Budget also establishes procedures for these individuals and businesses to follow when doing natural organic reduction and for the Department of State with respect to permitting and facility inspections.

- **Nail Salon/Cosmetologist Licensing Changes:** The Executive Budget proposes to allow nail salon and cosmetology trainees to get a professional license through an apprenticeship. It also extends the validity period for trainee licenses from one year to four years.

- **New York City Procurement Changes:** The Executive Budget proposes to expand New York City's alternative procurement authorizations in a variety of ways, including allowing for new procurement methodologies, expanding eligibility to use weighted contracts, increasing discretion for energy-related projects, and eliminating limitations on the City's ability to use owner-controlled insurance.

GENERAL GOVERNMENT AGENCY DETAILS

General Government All Funds Appropriations				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Division of Alcoholic Beverage Control	$112.46	$83.21	($29.25)	-26.0%
Department of Audit and Control	$518.53	$557.56	$39.03	7.5%
Division of the Budget	$50.72	$50.18	($0.54)	-1.1%
State Board of Elections	$34.41	$67.80	$33.39	97.0%
Executive Chamber	$17.85	$23.30	$5.45	30.5%
Office of the Lieutenant Governor	$0.75	$0.75	$0.00	0.0%
Department of Financial Services	$481.14	$521.32	$40.19	8.4%
Office of General Services	$1,490.76	$1,336.82	($153.94)	-10.3%
Office of Information Technology Services	$942.95	$994.03	$51.07	5.4%
Office of the State Inspector General	$8.49	$9.85	$1.36	16.0%
Commission on Ethics and Lobbying	$7.59	$7.79	$0.19	100.0%
Department of State	$523.33	$520.52	($2.81)	-0.5%
Statewide Financial System	$31.94	$32.01	$0.07	0.2%
Insurance and Securities Fund Reserve	$1,605.00	$1,605.00	$0.00	0.0%
Total General Government	**$5,825.94**	**$5,810.14**	**($15.80)**	**-0.3%**

Overview

The SFY 2023-24 Executive Budget proposes $5.83 billion in All Funds appropriations for agencies within the General Government functional area, a decrease of $15.8 million, or 0.3 percent, from SFY 2022-23. This decrease is primarily attributable to a $153.9 million decrease for the Office of General Services capital funding, which is offset by increases of $39 million for the Department of Audit and Control for employee retirement services, $33.4 million for the State Board of Elections for the Public Campaign Finance Board, $40.2 million for the Department of Financial Services for the Banking Program, and $50.1 million for Information Technology Services for cyber security and E-Procurement.

Alcoholic Beverage Control

The Executive Budget proposes $83.21 million in All Funds appropriations for the Division of Alcoholic Beverage Control, a decrease of $29.3 million, or 26 percent, from SFY 2022-23. This decrease is primarily due to a reduction of $50 million for the New York State Cannabis Revenue Fund, which is partially offset by a new $5 million appropriation for the New York State Community Grants Reinvestment Fund. In addition, the Executive Budget provides a $16 million funding increase for the Office of Cannabis Management to account for fully annualized staffing levels and to hire 37 new Full Time Equivalents (FTEs) for a total of 398 FTEs.

Department of Audit and Control

The Executive Budget proposes $557.56 million in All Funds appropriations for the Department of Audit and Control, an increase of $39 million or 7.5 percent from SFY 2022-23. This increase is due to funding increases of $60.62 million for the Retirement Services Program for the hiring of new FTEs. The Executive Budget also proposes a $29.23 million increase in funding for the Chief Information Office Program, and $7.72 million increase for the Audit and Control Program; both programs use the funding for general salary increases. These increases are offset by a decrease of $27.28 million in capital funding for the acquisition and development of technology, and a decrease of $32.0 million due to the Special Accidental Death Benefit appropriation transitioning to a miscellaneous appropriation. The Executive Budget proposes an FTE level of 2,887 in SFY 2023-24, an increase of 117 over SFY 2022-23.

Division of the Budget

The Executive Budget proposes $50.2 million in All Funds appropriations for the Division of the Budget, a decrease of $537,000, or 1.1 percent, from SFY 2022-23. This decrease is due to a $537,000 cut of membership dues for the Council of State Government, National Conference of Insurance Legislators, and National Conference of State Legislatures. The Division of Budget workforce remains constant at 292 FTEs.

State Board of Elections

The Executive Budget proposes $67.80 million in All Funds appropriations for the State Board of Elections, an increase of $33.39 million or 97.0 percent from SFY 2022-23. This increase is the result of a $19 million increase for the Public Campaign Finance Board for additional FTEs. The Executive also proposes a $13 million increase for the Regulations of Elections Program to support cybersecurity infrastructure and Help America Vote Act grants. The State Board of Elections workforce is proposed to increase by 62 FTEs for a total of 210 FTEs in SFY 2023-2024.

The Executive Budget maintains $4 million in funding for the reimbursement of postage for absentee ballots.

Executive Chamber

The Executive Budget proposes $23.30 million in All Funds appropriations for the Executive Chamber, an increase of $5.45 million, or 30.5 percent, from SFY 2022-23. This additional funding will support 32 new FTEs, to bring the total workforce to 168 FTEs for SFY 2023-24.

Office of the Lieutenant Governor

The Executive Budget maintains $746,000 in All Funds appropriations for the Office of the Lieutenant Governor, unchanged from SFY 2022-23. The Office of the Lieutenant Governor’s FTEs remains unchanged at seven.

Department of Financial Services

The Executive Budget proposes $521.32 million in All Funds appropriations for the Department of Financial Services, an increase of $40.19 million, or 8.4 percent, from SFY 2022-23. This increase is primarily the result of $23.5 million in additional funding for the Banking Programs, of which $15 million is to support Virtual Currency activities, and the remainder for general salary increases. These increases in funding are offset by the elimination of $10 million for the Commuter Van Stabilization Program and $10 million for Lifespan of Greater Rochester, Inc. The Department of Financial Services workforce remains constant at 1,391 FTEs.

Office of General Services

The Executive Budget proposes $1.34 billion in All Funds appropriations for the Office of General Services, a decrease of $153.94 million or 10.3 percent from SFY 2022-23. This decrease is primarily the result of the elimination of $175 million in capital funding for the Empire State Plaza. That decrease is offset by an increase of $11.17 million for the Real Property Management and Development program and $10 million for Federal Food and Nutrition Services. The OGS workforce increased by 13 FTEs for a total of 1,845 FTEs.

Office of Information Technology Services

The Executive Budget proposes $994 million in All Funds appropriations for the Office of Information Technology Services, an increase of $51.1 million or 5.4 percent from SFY 2022-23. This increase is primarily the result of an additional $36.1 million for new cybersecurity and 15 additional FTEs for a total of 3,608 FTEs.

The Executive also proposes $15 million in capital funding for an E-procurement system.

Office of the State Inspector General

The Executive Budget proposes $9.6 million in All Funds appropriations for the Office of the State Inspector General, an increase of $1.4 million or 16.0 percent from SFY 2022-23. The additional funding is for general salary increases to support their workforce of 80 FTEs.

Commission on Ethics and Lobbying

The Executive Budget proposes All Funds appropriation of $7.8 million, a decrease of $94,000 compared to SFY 2022-23. This supports a workforce of 68 FTEs, an increase of 21 FTEs compared to SFY 2022-23.

Department of State

The Executive Budget proposes $520.5 million in All Funds appropriations for the Department of State, a decrease of $2.81 million or 0.5 percent from SFY 2022-23. This decrease is primarily the result of the elimination of $25 million for the Hurricane Ida Assistance Program. The decrease is partially offset by an increase of funding of $12 million for the Business and

Licensing fund. The Administration Program gained an additional $5.21 million primarily for contractual services. The Consumer Protection Programs funding increases $1.3 million for 10 new FTEs, to bring the Department's total workforce to 622 FTEs. The Executive maintains $200 million in capital funding for the Downtown Revitalization Initiative and NY Forward.

The Office for New Americans (ONA) net funding increased by $5 million, for a total of $44.5 million. The ONA provides immigrants arriving in the State with free legal services, mental health support, workforce development, and English language learning. However, the specific line items for Asian American and Pacific Islander crisis intervention and community based programs combating biased crimes have been discontinued.

Statewide Financial System

The Executive Budget proposes $32 million in All Funds appropriations for the Statewide Financial System, an increase of $65,000 or 0.2 percent from SFY 2022-23. This increase is due to additional personal service costs. The Statewide Financial System workforce remains constant at 146 FTEs.

Miscellaneous – Data Analytics

The Executive Budget proposes a removal of the $25 million appropriation for Data Analytics in SFY 2023-24. However, there is a total of $50 million available for this purpose in reappropriation authority.

Miscellaneous – Insurance Securities Fund Reserve Guarantee

The Executive Budget maintains $1.6 billion in State Operations appropriations for the Insurance Securities Fund Reserve Guarantee, no change from SFY 2022-23.

Article VII

Department of State

Authorization to Perform Natural Organic Reduction (TEDE Part V):

Natural organic reduction (NOR) is a process of reducing human remains through biological decomposition, also known as human composting. Chapter 817 of 2022 allowed only cemetery corporations, which are not-for-profit organizations, to provide NOR services starting from June 30, 2023. The Executive proposes amending the General Business Law to expand this to any individual or business who is granted a permit. In the past, funeral homes, which are for-profit businesses, expressed interest in being able to participate in NOR as well. To obtain a permit, applicants must provide contact information, plans for how the NOR will be done, and projections for both the volume of NOR and impact on the surrounding community. The proposal also establishes responsibilities for NOR facilities, including standards for cleanliness, privacy, restrictions on who can be present in the facility, and timelines for when NOR must be completed upon receipt of human remains. The Executive proposal also gives DOS the authority to enforce the permit process by giving it the power to hire inspectors, conduct audits, issue subpoenas, and inform the Department of Health of any violations of permit requirements. DOS is also responsible for certifying employees of NOR employees and collecting annual fees similar to burial and cremation.

Fiscal Impact: *The Executive estimates the cost of implementing the proposal in SFY 2023-24 is $400,000 to update DOS systems.*

Grants OML Flexibility to Public Bodies Organizing for Disability-based Government Business (TEDE Part X): The Executive Budget proposes to allow for public bodies to bypass the requirements in the Open Meetings Law to have meetings in person in a location accessible to the public and to use fully virtual meetings when they are meeting solely to discuss disability-based government business. The groups would be required to allow the public to view and listen to such meetings, which shall be recorded and later transcribed.

Fiscal Impact: *The Executive did not provide a fiscal estimate for this proposal.*

Reducing Barriers to Occupational Licensing (TEDE Part Y): The Executive's proposal allows nail salon workers and cosmetologists to engage either in a traineeship under the supervision of a licensed nail salon worker or cosmetologist for one or two years respectively or follow a DOS-established course of study rather than requiring the course with no alternative. It also extends the trainee certificate period from one to four years and allows an additional renewal period of four years rather than one, reducing registration and renewal obligations. It also separately removes a statutory requirement that barbers complete a mandatory SED-approved course on the transmission of contagious diseases and proper sanitation and sterilization methods.

Fiscal Impact: *The Executive estimates the revenues from implementing the proposal would be $640,000 annually. The Executive estimates the costs of implementing this proposal would be $1 million for IT system changes and a recurring operational cost of $500,000.*

Department of Financial Services

Overdraft/Non-Sufficient Funds Reform (TEDE Part S): The Executive Budget proposes regulations regarding the manner banks process debit or credit transactions. This allows DFS to modify the order checks are drawn down to reduce overdraft fees. The Executive Budget also allows DFS to regulate the fees that can be applied to individuals with dishonored checks, as well as what disclosures are to be provided to consumers regarding the processing of transactions in a consumer account and any associated fees.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Year Extension for Displaced Workers (TEDE Part U): The Executive Budget proposes extending the Health Insurance Continuation Assistance Demonstration Project by an additional year. This is an insurance program designed to ensure that entertainment workers who lose their jobs can maintain their health insurance. The SFY 2022-23 Adopted Budget expanded coverage to include workers with an income at or below 400 percent of the non-farm federal poverty level and members of a health plan that provides multi-tier benefit options. It also expanded coverage to 75 percent of insurance premiums and clarified that this subsidy applies to 12 months over a five-year period. Those changes are maintained by the Executive.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Authorize the Use of Photo Inspection of Private Passenger Automobiles for Insurance Claims (TEDE Part W): The Executive proposes allowing automobile insurance companies to opt out of the vehicle inspection requirement. Inspections are currently required to get an automobile insurance policy that covers physical damage for private passenger vehicles and are typically done via photo inspection. Insurance companies will waive their right to the inspection by filing a statement of operation with the Department of Financial Services. Companies will have the option to waive some or all inspections. This provision will sunset on October 1, 2027. The Governor vetoed a similar proposal in 2022 carried by Senator Breslin (S.6028), which made the photo inspection optional at the insurance company's discretion, before issuing the policy.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

Division of Alcoholic Beverage Control

Review of Alcoholic Beverage Control Law (PPGG Part K): The Executive Budget proposes directing the State Liquor Authority (SLA) to undertake a review of the State's Alcoholic Beverage Control (ABC) Law with the purpose of recommending how to rewrite the Law to be clearer and easier to understand. The SLA would focus on making legal standards, policies, and procedures written in outdated or complicated language more intelligible. It would be required to post an amended version of the Law on its website for public review. SLA is expected to complete this rewrite before the 2023-24 Budget is adopted.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Issuance of Temporary Wholesale Permits (PPGG Part L): The Executive Budget proposes granting the SLA the authority to issue temporary wholesale permits to applicants whose applications for wholesale licenses are under review, in order to allow them to start doing business faster. A temporary wholesale permit may be granted once an applicant shows they have a pending wholesale license application for the same location and have paid all necessary fees, that they would be likely to receive the license, and that they have obtained all the necessary permits and licenses to operate a business at the application location. It additionally provides that any current SLA license at the location that is prohibited from operating concurrently with a wholesale business must have been surrendered, placed in safekeeping, or has been deemed abandoned by the SLA. The application fee would be $125 and the SLA would have to process an application in 45 days. The permit would last six months or until the SLA makes a determination on the license application, whichever is shorter. Three-month extensions of the permit are possible for a $50 fee.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Expedite SLA Review of Corporate Changes (PPGG Part M): The Executive Budget proposes to deem any changes in corporate structure for limited liability companies (LLCs) or clubs automatically approved if the SLA has not acted on them in 90 days, unless the changes would violate tied-house restrictions or restrictions on certain individuals having an interest in an SLA license or taking part in an SLA licensed business. LLCs and clubs with SLA licenses must apply for permission to the SLA to make changes in their corporate structure or administrative staff.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Expedite SLA Municipal Notification Process (PPGG Part N): The Executive Budget proposes to allow license applicants to notify a municipality that they are applying for an SLA license up to the same day they submit their application with the SLA and prohibits the SLA from acting to approve an application within the first 30 days after it has been submitted. Currently, applicants for an SLA license must notify a municipality of their intent to apply no earlier than 270 days before and no later than 30 days before. This proposal allows for notification no earlier than 270 days prior and removes the 30-day minimum prior language, and requires proof of notification to the municipality to be submitted with the license application.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Issuance of Temporary Retail Permits (PPGG Part O): The Executive Budget proposes to permanently extend the SLA’s authority to issue temporary retail permits, allow businesses to apply for a permit for locations that have not had a active licensed retailer in the prior two years, gives permit holders the ability to purchase alcohol for sale on credit, and allows permits to be extended for 90 days. Currently, the SLA may only issue temporary retail permits for locations that had an active SLA-licensed retailer in the previous two years so long as no licenses had previously been suspended, canceled, or revoked within the previous two years. This proposal removes the need for there to have been an active retailer within the previous two years and maintains the ban on issuing a permit if a location had a license previously suspended, canceled or revoked in the two years prior. The proposal also removes the requirement that permit-holders pay their distributors only in cash or check and allows them to pay for alcohol using credit. Currently temporary permits last 90 days and may be extended for 30 day periods for a fee. This proposal lengthens the extension periods to 90 days with the payment of a fee.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Office of General Services (OGS)

Extends the Temporary Commission on the Restoration of the State Capitol (PPGG Part Q): The Executive Budget proposes to extend the Temporary Commission on the Restoration of the State Capitol for an additional five years. This would amend the sunset to April 1, 2028. The Commission, first created in 1979, is responsible for issuing recommendations regarding ongoing maintenance, restoration, and building safety projects at the State Capitol.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Allows State Entities to Require Electronic Bid Submission (PPGG Part R): The Executive Budget proposes to allow State contracting entities to require electronic bid submission as the sole method for submitting bids on commodity, service, and technology procurement opportunities. The proposal also removes existing reporting requirements on the efficacy of electronic bidding for reports that were previously due.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Commission on Ethics and Lobbying

Commission on Ethics' Composition and Term Staggering (PPGG Part Z): The Executive Budget restructures the term lengths for Commissioners serving on the Commission on Ethics and Lobbying in Government (the Commission). Terms for the initial appointees to the Commission would be as follows: the Governor's first appointee would serve an initial term of four years, their second appointee would serve an initial term of two years, and their third appointee would serve an initial term of one year; the Attorney General's appointee would serve an initial term of four years; the Comptroller's appointee would serve an initial term of four years; the Temporary President of the Senate's first appointee would serve an initial term of four years and their second appointee would serve a term of two years; the Minority Leader of the Senate's first appointee would serve an initial term of four years; the Speaker of the Assembly's first appointee would serve initial terms of four years and their second appointee would serve a term of two years; and the Minority Leader of the Assembly's appointee would serve a term of four years. All subsequent appointees would continue to serve four-year terms on the Commission.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Miscellaneous

New York City Alternative Procurement (TEDE Part II): The Executive Budget expands New York City's authorization to use alternative procurement methodologies in a variety of ways. First, it allows the City to use two additional alternative procurement methods: Construction Manager Build (CMB) and Construction Manager At Risk (CMAR). CMB empowers a private construction manager to act on behalf of the public agency for purposes of bidding, selection, contracting, and project management during construction. CMAR entails a general contractor being paid to manage a project and assume any construction cost overruns.

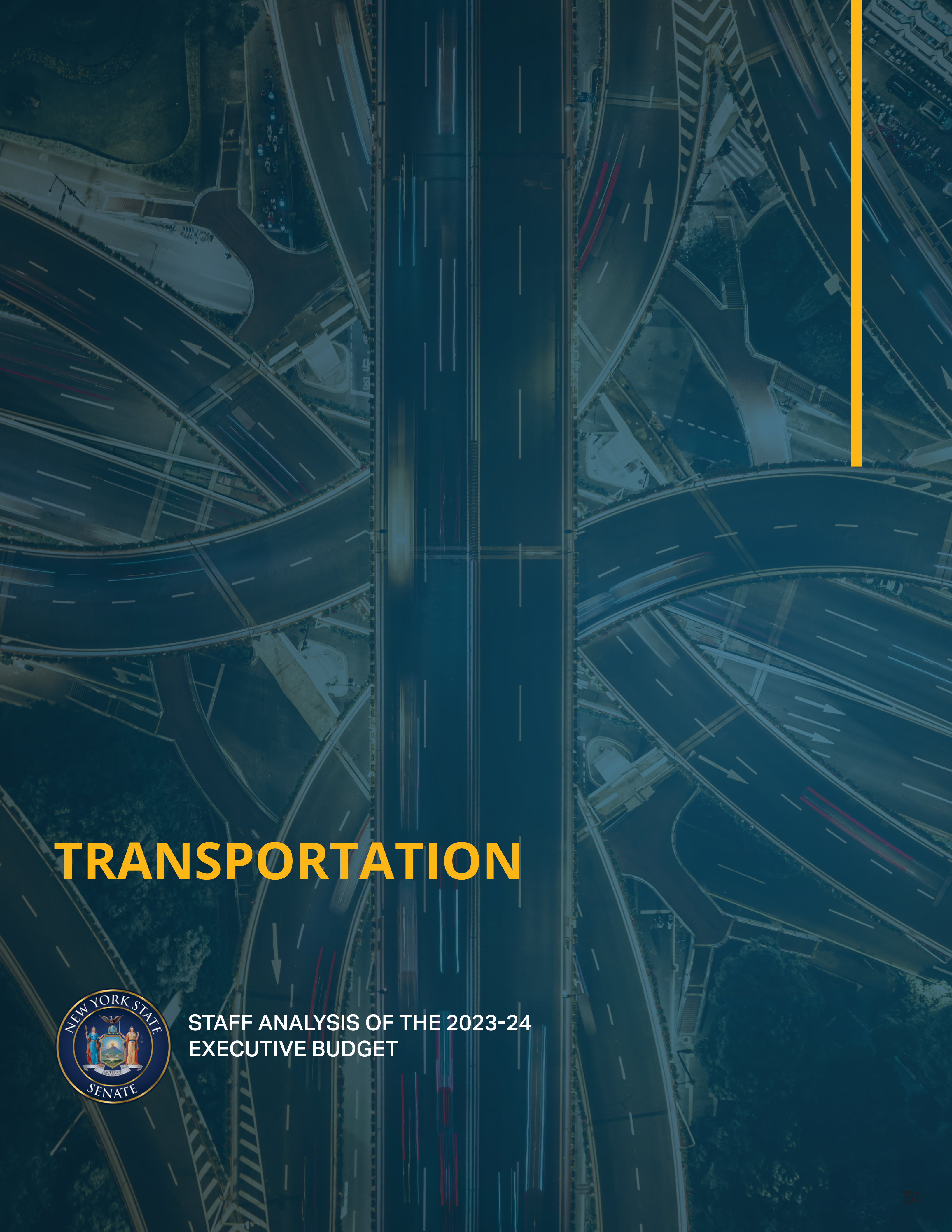
It also expands the City's ability to weight bids to consider joint ventures in which at least one City- or State-certified MWBE is included in that MWBE, expanding the current law which is limited to wholly-owned MWBE bidders.

The Executive Budget also provides an exception to the project cost minimums triggering the City's authorization to use alternative procurement instead of lowest responsible bid, allowing them to use alternative procurement authorizations on smaller projects. It also allows the City to avoid publishing a list of their ratings on qualified bidders who respond to a request for qualifications, and provides an exemption from having to consider cost or price as part of a best value contract; finally, it allows the City to offer incentive payments.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Expands NYC OCIP and CCIP Wraparound Insurance (TEDE Part KK): The Executive Budget expands New York City's ability to use owner-controlled insurance programs (OCIP) and contractor-controlled insurance programs (CCIP) in that the City, City School District, City Industrial Development Agency, NYCHA, and Health and Hospitals Corporation would be authorized to use CCIP and OCIP insurance without limitation. The statute currently limits the City's OCIP and CCIP authorization to electrical generation and transmission projects and rail construction.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.



TRANSPORTATION

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

<u>Transportation Fact Sheet</u>

<u>Appropriations</u>

- **Statewide Mass Transportation Operating Assistance (STOA):** The Executive increases non-MTA Downstate aid by 8.5 percent for a total of $522.3 million and Upstate aid by 7.1 percent for a total of $286.6 million. The Executive proposed to increase MTA on-budget operating aid by $233.17 million or 6 percent.

- **Consolidated Local Streets and Highway Improvement Program (CHIPS):** The Executive provides $538 million to maintain funding for CHIPS.

- **Department of Transportation Five-Year Capital Plan**: The Executive provides $6.7 billion for the second year of the $32.8 billion five-year capital plan.

- **Gateway Development Commission:** The Executive provides $24.3 million for the State's one-third share of annual operating expenses for the project.

- **MTA Financial Assistance**: In addition to the STOA figure above, the Executive provides a one-time $300 million payment for the support of the MTA revenue shortfalls resulting from COVID-19 impact on ridership and revenue.

- **Innovative Technology Mobility Program:** The Executive provides $10 million for non-MTA Transit Systems to support riders with issues accessing traditional transit by creating new technological products, such as phone apps that can connect users with transit. This will be a five-year pilot program that will provide $1 million each to the seven largest non-MTA systems and will provide $3 million in a competitive process for the remaining smaller systems.

<u>Article VII</u>

- **Payroll Mobility Tax Increase:** The Executive increases the MTA Payroll Tax top-tier rate for employers from 0.34 percent to 0.50 percent, effective July 1, 2023. There is also an increase for self-employed individuals making more than $50,000 in net earnings in the MTA district to 0.42 percent for Tax Year 2023 and 0.50 percent for future tax years. This increase is expected to generate $800 million per year for the MTA.

- **Expand Camera Enforcement for MTA Bus Operations:** The Executive proposes to allow the City of New York to create a five-year pilot program in which it or the MTA could operate a camera enforcement program for vehicles illegally stopped or parked in front of bus stops, in bicycle lanes, in general no-standing zones related to double parking, and in bus lanes. Fines would start at $50 and scale up to $250 for five or more offenses within a year, and revenues would be dedicated to the MTA. The Executive Budget also permanently extends the existing bus lane camera enforcement program.

TBTA Speed Cameras: The Executive authorizes the Triborough Bridge and Tunnel Authority to establish a speed camera pilot program for TBTA bridge and tunnel zones. Fines start at $50 penalty for the first offense, $75 for the second offense, and $100 for three or more offenses within 18 months.

MTA Tax Increment Financing and Procurement Extender: The Executive proposes a permanent authorization for commuter district municipalities to create "mass transportation capital districts" to work with the MTA to enter into alternative financing arrangements such as value capture, special transportation districts, and tax increment financing.

Increase New York City's Contribution to the MTA: The Executive proposes to increase New York City's contributions to the MTA in several ways. First, the City will be required to fully cover the net paratransit operating expenses of the MTA. Additionally, the Executive requires the City to fully cover the MTA's net fare revenue difference from providing reduced Metro Card rates for K-12 students within the City. Finally, the City will cover the potential forgone revenue related to Payroll Mobility Tax (PMT) exemptions and the proposed PMT increase.

Expands MTA Transit Bans: The Executive proposes to expand the current MTA transit ban law to include persons who assault passengers, customers, or MTA contractors, if the offense was committed in or adjacent to any of the Authority's transportation facilities.

New York City Speed Limits: The Executive authorizes New York City to lower some street speed limits from 25 miles per hour to 20 miles per hour and to lower school zone speed limits and traffic calming slow zones from 15 miles per hour to 10 miles per hour ("Sammy's Law").

County Clerk Revenue Sharing: The Executive changes the portion of fees a county clerk may receive from the DMV for any motor vehicle related services. The retention percentage for in-person transactions will decrease from 12.7 percent to 10.75 percent, but the retention percentage for internet and electronic transactions will increase from 4 percent to 10.75 percent, effective January 1, 2024. This will have the effect of increasing revenue dedicated to the counties across the state by $13 million per year.

NYC Parking Reform: The Executive proposes to increase fines for overnight parking of tractor-trailers and other large commercial vehicles in residential areas, to allow for alternate modes of identifying the vehicle, and to make changes to the administrative process.

- **Expand DOT's Authority to Seize Out-of-Service Vehicles:** The Executive proposes to expand DOT's authority to seize out-of-service stretch limousines to include other passenger-carrying motor vehicles. The intent is to cover vehicles like party buses, vans, motor coaches, and ambulettes that fail DOT safety inspections.

- **Dedicates Downstate Casino Revenues to MTA:** The Executive Budget proposes to redirect the majority of the prospective taxes and licensing fees from the three yet-to-be-authorized downstate casinos to the Metropolitan Transportation Authority (MTA) to be used for its operations.

TRANSPORTATION AGENCY DETAILS

Overview

Transportation Agency All Funds Appropriations (millions)				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Department of Transportation	$13,677.11	$14,488.85	$811.74	5.9%
Department of Motor Vehicles	$571.87	$477.69	-$94.18	-16.5%
Metropolitan Transportation Authority	$901.77	$892.18	-$9.59	-1.1%
Total Transportation	**$15,150.75**	**$15,858.72**	**$707.97**	**4.7%**

The Executive Budget proposes $15.9 billion in All Funds appropriations for SFY 2023-24, a $708 million increase or 4.7 percent from SFY 2022-23. This increase largely results from an increase to transportation operating assistance, as well as an increase in DOT capital funding.

Department of Transportation

The Executive Budget proposes $14.5 billion in All Funds appropriations for DOT, an increase of $811.7 million or 5.9 percent from SFY 2022-23. This increase reflects increased capital funding, greater appropriations for Statewide Mass Transportation Operating Assistance (STOA), and one-time aid payments to the MTA to address its financial challenges. STOA provides operating assistance funds to mass transit systems throughout the State.

The Executive Budget maintains $100 million each in capital funding for Extreme Winter Recovery assistance and the City Touring Routes program. The Extreme Winter Recovery funding helps municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather. The City Touring Routes program provides support to localities that maintain touring routes on behalf of the State.

The Executive increases non-MTA STOA appropriations by 7.9 percent. Specifically, it increases upstate transit aid by 7.1 percent or $19.0 million and downstate non-MTA transit aid by 8.5 percent or $121.36 million. These increases in STOA appropriations are made relative to SFY 2022-23 Enacted Budget appropriation levels and reflect greater levels of transfers from the General Fund to public transit entities, as well as increased revenue from dedicated revenue streams.

SFY 2023 Statewide Mass Transportation Operating Assistance (STOA) Appropriations (millions)				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
MTA Total	**$3,884.28**	**$4,117.45**	**$233.17**	**6.0%**
Nassau	$103.39	$112.20	$8.81	8.5%
Rockland	$5.22	$5.67	$0.45	8.6%
Staten Island Ferry	$50.93	$55.27	$4.34	8.5%
Suffolk	$40.22	$43.64	$3.42	8.5%
Westchester	$85.49	$92.77	$7.28	8.5%
NYC DOT	$136.11	$147.70	$11.59	8.5%
Suffolk Shuttle	$0.50	$0.50	$0.00	0.0%
Lower Hudson Transit Link	$11.00	$11.00	$0.00	0.0%
Formulas	$49.37	$53.58	$4.21	8.5%
Non-MTA Downstate Total	**$482.23**	**$522.33**	**$40.10**	**8.5%**
CDTA	$51.64	$55.30	$3.66	7.1%
CNYRTA	$43.22	$46.29	$3.07	7.1%
NFTA	$68.17	$73.01	$4.84	7.1%
RGRTA	$52.47	$56.20	$3.73	7.1%
Formulas	$52.11	$55.81	$3.70	7.1%
Upstate Total	**$267.61**	**$286.61**	**$19.00**	**7.1%**
MTA Total	$3,884.28	$4,117.45	$233.17	6.0%
Non-MTA Total	$749.84	$808.94	$59.10	7.9%
STOA Total	**$4,634.12**	**$4,926.39**	**$292.27**	**6.3%**

Non-MTA Downstate % change excludes fixed Suffolk County and Lower Hudson Transit Link lump sums. Chart excludes incentive transit appropriations.

The Executive Budget provides $6.7 billion for the second year of the 2023-27 five-year DOT capital plan. This includes $200 million for BRIDGE NY and $150 million for PAVE NY per year over the five-year plan. The Consolidated Highway Improvement Program (CHIPS) and Marchiselli program funding remain flat at $538.1 million and $39.7 million respectively. CHIPS provides funds to municipalities to support construction and repair of highways, bridges, highway-railroad crossings, and other facilities that are not part of the State highway system. Marchiselli program funding offsets a portion of the non-federal share of project costs.

The DOT Capital Plan continues $200 million for Operation Pave Our Potholes (POP), a new pothole repair program for the second year. POP provides funds to municipalities to assist with the rehabilitation and reconstruction of local highways and roads. The Executive provides $5 million for Complete Street projects. A Complete Street is a roadway planned and designed to consider the safe, convenient access and mobility of all roadway users of all ages and abilities, including pedestrians, bicyclists, public transportation riders, and motorists.

The Executive Budget proposes a total of $10 million for the Innovative Technology Mobility Pilot Program, a 5-year pilot program allocating $1 million to each of the seven largest non-MTA systems. Smaller systems will be eligible for a $3 million competitive fund to serve as a 20 percent match to federal funds, purchase app based fare request and payment system, and purchase smaller vehicles. The Executive also provides $24.3 million for the Gateway

Development Commission representing the State share of operating expenses for the Gateway Tunnel Project.

The Executive Budget continues $20 million in support for the fourth year of a five-year $100 million initiative to help electrify mass transit bus fleets with a goal of electrifying 25 percent of these fleets by 2025 and 100 percent by 2035. The transit systems that qualify for this funding are the Capital District Transportation Authority, Niagara Frontier Transportation Authority, Rochester-Genesee Regional Transportation Authority, Suffolk County Transit, and Westchester Bee-Line.

<u>Metropolitan Transportation Authority</u>

The Executive Budget proposes to set MTA operating aid at $4.1 billion, an increase of $233.8 million or 6 percent from SFY 2022-23. The Executive Budget maintains the Verrazzano Bridge residential and commercial toll rebate program at $19.0 million and maintains $25.3 million for reduced fares for school children.

<u>MTA Financial Assistance</u>

The Executive Budget proposes several funding initiatives to address the MTA's financial challenges, including a $300 million one-time payment to assist with the impact of COVID on MTA operating revenue. The Executive also proposes to raise New York City's contributions by $500 million to the MTA by requiring the City to cover the MTA's paratransit costs (it currently provides 50 percent), cover net losses from providing reduced fare student Metrocards, and offset the cost for a Payroll Mobility Tax (PMT) exemption for certain employers by contributing 47 percent of the State's contributions for PMT exemptions.

The Executive proposes to dedicate the State share of the licensing fees for three casinos to the MTA to primarily cover operating expenses. New York State's 80 percent share of taxes and licensing fees would be dedicated to the MTA, as well as the 20 percent local share if a facility is located in the City. For a casino located outside the City, the host and regional municipalities will continue to receive their 20 percent local share. This proposal would direct between $1.2 and $1.5 billion to the MTA. Additionally, the MTA will receive a share of an estimated $462-$826 million in annual tax revenue generated by the casinos, however, these proposals are not anticipated until 2026 or later depending on awarding licenses.

The Executive proposes to increase the top Metropolitan Commuter Transportation Mobility Tax (MCTMT) rate from 0.34 percent to 0.50 percent. For employers, the rate increase would go into effect on July 1, 2023, but for self-employed individuals the rate would increase to 0.42 percent in Tax Year 2023 and 0.5 percent after January 1, 2024. This proposal is estimated to generate $800 million in additional support for transit service in the Metropolitan Commuter Transportation District (MCTD).

SFY 2023-24 MTA Financial Assistance (millions)	
	SFY 2024 Executive Recommendation
Payment for decreased revenue resulting from COVID*	$300.00
Increase the Payroll Mobility Tax (PMT) rate from 0.34% to 0.5%	$800.00
Increase NYC contributions to the MTA	$500.00
Operating efficiencies savings	$400.00
Support for additional MTA safety personnel	$150.00
Current Year Actions Subtotal	**$2,150.00**
Direct State share of casino licensing fee and taxes to MTA**	$1,500.00
Direct State share of annual casino revenue to MTA**	$826.00
Out-Years Actions Subtotal	**$2,326.00**
Grand Total	**$4,476.00**

* One-Time Payments
**Not anticipated until 2026 or later, dependent on time of licensing award process

Department of Motor Vehicles (DMV)

The Executive Budget proposes $477.7 million in All Funds appropriations for the DMV, a decrease of $94.2 million or 16.5 percent from SFY 2022-23. This decrease in support results from the discontinuation of one-time support for non-personnel expenses associated with IT and consultancy costs and related to updating the DMV's systems. The Executive Budget recommends a DMV workforce of 3,228 Full-Time Equivalents (FTEs) for SFY 2023-24, an increase of 200 FTEs from SFY 2022-23. The additional FTEs will assist with customer-oriented service and federal grants management.

Article VII

Department of Transportation

Empower the DOT to Seize Dangerous Vehicles (TEDE O): The Executive Budget proposes amendments expanding upon DOT's authority to seize out-of-service stretch limousines to expand the type of vehicles covered to include passenger-carrying motor vehicles. This is intended to allow for seizure of vehicles like party buses, vans, motor coaches, and ambulettes that have failed inspection due to out-of-service safety-related defects.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Metropolitan Transportation Authority

Expand Camera Enforcement for MTA Bus Operations (TEDE A): The Executive Budget proposes to allow the City of New York to create a five-year pilot program in which it or the MTA could operate a camera enforcement program for vehicles illegally stopped or parked in front of bus stops, in bicycle lanes, in general no-standing zones, and in bus lanes. Fines would start at $50 and scale up to $250 for five or more offenses within a year, and revenues would be dedicated to the MTA. There would be a 60-day grace period for motorists after the program takes effect, and the city and MTA would be required to submit program reports every two years. The Executive Budget also permanently extends the existing bus lane camera enforcement program, which is scheduled to expire September 20, 2025.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Triborough Bridge and Tunnel Authority Speed Cameras (TEDE B): The Executive Budget authorizes the MTA Triborough Bridge and Tunnel Authority (TBTA) to establish a speed camera program for TBTA bridge and tunnel zones, which includes the crossings and any related approach, entrance, or exit. Posted speed limits will include a notice that the area is "photo enforced." Penalties start for vehicles traveling more than 11 miles per hour above the limit, with fines starting at a $50 penalty for the first offense, $75 for the second offense, and $100 for three or more offenses within 18 months. Revenues would be dedicated to the TBTA. There would be a 30-day grace period for motorists. The authorization sunsets five years after taking effect.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

MTA Tax Increment Financing and Procurement Extender (TEDE C): The Executive Budget proposes a permanent authorization for commuter district municipalities to create "mass transportation capital districts" to work with the MTA to enter into alternative financing arrangements such as value capture, special transportation districts, and tax increment financing. This also permanently extends a host of MTA procurement authorizations, including modifying the MTA's ability to do public auctions of property, and a variety of discretionary bidding authorizations.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Increases NYC's Contribution to the MTA (TEDE D): The Executive Budget proposes to increase New York City's contributions to the MTA in several ways. First, the City will be required to fully cover the net paratransit operating expenses of the MTA, which will start at $602 million in 2024. In the 2020-21 Adopted Budget, the City was required to pay for half of the MTA's paratransit operating expenses instead of the 33 percent agreed to in 1993. Additionally, the Executive Budget requires the City to fully cover the MTA's net fare revenue difference from providing reduced Metro Card rates for K-12 students within the City. Finally, the City will cover the potential forgone revenue related to statutory Payroll Mobility Tax (PMT) exemptions and the proposed PMT increase described below. The language also allows the State Division of Budget to intercept other State-furnished sources of aid if the City does not transfer these funds for the MTA.

Fiscal Impact: The Executive estimates that this proposal will have a $500 million fiscal impact.

Expand MTA Owner Controlled Insurance Program (TEDE E): The Executive Budget proposes allowing the MTA to expand insurance coverage through its Owner Controlled Insurance Program (OCIP) to include those related to buses, bridges, and tunnels, including reconstruction. Currently, the OCIP can only be used for limited capital projects such as railroad expansion and construction.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

MTA Compulsory Arbitration Two-Year Extender (TEDE G): The Executive Budget proposes a two-year extension of the binding arbitration provisions in facilitating settlements between the MTA and labor representatives such as collective bargaining negotiations through the Public Employment Relations Board. These provisions are set to expire on July 1, 2023 and would be extended until July 1, 2025.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Transportation Worker Assault Prevention (TEDE H): The Executive Budget proposal provides that an attack causing physical injury against certain transportation workers will be classified as assault in the second degree (aggravated assault), a Class D felony. The protected titles include traffic checkers, motor vehicles license examiners, motor vehicle representatives, highway workers, motor carrier investigators, and motor vehicles inspectors. Additional classes of transit employees, including a variety of customer-facing positions and cleaners and inspectors, were included in the aggravated assault law in a stand-alone chapter in 2022.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Strengthen MTA Transit Bans (TEDE Part I): The Executive Budget proposes to expand the current MTA transit ban law to allow the MTA to ban people who assault passengers, customers, or MTA contractors. The current authorization applies only to assaults committed against employees within Authority facilities. The Executive proposal also expands the location that can trigger the bans to include offenses committed "adjacent to" any of the Authority's transportation facilities. A judge can determine the term for the ban if the penalty for the included crimes results in incarceration. The court would also be provided discretion to extend the ban to all areas of the MTA system, including areas outside of the county where the sentencing judge sits.

Current law also provides the MTA with authority to ban individuals for unlawful sexual conduct perpetrated on customers and employees.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Increase the Top Metropolitan Commuter Transportation Mobility Tax Rate (TEDE Q): The Executive Budget proposes to increase the Metropolitan Commuter Transportation Mobility Tax (also called the "Payroll Mobility Tax") top-tier rate for employers with payrolls of roughly $1.75 million per year from 0.34 percent to 0.50 percent, effective July 1, 2023. There is also an increase for self-employed individuals making more than $50,000 in net earnings in the MTA district to 0.42 percent for Tax Year 2023 and then 0.50 percent for tax years after January 1, 2024. This is expected to generate $800 million per year for the MTA.

Fiscal Impact: The Executive estimates that this proposal will have an $800 million fiscal impact.

Providing Financial Relief to the Metropolitan Transit Authority (MTA) (TEDE Part R): Three additional commercial casino licenses were authorized in 2022, but those licenses have not yet been issued and are not yet generating revenue. The 2022 law required each selected licensee to pay a $500 million minimum license fee. In addition, the revenue derived from the new gaming facilities is subject to a State tax, most of which is dedicated to education funding.

The Executive Budget proposes to redirect the majority of the prospective taxes and licensing fees to the MTA to be used for its operations. The State portion of taxes and fees (80 percent) would be directed to the MTA instead of the education system. If a facility is located in New York City, the 20 percent local portion would also be directed to the MTA. Host and regional municipalities hosting new casinos outside the City would continue to receive 20 percent of these funds. All three casinos are expected to be licensed downstate, but likely will not receive licensing approvals in 2023.

Fiscal Impact: The Executive estimates that this proposal will have an fiscal impact of $1.2 - $1.5 billion from licensing fees and tax, as well as a potential $462-$826 million annually from casino generated revenue.

Department of Motor Vehicles

Autonomous Vehicle Technology Extender (TEDE J): The Executive Budget proposes to extend DMV's authorization to permit demonstrations and tests of autonomous vehicle technology. This authorization originated in 2017 and was set to expire on April 1, 2023, this proposal extends the authorization until April 1, 2024.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Close the DWI Loophole **(TEDE L):** Under current law, "dangerous driving offenses" that trigger DMV refusing to issue a driver's license include two convictions for driving while intoxicated (DWI), driving while ability impaired (DWAI) by drugs, and DWAI by the combination of drugs and alcohol, or of DWI or DWAI where physical injury occurs. The Executive Budget proposal adds per se DWI (.08 BAC), aggravated DWI (.18 BAC), first- and second-degree vehicular assault, aggravated vehicular assault, first- and second-degree vehicular manslaughter, and aggravated vehicular homicide to the list of dangerous driving offenses that if convicted of twice would prohibit an individual from being issued a driver's license. The Executive Budget also expands the license denial to situations involving a combination of any of these violations.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

County Clerk Retention **(TEDE M):** The Executive Budget proposal changes the portion of fees a county clerk may receive from the DMV for any motor vehicle related services. The retention percentage for in person transactions will decrease from 12.7 percent to 10.75 percent, but the retention percentage for internet and electronic transactions will increase from 4 percent to 10.75 percent, effective January 1, 2024. This proposal will create a uniform retention percentage for both in person and internet and electronic transactions given the increasing use of electronic transactions. This will have the effect of increasing revenue dedicated to the counties performing motor vehicle related services $13 million per year.

Fiscal Impact: The Executive estimates that this proposal will have a $13 million fiscal impact.

Stop Secondary Crashes **(TEDE P):** The Executive Budget proposal adds "quick clearance" language allowing and requiring motorists involved in a crash to clarify and impose the driver's responsibility to move away from the flow of traffic, in a timely manner in the event of a motor vehicle crash involving property damage. Vehicles must remain in the immediate vicinity of the incident, and are only required to move if it can be done safely. The proposal clarifies that the moving or causing a removal of a vehicle does not imply liability or fault.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

New York City

Allow New York City to Lower Its Speed Limit **(TEDE K):** The Executive Budget proposal authorizes New York City to lower citywide speed limits from its current authorization of 25 miles per hour down to 20 miles per hour, and to lower school zone speed limits and traffic calming slow zones from 15 miles per hour to 10 miles per hour. Written notice is required should the City decide to lower or raise the speed limit by more than five miles per hour.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

<u>NYC Parking Reform</u> (TEDE N): The Executive Budget proposes to increase fines for overnight parking of tractor-trailers and other large commercial vehicles in residential areas by raising the fines from $250 currently to $400 for a first violation, and from $500 currently to $525 for subsequent violations. It also allows for alternate modes of identifying the vehicle such as using the vehicle identification number, in addition to making changes to the administrative process such as posting of bonds and paying other tickets for defendants making appeals.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

<u>Thruway Authority</u>

<u>Toll Violation Enforcement</u> (TEDE F): The Executive Budget proposes a new mechanism for DMV to block the registration or renewal of a vehicle based on a pending request by a tolling authority if the registrant has been suspended pursuant to a toll related offense or is attempting to evade an existing registration. It also increases penalties for license plate concealment so they are subject to a minimum fine of $100 and a maximum fine of $500. This proposal also authorizes law enforcement and the DMV to seize license plate obstructing materials. In the event an obstructing material is seized, the minimum fine will begin at $250.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

RACING, GAMING & WAGERING

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Racing, Gaming & Wagering Fact Sheet

Appropriations

- **Gaming Commission:** The Executive Budget provides $345.8 million in funding for the Gaming Commission, which is a decrease of $152.0 million in SFY 2023-24 due to the payment of the revenue share owned by the Seneca Nation to localities in SFY 2022-2023.

- **Tribal State Compact:** The Executive Budget recommends an appropriation of $175.0 million for Tribal State Compact Revenue, a decrease of $153.0 million from the prior year due to last year's Seneca Nation payment.

Article VII

- **Authorize a Franchise Corporation's Payment Structure to Fund the Belmont Redevelopment Project:** The Executive proposal implements the $455 million State loan funding the Belmont Park redevelopment project by enabling the New York Racing Association to repay the loan with existing revenues from certain video lottery terminal facilities that are currently used for capital expenses. The loan would be repaid at a rate of $25.8 million per year from NYRA's capital funds. Upon completing the redevelopment project, NYRA's Aqueduct RaceTrack property would revert to the State.

- **Eliminate Quick Draw Restrictions:** The Executive proposes to eliminate the statutory restriction that prevents facilities under 2,500 square feet from offering Quick Draw games. The proposal also eliminates the restriction that prevents 18-year-olds from playing Quick Draw in locations that serve alcohol (where Quick Draw players must be 21 years of age).

- **Enact Procedures for an Off-Track Betting Corporation to Terminate Operations:** The Executive proposal authorizes the winddown and closure of the Catskill Off-Track Betting (OTB) Corporation and provides that the Corporation must use its remaining assets to pay off debts and make payments to counties. Counties in the Catskill region would be allowed to contract with an OTB from outside the region to offer off-track betting.

Racing, Gaming & Wagering Agency Details

Appropriations

Gaming Commision

The SFY 2023-24 Executive Budget proposes an All Funds appropriation of $345.8 million, a decrease of $152.0 million or 30.5 percent from the amount appropriated in SFY 2022-23. The Executive Budget recommends continuing to appropriate $100,000 in State Operations for the Racing Fan Advisory Council, along with a $1.0 million increase to fund an independent racing study and proposes $153.0 million decrease in Aid to Localities due to the revenue share owned by the Seneca Nation was paid out to localities in SFY 2022-23.

Gaming Commission All Funds Appropriations ($ in Millions)				
	Available SFY 2022-23	Exec Budget SFY 2023-24	$ Change	% Change
State Operations	$107.8	$108.8	$1.0	0.9%
Aid To Localities	$390.0	$237.0	($153.0)	-39.2%
Total	$497.8	$345.8	($152.0)	-30.5%

Tribal State Compact

The Executive Budget recommends an appropriation of $175.0 million for the Tribal State Compact Revenue Program, which represents the local share of the State's estimated revenues from Native American casinos. This is a decrease of $153.0 million from the prior year and is due to the fact that the revenue share owned by the Seneca Nation was paid out to localities in SFY 2022-23.

In addition, the Executive Budget recommends an appropriation of $62.0 million for the Gaming Program, which represents the local share of the State's estimated revenues from commercial casino gaming revenues.

Under State Finance Law, in instances where the State receives money from Native American casino revenues, the State must provide aid to the local host government of the casino and the surrounding counties within the tribe's exclusivity zone. The local host of the casino may receive up to 25 percent of the State's share of compact revenues, while the surrounding non-host counties within the exclusivity zone receive 10 percent of the State's share of compact revenues, distributed on a per capita basis.

The Executive Budget provides a total of $6.0 million to Madison and Oneida Counties. Madison County is proposed to receive $3.5 million in funding as a result of the opening of Point Place, a second casino located in Madison County. Oneida County would receive $2.5 million for shared host community gaming revenue.

The State has a compact agreement with the Seneca Nation, which requires exclusivity payments on slot machine revenue from the Seneca Niagara, Seneca Allegany, and Seneca Buffalo Creek casinos. The State also has compact agreements with the St. Regis Mohawk Tribe, which requires exclusivity payments on slot machine revenue from the Akwesasne Mohawk Casino, and with the Oneida Nation, which requires exclusivity payments from slot machine revenue from Turning Stone, Yellow Brick Road, and Point Place casinos.

Tribal State Compact Revenue Account In Gaming Commission Aid to Localities ($ in Millions)				
	SFY 2022-23	SFY 2023-24	$ Change	% Change
Host Aid				
Seneca Niagara	$72.0	$18.0	($54.0)	-75.0%
Seneca Allegany	$34.0	$9.0	($25.0)	-73.5%
Seneca Buffalo Creek	$52.0	$15.0	($37.0)	-71.2%
Mohawk	$23.0	$51.0	$28.0	121.7%
Oneida	$35.0	$41.0	$6.0	17.1%
Regional Aid				
Seneca Niagara	$45.0	$8.0	($37.0)	-82.2%
Seneca Allegany	$21.0	$4.0	($17.0)	-81.0%
Seneca Buffalo Creek	$25.0	$6.0	($19.0)	-76.0%
Mohawk	$10.0	$10.0	$0.0	0.0%
Oneida	$11.0	$13.0	$2.0	18.2%
Total	$328.0	$175.0	($153.0)	-46.6%

Racing Reform Program

Funding for the Racing Reform Program has facilitated and financed activities associated with the establishment of the Non-Profit Racing Association Oversight Board, which made significant reforms to racing and gaming regulations. The SFY 2023-24 Executive Budget recommends $1.6 million in re-appropriations to fund reform activities.

Video Lottery Gaming

The mission of the New York State Division of the Lottery is to raise revenue for education by administering Lottery games. In 2001, the Legislature approved the installation of Video Lottery Terminals (VLTs) in eligible State horse racing facilities, to complement the Lottery's pre-existing games of chance.

VLTs are in use at Batavia Downs Gaming, Empire City Casino by MGM Resorts, Finger Lakes Gaming & Racetrack, Hamburg Gaming, Jake's 58 (Suffolk OTB facility), Resorts World Casino (which also hosts the Nassau OTB machines), Saratoga Casino, and Vernon Downs Casino. In SFY 2019-2020, approximately 13 percent of the education funding contribution from VLT facilities derived from Resorts World and Empire City. The table below shows the current statutory distribution of VLT Net machine Income (NMI) (after prize payouts). VLT receipts are distributed among education funds, agent commission, and the allowance for administrative expenses.

VLT Receipts Distribution By Location (After Prize Payout)			
VLT Facility	Education Funding	Agent Comission	Administrative Allowance
Batavia Downs Gaming	39.0%	51.0%	10.0%
Empire City Casino by MGM Resorts	50.5%	39.5%	10.0%
Finger Lakes Gaming & Racetrack	46.5%	43.5%	10.0%
Hamburg Gaming	34.0%	56.0%	10.0%
Jake's 58 Hotel & Casino	45.0%	45.0%	10.0%
Nassau Downs OTB	45.0%	45.0%	10.0%
Resorts World Casino NYC	40.0%	50.0%	10.0%
Saratoga Casino Hotel	46.5%	43.5%	10.0%
Resorts World Hudson Valley	41.0%	49.0%	10.0%
Vernon Downs Casino Hotel	34.0%	56.0%	10.0%

Gaming Receipts

Gaming Receipts By Component SFY 2023-24 Estimated ($ in Millions)								
Component	**Lottery**	**VLTs**	**Casinos**		**IFS****	**TSC*****	**MSW******	**All Funds**
Distribution	Education	Education	Education	Localities*	Education	Total	Total	**Total**
SFY 2023 (Est.)	$2,513.0	$1,000.0	$134.4	$33.6	$6.0	$220.0	$627.0	$4,534.0
SFY 2024 (Proj.)	$2,343.0	$1,023.0	$136.0	$34.0	$6.0	$206.0	$646.0	$4,394.0
Dollar Change	($170.0)	$23.0	$1.6	$0.4	-	($14.0)	$19.0	($140.0)
Percent Change	-6.8%	2.3%	1.2%	1.2%	0.0%	-6.4%	3.0%	-3.1%

Source: NYS Division of Budget, Economic and Revenue Outlook, p. 190

Notes:

* A portion of commercial gaming casino receipts (20 percent) are directed to localities.

** IFS stands for Interactive Fantasy Sports

*** TSC stands for Tribal State Compact

****Mobile Sports includes Education, Youth Sports, and Problem Gambling

Article VII

Authorize a Franchise Corporation's Payment Structure to Fund the Belmont Redevelopment Project (REV Part X): The Executive Budget authorizes the New York Racing Association (NYRA) to fund the anticipated $455 million redevelopment project at Belmont Park with a capital loan from New York State. Upon completion and pursuant to an agreement with the State, the Aqueduct Race Track property would revert to the State. The loan would be repaid at a rate of $25.8 million per year from NYRA's capital funds.

NYRA currently receives capital funding for its operations from multiple video lottery terminal facilities (VLTs), including Resorts World New York City, the Suffolk Off-Track Betting Corporation and the Nassau Off-Track Betting Corporation. These funds would be partially reprogrammed to repay the State for the Belmont redevelopment loan. The loan would be repaid over a period of 20 years.

Fiscal Impact: This proposal would authorize the State to make a $455 million loan from the Short-term Investment Pool (STIP) to NYRA for the redevelopment of Belmont Racetrack. NYRA and the State would enter into an agreement prior to the issuance of the loan. The loan terms would require NYRA to dedicate VLT revenues for the repayment of the loan over a 20 year period. The Executive anticipates $80 million in additional revenue from the loan interest payments.

Eliminate Quick Draw Restrictions (REV Part Y): The Executive Budget eliminates the statutory restriction preventing facilities under 2,500 square feet from offering Quick Draw games. Also eliminates the restriction that prevents 18-year-olds from playing Quick Draw in locations that serve alcohol (wherein Quick Draw players must currently be twenty-one years of age).

Fiscal Impact: This proposal would increase revenue by $11 million in SFY 2023-24 and $22 million in SFY 2024-25.

Enact Procedures for an Off-Track Betting Corporation to Terminate Operations (REV Part Z): The Executive Budget authorizes the wind down and closure of the Catskill Off-Track Betting (OTB) Corporation and provides that the corporation must use its remaining assets to pay off debts and make payments to counties. Additionally, those counties in the Catskill region would be allowed to contract with an OTB from outside the region to offer off-track betting.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Extend Authorized Use of Capital Funds by Certain Off-Track Betting Corporations for One Year (REV Part AA): The Executive Budget proposes to extend the authorized use of capital acquisition funds by the Capital Off-Track Betting (OTB) Corporation for one additional year. This authorization allows Capital OTB to use 23 percent of its capital acquisition fund, up to $440,000, toward payroll, statutory obligations, and expenditures necessary to accept authorized wagers during SFY 2024.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

Extend Pari-Mutuel Tax Rates and Simulcast Provisions For One Year (REV Part BB): The Executive Budget includes a proposal to extend the current pari-mutuel tax rate structure and other racing-related provisions for one year. These provisions have been extended numerous times since their original enactment, most recently in the Enacted SFY 2022-23 budget.

Fiscal Impact: This proposal would have no fiscal impact on the State or its localities.

LOCAL GOVERNMENT

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Appropriations

- **Aid and Incentives for Municipalities (AIM):** The Executive Budget proposes $715.2 million in unrestricted aid for local governments, unchanged from SFY 2022-23.

- **Funding for North Shore Water Authority:** The Executive Budget reappropriates $189.2 million for the County-Wide Shared Services Initiative (CWSSI), but excludes $1 million in recurring funding for the North Shore Water Authority. This annual disbursement is authorized by Chapter 577 of 2021, which exempts the Authority from the CWSSI savings match requirement.

Article VII

- **Extend Various Commercial Property and Sales Tax Incentives in New York City (PPGG Part AA):** This bill would extend, for five years, various property and sales tax incentives in New York City which are currently set to expire.

- **Repeal the County-Wide Shared Services Initiative Payment for the North Shore Water Authority (PPGG Part BB):** The Executive Budget proposes to end the $1 million annual funding for the North Shore Water Authority, which was agreed to in Chapter 577 of 2021. The North Shore Water Authority was created to municipalize water supply infrastructure currently provided by a private company.

Local Government Assistance Details

Overview

The Executive Budget for SFY 2023-24 proposes $50.76 billion in State support to local governments through major local aid programs and savings initiatives. The Executive Budget Financial Plan estimates a positive net impact to local governments of approximately $2.25 billion for municipalities and school districts in Local Fiscal Year 2023-24.

Executive Budget Impact for Local Fiscal Year 2023-24 ($ in millions)		
Major Local Aid Programs	**LFY 2023-24 Local Aid**	**Net Impact on LFY 2023-24**
School Aid and Other Education	$34,480.2	$3,126.9
Special Education	$1,495.4	$0.0
Medicaid	$6,370.4	($1,306.0)
Human Services	$4,449.8	$693.2
Health	$550.7	$0.7
Mental Hygiene	$98.7	$0.0
Transportation	$1,445.9	($425.0)
Municipal Aid	$803.6	$15.0
Public Protection	$305.6	$9.1
Environment	$435.0	$0.0
Other Local Aid Programs	$323.3	$137.0
Revenue Impacts	$0.0	($1.0)
Total Executive Budget Impacts	**$50,758.6**	**$2,249.9**

SFY 2023-24 Executive Budget Impact on Local Governments ($ in millions)	
New York City (includes school district)	$467
School Districts (excluding New York City)	$2,446
Counties	($218)
All Other Cities (excludes school districts)	$15
Towns and Villages	$0

The Executive Budget proposes $832 million in All Funds appropriations in Aid to Localities for Local Government Assistance programs, a decrease of $6.7 million from SFY 2022-23.

SFY 2023-24 Executive Budget Appropriations - Local Government Assistance ($ in millions)				
Funding Source	**Enacted SFY 2022-23**	**Executive Budget SFY 2023-24**	**Change ($)**	**Change (%)**
State Operations (STOPS)				
Financial Control Board	$3.5	$3.5	$0.0	0.0%
Financial Restructuring Board	$2.5	$2.5	$0.0	0.0%
Aid to Localities (ATL)				
AIM (Unrestricted)	$715.2	$715.2	$0.0	0.0%
CREG/ CETC	$35.0	$35.0	$0.0	0.0%
LGEG	$4.0	$4.0	$0.0	0.0%
VLT	$28.9	$28.9	$0.0	0.0%
Miscellaneous Assistance	$25.5	$18.8	-$6.7	-35.8%
Small Government Assistance	$0.2	$0.2	$0.0	0.0%
General Fund Total	**$808.8**	**$802.0**	**-$6.7**	**-0.8%**
Fiduciary Total	**$30.0**	**$30.0**	**$0.0**	**0.0%**
All Funds Total	**$838.8**	**$832.0**	**-$6.7**	**-0.8%**

Aid and Incentives for Municipalities (AIM)

The AIM program provides unrestricted aid to all cities, towns, and villages, except for New York City. The Executive Budget proposes $715.2 million in unrestricted funding to municipalities, unchanged from the current fiscal year.

Citizens Reorganization Empowerment Grants (CREG) & Citizens Empowerment Tax Credits (CETC)

Citizens Reorganization Empowerment Grants (CREG) provide up to $100,000 for local governments to plan or implement consolidations or dissolutions. Citizens Empowerment Tax Credits (CETC) provide annual State aid to cities, towns, and villages that consolidate or dissolve. These tax credits are equal to 15 percent of the consolidated local government's combined tax levy. At least 70 percent of each tax credit must be used for direct property tax relief. The Executive Budget proposes $35 million for these programs, unchanged from the current fiscal year.

Local Government Efficiency Grants (LGEG)

Local Government Efficiency Grants (LGEG) are competitive grants that assist local governments with the costs of efficiency projects, such as shared services or consolidations. The Executive Budget proposes $4 million for this program, unchanged from the current fiscal year.

Video Lottery Terminal Aid (VLT)

The Executive Budget proposes $28.89 million for Video Lottery Terminal (VLT) Aid. This appropriation remains unchanged from SFY 2022-23. This funding supports municipalities where a video lottery gaming facility is located, to offset increases in local costs related to hosting the VLTs. VLT Aid is only provided to eligible municipalities with video lottery gaming facilities. The following table shows the amount of annual aid received by each eligible municipality.

VLT Aid by Eligible Municipality ($ in thousands)		
VLT Facility	**Municipality**	**SFY 2023-24**
Empire City	City of Yonkers	$19,600
Batavia Downs	City of Batavia	$441
	Town of Batavia	$160
	Genesee County	$200
Fairgrounds (Hamburg)	Town of Hamburg	$866
	Erie County	$289
Finger Lakes	Town of Farmington	$1,778
	Ontario County	$591
Monticello	Village of Monticello	$291
	Town of Thompson	$635
	Sullivan County	$309
Saratoga Springs	City of Saratoga Springs	$2,326
	Saratoga County	$775
Vernon Downs	Village of Vernon	$137
	Town of Vernon	$232
	Oneida County	$257
Total VLT Aid		**$28,887**

Miscellaneous Financial Assistance

The Executive Budget proposes $18.8 million for Miscellaneous Financial Assistance, a decrease of $6.7 million from last year. This funding decrease is primarily caused by the elimination of funding for SFY 2022-23 legislative adds. The Executive Budget continues to provide the City of Albany with $15 million and Madison County with $3.8 million, unchanged from SFY 2022-23.

Small Government Assistance

The Executive Budget proposes $217,000 in Small Government Assistance, unchanged from SFY 2022-23. These funds provide relief to local governments affected by State forest property tax exemptions, including $124,000 for Essex County, $72,000 for Franklin County, and $21,300 for Hamilton County.

Article VII

Miscellaneous

Extend Various Commercial Property and Sales Tax Incentives in New York City (PPGG Part AA): This provision extends various property and sales tax incentives in New York City that are currently set to expire for an additional five years. Included in the extenders are the Lower Manhattan sales and use tax exemption (various provisions expiring in 2023 through 2026), the Energy Cost Savings Program Credit (expires 2023), the Lower Manhattan Energy Program (expires 2023), the Commercial Expansion Program (various provisions expiring 2023-2024), and the Commercial Revitalization Program (various provisions expiring in 2024 and 2030).

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal, as the Financial Plan assumes the continuation of these tax incentives.

Repeal the County-Wide Shared Services Initiative Payment for the North Shore Water Authority (PPGG Part BB): The Executive Budget proposes to end funding for the North Shore Water Authority, which was agreed to in a 2021 chapter. The North Shore Water Authority was created to municipalize water supply infrastructure currently provided by a private company. Longstanding complaints regarding high water rates and disruptions in service were the impetus for the underlying legislation and the associated funding to allow the North Shore Water Authority to operate.

Fiscal Impact: This proposal would eliminate $1 million in recurring annual funding for the North Shore Water Authority. This annual disbursement is authorized by Chapter 577 of 2021, which exempts the Authority from the County-Wide Shared Services savings match requirement.

LABOR AND WORKFORCE

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Labor and Workforce Fact Sheet

Appropriations

- **Unemployment Insurance:** The Executive Budget proposes $7.25 billion for the Department of Labor, a $4.1 billion decline from SFY 2023-24 driven by a continued decrease in pandemic-related unemployment insurance benefit payments.

Article VII

- **Annual Minimum Wage Increase:** The Executive Budget proposes to increase the minimum wage to keep pace with inflation. After reaching $15 per hour, each region's minimum wage will continue to grow consistent with the year-over-year Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Northeast Region or 3 percent, whichever is less.

- **Community Hiring and Workforce Development:** The Executive Budget proposes to require New York City to establish an Office of Community Hiring and Workforce Development tasked with establishing policies to ensure that contractors and subcontractors use best efforts to hire economically disadvantaged candidates for projects.

- **New York Health Insurance Program (NYSHIP) Interest for Premiums in Arrears:** The Executive Budget proposes to require that any corporation, district, agency, or organization electing to participate in the NYSHIP plan shall be required to pay interest for any late payment.

- **Special Accidental Death Benefit:** The Executive Budget proposes to include counties in the list of entities that pay the special accidental death benefit. The proposal also provides that, in the case of a deceased county member who died prior to the effective date of this amendment, the payment of the benefit to the deceased member's beneficiaries will commence on the effective date of this amendment, provided that the benefit amount meets certain criteria.

Labor and Workforce Agency Details

Labor and Workforce Agency All Funds Appropriations ($ in millions)				
Agency	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Department of Labor	$11,371.5	$7,247.8	($4,123.7)	($0.4)
Labor Management Committees	$25.5	$37.8	$12.3	$0.5
General State Charges	$7,354.7	$7,062.9	($291.8)	($0.0)
Department of Civil Service	$69.0	$84.8	$15.8	$0.2
Workers' Compensation Board	$206.2	$212.4	$6.2	$0.0
Workers' Compensation Reserve	$9.6	$9.6	$0.0	$0.0
Office of Employee Relations	$11.8	$12.0	$0.3	$0.0
Deferred Compensation Board	$0.9	$1.0	$0.0	$0.0
Public Employment Relations Board	$6.8	$5.0	($1.9)	($0.3)
Total Labor and Workforce	**$19,056.0**	**$14,673.2**	**($4,382.8)**	**($0.2)**

Overview

The SFY 2023-24 Executive Budget recommends $14.67 billion in All Funds support for the agencies comprising the Labor and Workforce functional areas. This reflects a net decrease of $4.38 billion or 23 percent from SFY 2022-23. The change is primarily attributed to a $4.12 billion decrease in the Department of Labor as a result of a continued decrease in pandemic-related unemployment insurance benefit payments.

Department of Labor

The Executive Budget proposes $7.25 billion in All Funds appropriations for the Department of Labor (DOL), a decrease of approximately $4.12 billion, or 36 percent, from SFY 2022-23 levels. A continued decrease in pandemic related unemployment insurance benefit payments is the main driver. None of the approximately $20.4 million in legislative additions for various employment and training programs are included in the Executive Budget. The SFY 2023-24 Executive Budget recommends a workforce of 2,817 FTEs for DOL, which is an increase of 39 from SFY 2022-23 workforce levels.

The Executive Budget proposes providing $2.25 million to transform DOL Career Centers into “Community Training and Career Centers” with enhanced training in high-need areas such as digital and financial literacy. The Executive Budget also provides $1 million for the new Office of Just Transition to centralize and direct State planning for a smooth, equitable transition for existing fossil fuels workers to a new occupation or placement in the green energy sector.

Department of Civil Service

The Executive Budget proposes $84.79 million in All Funds appropriations for the Department of Civil Service, an increase of $15.81 million, or 23 percent, from SFY 2022-23 levels. This increase is linked with Article VII language expanding continuous recruitment. The Executive Budget continues to reimburse costs related to providing sick leave for employees with a qualifying World Trade Center condition, and provides $2 million for this purpose. The Department of Civil Service's workforce is estimated to be 465 FTEs, an increase of 108 FTEs from SFY 2022-23 that is associated with the new civil service initiatives.

General State Charges

The Executive Budget proposes $7.06 billion in All Funds appropriations for General State Charges, a decrease of $291.8 million, or 4 percent, from SFY 2022-23 levels. This decrease is driven by a $394.4 million decrease in health insurance obligations resulting from an accelerated deposit to the Retiree Health Benefit Trust Fund in SFY 2022-23. Additionally, moving the cost of Special Accidental Death Benefit for counties, cities, towns, or villages to General State Charges would result in new obligations for General State Charges of $34 million. There are no FTEs associated with General State Charges.

Labor Management Committees

The Executive Budget proposes $37.8 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted. This represents a $12.3 million, or 48 percent increase, from SFY 2022-23 levels due to the current status of these CBAs. Any costs of new CBAs will be incorporated within separate legislation. The Labor Management Workforce Committees' workforce is estimated to remain constant at 71 FTEs.

Office of Employee Relations

The Executive proposes $12 million in All Funds appropriations for the Office of Employee Relations, an increase of $263,000 or 2.3 percent, from SFY 2022-23 levels. This increase is attributable to general salary increases. The Office of Employee Relations' workforce is estimated to be 97 FTEs, unchanged from SFY 2022-23.

Workforce Impact Summary								
All Funds								
FY 2022 Through FY 2024								
	FY 2022 Actuals (03/31/22)	Starting Estimate (03/31/23)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/24)
Major Agencies								
Children and Family Services, Office of	2,542	2,886	(424)	424	0	0	0	2,886
Corrections and Community Supervision, Department of	24,950	26,423	(5,029)	5,099	0	0	70	26,493
Education Department, State	2,534	2,876	(288)	288	0	0	0	2,876
Environmental Conservation, Department of	2,815	3,100	(176)	407	0	0	231	3,331
Financial Services, Department of	1,224	1,391	(95)	95	0	0	0	1,391
General Services, Office of	1,685	1,832	(119)	132	0	0	13	1,845
Health, Department of	4,438	6,018	(786)	825	0	0	39	6,057
Information Technology Services, Office of	2,967	3,593	(364)	379	0	0	15	3,608
Labor, Department of	2,744	2,778	(376)	415	0	0	39	2,817
Mental Health, Office of	12,834	14,055	(1,970)	1,970	0	0	0	14,055
Motor Vehicles, Department of	2,942	3,028	(622)	822	0	0	200	3,228
Parks, Recreation and Historic Preservation, Office of	2,095	2,137	(163)	400	0	0	237	2,374
People with Developmental Disabilities, Office for	16,178	18,960	(2,522)	2,522	0	0	0	18,960
State Police, Division of	5,390	6,013	(178)	585	0	0	407	6,420
Taxation and Finance, Department of	3,413	3,785	(301)	301	0	0	0	3,785
Temporary and Disability Assistance, Office of	1,781	1,922	(160)	160	0	0	0	1,922
Transportation, Department of	7,883	8,485	(338)	338	0	0	0	8,485
Workers' Compensation Board	943	1,081	(56)	56	0	0	0	1,081
Subtotal - Major Agencies	**99,358**	**110,363**	**(13,967)**	**15,218**	**0**	**0**	**1,251**	**111,614**
Minor Agencies	**7,332**	**8,716**	**(817)**	**1,221**	**0**	**0**	**404**	**9,120**
Subtotal - Subject to Direct Executive Control	**106,690**	**119,079**	**(14,784)**	**16,439**	**0**	**0**	**1,655**	**120,734**
University Systems								
City University of New York	13,243	13,511	(1,351)	1,351	0	0	0	13,511
State University Construction Fund	136	145	(15)	15	0	0	0	145
State University of New York	44,877	45,880	(4,588)	4,588	0	0	0	45,880
Subtotal - University Systems	**58,256**	**59,536**	**(5,954)**	**5,954**	**0**	**0**	**0**	**59,536**
Independently Elected Agencies								
Audit and Control, Department of	2,614	2,770	(134)	251	0	0	117	2,887
Law, Department of	1,780	1,864	(96)	135	0	0	39	1,903
Subtotal - Independently Elected Agencies	**4,394**	**4,634**	**(230)**	**386**	**0**	**0**	**156**	**4,790**
Grand Total	**169,340**	**183,249**	**(20,968)**	**22,779**	**0**	**0**	**1,811**	**185,060**

Workforce Impact Summary								
All Funds								
FY 2022 Through FY 2024								
	FY 2022 Actuals (03/31/22)	Starting Estimate (03/31/23)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/24)
Minor Agencies								
Addiction Services and Supports, Office of	686	768	(137)	147	0	0	10	778
Adirondack Park Agency	48	54	(1)	1	0	0	0	54
Aging, Office for the	79	126	(9)	9	0	0	0	126
Agriculture and Markets, Department of	466	517	(20)	46	0	0	26	543
Alcoholic Beverage Control, Division of	174	361	(20)	57	0	0	37	398
Arts, Council on the	26	29	(3)	3	0	0	0	29
Budget, Division of the	273	292	(35)	35	0	0	0	292
Civil Service, Department of	287	357	(32)	140	0	0	108	465
Correction, Commission of	36	44	(4)	4	0	0	0	44
Criminal Justice Services, Division of	372	415	(31)	34	0	0	3	418
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	119	165	(12)	12	0	0	0	165
Elections, State Board of	95	148	(9)	71	0	0	62	210
Employee Relations, Office of	61	93	(4)	4	0	0	0	93
Ethics and Lobbying, Independent Commission on	46	47	(4)	25	0	0	21	68
Executive Chamber	122	136	(10)	42	0	0	32	168
Financial Control Board, New York State	10	12	(1)	1	0	0	0	12
Gaming Commission, New York State	323	391	(35)	35	0	0	0	391
Higher Education Services Corporation, New York State	98	103	(10)	10	0	0	0	103
Homeland Security and Emergency Services, Division of	561	630	(36)	64	0	0	28	658
Housing and Community Renewal, Division of	540	625	(73)	119	0	0	46	671
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	138	170	(21)	25	0	0	4	174
Indigent Legal Services, Office of	31	32	(3)	3	0	0	0	32
Inspector General, Office of the	74	80	(5)	5	0	0	0	80
Interest on Lawyer Account	7	9	(1)	1	0	0	0	9
Judicial Conduct, Commission on	43	46	(2)	8	0	0	6	52
Justice Center for the Protection of People with Special Needs	419	470	(67)	67	0	0	0	470
Labor Management Committees	59	71	(6)	6	0	0	0	71
Lieutenant Governor, Office of the	5	7	(2)	2	0	0	0	7
Medicaid Inspector General, Office of the	405	515	(26)	26	0	0	0	515
Military and Naval Affairs, Division of	346	392	(44)	46	0	0	2	394
Prevention of Domestic Violence, Office for	24	29	(3)	9	0	0	6	35
Prosecutorial Conduct, Commission on	0	19	(2)	2	0	0	0	19
Public Employment Relations Board	29	34	(3)	6	0	0	3	37
Public Service Department	463	528	(58)	58	0	0	0	528
State, Department of	535	612	(62)	72	0	0	10	622
Statewide Financial System	134	146	(6)	6	0	0	0	146
Tax Appeals, Division of	22	26	(2)	2	0	0	0	26
Veterans' Services, Division of	85	110	(9)	9	0	0	0	110
Victim Services, Office of	81	96	(8)	8	0	0	0	96
Welfare Inspector General, Office of	6	6	(1)	1	0	0	0	6
Subtotal - Minor Agencies	**7,332**	**8,716**	**(817)**	**1,221**	**0**	**0**	**404**	**9,120**

Public Employment Relations Board

The Executive Budget proposes $5 million in All Funds appropriations for the Public Employment Relations Board, which is a decrease of $636,000, or 27 percent, from SFY 2022-23 levels. This decrease is attributable to no new appropriation for modernization of the Public Employment Relations Board. This program is reappropriated at $2.5 million in the Executive Budget. The Public Employment Relations Board's workforce is estimated to be 37 FTEs, an increase of three over SFY 2022-23.

The Executive Budget proposes an increase of $500,000 for the Farm Laborers Fair Labor Act due to additional staffing needs, and collective bargaining related to salary and benefits.

Workers' Compensation Board

The Executive Budget proposes $212.4 million in All Funds appropriations for the Workers' Compensation Board, which is an increase of $6.2 million, or 3 percent, from SFY 2022-23 levels. This increase is attributable to general salary increases. The Workers' Compensation Board's workforce is estimated to remain constant at 1,081 FTEs.

Workers' Compensation Reserve

The Executive budget proposes $9.59 million in All Funds appropriations for the Workers' Compensation Reserve, unchanged from SFY 2022-23 levels. There are no FTEs associated with the Workers' Compensation Reserve.

Deferred Compensation Board

The Executive budget proposes $953,000 in All Funds appropriations for the Deferred Compensation Board (DCB), an increase of $33,000, or 3.26 percent, from SFY 2022-23 levels. This increase is caused by a general salary increase. The Deferred Compensation Board's workforce is estimated to remain constant at four FTEs.

Article VII

Annual Minimum Wage Increase (ELFA Part S): The Executive Budget proposes to increase the minimum wage to keep pace with inflation. After reaching $15 per hour, each region's minimum wage will continue to grow consistent with the year-over-year Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Northeast Region or three percent, whichever is less.

This proposal provides that on and after December 31, 2023, New York City and the counties of Nassau, Suffolk, and Westchester will have a wage of not less than the adjusted minimum wage rate established annually by the Commissioner of Labor. On and after December 23, 2023.

The remainder of the State will have its minimum wage increased consistent with the year-over-year CPI-W following the year the minimum wage rate reaches $15 per hour. This proposal also retains the wage increases for home care workers in current law, and further provides that, once home care worker wages reach $18 per hour, home care worker wages will continue to increase with the minimum wage indexing of the region when the region reaches $18 per hour.

This proposal caps annual increases at three percent and stipulates that the minimum wage will not increase for the following year in the event of particular economic conditions, including: (i) if the average rate of change of the most recent period for the northeast region CPI-W is negative; (ii) if the state's unemployment rate rises by a half-percent or more relative to its low during the previous twelve months; or (iii) if employment for New York state decreases for two quarters when comparing July employment to the preceding April and January.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal. However, the Executive estimates that this proposal would result in wage increases for between 7,000 and 8,000 public sector workers. In addition, this proposal could result in increased contracting costs for State agencies dependent on the wage structure of the employees of entities entering into public contracts.

Community Hiring and Workforce Development (ELFA Part T): The Executive Budget proposes to require New York City to establish an Office of Community Hiring and Workforce Development tasked with establishing policies to ensure that contractors and subcontractors use best efforts to hire economically disadvantaged candidates and qualified candidates from economically disadvantaged regions for projects.

The Director of the Office of Community Hiring and Workforce Development shall adopt rules requiring contractors and subcontractors to agree to make best efforts to employ qualified economically disadvantaged region candidates to perform no less than 30 percent of the cumulative hours of construction labor on transactions involving construction work. To the extent feasible, the Director shall also require that such contractors and subcontractors agree to make best efforts to employ apprentices who are qualified economically disadvantaged region candidates to perform no less than nine percent of such cumulative hours of construction labor.

The Director shall also establish a schedule of civil penalties that the director or an applicable agency may impose on a contractor due to the contractor's or subcontractor's non-compliance with obligations imposed by this proposal, not to exceed $2,500 for each non-compliance of such an obligation or each failure to correct such non-compliance. When establishing or amending a schedule of civil penalties, the Director shall take into consideration the impact the penalties would have on contractors and subcontractors that are minority and women-owned business enterprises, not-for-profit corporations, or small businesses.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal. However, there would likely be fiscal implications for the City of New York to establish an Office of Community Hiring and Workforce.

Expand Eligibility for World Trade Center Death and Disability Benefits to New York's Organized Militia (PPGG Part J): The Executive Budget proposes expanding disability pension and death benefits to members of the organized militia who were on State active duty on or after September 11, 2001, who participated in the World Trade Center site rescue, recovery, or cleanup operations, and who have been determined to have incurred a qualifying World Trade Center condition or died because of that condition. The application deadline for submitting a qualifying claim under this proposal would be September 11, 2026.

Fiscal Impact: The Executive Budget includes a $4 million appropriation to effectuate this proposal.

Expand Continuous Recruitment of a Diverse, Inclusive, and Talented Workforce (PPGG Part S): The Executive Budget proposes to allow the Department of Civil Service or municipal commissions to establish a continuing eligible list for any class of positions filled through open competitive examination. Under current law, a continuing list is only permitted where there are inadequate numbers of well-qualified candidates.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Allow the Transfer of Noncompetitive Employees Appointed Through the State's 55-B and 55-C Programs Into the Competitive Class (PPGG Part T): The Executive proposes to increase the number of positions designated under the 55-B and 55-C programs from 1,200 to 1,700 positions. The proposal also allows employees within the 55-B and 55-C programs to transfer from non-competitive-class positions to competitive-class positions if they meet all necessary requirements. Civil Service Law 55-B and 55-C encourage the hiring of people with disabilities and veterans with disabilities, respectively, but only for positions in the non-competitive class.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Extend Waiver of Retiree Income Cap for Public School Employees (PPGG Part V): The Executive Budget proposes a one-year extender of the waiver on the income cap for retirees who return to work in a school setting. This proposal will extend the waiver that is currently set to expire on June 30, 2023 to June 30, 2024.

Under current law, teachers and school workers are at risk of either losing their pension status as retired, or having their retirement allowance diminished or suspended if they return to work and earn more than $35,000. This waiver removed this income cap and allows retirees to return to work while maintaining their current retirement allowance.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Amending the Contribution Stabilization Program for State Retirement System (PPGG Part W): The Executive Budget proposes amending the Retirement and Social Security Law as it relates to employers' graded contribution rates and actuarial contributions, and provides a pathway for amortizing employers to terminate participation in the contribution stabilization program if such employer has paid in full all prior year amortization amounts, including interest as determined by the State Comptroller. An amortizing employer that has terminated participation in the contribution stabilization program may re-enter the program in a year in which the employer is eligible to amortize, and their employer contribution reserve fund has been depleted.

This bill also provides a pathway for alternative amortizing employers to terminate participation in the alternative contribution stabilization program, provided that the employer has paid in full all prior year amortization amounts including interest as determined by the State Comptroller. Any alternative amortizing employer that has terminated participation in the alternative contribution stabilization program may not re-enter the alternative contribution stabilization program, however, such employers may enter the regular contribution stabilization program.

If an employer in the contribution stabilization program or alternative contribution stabilization program terminates participation, any balance in their employer contribution reserve fund will be applied to the employer's annual bill for the following fiscal year and continue to be applied to future annual bills until the reserve fund is depleted.

The Contribution Stabilization Program is an optional program that allows employers to pay a portion of pension contributions over time with interest. The program was created to assist employers with managing pension contribution costs when rates spike.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal. However, this proposal would allow participating employers of the State retirement system to manage the costs of pension contributions.

<u>New York Health Insurance Program (NYSHIP) Interest for Premiums in Arrears</u> (PPGG Part X) : The Executive Budget proposes to, at the discretion of the President of the State Civil Service Commission, require that any corporation, district, agency, or organization electing to participate in the NYSHIP plan be required to pay interest for any late payment. The interest paid shall never be greater than the interest incurred by the health insurance plan as a result of such late payment.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

<u>Special Accidental Death Benefit</u> (PPGG Part Y) : The Executive proposes to include counties in the list of entities that pay the special accidental death benefit to families of deceased police officers; firefighters; emergency medical technicians of the New York City Health and Hospital Corporation; and uniform officers of the New York City Housing Authority, New York City Transit, New York City Department of Correction, New York City Bridge and Tunnel, and New York City Department of Sanitation, who died in the performance of their duties. This proposal also provides that, in the case of a deceased county member who died prior to the effective date of this bill, the payment of the benefit to the deceased member's beneficiaries shall commence on the effective date of this bill, provided that the benefit amount is deemed to have been subject to annual increases and escalation from the date of such member's death. The special accidental death benefit is equal to the deceased member’s salary.

Fiscal Impact: The bill would also authorize moving the appropriation of $34 million for this benefit from the Office of the State Comptroller to the General State Charges budget in the State Operations appropriation bill.

HUMAN SERVICES AND HOUSING

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Human Services and Housing Fact Sheet

Appropriations

- **Child Care Programs:** The Executive Budget proposes $1.03 billion in total funding for child care subsidies. This level of funding would provide subsidies for 113,000 newly eligible children.

- **After School Program:** The Executive proposes $83 million and consolidates the Empire State After School Program run by SED with the Advantage Afterschool Program run by OCFS.

- **Human Services Cost of Living Adjustment (COLA)**: The Executive Budget proposes $8.4 million for a 2.5 percent COLA to workers of various Office of Children and Family Services programs. The Executive also includes $3.8 million for costs associated with the minimum wage increase.

- **Hate and Bias Prevention Unit:** The Executive Budget proposes $3.5 million to establish a Hate and Bias Prevention Program within the Division of Human Rights.

- **Infrastructure Support Fund**: The Executive proposes $250 million in capital funding to support infrastructure development and improvement in localities that undertake zoning changes to increase housing production.

- **Homeowner Stabilization Fund**: The Executive proposes $50 million to finance home repairs in communities statewide that have been identified as having high levels of low-income homeowners of color and homeowner distress.

- **Planning Assistance Fund:** The Executive Budget proposes $20 million to aid localities in the implementation of rezoning and allowing for increased housing opportunities. Funds can be used for data collection and technical assistance.

- **Lead Abatement Program**: The Executive Budget proposes $20 million to support lead abatement outside the City of New York.

- **Statewide Data Collection Program**: The Executive proposes $15 million for the development and implementation of a statewide data collection system program in consultation with the office of information technology services.

- The Executive proposes a total of $5.72 million for the creation of the **Housing Review Board**, **Housing Planning Office,** and the **Office of Resilient Homes and Communities** which will assist in the implementation of the Housing Compact to create 800,000 homes in the next decade.

- **Eviction Legal Representation:** The Executive Budget transfers funding for eviction legal representation for eviction cases outside of New York City to OTDA.

- The Executive cut $35 million in funding for the **Homeowner Protection Program**, $81 million for the **Governor's Office of Storm Recovery**, and $50 million for **Land Banks**.

<u>**Article VII**</u>

Child Care Subsidies: The Executive proposal expands the income eligibility for child care subsidies from 300 percent of the Federal Poverty Level (approximately $83,250 for a family of four) to 85 percent of the State Median Income (approximately $93,200 for a family of four).

Reimbursement Structure for Residential Placement of Students: The Executive proposal makes the current reimbursement structure for the placement of children with disabilities permanent.

Juvenile Justice Services Close to Home Initiative : The Executive proposal makes the Juvenile Justice Services Close to Home Initiative, which is currently set to expire on March 31, 2023, permanent.

Access to Education and Economic Stability for Public Assistance Recipients: The Executive proposal removes the work requirements for certain recipients of public assistance and provides for a one-time earned income disregard.

Provide Reimbursement to Victims of Public Assistance Fraud : The Executive proposal establishes fraud protections for public assistance recipients who have their benefits stolen due to certain fraudulent activity.

Pass-Through Authorization of Any Federal SSA and COLA Increases: The Executive proposal raises the Personal Needs Allowance and the standard of monthly need amounts.

Promote New Housing Statewide through Local Growth Targets and Fast Track Approvals : The Executive proposal establishes new home targets for each city, town and village and provides a faster project approval process in localities that fail to implement certain land use actions that promote housing growth.

- **Encourage Transit-Oriented Development:** The Executive proposal requires downstate municipalities to increase their average housing density permitted within a one-half mile radius of any non-seasonal rail station.

- **Collect Local Zoning and Housing Production Data:** The Executive proposal requires local boards to submit information related to zoning, and the construction, rehabilitation and conversion of buildings to the Commissioner of DHCR.

- **Update Law that Enables Localities to Reclaim Certain Vacant and Abandoned Homes:** The Executive proposal expands the circumstances under which localities may consider a dwelling abandoned.

- **Create Greater Opportunities to Convert Office Space to Residential Housing**: The Executive proposal expands the types of non-residential buildings eligible for conversion to residential use in New York City.

- **Enable the City of New York to Create a Pathway to Legalize Pre-Existing Basement Dwelling Units in New York City:** The Executive proposal allows the City of New York to establish a program to address either the legalization or the conversion of basement dwelling units.

- **Authorizes New York City and the New York State Urban Development Corporation to Override the Floor Area Ratio Requirement**: The Executive proposal provides New York City and the State Urban Development Corporation with the authority to override the requirement that no residential dwelling on a lot can exceed a floor area ratio of 12.0.

- **Update Tax Abatement Incentives for Affordable Multiple Dwellings in New York City:** The Executive proposal grants the City of New York the authority to establish a tax abatement program for rehabilitation and capital improvements of dwelling units

- **Establish a Local Option Tax Incentive for Affordable Multi-Family Housing:** The Executive proposal allows municipalities outside of New York City to enact a local property tax exemption for newly constructed affordable multifamily housing.

- **Provide a Property Tax Exemption for Accessory Dwelling Units**: The Executive proposal creates an opt-in property tax exemption on the increase in value resulting from the creation of an accessory dwelling unit.

- **Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing:** The Executive proposal provides property tax exemptions for non-residential conversions to residential multiple dwellings to incentivize the inclusion of affordable housing in those conversions.

- **Authorize Mortgage Insurance Fund (MIF) Utilization:** The Executive proposal provides funding for the Rural Rental Assistance Program, Neighborhood Preservation Program, and Rural Preservation Program.

- **Extend the Project Completion Deadline for Vested Projects in Real Property Tax Law 421-a by Four Years:** The Executive proposal extends the deadline for projects vested in the 421-a tax exemption program to complete construction.

Human Services Agency Details

Human Services and Housing Agency Funds Appropriations ($ in Millions)	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Office of Children and Family Services	$4,313.1	$5,815.7	$1,502.6	$0.3
Raise the Age	$250.0	$250.0	$0.0	$0.0
Office of Temporary and Disabiltiy Assistance	$7,393.8	$8,560.9	$1,167.0	$0.2
Division of Housing and Communtiy Renewal	$5,976.1	$772.0	($5,204.1)	($0.9)
State of New York Mortgage Agency	$232.1	$283.8	$51.7	$0.2
Department of Veterans' Services	$34.8	$30.0	($4.8)	($0.1)
Division of Human Rights	$21.0	$28.9	$7.9	$0.4
Office of Welfare Inspector General	$1.3	$1.3	$0.0	$0.0
National and Community Service	$30.9	$30.9	$0.0	$0.0
Nonprofit Infrastructure Capital Investment Program	$50.0	$0.0	($50.0)	($1.0)
Total Human Services and Housing	**$18,303.1**	**$15,773.5**	**($2,529.6)**	**($0.1)**

Overview

The SFY 2023-24 Executive Budget recommends $15.8 billion in All Funds support for the agencies comprising the Human Services and Housing functional areas. This reflects a decrease of $2.5 billion or 13.8 percent from SFY 2022-23, which can be attributed to the decrease in funding of $5.2 billion for DHCR primarily attributed to the 5-year housing capital plan being moved to reappropriations. These decreases are partially offset by an increase of $1.5 billion in funding for the Office of Children and Family Services and $1.2 billion in funding to the Office of Temporary and Disability Assistance.

Office of Children and Family Services (OCFS)

The SFY 2023-24 Executive Budget includes $5.8 billion in All Funds appropriations, which reflects an increase of $1.5 billion or 34.8 percent over SFY 2022-23. This increase in funding is primarily attributed to an $1.1 billion increase for child welfare services and approximately $356 million for other OCFS initiatives.

Child Care

The Executive Budget provides $1.03 billion in All Funds support for the New York State Child Care Block Grant, which reflects an increase of $137.5 million over SFY 2022-23. This $1.03 billion investment in child care includes $451.1 million in OCFS for child care and $244 million in TANF support. This level of funding would provide 113,000 new subsidies for children in eligible families. In addition, the Executive also proposes to utilize $1.3 billion in unspent Federal Pandemic funds for child care initiatives.

The Executive proposes to expand the family income limit for child care subsidies from 300 percent of FPL (approximately $83,250 for a family of four) to 85 percent of the State Median Income (SMI) or approximately $93,200 for a family of four. The Executive has estimated that 113,000 children will become newly eligible. This proposal to increase childcare eligibility would go into effect October 1, 2023.

The Executive Budget proposes to use $389 million of unutilized funding from federal pandemic funds for the Workforce Retention Grant program. This program would provide payments to approximately 17,000 childcare providers statewide. These workforce retention grants could be used for staff recruitment, sign-on bonuses, and other expenses aimed at hiring new staff.

The Executive Budget includes $4.8 million for an Employer-Supported Childcare Pilot Program. Under this new program, participating employers along with the State and employees would split the cost of child care. This “tri-share” program would be established in three separate regions, representing urban, suburban and rural areas of the State, and serve families with incomes between 85 percent and 100 percent of the SMI.

The Executive Budget includes $1 million to create the Business Navigator Program, which would establish a program operating in each of the state’s 10 Regional Economic Development Council regions. This navigator program would assist businesses in supporting the child care needs of their employees. In addition to hiring staff, these funds would be used to develop a statewide employer child care guidebook for interested employers. Each business navigator program would be allocated $100,000.

Youth Facility Program

The Executive Budget recommends $214.7 million in All Funds support for the operation of youth facilities statewide, an increase of $18.33 million from SFY 2022-23. This level of funding includes $46.7 million in capital funding, which reflects an increase of $16 million for the renovation and maintenance of vital infrastructure throughout OCFS Youth Facilities across the state.

After School Program

The Executive Budget proposes to consolidate all after school funding into OCFS, which already administers the programs. Under this proposal, the Empire State After School program, which was previously funded at $55 million in SED, would be transferred to OCFS and consolidated with the Advantage After School program, which was previously funded at $28 million in OTDA. For SFY 2023-24, there would be no substantive changes to any of the programs, but in

SFY 2024-25, the Executive plans to officially consolidate the programs into one program to better coordinate the after school programs, capture efficiencies, and standardize the per child reimbursement rate.

Preventive and Permanency Placement Services

The Executive Budget includes $29.8 million for post-adoption and post-guardianship services (Adoption Delinking) which reflects an increase of $7 million over the SFY 2022-23. This funding would be used for both preventive and permanency placement services for foster care, adoptive and kinship families.

Foster Care/Institutions for Mental Disease (IMD) Investment

The Executive Budget includes $17 million to support foster care providers with new federal provisions that now require the State to provide funding to voluntary agencies that provide medical care to Medicaid eligible youths. These funds would enable certain foster care agencies to hire necessary medical staff and invest in additional programmatic needs.

Collective Bargaining/Minimum Wage Increases

The Executive Budget includes $8.8 million to support the negotiated salary increases for CSEA and M/C employees. The Executive Budget also includes $3.8 million to provide minimum wage increases for employees under State contracts.

Child Welfare Services

The Executive Budget includes $900 million in funding for child welfare services, which reflect an increase of $289.9 million over SFY 2022-23. This increased funding is to provide sufficient appropriation authority to ensure that NYS is able to meet the demand for reimbursements from the localities as a result of higher claims.

Eliminating the State Share of Committee on Special Education Residential Placement Costs

The Executive Budget maintains the elimination of the State share of 18.4 percent of the room and board costs associated with the placement of children with severe disabilities by the Committee on Special Education (CSE). The Executive estimates $28.6 million in savings attributable to the permanent realignment of fiscal responsibility for the CSE.

Article VII

Extend and Improve New York State's Child Care Assistance Program (ELFA PART U): The Executive proposes increasing the income eligibility limit for families seeking child care subsidies from 300 percent of the Federal Poverty Level (approximately $83,250 for a family of four) to 85 percent of the State Median Income (approximately $93,200 for a family of four). New York receives federal funding for child care assistance. The federal Child Care and Development Block Grant Act (CCDBG) authorizes the Child Care and Development Fund (CCDF) program. CCDF is used by states, including New York, to provide financial assistance for child care to eligible families. Currently, 85 percent of the state median income is the maximum income eligibility permitted under the CCDBG. The Executive anticipates that this expansion will make an additional 113,000 children eligible for child care assistance. The proposal also repeals the ability of local social services districts to establish priorities for families which will be eligible to receive funding and gives this authority to the Office of Children and Family Services (OCFS).

Fiscal Impact: The Executive provides $1.03 billion in All funds support for child care subsidies proposed under this part of the bill. The Executive also proposes to utilize $1.3 billion in Federal Pandemic dollars from prior years to fund initiatives proposed in this part of the bill.

Continue the Current Financing Structure for Residential Placements of Children with Special Needs Outside of New York (ELFA PART V): The Executive proposes making the current reimbursement structure for the placement of children with disabilities by school district permanent. This reimbursement structure has been repeatedly extended via the budget process.

Currently, local social services districts are responsible for the costs related to the residential school based placement of students. Costs for a student with a disability placed in a residential school by the student's school district are paid by the LSSD where the student resides at the time of the commencement of the school year for which aid is to be paid. Under this reimbursement structure, LSSDs are reimbursed by the student's school district at a rate of approximately 56.85 percent. Currently, costs for a student attending a state operated school for the deaf or blind are reimbursed at a rate of 50 percent.

If a school district fails to make required reimbursement payments, the Comptroller must withhold state reimbursement to that school district which is equal to the amount which is owed to the LSSD. Upon certification by OCFS and SED that payment of funds are overdue, the Comptroller shall pay the withheld and owed amount dirctly to the LSSD.

Fiscal Impact: The Executive estimates that this proposal would result in State savings of $28.6 million for SFY 2023-24

Permanently Authorize Close to Home **(ELFA PART W):** The Executive proposes language that makes the Juvenile Justice Services Close to Home Initiative permanent. The Initiative, which is currently set to expire on March 31, 2023, is intended to keep youth in New York City near their families and communities if they are placed as juvenile delinquents and have not been court ordered into secure placement.

Fiscal Impact: The Executive estimates this proposal will have a $18 million State fiscal impact for SFY 2023-24 if not enacted by the Legislature.

Homeless Veterans Housing Program

Department of Veterans' Services

The SFY 2023-24 Executive Budget provides $29.9 million in All Funds appropriations, a decrease of 4.7 million or 13.75 percent from SFY 2022-23. This decrease is attributed to the elimination of $2.62 million in legislative initiatives and $5 million for veteran's nonprofit capital programs. These decreases are offset by increases of $1.1 million for the homeless veterans housing program, $500,000 for the veterans' memorial registry, $900,000 for new Stateveterans' cemetery operations, $300,000 for the mobile veterans' benefit advisor clinics and $43,000 for union settlement agreements.

The Executive Budget provides $1.1 million to support the homeless veterans housing program. These funds would be available to support emergency and temporary housing for veterans with disabilities.

Veterans' Memorial Registry

The Executive Budget includes $500,000 to create a new searchable database of all veteran memorials throughout New York State. This database would include information on the locations of memorials and which veterans and battles the memorials are honoring.

Mobile Veterans Benefit Advisor Clinics

The Executive Budget includes $300,000 to establish a "fleet" of mobile veterans service centers. These mobile service centers would allow veterans benefit advisors to provide services to New York 's veterans, service members and military families in their communities.

State Veterans Cemetery

The Executive provides $900,000 in increased funding for the operation of the State's veterans' cemetery. This cemetery will serve as a final resting place for veterans and their families.

Division of Human Rights

The SFY 2023-24 Executive Budget provides $28.9 million in All Funds support, which is an increase of $7.9 million or 39.4 percent over SFY 2022-23. This level of funding supports 174 FTEs, an increase of four FTEs over SFY 2022-23.

The Executive Budget proposes $3.5 million for the establishment and operation of the Hate and Bias Prevention Program. This level of funding would support staffing, training, toolkits and education public awareness materials necessary in combating hate and bias acts. The Executive Budget also includes $4.3 million in increased funding to protect New York State's residents from unlawful discrimination based on their protected class.

Office of the Welfare Inspector General

The SFY 2023-24 Executive Budget recommends $1.3 million in All Funds support, which reflects an increase of $24,000 over SFY 2022-23. This increase is attributed to general salary increases. The OWIG was established to prevent, investigate and prosecute welfare fraud, waste and abuse and illegal acts involving social services programs at both the State and local levels.

National and Community Service

The SFY 2023-24 Executive Budget recommends $30.9 million in All Funds support, an increase of $19,700 or less than 0.1 percent over SFY 2022-23. This level of funding supports ten FTEs, unchanged from SFY 2022-23. The Office of National and Community Services provides support to the New York State Commission on National and Community Service, which enables the State to qualify for federal community service grants for local nonprofit agencies. These grants support programs such as providing youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Raise the Age

The SFY 2023-24 Executive Budget provides $250 million in All Funds support for the continued implementation of Raise the Age, unchanged from SFY 2022-23.

Pay for Success

The SFY 2023-24 Executive Budget proposes no new funding for the Pay for Success Contingency Reserve, which is consistent with SFY 2022-23. The Executive Budget recommends $65.2 million in All Funds reappropriation authority for SFY 2023-24. Under the Pay for Success model, program financing is provided up-front by private or philanthropic sources. Government payments are only made if the programs achieve the agreed-upon outcomes, as verified by an independent validator, and if the public sector savings exceed the costs.

Nonprofit Infrastructure Capital Investment Program

The Executive Budget does not include any new capital funding, which reflects a decrease of $50 million. The Executive Budget does include $87.6 million in capital reappropriation authority. This program provides capital grants to not for profits assist in the improvement of their organizations' physical and technological infrastructure.

The Executive Budget includes amendments to the language within the reappropriations from prior years. These amendments would streamline the eligibility and documentation requirements for the organizations, simplify the application process, and provide more discretion to Office of Mental Health, Office of Children and Family Services, Office of Temporary and Disability Assistance, and Office for People with Developmental Disabilities to enable these agencies to allow money to be disbursed at a quicker pace. In addition, the Executive amended the language in the reappropriations from SFY 15-16 and SFY 16-17 budget years. This language amendment would allow the agency to redirect undistributed funds to new projects.

Office of Temporary and Disability Assistance (OTDA)

The SFY 2023-24 Executive Budget provides $8.6 billion in All Funds appropriations, which reflects an increase of $1.2 billion or 15.8 percent from SFY 2022-23. This increase in funding is primarily attributed to $1 billion in extraordinary funding for migrant services and assistance to New York City.

Temporary Assistance for Needy Families (TANF)

Summary of SFY 2023-24 Executive Budget TANF Program				
PROGRAM	**SFY 2023 Enacted**	**SFY 2024 Executive**	**$ Change**	**% Percent**
TANF BASE TOTAL	**$1,286,482.00**	**$1,448,333.00**	**$161,851.00**	**12.58%**
Public Assistance (PA) Benefits	$1,111,946.00	$1,322,585.00	$210,639.00	18.94%
Emergency Assistance to Needy Families (EAF)	$115,585.00	$115,585.00	$0.00	0.00%
NYC EAF Share Shift (15%)	($14,904.00)	($14,904.00)	$0.00	0.00%
NYC FA Share Shift (15%)	($132,402.00)	($155,190.00)	($22,788.00)	17.21%
PA Benefits Cliff Changes	$6,257.00	$6,257.00	$0.00	100.00%
Caseload/EAF Contingency	$200,000.00	$174,000.00	($26,000.00)	-13.00%
TANF INITIATIVE TOTAL	**$1,323,175.00**	**$1,276,500.00**	**($46,675.00)**	**-3.53%**
ACCESS - Welfare to Careers	$800.00		($800.00)	-100.00%
Advanced Technology Training (ATTAIN)	$4,000.00		($4,000.00)	-100.00%
Advantage After Schools	$33,041.00		($33,041.00)	-100.00%
Career Pathways	$1,425.00		($1,425.00)	-100.00%
Centro of Oneida	$25.00		($25.00)	-100.00%
Child Care CUNY	$141.00		($141.00)	-100.00%
Child Care Demonstration Projects	$8,488.00		($8,488.00)	-100.00%
Child Care Subsidies	$260,076.00	$244,400.00	($15,676.00)	-6.03%
Child Care SUNY	$193.00		($193.00)	-100.00%
Flexible Fund for Family Services	$964,000.00	$964,000.00	$0.00	0.00%
Non-Residential Domestic Violence Screening	$3,000.00	$3,000.00	$0.00	0.00%
Additional Non-Residential Domestic Violence Screening	$200.00		($200.00)	-100.00%
Jewish Child Care Association	$200.00		($200.00)	-100.00%
Preventive Services	$785.00		($785.00)	-100.00%
Rochester-Genesee Regional Transportation Authority	$82.00		($82.00)	-100.00%
Summer Youth Employment	$46,100.00	$47,100.00	$1,000.00	2.17%
Youth Opportunites Program	$0.00	$18,000.00	$18,000.00	100.00%
Wage Subsidy Program	$475.00		($475.00)	-100.00%
Wheels for Work	$144.00		($144.00)	-100.00%
TOTAL TANF COMMITMENT	**$2,609,657.00**	**$2,724,833.00**	**$115,176.00**	**4.41%**

The Executive Budget includes approximately $2.7 billion in support for TANF, an increase of $115.2 million over SFY 2022-23. This increase includes $210.6 million to account for the projected 5.3 percent increase in the public assistance caseload. The Executive includes $18 million in funding for the new Youth Opportunity Program. These increases are offset by decreases in funding of $46.7 million to various TANF initiatives traditionally supported by the Legislature.

Public Assistance

The SFY 2023-24 Executive Budget projects total gross costs of $3.2 billion for a public assistance caseload of 558,000. This represents a year-to-year increase of 27,581 recipients or 5.2 percent. Safety Net spending is projected at $1.86 billion, a decrease of $75.7 million or 3.9 percent. The Executive anticipates federal TANF spending at $1.32 billion for a caseload of 209,148 families, an increase of 28,730 families.

Migrant Services and Assistance

The Executive Budget includes over $1 billion for Migrant Services and Assistance, including $320 million funded in other agencies. Of these funds, $741 million would be used to provide New York City with 29 percent reimbursement for supportive services and assistance. The Executive also provides $26 million for Public Assistance (Safety Net) to eligible individuals; $25 million for the resettlement program; $162 million for the National Guard; $137 million for health care expenses; $10 million for legal services; $6 million for changes to the cruise terminals; and $5 million for a new enhanced refugee resettlement program.

Code Blue

The Executive Budget includes $20 million, which reflects an increase of $7 million over SFY 2022-23. This program provides funding to localities to provide shelter for the protection of homeless individuals during periods of extreme cold weather.

Employment Opportunities for Youth

The Executive Budget proposes $18 million to establish a year round part-time employment opportunities for low-income youths. The funds would be targeted to regions outside of NYC that receive funding through the Gun Involved Violence Elimination (GIVE) initiative. When fully annualized the cost to the State would be $37 million and serve approximately 2,500 youths.

Migrant Resettlement Program

The Executive Budget proposes $5 million to establish a new migrant resettlement program that would provide funding to not for profits to provide supportive services to migrant populations.

Article VII

Increase Access to Education and Economic Stability for Public Assistance Recipients (ELFA Part X): The Executive Budget proposes removing the work requirements for recipients of public assistance who are enrolled in post-secondary education or vocational training, and provides for a one-time earned income disregard.

Currently, public assistance recipients who are eligible for education or training may indicate their preference during the public assistance assessment process, to enroll in an educational program, training, or vocational rehabilitation program which would enhance their ability to obtain and maintain employment. The Office of Temporary and Disability Assistance (OTDA) must offer recipients the opportunity to enroll in an approved program. An educational, training, or vocational rehabilitation program may qualify as work activities for the purpose of fulfilling the federal work requirements associated with receiving public assistance. However, any enrollment in post-secondary education that extends beyond 12 months is required to be combined with an additional 20 hours of weekly paid employment or community service.

The Executive's proposal removes the weekly 20 hour employment or community service requirement; however, the proposal requires that an individual's participation in an educational or vocational program is dependent upon both that individual's assessment and employability plan and that the individual's participation does not jeopardize compliance with federal work participation rates. The federal government provides funding via the Temporary Assistance for Needy Families (TANF) block grant and the federal government sets work participation rate requirements. Any state that does not meet the work participation rates risk having federal funding reduced.

The Executive's proposal also amends the calculation of public assistance eligibility by allowing for a disregard of all income that a recipient earns from a qualifying work activity or training program, as long as the recipients' total income is not more than 200 percent of the Federal Poverty Level (FPL) as determined by the federal Department of Health and Human Services ($29,160 for a single individual). Qualifying work activity or training programs are determined by local social services districts and OTDA and include publicly-funded workforce programs under the Federal Workforce Innovation and Opportunity Act.

Additionally, the Executive's proposal allows a one-time income disregard of all earned income for no more than six consecutive months following job entry and starting from the initial date of employment. This income disregard may only happen for the recipient once in their lifetime and the recipient may not have total income totaling more than 200 percent of the FPL. This disregard will allow individuals entering the workforce to continue to receive public benefits and earned income for up to six months.

Fiscal Impact: The Executive estimates no State fiscal impact for this proposal in SFY 2023-24. When fully implemented in SFY 2024-25, the Executive estimates $14.8 million in fiscal impact, with $9.6 million from the TANF funds and $5.2 million from the General fund.

Provide Reimbursement to Victims of Public Assistance Fraud (ELFA Part Y): The Executive Budget proposes the establishment of fraud protections for public assistance recipients who have their benefits stolen due to certain fraudulent activity. Fraudulent activity includes, but is not limited to, public assistance stolen due to card skimming, cloning, third-party misrepresentation. The Office of Temporary and Disability Assistance (OTDA) is tasked with establishing guidance on what would qualify as an additional qualifying fraudulent activity.

OTDA must establish the protocol for recipients to report incidents of stolen public assistance. Local social service districts must replace stolen public assistance no later than five business days after the LSSD has verified the claim, in accordance with protocols which will be established by OTDA.

Once public assistance has been verified as stolen, the replacement amount must be the lesser of either the amount of public assistance that was stolen or the amount of public assistance provided during the two most recent months prior to the theft. Funds may only be replaced twice in a federal fiscal year for funds stolen on or after October 1, 2022 through September 30, 2024, and may only be replaced once in a federal fiscal year for funds stolen after October 1, 2024. Where a recipient has had funds stolen before the proposal was enacted and the funds were stolen within the statutory periods, the recipient may recover those funds retroactively.

Replacement funds are exempt from recoupment and recovery provisions currently available to local districts, unless there is a later determination that the public assistance funds were not stolen as a result of fraudulent activity.

Fiscal Impact: The Executive estimates that this proposal will have a $150,000 fiscal impact to the State.

Pass-Through Authorization of Any Federal SSA and COLA Increases (ELFA Part Z): The Executive Budget proposes to raise the Personal Needs Allowance (PNA) and the standard of monthly need for determining eligibility for public assistance and the number of additional state payments. This is an annual budgetary occurrence. The Personal Needs Allowance is a monthly allowance that Medicaid recipients are allowed to keep for personal needs such as clothing and incidentals. The standard monthly need is a cost determination of an individual's standard monthly recurring needs.

This proposal raises monthly the PNA limit for individuals receiving care as follows:

- Family care is increased by $14 ($161 to $175)
- Residential care is increased by $16 ($186 to $202)

- Enhanced residential care is increased by $19 ($222 to $241)

The proposal raises standard monthly need by $73 for single individuals as follows:
- Individuals living alone ($928 to $1,001)
- Individuals living with others with or without in-kind income ($864 to $937)
- Individuals receiving family care in New York State, not including New York City, or Nassau, Suffolk,Westchester, or Rockland Counties ($1,069 to $1,142)
- Individuals receiving family care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties ($1,107 to $1,180)
- Individuals receiving residential care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties ($1,246 to $1,319)
- Individuals receiving residential care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties ($1,276 to $1,349)
- Individuals receiving enhanced residential care ($1,535 to $1,608)

The proposal raises the standard monthly need by $110 for couples as follows:
- Couples living alone ($1,365 to $1,475)
- Couples living with others with or without in-kind income ($1,307 to $1,417)

The proposal raises the standard monthly need for couples by $146 as follows:
- Couples receiving family care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties ($2,138 to $2,284)
- Couples receiving family care in New York City, or Nassau, Suffolk, Westchester, or Rockland Counties ($2,214 to $2,360)
- Couples receiving residential care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties ($2,492 to $2,638)
- Couples receiving residential care in New York City, or Nassau, Suffolk, Westchester, or Rockland Counties ($2,552to $2,698)
- Couples receiving enhanced residential care ($3,070 to $3,216)

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Housing Agency Details

Division of Housing and Community Renewal

The Executive Budget proposes $772.02 million in All Funds appropriations for the Division of Housing and Community Renewal (DHCR) for SFY 2023-24, a decrease of $5.2 billion, or 87 percent from SFY 2022-23 levels. This decrease is primarily attributable to the $4.5 billion appropriation for the five-year Housing Program in the SFY 2022-23 Enacted Budget becoming a reappropriation in the SFY 2023-24 budget. In addition, the Executive Budget proposes to cut the following items:

- The Executive Budget proposal cuts $35 million in funding for the Homeowner Protection Program, reduced funding for the Governor's Office of Storm Recovery by $81 million, and eliminated $50 million for Land Banks.
- The Executive Budget proposal transfers $35 million for legal services and representation in eviction cases outside of New York City to OTDA.
- The Executive Budget proposal excludes capital funding of $400 million for the Public Housing Assistance Program for capital improvements to the New York City Housing Authority ($350 million) and for Public Housing Authorities outside of the City of New York ($50 million), $100 million for the Mitchell Lama Preservation and Homeownership Program, and $100 for the Housing Our Neighbors with Dignity Act (HONDA).
- The Executive Budget proposal decreases Low Income Weatherization Grants by $250 million due to the expiration of federal assistance.

These decreases are partially offset by:

- A $250 million capital appropriation for the new Infrastructure Support Fund to support infrastructure development and improvement in localities that undertake zoning changes to increase housing production.
- A $50 million appropriation for the new Homeowner Stabilization Fund which will help finance home repairs in communities Statewide that have been identified as having high levels of low-income homeowners of color and homeowner distress.
- A $20 million appropriation for the new Planning Assistance Fund which would aid localities in the implementation of rezoning and allow for increased housing opportunities. Funds can also be used for data collection and technical assistance.
- A $20 million appropriation for the new Lead Abatement Program which would support lead abatement outside the City of New York.
- A $15 million appropriation for the development and implementation of a statewide data collection system program in consultation with the Office of Information Technology Services to collect information on permits, zoning maps, and zoning requirements for localities.

- The Executive proposes a total of $5.72 million for the creation of the Housing Review Board, Housing Planning Office, and the Office of Resilient Homes and Communities which will assist in the implementation of the Housing Compact to create 800,000 homes in the next decade.

The Executive Budget also appropriates $6.08 million for the Tenant Protection Unit (TPU) and recommends a staffing level of 671 FTEs for DHCR, which is an increase of 46 FTEs from SFY 2022-23 levels. This represents an increase of $579,000, $402,000 of which is intended to open six new Tenant Protection Unit offices in areas outside of the City of New York.

State of New York Mortgage Agency

The Executive Budget proposes $283.82 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing an increase of $51.71 million or 22 percent from SFY 2022-23 levels. The increase is related to the Mortgage Insurance Fund Reimbursement Program. There are no FTEs associated with SONYMA.

Article VII

Promote New Housing Statewide through Local Growth Targets and Fast Track Approvals (ELFA Part F): The Executive Budget proposes establishing housing growth targets in all New York cities, towns, and villages, with New York City's targets set at the community district level. These targets will be based on the percentage growth as shown by housing permits issued during three-year cycles beginning January 2024. New York City, as well as localities in Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, and Dutchess counties will have a required three percent housing growth target every three years, and the rest of the State would have a one percent growth target over the same period. While each market rate home permitted counts as a single unit toward these targets, affordable and supportive units count as two units, and newly permitted homes developed at sites which had previously been abandoned as specified by Article 19-A of the Real Property Actions and Proceedings law count as 1.5 units. Under this proposal, the Division of Housing and Community Renewal (HCR) has the authority to promulgate regulations, rules, and policies related to land use by cities, towns, and villages, including issuing orders and administering funding and grants to localities to assist with land use planning.

Municipalities that meet their growth targets are considered to be in "safe harbor" and do not need to take any further action. Those municipalities that do not meet their targets may be subject to a proposed fast-track approval process for new housing in the next three-year cycle. Municipalities that do not meet their housing targets in the first three years can avoid the fast-track process and choose two of five preferred land use actions. Municipalities that choose two of the land use actions are considered to be in "safe harbor" and are not subject to the fast-track approval process. These actions will be exempted from State and local environmental review, but would still require projects to obtain all necessary State and federal permits.

The five preferred land use actions include:

- Enacting a local law permitting at least one accessory dwelling unit (ADU) per lot on the same lot as a primary dwelling unit in areas designated by the locality. ADUs may be rented separately from the primary residential dwelling unit, but cannot be sold separately from the primary unit and cannot be rented for fewer than 30 days. Localities are limited in imposing restrictions on the size, parking requirements, or other requirements that are not necessary to protect the health and safety of occupants.
- Enacting a local law to facilitate the creation of lot splits, or the division of a single lot into no more than two lots in an area where single-family residential use is permitted. Lot splits cannot require the demolition of rent-regulated housing or those on the state registry of historic places. Localities must approve lot splits ministerially without discretionary review and cannot impose land use standards that preclude the construction of units on each of the resulting lots. Localities must require that rentals created be rented for a term longer than 30 days but cannot impose owner occupancy requirements for newly-created units. Localities can require off-street parking in some circumstances.
- Enacting a local law removing certain restrictive zoning provisions. These provisions include minimum lot size requirements for mixed-use or residential uses, height limits that restrict the ability to build multifamily buildings, lot coverage restrictions that restrict the development of multifamily buildings, and parking minimums that exceed one parking space per residential dwelling unit. For dwelling units less than one half mile from public transportation, no parking minimums may be imposed.
- Enacting a local law amending land use requirements to permit the construction of residential housing with an aggregate density of at least 25 dwelling units per acre over area that has been previously disturbed, provided that the land be equal to one-third of the previously disturbed land mass of the locality. These amended land use requirements must permit commercial uses on a reasonable percentage of lots impacted. Project-specific review of any project that provides residential housing and complies with a locality's land use requirements must be approved or denied within 120 days of application and is limited to consideration of local water and sewer capacity, utility capacity, and aesthetics.
- Enacting a local law to facilitate adaptive reuse rezonings by amending local zoning to permit the construction and occupancy of residential housing with an aggregate density of at least 25 dwelling units per acre in an area of no less than 100 acres that prior to the amendment only permitted commercial use. These amended land use requirements must permit commercial uses on a reasonable percentage of lots impacted. Any project that provides residential housing and complies with municipal land use requirements can be built as-of-right. Any project-specific review must be approved or denied within 120

days of application and is limited to consideration of local water and sewer capacity, utility capacity, and aesthetics.

Localities that neither meet their growth targets nor take two preferred actions during a three-year cycle are not in safe harbor and are subject to a fast-track process beginning January 1, 2027. Localities not in safe harbor may not reject projects proposed on previously developed land that meet the proposal's affordability criteria– at least 20 percent of the dwelling units affordable to households at or below 50 percent Area Median Income (AMI) or supportive dwelling units or at least 25 percent of the dwelling units restricted to households at or below 80 percent AMI or supportive units– and unit count due to non-compliance with existing land use requirements. In those cases, localities can only weigh infrastructure and aesthetic concerns when choosing whether to approve or to deny a project, and must approve a project within 180 days. However, despite these provisions, localities will still be able to reject projects at this stage.

The proposal creates a Housing Review Board within HCR to review appeals of qualifying projects rejected by localities during the fast-track approval process, and also establishes a process to designate land use judges of the Supreme Court to hear appeals. Beginning January 1, 2027, if a project is rejected by the locality during the fast-track process, the aggrieved party may appeal the decision to the Housing Review Board or to one of the designated land use judges. However, there can only be one appeal per qualifying project.

Fiscal Impact: The Executive does not attach a specific fiscal to this proposal. However, the newly proposed Infrastructure Support Fund provides $250 million in capital appropriation to support infrastructure development and improvement in localities that undertake zoning changes to increase housing production. In addition, the Executive Budget proposes a $20 million appropriation for the new Planning Assistance Fund which would aid localities in the implementation of rezoning and allow for increased housing opportunities.

Encourage Transit-Oriented Housing Development (TOD) (ELFA Part G): The Executive proposes requiring cities, towns, and villages to amend their zoning to increase the average housing density within one half mile of any non-seasonal rail station within the State that is operated or otherwise served by Metro North Railroad, the Long Island Rail Road, the Port Authority of New York and New Jersey, the New Jersey Transit Corporation, the New York City Transit Authority, or the Metropolitan Transportation Authority, within three years.

The zoned capacity requirements are tiered based on proximity to New York City as follows:

Tier 1 applies to cities, towns, or villages within the borders of or within 15 miles of New York City and requires municipalities to permit an average of 50 dwelling units per acre

- Tier 2 applies to cities, towns, or villages 15-30 miles from New York City and requires municipalities to permit average of 30 dwelling units per acre
- Tier 3 applies to cities, towns, or villages 30-50 miles from New York City and requires municipalities to permit average of 20 dwelling units per acre
- Tier 4 applies to cities, towns, or villages more than 50 miles from New York City and requires municipalities to permit average of 15 dwelling units per acre

Cities, towns, and villages have discretion to choose where within the half-mile radius to rezone and how to do so in order to meet their average requirements. Certain non-buildable lands such as bodies of water, protected forests, mapped and dedicated parks, areas in the 100-year flood plain, registered historic sites, cemeteries, and highways would not be included in an average density calculation. The proposal exempts local rezoning actions from state and local environmental review. Within this half mile radius, any project-specific review must be approved or denied within 120 days of application and is limited to consideration of local water and sewer capacity, utility capacity, and aesthetics.

In the event municipalities fail to amend their zoning to permit the required transit-oriented development, parties - including developers - are permitted to bring an action against the municipality if they believe a TOD project was unfairly denied, either because of a local agency's denial or because the locality did not properly amend their zoning. The Office of the Attorney General will also have the authority to take action to compel compliance.

Fiscal Impact: There is no direct cost to the State. The new $250 million Infrastructure Support Fund could be used to support this proposal.

Collect Local Zoning and Housing Production Data (ELFA Part H): The Executive Budget proposes requiring that the Division of Housing and Community Renewal (HCR) mandate local boards that have supervision over the construction of buildings, or the power to enforce municipal buildings laws, to submit certain information related to municipal zoning, conversion, rehabilitation and construction to HCR, annually.

Localities must submit the following to HCR:
- The addresses of housing sites undergoing new construction, conversion, alterations demolitions or consolidation of housing sites
- The block and/or lot number of the site
- The building type
- Any relevant dates of approval, permits and completions
- Any associated government subsidies or program funding that is allocated to the housing site, to the best knowledge of the local board
- Any further specific details deemed relevant the process going on at the site

- Any permits requested to build dwelling units, and the status of those requests as of the date of the report
- The total number of dwelling units within the jurisdiction of the local board as of the date of the report

The Commissioner of HCR is also required to instruct each local board to submit a digital file containing at least one zoning map covering the local board's jurisdiction by January 31 of the year that succeeds the effective date of this proposal.

The map(s) must include:
- The geographic extent of the areas where residential housing, commercial, industrial or other developments are allowed and where they are not
- Where residential buildings containing two or more dwelling units are allowed
- Any minimum size requirements for residential buildings and individual dwelling units
- Any parking requirements for residential buildings
- Any setback or lot coverage requirements for residential buildings
- designation of whether each zoning approval granted by the local board is as-of-right and which are discretionary
- The geographic bounds of any areas which have been changed since any previous map was submitted
- Any floor area ratio restrictions for residential buildings
- Reasons for not permitting residential developments in relevant areas where that is the case
- Any other information considered relevant by the Commissioner of HCR

At the Commissioner's discretion, the information collected under this proposal may be made publicly available on HCR's website.

Fiscal Impact: The Executive does not attach a specific fiscal to this proposal. However, the newly proposed Statewide Data Collection Program provides $15 million for the development and implementation of a statewide data collection system program in consultation with the Office of Information Technology Services to collect information on permits, zoning maps, and zoning requirements for all localities.

Enabling Localities to Reclaim Certain Vacant and Abandoned Homes **(ELFA Part I):** The Executive Budget proposes expanding the circumstances under which localities may consider a dwelling abandoned. Currently, there is a two-factor determination required to find a property vacant:

- The property must be found to not be sealed or continuously guarded
- A vacant order has been issued by the locality prohibits occupancy of the dwelling or the tax on the property has been due and unpaid for at least one year.

The Executive Budget proposes clarifying that if admission into the property can be achieved without damaging any portion of the property, then the property will be considered being found unsealed and not continuously guarded.

The proposal also adds that a finding that a property has had zoning, building, or property maintenance code violations would attribute to a finding that the property is abandoned. The violation must have the potential to injure, endanger, or unreasonably annoy the health and safety of others and must have been continuously outstanding and not remedied for at least one year from the date of the original notice of the violation.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Create Opportunities to Convert Office Spaces to Residential Housing (ELFA Part J): The Executive proposes to expand the types of commercial buildings eligible for whole or partial residential conversion in New York City to those which were occupied for loft, commercial, institutional, public, community facility, or manufacturing uses prior to December 31, 1990. These conversions could begin immediately and would be permitted until December 31, 2030, after which point they would be permitted if they are allowed under the City's zoning resolution. Conversions must comply with occupancy standards specified under the Multiple Dwelling Law, though conversions would not be required to include joint live-work quarters for artists and would not be subject to the existing floor area ratio (FAR) cap for residential buildings.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Create a Pathway to Legalize Pre-Existing Basement Dwelling Units in New York City (ELFA Part K): The Executive Budget proposes allowing the City of New York to establish a program to address either the legalization of specified inhabited basement dwelling units or the conversion of other specified basement dwelling units in existence prior to the effective date of this proposal. The program must not be subject to environmental review.

The program may grant owners who convert inhabited basement dwelling units amnesty from any civil or administrative liability, citation, fines, penalties, judgments, or prosecution for civil violations, and relief from any outstanding civil judgments issued in connection to violations of any law or zoning resolution that prohibits the conversion. All applications for conversions of basement dwellings must be filed within five years of the effective date of the proposal.

The proposal allows the City of New York to waive any provision within the proposal, New York City law, regulation, or rule in order to facilitate the changes necessary for the conversion of basement dwelling units into lawful dwelling units. However, amendments to the zoning resolution that may be necessary to enact the legalization program must be subject to a public hearing and approved by the Planning Commission and the City Council. The established programs must require that an application to make alterations to legalize an inhabited basement dwelling be accompanied by a certification indicating whether that unit was rented to a tenant. This certification may not be a basis to bring enforcement action against anyone for illegal occupancy of the unit, except for cases where an order to vacate is issued due to hazardous and unsafe conditions.

Tenants who occupy the basement dwelling as of the date of enactment of the program permitting conversion who were evicted, or otherwise removed, from their dwelling unit as a result of alterations necessary to bring the basement dwelling into compliance must be granted the right of first refusal, which will grant the tenant the right to return to the unit as its first lawful occupant. The City must establish terms that will specify how to determine priority when multiple tenants claim a right to first refusal. Any tenant unlawfully denied a right of first refusal will have a cause of action for damages or relief up to the annual rental charge of the unit.

The proposal requires that the current limitation on the maximum amount of loans or grants from a municipality to low and moderate income owners of one to four unit dwellings must not apply to any loan intended to be used for the rehabilitation of basement dwelling units, so long as the owner has also sought a permit. The proposal further allows for loans for basement conversions to be made to owners who have sought permits, without the current requirement that there be a finding of deterioration of the property and dangers to the health and safety of the surrounding area.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Authorizes New York City and the Urban Development Corporation to Override the Floor Area Ratio Requirement (ELFA L): The Executive proposes to provide New York City, and in some cases the Urban Development Corporation, with the authority to override the existing 12.0 floor area ratio requirement. Currently, any newly permitted dwellings within New York City are capped at a maximum floor area of 12.0, limiting the size of residential buildings to 12 times the size of the lot on which they're built. This proposal will allow the City to limit its own residential floor area ratio through amendments to its zoning laws and allow the State's UDC to do so as provided in a general project plan, after consultation with local officials. This proposal neither amends existing zoning nor changes the City's existing land use review process for approving zoning changes.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Update Tax Abatement Incentives for Affordable Multiple Dwellings in New York City (ELFA Part M): The Executive Budget proposes granting the City of New York the authority to establish a tax abatement program for rehabilitation and capital improvements of dwelling units. New York City will have the ability to adopt this authority until June 30, 2025. Eligible properties under the program must complete their improvement projects between June 29, 2022 and June 30, 2026 to be eligible for the abatement. This is a replacement program for the J-51 program which expired June 30, 2022.

The tax abatement cannot exceed 70 percent of the certified reasonable cost of the eligible construction, to be determined by the local rules and regulations of New York City. The annual abatement of real property taxes of the building cannot be more than eight and one-third percent of the total certified reasonable cost of the eligible construction. The annual tax abatement for the real property tax within any consecutive 12 month period may not exceed the amount of real property taxes payable within that period. For eligible rental buildings owned by limited-profit housing companies or redevelopment companies, eligible homeownership buildings and eligible regulated homeownership buildings, the annual abatement may not exceed 50 percent of the payable property taxes amount. The tax abatement may not be more than 20 years in duration. Benefits are not allowed for any eligible property receiving a tax exemption or abatement concurrently for rehabilitation or new construction. Any non-residential portions of an eligible project, including commercial use and any land portion, will continue to be taxed as assessed. Homeownership projects must have an average assessed valuation of no more than $45,000 or must be owned by a mutual company or mutual redevelopment company to qualify for benefits.

The established tax abatement program must require that applications for a certificate of eligibility and reasonable cost be made either no later than four months after the enactment of this proposal or four months from the construction completion date. Application to the program must carry a minimum non-refundable fee of $1,000. An additional $75 will be added for each dwelling unit beyond six units.

Applications that are missing information and documentation required at the initial filing must be denied. After denial, a new application for the same eligible construction may be sought, provided a new non-refundable filing fee is paid and it has been 15 days since the denial. However, if the second application is also missing information and documentation, the application must be denied and no further applications for that eligible construction may be permitted.

In addition to the application for eligibility, the New York City Department of Housing Preservation and Development (HPD) is tasked with creating checklists of requested information and documentation necessary to assess the eligibility of an applicant. Failure of an applicant to respond to any checklists provided by HPD within 30 days must result in a denial and no further applications for the same eligible construction may be permitted. HPD may only issue up to three checklists per application. If after the third checklist, HPD finds it still does not have a sufficient basis to issue a certificate of eligibility and reasonable cost, then the application must be denied. No further applications for the denied eligible building may be accepted.

HPD will require an affidavit of no harassment. The affidavit must include the name of every owner of record and owner of substantial interest in the building or any entity that owns the building or is sponsoring its construction. There must be a statement that none of those individuals or entities has been found to have harassed or unlawfully evicted a tenant in any state within five years prior to the completion date of the eligible building seeking the tax abatement. The lookback period starts from the completion date as affirmed in the application to receive the tax abatement. Any failure to submit this affidavit or misrepresent facts in the affidavit will result in denial. A finding that the relevant owner or entity has previously harassed tenants will result in denial.

Any rent regulated unit, and any rental unit marked as an affordable rental, within a building deemed eligible for the tax abatement must be subject to rent regulation until that unit becomes vacant after the expiration of the restriction period. The restriction period is the period of time the eligible property must adhere to the rules and regulations of the program. The restriction period is 15 years from the initial receipt of the abatement benefit under this program and any additional time imposed. Limited-profit housing companies are exempt from this requirement.

At least 50 percent of the dwelling units in eligible rental buildings must be designated affordable rental units. HPD is given the discretion to establish the rules and regulations for designating affordable rental units, including designating the unit mix and distribution requirements. The owner of an eligible rental building must ensure that no affordable rental units are held off the market for longer than reasonably necessary. Further, the owner of the eligible property must waive the collection of any major capital improvement rent increases granted to them. The rental property may not be rented on a temporary, transient or short-term basis, with every lease mandated to be one to two year long terms. This does not apply to rental buildings that receive substantial governmental assistance. Substantial government interest means that the building receives grants, loans, or subsidies from any federal, state or local government agency to further the development of affordable housing , provided that the assistance is accompanied by a regulatory agreement entered into with such agency and is effective as of the filing date of the application for certification.

The established program must provide a private right of action for any prospective, present or former tenant of an eligible building to sue to enforce the requirements and prohibitions of the program and this proposal.

Non-compliance may result in an extended restriction period, an increased number of mandated affordable units, a penalty or termination of benefits, as determined by HPD. In addition HPD may choose to appoint a receiver whose task it will be to enforce compliance. The recipient of benefits appointed with a receiver is responsible for any expenditure incurred by the receiver to effect compliance and will be a debt of the owner and a lien on the property.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Establish a Local Option Tax Incentive for Affordable Multi-Family Housing (ELFA N): The Executive proposes establishing the option for cities, towns, and villages outside of New York City to opt in to a housing tax exemption for new construction. Under this proposal, newly-constructed buildings with 20 units or more, where at least 20 percent of units are affordable, will be exempted from property taxes during the construction period of no more than three years, and then for a period of 25 years. Affordability is defined as households whose income does not exceed 80 percent of area median income (AMI ($106,720 for a family of four in 2022 at occupancy for the initial rental and 100 percent of AMI for subsequent leases at occupancy. Affordability requirements expire after the benefit period elapses. Tenants who are residing in affordable units at the time the benefit period expires will retain the right to lease renewals at the income-restricted level until they vacate the residential unit.

After construction, the size of the exemption will phase out by 4 percent each year for the next 25 years. For mixed-use buildings to qualify for the exemption, at least 50 percent of the square footage of the development must be residential, and all of the units will need to be affordable to households whose income does not exceed 80 percent of AMI at occupancy for the initial rental and 100 percent of AMI for subsequent leases at occupancy for the benefit period. To be eligible, the construction would have to take place on vacant, predominantly vacant, or underutilized land, on land that has a non-conforming use, or on land with dwellings that are substandard, structurally unsound, or deemed unsanitary by a local health agency. Eligible projects will not be able to receive another exemption concurrently for the same improvements. Under the proposal, municipalities may designate areas within their jurisdictions in which the exemption would apply.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

<u>Provide a Property Tax Exemption for Accessory Dwelling Units (ELFA Part O):</u> The Executive proposes a tax exemption on the increase in value of a property resulting from the addition of an accessory dwelling unit (ADU). This proposal would allow counties, cities, towns, villages, or school districts to opt in to allowing one- and two-family owners to receive a partial or full exemption from taxation on the increased in assessed value that is generated by ADU creation. School districts in cities with 125,000 inhabitants or more are excluded from this opt-in.

For an ADU to qualify, the residential building must be reconstructed, altered, improved, or newly constructed to create one or more additional residential dwelling units on the same parcel as the pre-existing residential building to create independent living facilities for one or more persons. The proposal includes a ten year exemption, with the first five years providing an exemption of 100 percent of the increase in assessed value. For the next three years, the exemption will decrease by 25 percent per year of the increase in assessed value each year, and the final two years the exemption will decrease by an additional ten percent per year of the increase in assessed value each year. The proposal caps the exemption at $200,000 in increased market value and would only be for improvements that are valued at more than $3,000 and are not for ordinary maintenance and repairs. Localities that opt in to the tax exemption program may offer a lower percentage exemption or limit eligibility for the exemption, but they may not repeal the exemption until the expiration of the exemption period. Exemptions shall be granted only by application by the building owner to the assessor of the city, town, village, or county assessing the property for taxation.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

<u>Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing</u> (ELFA P): The Executive proposes a tax incentive program for commercial, manufacturing, and other non-residential conversions to affordable housing in New York City called the Affordable Housing from Commercial Conversions Tax Incentive (AHCC). To be eligible, buildings must have 90 percent or greater non-residential floor area, create six or more residential rental units, not be a hotel, and must not receive any other abatement of or exemption from real property taxation. Conversions must commence between December 31, 2022 and December 31, 2032 and must be completed by December 31, 2038.

At least 20 percent of the units must be affordable, and the weighted average of affordable units cannot exceed 70 percent of Area Median Income (AMI) at occupancy (currently $93,380 for a family of four). At least five percent of the units must be affordable to households whose income is no greater than 40 percent of AMI (currently $53,360 for a family of four) at occupancy. There may be no more than three income bands for all affordable units, and no income band can exceed 100 percent of AMI. The proposal requires that affordable housing units be rent-stabilized during the tax exemption period, both on the initial rental and any subsequent rentals. Affordable units cannot be isolated on a single floor or area, common entrances must be shared by any resident of the multiple dwelling, and the affordable unit mix must be proportional to the rental market units or have at least 50 percent two or more bedroom units and no more than 25 percent less than one bedroom units. Affordable housing units may only be rented for a lease and renewal period of one to two years. Affordable housing units shall not be converted to cooperative or condominium ownership.

Following completion of construction, properties in Manhattan south of 96th Street will receive a 50 percent exemption for 15 years, and properties outside of this area will receive a 35 percent exemption over 15 years. After the initial 15 year period, properties in Manhattan south of 96th Street will receive an exemption ten percent less than the prior year each year for a period of four years (a total decrease of 40 percent over four years), and properties outside of this area will receive an exemption seven percent less than the prior year each year over the same period (a total of 28 percent over four years). If the aggregate floor area of non-residential space exceeds 12 percent of the building's aggregate floor area, the program benefits shall be reduced by a percentage equal to such excess. If an eligible multiple dwelling contains multiple tax lots, program benefits would first be apportioned pro rata among any non-residential tax lots, after which benefits would apply pro rata to the remaining tax lots. Workers in recipient buildings with more than 30 units must receive prevailing wage during the benefit period, unless the building is converted with substantial assistance of government loans, subsidies, or grants.

The New York City Department of Finance will determine the amount of the exemption and apply the exemption to the assessed value of the eligible multiple dwellings. The Department of Housing Preservation and Development (HPD) will ensure compliance with the AHCC program.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Authorizes the Utilization of Excess Funds in the Mortgage Insurance Fund (MIF) (ELFA Part Q): The Mortgage Insurance Fund, which is maintained by SONYMA, provides insurance on mortgage loans across the State to encourage public and private investment. Current law requires any excess MIF funds to be returned to the State. In past years, MIF funds were utilized for community development and other programs. The Mortgage Insurance Fund is currently projected to have $90.7 million available for the upcoming fiscal year, consisting of (i) excess revenues through fiscal year 2023 and (ii) reserves that can be accessed without negatively impacting the MIF's credit rating.

These funds would be used to support the following programs:

- **Rural Rental Assistance Program (RRAP):** The Executive proposes funding RRAP at $21.7 million in SFY 2023-24 through MIF reserves rather than through DHCR. This amount is a slight increase from SFY 2022-23.

- **Neighborhood Preservation Program (NPP):** The Executive proposes funding the Neighborhood Preservation Program at $12.8 million in SFY 2023-24, which is a slight decrease from SFY 2022-23.
- **Rural Preservation Program (RPP):** The Executive proposes funding the Rural Preservation Program at $5.36 million in SFY 2023-24, which is a slight decrease from SFY 2022-23.
- **Homeless Housing Programs**: The Executive proposes funding of $50.8 million in SFY 2023-2024 for programs like Solutions to End Homelessness Program, the New York State Supportive Housing Program, and the Operational Support for AIDS Housing Program.

Fiscal Impact: There is a fiscal implication of $90.7 million which would be paid through the Mortgage Insurance Fund.

Extend the Project Completion Deadline for Vested Projects in 421-a (ELFA Part R): The Executive Budget proposes extending the deadline for projects vested in the 421-a tax exemption program to complete construction. The proposal extends the completion deadline from June 15, 2026 to June 15, 2030. The 421-a program expired on June 15, 2022 and this extension is only applicable to projects that vested prior to the expiration in June 2022

This 421-a program is administered by the City of New York, authorized through State statute. It applies to developers who build multi-family housing on land that is “vacant, predominantly vacant, or underutilized.” The program provides a 100% real estate tax exemption for up to three years during construction and 35 years thereafter, with the full 100% exemption being made available for the first 25 years and the exemption for the last 10 years being equal to the percentage of affordable units that remain in the project. The program was available, as of right, to projects with six or more dwelling units for which construction commenced after January 1, 2016, if construction will be completed by June 15, 2026.

The 421-a program offered both regular and enhanced tax benefits for different projects, depending on geographic location, size of the building, and construction wages. Construction workers and laborers who worked on site during construction were required to be paid a minimum average hourly wage, as determined by the New York City Comptroller. Affordable units must be rent stabilized for 35 years and must pay service workers a prevailing wage.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

EDUCATION

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Education Fact Sheet

Appropriations

School Aid Total: The Executive Budget provides a School Aid increase of $3.1 billion (9.97 percent), to a total of $34.5 billion in the 2023-24 school year, including a $2.7 billion (12.8 percent) increase in Foundation Aid.

Foundation Aid Components

The Foundation Aid increase reflects a 100 percent phase-in, in addition to a 3 percent minimum increase for all districts.

Within the increase, $250 million is set-aside for high-impact tutoring for students in grades 3-8 for the 2023-24 school year (would revert to general operating aid for 2024-25 and beyond).

The Executive Budget also proposes full funding of formula-driven expense-based aids, including building aid and transportation aid. The Executive projects these categories to increase by $232 million (2.4 percent).

Universal Pre-K: The Executive Budget proposes $125 million for the expansion of UPK. Of this sum, $100 million will be dispersed via formula to provide funding for all districts to serve a minimum of 89.7 percent of 4-year olds. The remaining $25 million will be issued through competitive grants.

Cultural Education Funding: The Executive Budget reduces operating assistance for libraries by $3.5 million, for a total of $96.1 million. New capital funding for libraries is reduced from $34 million to $14 million. Both reductions reflect a discontinuation of additional support added by the Legislature last year.

Charter Schools: The Executive proposes flat funding reimbursement of Supplemental Basic Tuition for charter schools for a total of $185 million. The proposal keeps flat reimbursement of Charter School Facilities aid for New York City public schools, for a total of $100 million.

High School-College-Workforce Pipeline: The Executive proposes a new program to provide $10 million over two years in competitive funding for school districts, BOCES, and community colleges to develop strategic workforce programs that promote job readiness.

Early College Education: The Executive provides $20 million to establish new Early College High School and P-TECH programs, prioritizing computer science pathways. This brings the total for early college education from $40 million to $60 million.

- **Nonpublic Schools:** The Executive provides a decrease of $1.9 million for a total of $193.1 million in Mandated Services Aid and specifies that claims exceeding appropriated amounts will result in prorated payments for all claimants. The Budget also provides an increase in STEM programs by $12 million, or 20.7 percent, for a total of $70 million, and eliminates $1 million for vaccination recordkeeping.

- **Capital Projects:** The Executive Budget continues funding for Nonpublic School Health and Safety at $45 million. It also provides $4.5 million in capital funding for the School for the Blind and $3.0 million for School for the Deaf, as well as $20.1 million for schools on Native American reservations.

- **State Operations:** The Executive proposes an increase in SED State Operations of $15.2 million, or 2.4 percent, for a total of $652.5 million. Proposed funding levels would keep SED's workforce flat at 2,876 FTEs.

Article VII

High Impact Tutoring Set-Aside: The Executive proposes to require school districts to set-aside a portion of their Foundation Aid award for the 2023-24 school year to provide tutoring in reading and math to students in grades 3-8 who are at-risk of falling below State standards.

Charter School Cap: The Executive proposes to eliminate the New York City charter school cap and subject the City to the statewide cap. The Executive Budget further proposes to authorize the reissuance of charters that have been surrendered, revoked, or terminated, known as zombie charters, after July 1, 2015. This proposal excludes reissued charters from counting toward the statewide cap.

Prospective UPK Enrollment Reporting : The Executive proposes to require schools districts that receive Universal Pre-Kindergarten funding to submit an annual report to the State Education Department on the number of students these programs intend to serve.

Study of Alternative Tuition Rate-Setting Methodology: The Executive proposes to direct the State Education Department to conduct a study of alternative cost-neutral tuition rate setting methodologies for special education programs and submit a recommended alternative methodology to the Division of Budget for approval.

Education Agency Details

State Education Department All Funds Appropriations				
Agency	Available SFY 2022-2023	Executive Recommendation SFY 2023-2024	$ Change	% Change
State Education Department	$40,958,529,350	$43,858,215,950	$2,899,686,600	6.6%
Total State Education Department	**$40,958,529,350**	**$43,858,215,950**	**$2,899,686,600**	**6.6%**

Overview

The Executive Budget proposes $43.9 billion in All Funds appropriations for the State Education Department (SED) in SFY 2023-24. This is an increase of $2.9 billion, or 7.1 percent, over SFY 2022-23 levels and reflects a full phase-in of Foundation Aid. The Executive Budget also recommends a workforce of 2,876 FTEs for SED, reflecting no change from the current fiscal year.

State Operations

The Executive Budget proposes $652.5 million in All Funds appropriations for the State Education Department (SED) in SFY 2023-24. This is an increase of $15.2 million, or 2.4 percent, over SFY 2022-23 levels. The Executive Budget also recommends a workforce of 2,876 FTEs for SED, which is unchanged from SFY 2022-23 projected levels.

The $15.2 million increase is the result of five changes:

- $7.6 million increase in personnel costs associated with union contracts ratified in 2022;
- $4.9 million related to increased federal funding to support new initiatives;
- $2.5 million to develop a new special education rate methodology (to be spent over two years);
- $628,000 increase for continued development of the Teacher Certification Project; and
- $150,000 decrease reflecting elimination of support for the Rochester Fiscal Monitor.

P-12 Education

The Executive Budget provides $33.9 billion in total School Aid on the run, an increase of $3.1 billion (9.9 percent) over SY 2022-23. The increase consists of a $2.7 billion, or 12.8 percent, increase in Foundation Aid, and a $232 million, or 3.5 percent, increase in expense-based aids (see table below titled “2023-24 Executive Budget School Aid Detail”).

The Foundation Aid increase reflects a full phase-in of remaining Foundation Aid owed, in addition to a minimum three percent increase for all districts. This is in keeping with current law to phase-in Foundation Aid that was included in the SFY 2021-22 Enacted Budget. Within the Foundation Aid increase, $250 million must be dedicated to high impact tutoring. Students at risk of falling behind in grades 3-8 will receive reading and math tutoring twice per week for at least 30 minutes in 425 districts. The tutoring requirements will expire after one year, at which point the full $250 million will be available as unrestricted aid.

In sum, the Executive Budget proposes a School Aid total of $34.5 billion, an increase of $3.1 billion, or 9.9 percent, over SY 2022-23. This total comprises $33.9 billion in total school aid on the run, $307 million in categorical aids, and $235 million in competitive grants (including $38 million for universal pre-k grants).

2023-24 Executive Budget - School Aid Increase Components ($ in Millions)

	SY 2022-23	SY 2023-24	*$ Increase*	*% Increase*
Foundation Aid	$21,334	$24,069	*$2,735*	*12.8%*
Expense-Based Aids	$9,537	$9,868	*$332*	*3.5%*
School Aid on the Run	**$30,871**	**$33,937**	***$3,067***	***9.9%***
Competitive Grants (Including UPK)	$176	$235	*$59*	*33.5%*
Categorical Aids	$306	$307	*$1*	*0.3%*
Total School Aid	**$31,353**	**$34,479**	***$3,127***	***10.0%***

Foundation Aid: The Executive Budget increases funding for Foundation Aid, totaling $2.7 billion, or 12.8 percent, for SY 2023-24. The Executive proposal fully phases in Foundation Aid in SFY 2023-24. There are 215 school districts whose Foundation Aid is fully phased in, while $2.5 billion will be allocated to phase in the remaining 458 school districts. An additional due minimum guarantees all districts receive a minimum 3 percent increase.

Foundation Aid Set-Aside: The Community Schools Set-Aside within Foundation Aid is maintained at the prior-year level of $250 million. This funding provides 240 school districts with the resources to help transform schools into community hubs, where afterschool, summer programming, school-based health services, and other wrap-around services are provided to students and the community.

The Executive proposes new language that sets aside $250 million of the $2.7 billion increase to support math and reading tutoring for grade 3-8 students at risk of falling behind State standards in 425 school districts. This requirement would expire after one year, and the $250 million would prospectively be used as unrestricted aid.

Expense-Based Aids: The Executive Budget provides a $232 million increase, or 2.4 percent, in funding for expense-based aids for SY 2023-24, consistent with current law projections provided by SED. These aids (Transportation Aid, Building Aid, Public/Private Excess Cost Aids, Universal Prekindergarten, Reorganization Operating Aid and others) reimburse school districts for costs incurred in the previous school year based on wealth-equalized reimbursement ratios.

Universal Pre-K: The Executive Budget provides a $125 million increase for expanding UPK programs. A total of $100 million would be distributed via formula and allow all districts to receive funding to serve at least 90 percent of eligible four-year-olds. Per pupil allocations will be based on the Selected Foundation Aid, with a minimum $5,400 per pupil. The remaining $25 million would be distributed on a competitive basis for districts to further increase the number of children served. This increase would reflect the third installment of over $100 million in three years, and total annual UPK support would grow to $1.2 billion.

2023-24 Executive Budget - Total School Aid Detail ($ in Millions)				
Aid Category	**SY 2022-23**	**SY 2023-24**	**$ Increase**	**% Increase**
Foundation Aid	$21,334	$24,069	$2,735	12.8%
Community Schools Set-Aside	*$250*	*$250*	$0	0.0%
High-Impact Tutoring Set-Aside	*$0*	*$250*	$250	0.0%
Reorganization Operating Aid	$4	$3	($1)	-16.3%
Texbooks (Incl. Lottery)	$163	$166	$3	1.6%
Computer Hardware	$34	$35	$1	1.7%
Computer Software	$42	$43	$1	1.6%
Library Materials	$17	$18	$1	4.6%
BOCES	$1,135	$1,176	$41	3.6%
Special Services	$241	$239	($2)	-0.8%
Transportation (Including Summer)	$2,298	$2,475	$177	7.7%
High Tax	$223	$223	$0	0.0%
Universal Prekindergarten Aid	$1,003	$1,164	$161	16.0%
Academic Achievement Grant	$1	$1	$0	0.0%
Supplemental Educational Improvement Grant	$18	$18	$0	0.0%
Excess Cost Aid - High Cost	$589	$545	($44)	-7.4%
Excess Cost Aid - Private	$364	$421	$57	15.7%
Supplemental Public Excess Cost	$4	$4	$0	0.0%
Building Aid/Reorganization Building	$3,344	$3,277	($67)	-2.0%
Charter School Transitional Aid	$47	$52	$5	9.7%
Academic Enhancement Aid	$10	$10	$0	0.0%
Full-Day Kindergarten Conversion Aid	$0	$0	$0	0.0%
Total Formula-Based Aids on the Run	**$30,872**	**$33,938**	**$3,066**	**9.9%**

Executive Initiatives: The Executive Budget funds $197 million in awards from past competitive grants in addition to proposing new initiatives. Notable programs include:

- $60 million for Early College High Schools (ECHS) and NYS Pathways in Technology ECHS (P-TECH) programs, including $20 million for new programs this year;
- $55 million for Empire State After School program grants is transferred to the Office of Children and Family Services;
- $22.5 million for Master Teacher awards (no change);
- $2.25 million for the expanded mathematics access program. This represents a $750,000 increase to expand the program to grades 6-8;
- $2 million for a new Positive School Climate program created last year is discontinued; and
- $2 million for a grant program created last year for Master Teacher and School Counselor is discontinued.

Additionally, $100 million to be distributed over two years for the Recover from COVID School program (RECOVS) in the SFY 2022-23 budget is reappropriated and extended for a third year, reflecting an inability to award any funds in the current fiscal year.

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2023-24:

- $116 million, or flat funding, in Mandated Services Aid to reimburse the actual expenditures of nonpublic schools for specified State testing and data collection activities. The Executive also advances language specifying that if total claims exceed appropriated amounts, it will result in prorated payments for all claimants;
- $77 million, a decrease of $1.9 million, for Comprehensive Attendance Policy;
- $70 million, an increase of $12 million, or 20.7 percent, for STEM instruction;
- $45 million, or flat funding, in capital funding for nonpublic school purchases of health and safety equipment;
- $922,000, or flat funding, to support Academic Intervention Services (AIS); and
- The Executive discontinues $1 million in funding for nonpublic immunization recordkeeping.

Charter Schools:

- Supplemental Basic Tuition Payments to School Districts: The Executive holds flat funding for Supplemental Basic Tuition Payments to school districts at $185 million. These payments average $1,000 per pupil and provide additional funding to districts to offset charter tuition payments.
- New York City Charter Facilities Aid: The Executive Budget holds flat Charter School Facilities Aid to New York City at $100 million. The New York City Department of Education currently receives 60 percent reimbursement on the costs of providing charter schools with rental assistance.

Special Education: The Executive Budget includes the following special education funding for SY 2023-24:

- $1.04 billion for preschool special education (state aid covers 59.5 percent of the overall costs associated, with counties paying the remaining 40.5 percent), reflecting no change.
- $544.8 million in Public Excess Cost Aid to provide reimbursement to school districts for the additional costs associated with providing resource-intensive special education programs for students with disabilities, a decrease of $43.8 million.
- $420.8 million in Private Excess Cost Aid to provide reimbursement to school districts for public school students with more severe disabilities placed in private school settings, Special Act school districts, or the State-operated schools in Rome and Batavia, an increase of $57.3 million.
- $367.5 million for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law, an increase of $3 million.
- $105.9 million for private schools for the blind and deaf, reflecting the elimination of a $2 million Legislative addition for all schools and further elimination of $3 million for targeted schools.

Teacher Resource and Computer Training Centers: The Executive Budget provides $6.4 million in total to operate the Teacher Resources and Computer Training Centers program for the remainder of SY 2022-23, and for the beginning of SY 2023-24, reflecting a decrease of $12.8 million.

Rehabilitation of Nation Schools: The Executive Budget provides a new appropriation for $20.1 million in capital funding to rehabilitate three Nation Schools: the St. Regis Mohawk School ($2.3 million), the Tuscarora School ($6.6 million), and the Onondaga School ($11.2 million). This reflects the full funding requested by SED to meet health and safety needs at the schools.

State Schools for Blind and Deaf: The Executive Budget provides $4.5 million in new capital funding for Batavia School for the Blind and $3 million in capital funding for Rome School for the Deaf. This reflects the full funding requested by SED to meet health and safety needs at the schools.

Grant Programs and Additional Aid Categories: The Executive Budget provides funding for the following programs:

- $48.8 million for the education of students who reside in a school operated by the Office of Mental Health or the Office for People with Developmental Disabilities;
- $34.4 million for the School Lunch/Breakfast Program;
- $25 million for Teachers of Tomorrow;
- $22.6 million for education of homeless children and youth;

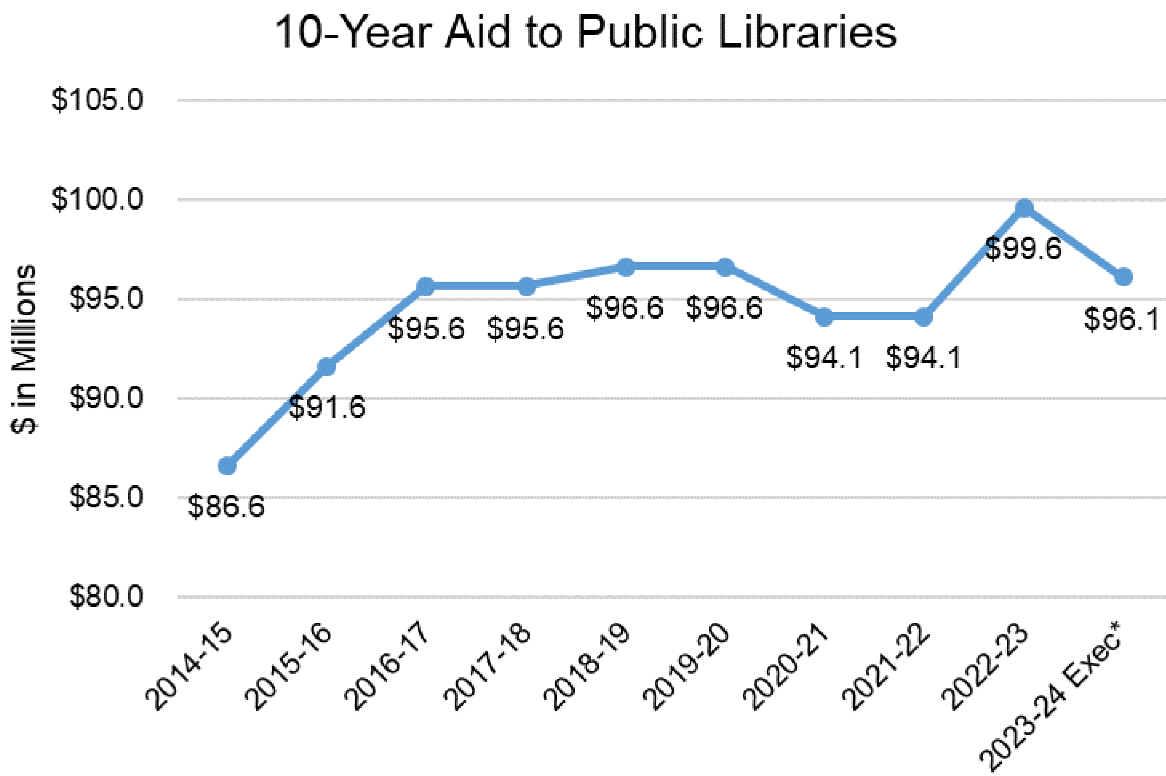
- $18.5 million for Bilingual Education Grants;
- $18 million for the My Brother's Keeper initiative;
- $13.8 million for school health services in the Big Four school districts;
- $12 million for the Roosevelt School District;
- $10 million for locally sourced food reimbursement;
- $6 million for districts participating in the Urban-Suburban Transfer Program;
- $5.8 million to subsidize Advanced Placement and International Baccalaureate test fees;
- $4.2 million for the education of youth detained in local correctional facilities;
- $3.3 million in Learning Technology Grants;
- $2 million for the Teacher-Mentor Intern program;
- $1.2 million for Community Schools Regional Technical Assistance Centers; and
- $400,000 for Bus Driver Safety training.

<u>Other Notable Programmatic Support Eliminated</u>: The Executive Budget discontinues or reduces funding for the following programs not previously mentioned:

- $1.5 million reduction for the Employment Preparation Program (EPE), for a total of $11.5 million;
- $12 million elimination of Yonkers City School District subsidy;
- $1.3 million elimination for Many Threads Implicit Bias Training;
- $500,000 elimination for Long Island Pre-K initiative; and
- $500,000 reduction for the Center for Autism and Related Disabilities at SUNY Albany, for a total of $1.2 million.

<u>Cultural Education</u>

<u>Cultural Education Funding:</u> The Executive Budget decreases support for libraries by $3.5 million, or 3.5 percent, for a total of $96.1 million. Funding is also decreased for public broadcasting by $7.8 million previously utilized by the Executive to fund various initiatives, resulting in a new total of $14 million. New capital funds for library construction would decrease $20 million, from $34 million to $14 million.



Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides flat funding of $16 million for Independent Living Centers, and reduces funding by $1.5 million for Adult Literacy Education, for a total of $7.8 million.

Article VII

Contracts for Excellence (ELFA Part A): The Executive Budget proposes to extend Contracts for Excellence for SY 2023-24 for those districts that are currently required to submit a Contract for Excellence, unless all schools within the district are identified as in good standing. Currently, certain districts are required to submit a Contract for Excellence concerning schools within the district in need of academic improvement. Contracts for Excellence require these districts to set-aside a portion of Foundation Aid to specific program initiatives aimed at raising student achievement.

Fiscal Impact: The Executive Budget estimates no state fiscal impact for this proposal.

High Impact Tutoring Set-Aside (ELFA Part A) : The Executive Budget proposes to require that 425 school districts set-aside a portion of their Foundation Aid award for the 2023-24 school year to provide tutoring in reading and math to students in grades 3-8 who are at-risk of falling below State standards. Tutoring must be twice per week for at least 30 minutes and may be done before, after, or during the school day or on the weekends. Students must be offered tutoring until they are deemed no longer at risk or until this law expires on June 30, 2024.

Fiscal Impact: The impacted school districts would be required to utilize $250 million of their Foundation aid allocations.

Charter School Cap (ELFA Part A): The Executive Budget proposes to eliminate the New York City charter school cap and subject the City to the statewide cap of 460. There are 85 charters available statewide. The Executive Budget further proposes to authorize the reissuance of charters that have been surrendered, revoked, or terminated after July 1, 2015, with Board of Regents approval. This proposal excludes reissued charters from counting toward the statewide cap. There are currently 21 charters available for reissuance.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Prospective UPK Enrollment Reporting (ELFA Part A): The Executive proposes to require schools districts that receive Universal Pre-Kindergarten funding to submit an annual report to SED on the number of students these programs intend to serve. The report must also include the number of parents who applied for a seat, but the district lacks capacity to offer a seat, and the number of four-year-olds who are eligible to be in a Universal Prekindergarten program. Beginning November 1, 2023, SED must collate the information provided into an annual report to be submitted to the chairs of the Assembly Ways and Means Committee, Senate Finance Committee, and the Director of Budget.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Zero-Emission Bus Progress Reporting (ELFA Part A): The Executive Budget proposes to require all school districts receiving transportation aid to submit an annual progress report on the implementation of zero emission school buses required under Education Law. The report must include information on grid efficiency and electrical needs, installation and needs for charging infrastructure, workforce development, number of zero-emission buses purchased or leased, and the number of zero-emission buses used by contractors. Beginning October 1, 2023, SED must collate the information provided into an annual report to be submitted to the chairs of the Assembly Ways and Means Committee and the Senate Finance Committee, as well as the Director of Budget.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

School Level Funding Plans (ELFA Part A): The Executive Budget proposes to extend the school level funding plan requirement on school districts for five years, from 2023 to 2028. School districts must detail the school level funding plans for the upcoming school year in a form determined by DOB. This plan must be submitted and approved by the SED and DOB, otherwise school districts are ineligible for an increase in State aid.

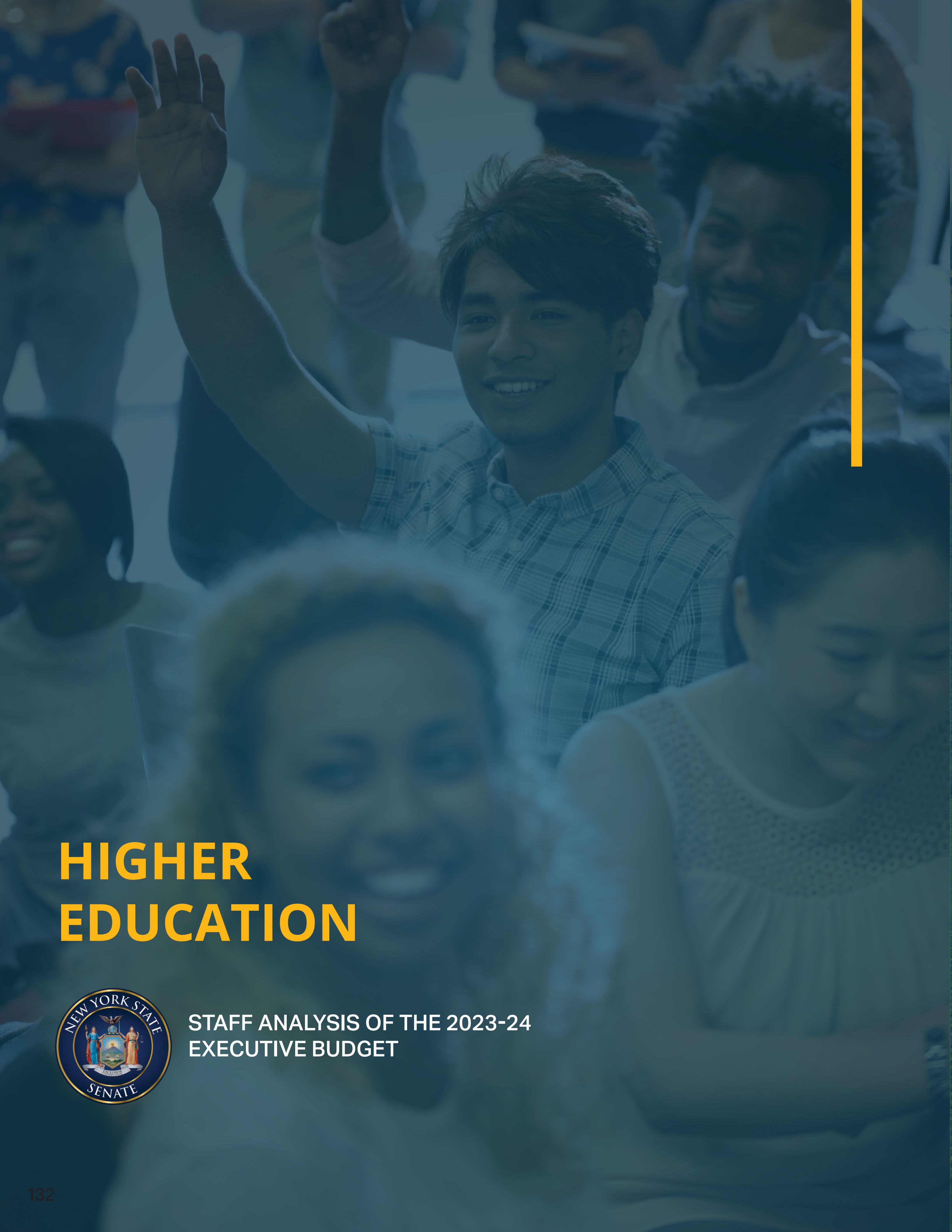
Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Study of Alternative Tuition Rate-Setting Methodology (ELFA Part A): The Executive Budget proposes to direct SED to conduct a comprehensive study of alternative tuition rate setting methodologies for special education programs. The recommendations must be cost neutral and must ensure tuition rates for all programs can be calculated no later than the beginning of each school year. The SED must submit its recommended alternative methodologies to DOB by July 1, 2025, and the adoption of this recommendation is subject to approval by the Director of Budget.

Fiscal Impact: The Executive Budget includes $2.5 million in the SED State Operations budget to effectuate this proposal.

Extends Rochester City School District Monitor (ELFA Part A): The Executive Budget proposes to extend the appointment of a monitor to the Rochester City school district from 2023 to 2025. The monitor provides oversight, guidance, and technical assistance related to the educational and fiscal policies, practices, programs, and decisions of the district and superintendent.

Fiscal Impact: The SFY 2022-23 budget provided $150,000 to support the costs of the Rochester City School Monitor. The Executive Budget does not continue this assistance, resulting in an additional cost to the school district.



HIGHER EDUCATION

STAFF ANALYSIS OF THE 2023-24 EXECUTIVE BUDGET

Higher Education Highlights

Appropriations

- **Tuition Increases at SUNY & CUNY:** The Executive Budget authorizes annual tuition increases for CUNY and SUNY senior colleges indexed to the lesser of the Higher Education Price Index or 3 percent. For SUNY's university centers, tuition may increase an additional 6 percent above SUNY's base tuition rate each year for the next five years (capped at 30 percent above the base rate). The increase in tuition will bring in an extra $128 million ($97 million for SUNY and $31 million for CUNY) in operating support for the agencies in Academic Year 2023-24.

- **SUNY & CUNY Operating Support:** The Executive Budget includes $270 million in total for new, recurring State support for SUNY and CUNY senior colleges. SUNY will receive $176 million in new money, including an $84 million increase in employee fringe benefits and $75 million increase in new operating support. CUNY will receive $94 million in new money, including a $40 million increase in recurring operating support, and $36 million increase in employee fringe benefits.

- **SUNY & CUNY Capital:** The Executive Budget includes $643 million in new appropriations for CUNY, with $484 million for the State-operated campuses, $120 million for community college projects, and $39 million for CUNY capital program administration. For SUNY, the Executive includes $750 million for State-operated campuses, $104 million for community college projects, $75 million for dormitory related projects and $150 million for projects at SUNY hospitals.

- **SUNY State Matching Fund for Endowment Contributions:** The Executive proposes a matching fund for contributions made to the endowments of SUNY's four University Centers. The fund will provide $1 in State funds for every $2 in contributions, up to $500 million in State funds.

- **Community Colleges:** The Executive Budget provides funding to guarantee no community college experiences a decrease in State base aid. The proposal would ensure that community colleges would not be impacted by a decrease of $79 million for SUNY and $59 million for CUNY due to declining enrollment.

- **Aid to Private Colleges (Bundy Aid):** The Executive Budget holds flat Bundy Aid for nonpublic schools at $35 million.

- **Higher Education Capital Matching Grant Program (HECap):** The Executive discontinues new funding for the HECap program for independent colleges. HECap received $45 million in SFY 2022-23.

- **Council on the Arts:** The Executive Budget includes a $48 million appropriation to support NYSCA, which is a $102 million decrease from SFY 2022-23. The decrease is largely reflective of the loss of the non-recurring pandemic assistance appropriation.

Article VII

- **Allows for Tuition Increases at SUNY and CUNY (ELFA Part B):** The Executive Budget proposes to allow SUNY and CUNY to raise tuition annually by as much as the Higher Education Price Index (HEPI) or 3 percent of the previous year's tuition, whichever is lower. With respect to the university centers at Albany, Binghamton, Buffalo, and Stony Brook, the Executive Budget proposes to allow these institutions to raise tuition annually, from the 2023-24 through the 2027-28 academic years, if the Board of Trustees determines that such increase is competitive with peer institutions, by an additional six percentage points above the non-University centers, capped at 30 percent above the baseline, provided that such increase shall not exceed 110 percent of the university center's previous year's tuition.

- **Abortion Access at Public College Campuses (ELFA Part C):** The Executive Budget proposes to require SUNY, CUNY, and community colleges to provide access to medication abortion prescription drugs to all students, either directly by individuals certified to prescribe who are employed on campus or by referral to community health providers in the community.

HIGHER EDUCATION AGENCY DETAILS

Higher Education Agencies All Funds Appropriations				
Agency	**Available SFY 2022-2023**	**Executive Recommendation SFY 2023-2024**	**$ Change**	**% Change**
State University of New York	$12,823,741,100	$13,785,809,400	$962,068,300	7.5%
City University of New York	$6,107,477,100	$5,712,317,300	($395,159,800)	-6.5%
Higher Education Services Corporation	$1,199,312,000	$1,206,037,000	$6,725,000	0.6%
Council on the Arts	$149,694,000	$48,026,000	($101,668,000)	-67.9%
Total Higher Education	**$20,280,224,200**	**$20,752,189,700**	**$471,965,500**	**2.3%**

Overview

The Executive Budget proposes an All Funds appropriation of $20.8 billion for higher education and arts in New York, which represents a $472 million increase, or 2.3 percent, from SFY 2022-23. This is the result of an increase in both capital funding and operating support.

City University of New York (CUNY)

The Executive Budget provides an All Funds appropriation of $5.7 billion for CUNY, with a flat workforce of 13,511 FTEs.

CUNY Senior Colleges: The Executive Budget proposal would provide CUNY senior colleges with $1.7 billion, a $101 million increase, or 6 percent from SFY 2022-23. The Executive also maintains appropriations for the hiring of new staff ($53 million) and the strategic investments into senior colleges ($40 million). Fringe benefits are increased by $36 million, or 4 percent, totaling $972 million.

CUNY senior colleges no longer receive federal Coronavirus Aid (CARES Act), reflecting a loss of $169 million in federal grant money.

CUNY Senior College State Operating Support ($ in Millions)				
Program	**SFY 2022-23**	**SFY 2023-24**	**$ Change**	**% Change**
State Operating Support	$628	$693	$65	10%
Fringe Benefits	$936	$972	$36	4%
Total CUNY Senior Colleges	**$1,564**	**$1,665**	**$101**	**6%**

The Executive Budget maintains funding for the following CUNY senior college programs at SFY 2022-23 levels:

- $1.8 million for CUNY LEADS
- $1.5 million for Rangel Infrastructure Workforce Training;
- $1 million for First Impressions Youth legal Collaborative;
- $835,000 for ACE Learning Center;
- $250,000 for the CUNY Pipeline; and
- $20,000 for Medgar Evers Programmatic Initiatives.

The Executive Budget decreases funding for the following CUNY community college programs:

- $1.1 million decrease for the Search for Education, Elevation and Knowledge (SEEK) opportunity program, for a total appropriation of $37.1 million; and
- $1 million decrease for Mental Health Services, for a total appropriation of $1 million.

CUNY Community Colleges: The Executive Budget provides funding to guarantee no community college experiences a decrease in state base aid. The proposal would ensure that CUNY would not be impacted by the $59 million loss in funding due to declining enrollment. Furthermore, the proposed language requires that community colleges submit a plan to DOB on how they plan to operate in the future absent a base aid funding floor. Failure to submit a plan results in withholding up to 20% of funding for schools.

CUNY Community College State Operating Support ($ in Millions)				
Program	**SFY 2022-23**	**SFY 2023-24**	**$ Change**	**% Change**
Community College Base Aid	$217	$218	$1.00	0.5%
All Other State Operating Support	$22	$20	($2.00)	(9.1%)
Total CUNY Community Colleges	**$239**	**$238**	**($1.00)**	**(0.4%)**

The Executive Budget maintains funding for the following CUNY community college programs:

- $2.5 million for the CUNY ASAP Program;
- $2 million for the Next Generation Job Linkage Program;
- $2 million for the CUNY Apprenticeship Program; and
- $1.9 million for Workforce Development.

The Executive Budget decreases funding for the following CUNY community college programs:

- $1.2 million decrease for Child Care Centers. The Executive Budget also includes reappropriation language that no longer requires campuses without a childcare center to have one and allows campuses that already have childcare centers to access the funding.
- $54,000 decrease for the Arthur Eve Opportunity Program for Higher Education.

CUNY Capital: The Executive Budget provides a $398 million reduction, or 45 percent, for State-operated campuses, resulting in $484 million in total funding. For community colleges, the Executive provides a $75 million increase, or 67 percent, for new capital projects, amounting to $120 million.

State University of New York (SUNY)

The Executive Budget recommends an All Funds appropriation of $13.8 billion for SUNY with a flat workforce totaling 45,880 FTEs.

SUNY State-Operated Colleges: The Executive Budget provides $3.6 billion in support for SUNY State-operated campuses, amounting to a $523 million increase, or 17 percent.

SUNY State-Operated Campuses State Operating Support ($ in Millions)				
Program	SFY 2022-23	SFY 2023-24	$ Change	% Change
State Operating Support	$1,210	$1,649	$439	36%
Fringe Benefits	$1,871	$1,955	$84	4%
Total SUNY State-Operated Campuses	**$3,081**	**$3,604**	**$523**	**17%**

The Executive Budget increases funding for the Sea Grant Institute by $600,000, for a total of $1 million.

The Executive Budget decreases funding for the following SUNY State-operated college programs from SFY 2022-23 levels:

- $5 million decrease for Child Care Centers. The Executive Budget also includes reappropriation language that no longer requires campuses without a childcare center to have one and allows campuses that already have childcare centers to access the funding.
- $1 million decrease for the Maritime Appointments Program.
- $1 million decrease for the Expansion of Nursing Program.
- $1 million decrease for Mental Health Services.

The Executive Budget eliminates funding for the following SUNY State-operated college programs from SFY 2022-23 levels:

- $433,000 for the Immigration Integration Research & Policy Institute;
- and $150,000 for the Benjamin Center at New Paltz.

Endowment Matching: The Executive proposes a matching fund for contributions made to the endowments of SUNY's four University Centers: Albany, Binghamton, Buffalo and Stony Brook. The fund would provide $1 in State funds for every $2 in contributions, up to $500 million in State funds.

SUNY Community Colleges: The Executive Budget increases operating aid by $1 million. Additionally, the Executive guarantees that no community college will experience a decrease in support due to the $79 million (19 percent) loss in formula aid due to enrollment declines. Furthermore, the proposed language requires that community colleges submit a plan to DOB on how they plan to operate in the future absent a base aid funding floor. Failure to submit a plan would result in the withholding of up to 20 percent of funding.

SUNY Community Colleges State Operating Support ($ in Millions)				
Program	**SFY 2022-23**	**SFY 2023-24**	**$ Change**	**% Change**
Community College Base Aid	$416	$417	$1	0.2%
All Other State Operating Support	$30	$24	($6)	(20%)
Total SUNY Community Colleges	**$446.00**	**$441.00**	**($5)**	**(1.1%)**

The Executive Budget maintains funding for the following notable SUNY community college programs at SFY 2022-23 levels:

- $3 million for the SUNY Apprenticeship Program;
- $3 million for the Next Generation Job Linkage Program; and
- $1.9 million for workforce development.

The Executive Budget discontinues funding for the following SUNY community college programs:

- $150,000 for the Dutchess Community College Housing & Food Initiative; and
- $150,000 for the SUNY Schenectady community college Inclusive Entrepreneurship and Employment Program for People with Disabilities.

SUNY Capital: The Executive Budget maintains funding at $1.7 billion. SUNY senior colleges will receive a decrease of $260 million (21%), for a total of $950 million. This $950 million includes a new appropriation of $200 million for digital transformation and IT infrastructure across the SUNY system. Additionally, the Executive proposes a new $200 million appropriation for research facilities at Stony Brook University and the University at Buffalo.

SUNY community colleges will receive an increase of $47 million, for a total of $104 million.

The Executive also maintains funding for the SUNY hospitals at $150 million for both new and existing buildings. This appropriation will be divided three ways between Downstate University Hospital ($50 million), Stony brook University Hospital ($50 million) and Upstate University Hospital ($50 million).

State Education Department – Office of Higher Education and the Professions.

The Executive Budget proposes a $6.2 million decrease in appropriations, or 2.2 percent, for higher education opportunity programs that are administered by SUNY, CUNY, and SED. This results in a total of $271.5 million for the programs. Additionally, $35 million is maintained for unrestricted aid to independent colleges (Bundy Aid).

The Executive Budget discontinues funding for the following State Education Department programs:

- Dental Grants Program ($750,000)
- Latino U College Access "LUCA" ($350,000)
- On Point College ($200,000)
- Niagara University First Responders Emergency Management Disability Awareness Program ($50,000)

Opportunity Program Funding Levels ($ in Millions)				
Program	SFY 2022-23	SFY 2023-24	$ Change	% Change
SUNY Educational Opportunity Centers (EOC)	$72.6	$72.6	$0.00	0.0%
SED Higher Education Opportunity Program (HEOP)	$48.3	$46.9	($1.40)	(2.9%)
SUNY Educational Opportunity Program (EOP)	$44.0	$42.5	($1.50)	(3.4%)
CUNY Search for Education, Elevation, and Knowledge (SEEK)	$38.2	$37.0	($1.20)	(3.1%)
SED Liberty Partnership Program	$25.0	$24.2	($0.80)	(3.2%)
SED Science and Technology Entry Program (STEP)	$21.5	$20.9	($0.60)	(2.8%)
SED Collegiate Science and Technology Program (CSTEP)	$16.3	$15.8	($0.50)	(3.1%)
SED Foster Youth Initiative	$8.2	$8.0	($0.20)	(2.4%)
CUNY LEADS	$1.8	$1.8	$0.0	0.0%
CUNY AOE Opportunity	$1.8	$1.8	$0.0	0.0%
Total	**$277.7**	**$271.5**	**($6.2)**	**(2.2%)**

Higher Education Services Corporation (HESC)

The Executive Budget proposes a $6.7 million increase in appropriations, or 0.6 percent, totaling $1.2 billion, and a flat workforce of 103 FTEs. The Executive proposes an $8.4 million increase in funding for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). GEAR UP is a federal grant that is designed to increase the number of low-income students in postsecondary education.

The Executive Budget decreases funding for the following programs:

- $2 million decrease for the Nursing faculty Scholarship;
- $1 million decrease for the Social Worker Loan Forgiveness Program; and
- $50,000 decrease for the New York Young Farmers Loan forgiveness Program.

The Executive Budget maintains funding for the the following programs at SFY 2022-23 levels:

- $3.1 million for the New York State Part-Time Scholarship Program;
- $50,000 for the New York State Child Welfare Worker Scholarship Program; and
- $50,000 for the New York State Child Welfare Worker Loan Forgiveness Program.

Higher Education Capital Matching Grant Program (HECap)

The Executive does not provide any capital funding for the HECap program for independent colleges. HECap received $45 million in SFY 2022-23.

Council on the Arts

The Executive Budget provides $48 million in All Funds appropriations for the Council on the Arts, a $102 million decrease, or 68 percent, from SFY 2022-23. The decrease reflects the following:

- Discontinued appropriation of pandemic relief assistance ($40 million) and funding for regional arts councils outside of New York City ($10 million).
- Discontinued capital funding for the Arts and Cultural Facilities Improvement appropriation ($40 million) and a separate capital appropriation for regional arts councils outside of New York City ($10 million).

The Executive maintained funding State financial assistance ($40.6 million) and the Empire State Plaza Program ($220,000).

Article VII

Allows for Tuition Increases at SUNY and CUNY (ELFA Part B): The Executive Budget proposes to allow the SUNY institutions and their respective community colleges and CUNY to raise tuition by as much as the Higher Education Price Index (HEPI) or 3 percent of the tuition of the previous year, whichever is lower. With respect to the university centers at Albany, Binghamton, Buffalo, and Stony Brook, the Executive Budget proposes to allow these institutions to raise tuition annually, from the 2023-24 through the 2027-29 academic years, if the Board of Trustees determines that such increase is competitive with peer institutions, by an additional 6 percentage points above the non-University centers, capped at 30 percent above the baseline, provided that such increase shall not exceed 110 percent of the university center's previous year's tuition.

Money generated from these tuition increases shall go directly to support student access, student services, research and discovery, and the success of the respective university systems.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal. Increasing tuition would cost $22.2 million to continue to cover the TAP Gap and it would cost an additional $12 million to cover the increase in the Excelsior Scholarship costs.

Ensure Abortion Access to Public College Campuses (ELFA Part C): The Executive Budget requires every SUNY and CUNY campus, including community college campuses, to provide access to medication abortion prescription drugs to all students enrolled at such institutions. These institutions can provide access by prescribing or dispensing medication abortion prescription drugs directly to a student, performed by individuals legally certified to prescribe and dispense such medication and are employed by or working on behalf of the campus, or by providing a referral to a healthcare provider or pharmacy that can prescribe and dispense. This proposal will take effect August 1, 2023.

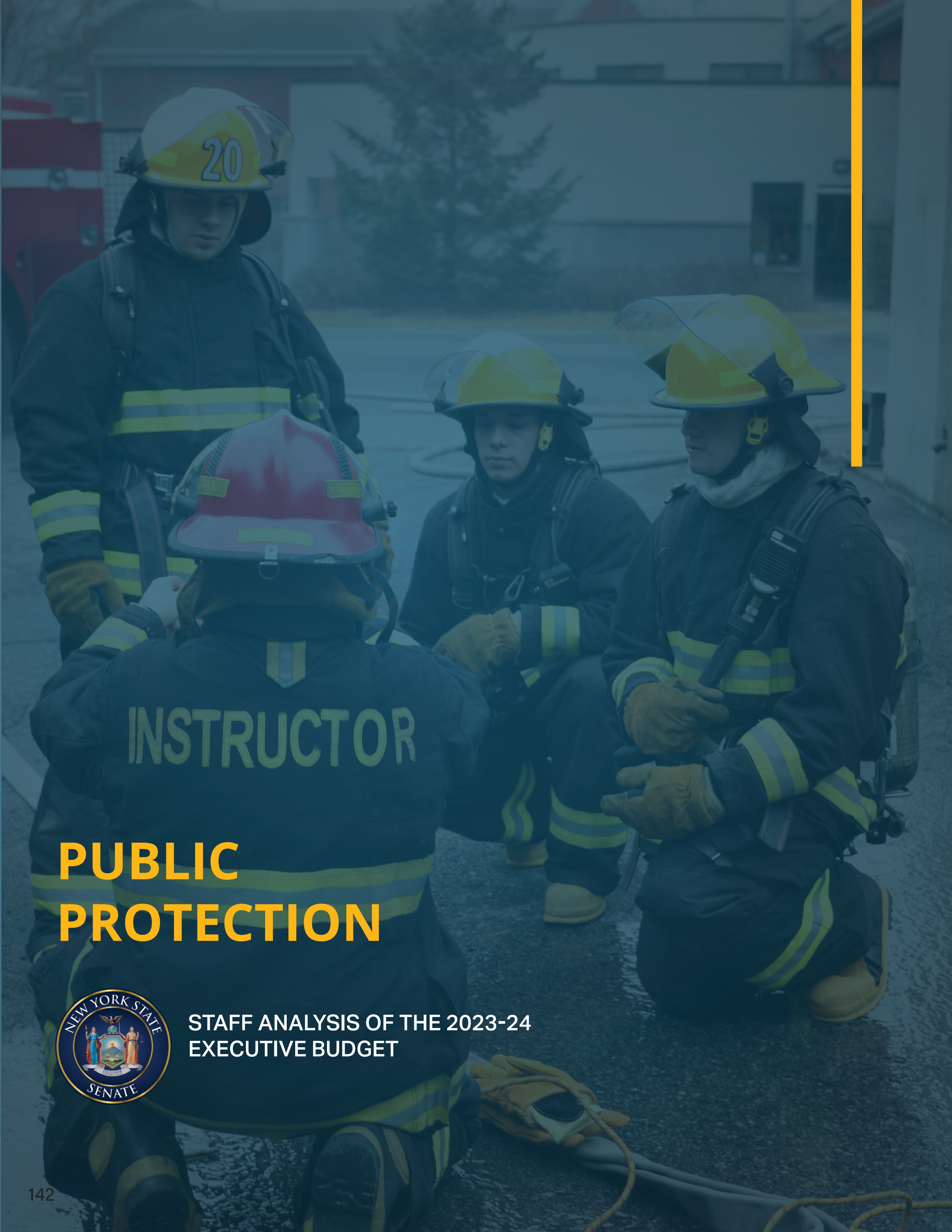
Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Removal of Maximum Award Caps for Liberty Partnerships Program (ELFA Part D): The Executive Budget removes the $300,000 maximum cap award for need-based compensatory and support services through the Liberty Partnerships Program (LPP). LPP is a program that provides grant awards to higher education institutions to support students who are at risk of dropping out. As a result of this proposal, awards to grantees may be above $300,000.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Allow Public Accounting Firms to Have Minority Ownership by Individuals Who Are Not Certified Public Accountants (ELFA Part E): The Executive Budget proposes to allow non-certified public accountants to own a minority stake in Certified Public Accounting firms. This is provided that a simple majority of the outstanding shares are owned by Certified Public Accountants (CPAs), at least a simple majority of directors and officers are CPAs, and the president, chairperson of the board of directors and the Chief Executive Officer/Officers are CPAs.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.



PUBLIC PROTECTION

STAFF ANALYSIS OF THE 2023-24 EXECUTIVE BUDGET

Public Protection Fact Sheet

Appropriations

- **Division of Homeland Security and Emergency Services:** The Executive Budget proposes All Funds appropriations of $9.1 billion, an increase of $4.1 billion or 83 percent compared to SFY 2022-23. The increase will support reimbursement of State and local share of ongoing COVID-19 and other disaster claims submitted to FEMA.

- **Division of Criminal Justice Services:** The Executive Budget proposes All Funds appropriations of $660 million, a net increase of $63 million or 10.6 percent compared to SFY 2022-23. The increase supports Alternatives to Incarceration, prosecutorial services, and gun violence prevention.

- **Public Security and Emergency Response:** $500 million, an increase of $200 million compared to SFY 2022-23 to support the Division of Military Service and Naval Affairs (DMNA) asylum seeker mission. This mission deploys the National Guard members to various hotels, homeless shelters, and emergency sites to implement, administer, and effectuate security and other services.

- **Division of State Police:** The Executive Budget proposes All Funds appropriations of $1 billion, an increase of $25 million or 2.4 percent compared to SFY 2021-22.

Article VII

- **Changes to Bail Laws:** The Executive proposes removing the "least restrictive means" standard for qualifying offenses when the court is making a bail determination.

- **Amendments to the Concealed Carry Improvement Act:** The Executive Budget proposes adding exemptions to the sensitive location requirement for the entirety of the Adirondack Park and Catskill Park; expanding the list of those who are exempt from the prohibition against possessing a firearm in sensitive locations. The amendment also includes exemptions for federal, state, and local officers from the safe storage in vehicles requirement; and creates new offenses in the Penal Law related to the purchase and sale of body armor and the purchase of a semiautomatic rifle.

- **Statewide Repository of Criminal Shooting Incidents:** The Executive Budget proposes establishing a statewide centralized repository of all criminal shooting incidents that involve the discharge of a firearm, shotgun, or rifle, to be maintained by the Division of State Police.

PUBLIC PROTECTION AGENCY DETAILS

Public Protection Agency All Funds Appropriations ($ in millions)				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Division of Homeland Security and Emergency Services	$4,975	$9,102	$4,126	82.93%
Department of Corrections and Community Supervision	$3,531	$3,539	$8	0.23%
Division of State Police	$1,051	$1,304	$253	24.06%
Division of Criminal Justice Services	$596	$660	$63	10.63%
Office of Indigent Legal Services	$367	$367	$0	0.01%
Department of Law	$327	$345	$18	5.52%
Division of Military and Naval Affairs	$217	$331	$114	52.40%
Office of Victim Services	$218	$218	$1	0.35%
Interest on Lawyer Account	$47	$54	$7	14.9%
Office for the Prevention of Domestic Violence	$11	$12	$1	10.1%
Judicial Commissions	$7	$8	$1	12.95%
State Commission of Correction	$3	$4	$0	13.86%
Commission on Prosecutorial Conduct	$2	$2	$0	0.00%
Public Protection Totals	**$11,352**	**$15,945**	**$4,593**	**40.5%**

Overview

The Executive Budget proposes All Funds appropriations of $16 billion for 15 Public Protection agencies. This represents an overall increase of $4.6 billion or 41 percent compared to SFY 2022-23. The $16 billion includes $4.9 billion for State Operations, $10 billion for Aid to Localities, and $1 billion for Capital Projects.

Division of Homeland Security and Emergency Services (DHSES)

The Executive Budget proposes All Funds appropriations of $9.1 billion, an increase of $4.1 billion or 83 percent compared to SFY 2022-23. The All Funds appropriations includes $138 million for State Operations, $8.9 billion for Aid to Localities, and $93 million for Capital Projects. The Executive Budget proposal supports a workforce of 658 FTEs, an increase of 28 FTEs compared to SFY 2022-23. This includes funding for the following major programs:

- $8.2 billion to support the Disaster Assistance Program, an increase of $4 billion compared to SFY 2022-23, attributable to reimbursement to localities and the State for their share of ongoing COVID-19 and other disaster claims submitted to FEMA.
- $616 million to support statewide Counter Domestic Terrorism prevention and response, an increase of $16 million compared to SFY 2022-23. This support includes $41 million for a new State Operations appropriation to support personal and contractual services.
- $95 million to support the Interoperable Communications Program, an increase of $20 million compared to SFY 2022-23. This will support Next Generation 911 (NG911), a fiber-optic cable based network for public safety answering point centers.
- $39 million to support Emergency Management response and preparedness, a decrease of $1 million due to the elimination of Legislative grants for American Red Cross Emergency Response.
- $93 million to support Capital Projects, an increase of $62 million, which includes:
  - $80 million for construction of a new State Emergency Operations Center.
  - $10 million for construction of the State Academy of Fire Science.
- $20 million to support Fire Prevention and Control, an increase of $9 million to the Volunteer Firefighters Training Stipend Program, including an increase of 22 FTEs.
- $6.6 million to support the Cyber Incident Response Program, an increase of $2.1 million compared to SFY 2022-23.
- $15 million to support the Hazard Mitigation Revolving loan grant program to reduce disaster risk for property of homeowners and non-profit organizations.

<u>Department of Correction and Community Supervision (DOCCS)</u>

The Executive Budget proposes All Funds appropriations of $3.5 billion, a net increase of $8.3 million or less than one percent compared to SFY 2022-23. The net increase is attributed to general salary increases and enhancements to parole supervision and capital projects, offset by $54.6 million reduction to support one-time retroactive general salary increases paid in SFY 2022-23. The All Funds appropriations includes $3 billion for State Operations, $37 million for Aid to Localities, and $481 million in Capital Projects.

The Executive Budget proposal supports costs related to personnel services, parole board operations, health services, and community supervision. The Executive proposal supports a workforce of 26,493 FTEs, an increase of 70 compared to SFY 2022-23. The Executive Budget proposal provides funding for the following programs:

- $168 million for Community Supervision to support re-entry for individuals released from correctional facilities, an increase of $7.6 million compared to SFY 2022-23 and includes the following:
  - $17 million to support re-entry services to assist individuals on community supervision gain employment and transitional housing.

    - $7.4 million to support Supervision Against Violent Engagement (SAVE) and gun violence that involves individuals on community supervision.
- $45.7 million to support the Humane Alternatives to Long-Term (HALT) Solitary Confinement Act, an increase of $405,000 to support salary increases.
- $11 million to support Medication Assisted Treatment (MAT) in State correctional facilities, unchanged compared to SFY 2022-23.
- $8.2 million to support the Parole Board, an increase of $83,000 for personal services.

Division of State Police (DSP)

The Executive Budget proposes All Funds appropriations of $1.3 billion, an increase of $253 million or 24 percent compared to SFY 2022-23. The All Funds appropriations includes $1 billion for State Operations and $237 million for Capital Projects. The Executive Budget proposal supports a workforce of 6,420 FTEs, an increase of 407 FTEs compared to SFY 2022-23. This increase is mainly attributed to personal services costs to support four trooper academy recruitment classes, an expansion of Community Stabilization Units (CSUs) and cyber crime operations. This includes funding for the following major programs:

- $100 million in new Capital Project funding to support the purchase and renovation of a forensic laboratory to assist with implementation of gun violence legislation.
- $39.4 million increase to support Technical Police Services.
- $22 million increase to support vehicle safety enforcement.
- $12.8 million increase to Community Stabilization Units (CSUs) to support the expansion of CSUs to 25 communities, an increase of nine communities compared to SFY 2022-23.
- $7.2 million to support investigations, Cyber Analysis, Computer Crime and Internet Crimes Against Children.

Division of Criminal Justice Services (DCJS)

The Executive Budget proposes All Funds appropriations of $660 million, a net increase of $63 million or 10.6 percent compared to SFY 2022-23. The All Funds appropriation includes $90 million in State Operations, $466 million in Aid to Localities, and $103 million in Capital Projects. The Executive Budget proposal supports a workforce of 418 FTEs, an increase of three FTEs compared to SFY 2022-23. The net increase is mainly attributed to increased funding for pretrial services, gun violence programs, crime reduction, and alternatives to incarceration programs, which is offset by elimination of Legislative grants from SFY 2022-23. The Executive Budget proposal includes funding for the following major programs:

- $80 million to support implementation of discovery reform expenses for counties and cities with a population less than one million.
    - $40 million supported by the General Fund.
    - $40 million supported by the Criminal Justice Discovery Compensation Fund.

- $70 million to support community aftermath response gun violence program, unchanged from SFY 2022-23.
    - $50 million reserved for Capital Projects
    - $20 million reserved for local assistance grants. In addition, appropriation language is modified to eliminate procurement requirements and to award funds pursuant to a plan consisting of a community engagement process.
- $35 million to support the Securing Communities Against Hate Crime capital grant program, an increase of $10 million reserved for grants to Reproductive Health Centers.
- $18 million increase in new Capital Project funding to support technology and equipment.
- $47 million to support new funding for statewide prosecutorial services. Includes;
    - Up to $7 million to support creation of a specialized unit to prosecute fentanyl distribution in cases involving overdose deaths.
- $36 million to the Gun Involved Violence Elimination (GIVE) Initiative, an increase of $18 million compared to SFY 2022-23.
- $31 million to support Alternatives-To-Incarceration (ATI) programs, an increase of $18 million compared to SFY 2022-2023.
- $21 million to support Operation SNUG program, unchanged from SFY 2022-23.
- $20 million to support pretrial services, an increase of $10 million compared to SFY2022-23.
- $18 million to support Crime Analysis Centers, an increase of $3 million compared to SFY 2022-23.
- $11.5 million to support grants to local governments to reduce the risk of individuals re-offending, an increase of $7.7 million compared to SFY 2022-23.

Office of Indigent Legal Services (ILS)

The Executive Budget proposes All Funds appropriations of $366.6 million, an increase of $16,000, or less than one percent compared to SFY 2022-23. The increase is attributed to general salary increases. The All Funds appropriations includes $7 million for State Operations and $359 million for Aid to Localities. The Executive Budget proposal supports a workforce of 32 FTEs, unchanged compared to SFY 2022-23. This includes funds for the following major programs:

- $250 million for ongoing funding of the implementation of the *Hurrell-Harring* Statewide Implementation unchanged compared to SFY 2022-23.
- $81 million for the Indigent Legal Services Program, unchanged compared to SFY 2022-23.
- $24 million for the Hurrell-Harring Settlement Program, unchanged compared to SFY 2022-23.

- $4.5 million to fund improvements to the quality of parental representation in Family Court cases, unchanged from SFY 2022-23. The Executive Budget maintains the $750,000 Legislative grant from SFY 2022-23.

<u>Department of Law (Office of the State Attorney General-OAG)</u>

The Executive Budget proposes All Funds appropriations of $345.2 million, a net increase of $18 million or 5.5 percent compared to SFY 2022-23. The net increase is mainly attributed to general salary increase and an increase in staff to support enforcement, which is offset by one-time payments of inflationary costs and capital expenses. The All Funds appropriations includes $342 million for State Operations and $2.8 million for Capital Projects. The Executive Budget proposal supports a workforce of 1,903 FTEs, an increase of 39 FTEs compared to SFY 2022-23. This includes funding for the following major programs;

- $67 million to support the Medicaid Fraud Control unit, an increase of $4 million compared to SFY 2022-23.
- $48 million to support the Social Justice program unit, an increase of $8 million compared to SFY 2022-23, which includes;
    - $2.6 million to support the John R. Lewis New York Voting Rights Act.
    - $2.5 million to support the Law Enforcement Misconduct Investigative Office.
- $18.4 million to support the Office of Special Investigations (OSI).
- $2.8 million to support 15 FTEs in the new Cannabis Management enforcement unit.
- $2.8 million to support Capital Projects for technology systems and equipment upgrades, which is a decrease of $3.8 million compared to SFY 2022-23, attributed to one-time capital expenses.

<u>Division of Military and Naval Affairs (DMNA)</u>

The Executive Budget proposes All Funds appropriations of $331 million, an increase of $114 million or 52.4 percent compared to SFY 2022-23. The All Funds appropriations includes $150 million for State Operations, $1.5 million for Aid to Localities and $180 million for Capital Projects. The Executive Budget proposal supports a workforce of 394 FTEs, an increase of two FTEs compared to SFY 2022-23. The increase is mainly attributed to the following:

- $100 million increase to support renovation of the Lexington Avenue Armory.
- $4 million increase to support World Trade Center death and disability benefits for members of the State's organized militia.
- $4 million increase to support commemorative war medals.
- $4 million to support General Salary Increases.
- $500,000 increase to support life insurance.

Office of Victim Services (OVS)

The Executive Budget proposes All Funds appropriations of $218.5 million, an increase of $760,000 or less than one percent compared to SFY 2022-23. The All Funds appropriation includes $18 million for State Operations, $199 million for Aid to Localities, and $1.5 million for Capital Projects. The Executive Budget proposal supports a workforce of 96 FTEs, unchanged compared to SFY 2022-23. The Executive Budget provides funding to support the following programs:

- $150 million to support the Victim and Witness Assistance program grants, which use federal funding under the Victim of Crime Act.
- $35.6 million to support the Victims Compensation program, which provides aid to survivors of crimes and their families.
- $2.5 million to support the storage of sexual offense evidence collection kits, an increase of $300,000 compared to SFY 2022-23.

Interest on Lawyer Account (IOLA)

The Executive Budget proposes All Funds appropriations of $54 million, an increase of $7 million or 15 percent compared to SFY 2022-23. The All Funds appropriations includes $2 million for State Operations and $52 million for Aid to Localities. The Executive's recommendation supports a workforce of nine FTEs, unchanged compared to SFY 2022-23. The increase is attributed to the following:

- $7 million increase to support additional civil legal services grants.
- $59,000 increase to support General Salary Increases. .

Office for the Prevention of Domestic Violence (OPDV)

The Executive Budget proposes All Funds appropriation of $12 million, a net increase of $1 million or 10.2 percent compared to SFY 2022-23. The All Funds appropriation includes $5 million for State Operations and $6.8 million for Aid to Localities. The Executive Budget proposal supports a workforce of 35 FTEs, an increase of six FTEs compared to SFY 2022-23. This increase is mainly attributed to the modernization of gender-based violence policy and a training program for forensic evaluators, offset by the elimination of Legislative grants from SFY 2022-23.

Judicial Commissions

The Executive Budget proposes All funds appropriations of the following amounts for the three State judicial commissions:

- Commission on Judicial Conduct: $8.1 million, an increase of $939,000 for six additional FTEs, equipment, and leasing costs.
- Commission on Judicial Nomination: $30,000, unchanged compared to SFY 2022-23
- Judicial Screening Committee: $38,000, unchanged compared to SFY 2022-23

State Commission of Correction (SCOC)

The Executive Budget proposes All Funds appropriation of $3.9 million, an increase of $466,810 or 13.9 percent compared to SFY 2022-23. The Executive Budget proposal supports a workforce of 44 FTEs, unchanged from SFY 2022-23. This increase is attributed to funding for temporary staff to review and approve plans related to the Borough-Based Jail Project in New York City.

State Commission on Prosecutorial Conduct (CPC)

The Executive Budget proposes All Funds appropriation of $1.8 million to support 19 FTEs, unchanged compared to SFY 2022-23.

Public Protection Miscellaneous Appropriations

The Executive Budget proposes an All Funds miscellaneous appropriation of $12.5 billion to support emergency response related to unanticipated expenses which derive from a man-made or natural disaster:

- $10 billion for Special Federal Emergency, unchanged compared to SFY 2022-23.
- $2 billion for Special Emergency, unchanged compared to SFY 2022-23.
- $500 million for Public Security and Emergency Response, an increase of $200 million compared to SFY 2022-23 to support the Division of Military Service and Naval Affairs (DMNA) asylum seeker mission. This mission deploys the National Guard members to various hotels, homeless shelters, and emergency sites to implement, administer, and effectuate security and other services.

Article VII

Department of Correction and Community Supervision

Body Scanning Technology (PPGG Part C): The Executive proposes authorizing body scanning technology in DOCCS and OCFS facilities. Currently, this technology is allowed in some local jails. The State Commission of Correction, in consultation with DOCCS and OCFS, will be required to create regulations establishing when body imaging scanning equipment will be used to screen visitors and incarcerated individuals in State and local correctional facilities and youth placed with or committed to an OCFS facility. DOCCS and OCFS will be required to submit an annual report to the Legislature on their use of body scanning technology.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Lower the Hiring Age for Correction Officers (PPGG Part D): The Executive proposes lowering the hiring age for correction officers from 21 years old to 19 years old to expand the applicant pool. According to the Executive, DOCCS is facing significant recruiting and retention issues among corrections officers.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

Division of Homeland Security and Emergency Services (DHSES)

Establish the Hazard Mitigation State Revolving Loan Fund (PPGG Part G): The Executive proposes establishing a Hazard Mitigation State Revolving Loan Fund. This Fund will consist of money received by the State from the Federal Emergency Management Agency, in accordance with the Safeguarding Tomorrow through Ongoing Risk Mitigation Act. DHSES will have access to the money in the Fund to make loans to local governments for eligible hazard mitigation duties to help reduce disaster risks for business, homeowners, and communities.

Eligible projects under the STORM Act include those that mitigate hazards from drought and prolonged intense heat; severe storms such as hurricanes, tornados, wind storms, cyclones, and severe winter storms; wildfires; earthquakes; shoreline erosion, and high-water levels including storm surges and flooding. Projects for the construction or repairing of flood control structures can also be eligible but may be subject to other FEMA requirements.

Fiscal Impact: The Executive Budget proposal provides $15 million in the Division of Homeland Security and Emergency Services to support the Hazard Mitigation Revolving Loan Fund grants.

Authorizing Fee Payments for Volunteer Firefighters (PPGG Part H): The Executive proposes allowing the governing board of a city, town, village, or fire district the option to provide nominal fees to volunteer firefighters. Under this proposal nominal fees would be a payment made to a volunteer firefighter in the form of a stipend or fee per call or training. Localities could elect to provide fees for responding to a fire or other emergency, and for the completion of certain trainings. This proposal would also allow the Office of Fire Prevention and Control to make State funds available through a stipend to volunteer firefighters.

Fiscal Impact: The Executive Budget proposal provides $9 million to the Division of Homeland Security and Emergency Services to support the Volunteer Firefighter Stipend Program.

<u>Division of Criminal Justice Services (DCJS)</u>

<u>Extends Various Criminal Justice and Public Safety Programs</u> (PPGG Part A): This proposal would extend the authorization of various criminal justice programs and statutes.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

<u>Amending the State's Bail Laws</u> (PPGG Part B): The Executive proposes removing the "least restrictive means" standard for qualifying offenses when the court is making a bail determination. The "least restrictive means" standard was put in statute in the original 2019 bail reforms and directs judges to consider what means of ensuring the defendant's return to court is the least restrictive on the defendant's freedom. Prior to the 2019 reforms, the "least restrictive means" standard was not explicit in statute, but was viewed by some as the appropriate standard to avoid setting excessive bail, as established by the New York and United States Constitutions.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

<u>Technical Amendments to the Concealed Carry Improvement Act</u> (PPGG Part F): The Executive Budget proposes adding exemptions to the sensitive location requirement for the entirety of the Adirondack Park and Catskill Park; expanding the list of those who are exempt from the prohibition against possessing a firearm in sensitive locations to include retired law enforcement officers, individuals participating in military ceremonies, security departments for the Metropolitan Transit Authority or New York City transit authority, and individuals engaged in historical reenactments or motion picture. The amendment also includes exemptions for federal, state, and local officers from the safe storage in vehicles requirement; and creates new offenses in the Penal Law related to the purchase and sale of body armor and the purchase of a semiautomatic rifle.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

<u>Office of Indigent Legal Services (ILS)</u>

<u>Assigned Counsel (18-B) Rate Increase</u> (PPGG Part P): The Executive Budget proposes increasing the fees paid to lawyers for indigent litigants. Under current law, assigned counsel statewide earn $60 per hour for misdemeanors and lesser offenses and $75 per hour for felonies. The Executive proposal raises rates to $158 per hour downstate and $119 upstate, regardless of the severity of the charge. The Executive proposal also raises the statutory caps on per-case compensation. Although the State covers some 18-B costs, much of the responsibility for paying assigned counsel falls on local governments. As hourly rates rise, so too will county costs.

Fiscal Impact: The Executive Budget proposal would have a fiscal impact of up to $46 million to the State and up to $83 million total for all counties statewide outside of New York City.

Division of State Police (DSP)

Establish Statewide Repository of Criminal Shooting Incidents (PPGG Part E): The Executive Budget proposes establishing a statewide centralized repository of all criminal shooting incidents that involve the discharge of a firearm, shotgun, or rifle, to be maintained by the Division of State Police. Data acquired by law enforcement agencies must be sent to the repository no later than 72 hours after it has been determined that the firearm discharge occurred in connection with a criminal offense.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Division of Military and Naval Affairs (DMNA)

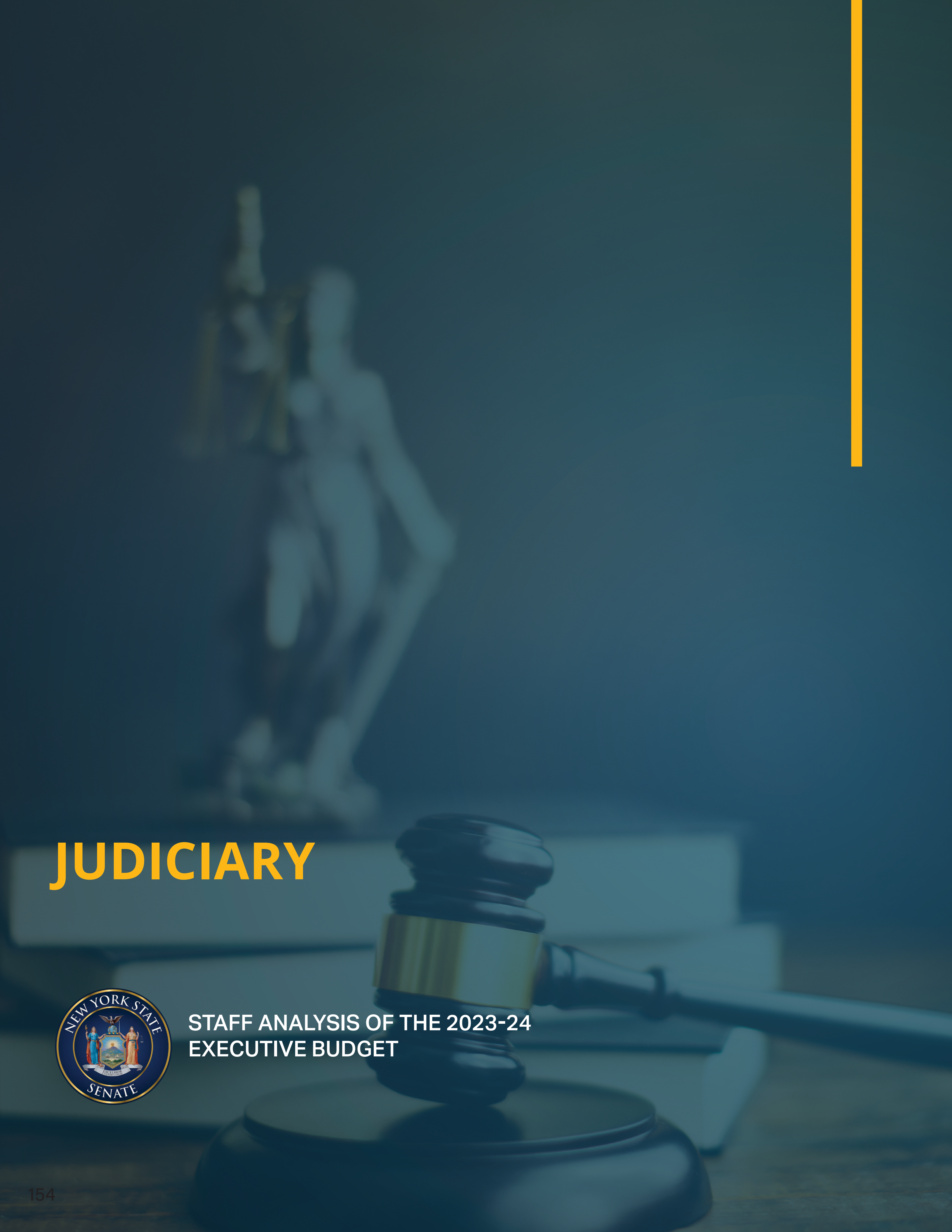
Expand Eligibility for World Trade Center Death and Disability Benefits to New York's Organized Militia (PPGG Part J): The Executive Budget proposes expanding disability pension and death benefits to members of the organized militia who were on state active duty on or after September 11, 2001; participated in the World Trade Center site rescue, recovery, or cleanup operations; and who have been determined to have incurred a qualifying World Trade Center condition or died because of said condition. The application deadline for submitting a qualifying claim under this proposal would be September 11, 2026.

Fiscal Impact: The Executive Budget proposal provides $4 million to the Division of Military and Naval Affairs to support this proposal.

Office for the Prevention of Domestic Violence

Domestic and Gender-Based Violence Model Policy (PPGG Part I): The Executive proposes a uniform domestic and gender-based violence model policy applicable to all State and county-level government entities that provide services to survivors of domestic or gender-based violence. This proposal would repeal the current model policy for domestic violence, and instead would require the Office for the Prevention of Domestic Violence (OPDV) to establish a new model policy. OPDV would be required to create a task force to develop a model domestic and gender-based violence policy to include best practices, policies, protocols, and procedures. Counties will be required to adopt the model policy no later than six months after it is completed. OPDV will also provide training, technical support, and information to implement the adoption of county policies.

Fiscal Impact: The Executive Budget proposal provides $300,000 to the Office for the Prevention of Domestic Violence to support two FTEs for this proposal.



JUDICIARY

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Judiciary Fact Sheet

Appropriations

- **Assigned Counsel Criminal Defense and Attorney For Child Investment:** OCA requests $176 million for the Assigned Counsel, Attorney for Child (AFC) program. These attorneys are appointed by judges to represent indigent defendants in criminal and family court matters.

- **Court Facilities Incentive Aid Program Investment:** OCA requests $117.4 million for the Court Facilities Incentive Aid Program, which provides grants to local governments for the construction and maintenance of court facilities.

- **Judiciary Civil Legal Services Grants Investment:** OCA requests $116 million for the Judiciary Civil Legal Services Program, which provides civil legal assistance grants to 80 legal service providers.

Article VII

- **Market-Based Interest Rate on Court Judgments:** The Executive Budget includes a proposal to apply a variable, market-based interest rate on most court judgments.

OFFICE OF COURT ADMINISTRATION AGENCY DETAILS

Office of Court Administration Total Appropriations ($ in millions)				
	SFY 2023 Available	SFY 2024 OCA Recommendation	$ Change	% Change
OCA All Funds	$ 2,467	$ 2,581	$ 114	4.6%
General State Charges	$ 828	$ 836	$ 8	1%
OCA Totals	**$ 3,295**	**$ 3,417**	**$ 122**	**3.7%**

Overview

In accordance with Article VII, Section 1 of the New York State Constitution, the Judiciary must submit estimates of its financial needs to the Executive and Legislature by December 1. The State is responsible for funding all courts except Town and Village Courts. The New York State Office of Court Administration (OCA) is the administrative agency of the Judicial Branch.

The OCA Budget proposes $3.4 billion in total appropriations, consisting of $2.6 billion All Funds and $836 million General State Charges. This $3.4 billion is a net increase of $122 million or 3.7 percent compared to SFY 2022-23. The increase is attributed to an addition of 34 new judgeships, collective bargaining agreement salary increases, cost-of-living adjustments, and OCA-related costs of a legislatively-enacted hourly rate increase for assigned counsel. The request anticipates $3.3 billion total All Funds cash disbursements, an increase of $72 million compared to SFY 2022-23. The OCA Budget proposal supports a workforce consisting of over 15,700 employees, which includes 1,300 judges and 14,400 nonjudicial staff. This represents a decrease of 500 or 3.1 percent compared to SFY 2022-23, mostly due to attrition.

Office of Court Administration (OCA)

OCA's $2.6 billion All Funds request includes $2.3 billion for State Operations, $283 million for Aid to Localities, $28 million in Capital Projects. This request represents an increase of $113.7 million or 4.6 percent compared to SFY 2022-23. OCA's request provides support for the following programs:

- $176 million for the Assigned Counsel and Attorney for Child (AFC) program, a $46 million increase compared to SFY 2022-23.

- $117.4 million for the Court Facilities Incentive Aid Program, a $2.2 million increase compared to SFY 2022-23. These are grants to local governments for the construction and maintenance of court facilities.
- $116 million for the Judiciary Civil Legal Services Program, a $3.4 million increase compared to SFY 2022-23. This provides civil legal assistance grants to 80 legal service providers.
- $47 million for the Indigent Criminal Defense Program to support caseload standards for indigent criminal defense institutional providers in New York City.
- $28 million for Capital Projects, an increase of $3 million compared to SFY 2022-23. The increase would support improvements to court technology infrastructure to enhance the Judiciary's security, computer network, and records management systems.
- $3 million for the Justice Court Assistance Program, which provides grants to Town and Village Justice Courts to modernize court operations.

General State Charges: $863 million appropriation, a net increase of $8.3 million or one percent compared to SFY 2022-23 available funds. These appropriations are required for pension contributions, Social Security and Medicare, health insurance premiums, dental, vision and life insurance, and employee benefit funds. The Judiciary's GSC request provides support for the following obligations:

- $461.5 million for Health, Dental, Vision and Life Insurance, an increase of $29 million compared to SFY 2022-23 available funds;
- $215.8 million for Pension Contributions, a decrease of $33.2 million compared to SFY 2022-23 available funds;
- $128.1 million for Social Security and Medicare costs, an increase of $9.3 million compared to SFY 2022-23 available funds; and
- $31 million for Employee Benefit Fund costs, an increase of $3.2 million compared to SFY 2022-23.

Article VII

Assigned Counsel (18-B) Rate Increase (PPGG Part P) : The Executive Budget proposes increasing the fees paid to lawyers for indigent litigants. Under current law, assigned counsel earn $60 per hour for misdemeanors and lesser offenses and $75 for felonies. The Executive proposal raises rates to $158 per hour downstate and $119 upstate, regardless of the severity of the charge. The Executive proposal also raises the statutory caps on per-case compensation.

Fiscal Impact: The Executive Budget proposal would have a fiscal impact of up to $46 million to the State and up to $83 million total for all counties statewide outside of New York City. according to OCA requests and the State Financial Plan.

<u>Market-Based Interest Rate on Court Judgments</u> (PPGG Part U) : The Executive Budget proposes applying a variable-market-based interest rate on court judgments. The Executive proposal applies to all court judgments, including judgments against the State, except for consumer debt judgments and some judgments under the Tax Law. Under current law, the interest rate for most court judgments is 9 percent per year.

Fiscal Impact: This proposal would reduce the amount of interest paid by the State on court judgments and accrued claims by approximately $2.5 million annually.

HEALTH

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Health Fact Sheet

Appropriations

- **Medicaid:** The Executive Budget proposes $103 billion in total Medicaid spending for SFY 2023-24, which is an increase of $4.8 billion compared to SFY 2022-23. This includes $27 billion in DOH State-share Medicaid spending for SFY 2023-24.

- **Health Care Facility Transformation Capital Program V:** The Executive Budget proposes $1 billion to support grants for capital improvements for health care providers, technology, ambulatory care infrastructure, telehealth, and innovating nursing home models.

- **Health Care Reform Act (HCRA):** The Executive Budget proposal projects $6.4 billion in HCRA spending in SFY 2023-24.

- **Financially Distressed Hospitals (FDHs):** The Executive Budget proposal includes $150 million for Financially Distressed Hospitals (FDHs) and an additional $71.6 million for SUNY Disproportionate Share Hospitals, which will grow to $106 million in SFY 2024-25.

Article VII

- **Abortion-Related Data Protection and Privacy:** The Executive proposes prohibiting any person or entity that provides electronic communication services from sharing abortion procedure information with out-of-state law enforcement officials. The proposal prohibits non-governmental entities from establishing a "geofence" (location-based ad perimeter) around healthcare facilities for delivering targeted digital advertisements to patients there.

- **Flavored Tobacco and Vapor Product Control Policies:** The Executive includes a flavored tobacco and vapor product control proposal to: (1) expand the definition of vapor product to subject non-nicotine products to regulatory control; (2) apply vaping control policies to the expanded group of products; (3) expand the definition of "flavored" to include whether or not a distinguishable sensation is imparted; and (4) prohibit the sale of menthol-flavored traditional cigarettes. The proposal does not apply to products authorized under the Cannabis Law.

- **Statewide Healthcare Transformation V:** The Executive recommends a $1 billion capital financing program to fund improvements for eligible providers investing in projects to support improved quality patient-centered models of care, increased access to care, provider financial sustainability, and telehealth improvements.

- **Medicaid Long-Term Care Program Reforms:** The Executive extends the moratorium on the processing and approval of applications to operate managed long-term care ("MLTC") plans in the State and allows DOH to start a competitive procurement process for MLTC services if plans fail to meet certain performance metrics by October 31, 2024.

- **Managed Care Program Reforms:** The Executive proposes a pay-and-resolve mechanism for emergency services and inpatient admissions resulting from emergency services. This would require insurance companies to pay claims from these hospitals when they are medically necessary. A joint committee between the hospital and the health plan will review the claims for post-payment audit if requested by either party.

- **Scope of Practice:** The Executive proposes a comprehensive package of reforms that would expand the scope of practice for medical providers such as pharmacists, practicing nurses, and physician assistants.

- **Transfer of Oversight:** The Executive proposes to transfer oversight of the healthcare professions from the State Education Department (SED) to DOH. All powers, duties, and employees of SED will shift to DOH with respect to the healthcare professions.

HEALTH AGENCY DETAILS

Health All Funds Appropriations ($ in millions)				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Department of Health	$205,711	$217,533	$11,821	5.7%
State Office for the Aging	$311	$304	($7)	-2.2%
Office of the Medicaid Inspector General	$57	$57	$0	0.0%
Health Total	**$206,079**	**$217,894**	**$11,815**	**5.7%**

Overview

The Executive Budget proposes All Funds appropriations of $218 billion, an increase of $11.8 billion or 5.7 percent compared to SFY 2022-23. The increase is mainly attributed to an increase in Medicaid spending.

Department of Health (DOH)

The Executive Budget proposes All Funds appropriations of $217.5 billion, an increase of $11.8 billion or 5.7 percent compared to SFY 2022-23. The All Funds appropriations include $4.5 billion for State Operations, $210.5 billion for Aid to Localities, and $2.5 billion for Capital Projects. The Aid to Localities Appropriation includes a two-year nearly $200 billion Medicaid appropriation. The $11.8 billion increase includes a $578 million increase in State Operations, $10.8 billion increase in Aid to Localities, and a $406 million increase in Capital Projects funding. The Executive's proposal supports a workforce of 6,057 FTEs, an increase of 39 FTEs compared to SFY2022-23. The Executive Budget proposal provides support for the following:

Medicaid
The Executive Budget proposes $103 billion total Medicaid spending for SFY 2023-24, which is an increase of $4.8 billion compared to SFY 2022-23. This includes $59.3 billion in Federal-Share and $27.8 billion in DOH State-Share, an increase of $2 billion or 7.7 percent compared to SFY 2022-23.

Medicaid Global Cap
The Medicaid Global Cap is determined using a five-year rolling average of Medicaid spending projections. The Executive Budget proposal has an estimated spending growth of $1.4 billion in

SFY2023-24. The Global Cap Index has been revised based on updated Centers for Medicare & Medicaid services (CMS) annual projections of health care spending. The Executive Budget projects that the Global Cap spending growth will increase an additional $1.44 billion in SFY 2024-25 and $1.52 billion in SFY 2025-26, which would bring total DOH State-Share spending to $32.7 billion by SFY 2025-26.

Local Growth Takeover

The Executive Budget proposes to use all $624 million of the Affordable Care Act's (ACAs) eFMAP to offset the full growth financed by the State. This includes a cost of $343 million to New York city and $281 million to the rest of the State.

Health Care Reform Act (HCRA)

The Executive Budget proposal projects $6.4 billion in Health Care Reform Act (HCRA) spending in SFY 2023-24. HCRA funding will be used to support several health programs, including a significant portion of the Medicaid program. Funding will support the following:

- $4 billion in continued support for Medicaid spending, including:
    - $175 million for Workforce and Retention.
    - $150 million annually through SFY 2024-25 to increase support for Distressed Hospital providers.
- $1 billion for the Child Health Plus (CHP) Program.

Financially Distressed Hospital Support

The Executive Budget proposal includes $150 million for Financially Distressed Hospitals (FDHs) the distressed provider account and an additional $71.6 million for SUNY Disproportionate Share Hospitals, which will grow to $106 million in SFY 2024-25.

Medicaid Managed Care

The Executive Budget proposal projects $12.3 billion in Medicaid Managed Care spending in SFY 2023-24, a decrease of $492 million compared to SFY 2022-23. The decrease in spending projections are due to the following:

- $172 million savings in SFY 2023-24 due to the delay implementation of the Undocumented Coverage Expansion for individuals ages 65+ to late SFY 2023-24.
- $60 million in savings SFY 2023-24 due to the discontinuation of the Mainstream Managed Care (MMC) Quality Pool Payments.

Pharmacy Actions

The Executive Budget continues to carve out Medicaid Managed Care organizations to fee for service. This Executive Budget proposal is projected to produce a State savings of $410 million in SFY 2023-24. The Executive Budget reinvests these savings into the following programs health centers:

- $213 million increase to support a five percent hospital reimbursement rate increase.

- $125 million increase to support Federally Qualified Health Centers (FQHC)/Diagnostic Treatment Centers (DTC) Supplemental Payments.
- $30 million to support Ryan White Clinics

Public Health

The Executive Budget includes $42 million to support various Public Health Programs, this includes funding to support the following programs:

- $18.5 million to support the DOH Lead abatement program.
- $12.3 million to modernize the State's health reporting systems.
- $5.2 million to establish the Division of Vaccine Excellence.

Health Capital Funds

The Executive Budget proposes All Funds appropriations of $2.5 billion, a net increase of $406 million compared to SFY 2022-23. This net increase is mainly attributed the following programs:

- $967 million increase to support new funding for the consolidation of Wadsworth's five unconnected sites into one new, state-of-the-art facility on Albany's W. Averell Harriman Campus by 2030.
- $362 million to support laboratory testing of public drinking water resources, an increase of $17 million compared to SFY 2022-23.
- $31.5 million to support new funding for Health Care Data Modernization
    - $1.5 million to support services and expenses related to the development of modernized health care data systems.
    - $30 million for services and expenses related to the development and implementation of an electronic health record connectivity incentive program
- $1 billion to support the Multi-Year Statewide Health Care Facility Transformation Program (SHCFTP) V (Round 5), which is a decrease of $600,000 compared to SFY 2022-23.
- $30 million decrease due to elimination of Capital Funds for the New York eHealth Collaborative.

Office of Medicaid Inspector General (OMIG)

The Executive Budget proposes All Funds appropriations of $57.4 million, unchanged compared to SFY 2022-23. The Executives proposal supports a workforce of 515 FTEs, unchanged compared to SFY 2022-23. The primary role of the OMIG is to prevent and detect Medicaid waste, abuse, or fraud

State Office for the Aging

The Executive Budget proposes All Funds appropriations of $303.8 million, a net decrease of $6.7 million or 2.2 percent compared to SFY 2022-23. The All Funds appropriations includes

$12.8 million for State Operations and $291 million for Aid to Localities. The net decrease is mainly attributed to elimination of Legislative grants from SFY 2022-23, which is offset by an increase to support a 2.5 percent COLA and other programs. The Executive's proposal supports a workforce of 126 FTEs, an increase of 4 FTEs compared to SFY2022-23. The increase is attributed to the following:

- $4 million increase to support State aid grants for Naturally Occurring Retirement Communities (NORC).
- $2.5 million increase to support the Long Term Care Ombudsman Program (LTCOP).
- $500,000 increase to support the development of a State Master Plan in Aging.

Special Public Health Emergency Response Appropriation - Miscellaneous Appropriation

The Executive Budget proposes an All Funds miscellaneous appropriation of $6 billion to support unanticipated expenses associated with response to the Covid-19 pandemic, unchanged compared to SFY 2022-23.

Article VII

Department of Health

Medicaid Global Cap Extension (HMH Part A): The Executive proposes extending the Medicaid Global Cap through SFY 2024-25.

Fiscal Impact: This Executive Budget proposal does not provide an estimate for capping Medicaid spending as indexed to the five-year rolling average for Medicaid spending projections.

Extenders (HMH Part B): The Executive Budget extends:
- The requirement of a two-month "cooling-off" period following the termination of a contract between a health plan and hospital, under which operations continue as though the contract is in place for the benefit of enrollees, through June 30, 2025.
- Authorization for spousal budgeting in long-term care waiver programs and Medicaid Managed Long Term-Care, through March 21, 2028.
- State waiver authority to provide Care at Home (CAH), which provides community-based services to children with high-need physical disabilities, through March 31, 2028. It also expands the age eligibility criteria to conform with the program's most recent waiver authority.

- Authorization for licensed and unlicensed local correctional facility staff to use body radiological imaging equipment in connection with the facility's security program, through January 30, 2029.
- Provisions of law that set out operations of the Medical Society of New York (MSSNY) Committee for Physicians Health (CPH) program. This program provides non-disciplinary, confidential assistance to doctors suffering from burnout, physical illness, alcoholism or substance abuse, or mental illness. The demonstration period is extended through July 1, 2033. It also extends provisions that set forth the CPH program's reporting requirements to DOH's Office of Professional Medical Conduct (OPMC); provisions to ensure liability protections for the physician Committee members for work performed in the scope of CPH; and confidentiality protections for the program. The last set of extensions was for a period of five years.
- Provisions of the Medical Care Facilities Financing Act, through March 31, 2028. This provides State-operated hospitals with flexibility for contracting goods and services.
- The $80 million limitation of payments for nursing home appeals annually through April 1, 2027.
- Authorization for episodic payment per 60-day care period to certified home health agencies through March 31, 2027.
- Limitations on payment methods for prescription drugs under Medicaid through March 31, 2026.
- Provisions on Medicaid nursing home upper payment limit (UPL) & intergovernmental transfers at $500 million through April 1, 2025.
- The Comprehensive Health Services Program, which provides payments for uncompensated care to voluntary non-profit diagnostic treatment centers until March 31, 2026.
- Penalties within the Public Health Law, the Patient Safety Center Account, and the Enriched Social Adult Day Services Demonstration Project through April 1, 2026.
- The Home Care Medicare Maximization Program through February 1, 2027.
- The Nursing Home Medicare Maximization Program through February 1, 2026.
- State authorization to negotiate supplemental rebates directly with manufacturers inside and outside Medicaid Managed Care to leverage total Medicaid prescription brand name drug volume through March 31, 2026.
- State authorization to establish a statewide formulary of drug classes upon which rebate negotiations may be undertaken directly with the manufacturers through March 31, 2029. An extension was not due on this provision of law until March 31, 2026.
- Provisions needed to convert the upper payment limit (UPL) provided to the New York City Health and Hospitals Corporation to a rate add-on through March 31, 2026.
- Hiring authority for contact staff who administer fair hearings under the Fully Integrated Duals Advantage Program through January 1, 2027.

- Authorization for providing services to nonresidents in adult homes, residences for adults, and enriched housing programs through July 1, 2027.
- Authorization of Bad Debt and Charity Care allowances for certified health home agencies through June 30, 2025.
- A limitation on the reimbursement of certified home health agencies and long-term home health care programs administrative and general costs to not exceed a statewide average through March 31, 2027.
- Elimination of the trend factor for service for general hospital and nursing home reimbursement through March 31, 2025.
- Authorizations related to financing healthcare capital improvements through March 31, 2025.
- The Health Facility Cash Assessment Program through March 31, 2025.
- The demonstration program for transitioning medically fragile young adults in pediatric nursing homes through July 30, 2027.

The Executive Budget makes permanent the following:
- Authority for use of funds of the Office of Professional Medical Conduct for activities of patient health information and Quality Improvement Act of 2000.
- The Statewide Health Information Network of New York (SHIN-NY) and Statewide Planning and Research Cooperative System.

Fiscal Impact: Spending will be achieved within the overall capped Medicaid spending as indexed to the five-year rolling average for Medicaid spending projections.

Reauthorization of the Health Care Reform Act **(HMH Part C)**: The Executive proposes extending the Health Care Reform Act (HCRA) administration and initiatives through 2026. Originally created to fund graduate medical assistance and the Indigent Care Pool for hospitals that provide uncompensated care, the Health Care Reform Act now supports several health programs, including a significant portion of the Medicaid program. Several initiatives include:
- Physician Loan Repayment Program
- Physician Practice Support Program
- Diversity in Medicine
- Physician Workforce Study Program
- Empire Clinical Research Investigator Program
- Clinic Bad Debt and Charity Care
- Early Intervention services
- Tobacco Use and Prevention Program
- Elderly Pharmaceutical Insurance Coverage (EPIC) Program
- Roswell Park Cancer Institute Corporation
- Medicaid Cancer Treatment Program

Fiscal Impact: The Executive proposal will continue HCRA funding for a number of health programs and revenue sources. The Executive Budget proposal estimates that the HCRA fund will support $6.4 billion in spending in SFY 2023-24.

Medicaid Pharmacy-Related Recommendations **(HMH Part D)**: The Executive proposes to allow the Department of Health to eliminate drugs from the Medicaid list of over-the-counter covered drugs without prior notice. The Executive explained they plan to remove certain drugs that treat heartburn and others that are not clinically appropriate. They plan to share a list of drugs they intend to remove. The proposal also includes eliminating prescriber prevails from Medicaid.

Fiscal Impact: These Executive proposals will generate $8.7 million in savings in SFY 2023-24 and $66.9 million in SFY 2024-25.

Hospital-Related Recommendations **(HMH Part E)**: The Executive proposes to reduce the state's share of the Indigent Care Pool by $42.7 million. This reduction would not affect money to safety net hospitals under the Pool.

The proposal also includes authorizing the designation of rural emergency hospitals (REH) in the state, a new provider type created by Congress. Congress created REHs to address the closure of rural hospitals. REHs will receive an increased 5 percent Medicare reimbursement add-on and a monthly facility payment. This designation is available for hospitals with less than 50 beds. REHs will need a 24-hour emergency department and provide observation care and medical and health outpatient services while not exceeding 24 hours. They will not be able to provide inpatient care. Before transitioning into an REH, hospitals must eliminate their inpatient beds and create a process to transfer or refer patients to other hospitals. This proposal requires a public forum at least 30 days before a hospital applies for such designation and notice to appropriate agencies depending on the hospital's current services.

The proposal also makes permanent last year's Enacted Budget provision that allowed DOH to make temporary adjustments or lump sum payments to eligible facilities in severe financial distress and removes the requirement to submit a transformation plan to receive the funds. The proposal would also expand the list of facilities eligible for the Vital Access Provider Assurance Program ("VAPAP"). It would include entities that were formed as a Preferred Provider System ("PPS") under the Delivery System Reform Incentive Payment ("DSRIP") program.

The proposal includes a 5 percent Medicaid rate increase for the operating component of hospital inpatient services, subject to federal financial participation.

Fiscal Impact: The Executive proposal will have an annual fiscal impact to the State of $169.8 million in SFY 2023-24.

Extend the Physicians Excess Medical Malpractice Program (HMH Part F): The Executive proposes to extend the excess malpractice program for a year through June 30, 2024. This program provides eligible physicians with an additional layer of medical malpractice insurance coverage above the policy limits provided by their primary malpractice coverage.

Fiscal Impact: This Executive Budget proposal does not provide an estimate for this proposal.

Private Pay (HMH Part G): The Executive proposes lowering the income threshold for private pay protocols for Area Agencies on Aging from 400 percent of the Federal Poverty Level to 250 percent of the FPL to allow more seniors to access and receive services via private payment. The New York State Office for the Aging is authorized to implement private pay protocols for certain programs and services they administer. AAAs can then implement the private pay protocols at their option. Services may include care management, personal care, home-delivered meals, social adult day services, transportation, caregiver support and respite, personal emergency response systems, financial management and bill payments, comprehensive assessment for aging network community-based long term care services, and any other new or emerging services that are approved by the NYSOFA.

Fiscal Impact: This Executive Budget proposal does not provide an estimate for this proposal.

Essential Plan Program Changes (HMH Part H): The Executive proposes delaying the implementation of the Medicaid coverage expansion for undocumented people over the age of 64 until January 1, 2024, to submit a federal 1332 State Innovation Waiver. The Executive also proposes expanding Essential Plan eligibility through the Waiver to include people up to 250 percent of the federal poverty line and allowing pregnant people to stay in the Essential Plan through one year postpartum regardless of any income changes.

Fiscal Impact: The Executive proposal will generate $213 million in savings in SFY 2023-24 and $165 million in SFY 2024-25, subject to Federal approval and guarantee of Federal financial participation.

Medicaid Long Term Care Program Reforms (HMH Part I): The Executive proposes to extend the authority for Medicaid Long Term Care ("MLTC") plans for an additional four years. It also extends the moratorium on the processing and approval of applications to operate as a new partial capitation MLTC plan until March 31, 2027.

MLTC plans will have to meet certain performance metrics by October 1, 2024. The proposal allows the DOH Commissioner to exclude certain MLTC plans from the program if they fail specific performance metrics for a number of years. If, after a determination by the DOH Commissioner, the plans fail to meet the metrics, the state will have the option to start a procurement process for MLTC plans to continue to provide services. MLTC plans that are not selected after the procurement or do not intend to go through the procurement, will terminate their MLTC services and operations, but be required to maintain coverage of participants until the full transfer of participants to other plans. Participants that do not select another plan within 60 days will be assigned by the state to another plan.

The Commissioner will make procurement awards by April 1, 2026 to at least two MLTC plans per geographic region. Should the Commissioner opt against procurement after October 1, 2024, MLTC plans that fail to meet performance standards will establish and implement an improvement plan acceptable to the Commissioner.

The Executive Budget proposal also repeals the Fiscal Intermediary ("FI") procurement process since contracting with FIs will be managed through the MLTC plans performance process. Starting January 1, 2024, FIs cannot provide services without DOH authorization. DOH will issue regulations clarifying the authorization process, standards, timeframes, and revocation.

The proposal further includes a 5 percent rate increase for the operating component of residential healthcare facilities and assisted living programs services, subject to federal financial participation.

The proposal also eliminates wage parity requirements for the Consumer Directed Personal Assistance Program ("CDPAP") in New York City and Nassau, Suffolk, and Westchester counties and creates a state fund to help pay health plan premiums for personal assistants performing CDPAP services. The premium assistance amount will depend on the work status (full-time versus part-time) and the ability to qualify for federal premium tax credits. The credit will be paid directly to the health plan and may be based on a sliding scale in relation to household income.

Fiscal Impact: The Executive proposal will have a fiscal impact costing $73 million in SFY 2023-24 and generate $69.6 million in savings in SFY 2024-25.

Managed Care Program Reforms (HMH Part J): The Executive proposes a pay-and-resolve mechanism for emergency services and inpatient admissions resulting from emergency services. When a health plan's obligation to pay a claim for emergency services or inpatient admissions resulting from emergency services is clear, then the plan must pay the claim. The health plan will have the option to request the hospital for clinical documentation to confirm the medical necessity of the services.

A joint committee made up of clinicians from the health plans and the hospitals will meet at least quarterly to review the claims submitted for audit. If the joint committee cannot agree to a determination, the hospital or the plan can refer the claim to an independent third-party review agent. The determination of the review agent will be binding.

The independent third-party review agent will be designated in the participating provider agreement. If the hospital and health plan cannot agree on an agent, the health plan can select an agent that has been certified by the Department of Financial Services (DFS) as an external appeal agent or as an independent dispute resolution entity. If the agent determines the services were not medically necessary, the health plan can recoup, offset, or require the hospital to refund any overpayments. During this whole process, the hospital will be prohibited from imposing any co-sharing for the services and will hold the health plan harmless for any other amounts. A review or audit of the claims by or on behalf of a health plan will not change a medical necessity determination or downgrade the claims' coding if it changes the medical necessity determination.

Fiscal Impact: The Executive proposal will result in a cost of $7.75 million in SFY 2023-24 and $31.6 million in SFY 2024-25.

Waiver Eligibility Expansion (HMH Part K): The Executive proposes expanding Medicaid coverage to match the pending State's 1115 Waiver, which includes Medicaid coverage for incarcerated people prior to their release. Incarcerated people are also not Medicaid-eligible until they are released. The Executive also proposes expanding coverage to patients in institutions of mental disease (IMD). IMDs are facilities primarily engaged in diagnosing, treating, or caring for people with mental diseases. The Medicaid IMD exclusion prohibits federal financial participation for any otherwise-covered Medicaid services for people up to age 65 residing in IMDs.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

Site of Service Review (HMH Part L): The Executive proposes guiding principles for site-of-service utilization reviews for services performed at hospital-based outpatient clinics rather than free-standing ambulatory surgical centers. Site of service reviews determine the appropriate clinical setting for certain non-urgent outpatient medical procedures and surgeries. Entities will be required to disclose their site of service limitations to enrollees and providers 90 days before implementing them or when a prospective member enrolls in a health plan.

The Executive also proposes to require health plans to have an adequate number of free-standing surgical providers to meet the needs of their members. They also must approve hospital-based procedures when they cannot be safely performed in a free-standing ambulatory surgical center due to the patient's health condition and other facility adequacy factors.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Reform Approval Processes for Healthcare Projects and Transactions (HMH Part M): The Executive proposes to modify the certificate of need (CON) process by making the following changes:

For hospitals and nursing homes: The Executive proposes to reduce the lookback period for an applicant's prior affiliations "character and competence" review from 10 years to seven years. Any change in ownership will require approval of the Public Health and Health Planning Council (PHHPC), except that: (1) character, competence, and standing evaluations will be required for new applicants only, and they will be exempted from a public needs assessment; and (2) PHHPC approval will not be required for changes of interest of less than 10 percent, provided the applicant gives prior 90-day notice to PHHPC and DOH.

For licensed home care service agencies ("LHCSA") and certified home health agencies: Any change in ownership will require PHHPC approval, except that: (1) LHCSAs can be subject to a public needs assessment if the DOH Commissioner determines it is appropriate; and (2) PHHPC approval will not be required for changes of interest of less than 10 percent, provided the applicant gives prior 90-day notice to PHHPC and DOH.

For hospice providers: Any change in ownership will require PHHPC approval, except that: (1) character, competence, and standing evaluations will be required for new applicants only, and they will be exempted from a public needs assessment; and (2) PHHPC approval will not be required for changes of interest of less than 10 percent, provided the applicant gives prior 90-day notice to PHHPC and DOH.

Review and Oversight of Material Transactions: The Executive proposes to review and approve material transactions involving healthcare entities like physician practices and management services organizations. Material transactions will include mergers and acquisitions, affiliation or contracts between entities, forming partnerships, joint ventures, and other care organizations. Entities will have to provide notice to DOH prior to the closing date of the transaction and include all required documentation. DOH will review the material transaction based on certain factors. During that time for review, DOH will post a summary of the application for public notice and comment. DOH will have the authority to approve the transaction with specific conditions. If DOH disapproves of the transaction or approves it with conditions, DOH will be able to refer the matter to the Attorney General to take steps to protect consumers. If an entity fails to comply with these requirements, DOH can impose a civil penalty of up to $10,000 per day for any violation.

Construction Fees: The Executive proposes raising the capital fee for CON applications from 0.55 percent to 0.65 percent of the total capital value of the application. For applications that do not require PHHPC approval, the Executive proposes to raise the capital fee from 0.3 percent to 0.35 percent of the total capital value of the application. This will apply to hospitals, nursing homes, and diagnostic and treatment centers.

Core Public Health Services: The Executive proposes to exclude core public health services from home care licensure when those services are provided in the home by a local health department. The core services will include immunizations, tuberculosis testing and observation, verbal assessment, counseling and referral services, and other services as determined by DOH. These services will be eligible for reimbursement.

Controlling Persons for Home Care Agencies: The Executive proposes to clarify that stockholders or members of third level or higher entities that exercise no control cover home care agency functions will not be considered “controlling persons” for CON purposes provided they submit an affidavit stating they will not exercise control over the home care agency.

Fiscal Impact: The Executive proposal will result in a cost of $2.1 million in SFY 2023-24 and $2.1 million in SFY 2024-25.

<u>Expand the Medicaid Buy-In for Working People with Disabilities</u> (HMH Part N): The Executive proposes to expand the Medicaid buy-in program for working people with disabilities, subject to federal financial participation through the 1115 Waiver. The program expansion would be available to 30,000 people over the age of 16 who qualify for disability benefits under the federal Social Security Act and would otherwise be eligible for Medicaid but for their income or resources. Premiums will be based on the individual’s income:

- A person with an income lower than 250 percent FPL will not owe any premiums;
- A person with an income between 250-300 percent FPL will pay $347;
- A person with an income between 300-400 percent FPL will pay $518;
- A person with an income between 400-500 percent will pay $779; and
- A person with an income over 500 percent FPL will pay $1448.

Fiscal Impact: The Executive proposal will have a fiscal impact of $60 million in SFY 2023-24.

<u>Flavored Tobacco and Vapor Product Control Policies</u> (HMH Part O): The Executive Budget includes an omnibus flavored tobacco and vapor product control proposal to: (1) expand the definition of vapor product to remove the requirement that a vapor product be intended to be used for the consumption of nicotine in order to be subject to regulatory control; (2) apply historical vaping control policies to the expanded group of products; (3) expand the definition of "flavored" to include whether or not a distinguishable sensation is imparted; and (4) prohibit the sale of menthol-flavored traditional cigarettes by prohibiting the sale of products that impart a "cooling or numbing sensation" during consumption of tobacco. The proposal does not apply to products authorized under the Cannabis Law.

Fiscal Impact: The Executive proposal will result in $133 million in state tax reduction in SFY 2023-24 and $255 million in SFY 2024-25.

<u>Statewide Health Care Facility Transformation Program V</u> (HMH Part P): The Executive proposes authorizing language for a fifth round of grants for the Statewide Health Care Facility Transformation Program. First enacted in 2016, the last four programs have made funds available to a wide range of healthcare facilities to provide financial support for projects designed to improve facility infrastructure and patient care. This round targets projects designed to transform, redesign, and strengthen quality care services. The Executive proposes set-asides from the $1 billion total appropriation to make the following funding available:

- $500 million for capital projects that support innovation, patient-centered models of care, increase access to care, improve the quality of care, and ensure the financial stability of healthcare providers; and
- $500 million for technological and telehealth transformation projects.

Funds may be awarded to the same group of eligible providers under Statewide Program IV, including hospitals, residential healthcare facilities, adult care facilities, diagnostic and treatment centers, clinics, children's residential treatment facilities, assisted living programs, behavioral health facilities, behavioral health facilities, home care providers, primary care providers, hospice agencies, community-based programs funded under the Mental Hygiene Law, and independent practice associations or organizations. Funds will be awarded through a process developed by DOH.

Fiscal Impact: This proposal would have a State fiscal impact of $1 billion , which includes $100 million in SFY 2024-25, $400 million in SFY 2025-26, $400 million in SFY 2026-27, and $100 million in SFY 2027-28.

<u>Expand Access to Primary Care</u> (HMH Part Q): The Executive proposes allowing Medicaid reimbursement for health-based social needs services, subject to federal financial participation. The services must be recommended by a physician or another healthcare practitioner and provided by a qualified community health worker. The Executive also proposes Medicaid reimbursement of services provided by licensed mental health counselors, licensed marriage and family therapists, and licensed social workers in general hospital outpatient departments and diagnostic and treatment centers.

Fiscal Impact: The Executive proposal will have a fiscal impact of $8.7 million in SFY 2023-24 and $34.7 million in FY 2024-25.

Expand Medicaid Coverage of Preventative Healthcare Services **(HMH Part R)**: The Executive Budget proposes expanding Medicaid services to include: (1) care and services provided by a nutritionist and certified dietitians; and pending federal approval, (2) arthritis self-management training services for individuals living with osteoarthritis when the services are ordered by a physician, registered nurse, nurse practitioner or midwife and provided by educators deemed qualified by the Department of Health.

Fiscal Impact: The Executive proposal will have a fiscal impact of $9.5 million to the State in SFY 2023-24 and $17.8 million in SFY 2024-25.

Revitalize Emergency Medical Services (EMS) **(HMH Part S)**: The Executive Budget includes several initiatives and proposals related to Emergency Medical Services (EMS), such as:

- Updating the definition of emergency medical service to expand the role of EMS in responding to emergencies, non-emergencies, specialty needs, or public events. It also includes the provision of community education and prevention programs, mobile integrated healthcare programs, ground and air ambulance services, centralized access and emergency medical dispatch, training for EMS practitioners, medical first response, mobile trauma care systems, mass casualty management, medical direction or quality control, and system evaluation procedures.
- Giving the State Emergency Medical Services Council (SEMSC) the authority to advise the DOH Commissioner on certain EMS-related issues and create an EMS system and agency performance standards.
- Giving each Regional Emergency Medical Services Council the authority to advise the State Emergency Services Council and DOH on EMS-related issues.
- Directing the SEMSC, in collaboration with DOH, to develop a Statewide Comprehensive Emergency Medical System Plan, updated and published every five years, to provide for a coordinated emergency medical system.
- Directing the SEMSC to make recommendations to DOH for implementing standards related to establishing a training program for EMS systems.
- Establishing a basis for the issuance of civil penalties for any person who holds themselves out as an EMS practitioner when they are not or who attempts to become an EMS practitioner in an unlawful or unethical manner.

- Dedicating funds for a public service campaign designed to recruit personnel to the emergency medical system field and a mental health and wellness program that provides resources to EMS practitioners.
- Empowering DOH to publish regulations for the licensure of emergency medical service practitioners.
- Establishing a new application process for new or modified operating authority.
- Empowering EMS agencies to establish a "mobile integrated healthcare program," allowing EMS to deliver community paramedicine services.
- Codifying actions taken during the early response COVID-19 pandemic under Executive Orders that allow EMS providers to administer immunizations based on non-patient specific orders.

Fiscal Impact: The Executive proposal will have a fiscal impact of $7.3 million in SFY 2023-24 and $20.1 million in SFY 2024-25.

Lead Paint Inspection Registry for Rental Properties Outside NYC **(HMH Part T)**: The Executive Budget directs DOH to establish a registry for all residential rental dwellings located outside of New York City, with two or more rental units, built prior to 1980 and located in a "community of concern" as determined by DOH. Registered homes must be certified as free of lead paint based on inspections conducted on a triannual basis. Records of compliance must be submitted to the local health department or appropriate designee and submitted in accordance with rules set by DOH and the Secretary of State. Inspection requirements would be based on regulations and guidance from DOH and could include qualifications for inspectors, minimum requirements of a compliant inspection such as the performance of visual inspections for deteriorated paint or soil conditions and the collection of dust wipe samples, and a process for reporting inspection results to local health departments. Remediation of any hazards must be done according to municipal requirements.

Fiscal Impact: The Executive proposal will have a fiscal impact of approximately $18.5 million in SFY 2023-24 and $18.5 million in SFY 2024-25.

Abortion-Related Data Protection & Privacy **(HMH Part U)**: The Executive Budget proposes prohibiting any person or entity in the State that provides electronic communication services that allow consumers to send signs, signals, writing, images, sounds, data, or intelligence transmitted via wire, radio, electromagnetic, photoelectric or photo-optical system from acting on warrants for data that expose patient identity, stored data, usage data, recipient and destination information, and content if they know or should know the warrant is issued in relation to an investigation into, or enforcement of a "prohibited violation."

A prohibited violation relates to any out-of-state legal action related to providing, facilitating, or obtaining an abortion performed legally in this State or the intent to provide, facilitate, or obtain an abortion that is lawful in New York. Electronic communication does not include telephonic or telegraphic communication, communication made through a tone-only pager device, communication made through a device that tracks the movement of a person or object, and any communication disseminated by the sender that is configured so that the information is readily accessible to the public, such as on an online public forum.

The Executive Budget also prohibits any person or entity from establishing a "geofence" (location-based targeted ad perimeter) around healthcare facilities for delivering digital advertisements to patients at or within the facility.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Pharmacy-Based Birth Control & Emergency Contraception Access (HMH Part V): The Executive proposes allowing pharmacists to prescribe and order self-administered hormonal contraceptives (BC) and emergency contraception (EC) under standards developed and approved by the Board of Pharmacy in consultation with DOH. The protocols and standards must require PharmDs to provide the patient with a self-screening risk assessment questionnaire and refer the patient to their Primary Care Provider (PCP) or an appropriate clinic for additional care or if the pharmacist determines the medication to be inappropriate. Pharmacists will be required to complete additional training related to the medications prior to prescribing. The training must include at least one hour of continuing education on self-administered birth control or emergency contraception, as applicable. Additionally, for patients without health insurance, the pharmacy may choose to issue a consultation fee that does not exceed $10 above the total retail cost of the drug. Patients with insurance would not be subject to such a fee but may have cost-sharing requirements under their existing coverage plan. Patients must also be provided with a factsheet that includes information about how to use the drug safely and follow-up care.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Allow Health Care Providers to Do More (HMH Part W): The Executive proposes expanding the scope of practice for medical providers such as pharmacists, practicing nurses, and physician assistants to increase access to necessary medical care management and prevention.

The Executive authorizes pharmacists to execute a non-patient specific order to dispense HIV pre-exposure and post-exposure prophylaxis if the pharmacist has completed a DOH-approved program. Licensed pharmacists may also prescribe and order medications to treat nicotine and opioid dependence and participate in a collaborative drug therapy management program approved by DOH. Pharmacists may also order self-management education and support, and home-based services for patients with certain illnesses.

The Executive also proposes to authorize Physician Assistants (PAs) to practice without the supervision of a physician provided the PA completes a number of hours of clinical work, provides non-surgical care, and the health system or hospital determines the PA meets certain qualifications.

The Executive proposes to authorize Registered Professional Nurses (RPNs) to assign medical-related tasks to a certified medication aide under the supervision of the RPN. The Executive also establishes the Interstate Licensure Compact and the Nurse Licensure Compact. These programs will allow out-of-state healthcare practitioners streamlined access to practice in New York State.

Fiscal Impact: The Executive proposal will result in annual Medicaid savings of $1.1 million.

Nurse Agency Staffing Practice Recommendations (Part X): The Executive proposes minimum standards for temporary healthcare service agencies regarding license and registration requirements, violation and penalties, service rates, and reporting requirements. Temporary healthcare service agencies provide temporary employment of healthcare personnel for healthcare entities. These agencies will be registered with DOH. Each agency will document and inform DOH that each temporary employee meets minimum licensing and training standards. The proposal also includes minimum standards for employment contracts, such as notice procedures, investigation and resolution of complaints, actual or suspected abuse, and qualifications of employees. Temporary healthcare service agencies will report charges and compensation to DOH quarterly. DOH will issue a report of the data collected according to the registration of temporary service agencies.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Protect New Yorkers from Medical Debt and Other Burdensome Medical Costs (HMH Part Y): The Executive proposes to require affidavits for medical debt lawsuits, registration and reporting requirements from certain companies in the prescription drug supply chain, creating a uniform financial assistance form to access Indigent Care Pool and Indigent Care Adjustment funding, and creating a guaranty fund for specific insurance companies in the event of their insolvency.

Subpart A: The Executive proposes requiring plaintiffs that are not hospitals or healthcare professionals to include an affidavit in a medical debt lawsuit. The affidavit must include: (1) the facts constituting the debt, a default in payment, the sale or assignment of the debt, and the amount due at the time of sale or assignment; (2) an affidavit of sale for each subsequent assignment or sale of the debt; and (3) an affidavit of a witness of the plaintiff that includes a chain of title, or record of ownership transfers, of the debt.

Subpart B: The Executive proposes additional reporting requirements for drug manufacturers. Manufacturers will not be able to charge any price for a drug based on an increase in the wholesale acquisition cost, average wholesale price, or any metric unless the manufacturer first reports the price to DFS. If a drug increase takes effect in less than 120 days, the manufacturer must provide a reason when filing the report. DFS can impose penalties on manufacturers for noncompliance for an amount not exceeding $1,000,000 per violation. DFS will be able to investigate price increases if deemed in the public interest. Starting May 1, 2025, DFS will publish the reports on its website and create a searchable database by manufacturer name, drug name, and drug code.

The Executive also proposes reporting pay for delay agreements. Pay for delay agreements occur when a manufacturer of a brand-name drug delays generic competition by agreeing to pay a generic competitor to hold its competing product off the market for a certain period of time. The manufacturer will notify DFS within 30 days of entering into an agreement and disclose the name of the drug, the wholesale price, the disease the drug is commonly prescribed to treat, the manufacturer of the drug, the name of the generic manufacturer, the length of the delay, and any other information required by DFS. DFS will share the notice with the Drug Accountability Board, Drug Utilization Review Board, health plans, and pharmacy benefit managers. Starting June 1, 2024, DFS will publish the reports on its website and create a searchable database based on drug, cost, disease, and manufacturer.

The Executive also proposes to require registration of pharmacy services administrative organizations (“PSAO”). PSAOs are service organizations that provide back-office support to independent pharmacies and small chains. PSAOs will have until March 31, 2024, to register with DFS. The registration will expire annually, so PSAOs will have to renew the registration periodically. PSAOs will have to disclose the extent of ownership or control by any parent company, subsidiary, or affiliate; and provide a copy of their disclosure to all pharmacies in the state. DFS will publish the disclosures on a publicly available online database by April 1, 2025.

The Executive also proposes to require registration of switch companies. A switch company routes claims from the pharmacy to the payer, typically a health plan. Switch companies will have until June 30, 2024, to register with DFS. The registration will expire annually, so switch companies will have to renew the registration periodically. DFS will create disclosure requirements for these companies.

The Executive also proposes to require registration of rebate aggregators. Rebate aggregators are entities that gather manufacturer rebates. They are typically owned or affiliated with a pharmacy benefit manager. Rebate aggregators will have until September 30, 2024, to register with DFS. Registration and disclosure requirements will be similar to PSAOs and switch companies.

Subpart C: The Executive proposes creating a uniform financial assistance form created by DOH to access Indigent Care Pool and Indigent Care Adjustment funding. These funds provide monies to hospitals to assist in paying for the cost of care for low-income individuals.

Subpart D: The Executive proposes establishing a guaranty fund coverage for health insurers and property/casualty insurers. Currently, guaranty funds are required for life insurers. The purpose of the guaranty fund is to provide money to insureds and providers in the event of an insurer's insolvency. If a company becomes insolvent, the fund will assure payment of the insurer's obligations, and insureds will be protected from any payment. Medicaid, Medicare, Essential Plan, and Child Health Plus plans will not be covered by the fund. It also does not apply to municipal cooperatives, employee welfare funds, fraternal benefit societies, institutions of higher learning, or continuing care retirement communities.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Ensure Access to Aging Services and High-Quality Long-Term Care (HMH Part Z): The Executive proposes requiring assisted living residences to report annually to the Department of Health on quality measures which will be determined by DOH with the first report due on January 31, 2024. Additionally, all assisted living facilities will be required to post the monthly service rate, staffing number, approved admission or residency agreement and a summary of all service fees on the facility website, as well as in a public space at the facility and, starting January 31, 2024, facilities will also have to provide this information to DOH. After DOH receives information from facilities, it will score the results and top-ranking facilities will be given an "Advanced Standing" classification. Under this proposal, facilities that achieve advanced standing classification will only be surveyed every 12-18 months, as opposed to facilities without the classification which will be surveyed no less than once per year. These provisions do not apply to complaint-based surveys, inspections, or investigations. Beginning January 31, 2024, DOH may post the quality reporting results on its website.

The Executive proposal also permits adult care facilities that obtain accreditation from a nationally recognized accreditation organization approved by DOH to be exempt from DOH inspection for the duration of time they remain accredited by such an organization in good standing, at the discretion of DOH. Accreditation agencies must report any data and information related to adult care facilities that seek, but do not receive, accreditation, as well as adult care facilities which lose previously obtained accreditation. If an adult care facility loses its accreditation, the operator of the facility must report the loss to the DOH within 10 days and will no longer be exempt from inspection. The DOH must post a list of accredited assisted living residences on its website.

Fiscal Impact: The Executive proposal will have a fiscal impact of $525,000 to the State in SFY 2023-24 and SFY 2024-25.

End Preventable Epidemics HepC (HCV) and Congenital Syphilis (HMH Part AA): The Executive Budget makes permanent the requirement for Article 28 hospitals and diagnostic and treatment centers to offer screening and, if appropriate, confirmation diagnostic testing and follow-up care for Hepatitis C (HepC or HCV) to individuals born between the years 1945 and 1965. The proposal also expands the eligible population to include anyone over the age of 18 and pregnant people. It specifies that this test must be administered in emergency rooms and adds midwives to the list of practitioners who must provide this service. The type of mandated follow-up care related to reactive specimens is also updated to ensure an HCV RNA test is performed on a reactive sample.

The Executive also proposes expanding the list of practitioners required to screen for syphilis in pregnant persons during their first appointment. Current law is limited to physicians. This requirement would expand it to other authorized practitioners attending to pregnant patients. The proposal also requires running an additional test during the third trimester of pregnancy, subject to DOH guidance.

Fiscal Impact: This Executive Budget proposal would have a State fiscal impact of $1.1 million in additional State Medicaid spending in FY 2024 and $1.1 million in additional State Medicaid spending in FY 2025.

Scheduling Fentanyl Analogs & Establishing Crimes Related to Imitation Controlled Substances (HMH Part BB): The Executive Budget proposes updating the State Schedule I and II list of Controlled Substances and establishing criminal penalties for the possession and sale of imitation of a controlled substance.

Thirty formulations of Fentanyl, and biochemically related structures, are added to the State list of Schedule I controlled substances. One additional form of Fentanyl is added to the State Schedule II list of Controlled Substances. Of the 30 compounds included as State Schedule I, 21 are already permanently Schedule I by the US DEA and nine are temporary Schedule I designated by the US DEA.

Current law identifies an imitation controlled substance as a substance that is not a controlled drug or other substance provided by prescription but appears to be a controlled substance on the basis of its appearance; or its price, nature, use or effect; or its packaging; or markings on the substance. This definition is updated to capture an imitation substance that is one controlled substance held out to be another on the basis of its appearance; or its price, nature, use or effect; or its packaging; or markings on the substance; or under a new form of representative evidence, if it was prescribed or provided by a pharmacist or healthcare practitioner.

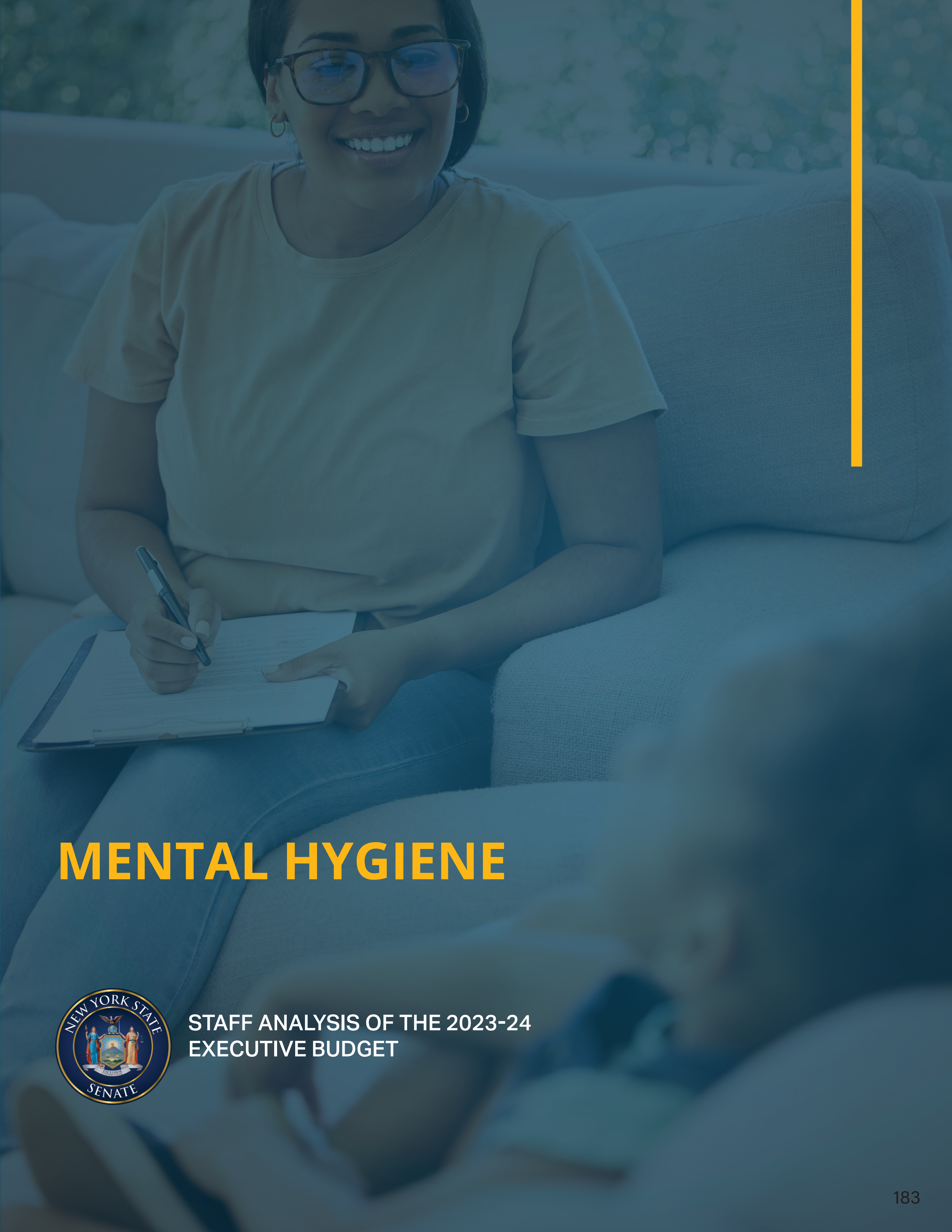
The Executive proposal eliminates current public health violations related to imitation controlled substances and instead creates new criminal penalties for possession and sale of imitation controlled substances. These are added to the definition of drug trafficking felony, criminal acts taken by organized crime, designated offenses that may permit eavesdropping and video surveillance by law enforcement, and presumptive evidence of knowing about the possession of such substances when in an automobile or when in close proximity in a room that suggests preparations for illegal sale were being made.

- A person will be guilty of the criminal possession of an imitation controlled substance in the fifth degree when they knowingly and unlawfully possess and intend to sell a substance determined to be an imitation based on its price, nature, use, or effect.
- A person will be guilty of the criminal possession of an imitation controlled substance in the third degree when they knowingly and unlawfully possess and intend to sell a substance determined to be an imitation based on its packaging.
- Criminal sale of an imitation controlled substance in the fifth degree will require a person to sell a substance determined to be an imitation based on its price, nature, use, or effect.
- Criminal sale of a controlled substance in the third degree will require a person to sell a substance determined to be an imitation based on its packaging.
- Criminal sale of an imitation controlled substance in the first degree will require a seller to know or reasonably know the substance will cause serious physical injury or death to another and it results in the injury or death of the ultimate user.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.

Transfer of Oversight for Licensed Healthcare Providers (Part CC): The Executive proposes to transfer oversight of the healthcare professions from the State Education Department (SED) to DOH. All powers, duties, records, and business would shift to DOH. All regulations and related guidance of SED will remain within DOH after the transfer. The governance transfer will not impact any pending proceedings initiated or defended by SED, but DOH can substitute SED to pursue such actions.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal.



MENTAL HYGIENE

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Mental Hygiene Fact Sheet

Appropriations

- **Human Services Cost-of-Living-Adjustment:** The Executive Budget proposal provides $203 million to support a 2.5 percent Cost-of-Living-Adjustment (COLA) for eligible programs and services under the Office of Mental Health, the Office of People with Developmental Disabilities, the Office of Addiction Services and Supports, the Office of Temporary and Disability Assistance, the Office of Children and Family Services, and the New York State Office for the Aging. The COLA will be effective April 1, 2023, and end March 31, 2024..

- **Opioid Settlement:** The Executive Budget proposal provides $124 million in Opioid Settlement Funding to support programs and services recommended by the Opioid Advisory Board.

Article VII

- **Qualified Mental Health Associate Credential:** The Executive proposes creating a credentialing process for paraprofessional "qualified mental health associates" who would be able to provide trauma-informed and patient-centered care after completing the qualifications set out by the Office of Mental Health.

- **Improving Access to Behavioral Health Services:** The Executive proposes commercial insurance coverage of certain behavioral health services; exemption of some behavioral health services and substance use disorder drugs from preauthorization or utilization review; payment parity for telehealth mental health services; and promulgation of regulations about behavioral health and substance use disorder network adequacy.

MENTAL HYGIENE AGENCY DETAILS

Mental Hygiene Agency All Funds Appropriations ($ in millions)				
	SFY 2023 Available	SFY 2024 Executive Recommendation	$ Change	% Change
Office for People With Developmental Disabilities	$7,233	$7,422	$189	2.6%
Office of Mental Health	$5,211	$6,363	$1,152	22.1%
Office of Addiction Services and Supports	$1,476	$1,235	($240)	-16.3%
Department of Mental Hygiene	$600	$600	$0	0%
The Justice Center for People with Special Needs	$61	$61	$0.5	0.9%
Developmental Disabilities Planning Council	$5	$5	$0.0	0%
Mental Hygiene Total	**$14,586**	**$15,687**	**$1,101**	**7.5%**

Overview

The Executive Budget proposes All Funds appropriations of $15.7 billion, an increase of $1 billion or 7.5 percent compared to SFY 2022-23 for Mental Hygiene agencies. This includes $5.4 billion for State Operations, $8.6 billion for Aid to Localities and $1.7 billion for Capital Projects.

Office of Mental Health (OMH)

The Executive Budget proposes All Funds appropriations of $6.4 billion, an increase of $1.2 billion or 18.8 percent compared to SFY 2022-23. This includes $2.3 billion for State Operations, $2.7 billion for Aid to Localities, and $1.5 billion for Capital Projects. The Executive Budget proposals support a workforce of 14,055 FTEs, unchanged compared to SFY 2022-23. The net increase in appropriations is mainly attributable to the following changes:

- $890 million increase to support Capital Projects for Supportive Housing Expansion.
- $60 million increase to support Capital Projects for Comprehensive Psychiatric Emergency Programs (CPEP) Expansion.
- $50.6 million increase to support the 2.5 percent Human Services Cost-of-Living Adjustment.
- $39 million increase to support Enhanced Support for Residential Programs.
- $28 million increase to support Critical Time Intervention Teams.

- $25 million increase to support 988 Suicide Prevention and Behavioral Health Crisis Hotline system.
- $25 million increase to support 60 Step-down Units.
- $18 million increase to support Capital Projects for State-Operated Inpatient Expansion.
- $15 million increase to support 150 additional inpatient beds.
- $10 million increase to support Transitional Housing.
- $43 million reduction attributed to one-time payment of SFY 2022-23 Worker Retention Bonuses.
- $16.8 million reduction attributed to the elimination of local assistance and Capital Project Legislative grants.

<u>Office for People with Developmental Disabilities (OPWDD)</u>

The Executive Budget proposes All Funds appropriations of $7.4 billion, a net increase of $189 million or 2.6 percent compared to SFY 2022-23. The All Funds appropriations includes $2.4 billion for State Operations, $4.9 billion for Aid to Localities and $119.5 million for Capital Projects. The Executive Budget proposal supports a workforce of 18,942 FTEs, unchanged compared to SFY 2022-23. The net increase is mainly attributed to agency operating costs. The net increase is attributed to the following:

- $134 million increase to support the Mental Hygiene Stabilization Fund and local share adjustment. Similar to SFY 2022-23, the adjustment in SFY 2023-24 reflect OPWDD-related local share expenses that will be funded outside of the Department of Health (DOH) Global Cap through additional Financial Plan resources.
- $75 million increase to support the 2.5 percent Human Services Cost-of-Living Adjustment.
- $30 million increase to support costs resulting from the minimum wage increase.
- $2 million to support creation of the Ombudsman Program.
- $136 million reduction attributed to one-time payment of SFY Worker Retention Bonuses.
- $1 million reduction attributed to the elimination of Legislative grants.

<u>Office of Addiction Services and Supports (OASAS)</u>

The Executive Budget proposes an All Funds appropriations of $1.2 billion, a net decrease of $240 million or 16.3 percent compared to SFY 2022-23. The All Funds appropriations includes $175 million for State Operations, $969 million for Aid to Localities, and $92 million for Capital Projects. The Executive Budget proposal supports a workforce of 778 FTEs, an increase of 10 FTEs compared to SFY 2022-23. The net decrease is mainly attributed to the following:

- $50 million new appropriation to support any unanticipated federal grants the agency may receive.

- $13 million increase to support the 2.5 percent Human Services Cost-of-Living Adjustment.
- $6.5 million increase to support Supportive Recovery Housing.
- $6 million increase for Opioid Settlement Fund Administration.
- $6 million increase to support Adult-Use and Medical Cannabis support programs.
- $294 million reduction in Opioid program funding attributed to the following;
    - $200 million elimination of one-time Opioid Stewardship Fund appropriation from SFY 2022-23, which was re-appropriated and will be available to spend until fully exhausted.
    - $94 million reduction of Opioid Settlement funding, to support Opioid Advisory Board's recommendation, providing $124 million in SFY 2023-24.
- $36 million reduction attributed to one-time payment of SFY 2022-23 Worker Retention bonuses.
- $4.3 million reduction attributed to the elimination of Legislative grants.

Department of Mental Hygiene

The Executive Budget proposes an All Funds appropriation of $600 million, unchanged from SFY 2022-23. The Department of Mental Hygiene operates through three independent agencies: the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Addiction Services and Supports.

The Justice Center for the Protection of People with Special Needs (The Justice Center)

The Executive Budget proposes an All Funds appropriations of $61.4 million, an increase of $537,000 or a less than one percent compared to SFY 2022-23. The All Funds appropriations includes $60.6 million for State Operations and $800,000 for Aid to Localities. The Executive Budget proposal supports a workforce of 470 FTEs, unchanged compared to SFY 2022-23. The increase is attributed to an increase in personal and contractual services.

Developmental Disabilities Planning Council (DDPC)

The Executive Budget proposes an All Funds appropriations of $4.8 million, unchanged compared to SFY 2022-23. The All Funds appropriations support a workforce of 18 FTEs, unchanged from SFY 2022-23.

Article VII

Department of Mental Hygiene

Human Services Cost-of-Living-Adjustment (HMH Part DD): The Executive proposes a 2.5 percent cost-of-living-adjustment (COLA) for eligible programs and services under OMH, OPWDD, OASAS, OTDA, OCFS, and NYSOFA. The COLA will be effective April 1, 2023, and end March 31, 2024.

Fiscal Impact: The Executive Budget proposal provides $203 million to support a 2.5 percent COLA in SFY 2023-24.

Office for People With Developmental Disabilities (OPWDD)

OPWDD Managed Care Statute Extender (HMH Part EE): The Executive proposal would extend the statutes regarding managed long-term care for the Office of People with Developmental Disabilities (OPWDD) through September 30, 2028.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

OPWDD Flexibilities for Delegated Nursing Tasks (HMH Part FF): The Executive proposes allowing direct support staff in OPWDD community-based programs to perform certain nursing tasks if particular conditions are met. The support staff cannot hold themselves out as someone who provides nursing care in order to be employed. The services must be rendered under the instruction of the service recipient or their family or household member, and the person making the request must be found by the supervising registered professional nurse to be capable to do so.

Fiscal Impact: The Executive Budget proposal estimates this will have a positive fiscal impact of $700,000 on the State in SFY 2023-24 due to the generation of savings.

Office of Mental Health (OMH)

Qualified Mental Health Associate Credentialing (HMH Part GG): The Executive proposes creating a credentialing process for "qualified mental health associates" who would be able to provide trauma-informed and patient-centered care after completing the qualifications set out by OMH. OMH will establish a credentialing process for qualified mental health associates. At a minimum, a person will have to complete classes or show on-the-job experience working with people with mental health issues. Qualified mental health associates will have knowledge of referring individuals to appropriate treatment when there are co-occurring disorders and also must complete implicit bias training. The OMH Commissioner will create a credentialing board to advise on the credentialing process.

Fiscal Impact: The Executive Budget proposal estimates this will have a fiscal impact of $700,000 on the State in SFY 2023-24.

<u>Establish Joint Licensure between OHM and OASAS for Certified Community Behavioral Health Clinics and to Establish an Indigent Care Program</u> (HMH Part HH): The Executive proposes creating a joint licensure opportunity for certified community behavioral health clinics through both OASAS and OMH. Certified community behavioral health clinics provide coordinated, comprehensive behavioral healthcare, including mental health and addiction services, primary care screening, and case management services.

Clinics that want to be certified must submit a plan that includes a:

- Description of the clinic's character and competency to provide services, including access to crisis services at all times and accepting patients regardless of their ability to pay
- Description of the catchment area of the clinic
- Statement that the clinic has been included in the approved local services plan for each local government that is located within the clinic catchment area
- Staffing plan that is driven by a local needs assessment, licensing, and training to support service delivery
- Description of the clinic's data-driven approach to quality improvement
- Description of how consumers are represented in clinic governance
- Financial information otherwise required by OMH/OASAS
- If applicable, formal agreements with collaborating organizations that will provide certain behavioral service
- Any other information the commissioners require.

Clinics that participate in the federal certified community behavioral health clinic demonstration program can become certified through this process as well.

The Executive would also create an indigent care program for certified community behavioral health clinics. The commissioners will be able to provide clinics with funds for uncompensated care through federal financial participation and state appropriations. Clinics will be eligible for indigent care funding if they are taking part in the federal demonstration program or are certified according to the proposed standards and can demonstrate that 3 percent or more of their visits in a year were with uninsured people. Clinics must undertake reasonable efforts to maintain financial support from the community and public resources and collect payments from third-party insurers, government payors, and self-pay patients to be eligible for indigent care funding. Clinics that receive indigent care funding in this program would not be eligible for funding in the comprehensive diagnostic and treatment centers indigent care program.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal

Insurance Reforms Improving Access to Behavioral Health Services (HMH Part II):
The Executive proposes commercial insurance coverage of certain behavioral health services; preauthorization or utilization review exemption of certain behavioral health services and substance use disorder drugs; payment parity for telehealth mental health services; penalties for payment parity violations; and promulgation of regulations related to behavioral health and substance use disorder network adequacy.

Subpart A : The Executive proposes commercial plans to cover: sub-acute care in a medically-monitored residential facility; outpatient care provided by a crisis stabilization center; outpatient care provided by a mobile crisis intervention services; and outpatient care for care coordination services, critical time intervention services, and assertive community treatment services, following discharge from a hospital or psychiatric admission. Mobile crisis intervention services will not be subject to preauthorization. They will be covered regardless of whether the provider participates in the health plan's network and be subject to the state's independent dispute resolution. School-based mental health clinics will also be able to submit claims for covered outpatient care services, regardless of whether the clinic is participating in the health plan's network. Reimbursement for these services will be at the negotiated rate. If there is no negotiated rate, at an amount no less than the Medicaid rate.

Subpart B : The Executive proposes exempting sub-acute care provided in a medically-monitored residential facility from preauthorization when provided to individuals below 18 years of age. These services will not be subject to concurrent review during the first 14 days of the inpatient admission, depending on certain notification, consultation, and clinical review conditions. Care for adults will not be subject to concurrent review during the first 30 days of inpatient admission, depending on the same conditions. During the consultation with the health plan, the facility must ensure that it is using evidence-based and peer-reviewed clinical criteria used by the insurer and approved by OMH in consultation with the Department of Financial Services and DOH. The utilization review criteria must be appropriate for the patient's age. However, concurrent review can be performed if the patient meets the clinical criteria for it as determined by OMH or if the patient is admitted to a hospital or facility designated for concurrent review by OMH.

Subpart C : The Executive proposes payment parity for mental health services provided by providers licensed by OMH, OASAS, or OPWDD when determined appropriate for telehealth by the respective commissioner.

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Subpart D : The Executive proposes to create a private right of action for payment parity violations. A person will be able to recover actual damages or $1,000, whichever is greater. The provision excludes Medicaid, Child Health Plus, the Essential Plan, or Medicare Advantage policies. If the court finds the health plan engaged in a willful violation, it can, at its discretion, award the plaintiff an additional amount not exceeding $5,000

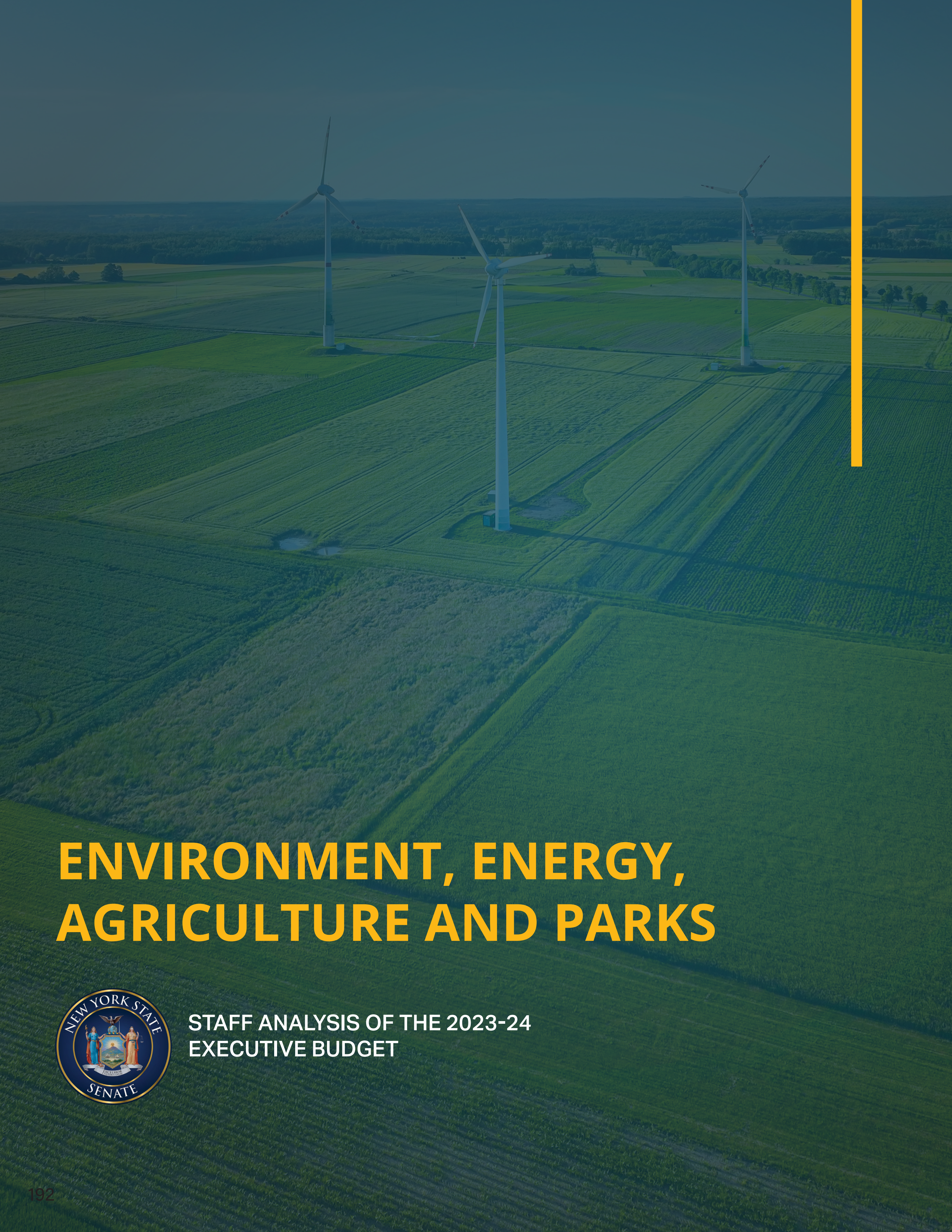
Subpart E : The Executive clarifies and expands health plan coverage and eliminates prior authorization requirements for medications used in the course of detoxification and maintenance treatment of a substance use disorder. The Executive requires health plans to provide coverage for over-the-counter opioid overdose reversal medications, such as Naloxone, without prior authorization.

Subpart F : The Executive proposes requiring DFS to promulgate regulations related to behavioral health and substance use disorder network adequacy.

Fiscal Impact: The Executive Budget estimates this proposal would have a fiscal impact of $700,000 to the Department of Civil Services in SFY 2023-24.

Penalties for Mental Hygiene Law Violations (HMH Part JJ) : The Executive proposes increasing penalties for operating certificate holders who violate Mental Hygiene Law. Each violation will increase from $1,000 to $2,000. The Executive also proposes removing the current $15,000/day cap for violations so penalties can be added for each bed that is closed without authorization in inpatient settings.

Fiscal Impact: The Executive Budget estimates this proposal would have a positive fiscal impact of $500,000 to the State in SFY 2023-24 due to the generation of revenue.



ENVIRONMENT, ENERGY, AGRICULTURE AND PARKS

STAFF ANALYSIS OF THE 2023-24
EXECUTIVE BUDGET

Environment, Energy, Agriculture and Parks Fact Sheet

Appropriations

- **Clean Water Infrastructure Act:** The Executive proposes $500 million for the Clean Water Infrastructure Act as the fifth and final installment of a five-year, $2.5 billion commitment. The Act provides funding for municipal drinking and wastewater infrastructure projects.

- **Water Pollution Control Revolving Fund:** The Executive includes $495.5 million in State and federal funds for the Water Pollution Control Revolving Fund. This is an increase of $52 million as a result of additional federal funding. The fund is used to support wastewater infrastructure projects.

- **Energy Affordability Program:** The Executive proposes $200 million for energy affordability programs to reduce utility bills for low-income New Yorkers.

- **Residential Electrification:** The Executive proposes $200 million for energy efficiency and clean energy projects for low-income New Yorkers, including clean heating and cooling projects.

- **Environmental Protection Fund:** The Executive proposes $400 million for the Environmental Protection Fund. The Executive proposes to shift allocations within the Fund, but maintains total funding from SFY 2022-23.

- **State Parks:** The Executive proposes $202.5 million for infrastructure improvements at State parks and historic sites, a decrease of $50 million from SFY 2022-23. The Executive includes an additional $57 million in State operating funds for the Office of Parks to hire an additional 237 FTEs.

- **Local Agricultural Programs:** The Executive proposes $47.8 million for local agricultural programs, a decrease of $5.1 million.

- **Environmental Bond Act Staffing:** The Executive proposes $24 million in State operating funds to hire an additional 265 FTEs for Bond Act implementation. The staff will be sub-allocated to other agencies, including 131 for the Department of Environmental Conservation (DEC), 89 for Parks, 20 for Agriculture and Markets, 20 for the New York State Energy Research and Development Authority (NYSERDA), and five for the Public Service Commission. In addition to the 131 DEC staff for Bond Act implementation, the Executive proposes an additional 100 FTEs for other environmental programs, bringing new DEC FTEs up to 231.

Article VII

- **Waste Reduction and Recycling Infrastructure Act:** The Executive proposes an extended producer responsibility program for paper and packaging to require producers selling such products to provide for responsible collection and recycling, and meet metrics for source material reduction, material recovery, post-consumer recycled content, and recycling rates. Producers would pay a registration fee, and, either individually or by joining a producer responsibility organization, develop and implement a program to comply.

- **Clean Up of "Forever Chemicals":** The Executive proposes expanding the Environmental Restoration Program to permit use of such funds to assist municipalities with investigation and clean up of emerging contaminants such as PFAS.

- **Suffolk County Wastewater Management District:** The Executive proposes to authorize the creation of a new county-wide Suffolk County Wastewater Management District which would have the authority to address issues that span across the town and village sewer districts and levy fees to fund water quality improvement projects that protect the Long Island aquifer.

- **Lead Service Lines:** The Executive proposes to permit the use of Infrastructure Investment and Jobs Act funds to cover privately-owned portions of lead service lines, thereby permitting such funds to be used to replace entire lead service lines.

- **All Electric Buildings:** The Executive proposes a prohibition on installation of new fossil-fuel heating equipment and all other fossil-fuel-based equipment in several stages, with complete phase out by January 1, 2035.

- **Build Public Renewables:** The Executive proposes to authorize the New York Power Authority (NYPA) to develop, finance, own, and operate renewable energy generating projects, to sell the power generated from such projects, and to provide bill credits to consumers in disadvantaged communities. The proposal also requires NYPA to develop a plan within two years to phase out seven natural gas peaker plants it operates in New York City and Long Island by December 31, 2035.

- **Cap and Invest:** The Executive Budget proposes to require NYSERDA and DEC to develop a cap-and-invest program to limit statewide greenhouse gas emissions and create emissions allowances that can be sold or auctioned. The proposal provides that at least 30 percent of the monies raised from the sale of allowances will be used to help offset increases in prices of goods and services for consumers resulting from this program, up to 3 percent to be used to help offset price increases for industrial small businesses, and a portion of the remaining monies to support State operations related to the cap-and-invest program.

- **Discretionary Bidding on Local Government Purchases of New York Foods:** The Executive Budget proposes to authorize local governments, school districts, and BOCES to purchase up to $250,000 of food grown, produced, or harvested in New York without a formal competitive process. The proposal also liberalizes some food-purchasing regulations for school districts and BOCES.

Environment, Energy, Agriculture, and Parks Agency Details

Environment, Agriculture, Parks, and Energy All Funds Appropriations ($ in Millions)				
Agency	SFY 2022-23 Enacted Budget	SFY 2023-24 Executive Recommendation	Change ($)	Change (%)
Adirondack Park Agency	35.2	6.3	(28.9)	-82.1%
Agriculture and Markets, Department of	316.6	296.9	(19.7)	-6.2%
Energy Research and Development Authority	23.6	225.8	202.2	856.8%
Environmental Conservation, Department of	6441.2	2517.4	(3,923.8)	-60.9%
Green Thumb Program	4.5	5.3	0.8	17.8%
Greenway Heritage Conservancy	0.2	0.3	0.1	11.1%
Hudson River Valley Greenway Communities Council	0.4	0.5	0.1	29.9%
Olympic Regional Development Authority	116.6	104.1	(12.5)	-10.7%
Parks, Recreation and Historic Preservation, Office of	663.2	710.2	47.0	7.1%
Power Authority	43.0	7.5	(35.5)	-82.6%
Public Service, Department of	367.5	317.5	(50.0)	-13.6%
World University Games	67.0	0.0	(67.0)	-100.0%
Total	**8,079.0**	**4,191.8**	**3,887.2**	**-48.1%**

Overview

The SFY 2023-24 Executive Budget proposes $4.2 billion in All funds appropriations for State agencies within the Environmental Conservation functional area, a decrease of $3.9 billion, or 48.1 percent, from SFY 2022-23 budget levels. This decrease is largely due to the removal of the $4.2 billion Environmental Bond Act.

Adirondack Park Agency

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $6.3 million for the Adirondack Park Agency, a decrease of $28.9 million or 82.1 percent from the current fiscal year. This decrease is primarily the result of the one-time capital add for the Agency's headquarters funded in SFY 2022-23.

Department of Agriculture and Markets

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $296.9 million for the Department of Agriculture and Markets, a decrease of $19.7 million or 6.2 percent from the current fiscal year. This decrease is largely the result of a cut of $19 million in State Fair capital funding. The Executive also removes $9.8 million in legislative adds. The Executive proposes two new appropriations, adding $1 million to recruit and train new agricultural workers and $2 million to promote local fairs.

The SFY 2023-24 Executive Budget also proposes an increase of $2.5 million in State operating funds to support 26 additional FTEs. Of the additional staff, 20 FTEs will be dedicated to implementing the Bond Act.

Energy Research and Development Authority

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $225.8 million for the New York State Energy Research and Development Authority (NYSERDA), an increase of $202.2 million or 856.8 percent over the current fiscal year. This increase is the result of $200 million in bonded capital funding for the proposed EmPower Plus program, which will provide low-income residents with no cost energy efficiency upgrades.

NYSERDA, which is operated off-budget, has plans for an additional 20 FTEs to support implementation of the Bond Act.

Department of Environmental Conservation

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $2.5 billion for the Department of Environmental Conservation, a decrease of $3.9 billion, or 60.9 percent compared to the current fiscal year. This decrease is largely the result of the removal of the $4.2 billion Environmental Bond Act. The Executive Budget proposal includes $500 million for the Clean Water Infrastructure Act, the same level as SFY 2022-23, the final year of a five-year, $2.5 billion commitment. It also includes a proposal to maintain spending for the Environmental Protection Fund (EPF) at $400 million, the same level as SFY 2022-23. The Executive has recommended changes in the disbursement of EPF funds as follows:

- $44.7 million, an increase of $2.1 million, for climate change programs.
- $186.9 million, an increase of $2.3 million, for open space programs.
- $114.2 million, a decrease of $3.8 million, for parks and recreation programs.
- $54.3 million, a decrease of $0.6 million, for solid waste programs

The SFY 2023-24 Executive Budget also proposes an increase of $66 million in State operating funds to support an additional 231 FTEs. Of the additional staff, 131 will be dedicated to implementing the Bond Act and 53 will be dedicated to implementing the recommendations of the Climate Scoping Plan.

Green Thumb

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $5.3 million for Green Thumb, an increase of $800,000 or 17.8 percent over last year. This increase is the result of a minimum wage adjustment and hiring for the Green Thumb initiative at additional State parks.

Greenway Heritage Conservancy of the Hudson River Valley

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $250,000 for the Greenway Heritage Conservancy of the Hudson River Valley, an increase of $25,000 or 11.1 percent over the current fiscal year. This increase can be attributed to increased salary costs.

Hudson River Valley Greenway Communities Council

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $495,000 for the Hudson River Valley Greenway Communities Council, an increase of $114,000 or 29.9 percent over the current fiscal year. This increase can be attributed to added grant funding.

Olympic Regional Development Authority

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $104.1 million for the Olympic Regional Development Authority (ORDA), a decrease of $12.5 million, or 10.7 percent over the current fiscal year. The decrease is the result of the elimination of capital funding for the renovation and modernization of Olympic ski facilities.

The SFY 2023-23 Executive Budget also removes a one-time aid-to-localities add of $67 million for the World University Games. The Games ran from January 12-22, 2023.

The SFY 2023-24 Executive Budget also includes a $2.5 million sub-allocation in the Office of Parks, Recreation and Historic Preservation New York Works program for ORDA capital maintenance and improvements. This is similar to previous fiscal years.

Office of Parks, Recreation and Historic Preservation

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $710.2 million for the Office of Parks, Recreation and Historic Preservation, an increase of $47 million or 7.1 percent from the current fiscal year. This includes $202.5 million in capital funds for projects at various sites through New York Works, a decrease of $50 million from the current fiscal year. The Executive has not provided a breakdown of how this money would be distributed.

The SFY 2023-24 Executive Budget also proposes an increase of $56 million in State operating funds to support an additional 237 additional FTEs. Of the additional staff, 98 will be dedicated to general park operations, 50 new park police, and 89 will be dedicated to implementing the Bond Act.

New York Power Authority

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $7.5 million for the New York Power Authority (NYPA), a decrease of $35.5 million, or 82.6 percent, from the current fiscal year. This decrease reflects the State completing paying off funds previously transferred from NYPA to the State.

The SFY 2023-24 Executive Budget also proposes $7.5 million in appropriation authority for the New York State Canal Corporation to maintain and further develop the canal system. This funding reflects a multi-year accumulation of the Canal Corporation's annual revenue of approximately $2 million.

Department of Public Service (DPS)

The SFY 2023-24 Executive Budget recommends All Funds appropriations of $317.5 million for the Department of Public Service, a decrease of $50 million or 13.6 percent from the current fiscal year. The Executive removes $250 million in utility arrear assistance, and proposes a new $200 million General Fund appropriation for energy affordability programs to provide monthly discounts on utility bills to low-income customers. The Executive estimates this new program may serve over 800,000 customers.

Environmental Protection Fund Table:

Environmental Protection Fund ($ in Millions)			
Account	**SFY 2023 Enacted**	**SFY 2024 Executive**	**Change**
Climate Change Mitigation and Adaptation	**42.6**	**44.7**	**2.1**
Greenhouse Gas Management	**2.5**	**3.5**	**1.0**
Regenerate NY	0.5	0.5	**-**
Refrigeration Council Pilot Program	0.3	0.5	**0.2**
Municipal Community Forests**	0.0	1.0	**1.0**
Climate Resiliency Plans	**5.3**	**7.9**	**2.6**
Wood Products Development Council	0.2	0.2	**-**
Timbuctoo*	2.1	2.1	**-**
CALS ESF Climate and Applied Forestry Institute*	0.5	0.0	**(0.5)**
Climate Coordinators	1.8	2.0	**0.2**
Resiliency Planting Program**	0.0	0.5	**0.5**
Nature Conservancy Staying Connected Program**	0.0	0.0	**-**
PBS Climate Teaching Tools**	0.0	0.5	**0.5**
Smart Growth Grant Program	**3.0**	**4.5**	**1.5**
Climate Resilient Farms Program	**16.8**	**14.8**	**(2.0)**
Cornell Soil Health	0.5	0.5	**-**
Climate Smart Communities	**15.0**	**14.0**	**(1.0)**
Resiliency planting program	0.5	0.0	**(0.5)**
Community forests grant program	0.5	0.0	**(0.5)**
Municipal EV fast chargers	1.0	0.0	**(1.0)**

Account	**SFY 2023 Enacted**	**SFY 2024 Executive**	**Change**
Parks, Recreation and Historic Preservation	**118.0**	**114.2**	**(3.8)**
Waterfront revitalization projects	**16.5**	**16.5**	**-**
Projects in underserved areas	10.5	10.5	**-**
Climate change resiliency planning	2.0	2.0	**-**
Niagara River Greenway	0.2	0.3	**0.1**
Municipal parks projects	**26.0**	**25.0**	**(1.0)**
Projects in underserved areas	13.0	13.0	**-**
Tivoli Park	0.3	0.3	**-**
Hudson River Valley Trail Grants	0.5	0.5	**-**
SUNY ESF	0.2	0.2	**-**
Paul Smiths College	0.2	0.2	**-**
Catskill Center for Conservation and Development	0.2	0.2	**-**
Tifft Nature Preserve Accessibility Trail*	0.4	0.0	**(0.4)**
Scenic Hudson	3.5	0.0	**(3.5)**
Connect Kids	0.0	3.0	**3.0**
Public access and stewardship	**48.9**	**48.7**	**(0.2)**
Belleayre	1.0	1.0	**-**
Parks and Trails Friends Groups	2.0	2.0	**-**
New York Protected Area Database	0.0	0.0	**-**
Adirondack and Catskills wilderness protection*	8.0	0.0	**(8.0)**
Adirondack Visitors Use Management Framework*	0.6	0.0	**(0.6)**
Camp Santanoni Historic Area	0.5	0.0	**(0.5)**
Hudson River Park Trust	**4.8**	**3.7**	**(1.1)**
Zoos, botanic gardens, and aquaria	**20.0**	**18.0**	**(2.0)**
Navigation Law programs	**2.0**	**2.3**	**0.3**

Environmental Protection Fund ($ in Millions)			
Account	**SFY 2023 Enacted**	**SFY 2024 Executive**	**Change**
Open Space	**184.6**	**186.9**	**2.3**
Land Acquisition	**40.0**	**37.0**	**(3.0)**
Land Trust Alliance	3.0	3.0	**-**
Urban Forestry	3.2	3.2	**-**
Regions 1, 2, and 3	4.0	4.0	**-**
Land Trust Alliance conservation easements	1.5	1.5	**-**
Village of Lake Placid Adirdondack Rail Trail**	0.0	0.3	**0.3**
Albany Pine Bush Preserve	**3.0**	**3.0**	**-**
Long Island Central Pine Barrens	**2.5**	**2.5**	**-**
Environmental Commissions (DEC ATL)	**1.1**	**0.0**	**(1.1)**
Susquehanna River Basin Commission	0.3	0.0	**(0.3)**
Delaware River Basin Commission	0.4	0.0	**(0.4)**
Ohio River Valley Water Sanitation Commission	0.0	0.0	**-**
Interstate Environmental Commission	0.0	0.0	**-**
New England Interstate Water Pollution Control Comm.	0.0	0.0	**-**
SUNY ESF Center for Native Peoples and the Env.	0.4	0.0	**(0.4)**
Long Island South Shore Estuary	**1.0**	**1.6**	**0.6**
Agricultural non-point source pollution abatement	**20.0**	**20.0**	**-**
Cornell IPM	2.0	2.0	**-**
CCE Suffolk County	0.5	0.5	**-**
Cornell pesticide management edu. program	0.3	0.3	**-**
Non-agricultural non-point source pollution abatement	**6.2**	**6.2**	**-**
Cornell Community IPM	1.0	1.0	**-**
Farmland Protection	**21.0**	**21.0**	**-**
Cornell Land Classification and Master Soils List	0.1	0.1	**-**
Tug Hill Tomorrow	1.0	1.0	**-**
Biodiversity stewardship	**1.8**	**2.0**	**0.2**
Pollinator Protection	0.5	0.5	**-**
Cary Institute of Ecosystem Studies - Catskills	0.1	0.1	**-**
Hudson River Estuary Management	**7.5**	**7.5**	**-**
Mohawk River	1.0	1.0	**-**
Finger Lakes - Lake Ontario Watershed Protection Alliance	**2.5**	**2.5**	**-**
Upper Delaware Watershed*	**0.3**	**0.0**	**(0.3)**
Lake Erie Watershed Protection	**0.3**	**0.3**	**-**
Water Quality Improvement Programs	**22.0**	**22.0**	**-**
Suffolk County to address nitrogen	4.5	4.5	**-**
Nassau County Bay Park Outfall Pipe	5.0	5.0	**-**
Source water planning	5.0	5.0	**-**
City of Long Beach*	0.5	0.0	**(0.5)**
Chautauqua Lake Association	0.2	0.2	**-**
Chautauqua Lake Partnership	0.1	0.1	**-**
Stony Brook Center for Clean Water	1.0	1.0	**-**
Ocean and Great Lakes projects	**22.5**	**23.5**	**1.0**
Peconic Bay Estuary Program	0.5	0.5	**-**
Great Lakes Commission	0.1	0.0	**(0.1)**
Billion Oyster Project, Inc.**	0.0	0.5	**0.5**

Environmental Protection Fund ($ in Millions)			
Account	**SFY 2023 Enacted**	**SFY 2024 Executive**	**Change**
Open Space (continued)	**184.6**	**186.9**	**2.3**
Lake George	0.9	0.0	**(0.9)**
Cornell Plant Certification Program	0.1	0.1	**-**
Eradication	5.8	5.8	**-**
Hemlock wooly adelgid	0.5	0.5	**-**
Southern Pine Beetle	0.5	0.5	**-**
Onondaga County	1.0	0.0	**(1.0)**
Soil and Water Conservation Districts	**14.5**	**16.0**	**1.5**
Agricultural Waste Management	**1.5**	**1.5**	**-**
Cornell dairy acceleration program	0.7	7.0	**6.3**
Lake George Park Commission	0.0	0.9	**0.9**

Account	**SFY 2023 Enacted**	**SFY 2024 Executive**	**Change**
Solid Waste	**54.9**	**54.3**	**(0.6)**
Non-hazardous landfill closures	**0.8**	**0.3**	**(0.5)**
Essex County	0.3	0.0	**(0.3)**
Hamilton County	0.2	0.0	**(0.2)**
Municipal recycling projects	**19.0**	**18.4**	**(0.6)**
Food donation and recycling/organics projects	2.5	2.5	**-**
Secondary materials regional marketing assistance	**0.7**	**0.7**	**-**
Pesticide Program	**1.5**	**1.5**	**-**
Long Island Pesticide Prevention	0.2	0.2	**-**
Environmental Justice projects	**13.0**	**12.0**	**(1.0)**
Connect Kids	3.0	0.0	**(3.0)**
EJ community impact and jobs training	4.0	4.0	**-**
Adirondack Diversity Initiative (DEC ATL)	0.3	0.0	**(0.3)**
Center for Native Peoples and the Environent**	0.0	0.7	**0.7**
Natural resource damages	**1.8**	**1.8**	**-**
Pollution Prevention Institute	**4.3**	**4.6**	**0.3**
Interstate Chemicals Clearinghouse	0.3	0.3	**-**
Environmental health assessments	**10.0**	**13.0**	**3.0**
Clean Sweep NY	0.5	0.5	**-**
Center for Clean Water at Stony Brook	1.0	1.0	**-**
Children's Environmental Health Centers	4.0	4.0	**-**
Fresh Connect	0.9	3.9	**3.0**
SNAP EBT*	1.5	0.0	**(1.5)**
Brownfield Opportunity Area grants	**4.0**	**2.0**	**(2.0)**
Environmental Protection Fund Total	**400.0**	**400.0**	**-**
*denotes SFY 23 Legislative add			
**denotes SFY 24 Executive add			

Article VII
Department of Agriculture and Markets

Discretionary Bidding on Local Government Purchases of New York Foods (TEDE Part OO): The Executive proposes to authorize local governments, school districts, and BOCES to purchase up to $250,000 of food grown, produced, or harvested in New York without a formal competitive process. Current law restricts school districts and BOCES food procurement by only allowing purchases from associations with ten or fewer producers or growers, only allowing milk purchases from milk producers with 40 or fewer employees, and caps the amount of eggs, livestock, fish, dairy, juice, grains, fruits and vegetables purchased from New York State producers or growers. The Executive proposes to remove these restrictions. Lastly, local governments, school districts, and BOCES would be required to report to the Office of General Services and the Department of Agriculture on the total dollar amount paid to procure New York foods by March 31 every year. The Executive is separately proposing an Executive Order with a goal of having State agencies procure at least 30% of their food products from local sources.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Energy Research & Development Authority

Making New York Buildings More Sustainable (TEDE Part WW): The Executive proposes a pathway to prohibit installation of any new fossil-fuel equipment and building systems in the State. The prohibition is phased in based on different types of buildings and uses. The prohibition of any equipment that supports the supply, distribution, or delivery of fossil-fuel for any purpose other than for motor vehicles starts for:

- any new one-family residential building of any height or new multi-family residential building of not more than three stories from December 31, 2025 onward; and
- any new multi-family residential building of more than three stories or new commercial building from December 31, 2028 onward.

The prohibition on installing heating equipment that uses fossil-fuel for space heating or hot water supply starts for:

- any one-family residential building of any height or multi-family residential building of three stories in height from January 1, 2030 onward; and
- any multi-family residential building more than three stories or commercial building from January 1, 2035 onward.

This proposal specifically mentions that any prohibition only applies to installation of new fossil fuel based equipment and does not affect continued use of any equipment installed, including gas stoves that were installed before the ban takes effect.

This proposal directs NYSERDA to create a benchmarking process for buildings energy and water usage by December 31, 2025, and to establish penalties for failure to meet such benchmarks thereafter.

Fiscal Impact: The Executive's proposal would result in increased costs to the State and local governments to renovate and improve existing buildings according to updated energy standards. NYSERDA would face unknown costs to conduct investigations and enforce compliance, and for publishing annual benchmarking data. However, NYSERDA is able to recoup costs by issuing fines and compliance penalties deposited into a new benchmarking administration account. NYSERDA's funding is off-budget, so their costs would not be a direct State cost. While there will be costs to implement the sections adopting new energy codes, the codes will likely result in cost savings from increased energy efficiency.

Authorize NYSERDA to Finance a Portion of Energy Research and Climate Change Related Costs Through a Gas and Electric Assessment (TEDE Part ZZ): The Executive proposal extends an assessment on electric and gas utilities to fund NYSERDA research, development and demonstration programs, the energy policy and planning program, climate change related expenses, and the Fuel NY program. This part allows the Executive to designate certain funds for programs that otherwise would not be funded through NYSERDA's budget.

Fiscal Impact: The Executive's proposal will have no additional fiscal impact. The proposal extends the annual authorization to issue an assessment on gas and electric utilities to finance energy research and climate change related expenses of the DEC. Funds from the assessment are deposited into the energy research and development operating fund before transfer. The assessment against gas and electric utilities may not exceed $28.7 million. Of this, $4 million is transferred to DEC for climate change related expenses. The total assessment is an increase of $6 million from SFY 2022-23.

Cap and Invest: Climate Action Credit (TEDE Part AAA): The Executive Budget proposes that NYSERDA and DEC, through regulation and pursuant to existing statutory authority under the Climate Leadership and Community Protection Act (CLCPA), develop a cap-and-invest program to limit statewide greenhouse gas emissions and create emissions allowances that can be sold or auctioned. The proposal provides for at least 30 percent of the monies raised from the sale of allowances to be used to help offset increases in prices of goods and services for consumers resulting from this program, up to 3 percent to be used to help offset price increases for industrial small businesses, and a portion of the remaining monies to support State operations related to the cap and invest program. The proposal also includes authorizing language for NYSERDA to undertake programs and services to fulfill the CLCPA Scoping Plan and State Energy Plan's recommendations, and to further a variety of climate change efforts.

Fiscal Impact: The proposal will generate revenue to the State that will exceed $1 billion in future fiscal years. Revenue will be generated from the sale and auction of allowances against a *greenhouse gas emissions cap. The revenue will support cost recovery for DEC and NYSERDA, programmatic incentives to support CLCPA Scoping Plan implementation, and the Climate Action Fund.*

Department of Environmental Conservation

Waste Reduction and Recycling Infrastructure Act (TEDE Part PP): The Executive proposes an extended producer responsibility (EPR) program for paper and packaging to require producers selling such products to provide for responsible collection and recycling. The program will be guided by a periodic needs assessment. Producers of paper and packaging would be required to meet metrics for source material reduction, material recovery, post-consumer recycled content, and recycling. Producers would pay a registration fee to cover the costs of implementing the EPR program. Beginning January 1, 2027, the sale or distribution of covered products would be prohibited unless the producer has, either individually or by joining a producer responsibility organization, developed and implemented a plan (subject to DEC approval) to comply with the law.

The proposal includes provisions designed to place the cost burden on producers, such as reimbursement of municipalities for providing for collection of all readily recyclable materials identified by producers, and a ban on charging fees to consumers to recoup costs associated with implementing the program.

The proposal includes exemptions for smaller producers, farms, governments, and nonprofits, and for particular types of materials, such as bound printed matter, periodicals, containers for unsafe materials, industrial packaging, and long-term use packaging.

Fiscal Impact: The proposal will have up front administrative costs to the Department that will require eight new FTEs, costing an estimated $1 million. The Department will have all up-front costs reimbursed and recovered from producer organizations through program charges and registration fees ranging from $500 to $25,000, depending on the producer's revenue. All fees will be deposited into a newly established waste reduction, reuse, and recycling fund for the Department's use. Municipalities and producers are not authorized to pass any costs on to residents or customers. Producers that violate any recycling regulations are subject to fines up to $10,000 per each violation.

Clean Up "Forever Chemicals" (TEDE Part QQ): The Executive proposes expanding the Environmental Restoration Program to permit use of such funds to assist municipalities with investigation and clean up of emerging contaminants such as PFAS. The proposal expands the program to include projects in disadvantaged communities and repeals an exclusion for certain inactive hazardous waste sites involving significant threats to the environment or public health.

Fiscal Impact: The program will increase administrative costs to the Department. The SFY 2023-24 Executive Budget includes funding for 28 new FTEs for new initiatives, including emerging contaminants remediation. The program will utilize $60 million from the existing $500 million CWIA appropriation to accomplish its goals. No new appropriation is expected.

Make the Youth Deer Hunting Program Permanent (TEDE Part RR): The Executive proposes to make permanent the pilot program established in the 2021-22 Adopted Budget permitting 12- and 13-year olds to hunt deer with rifles, shotguns, muzzle-loading firearms, and crossbows while supervised. The pilot program is currently scheduled to expire on December 31, 2023. The program would still require annual reports to the Legislature, including the number of hunting rule violations, incidents, and revocations.

Fiscal Impact: The proposal has no significant fiscal implications to the State or local government. Limited revenue will continue to be generated from the issuances of hunting licenses to youth. Youth licenses cost $5, resulting in limited revenue.

Pesticide Registration Fee (TEDE Part SS): The Executive proposes to eliminate the sunset on previous increases to pesticide registration fees, which would otherwise be reduced from $620 (for applicants with gross annual sales of $3.5 million or less) and $600 (for all other applicants) to $50 in all cases. The fees are currently scheduled to be reduced on July 1, 2023.

Fiscal Impact: The program maintains State revenue of $4.5 million. Expiration of the current fee levels would cause $4.1 million in lost revenue to the State.

Suffolk County Water Quality Restoration Act (TEDE Part TT): The Executive proposes to authorize the creation of a new county-wide Suffolk County Wastewater Management District which would have the authority to address issues that span across existing town and village sewer districts and levy fees to fund water quality improvement projects that protect the Long Island aquifer. The authorization extends to consolidating all sewer districts and unsewered areas within the county.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal. Suffolk County may face costs for the creation of the Suffolk County Wastewater Management District. The District will raise revenue through fees to fund water quality improvement projects. Funds generated will be deposited into a new water quality restoration fund designated for Suffolk County to finance water quality improvement projects, including wastewater treatment facilities, sewage treatment, and water demonstration projects. Notably, this proposal does not include a $5 monthly fee on county taxpayers that was included in the SFY 2022-23 proposal last year.

Lead Service Lines (TEDE Part UU): The Executive proposes to modify the Local Finance Law to permit the use of new sources of funding to cover privately-owned portions of lead service lines, thereby permitting such funds to be used to replace entire lead service lines. The change involves an authorization to bond or take on debt, which is necessary for gaining access to these funding sources. This change is necessary to access Infrastructure Investment and Jobs Act funding.

Fiscal Impact: The proposal has no direct State fiscal implication. The State would use $115 million in estimated federal funding annually for the next five years from the IIJA.

<u>Office of Parks, Recreation and Historic Preservation</u>

<u>Snowmobile Registration Fee Increase</u> (TEDE Part MM): The Executive proposes to increase the vehicle registration fee for snowmobiles from $90 to $125, and from $35 to $55 for members of organized New York State snowmobile clubs, which fund the Snowmobile Trail Development and Maintenance Fund. The proposal also eliminates the application deadline for the municipal grant program for snowmobile trail development and maintenance to create a rolling application process.

Fiscal Impact: The fund is projected to bring in $8.2 million in total receipts in the SFY 2023-24 compared to $6.2 million in receipts for the SFY 2022-23.

<u>Pleasure Vehicle Equipment Standards</u> (TEDE Part NN): The Executive proposes to change certain equipment safety standards on pleasure vessels to conform with federal law. The proposal extends the requirement for whistles on motorboats to sailboats, rowboats, canoes, and kayaks, updates fire extinguisher requirements for motorboats (other than motorboats under 26 feet of open construction), and requires the use of engine cutoff switches for motorboats under 26 feet of open construction when operating at a plane or above displacement speed.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

<u>New York Power Authority</u>

<u>Authorize NYPA to Build Public Renewable Energy Generating Projects</u> (TEDE Part XX): The Executive Budget proposes extending NYPA authorization to develop, build, and operate renewable energy generating programs provided the Authority's trustees deem it feasible and advisable and the Authority finds it necessary and desirable generally for the purposes of CLCPA goals while maintaining an adequate and reliable supply of power. This proposal also authorizes the Authority to sell renewable energy and provides the Authority with discretion to dispose of any renewable generation projects without competitive bidding processes.

The Executive Budget further directs NYPA to use the proceeds from the sale of any renewable energy to establish the "Renewable Energy Access and Community Help Program" to provide bill credits to consumers located in disadvantaged communities within 18 months of the effective date.

The proposal also requires NYPA to, within two years of the effective date, publish a plan to phase out all natural gas-powered NYPA peaker plants in the state by 2035 except where they are needed for emergency power service or system reliability. This phase-out also does not include any small gas plants operated by NYPA in New York City.

The proposal authorizes NYPA to provide $25 million annually to fund renewable energy job training programs.

Fiscal Impact: This proposal will have a significant and indeterminable fiscal impact on the State and local governments. NYPA will have expenses to invest in renewable energy projects. Large-scale renewable energy projects costs can exceed hundreds of millions of dollars. NYPA would also be directed to provide customers in disadvantaged communities with utility bill credits generated by the renewable energy facilities, which would total $30 million annually. NYPA would also establish a $25 million workforce training program to train workers for employment in the renewable energy sector. NYPA would incur administrative costs within the next two fiscal years in developing a plan to close small natural gas peaker plants by 2035.

While NYPA is operated off-budget and its budget does not impact the State Financial Plan, a future budget appropriation may be necessary to help carry out this proposal. NYPA will also likely require additional staff to implement the proposal.

Extend NYPA's Authority to Procure and Sell Power (TEDE Part YY): The Executive Budget extends NYPA's current authorization to buy and sell energy products and renewable power credits from competitive market sources and finance up to six renewable generation projects of 25 megawatt or less, which was provided in 2019 and is set to expire on June 30, 2024. The Executive proposes to extend this authorization by 20 years to June 30, 2044.

Fiscal Impact: The Executive Budget estimates no State fiscal impact for this proposal.

Department of Public Service

Makes Permanent Assessments on Cable Television Companies and Public Utilities (TEDE Part VV): The Executive Budget proposes to permanently extend the assessments charged to cable television companies and public utilities to cover expenses pertinent to utility regulation and public management of various agencies, including the Department of Public Service, Department of State, Office of Parks, Recreation and Historic Preservation, Department of Environmental Conservation, and Department of Health.

Fiscal Impact: The proposal will ensure the State recovers costs associated with utility oversight. DPS, OPRHP, DAM, DEC and DOS already recover assessments on utilities for their regulatory costs. This proposal makes their authorizations to recover costs permanent.

New York State Senate Democratic Majority

STAFF ANALYSIS OF THE 2023-24 EXECUTIVE BUDGET