



New York State Senate Democratic Majority

STAFF ANALYSIS OF the 2026-27 Executive Budget



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Staff Analysis of the SFY 2026-27 Executive Budget

As Prepared by the Senate Counsel and Finance Staff

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**CHAIR, MAJORITY MEMBER
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**COMMITTEES:
RULES
BUDGET & REVENUE**

January 26, 2026

Dear Colleagues:

On Tuesday, January 20, Governor Kathy Hochul proposed the Executive Budget for State Fiscal Year 2026-27. The Executive Budget proposes All Funds expenditures of \$260 billion, State Operating Funds expenditures of \$157.4 billion, and General Fund expenditures of \$126.8 billion.

The Executive now estimates that receipts in SFY 2025-26 will exceed prior estimates by \$3.8 billion, and the Executive intends to utilize all that excess revenue to reduce outyear gaps and to fund SFY 2026-27 Executive Budget proposals.

The Executive Budget proposal estimated a base budget surplus of \$3.5 billion. The Executive Budget proposal includes \$3.9 billion in spending compared to prior estimates, recognizes \$22 million in reduced debt service from prior pre-payments, and utilizes \$2.5 billion in carry-forward surplus to fund new proposals. Out-year budget gaps have grown to \$6.0 billion in SFY 2027-28, \$9.0 billion in SFY 2028-29, and \$12.5 billion in SFY 2029-30.

The Executive Budget also includes significant policy proposals that will require careful review. These include various expansions of child care policies, such as universal pre-K statewide, decoupling from certain H.R. 1 provisions, extension of corporate franchise tax rates, elimination of tax on tipped wages, targeted inflationary increases, and recurring operating aid for CUNY.

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,

A handwritten signature in black ink that reads "Liz Krueger".

Liz Krueger
Chair
Senate Finance Committee

2026 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

Hearing	Day	Date	Time
Ag & Markets/Parks & Recreation	Tuesday	1/27/26	12:30 PM
Environmental Conservation/Energy	Wednesday	1/28/26	9:30 AM
Elementary/Secondary Education	Thursday	1/29/26	9:30 AM
Transportation	Tuesday	2/3/26	9:30 AM
Mental Hygiene	Wednesday	2/4/26	9:30 AM
Human Services	Thursday	2/5/26	9:30 AM
Health	Tuesday	2/10/26	9:30 AM
Local Gov/General Government	Wednesday	2/11/26	9:30 AM
Public Protection	Thursday	2/12/16	9:30 AM
Higher Education	Tuesday	2/24/26	9:30 AM
Labor/Workforce Development	Wednesday	2/25/26	9:30 AM
Housing	Wednesday	2/25/26	2:00 PM
Economic Development/Arts	Thursday	2/26/26	9:30 AM
Taxes	Thursday	2/26/26	2:00 PM

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FINANCIAL PLAN AND REVENUE



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

The SFY 2026-27 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. It also requires estimates of revenues and cash receipts expected to be available to support these expenditures and disbursements for the forthcoming fiscal year. Finally, 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 2026-27 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 2025-26

SFY 2026-27 Change in Spending (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
General Fund (Including Transfers)	\$126,295	\$126,832	\$537	0.4%
State Operating Funds	\$148,813	\$157,366	\$8,553	5.7%
State Funds	\$164,482	\$175,619	\$11,137	6.8%
All Funds	\$258,270	\$260,004	\$1,734	0.7%

On an All Funds basis, the SFY 2026-27 Executive Budget projects total spending of \$260 billion, which is an increase of \$1.7 billion or 0.7 percent from the current estimate for SFY 2025-26.

The SFY 2026-27 Executive Budget proposal projects an increase in State Operating Funds spending of \$8.6 billion or 5.7 percent from SFY 2025-26, for a total of \$157.4 billion. The SFY 2026-27 Executive Budget also updates projections for the remainder of SFY 2025-26 and now estimates that State Operating Funds disbursements for the current year will increase 11.3 percent over SFY 2024-25.

Budget Surplus/(Gap)

Executive Budget General Funds Surplus / (Gap) Estimate (\$ in Millions)				
	SFY 2026-27	SFY 2027-28	SFY 2028-29	SFY 2029-30
Mid-Year Update Base	(\$7,483)	(\$12,145)	(\$14,637)	N/A
Mid-Year Update Revision	(\$4,154)	(\$10,033)	(\$12,595)	N/A
Executive Budget Base	\$2,476	(\$3,789)	(\$6,778)	(\$9,470)
Executive Budget after Policy Action	\$0	(\$6,045)	(\$9,019)	(\$12,453)

The Mid-Year Update, released in November by the Division of Budget (DOB), began with a \$7.5 billion General Fund budget gap in SFY 2026-27. Before any re-estimates, the budget gaps were estimated at \$12.1 billion and \$14.6 billion in SFY 2027-28 and SFY 2028-29, respectively.

Following revisions to tax receipts and disbursements, the Mid-Year Update anticipated budget gaps of \$4.2 billion in SFY 2026-27, \$10 billion in SFY 2027-28, and \$12.6 billion in SFY 2028-29.

Since the release of the Mid-Year Update, tax collections through December 2025 have surpassed Mid-Year projections. The updated revenue and disbursements estimates have resulted in a budget surplus of \$2.4 billion in the current fiscal year and a surplus of \$3.5 billion in SFY 2026-27. Consistent with past practices, a portion of this cumulative surplus is carried forward to lower outyear gaps. Following this action, the estimated outyear budget gaps are \$3.8 billion in SFY 2027-28, \$6.8 billion in SFY 2028-29, and \$9.5 billion in SFY 2029-30.

The Executive proposes to use the remainder of the cumulative, two-year surplus, totaling \$2.5 billion, to fund various tax policy reforms and proposals, the most notable of which are:

- Expansion of various Child Care policies - including increases to existing subsidies, universal pre-K statewide, 3-K in the City of New York, a 2-Care New York City program, and pilot programs in select counties – at a total cost of \$1.7 billion.
- Provide a 1.7 percent targeted inflationary increase for certain eligible programs operated by voluntary providers of services for the Office of People with Developmental Disabilities (OPWDD), Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA) at a total cost of \$176 million.
- Eliminate tax on tipped wages up to \$25,000 at a cost of \$52 million.

The Executive Budget proposals, if adopted as is, would raise cumulative out-year budgets from \$20 billion to \$27.5 billion, an increase of \$7.5 billion or 37.3 percent compared to baseline projections. The out-year gaps are a result of a structural imbalance between forecasted levels of growth in spending and available resources.

Revenues

SFY 2026-27 Receipts (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
General Fund	\$121,416	\$121,937	\$521	0.4%
State Operating Funds	\$153,379	\$150,545	(\$2,834)	-1.8%
All Funds	\$262,619	\$254,538	(\$8,081)	-3.1%

The Executive Budget projects that All Funds receipts will total \$254.5 billion in SFY 2026-27, a decrease of \$8.1 billion or 3.1 percent compared to the current year estimate of \$262.6 billion. The All Funds amount includes federal resources, both operating and capital, which are projected to be almost \$10.6 billion or 10.9 percent lower in the SFY 2026-27 Executive Budget, relative to the current fiscal year.

Reserves

SFY 2026-27 Executive Budget Deposits / (Uses) of Reserves (\$ in Millions)				
	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28
Planned Deposits	\$7,125	(\$4,879)	(\$4,895)	(\$4,487)
Rainy Day Reserves	\$2,500	\$1,000	\$1,000	\$862
Economic Uncertainty	(\$965)	(\$8,000)	(\$1,000)	(\$862)
Extraordinary Monetary Settlements	(\$378)	(\$340)	(\$367)	(\$25)
Labor Settlements/Agency Operations	\$1,334	(\$600)	\$0	\$0
Timing of PTET/PIT Credits	\$3,481	\$1,676	(\$3,154)	\$251
All Other	\$4,613	\$1,385	(\$1,374)	(\$4,713)

SFY 2026-27 Executive Budget Reserves Balance (\$ in Millions)				
	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28
Balance at Year-End	\$21,603	\$14,603	\$14,603	\$14,603
Rainy Day Reserves	\$8,756	\$9,756	\$10,756	\$11,618
Economic Uncertainty	\$12,847	\$4,847	\$3,847	\$2,985
Balance of Other General Fund Reserves	\$35,313	\$37,434	\$32,539	\$28,077
Timing of PTET/PIT Credits	\$17,618	\$19,294	\$16,140	\$16,391
All Other	\$17,695	\$18,140	\$16,399	\$11,686
General Fund Cash Balance	\$56,916	\$52,037	\$47,142	\$42,655
Estimated State Operating Fund Spending	\$133,654	\$148,813	\$157,366	\$165,160
Reserves as % of SOF	16.2%	9.8%	9.3%	8.8%

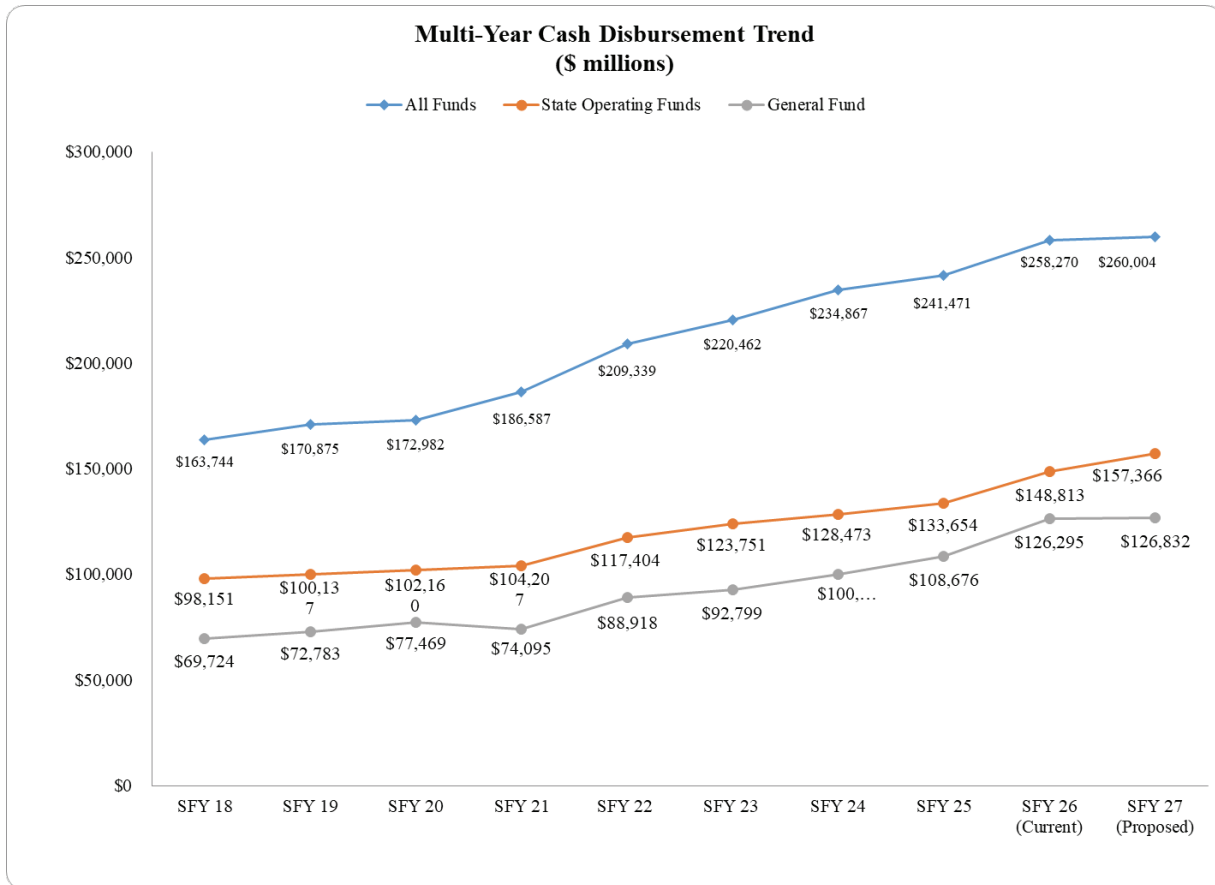
The SFY 2022-23 Enacted Budget included language to amend the Rainy Day Reserve statute, allowing for increased deposits and balance requirements with the goal of reaching 15 percent of State Operating Fund spending in SFY 2024-25. This was achieved through annual deposits in the State's two statutory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

In SFY 2025-26, the State executed a one-time payment to the Federal Unemployment Account of \$7.1 billion. As a result of this payment, Principal Reserves balances are estimated to total \$14.6 billion in SFY 2025-26. This amounts to 9.8 percent of estimated State Operating Fund spending in SFY 2025-26.

The Executive Budget proposal maintains Principal Reserve levels at \$14.6 billion in SFY 2026-27 and onward. As a result of increased spending in SFY 2026-27, this reserve figure amounts to 9.3 percent of projected State Operating Funds spending. Similarly, reserves as a percentage of State Operating Funds spending are projected to drop to 8.8 percent due to increased spending. The Executive Budget does not anticipate utilizing any reserves to reduce outyear budget gaps.

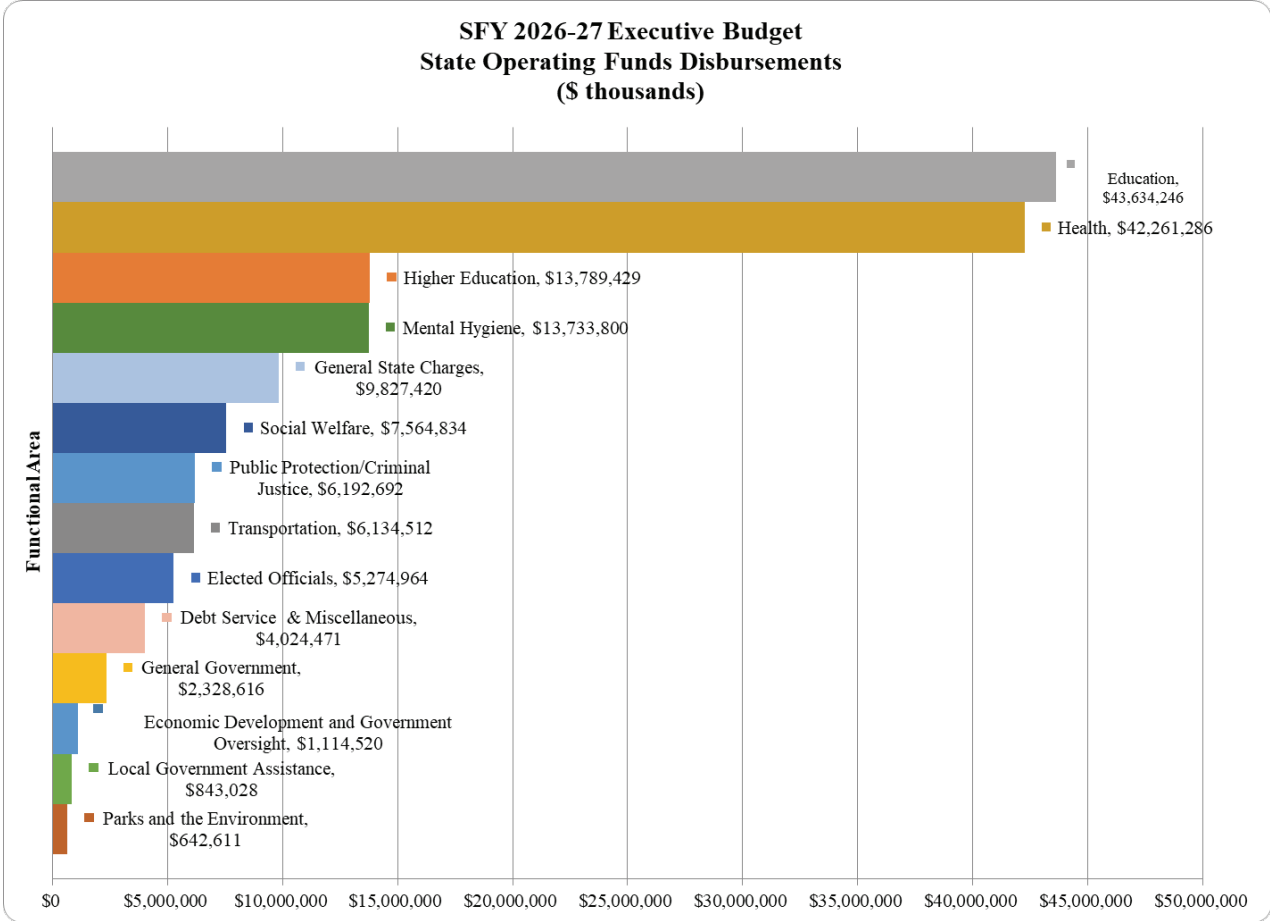
The Executive Budget proposes transfers of \$1 billion each year from funds reserved for economic uncertainty to the statutory Rainy Day Reserve Fund, with the goal of reaching \$10 billion in the Rainy Day Reserve Fund. This is expected to occur in SFY 2027-28.

Spending

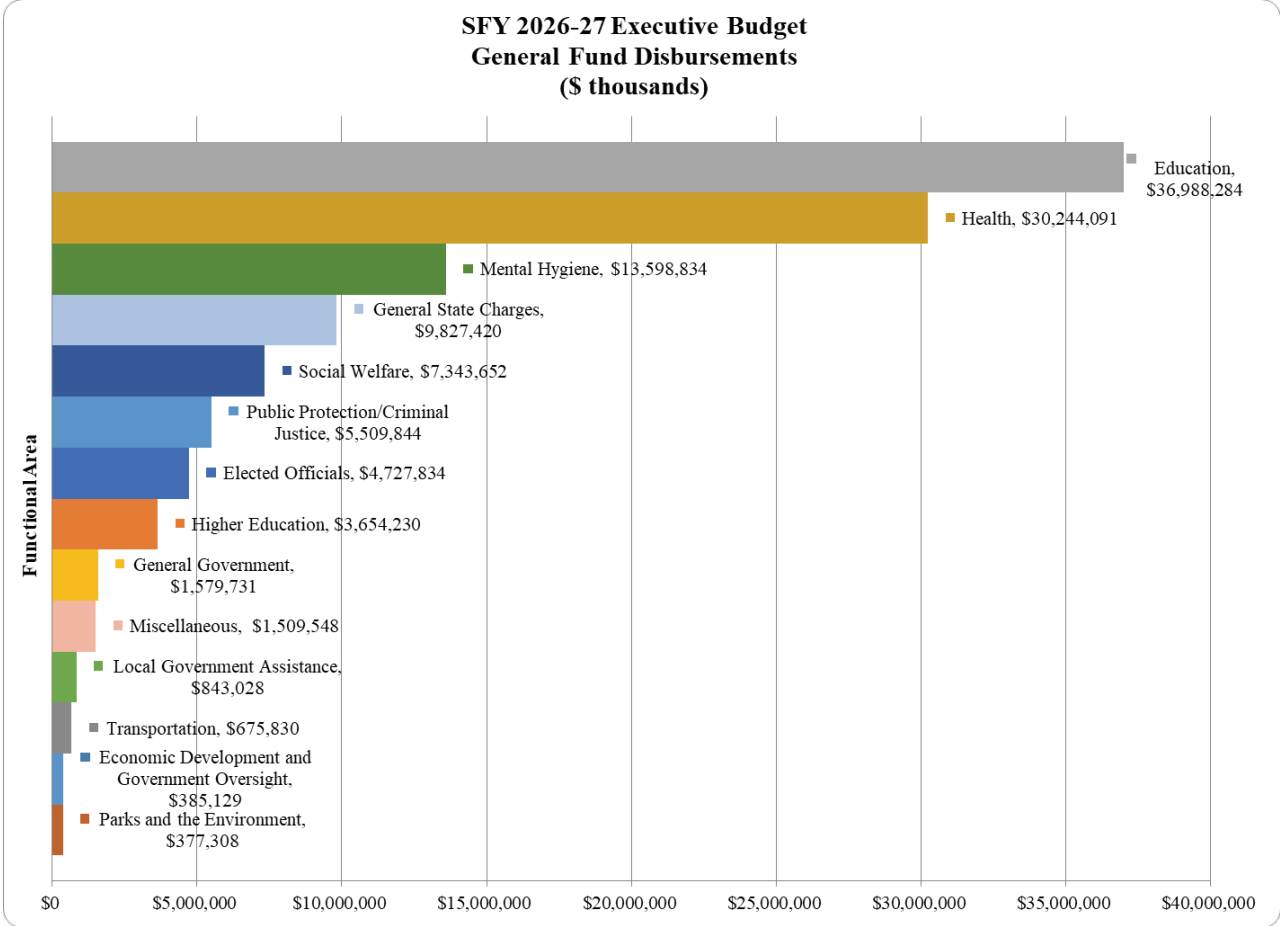


All Funds disbursements in SFY 2026-27 are projected to total \$260 billion, an increase of \$1.8 billion or 0.7 percent over the current estimate for SFY 2025-26.

State Operating Funds disbursements in SFY 2025-26 are projected to total \$157.4 billion, which is an increase of \$8.6 billion or 5.7 percent from current year estimates. Below is a breakdown of how the State Operating Funds disbursement is proposed in the Executive Budget.



General Fund disbursements, excluding transfers, in SFY 2026-27 are projected to total \$117.3 billion, which is an increase of \$7.8 billion or 7.1 percent over the current estimate for SFY 2025-26. Below is a breakdown of how the General Fund disbursements are proposed in the Executive Budget.



All Funds Cash Financial Plan SFY 2024-25 through SFY 2026-27 (\$ in Millions)							
	SFY 2024-25	SFY 2025-26			SFY 2026-27		
	Results	Current	Change	Percent	Current	Change	Percent
Opening Fund Balance	\$65,913	\$73,696	\$7,783	11.8%	\$70,499	(\$3,197)	-4.3%
Receipts							
Taxes	\$117,512	\$125,206	\$7,694	6.5%	\$127,643	\$2,437	1.9%
Miscellaneous Receipts	\$34,761	\$39,982	\$5,221	15.0%	\$37,256	(\$2,726)	-6.8%
Federal Receipts	\$96,713	\$97,072	\$359	0.4%	\$86,485	(\$10,587)	-10.9%
Total Receipts	\$248,986	\$262,260	\$13,274	5.3%	\$251,384	(\$10,876)	-4.1%
Disbursements							
Local Assistance	\$190,093	\$201,530	\$11,437	6.0%	\$200,512	(\$1,018)	-0.5%
State Operations							
<i>Personal Service</i>	<i>\$17,709</i>	<i>\$19,487</i>	<i>\$1,778</i>	<i>10.0%</i>	<i>\$20,320</i>	<i>\$833</i>	<i>4.3%</i>
<i>Non-Personal Service</i>	<i>\$9,473</i>	<i>\$10,111</i>	<i>\$638</i>	<i>6.7%</i>	<i>\$10,741</i>	<i>\$630</i>	<i>6.2%</i>
General State Charges	\$10,861	\$12,134	\$1,273	11.7%	\$12,806	\$672	5.5%
Debt Service	\$3,776	\$4,246	\$470	12.4%	\$3,675	(\$571)	-13.4%
Capital Projects	\$9,559	\$10,762	\$1,203	12.6%	\$11,950	\$1,188	11.0%
Total Disbursement	\$241,471	\$258,270	\$16,799	7.0%	\$260,004	\$1,734	0.7%
Other Financing Sources							
Transfer from Other Funds	\$64,695	\$65,805	\$1,110	1.7%	\$66,028	\$223	0.3%
Transfer to Other Funds	(\$64,813)	(\$73,259)	(\$8,446)	-13.0%	(\$66,208)	\$7,051	9.6%
Bonds and Note Proceeds	\$386	\$267	(\$119)	-30.8%	\$272	\$5	1.9%
Net Other Financing Sources	\$268	(\$7,187)	(\$7,455)	-2781.7%	\$92	\$7,279	101.3%
Excess (Deficiency) of Receipts over Disbursements and Reserves	\$7,783	(\$3,197)	(\$10,980)	-141.1%	(\$8,528)	(\$5,331)	-166.8%
Closing Fund Balance	\$73,696	\$70,499	(\$3,197)	-4.3%	\$61,971	(\$8,528)	-12.1%

State Operating Funds Cash Financial Plan SFY 2024-25 through SFY 2026-27 (\$ in Millions)							
	SFY 2024-25	SFY 2025-26			SFY 2026-27		
	Results	Current	Change	Percent	Current	Change	Percent
Opening Fund Balance	\$56,078	\$67,322	\$11,244	20.1%	\$63,086	(\$4,236)	-6.3%
Receipts							
Taxes	\$116,026	\$123,752	\$7,726	6.7%	\$126,209	\$2,457	2.0%
Miscellaneous Receipts	\$28,595	\$29,580	\$985	3.4%	\$24,293	(\$5,287)	-17.9%
Federal Receipts	\$3,683	\$47	(\$3,636)	-98.7%	\$43	(\$4)	-8.5%
Total Receipts	\$148,304	\$153,379	\$5,075	3.4%	\$150,545	(\$2,834)	-1.8%
Disbursements							
Local Assistance	\$95,859	\$106,133	\$10,274	10.7%	\$113,303	\$7,170	6.8%
State Operations							
<i>Personal Service</i>	\$16,915	\$18,750	\$1,835	10.8%	\$19,572	\$822	4.4%
<i>Non-Personal Service</i>	\$6,661	\$7,946	\$1,285	19.3%	\$8,413	\$467	5.9%
General State Charges	\$10,443	\$11,738	\$1,295	12.4%	\$12,403	\$665	5.7%
Debt Service	\$3,776	\$4,246	\$470	12.4%	\$3,675	(\$571)	-13.4%
Capital Projects	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Total Disbursement	\$133,654	\$148,813	\$15,159	11.3%	\$157,366	\$8,553	5.7%
Other Financing Sources							
Transfer from Other Funds	\$57,359	\$59,951	\$2,592	4.5%	\$60,888	\$937	1.6%
Transfer to Other Funds	(\$60,765)	(\$68,753)	(\$7,988)	-13.1%	(\$62,580)	\$6,173	9.0%
Bonds and Note Proceeds	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Net Other Financing Sources	(\$3,406)	(\$8,802)	(\$5,396)	-158.4%	(\$1,692)	\$7,110	80.8%
Excess (Deficiency) of Receipts over Disbursements and Reserves	\$11,244	(\$4,236)	(\$15,480)	-137.7%	(\$8,513)	(\$4,277)	-101.0%
Closing Fund Balance	\$67,322	\$63,806	(\$3,516)	-5.2%	\$54,573	(\$9,233)	-14.5%

General Fund Cash Financial Plan, SFY 2024-25 through SFY 2026-27, (\$ in Millions)							
	SFY 2024-25	SFY 2025-26			SFY 2026-27		
	Results	Current	Change	Percent	Current	Change	Percent
Opening Fund Balance	\$46,331	\$56,916	\$10,585	22.8%	\$52,037	(\$4,879)	-8.6%
Receipts							
Taxes							
<i>Personal Income Tax</i>	\$29,153	\$32,599	\$3,447	11.8%	\$34,669	\$2,070	6.3%
<i>Consumption/Use Tax</i>	\$10,057	\$10,595	\$538	5.3%	\$10,887	\$292	2.8%
<i>Business Taxes</i>	\$19,059	\$18,435	(\$624)	-3.3%	\$17,646	(\$789)	-4.3%
<i>Other Taxes</i>	\$1,322	\$1,611	\$289	21.9%	\$1,506	(\$105)	-6.5%
Miscellaneous Receipts	\$5,168	\$4,391	(\$777)	-15.0%	\$3,173	(\$1,218)	-27.7%
Federal Receipts	\$3,650	\$0	(\$3,650)	-100.0%	\$0	\$0	0.0%
Transfer from Other Funds							
<i>PIT in Excess of Revenue Bond Debt</i>	\$28,078	\$30,176	\$2,098	7.5%	\$33,645	\$3,469	11.5%
<i>PTET in Excess of Revenue Bond Debt</i>	\$8,890	\$9,235	\$345	3.9%	\$7,400	(\$1,835)	-19.9%
<i>ECEP in Excess of Revenue Bond Debt</i>	\$7	\$9	\$2	28.6%	\$10	\$1	11.1%
<i>Sales Tax in Excess of LGAC Bond Debt</i>	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
<i>Sales Tax in Excess of Revenue Bond</i>	\$8,636	\$9,943	\$1,307	15.1%	\$9,373	(\$570)	-5.7%
<i>Real Estate Taxes in Excess of CW/CA</i>	\$969	\$1,099	\$130	13.4%	\$1,206	\$107	9.7%
<i>All Other</i>	\$4,273	\$3,323	(\$950)	-22.2%	\$2,422	(\$901)	-27.1%
Total Receipts	\$119,261	\$121,416	\$2,155	1.8%	\$121,937	\$521	0.4%
Disbursements							
Local Assistance	\$74,833	\$83,382	\$8,549	11.4%	\$89,631	\$6,249	7.5%
State Operations							
<i>Personal Service</i>	\$10,784	\$12,112	\$1,328	12.3%	\$12,607	\$495	4.1%
<i>Non-Personal Service</i>	\$2,932	\$3,774	\$842	28.7%	\$4,048	\$274	7.3%
General State Charges	\$9,297	\$10,204	\$907	9.8%	\$10,979	\$775	7.6%
Transfer to Other Funds							
<i>Debt Service</i>	\$274	\$301	\$27	9.9%	\$324	\$23	7.6%
<i>Capital Projects</i>	\$6,925	\$5,347	(\$1,578)	-22.8%	\$4,644	(\$703)	-13.1%
<i>SUNY Operations</i>	\$1,660	\$1,842	\$182	11.0%	\$1,960	\$118	6.4%
<i>Other Purposes</i>	\$1,971	\$9,333	\$7,362	373.5%	\$2,639	(\$6,694)	-71.7%
Total Disbursement	\$108,676	\$126,295	\$17,619	16.2%	\$126,832	\$537	0.4%
Excess (Deficiency) of Receipts and Use (Reservation) over Disbursements	\$10,585	(\$4,879)	(\$15,464)	-146.1%	(\$4,895)	(\$16)	-0.3%
Closing Fund Balance	\$56,916	\$52,037	(\$4,609)	-8.1%	\$47,142	(\$5,165)	-9.9%

State Receipts Table

All Funds Receipts (\$ in Millions)				
	Estimated SFY 2025-26	Executive SFY 2026-27	Change (\$)	Change (%)
Personal Income Tax				
Withholding	\$65,171	\$67,395	\$2,224	3.4%
Estimated Payments	\$15,049	\$16,646	\$1,597	10.6%
Final Returns	\$4,621	\$4,857	\$236	5.1%
Other Payments	\$2,119	\$2,172	\$53	2.5%
Gross Collections	\$86,960	\$91,070	\$4,110	4.7%
Refunds/Offsets	(\$19,060)	(\$19,143)	(\$83)	-0.4%
Revenue Bond Tax Fund	\$0	\$0	\$0	0.0%
Net Collections	\$67,900	\$71,927	\$4,027	5.9%
User Taxes and Fees				
Sales and Use	\$21,547	\$22,155	\$608	2.8%
Cigarette/Tobacco	\$737	\$717	(\$20)	-2.7%
Vapor Excise Tax	\$19	\$19	\$0	0.0%
Motor Fuel Tax	\$486	\$487	\$1	0.2%
Alcoholic Beverage	\$268	\$267	(\$1)	-0.4%
Opioid Excise Tax	\$23	\$20	(\$3)	-13.0%
Medical Cannabis Excise Tax	\$3	\$3	\$0	0.0%
Adult-Use Cannabis Tax	\$194	\$284	\$90	46.4%
Highway Use Tax	\$135	\$136	\$1	0.7%
Auto Rental Tax	\$148	\$153	\$5	3.4%
Peer to Peer Car Sharing Tax	\$1	\$1	\$0	0.0%
Total	\$23,561	\$24,242	\$681	2.9%
Business Taxes				
Corporation Franchise	\$7,837	\$9,141	\$1,304	16.6%

Corporation and Utilities	\$503	\$534	\$31	6.2%
Insurance	\$2,835	\$3,026	\$191	6.7%
Bank	\$84	\$0	(\$84)	-100%
Pass Through Entity Tax	\$18,470	\$14,800	(\$3,670)	-19.9%
Petroleum Business Tax	\$1,009	\$962	(\$47)	-4.7%
Total	\$30,738	\$28,463	(\$2,275)	-7.4%
Other Taxes				
Estate	\$1,588	\$1,484	(\$104)	-6.5%
Real Estate Transfer Tax	\$1,387	\$1,495	\$108	7.8%
Emp. Comp. Expense Program	\$18	\$19	\$1	5.6%
Pari-Mutuel	\$13	\$12	(\$1)	-7.7%
Other	\$1	\$1	\$0	0.0%
Total	\$3,007	\$3,011	\$4	0.1%
Total Tax Collections	\$125,206	\$127,643	\$2,437	1.9%
Miscellaneous Receipts	\$39,982	\$37,256	(\$2,726)	-6.8%
Federal Grants	\$97,072	\$86,485	(\$10,587)	-10.9%
Total Receipts	\$262,260	\$251,384	(\$10,876)	-4.1%

General Fund Receipts (\$ in Millions)				
	Estimated SFY 2025-26	Executive SFY 2026-27	Change (\$)	Change (%)
Personal Income Tax				
Withholding	\$65,171	\$67,395	\$2,224	3.4%
Estimated Payments	\$15,049	\$16,646	\$1,597	10.6%
Final Returns	\$4,621	\$4,857	\$236	5.1%
Other Payments	\$2,119	\$2,172	\$53	2.5%
Gross Collections	\$86,960	\$91,070	\$4,110	4.7%
Refunds/Offsets	(\$19,060)	(\$19,143)	(\$83)	-0.4%
Reported Tax Collections	\$67,900	\$71,927	\$4,027	5.9%
STAR (Dedicated Deposits)	(\$1,352)	(\$1,295)	\$57	4.2%
RBTF (Dedicated Transfers)	(\$33,949)	(\$35,963)	(\$2,014)	-5.9%
Net Collections	\$32,599	\$34,669	\$2,070	6.3%
User Taxes and Fees				
Sales and Use	\$20,150	\$20,720	\$570	2.8%
Cigarette/Tobacco	\$228	\$239	\$11	4.8%
Alcoholic Beverage	\$268	\$267	(\$1)	-0.4%
Opioid Excise Tax	\$23	\$20	(\$3)	-13.0%
Peer to Peer Car Sharing Tax	\$1	\$1	\$0	0.0%
Gross Consumption/ Use Tax Collections	\$20,670	\$21,247	\$577	2.8%
LGAC/STBF (Dedicated Transfers)	(\$10,075)	(\$10,360)	(\$285)	-2.8%
Total	\$10,595	\$10,887	\$292	2.8%
Business Taxes				
Corporation Franchise	\$6,158	\$7,101	\$943	15.3%
Corporation and Utilities	\$389	\$421	\$32	8.2%
Insurance	\$2,581	\$2,724	\$143	5.5%
Bank	\$72	\$0	(\$72)	-100.0%
Pass Through Entity Tax	\$18,470	\$14,800	(\$3,670)	-19.9%

Gross Business Tax Collections	\$27,670	\$25,046	(\$2,624)	-9.5%
Business Tax Revenue Bond	(\$9,235)	(\$7,400)	\$1,835	19.9%
Total	\$18,435	\$17,646	(\$789)	-4.3%
Other Taxes				
Estate	\$1,588	\$1,484	(\$104)	-6.5%
Real Estate Transfer Tax	\$1,387	\$1,495	\$108	7.8%
Emp. Comp. Expense Program	\$18	\$19	\$1	5.6%
Pari-Mutuel	\$13	\$12	(\$1)	-7.7%
Other	\$1	\$1	\$0	0.0%
Gross Other Taxes	\$3,007	\$3,011	\$4	0.1%
Real Estate Transfer Tax (Dedicated)	(\$1,387)	(\$1,495)	(\$108)	-7.8%
RBTF (Dedicated Transfers)	(\$9)	(\$10)	(\$1)	-11.1%
Total	\$1,611	\$1,506	(\$105)	-6.5%
Total Tax Collections	\$63,240	\$64,708	\$1,468	2.3%
Miscellaneous Receipts	\$4,391	\$3,173	(\$1,218)	-27.7%
Federal Grants	\$0	\$0	\$0	0.0%
Total Receipts	\$67,631	\$67,881	\$250	0.4%

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 \$13.6 billion in Extraordinary Monetary Settlements. Approximately \$8 billion in Extraordinary Monetary Settlements have been appropriated for capital projects to date, of which \$6.2 billion has been disbursed through December 31, 2025. The SFY 2026-27 Executive Budget does not include any new appropriations for use of settlement money for capital purposes.

Appropriated Monetary Settlement Funds (\$ in Thousands)							
	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021 - SFY 2027	Total
Thruway Stabilization Program	\$1,285,000	\$700,000	\$0	\$0	\$0	\$0	\$1,985,000
Upstate Revitalization Initiative	\$1,500,000	\$170,000	\$0	\$0	\$0	\$0	\$1,670,000
Health Care	\$355,000	\$0	\$100,000	\$125,000	\$0	\$0	\$580,000
Affordable and Homeless Housing	\$0	\$640,000	\$0	\$0	\$0	\$0	\$580,000
Broadband Initiative	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Buffalo Billion, Phase II	\$0	\$0	\$400,000	\$0	\$0	\$0	\$400,000
Life Sciences Initiative	\$0	\$0	\$320,000	\$0	\$0	\$0	\$320,000
MTA Capital Plan	\$250,000	\$0	\$65,000	\$0	\$0	\$0	\$315,000
Municipal Restructuring/Down Revitalization	\$150,000	\$20,000	\$100,000	\$0	\$0	\$0	\$270,000
Security and Emergency Response	\$150,000	\$0	\$100,000	\$0	\$0	\$0	\$250,000
Clean Water Infrastructure	\$0	\$0	\$0	\$0	\$250,000	\$0	\$250,000
DOT Capital Plan Contribution	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Long Island Transformative Projects	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Environmental Protection Fund	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000

Upstate Infrastructure and State Fair	\$115,000	\$0	\$0	\$0	\$0	\$0	\$115,000
Other Economic Development Projects	\$0	\$85,000	\$0	\$0	\$0	\$0	\$85,000
Southern Tier and Hudson Valley Farmland	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Empire State Poverty Reduction Initiative	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Non-MTA Transit	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
Community Health Care Revolving Loans	\$19,500	\$0	\$0	\$0	\$0	\$0	\$19,500
Roswell Park Cancer Institute	\$15,500	\$0	\$0	\$0	\$0	\$0	\$15,500
Behavioral Health Care Grants	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Total	\$4,550,000	\$1,960,000	\$1,105,000	\$125,000	\$250,000	\$0	\$7,990,000

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 \$20 billion in SFY 2026-27, which will be committed and spent over several 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.

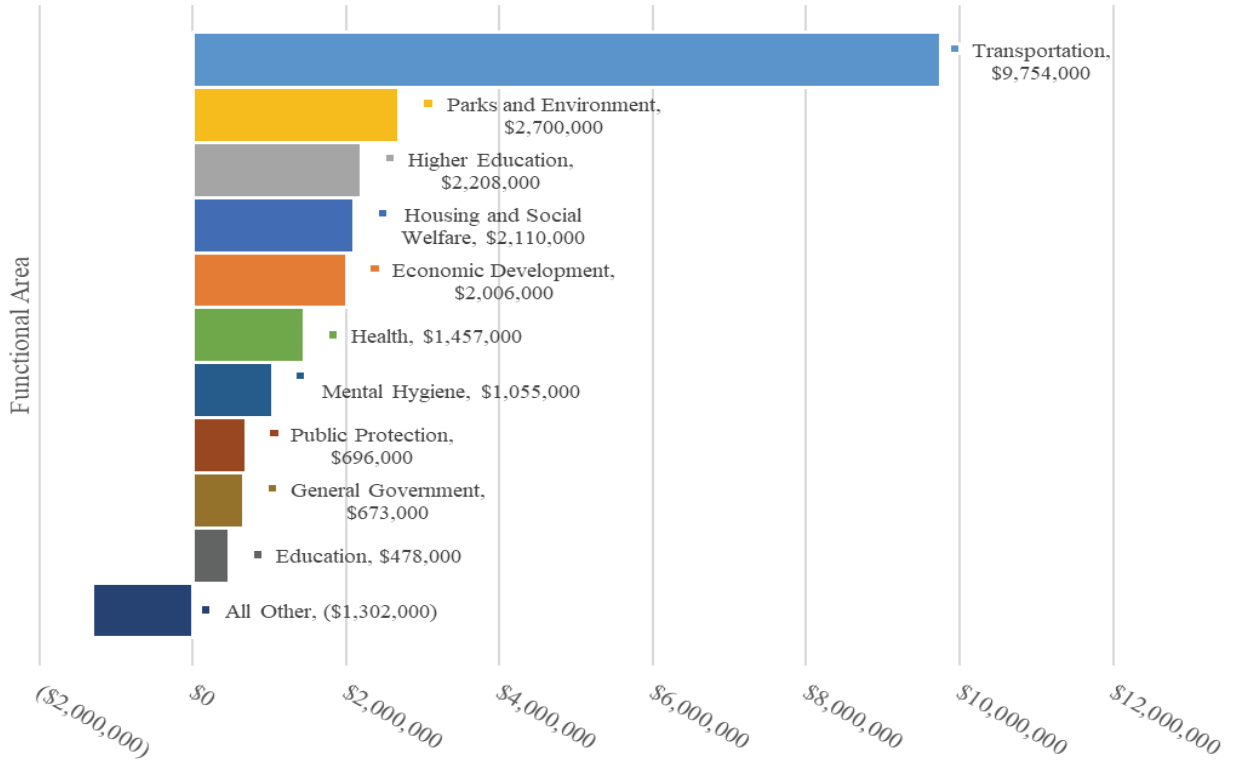
Appropriations in major functional areas include:

- \$4.9 billion for the fifth year of the five-year Department of Transportation (DOT) Capital Plan.
- \$2.7 billion in parks, the environment, agriculture and markets.
- \$1.8 billion for health and mental hygiene, including \$680 million for mental hygiene programs.
- \$1.8 billion for public protection and general government.
- \$1.5 billion for education and higher education.
- \$1.5 billion for economic development.
- \$921 million for social welfare, including \$861 million for various housing programs.
- \$3.7 billion in total for other capital initiatives.

SFY 2026-27 Capital Spending

New York State capital spending is projected to total \$21.8 billion in SFY 2026-27. Financing for capital spending in SFY 2026-27 is supported with State Debt (\$11.3 billion or 51 percent), State Cash Resources (\$6.9 billion or 32 percent), and Federal Aid (\$3.7 billion or 17 percent). State capital spending over the next five years is expected to average approximately \$21.2 billion annually. In SFY 2026-27, capital spending is projected to increase by \$3.5 billion or 19.3 percent compared to SFY 2025-26. The increase in spending is attributable to the fifth year of the five-year capital plan for transportation, increased spending in parks and environment, health, and mental hygiene, and new spending included in the SFY 2026-27 Executive Budget. The graph below summarizes the SFY 2026-27 spending. The negative “All Other” Category is related to potential underspending due to the timing of capital project delivery.

SFY 2026-27
 Capital Spending by Function
 (thousands of dollars)



SFY 2026-27 Debt Summary

Current State-related debt outstanding is projected at \$72.2 billion for SFY 2026-27. This is an increase of \$10.4 billion or 16.8 percent over the previous year. The Executive Budget expects debt issuances of \$11.4 billion and debt retirements of \$1.2 billion. From SFY 2026-27 through SFY 2030-31, State-related debt is projected to increase an average of 10 percent annually, reaching \$99 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt, subject to the debt cap, to reach 3.13 percent of personal income in SFY 2026-27. 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 2026-27. Recent Enacted Budgets included temporary authorization for the Executive to use emergency Personal Income Tax (PIT) notes. The Executive has proposed permanently allowing DOB to access liquidity financing of \$3 billion in emergency PIT notes but has stated that it does not plan on using these authorizations.

Revenue Fact Sheet

Appropriations

- **Department of Taxation and Finance:** The Executive Budget proposes an All Funds appropriation of \$527.59 million, an increase of \$2.4 million, or 0.46 percent, from SFY 2025-26.

Article VII

- **Enhance and Reform the Child and Dependent Care Credit:** The Executive Budget decouples the State's Child and Dependent Care Credit from the federal credit and enhances the current benefit. The new credit, starting in Tax Year 2026, covers 55 percent of qualifying expenses for taxpayers with incomes up to \$15,000 and gradually phases out above that, with a minimum credit of 4 percent of expenses. The maximum eligible qualifying expenses range from \$3,000 for one dependent to \$9,000 for five or more but cannot exceed a taxpayer's earned income.
- **Eliminate Income Taxes on Tipped Wages:** The Executive Budget proposes to allow taxpayers to deduct up to \$25,000 in tipped wages per year for individual filers with income up to \$150,000 and married filers with income up to \$300,000, aligning with the new federal deduction.
- **Retain Deductibility of Certain Charitable Contributions:** The Executive Budget proposes to allow donations to organizations that lost their federal tax-exempt status, but had been approved before January 1, 2025, to remain deductible for New York State income tax if the loss of tax-exempt status was unrelated to their charitable mission and the organization still meets other legal requirements.
- **Extend the Temporary Article 9-A Tax Rates for Three Years:** The Executive Budget proposes to extend the temporary 7.25 percent rate for Corporate Franchise Tax filers with business income over \$5 million for an additional three years through Tax Year 2029. The temporary 0.1875 percent capital base tax rate is also extended for three years through 2029. These provisions were previously extended for three years in the SFY 2023-24 Adopted Budget.

- **Decouple the State and New York City from Certain H.R. 1 Provisions:** The Executive Budget proposes to decouple State tax law from changes made in the recent federal tax changes (H.R.1), including provisions related to deductions for domestic research and experimental (R&E) expenditures, aligns the State’s treatment of foreign and domestic R&E expenditures, preserves the State’s current treatment of expensing of certain qualified production property, and preserves the City’s current treatment of depreciation for qualified production property, business interest expenses, and expensing of depreciable business assets.
- **Enhance the New York City Musical and Theatrical Production Tax Credit:** The Executive Budget proposes to increase the aggregate credit amount available by \$150 million up to \$550 million. Qualified New York City musical and theatrical productions with initial performances on or after December 1, 2025 would be eligible to apply for this additional funding.
- **Impose Tax on Alternative Nicotine Products:** The Executive Budget proposes defining alternative nicotine products and imposing the current 75 percent wholesale tax on tobacco to apply to alternative nicotine products as well.
- **Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement:** The Executive Budget proposes to require vapor product distributors to register with the State and introduces a new distributor level tax per unit of vapor product of \$0.55 per unit while retaining the supplemental tax on vapor products imposed on retail sales of 20 percent. The Executive Budget also proposes to create a Vapor Products registry, to be maintained by the Department of Taxation and Finance using information collected from manufacturers and updated monthly. The proposal also includes additional penalties for unregistered sales and for selling contraband products.
- **Electric Vehicle (EV) Charging Stations Sales Tax Exemption:** The Executive Budget proposes to establish a sales tax exemption on the retail sale of electricity by a commercial EV charging station.

Revenue Agency Details

Department of Taxation and Finance (DTF)

Department of Taxation and Finance All Funds Appropriations (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State Operations	\$517.26	\$519.66	\$2.40	0.46%
Aid to Localities	\$7.93	\$7.93	\$0.00	0%
Total	\$525.19	\$527.59	\$2.40	0.46%

The Executive Budget recommends an All Funds appropriation of \$527.59 million for the Department of Taxation and Finance, which is an increase of \$2.4 million, or 0.46 percent, from SFY 2025-26. The Executive Budget recommends a workforce of 3,898 FTEs for the Department, which is an increase of 66 FTEs over SFY 2025-26 levels.

The Executive Budget includes an increase of \$7.9 million in appropriation authority for the Revenue Analysis, Collection, Enforcement, Processing, and Real Property Tax program. This increase supports an additional 41 FTEs for vapor product sale enforcement and 25 FTEs to fortify the Department’s audit program. This increase is offset by a decrease of \$5.5 million in supplies related to the distribution of Inflation Refund Checks in SFY 2025-26.

Division of Tax Appeals (DTA)

The Executive Budget recommends an All Funds appropriation of \$4.67 million for the Division of Tax Appeals in State Operations funds, which is an increase of \$160,000 or 3.55 percent from SFY 2025-26. The Executive Budget recommends a workforce of 29, which is consistent with SFY 2025-26 levels.

Article VII - Miscellaneous

Enhance and Reform the Child and Dependent Care Credit (REV Part A): The Executive Budget proposes to decouple the State's Child and Dependent Care Credit from the federal credit and enhance the current benefit. The new credit, starting in Tax Year (TY) 2026, covers 55 percent of qualifying expenses for taxpayers with incomes up to \$15,000 and gradually phases out above that, with a minimum credit of 4 percent of expenses for those with incomes of \$219,000 or above for both single and married filers. The maximum eligible qualifying expenses range from \$3,000 for one dependent, \$6,000 for two and up to \$9,000 for five or more but cannot exceed the taxpayer's earned income. These new rules generally mean that lower-income taxpayers with a small number of dependents will see significant benefit increases: for example, a taxpayer with one dependent, whose eligible expenses meet the maximum and with a taxable income of \$15,000 would receive an additional \$495. Taxpayers with incomes around \$150,000 and above see small gains, while taxpayers above the \$219,000 level receive the same amount they would under the existing credit. To be eligible for the credit, taxpayers must be New York State residents, and both ITIN and SSN filers may qualify.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27 and will have a fiscal impact of \$65 million in SFY 2027-28 and annually thereafter.

Eliminate Income Taxes on Tipped Wages (REV Part B): The Executive Budget proposes to allow taxpayers to deduct up to \$25,000 in tipped wages per year for individual filers with income up to \$150,000 and married filers with income up to \$300,000, aligning with the new federal deduction. The deduction would take effect in TY 2026 and mirror the federal structure, which is currently set to expire after TY 2028.

Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$52 million to the State in SFY 2026-27, \$69 million in SFY 2027-28, \$60 million in SFY 2028-29, and \$19 million in SFY 2029-30.

Retain Deductibility of Certain Charitable Contributions (REV Part C): The Executive Budget proposes to allow taxpayers to continue to claim personal income tax deductions for donations to organizations that had valid federal tax-exempt status before January 1, 2025 and which subsequently lost it. Donations would still be eligible at the State level, if the loss of tax-exempt status was unrelated to their charitable mission and the organization still meets other legal requirements to be considered a charitable organization. As is currently the case, a specific taxpayer would be responsible for proving that an organization can accept tax deductible donations if a donation is challenged by the Department of Tax and Finance.

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

Standardize the Definition of Farmer for Certain Tax Credits (REV Part D): The Executive Budget proposes to create a uniform definition of “eligible farmer” across several farm-related tax credits: the Farm Workforce Retention Credit, the Farm Employer Overtime Credit, the credit for farm donations to a food pantry, and the Agricultural Property Tax Credit. This change would also affect the definition for the Investment Tax Credit since that credit uses the same definition as that for the Agricultural Property Tax Credit. The test for being an eligible farmer is a comparison of one’s income from farm-related activities against their income from non-farm sources. Currently these credits have very similar definitions but they have differences in how they conduct this income test, which means farmers may be eligible for some but not all of these credits. This proposal is meant to simplify the administration of these credits by the Department of Tax and Finance and to simplify applications for farmers without causing any farmers to lose eligibility to credits they currently are eligible for.

Under this new standard definition, an “eligible farmer” is a taxpayer whose New York gross income from farming for the tax year, or the average of their New York gross income from farming over the current and previous two tax years, is equal to at least two-thirds of their total federal gross income for the tax year from all other sources minus \$30,000. The definition of New York gross income from farming would be the federal gross income from farming plus payments from the State’s farmland protection program and from a variety of farming activities like horse boarding, maple syrup, growing Christmas trees, and earnings from a farm winery or cidery.

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

Extend the Temporary Article 9-A Tax Rates for Three Years (REV Part E): The Executive Budget proposes to 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 2029.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27 but would generate revenue and have a positive fiscal impact of \$1.3 billion to the State in SFY 2027-28, \$1.9 billion in SFY 2028-29, and \$1.5 billion in SFY 2029-30.

Decouples New York State from Certain H.R.1 Provisions (REV Part F): The Executive Budget proposes to decouple from certain provisions from the federal tax (H.R.1) bill that would carry through to New York State tax rules and affect State tax revenues. The Executive Budget decouples from the federal treatment of depreciation for qualified production property. Prior to H.R.1, companies would depreciate this type of property over 39 years, but under H.R.1, they would be able to claim the full depreciation amount in year one. This proposal decouples New York from this change and maintains the current rate of depreciation timeline for State tax purposes. The definition for “qualified production property” includes non-residential real property used in manufacturing, production or refining of a variety of products.

This proposal also decouples New York’s tax system from the accelerated federal deductions for research and experimental (R&E) expenses. Previously companies could amortize, or write off the initial cost, of domestic R&E expenses over five years and foreign R&E expenses over 15 years. H.R.1 changed the rules to allow for amortization of domestic R&E expenses in year one. This proposal decouples the State from this change and requires both domestic and foreign R&E costs to be amortized over five years for New York State tax purposes. The rate for both domestic and foreign R&E would be the same because New York State is not allowed to discriminate between expenses within and outside the State in its own tax rules.

These changes apply immediately to tax years beginning on or after January 1, 2025, since these changes at the federal level were also applied to Tax Year 2025.

Fiscal Impact: The Executive proposal estimates this would provide savings of \$1.7 billion to the State in SFY 2026-27, \$770 million in SFY 2027-28, \$670 million in SFY 2028-29, and \$290 million in SFY 2029-30.

Decouple New York City from Certain H.R.1 Provisions (REV Part G): The Executive Budget includes language that decouples the City’s tax code from certain H.R.1 provisions. This proposal affects taxes fully administered by the New York City Department of Finance, such as the Unincorporated Business Income Tax, the General Corporation Tax, the Banking Corporation Tax, and the Corporate Tax of 2015.

This proposal decouples the City’s tax code from the new federal rules allowing for 100 percent immediate expensing of depreciation for qualified production property, maintaining previous depreciation rules for qualified production property. The City would also decouple its tax code from federal changes to deductions for research and experiment (R&E) expenditures. This proposal aligns the City’s treatment of deductions for domestic and foreign R&E expenditures to the proposed rules for the State, by requiring both domestic and foreign R&E costs to be amortized over five years for New York City tax purposes starting on or after January 1, 2025.

This proposal also decouples City taxes from the provision of H.R.1 that the State would remain coupled to. This includes decoupling from the ability of small businesses to deduct fully up to \$2.5 million in the costs of new equipment during one year, with this deduction starting to phase out if purchases exceed \$4 million. This is commonly known as Section 179 expensing and H.R.1 increased the amounts that can be deducted and the thresholds for the phase out, and it also indexed both values to inflation moving forward. The City also requires that the calculation of an entity’s adjusted taxable income (ATI) to be carried out using the previous rules for how to account for depreciation, amortization, and depletion costs, that came into effect in Tax Year 2022. Similar to the State’s decoupling from the federal H.R.1, the City’s changes apply immediately to tax years beginning on or after January 1, 2025.

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

Enact Pass-Through Entity Tax Flexibility (REV Part H): The Executive Budget proposes to change the election deadline for entities to pay the Pass-Through Entity Tax (PTET) from March 15 to September 15. The September 15 deadline affords entities more time to decide whether electing into the PTET program is appropriate for them and would also allow entities formed after March 15 to make a PTET election, as long as it is done by September 15 of that year. PTET can be used by pass-through entities to lower their federal tax liability to make up for limits imposed on deducting state and local taxes at the federal level.

If an entity elects to pay the PTET by March 15, they will have to submit four equal estimated prepayments of the tax, 25 percent each, on March 15, June 15, September 15, and December 15. An entity that made their election after March 15 but before July 15 would be required to make their first estimated payment of 50 percent of the amount due on June 15 and then pay the regular amount in the next two quarterly payments. If an entity makes their election after July 15 but before or on September 15, they would have to pay 75 percent of their estimated payment on September 15, and the remaining in the last quarterly payment on December 15.

Fiscal Impact: The Executive proposal estimates this would decrease State tax receipts by \$4 billion in SFY 2026-27. However, the Pass-Through Entity Tax is revenue neutral to the State Financial Plan over the duration of the tax.

Extend the Commercial Security Tax Credit for Three Years (REV Part I): The Executive Budget proposes to extend this tax credit, which is administered by the Division of Criminal Justice Services (DCJS) and designed to cover part of any qualified retail theft prevention measures taken by small businesses, for three years, to tax years prior to 2029.

This credit allows businesses with 100 or fewer employees operating at least one retail location in the State to file for a certificate of credit to DCJS, if they spent at least \$12,000 annually per New York store on qualified retail theft prevention measures, and if they file under the corporate, corporate franchise, or personal income tax. Qualified retail theft prevention measures include costs such as hiring security officers, installing cameras, additional lighting, alarm systems, new locks, or other such anti-theft measures. The credit provides a \$3,000 refundable credit per store, operates on a first-come, first-served basis, and the program is capped at \$5 million per year. This credit program started in Tax Year 2024 and was initially established for two years.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27 and would decrease revenue and have a fiscal impact of \$5 million in SFY 2027-28 and thereafter.

Enhance the New York City Musical and Theatrical Production Tax Credit (REV Part J): The Executive Budget proposes to increase the aggregate credit amount available by \$150 million, from \$400 million up to \$550 million. Qualified New York City musical and theatrical productions, which are for profit Broadway productions, with initial performances on or after December 1, 2025, would be eligible to apply for this additional funding. According to the Executive, the existing \$400 million allocation has been fully committed. The current program expires at the end of Tax Year 2027.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27 and SFY 2027-28 but would have a fiscal impact of \$100 million to the State in SFY 2027-28 and \$50 million in SFY 2029-30.

Impose Tax on Alternative Nicotine Products (REV Part K): The Executive Budget proposes to expand the tobacco product excise tax to include alternative nicotine products, which would include any noncombustible product, other than vapor products, that contain nicotine, but not tobacco, and are intended for human consumption, such as tobacco-free nicotine pouches. The tobacco product tax rate is 75 percent of the wholesale price, and that rate would be applied to the wholesale price of a unit of alternative nicotine product, with a unit being whatever packaging is used for the particular product when sold to a customer, such as a cannister, pack, box, etc. Any dealers and distributors of alternative nicotine products that are not currently registered as tobacco dealers or distributors would be required to register. Distributors would be required to now collect this tax and would be subject to the administrative and enforcement powers that the Department of Tax and Finance has in place for regulating tobacco products and the payment of this tax. The proposal makes changes throughout the tobacco products tax to define the unit quantities used to determine enforcement and penalties for failure to pay the tax or for the possession of untaxed tobacco products.

In addition, there is a floor tax imposed on any alternative nicotine products. Dealers would have to pay the wholesale tax for any units of these products they have in their possession at the end of the day on August 31, 2026, since the tax change goes into effect on September 1, 2026. This floor tax would need to be paid by September 21, 2026.

The proposal would also provide an additional \$50 million annually to the Health Care Reform Act (HCRA) starting in SFY 2027-28.

Fiscal Impact: The Executive proposal estimates this would generate revenue and have a positive fiscal impact of \$18 million to the State in SFY 2026-27, \$44 million in SFY 2027-28, \$51 million in SFY 2028-29, and \$57 million in SFY 2029-30.

Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement (REV Part L): The Executive Budget proposes to add a new distributor tax of \$0.55/unit on vapor products first imported into the state by a distributor or manufactured in the state, while keeping in place the current retail sales tax of 20 percent, thereby creating a two-tier tax structure. A unit would be any specific individual packaging in which these vapor products would be sold to a final consumer. The proposal also requires vapor product distributors, including in-state manufacturers, to obtain a certificate of registration, pay a fee prior to commencing business, and to renew their registration annually, similar to the requirements currently in law for vapor product dealers.

The proposal creates new enforcement provisions for this tax, including delineating the various penalties imposed on people who distribute vapor products without registration, distributors who fail to collect and remit the tax, fail to maintain necessary paperwork, and refuse to cooperate with inspections by DTF. These provisions are generally structured similarly to enforcement provisions for cigarette taxes. In addition, the tax fraud section of the Tax Law is amended to make failure to pay vapor product taxes subject to prosecution for tax fraud.

The proposal defines contraband vapor products as those products held by unregistered dealers and distributors, products on which the tax has not been paid, or products not on the manufacturer's registry. The State can seize any contraband products immediately. If such products are not evidence in a criminal case, they are to be turned over to the Department of Health for destruction. If they are evidence in a criminal case, they would be held in the Commissioner's or prosecutor's custody. The Department of Health or other agency in possession of seized products may seek to recover costs for holding and disposing of these vapor products, to be born jointly and severally by the manufacturer and the person from whom the products were seized.

The proposal also authorizes DTF to create and maintain a vapor products registry, updated at least monthly, of products that can legally be sold in the State. A product must have a marketing authorization from the Food and Drug Administration (FDA), or be awaiting approval from the FDA, in order to be registered. Manufacturers would register their products each calendar year and would have to pay a non-refundable fee of \$1,500 per registered product. If a product is to be removed from the registry, DTF will inform the manufacturers, dealers and distributors that the products are no longer legal to sell. The dealers and distributors would have ten days following the removal of a product from the registry to work with the manufacturer to remove those products from the State. Products not removed on time would become contraband products subject to seizure.

The proposal imposes a floor tax to be paid on any units of vapor product being held by dealers or distributors at the end of the day on August 31, 2026, since this new tax becomes effective on September 1, 2026. The floor tax, equal to the per unit wholesale tax, would have to be paid by September 21, 2026.

Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$6 million in SFY 2026-27 and each year thereafter. This is due to the additional 41 staff the Department of Tax and Finance would need to help enforce the enhanced enforcement requirements outlined in the proposal.

Extend Reduced Transfer Tax Rates for Qualifying Real Estate Investment Trusts for

Three Years (REV Part M): 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, to September 1, 2029. 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, 2026 and was last extended for three years in the SFY 2023-24 State Budget.

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

Modify the Vendor Registration Program (REV Part N): The Executive Budget proposes to establish a Vendor Registration Program, authorizing the Department of Tax and Finance to undertake a complete sales tax vendor re-registration program in phases, to be completed by December 31, 2030. Under the Tax Law currently, responsibility for collecting and remitting the sales tax falls directly on the individual registered to collect the tax. The last time the State authorized a comprehensive re-registration process was in 2008, with a requirement that the Department finish reregistering vendors by March 1, 2012.

Existing sales tax vendors would be issued 180 days of notice that their existing certificate of authority was to expire, and vendors would be required to submit a new registration 90 days prior to expiration. Within 30 days of receiving the new registration application, the Department would either issue a new certificate of authority without charge that would be valid for three years, or inform a vendor their registration is going to be denied, giving that vendor the opportunity to seek a conciliation with the Department. The denied vendor could also seek an expedited hearing with the Division of Tax Appeals, though the Division would be given 30 days, as opposed to the regular 10 days, to set up such a hearing.

The proposal would also establish a sales and use tax penalty and interest discount program to incentivize current sales tax debtors to resolve their outstanding sales tax liabilities before the re-registration begins, especially since outstanding sales tax debts have highly punitive interest rates imposed on them and penalties for failure to pay can also be significant. The Department would identify individuals eligible for the discount program and inform them of their ability to have penalties and half the outstanding interest waived if they pay their sales tax liability and the remaining interest in full on or before December 31, 2026.

Fiscal Impact: The Executive proposal estimates this would generate revenue and have a positive fiscal impact of \$6 million to the State in SFY 2026-27, SFY 2027-28, and SFY 2027-28, and no fiscal impact to the State in SFY 2029-30.

Establish a Sales Tax Exemption for EV Charging Stations (REV Part O): The Executive Budget proposes exempting the charging of electric vehicles at commercial electric vehicle charging stations from sales tax. This means that individuals charging their vehicles at such stations would not be responsible for paying the sales tax when they charge their vehicles.

Under current law, operators of commercial charging stations do not pay the sales tax, since they are purchasing electricity for resale. They are responsible for collecting and remitting sales tax collected from their customers, so they must register as sales tax vendors. If the final sale is exempted from the sales tax, the operators would now have to pay the sales tax on their purchase of electricity, while no longer needing to register as sales tax vendors. The Executive states that they view this as a lessening of the administrative burden on charging station operators.

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

Extend the Sales and Use Tax Vending Machine Exemption for Three Years (REV Part P): The Executive Budget proposes a three-year extension of the sales tax exemption for food and drinks obtained from vending machines prices at less than \$1.50 when paying by cash or coins, and prices less than \$2 when paying by cashless means. This exemption was last extended by one year last year.

Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$8 million to the State in SFY 2026-27, \$10 million in SFY 2027-28, \$10 million in SFY 2028-29, and \$2 million in SFY 2029-30

Extend the Residential Energy Storage Exemption for Two Years (REV Part Q): The Executive Budget proposes a two-year extension of the sales tax exemption for residential energy storage. Current law exempts receipts from the retail sale of residential energy storage systems equipment and the service installing these systems from sales and use taxes. The law also exempts receipts from the sale of electricity generated by such systems from sales and use taxes under certain circumstances. This sales tax exemption was first enacted in the SFY 2024-25 Enacted Budget.

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

Amend the Petroleum Business Tax Filing Deadline for Commercial Vessel Operators

(REV Part R): The Executive Budget proposes to amend the petroleum business tax (PBT) filing deadline for non-exempt commercial vessel operators from a monthly filing deadline to an annual one. The very small number of commercial vessel operators who are not currently exempted from the PBT would now be able to file on an annual basis on or before March 20 of each year. According to the Department of Tax and Finance, in 2024, eight taxpayers were required to submit these filings.

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

Extend the Alternative Fuels Exemption for Five Years (REV Part S): The Executive Budget proposes a five-year extension to the alternative fuels exemption, to September 1, 2031. Currently, E-85, CNG, and hydrogen are fully exempt, with B20 being partially exempt from motor fuel taxes, petroleum taxes, fuel use taxes and State and local sales and compensating use taxes. This proposal was last extended for five years in the SFY 2021-22 budget.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27 but would have a fiscal impact of \$3 million to the State in SFY 2027-28 and each year thereafter.

Enact STAR Program Technical Corrections (REV Part T): The Executive Budget proposes making technical changes to the STAR Program to resolve issues that arose from the changes that were enacted as part of the SFY 2025-26 Enacted Budget.

The proposed technical changes include updating the “good cause” provision of the STAR program to reflect that there no longer are any applications for the Enhanced STAR Exemption and restoring language that was inadvertently repealed from the Enhanced STAR credit. The proposal would also make eligibility determination and protest provisions uniform across all variations of the STAR program and clarifies that the age requirement for the Enhanced STAR credit applies to taxable years commencing in 2026. The proposal would move the date of residency for STAR eligibility to July 1 of the tax year, as opposed to the current December 31 date, which would align the residency eligibility date with the income eligibility date established in last year’s changes. The proposal also eliminates the Department of Tax and Finance’s obligation to allow credit recipients to apply for supplemental payments when filing their personal income tax returns. According to the Department, questions of whether a taxpayer was underpaid the credit are resolved by the Department's STAR staff, and including additional paperwork during the income tax filing process is an administrative issue for the Department.

The SFY 2025-26 Enacted Budget made several changes to the STAR program, including amending the definition of income eligibility for the Enhanced STAR program, additional changes to the determination for STAR eligibility, waiving the requirement for an annual statement of income eligibility for qualified owners, as well as moving the date to determine income eligibility for STAR to July 1 of the TY, and also establishing a new system to determine eligibility for the STAR program for the basic and enhanced exemptions and credits.

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

Extend the Telecom Assessment Ceiling Program for Four Years (REV Part U): The Executive Budget proposes extending the Telecom Assessment Ceiling Program for an additional four years. The Telecom Assessment Ceiling Program was enacted to create a standardized, State-level process for determining the taxable assessed value of telecommunications mass property. The program, originally enacted in 2013, has been extended twice since then. The extension proposed would keep the program in place until January 1, 2031.

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

ECONOMIC DEVELOPMENT



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- **Rochester-Monroe Transformation Initiative:** The Executive Budget proposes \$300 million in capital funding for revitalization projects in the City of Rochester and Monroe County.
- **SUNY Stony Brook Quantum Research Innovation Hub:** The Executive Budget proposes \$100 million in capital funding for a new Quantum Research and Innovation Hub located at The State University of New York at Stony Brook. The 150,000-square foot facility will house the planned SUNY Stony Brook Quantum Institute and the SUNY Stony Brook Quantum Education Consortium, with an expected opening in 2029.
- **Biotechnology Initiative:** The Executive Budget proposes \$65 million in funding for the Bolstering Biotech Initiative. The Bolstering Biotech Initiative is a new grant program that would support the life sciences sector from discovery to commercialization.
- **Quantum Technology Commercialization Hubs:** The Executive Budget proposes \$60 million in capital funding for a series of four Quantum Technology Commercialization Hubs. Each hub would host an incubator for quantum-focused startups providing early-stage companies resources to commercialize new inventions.
- **Job Retention for Nassau County Institutions:** The Executive Budget proposes \$38.5 million in capital funding to support job retention and investment for institutions headquartered in Nassau County with facilities in New York State that provide technology innovation and financial services to businesses. Of this funding, up to \$15 million may be used for working capital expenses, including but not limited to partnerships with local institutions.
- **Downstate Semiconductor Chip Design Center:** The Executive Budget proposes \$25 million in capital funding for the Downstate Semiconductor Manufacturing and Design Center initiative. The initiative would consist of the creation of a chip design and workforce development center which would build off the State's investment in semiconductor manufacturing Upstate, to ensure New York's role in all phases of semiconductor production.
- **Saving Performing Arts and Cultural Spaces (NY SPACE):** The Executive Budget proposes \$10 million in capital funding for NY SPACE. This new program will serve established nonprofit performing-arts-presenting organizations at risk of losing their venues by helping them purchase spaces they currently rent or other permanent facilities.

Economic Development Agency Details

Economic Development All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Available Funds	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Department of Economic Development	\$107	\$106	(\$1)	-1%
Empire State Development Corporation	\$2,247	\$1,559	(\$690)	-31%
Total	\$2,354	\$1,665	(\$690)	-29%

Overview

The Executive Budget proposes All Funds appropriations of \$1.66 billion, a net decrease of \$690 million or 29.4 percent compared to SFY 2025-26. The \$1.66 billion All Funds includes \$33.7 million for State Operations, \$442.9 million in Aid to Localities and \$1.18 billion in Capital Projects appropriations.

Department of Economic Development (DED)

The Executive Budget proposes All Funds appropriations of \$105.9 million, a net decrease of \$665,675 or 0.6 percent compared to SFY 2025-26. This includes \$33.7 million for State Operations and \$72 million for Aid to Localities. The Executive’s proposal supports a workforce of 160 FTEs, which is unchanged compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$5 million increase to support the Modernizing Manufacturing program, providing a total of \$10 million. The program will establish a network of centers to support small and mid-size manufacturers in adapting to new technology.
- \$2.5 million decrease due to the elimination of legislative grants for Centers of Excellence (COEs), providing a total of \$12.4 million in SFY 2026-27.
- \$1.4 million decrease due to the elimination of legislative grants for Centers for Advanced Technologies (CATs providing a total of \$13.6 million in SFY 2026-27.
- \$750,000 decrease due to the elimination of legislative grants for Orange County Community College and Broome County Community Charities Golf Tournament
- \$1 million decrease due to the elimination of legislative grants for Tourism Matching grant program, providing a total of \$2.45 million in SFY 2026-27.

High Technology Matching Grants Program: The Executive Budget proposes \$12 million for the High Technology Matching Grants program, unchanged compared to SFY 2025-26. The program provides State funding to small innovation and manufacturing businesses that have been granted federal funding through the Security Through Advanced Research and Technology (START) initiative, the Small Business Innovation Research (SBIR) program, and the Small Business Technology Transfer (STTR) program.

Urban Development Corporation (Empire State Development Corporation-ESD)

The Executive Budget proposes All Funds appropriations of \$1.55 billion, a net decrease of \$688 million or nearly 31 percent compared to SFY 2025-26. The \$1.55 billion All Funds includes \$374.7 million in Aid to Localities and \$1.18 billion in Capital Projects. The net decrease is attributed to nearly \$560 million increase to support new investments, offset by a decrease of nearly \$1.2 billion due to the elimination of various legislative grants and one-time appropriations that will continue to be spent through reappropriations in SFY 2026-27.

The Executive Budget proposes the following decreases:

- \$370.3 million decrease due to the discontinuation of one-time Capital project legislative grants. Including;
 - \$116 million decrease for Onondaga Water Authority.
 - \$59.6 million decrease for Rochester Riverside Convention Center.
 - \$55 million decrease for Fordham Landing South.
 - \$20 million decrease for FIFA World Cup
 - \$20 million decrease for the Universal Hip-Hop Museum
 - \$20 million decrease for a Non-profit Cultural Institution Grant program
 - \$20 million decrease for Tonawanda Raw Water Infrastructure project
 - \$13.2 million decrease for the Brooklyn Public Library
 - \$10 million decrease for the American Museum of Natural History
 - \$10 million decrease for Children’s Museum of Manhattan
 - \$10 million decrease for the Metropolitan Museum of Art
 - \$8.5 million decrease for the Queens Museum
 - \$5 million decrease for the Mount Vernon Armory
 - \$3 million decrease for the Empire State Youth Orchestra
- \$335 million decrease due to the discontinuation of one-time appropriation for Championing Albany’s Potential.
- \$250 million decrease due to the discontinuation of capital funding for New York Redevelopment of Underutilized Sites for Housing (NYRUSH).
- \$100 million decrease due to the discontinuation of capital funding for FAST NY Shovel Ready Grant Program.
- \$90 million decrease due to the discontinuation of capital funding for Empire AI.

- \$50 million decrease due to the discontinuation of capital funding for Suffolk County Intermodal Transportation projects
- \$20.2 million decrease due to the elimination of legislative grants including:
 - \$5 million for Alive! Downtowns
 - \$2.5 million for the Bedford Stuyvesant Restoration Corporation
 - \$1.5 million for Centerstate CEO
- \$18 million decrease due to the elimination of federal funding for the Tourism Matching grant program.
- \$5 million decrease due to the discontinuation of local funding for the Met Opera
- \$2.5 million decrease due to the discontinuation of local funding for Sail250
- \$250,000 decrease due to the elimination of legislative grant funding for the MWBE Lending Program, providing a total of \$635,000 in SFY 2026-27.

Rochester-Monroe Transformation Initiative: The Executive Budget proposes \$225 million for the Rochester Monroe Transformation Initiative. This new Capital funding would support community development and economic revitalization projects specifically in the City of Rochester and Monroe County. This initiative would be complemented by an additional \$75 million in capital funding through the Office of Parks Recreation and Historic Preservation for renovations to High Falls Park to establish it as a State Park, providing a total of \$300 million in SFY 2026-27.

SUNY Stony Brook Quantum Research Innovation Hub: The Executive Budget proposes \$100 million for a new Quantum Research and Innovation Hub located at Stony Brook University. The Stony Brook led facility would operate as a quantum science and technology research and education hub with a specific focus on quantum communication and networking. Total project funding for the new hub would be \$300 million with \$200 million coming from a SFY 2026-27 SUNY capital reappropriation.

Bolstering Biotech Initiative: The Executive Budget proposes \$65 million for the Bolstering Biotechnology Initiative. Life sciences initiative that would provide grants to boost innovation in the biotechnology ecosystem. The proposal would provide support at each stage of development from invention to commercialization with a goal of generating economic growth for the States biotechnology industry.

Quantum Technology Commercialization Hubs: The Executive Budget proposes \$60 million in capital funding to establish four new Quantum Technology Commercialization Hubs. These hubs would be situated in different regions throughout the state. They would be focused on fostering early-stage development of quantum focused startups with the specific goal of commercializing new quantum technologies.

Job Retention for Nassau County Institutions: The Executive Budget proposes \$38.5 million in capital funding to support job retention and investment for institutions headquartered in Nassau County with facilities in New York State that provide technology innovation and financial services to businesses. Of this funding, up to \$15 million may be used for working capital expenses, including but not limited to partnerships with local institutions.

Downstate Semiconductor Chip Design Center: The Executive Budget proposes \$25 million to create a Downstate Semiconductor Chip Manufacturing and Design Center. Funds would be used for the construction, renovation, or acquisition of a facility for designing semiconductor chips. The center would connect downstate to the large semiconductor production ecosystem, which includes current and planned large scale semiconductor manufacturing in upstate New York.

Buffalo Bills Retention Funding: The Executive Budget proposes \$12.6 million in capital and local funding, an increase of \$4.9 million for the retention of football in Western New York. This funding increase is a result of a new contract associated with the new Buffalo Bills stadium, which comes into effect summer 2026.

New York KICKS: The Executive Budget proposes \$10 million for New York KICKS (NY KICKS). The \$10 million for NY KICKS would consist of \$5 million in Capital funding and \$5 million in local funding. NY KICKS would create a World Cup Legacy Investment Fund to build youth soccer infrastructure in disadvantaged communities in each region.

Saving Performing Arts and Cultural Spaces (NY SPACE): The Executive Budget proposes \$10 million in Capital funding for a new grant program, NY SPACE. This program would enable established nonprofit performing-arts organizations to acquire permanent facilities they are in jeopardy of losing.

FIFA World Cup Marketing: The Executive Budget proposes \$5 million to support marketing and tourism for the 2026 FIFA World Cup. The 2026 FIFA World CUP will host certain games and events in New York State from June to July of 2026.

Assistive Technology Innovation Center: The Executive Budget proposes \$5 million in local funding to create a new Assistive Technology Innovation Center. The center would assist in the research, development, and commercialization of assistive technology. Assistive Technology is any product, equipment or system that serves to increase, maintain, or improve the functional capabilities of persons with disabilities.

Innovation Venture Competition Program in Western NY: The Executive Budget proposes \$5 million in funding for an innovation venture competition in Western New York. The Competition will be operated by the Western New York affiliate of NY Ventures, New Yorks venture capital organization.

Entrepreneurial Assistance Program: The Executive Budget proposes \$4.9 million in funding an increase of \$250,000 from SFY 2025-26. The funding for this increase is to support the expansion of the Harmony AI initiative. The initiative supports EACs to perform AI workforce development and skills training.

Industrial Hemp Initiative: The Executive Budget proposes \$2 million in Capital funding for a new Industrial Hemp Initiative. The funding would support the efforts of a research and development consortium to advance the commercialization of industrial hemp in the State through the construction of a processing facility and workforce training center.

Fashion Innovation Center Adaptive Fashion: The Executive Budget proposes \$60,000 in local funding for the Fashion Innovation Center Adaptive Fashion Grant Program. Grants would support innovations in adaptive fashion.

The Workforce and Economic Development Initiatives: The Executive Budget proposes \$188 million to support Workforce Development Initiatives, a decrease of \$3 million compared to SFY 2025-26. The decrease is attributed to a \$3 million decrease in ON-RAMP funding. Since 2024, the State Budget has included nearly \$400 million in appropriations to support Workforce Development Initiatives programs. The table below provides additional details related to the Workforce Development Initiatives investments since 2024.

Workforce Development Project Schedule (\$ in Millions)			
	Enacted SFY 2024-25	Enacted SFY 2025-26	Executive SFY 2026-27
Teacher Residency Program	\$30.00	\$30.00	\$30.00
SUNY and CUNY Internships	\$10.00	\$10.00	\$10.00
SUNY and CUNY Apprenticeships	\$5.00	\$5.00	\$5.00
Expansion of Psychiatric Rehabilitation Services at OMH	\$10.30	\$10.30	\$10.30
Office for People with Developmental Disabilities	\$10.16	\$10.16	\$10.16
Diversity of Medicine	\$2.40	\$2.40	\$2.40
Expansion of SUNY Pre-Medical Opportunities Program	\$1.00	\$1.00	\$1.00
Caregiver Flexibility for Direct Care Workers	\$39.00	\$39.00	\$39.00
Financial Burden Relief for Healthcare Workers	\$47.00	\$47.00	\$47.00
Training Capacity Expansion for Statewide Institutions	\$22.50	\$22.50	\$22.50
One Network for Regional Advanced Manufacturing Partnerships *	\$13.00	\$14.00	\$11.00
Expansion of Alternative Certifications	\$10.00	-	-
Upskilling School Paraprofessionals	\$8.00	-	-
Total	\$208.36	\$191.36	\$188.36
* Administered by ESD.			

Article VII

Extend the Authorization of the New York State Urban Development Corporation (UDC) to Administer the Empire State Economic Development Fund (TEDE Part V):

The Executive Budget proposes a one-year extension of UDC's authority to administer the Empire State Economic Development Fund (EDF) until July 1, 2027. 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 authorization was last extended for one year, until July 1, 2026, in last year's Enacted Budget.

Fiscal Impact: The Executive Budget estimates this proposal would have a \$26.2 million cost in SFY 2026-27.

Extend the General Loan Powers of the New York State Urban Development Corporation

(TEDE Part W): The Executive Budget proposes a one-year extension of UDC's power to make loans, whether secured or unsecured, in connection with the Corporation's participation in a project, to any person or entity, provided that the loans are in compliance with UDC Board guidelines. The extension also includes providing for the repayment of such loans and holding real and/or personal property as security for the repayment of such loans. This authorization was last extended for one year, until July 1, 2026, in last year's enacted budget.

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

Article VII - Miscellaneous

Extend the Dormitory Authority of the State of New York's Authorization to Establish Subsidiaries (TEDE Part T):

The Executive Budget proposes a two-year extension of DASNY's authority to form subsidiary entities. The subsidiaries are separate public benefit corporations that allow DASNY to take title to hospitals and other health facilities that have defaulted on loans or mortgages, while also limiting the Authority's liability. It was last extended for two years in 2024.

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

EDUCATION



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- **School Aid Total:** The Executive Budget provides \$39.3 billion in total School Aid for the 2027 School Year, a \$1.6 billion or 4.3% increase.
 - Foundation Aid Components
 - The Executive amends current law to provide a 1 percent due minimum increase for all school districts.
 - The Executive Budget provides a total of \$779 million, or 3 percent increase, in Foundation Aid. This fully funds the current formula at a total of \$27.1 billion for the 2026-27 School Year.
 - The Executive Budget provides a \$561 million, or 52.5 percent, increase for Universal Pre-K.
 - The Executive Budget expands reimbursement through Building Aid for renewable energy projects.
- **Universal Pre-K:** The Executive Budget plans to expand full-day UPK for all four-year-olds in the State by the 2028-29 School Year. The Executive Budget also increases the per-pupil minimum to the greater of \$10,000 or the district's current selected Foundation Aid per pupil.
- **Back to Basics Math:** The Executive Budget provides \$2 million to the New York State United Teachers (NYSUT) Education and Learning Trust to deliver training on best instructional practices for numeracy and evidence-based math instruction. The Executive also provides \$2 million for regional hub pilot programs to provide training and support to educators in districts with low levels of math performance.
- **High Impact Tutoring:** The Executive Budget provides \$9 million to support individualized literacy and math tutoring of students in high-need school districts.
- **Teacher Pipeline Support:** The Executive Budget provides \$1.9 million to create an accelerated teacher preparation pathway for career changers and other individuals. The Executive Budget also provides \$2 million for programs that allow high school students interested in teaching to earn college credit in relevant subjects.
- **Universal Free School Meals:** The Executive Budget provides \$395 million to reimburse the cost of school meals served in the 2027 School year, a \$55 million or 16.2% increase in funding to support continued implementation of the Universal Free School Meals program. This increase accounts for increased popularity of the program.

- **Nonpublic Schools Program:** The Executive Budget provides \$240 million to reimburse nonpublic schools for the cost of state-mandated activities, a \$10 million or 4.3% increase. The Executive Budget also provides \$90 million for health and safety capital projects, including facilities repair and maintenance.
- **Charter Schools:** The Executive Budget increases funding for Supplemental Basic Tuition payments to school districts to \$195 million, an increase of \$5 million. Reimbursements to New York City public schools for Charter School Facilities Aid increases to \$177 million, an increase of \$32 million.
- **Libraries:** The Executive Budget provides \$104.7 million for Library Aid and \$34 million for Library Construction. The Executive continues a \$3 million appropriation for the New York Online Virtual Electronic Library.
- **Capital Funding:** The Executive Budget provides \$22.5 million in capital for the State School for the Blind at Batavia, an increase of \$18 million. The Executive also provides \$18.2 million in new funding to renovate the State Education Department building. Funding for the Indigenous Nation Schools (Onondaga, Tuscarora, St. Regis Mohawk) is kept flat at \$20.1 million, however, the Executive will authorize St. Regis Mohawk to use prior year funds for the design of a new school building. The Executive discontinues a \$10 million legislative add for library capital funding, providing a total of \$34 million.
- **Office of Cultural Education:** The Executive Budget provides \$12 million of additional funding to stabilize the Office's finances and rebuild critical capacity. The Executive Budget also provides a new \$1.5 million in capital funding for the Cultural Education Center.

Article VII

- **Statewide Universal Pre-Kindergarten:** The Executive Budget proposes requiring all school districts to serve every eligible four-year-old child whose parent applies to enroll them in full-day pre-kindergarten program by the 2028-29 school year.
- **Four Year Extension of Mayoral Control:** The Executive Budget proposes extending the current New York City school governance system, known as mayoral control, through June 30, 2030.
- **Require Evidence-Based Math Instruction in Schools:** The Executive Budget proposes requiring the State Education Department to provide school districts with evidence-based instructional best practices for numeracy and the teaching of mathematics for students in grades kindergarten through five. The State Education Department must provide these best practices to school districts by January 1, 2027. By September 1, 2027, school districts must verify that their curriculum and instructional practices align with the best practices provided by the State Education Department.

Education Agency Details

State Education Department All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State Education Department	\$48,331.50	\$49,887.93	\$1,556.42	3.22%

Overview

The Executive Budget proposes \$49.9 billion in All Funds appropriations for the State Education Department (SED) in SFY 2026-27. This is an increase of \$1.6 billion or three percent over SFY 2025-26 levels.

State Operations

The Executive Budget proposes \$743 million in State Operations appropriations for SED in SFY 2026-27. This is an increase of \$37 million, 5.3 percent, over SFY 2025-26 levels. The Executive Budget also recommends a workforce of 2,934 FTEs for SED, which is an 18 FTE increase over SFY 2025-26 levels. The additional staff will support the Department’s efforts in the expansion of UPK.

The Executive eliminates \$1.2 million for the Summer School for the Arts, and \$150,000 for the Rochester fiscal monitor.

The Executive continues:

- \$4 million to update the English as a Second Language Achievement Test.
- \$500,000 to translate grades 3-8 English and math state assessments.
- \$500,000 to create and distribute educational materials on Indigenous cultures and history.
- \$250,000 for staff resources to support the needs of students with dyslexia and dysgraphia.

The Executive provides new funding for:

- \$2 million in unallocated resources for the Department.
- \$1 million to develop materials to support student mental health.
- \$1 million in additional staff resources to expand the UPK program.
- \$864,000 to develop and expand civics instruction for Indigenous Youth.
- \$750,000 for the Empire AI Student Challenge program.

P-12 Education

The Executive Budget provides \$39 billion in total School Aid on the run, an increase of \$1.6 billion or 4.3 percent, over the 2025-26 School Year. This total comprises \$38 billion in total school aid on the run, \$322 million in categorical aid, \$49 million for the College in High School Opportunity Fund, and \$77 million in other competitive grants.

SFY 2026-27 Executive Budget - School Aid Increase Components (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Foundation Aid	\$26,357	\$27,137	\$779	2.9%
Expense-Based Aids	\$9,755	\$9,868	\$112	1.2%
Universal Pre-K	\$1,069	\$1,500	\$431	40.3%
School Aid on the Run Total	\$37,182	\$38,505	\$1,323	3.6%
Categorical Aids	\$319	\$322	\$3	1.0%
College in High School Opportunity Fund	\$47	\$49	\$2	2.4%
Other Competitive Grants	\$77	\$77	\$0	0.0%
Anticipated Additional Universal Pre-K	\$0	\$130	\$130	N/A
Anticipated Additional Building Aid	\$0	\$170	\$170	N/A
Total	\$37,626	\$39,253	\$1,627	4.3%

Foundation Aid: The Executive Budget increases funding for Foundation Aid by \$779 million, or three percent, for SY 2026-27, for a total of \$27.1 billion. The Executive Budget proposal makes no changes to the Foundation Aid formula but provides all districts with a 1% due minimum increase.

The net impacts of the Executive Budget Foundation Aid proposal results in approximately \$66 million more to school districts than was originally projected in the November Database. SED is expected to release further database updates in February.

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 296 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.

Expense-Based Aids: The Executive Budget provides a \$112 million increase, or 1.2 percent, in funding for expense-based aids for the 2026-27 School Year, consistent with current law projections provided by SED. These aids (Transportation Aid, Building Aid, Public/Private Excess Cost Aids, Universal Pre-kindergarten, Reorganization Operating Aid and others) reimburse school districts for costs incurred in the previous school year based on wealth-equalized reimbursement ratios. The Executive also anticipates \$170 million in unclaimed building aid expenses.

Universal Pre-K: The Executive Budget aims to make Universal Pre-K truly universal by SY 2028-29. The Executive consolidates the Statewide Universal Full-Day Prekindergarten (SUFPK) program into UPK Aid. The Budget provides \$1.6 billion, a \$561 million increase over the 2025-26 school year. This includes \$205 million to New York City to expand its 3-K program. Within UPK, per pupil allocations for 4-year olds will be based on the district's current Selected Foundation Aid, with a minimum of \$10,000 per pupil. Under current law, the UPK per-pupil minimum is \$5,400 per-pupil.

Universal School Meals: The Executive includes \$395 million to provide universal school meals, a \$55 million or 16.2 percent increase over the current school year. The Universal Free School Meals program was enacted in the SFY 2025-26 budget. The increase in funding accommodates increased participation in the program. The Executive also includes an additional \$43 million in one-time appropriation to cover additional expenses in the current school year.

The Universal Free School meals program requires all schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch meals to all students regardless of family income. The State pays the entire student and local cost share of all meals that are not fully reimbursed by the federal per-meal reimbursement rates. Over 5,000 schools in the State currently participate in the national school lunch and breakfast program, serving 2.7 million students.

College in High School Opportunity Fund: The Executive provides a total of \$48.6 million for this fund to provide high school students with opportunities to pursue college coursework and credit while in high school. This includes \$37.5 million for Smart Scholars, Smart Transfer, and Pathways in Technology Early College High School (P-TECH) programs. This also includes \$9.1 million ongoing, per credit funding for College in High School programs and \$2 million for programs specifically designed for high school students who are interested in the teaching profession to earn college credit for relevant coursework.

SFY 2026-27 Executive Budget - School Aid Details (\$ in Millions)				
Aid Category	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Foundation Aid	\$26,357.51	\$27,137.10	\$779.59	2.87%
<i>Community Schools Set-Aside</i>	\$250.00	\$250.00	\$0	0.00%
Reorganization Operating Aid	\$4.94	\$4.28	(\$0.66)	(15.42%)
Textbooks (inc. Lottery)	\$162.09	\$162.31	\$0.22	0.14%
Computer Hardware	\$34.08	\$34.78	\$0.70	2.01%
Computer Software	\$41.83	\$41.91	\$0.08	0.19%
Library Materials	\$17.04	\$17.49	\$0.45	2.57%
BOCES	\$1,372.79	\$1,472.85	\$100.06	6.79%
Special Services	\$307.70	\$312.11	\$4.41	1.41%
Transportation (inc. summer)	\$2,734.14	\$2,890.75	\$156.61	5.42%
High Tax	\$223.30	\$223.30	\$0	0.00%
Universal Pre-kindergarten Aid	\$1,069.00	\$1,630.00	\$561.00	34.42%
Academic Achievement Grant	\$1.20	\$1.20	\$0	0.00%
Supplemental Educational Improvement Grant	\$17.50	\$17.50	\$0	0.00%
Excess Cost Aid - High Cost	\$710.50	\$588.22	(\$122.28)	(20.79%)
Excess Cost Aid - Private	\$508.74	\$527.87	\$19.13	3.62%
Supplemental Public Excess Cost	\$4.31	\$4.31	\$0	0.00%
Building Aid/Reorganization Building	\$3,528.26	\$3,649.07	\$120.81	3.31%
Charter School Transitional Aid	\$77.43	\$77.11	(\$0.32)	(0.41%)
Academic Enhancement Aid	\$ 9.57	\$9.57	\$0	0.00%
Full-Day Kindergarten Conversion Aid	\$0	\$3.13	\$3.13	100.00%
Total	\$37,177.87	\$38,800.80	\$1,622.93	4.37%

Executive Initiatives: The Executive Budget funds \$77 million in awards from past competitive grants. Notable programs include:

- \$22.5 million for Master Teacher awards (no change).
- \$10 million for student mental health support grants (no change).
- \$5.8 million to subsidize the costs of Advanced Placement and International Baccalaureate exams for low-income students (no change).

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2026-27:

- \$240.2 million, an increase of \$9.9 million or 4.3 percent, in Mandated Services Aid and Comprehensive Attendance Policy to reimburse the actual expenditures of nonpublic schools for specified State testing and data collection activities.
- \$85.5 million, or flat funding, for STEM instruction.
- \$90 million, an increase of \$20 million or 28.6 percent, in capital funding for nonpublic school purchases of health and safety equipment, including security personnel.
- \$5 million, or flat funding, for art and music instruction.
- \$922,000, discontinuing a Legislative add of \$500,000, to support Academic Intervention Services (AIS).
- The Executive discontinues \$1 million in funding for nonpublic immunization recordkeeping.

Charter Schools:

- Supplemental Basic Tuition Payments to School Districts: The Executive provides funding for Supplemental Basic Tuition Payments to school districts at \$195 million, an increase of \$5 million over current reimbursement levels. 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 increases Charter School Facilities Aid to New York City to \$177 million, an increase of \$32 million, or 18 percent, reflecting increased expenses. New York City Department of Education currently receives a 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 2025-26:

- \$1.3 billion for preschool special education (State aid covers 59.5 percent of the overall costs associated, with counties paying the remaining 40.5 percent), an increase of \$173 million.
- \$588.2 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 \$122.28 million.
- \$527.9 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 \$19.13 million.
- \$437 million, an increase of \$24 million, for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law.

- \$114.9 million for private schools for the blind and deaf, reflecting the continuation of a Legislative addition of \$1.5 million for all schools. However, the Executive eliminates \$4.9 million in Legislative additions for targeted schools.

Teacher Resource and Computer Training Centers: The Executive Budget provides \$6.4 million to operate the Teacher Resources and Computer Training Centers program for the remainder of SY 2025-26. The Executive does not appropriate funding for the 2026-27 school year.

Rehabilitation of Nation Schools: The Executive Budget provides \$20.1 million, or flat funding, in capital to rehabilitate three Nation Schools: the St. Regis Mohawk School, the Tuscarora School, and the Onondaga School. The budget language authorizes the St. Regis Mohawk School to use remaining prior year funds for the design of a new school building.

State Schools for the Blind and Deaf: The Executive Budget provides \$22.5 million in capital funding for the Batavia School for the Blind, an increase of \$18 million for planned renovation projects, and \$3 million in continued capital funding for the Rome School for the Deaf.

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

- \$96 million for the Employment Preparation Education program (EPE).
- \$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.
- \$37.2 million for education of homeless children and youth.
- \$28 million elimination for the My Brother's Keeper initiative.
- \$25 million for Teachers of Tomorrow.
- \$18.5 million for Bilingual Education Grants.
- \$13.8 million for school health services in the Big Four school districts.
- \$11.9 million for districts participating in the Urban-Suburban Transfer Program.
- \$12 million for the Roosevelt School District.
- \$10 million for locally sourced food reimbursement.
- \$5.5 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.
- \$400,000 for Bus Driver Safety training.

New Initiatives: The Executive provides funding for the following new initiatives:

- \$9 million for high impact literacy and math tutoring in high-needs schools.
- \$2 million for NYSUT Education and Learning Trust to develop instructional best practices in math.

- \$2 million to BOCES regional hubs to train and support educators in best practices in math.
- \$1.9 million for an accelerated teacher prep pathway program.
- \$1.5 million for a 3-year pilot program for Yonkers and Rochester City School Districts to improve literacy rates.

Other Notable Programmatic Support Eliminated: The Executive Budget discontinues or reduces funding for several prior Legislative Adds not previously mentioned:

- \$12 million elimination of Yonkers City School District subsidy.
- \$2 million elimination of Amityville Union Free School District subsidy.
- \$1.2 million elimination each for Buffalo and Rochester school health services.
- \$1.1 million elimination for NYSUT Many Threads Implicit Bias Training.
- \$1 million elimination for Executive Leadership Institute.
- \$750,000 elimination for Long Island Pre-K initiative.
- \$650,000 elimination for NYC Kids Rise.
- \$500,000 for the Center for Autism and Related Disabilities at SUNY Albany, for a total of \$1.2 million.
- \$500,000 elimination for teacher diversity pipeline for Buffalo City School District.
- \$500,000 elimination for Magellan Foundation, Inc.
- \$500,000 elimination for United Community Schools.
- \$461,000 elimination for Bard Early College High School Queens.
- \$400,000 elimination for BioBus.
- \$270,000 for Multicultural High School ROTC program.
- \$250,000 elimination for New York Medical College.
- \$225,000 elimination for a monitor for the East Ramapo Central School District.
- \$175,000 for monitors for the Hempstead, Wyandanch, Mount Vernon and Rochester School Districts.
- \$150,000 for the Vocational Education and Extension Board of Suffolk County.

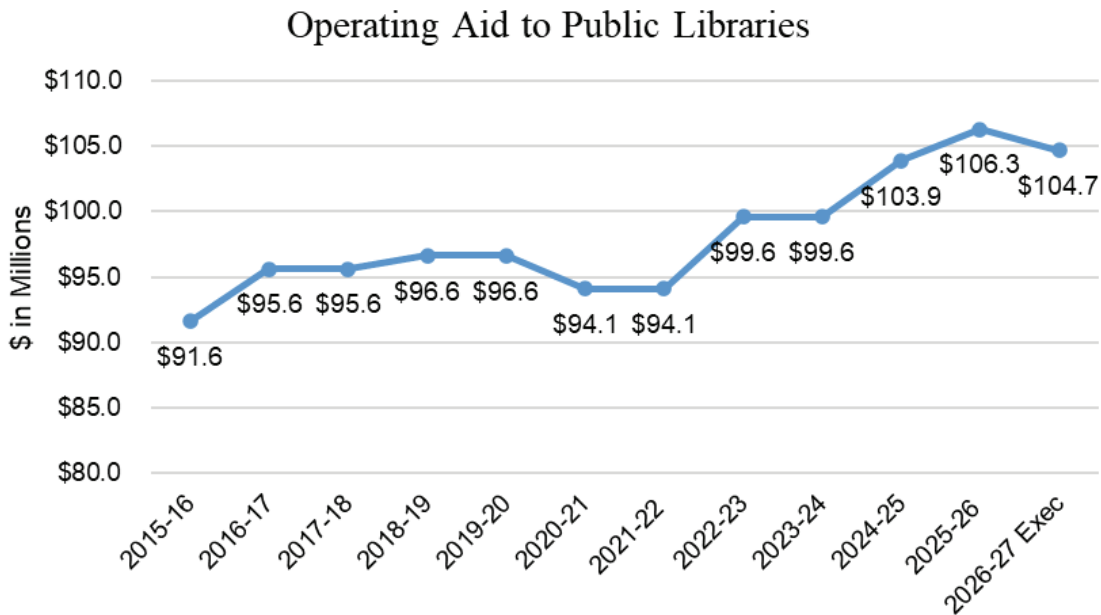
Cultural Education

Cultural Education Funding: The Executive Budget provides \$104.7 million for Library Aid to meet statutory funding levels, but discontinues a Legislative add of \$1.7 million. The Executive provides \$34 million in capital funding for Library Construction, discounting a Legislative add of \$10 million. The Executive continues a \$3 million appropriation for the New York Online Virtual Electronic Library. The Executive provides a \$12 million stabilization for the Office of Cultural Education, funded through transfers from the Office of the Professions. The Office of Cultural Education has been operating at a deficit, while the Office of Professions has been operating at a surplus.

The Executive also provides \$1.5 million in new capital funding for the Cultural Education Center.

The Executive also continues funding, including Legislative adds, for

- \$500,000 for Schomburg Center, including a \$125,000 Legislative add.
- \$222,500 for Langston Hughes Community Library, including a \$110,000 Legislative add.



Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides \$16 million for Independent Living Centers, discontinuing a Legislative add of \$750,000, and funds adult literacy programs at \$9.3 million, discontinuing a Legislative add of \$500,000.

Article VII

Building Aid for Renewable Energy Projects (ELFA Part A, Subpart 3): The Executive Budget proposes allowing school districts to include renewable energy projects in their cost allowance. Renewable energy projects include ground or roof-mounted solar photovoltaic or thermal systems; geothermal systems; and other commercially proven and cost-effective renewable energy technologies provided in the regulations of the Commissioner of Education. The proposal requires ground-mounted renewable energy projects to be sited in a way that minimizes the impact on athletic fields, outdoor educational space, and other natural areas serving the school.

Fiscal Impact: This proposal will likely increase future building aid reimbursements to districts.

Statewide Universal Pre-Kindergarten (ELFA Part A, Subparts 4, 5 and 7): The Executive Budget proposes requiring all school districts to offer full-day pre-kindergarten programming to all eligible four-year-old children by the 2028-29 school year. Any parent or guardian who applies to enroll their four-year-old child in the district’s universal pre-kindergarten must be served. Universal pre-kindergarten services can be provided directly through the school district, through a board of cooperative educational services (BOCES), or through a collaborative effort between the school district and an agency. School districts will receive the greater of \$10,000 per pupil or their current selected Foundation Aid amount per pupil as four-year-old universal pre-kindergarten aid from the State.

Fiscal Impact: The Executive Budget includes a \$561 million increase to UPK in the 2026-27 School Year.

Four-Year Extension of Mayoral Control (ELFA Part A, Subparts 10 & 11): The Executive Budget proposes extending the current New York City school governance system through June 30, 2030. It is currently set to expire on June 30, 2026. Mayoral control was most recently extended in the SFY 2024-25 Enacted Budget, through June 30, 2026.

Fiscal Impact: There is no fiscal impact expected from this proposal.

Sunsets the Expanding our Children’s Education and Learning (EXCEL) Program in 2029 (ELFA Part A, Subparts 17, 18, & 19): The Executive Budget proposes to sunset the EXCEL program in 2029. The EXCEL program was enacted in 2006 to provide grants to school districts for school facility projects. The Executive Budget proposes allowing school districts to claim unused funds through projects certified by the State Education Department by December 31, 2028. The EXCEL program will expire and be deemed repealed on December 31, 2029.

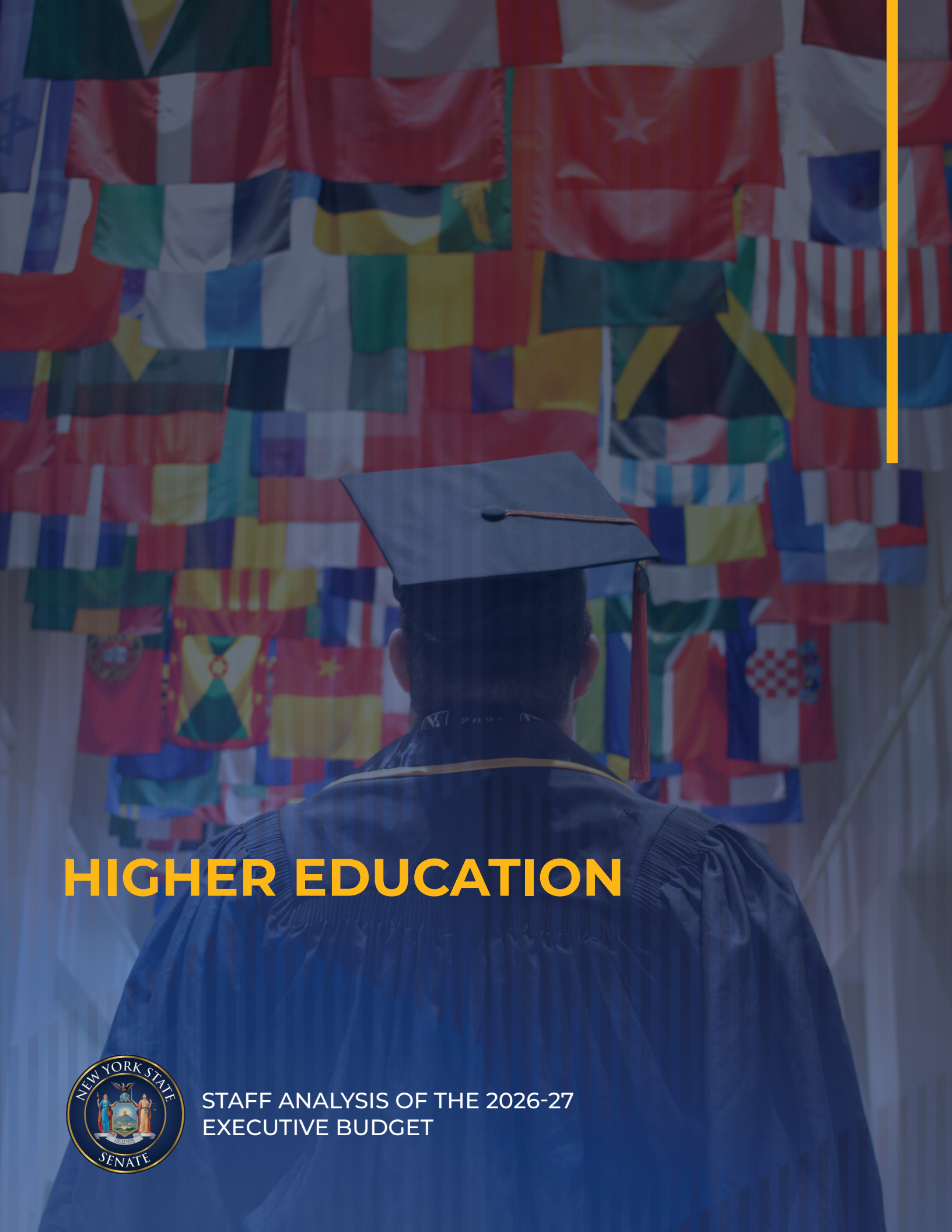
Fiscal Impact: The Executive stated there is \$18.8 million in undisbursed funds for the EXCEL program, which was originally funded at \$2.6 billion.

Requires School Districts to Provide Evidence-Based Math Instruction (ELFA Part B): The Executive Budget proposes requiring the State Education Department (SED) to provide school districts with evidence-based instructional best practices for numeracy and the teaching of mathematics for students in grades kindergarten through five. SED must provide these best practices to school districts by January 1, 2027.

By September 1, 2027, school districts must verify that their curriculum and instructional practices for teaching mathematics to students in grades kindergarten through five align with the best practices provided by SED.

SED must periodically update their instructional best practices. Every school district must annually review their curriculum and instructional practices to ensure that they align with the best practices provided by SED, and to ensure that all early mathematics instructional practices and interventions are part of an aligned plan designed to improve student mathematics outcomes in grades kindergarten through five.

Fiscal Impact: The Executive provides a total of \$6 million to support this proposal. This includes \$2 million to the New York State United Teachers (NYSUT) Education and Learning Trust to deliver training to educators on best practices for math instruction, \$2 million for BOCES regional hubs, and \$1 million each to SUNY and CUNY for micro-credentialing programs.



HIGHER EDUCATION



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Higher Education & the Arts Fact Sheet

Appropriations

- **State Support for SUNY and CUNY Campuses:** The Executive Budget provides \$244 million increase in state support for four-year campuses at SUNY (\$174 million) and CUNY (\$70 million). This includes a \$90 million increase for general operating support, \$34.4 million in additional funding for new and existing initiatives, and \$120 million in increased funding for university employee fringe benefits at SUNY and CUNY.
- **Capital Projects at SUNY and CUNY Campuses:** The Executive Budget provides \$1.1 billion in new funding for capital projects to help maintain SUNY and CUNY facilities. The Executive Budget proposes \$595 million for SUNY senior colleges, \$314 million for CUNY senior colleges, and \$185 million for SUNY and CUNY community colleges.
- **Maintain Community College Funding Floor:** The Executive Budget maintains a community college funding floor at 100 percent of prior year funding. Without a funding floor, community colleges would face a \$101 million, or 16 percent, loss in formula aid due to enrollment declines.
- **Expands Free Community College for High-Demand Sectors:** The Executive Budget provides \$12.5 million to expand the New York State Opportunity Promise Scholarship program to additional high-demand fields.
- **SUNY Collective Bargaining Agreement:** The Executive Budget provides \$25 million to cover retroactive salary increases under the Graduate Student Employees Union contract negotiated last year.

Article VII

- **New York Opportunity Promise Scholarship Expansion:** The Executive Budget expands the New York Opportunity Promise Scholarship Program to include students who already have a post-secondary degree if they choose to pursue a nursing program.
- **Extend Authorization for SUNY and CUNY Non-Resident Tuition Rate:** The Executive Budget extends authorization for the SUNY and CUNY Board of Trustees to set campus-specific non-resident undergraduate and graduate tuition rates through the 2028-2029 academic year.
- **Scope of Practice Changes:** The Executive Budget expands the scope of practice for Medical Assistants, Certified Medication Aides, Nurse Practitioners, and Physician Assistants. It also transfers post-licensure oversight of certain professions from the State Education Department to the Department of Health.

Higher Education Agency Details

Higher Education All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State University of New York	\$15,717.94	\$14,662.82	(\$1,055.12)	(6.71%)
City University of New York	\$6,585.86	\$6,374.94	(\$210.92)	(3.20%)
Higher Education Services Corporation	\$1,090.32	\$1,053.02	(\$37.30)	(3.42%)
Council on the Arts	\$92.00	\$71.50	(\$20.50)	(22.30%)
Arts and Cultural Facilities Improvement Program	\$80.00	\$40.00	(\$40.00)	(50.00%)
HECap	\$0.00	\$0.00	\$0.00	0.00%
Total	\$23,566.12	\$22,202.28	(1,363.84)	(5.79%)

Overview

The Executive Budget proposes an All Funds appropriation of \$22.2 billion for higher education and the arts in New York State, which represents a \$1.3 billion, or 5.8 percent, decrease from SFY 2025-26. This is the result of decreases in capital funding.

City University of New York (CUNY)

The Executive Budget provides an All Funds appropriation of \$6.4 billion for CUNY.

CUNY Senior College State Operating Support (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Fringe Benefits	\$1,063.33	\$1,086.90	\$23.57	2.22%
State Operating Support	\$2,068.84	\$2,120.51	\$51.67	2.50%
Total	\$3,132.17	\$3,207.41	\$75.24	2.40%

CUNY Senior Colleges: The Executive Budget provides CUNY senior colleges with \$3.2 billion in operating support, a \$75 million increase, or 2.4 percent, from SFY 2025-26. The net increase reflects \$70 million in flexible operating aid, a \$24 million increase in fringe benefits, and \$6.7 million for the New York Career Connect Initiative, which provides students with internships and experiential learning opportunities. New funding initiatives include \$1 million for micro-credential programs in evidence-based math instruction, \$1 million for science of reading micro-credential programs at Brooklyn College, and \$1 million for Medgar Evers College to improve access to higher education. The Executive would also eliminate Legislative additions including \$2.3 million for the Search for Education, Elevation, and Knowledge (SEEK) opportunity program, \$1.2 million for the CUNY Black Male Initiative, and \$1 million for mental health services.

CUNY Community Colleges: The Executive Budget provides CUNY community colleges with \$249.5 million, a \$1.2 million increase, or 0.5 percent, from SFY 2025-26. The Executive maintains a funding floor for community colleges at 100 percent of prior year funding. Without this floor, CUNY community colleges would face a \$37 million, or 17 percent, loss in formula aid due to enrollment declines.

The Executive Budget also provides \$21.8 million for the Opportunity Promise Scholarship, an increase of \$7.7 million, of which, \$4 million will expand the program to additional high-demand fields and students with prior degrees pursuing a nursing degree. The Executive included \$188,000 in new funding for a Reconnect for Foster Scholars program to support former foster youth pursuing an associate degree.

CUNY Capital: The Executive Budget proposes \$421 million, a \$161 million decrease, or 28 percent, from SFY 2025-26. The decrease is primarily driven by the elimination of \$85 million for the expansion and improvements to senior colleges. This is offset by a \$22 million, or 63 percent, increase in general maintenance and improvements to community colleges, totaling \$57 million.

State University of New York (SUNY)

The Executive Budget recommends an All Funds appropriation of \$14.6 billion for SUNY.

SUNY State-Operated Campuses State Operating Support (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Fringe Benefits	\$1,991.49	\$2,077.18	\$85.69	4.30%
State Operating Support	\$1,578.19	\$1,641.51	\$63.32	4.01%
Total	\$3,569.68	\$3,718.69	\$149.01	4.17%

SUNY State-Operated Colleges: The Executive Budget provides \$3.7 billion to support SUNY state-operated campuses, a \$149 million increase, or 4.2 percent, from SFY 2025-26. The increase is primarily driven by an \$86 million increase to employee fringe benefits. Additional increases or new programs include \$8 million increase to Advancing Completion through Engagement (ACE) and Advancing Success in Associate Pathways (ASAP) programs for a total of \$20 million, \$10.1 million for the New York Career Connect Initiative, which provides students with internships and experiential learning opportunities, \$2 million for the science of reading micro-credential program at SUNY New Paltz, \$1 million for micro-credential programs for math instruction, and \$1.8 million for tuition waivers for Akwesasne Mohawk students attending SUNY institutions. The Executive would also eliminate Legislative additions of \$2.7 million for targeted programs, \$2.6 million additional support for the Educational Opportunity Programs, \$1 million for nursing programs, and \$1 million for mental health services.

SUNY Community Colleges State Operating Support (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Community College Base Aid	\$430.70	\$433.25	\$2.55	0.59%
All Other State Operating Support	\$24.84	\$24.34	(\$0.50)	(2.01%)
Total	\$455.54	\$457.59	\$2.05	0.45%

SUNY Community Colleges: The Executive Budget provides \$457.6 million to support SUNY community colleges, a \$2 million increase, or 0.5 percent, from SFY 2025-26. The Executive Budget maintains a funding floor for community colleges at 100 percent of prior year funding. Without this appropriation, SUNY community colleges would face a \$65 million, or 16 percent, loss in formula aid due to enrollment declines.

The Executive Budget also provides \$34.6 million for the Opportunity Promise Scholarship, an increase of \$13.4 million, of which, \$8.5 million will expand the program to additional high-demand fields and students with prior degrees pursuing a nursing degree. The Executive included \$188,000 in new funding for a reconnect for foster scholars program to support former foster youth pursuing an associate degree.

SUNY Capital: The Executive Budget decreases capital funding by \$1.23 billion, or 50 percent, from \$2.5 billion to \$1.2 billion. The decrease reflects a discontinuation of one-time capital investments, including \$900 million in SFY 2025-26 to SUNY Downstate and SUNY Upstate Medical Hospitals.

Article VII

New York Opportunity Promise Scholarship Expansion (ELFA Part C): The Executive Budget expands the New York Opportunity Promise Scholarship Program to include students who already have a post-secondary degree if they choose to pursue an associate’s degree in nursing. The New York Opportunity Promise Scholarship Program provides grants to cover tuition, fees, books, and supplies for eligible students ages 25-55 pursuing an associate’s degree in a high demand field at a SUNY or CUNY community college. Currently, students who already hold a postsecondary degree are ineligible for this scholarship.

Fiscal Impact: The Executive provides \$12.5 million to expand the Opportunity Promise Scholarship.

Certificate of Residence Policy Reform at Community Colleges (ELFA Part D): The Executive Budget directs the SUNY Board of Trustees to reform the certificate of residence policies at community colleges by instituting a schedule of late fees and exceptions to late certificate of residence submissions, so in-state students can still pay in-state tuition even if they certify late. The Board also establishes a process for reconciling valid forms that were submitted after the list of non-resident students is established for the purpose of county reimbursement.

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

Extend Authorization for SUNY and CUNY Non-Resident Tuition Rate (ELFA Part E): The Executive Budget extends authorization for the SUNY and CUNY Board of Trustees to set campus-specific non-resident undergraduate and graduate tuition rates annually for an additional three-year period through the 2028-2029 academic year. The university systems' Board of Trustees must provide a reason and plan for any rate increases to the Governor and the Legislature.

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

Expand the Masters-In-Education Teacher Incentive Scholarship to Early Childhood Educators (ELFA Part F): The Executive Budget makes those seeking a master's degree in early childhood education eligible for the Masters-In-Education Teacher Incentive Scholarship. This is a program aimed at providing tuition assistance to students pursuing a master's degree in an education field. Individuals earning their master's in early childhood education may also fulfill their service obligation with employment at an eligible childcare agency.

Fiscal Impact: The Executive provides \$1 million for the Masters-in-Education Teacher Incentive Scholarship program.

State Education Department – Office of Higher Education and the Professions

The Executive Budget proposes \$271 million, a \$12 million, or 4.2 percent reduction, to higher education opportunity programs administered by SED, SUNY, and CUNY.

Opportunity Program Funding Levels (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
SUNY Educational Opportunity Centers (EOC)	\$72.64	\$72.64	\$0.00	0.00%
SUNY Educational Opportunity Program (EOP)	\$45.05	\$42.46	(\$2.69)	(5.74%)
CUNY Search for Education, Elevation, and Knowledge (SEEK)	\$39.31	\$37.05	(\$2.26)	(5.75%)
CUNY LEADS	\$1.82	\$1.82	\$0.00	0.00%
CUNY AOE Opportunity	\$1.89	\$1.78	(\$0.11)	(5.82%)
SED Higher Education Opportunity Program (HEOP)	\$49.75	\$46.90	(\$2.85)	(5.73%)
SED Liberty Partnership Program	\$25.71	\$24.24	(\$1.47)	(5.72%)
SED Science and Technology Program (STEP)	\$22.14	\$20.87	(\$1.27)	(5.74%)
SED Collegiate Science and Technology Program (CSTEP)	\$16.78	\$15.82	(\$0.96)	(5.72%)
SED Foster Youth Initiative	\$8.40	\$7.92	(\$0.48)	(5.71%)
Total	\$283.49	\$271.50	(\$11.99)	(4.23%)

Article VII

Scope of Practice Amendments (HMH Part N): The Executive Budget expands the scope of practice of the following healthcare professions:

- Medical Assistants (MAs): The Executive Budget allows MAs to administer immunizations in outpatient offices under the supervision of a registered physician, nurse practitioner, or physician assistant.
- Certified Medication Aides (CMAs): The Executive Budget allows CMAs to administer medications in residential healthcare facilities under the supervision of a registered nurse.
- Nurse Practitioners (NPs): The Executive Budget allows NPs, acting within their scope of practice, to certify whether students should be removed from and/or can return to athletic activities due to medical reasons, and whether school bus drivers, monitors, and attendants should be removed from and/or can return to work for medical reasons. NPs would also be allowed to issue temporary and permanent special vehicle identification parking permits to those with disabilities and excuse individuals from jury duty for medical reasons.
- Physician Assistants (PAs): The Executive Budget allows PAs with a certain number of hours of experience to be able to practice certain tasks without the supervision of a licensed physician.

The Executive Budget also transfers all post-licensure professional oversight of physicians, physician assistants, and specialist assistants from the State Education Department (SED) to the Department of Health (DOH).

Fiscal Impact: There is no fiscal impact expected from this proposal.

Higher Education Services Corporation (HESC)

The Executive Budget recommends \$1 billion in total appropriations for HESC. This represents a decrease of \$37.3 million, or 3.4 percent, from SFY 2025-26, driven by projections of the State's liability for the 2026-27 academic year.

The Executive adds \$10.4 million to expand eligibility in the Tuition Assistance Program (TAP), Veterans Tuition Awards (VTA), and Scholarships for Academic Excellence (SAE), for a total of \$65.5 million, to support expanded awards pursuant to legislation passed in 2025. The Executive also allocates \$4 million to the New York State Masters-in-Education Teacher Incentive Scholarship program to expand eligibility to students working in early childhood education.

The Executive discontinues Legislative adds including \$1 million for the Senator Patricia McGee nursing faculty scholarship program, \$100,000 for the child welfare worker scholarship, and \$50,000 for the Young Farmer Loan Forgiveness program.

Higher Education Capital Matching Grant Program (HECap)

The Executive provides no capital funding for the HECap program for independent colleges, which also received no capital funding in SFY 2025-26.

Arts Agency Details

Council on the Arts (NYSCA)

Council on the Arts All Funds Appropriations (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State Operations	\$8.0	\$8.2	\$0.2	2.5%
Aid to Localities	\$84.0	\$63.3	(\$20.7)	(24.6%)
Capital Projects	\$80.0	\$40.0	(\$40.0)	(50.0%)
Total	\$172.0	\$111.5	(\$60.5)	(35.2%)

The Executive Budget proposes \$111.5 million in All Funds appropriations for the New York State Council on the Arts, a decrease of \$60.5 million, or 35.2 percent, from the current fiscal year. The decrease reflects a \$40 million reduction in capital funding and a \$20.7 million decrease in NYSCA’s operating support. The Executive provides \$250,000 in new funding for the Musical Instrument Grant Program. NYSCA workforce remains constant at 41 FTEs.

Article VII

Converts the Musical Instrument Revolving Fund to a Grant Program (ELFA Part G): The Executive Budget converts the New York State Musical Instrument Revolving Fund, which was created to make loans to non-profit symphony orchestras and similar musical entities for musical instruments and related equipment, to a grant program. No change is made to the types of eligible recipients of funding, but the grants could be made to such organizations for purposes other than musical instruments and related property and equipment.

Fiscal Impact: The Executive provides \$250,000 in NYSCA Aid to Localities funding for the Musical Instrument Grant program.

ENVIRONMENT, ENERGY, AGRICULTURE AND PARKS



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Environment, Energy, Agriculture, and Parks Fact Sheet

Appropriations

- **Clean Water Infrastructure (CWIA):** The Executive Budget proposes \$750 million in funding for Clean Water Infrastructure, a \$250 million increase from the SFY 2025-26 Enacted Budget. The funding is part of a 5-year \$3.75 billion State commitment.
- **Environmental Protection Fund:** The Executive Budget maintains funding for the Environmental Protection Fund (EPF) at \$425 million, the same level as SFY 2025-26.
- **State Parks:** The Executive Budget proposes \$140 million in new capital funding to support projects statewide.
- **EmPower Plus:** The Executive Budget proposes \$50 million to expand the EmPower Plus program to support an additional 10,000 households. EmPower Plus provides financial assistance to low- and moderate-income households to make energy-efficient home improvements.
- **Excelsior Power Program:** The Executive Budget proposes \$33 million in new funding to support the Excelsior Power Program. This program provides a \$25 monthly utility bill credit for one year to ratepayers who enroll and use smart thermostats and other similar technologies.
- **Agriculture Resiliency Against Tariffs Grant Program:** The Executive Budget proposes \$30 million in funding to support specialty crop growers, livestock producers, and dairy farmers in offsetting rising costs related to increased tariffs.
- **Resilient and Adaptive Community Grant Program:** The Executive Budget proposes \$10 million in new funding to help disadvantaged communities in disaster response and resilience planning through the Resilient and Adaptive Community Grant Program.
- **Sustainable Future Program:** The Executive Budget discontinues the one-time appropriation of \$1 billion that supports climate mitigation and adaptation projects.

Article VII

- **Prevents Utility Shutoffs for Tenants Due to Landlord Utility Arrears:** The Executive Budget proposes to replace the right of municipalities and public utilities to discontinue service to tenants when a landlord fails to pay utility bills with the option to seek a lien against the building owner instead.
- **Utility Rate-Setting Affordability Reforms:** The Executive Budget proposes legislation directing the Public Service Commission (PSC) to require changes to rate increase filings made by electric, gas, steam, and water utilities, reforms to utility executive compensation and rate-setting, and eliminating utility recovery of certain fines, advertising and legal expenses.
- **Revised Timeframes for Utility Rate Cases:** The Executive Budget proposes legislation that would give discretion to the PSC to approve “litigated” multiyear rate plans for electric and gas utilities that span up to two years. This proposal also provides the PSC with discretion to suspend a rate increase by up to 14 months instead of the current maximum of 11 months in order to review a proposed rate increase by an electric or gas utility.
- **Utility Affordability Index and Independent Monitors:** The Executive Budget proposes to direct the PSC to (1) develop a process for gas and electric utilities to provide information necessary to establish an energy affordability index, and (2) for the PSC to install independent affordability monitors within the utility serving those customers if there is an excess customer energy burden.
- **Reforms the State Environmental Quality Review Act (SEQRA) for Housing and Infrastructure Projects:** The Executive Budget proposes to limit the time to make a determination of whether an environmental impact statement (EIS) is needed for a project, and the timeframe for completing an EIS. The proposal also creates exemptions from the environmental review process for projects involving certain multifamily housing, parks, bicycle and pedestrian trails, childcare facilities, water and sewer infrastructure upgrades, and green infrastructure projects.
- **Increases Flexibility for the Municipal ZEV Grant Program:** The Executive Budget proposes to remove maximums and minimums from rebates to municipalities for acquisition of electric vehicles and electric vehicle charging infrastructure.

- **Removing Restrictions on the Green Jobs-Green New York Program:** The Executive Budget proposes legislation to raise the loan cap for the Green Jobs - Green NY loans program from \$25,000 to \$50,000 for residential structures and simplifies the repayment process.
- **Constitutional Amendment to Sell Camp Gabriels, Moriah Shock, and Mount McGregor Correctional Facilities in the Adirondack Park:** The Executive Budget proposes a concurrent resolution amending the state constitution to allow for the sale of the Camp Gabriels, Moriah Shock, and Mount McGregor correctional facilities in the Adirondack Park in order to use the lands for public purposes.

Environment, Energy, Agriculture, and Parks Agency Details

Environment, Energy, Agriculture, and Parks All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Adirondack Park Agency	\$18.2	\$8.5	(\$9.7)	(53.3%)
Agriculture and Markets, Department of	\$382.4	\$397.8	\$15.4	4.0%
Energy Research and Development Authority, New York State	\$25.8	\$90.4	\$64.6	250.4%
Environmental Conservation, Department of	\$4,363.2	\$3,624.9	(\$738.3)	(16.9%)
Green Thumb Program	\$6.2	\$6.6	\$0.4	6.9%
Greenway Heritage Conservancy for the Hudson River Valley	\$0.55	\$0.59	\$0.04	7.3%
Hudson River Park Trust	\$85.0	\$0.0	(\$85.0)	(100.0%)
Hudson River Valley Greenway Communities Council	\$0.5	\$0.5	\$0.0	0.0%
Olympic Regional Development Authority	\$124.4	\$114.1	(\$10.3)	(8.3%)
Parks, Recreation and Historic Preservation, Office of	\$1,070.6	\$1,024.7	(\$45.9)	(4.3%)
Power Authority	\$52.5	\$52.5	\$0.0	0.0%
Public Facilities Sustainability Program	\$50.0	\$50.0	\$0.0	0.0%
Public Service, Department of	\$155.0	\$192.8	\$37.8	24.4%
Sustainable Future Program	\$1,000.0	\$0.0	(\$1,000.0)	(100.0%)
Total	\$7,334.3	\$5,563.4	(\$1,770.9)	(24.1%)

Overview

The Executive Budget proposes \$5.6 billion in All Funds appropriations for State agencies within the Environmental Conservation functional area, a decrease of \$1.8 billion, or 24.1 percent, from the current fiscal year. This decrease is primarily due to the discontinuation of one-time funding for the following:

- \$1.7 billion for coastal resiliency projects at Fire Island to Montauk Point.
- \$1 billion for the Sustainable Future Program.
- \$85 million for the Hudson River Park Trust.

Adirondack Park Agency (APA)

The Executive Budget proposes All Funds appropriations of \$8.5 million for the Adirondack Park Agency, a decrease of \$9.7 million, or 53.3 percent, from the current fiscal year. This decrease is primarily attributed to the discontinuation of a one-time \$10 million capital appropriation to support the construction of the new Agency headquarters.

Department of Agriculture and Markets (DAM)

The Executive Budget proposes All Funds appropriations of \$397.8 million for the Department of Agriculture and Markets, an increase of \$15.4 million, or 4 percent, from the current fiscal year. The increase in funding is primarily due to \$30 million in new grant funding for farmers to offset rising costs related to increased tariffs, a \$5 million increase to the Dairy Modernization Grant Program, \$5 million in new capital assistance for local fairs, and \$23.1 million for operational and administrative costs. This increase is partially offset by the discontinuation of \$30 million in one-time capital funding for the State Fair, a \$5 million decrease in capital grants for animal shelters, and a \$10 million in legislative adds.

The Executive Budget also proposes \$2.2 million in increased funding for the following local assistance programs:

- \$890,000 in increased funding for the Agribusiness Child Development Program
- \$500,000 in increased funding for Local Fair Development
- \$400,000 in increased funding Farmnet Family Assistance Program
- \$217,250 in increased funding for the New York Cider Association
- \$150,000 in increased funding for the John May Farmer Safety Fund

Article VII

Transfer of Authority to Administer Dairy and Other Agricultural Marketing Orders

(TED Part J): The Executive Budget proposes legislation transferring authority from the Urban Development Corporation (UDC) to the Department of Agriculture and Markets (DAM) to issue promotion and marketing orders for the purpose of encouraging consumption and research of in-state agricultural and dairy products, and for protecting the health and welfare of consumers. These promotion and marketing orders outline industry-specific issues and may include collection of assessments from producers for the purpose of supporting the implementation of the marketing or research outlined in the order, and may set standards for production and marketing of agricultural products. Adoption of such orders is subject to DAM review, the right to public hearings, and a referendum vote by producers.

Fiscal Impact: There is no fiscal impact from this proposal.

Extending the Refundability of the Investment Tax Credit for Farmers (TED Part K): The Executive Budget proposes extending the ability of farmers to obtain a refund check if their Investment Tax Credit exceeds their tax liability from January 1, 2028, to January 1, 2033. Farmers can claim a credit equal to 20% of the value of new property that: (i) has been placed in service on or after April 1, 2022, (ii) is principally used in the production of goods by farming, and (iii) is used by an eligible farmer. Investments in land, passenger vehicles, and buildings used for other purposes (e.g. farmworker housing) are ineligible.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2026-27, SFY 2027-28, SFY 2028-29 and will have a fiscal impact of \$3 million in SFY 2029-30.

Energy Research and Development Authority (NYSERDA)

The Executive Budget proposes All Funds appropriations of \$90.4 million for the New York State Energy Research and Development Authority, an increase of \$64.6 million, or 250.4 percent, from the current fiscal year. This increase is primarily due to the proposed inclusion of capital funds for the following programs:

EmPower Plus: The Executive Budget proposes \$50 million to expand the EmPower Plus program to support an additional 10,000 households. EmPower Plus provides financial assistance to low- and moderate-income households to make energy-efficient home improvements.

West Valley Nuclear Fuel Reprocessing Plant: The Executive Budget includes an increase in funding of \$9.6 million, totaling \$35.4 million. The increase reflects the State's share of a federal cost-sharing agreement with the U.S. Department of Energy to manage and administer the nuclear fuel reprocessing plant at West Valley.

Mechanical Insulation Energy Savings Program: The Executive Budget provides \$5 million for the Mechanical Insulation Energy Savings Program. This program provides grants to public housing, hospitals, and school districts for mechanical insulation projects.

Article VII

Removing Restrictions on the Green Jobs-Green New York Program (TED Part L): The Executive Budget proposes legislation to raise the loan cap for the Green Jobs-Green NY loans program from \$25,000 to \$50,000 for residential structures, replaces the 15-year maximum payback period for loans over \$13,000 with a requirement that the payback period not exceed the useful life of the energy efficiency measures installed, eliminates the recording requirement for such loans, and adds parameters for transferability of such loans.

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

Annual NYSERDA Special Assessment (TED Part M): The Executive Budget proposes an annual NYSERDA assessment on gas and electric utilities of \$28.72 million unchanged from the current fiscal year. This assessment also funds the Energy Policy & Planning Program and the Fuel NY Program. The Energy Policy & Planning Program focuses on long-term electric system planning by the PSC and other relevant agencies, while Fuel NY established the State’s strategic fuel reserve to mitigate disruptions to fuel distribution in response to Superstorm Sandy.

Fiscal Impact: The Executive proposal estimates this would generate revenue and have a positive fiscal impact of \$28.7 million in SFY 2026 – 27.

Department of Environmental Conservation (DEC)

The Executive Budget recommends All Funds appropriations of \$3.6 billion for the Department of Environmental Conservation, a decrease of \$738.3 million or 16.9 percent, from the current fiscal year. This decrease is primarily attributed to the discontinuation of a one-time \$1.7 billion appropriation for coastal resiliency projects from Fire Island to Montauk Point.

Clean Water Infrastructure (CWIA): The Executive Budget proposes \$750 million for Clean Water Infrastructure funding. This is an increase of \$250 million, or 50 percent, from the current fiscal year; funding had previously been maintained at \$500 million since 2019. The increase in funding is to create and expand sewers and infrastructure needed to build housing projects throughout the State, with \$50 million earmarked specifically for rural communities. This funding is part of a 5-year, \$3.75 billion State commitment.

Coastal Resiliency and Water Infrastructure Protection: The Executive Budget allocates \$668 million for the State’s share of coastal projects in South Shore Staten Island, Mamaroneck, Long Beach, and East Rockaway Inlet and Jamaica Beach.

New York Works: The Executive Budget proposes maintaining \$90 million for New York Works, a capital program that funds environmental infrastructure projects such as protecting dams, rehabilitating fish hatcheries, and improving state campgrounds.

Resilient and Adaptive Community Grant Program: The Executive Budget recommends \$10 million in new local assistance funding to support disadvantaged communities with disaster response and resilience planning during extreme weather emergencies.

Environmental Protection Fund: The Executive Budget maintains funding for the Environmental Protection Fund (EPF) at \$425 million, the same level as SFY 2025-2026. The Executive has recommended changes in the distribution of EPF funds as follows:

- \$45.7 million, an increase of \$700,000, for climate change mitigation and adaptation programs.
- \$204.6 million, an increase of \$800,000, for open space programs.
- \$118.8 million, an increase of \$200,000 million for parks, recreation and historic preservation programs.
- \$56 million, a decrease of \$1.7 million, for solid waste programs.

Article VII

Reforms the State Environmental Quality Review Act for Housing and Infrastructure Projects (TEDE Part R)

The Executive Budget proposes to limit process timeframes and exempt certain projects from the State Environmental Quality Review Act (SEQRA). The proposal requires the relevant lead agency to determine whether an environmental impact statement (EIS) is needed for a project within one year, and requires an EIS for permits or authorizations to be completed within two years after such agency determines an EIS is required. The two-year timeframe may be extended by the agency, subject to consideration of various circumstantial factors.

The proposal also creates exemptions from SEQRA’s environmental review process for projects involving certain multifamily housing, parks, bicycle and pedestrian trails, childcare facilities, water and sewer infrastructure upgrades, and green infrastructure projects. In New York City, the exemption applies to housing if it is not located within a coastal flooding area, an area zoned exclusively for industrial uses, contains no more than 50,000 square feet of non-residential space, and does not exceed 250 units. In areas zoned for medium or high-density residential or mixed-use districts, the unit threshold is 500 units. Outside of New York City, the exemption applies to housing that is connected to existing community or public water and sewer systems at the time of first occupancy, is located on “previously disturbed sites,” satisfies non-residential floor area maximum restrictions, and does not exceed 100 units.

The proposal defines previously disturbed sites as parcels of land that: have been developed prior to two years before the application for a permit or authorization for the project; are substantially altered by buildings, structures, impervious surfaces, lawns, non-vegetated maintained areas, or public infrastructure; are not in the 100-year floodplain; and have not been used for agricultural purposes within three of the last five years.

The proposal also specifies that, with respect to a legal challenge of an agency determination, the time period for the statute of limitations begins when the agency determination becomes final.

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

Increased Flexibility for the Municipal Zero Emission Vehicle (ZEV) Grant Program

(TEDE Part S): The Executive Budget proposes to remove the size limits on the rebates that can be provided to municipalities under the Climate Smart Communities clean vehicle program for infrastructure projects such as charging facilities for electric vehicles (currently, rebates may not be more than \$250,000 or \$300,000, depending on the project type). This proposal also removes the size limits on the rebates that can be provided to municipalities that purchase electric vehicles (currently, rebates must be between \$2,500 and \$7,500, depending on the vehicle type).

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

Green Thumb

The Executive Budget proposes All Funds appropriations of \$6.6 million for the Green Thumb Program, an increase of \$471,000 or 6.9 percent from the current fiscal year. This increase is the result of a minimum wage adjustment and five percent salary increases.

Greenway Heritage Conservancy of the Hudson River Valley

The Executive Budget recommends All Funds appropriations of \$591,000 for the Greenway Heritage Conservancy of the Hudson River Valley, an increase of \$45,000 or 7.3 percent from the current fiscal year. This increase is to address general salary increases.

Hudson River Park Trust

The Executive Budget discontinues the one-time appropriation for the Hudson River Park Trust, a decrease of \$85 million, or 100 percent, over the current fiscal year.

Hudson River Valley Greenway Communities Council

The Executive Budget maintains All Funds appropriations of \$495,000 for the Hudson River Valley Greenway Communities Council.

Olympic Regional Development Authority (ORDA)

The Executive Budget recommends All Funds appropriations of \$114.1 million for the Olympic Regional Development Authority (ORDA), a decrease of \$10.3 million, or 8.3 percent, from the current fiscal year. This reflects a \$10 million decrease in funding for the maintenance of ORDA's Olympic and Ski facilities.

Office of Parks, Recreation and Historic Preservation (OPRHP)

The Executive Budget proposes All Funds appropriations of \$1 billion for the Office of Parks, Recreation and Historic Preservation, a decrease of \$45.9 million or 4.3 percent from the current fiscal year. This decrease is primarily attributed to the discontinuation of \$167.5 million in capital appropriations for the following programs:

- \$90 million for the New York Statewide Investment in More Swimming initiative (NYSWIMS).
- \$67.5 million for the New York Places for Learning, Activity, and Youth Socialization program (NYPLAYS).
- \$10 million for the Zoos, Botanical Gardens, and Aquaria (ZBGA) legislative add.

The Executive proposes \$215 million in new or continued capital for the following initiatives:

High Falls State Park: The Executive includes \$75 million in new funding to transform a brownfield into Rochester's first State Park.

New York Building Recreational Infrastructure for Communities, Kids, and Seniors (NYBRICKS): The Executive Budget allocates \$75 million, a \$25 million decrease from the current fiscal year. This program provides grants for nonprofit and municipal community center projects, with a guarantee of \$37.5 million going to underserved communities.

State Park Projects: The Executive Budget appropriates \$58 million in new funding for various projects across the State.

- Skating facility renovations and campus planning at Riverbank State Park.
- Improvements to the wastewater treatment plant and the construction of new restrooms at Lake Welch at Harriman State Park.
- Facility renovations at Montauk Downs State Park.

250th Commemoration: The Executive Budget proposes \$7 million in new funding for a New York History Preservation and Resource Center at Peebles Island State Park for the 250th Commemoration of the American Revolution.

New York Power Authority (NYPA)

The Executive Budget maintains All Funds appropriations of \$52.5 million for the New York Power Authority.

Public Facilities Sustainability Program

The Executive Budget maintains All Funds appropriations of \$50 million for the Public Facilities Sustainability Program.

Department of Public Service (DPS)

The Executive Budget recommends All Funds appropriations of \$192.8 million for the Department of Public Service, an increase of \$37.8 million, or 24.4 percent, from the current fiscal year. This increase is primarily attributed to the \$33 million for the creation of the Excelsior Power Program, and a \$3.5 million appropriation to consolidate utility assessments charged to cable television companies and public utilities.

Excelsior Power Program: This program provides a \$25 monthly utility bill credit for one year to ratepayers who enroll and use smart thermostats and other similar technologies, intending to reach 100,000 New Yorkers.

Article VII

Utility Rate-Setting Affordability Reforms (TED Part N): The Executive Budget proposes legislation directing the Public Service Commission (PSC) to require changes to rate increase filings made by electric, gas, steam, and water utilities, reforms to utility executive compensation, and potentially eliminating utility recovery of certain expenses. These changes include: (i) requiring utility disclosures related to executive financial compensation, including how it compares to median worker compensation; (ii) for electric and gas utilities, using these financial disclosures to tie customer affordability metrics to utility executive compensation, and considering lowering rates based on such metrics; and (iii) requiring every electric, gas, steam and water utility rate increase filing to include a budget-constrained rate increase proposal that would limit increases to the inflation rate. The proposal also directs PSC to enhance its review of utility expenses such as advertising, legal fees, fines, and penalties, to ensure that certain classes of such expenses are not charged to ratepayers.

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

Revised Timeframes for Utility Rate Cases (TED Part O): The Executive Budget proposes to grant discretion to the PSC to approve “litigated” multi-year rate plans for electric, gas, steam, and water utilities that span up to two years. Utilities can petition the PSC for a mid-plan rate change only when it is of de minimis value, or circumstances have arisen that threaten the economic viability of the utility, or the ability of the utility to provide safe, reliable and adequate service. Additionally, this proposal provides the PSC with discretion to suspend a utility’s proposed rate increase for up to 14 months, in lieu of the current maximum suspension of 11 months, in order to review a proposed rate increase by any such utility.

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

Utility Affordability Index and Independent Monitors (TED Part P): The Executive Budget proposes to direct the PSC to develop a process for each gas and electric utility to provide information necessary to establish a residential energy affordability index for such utility. The index would be a necessary component of such utilities’ rate increase filings, and the filing would need to include the impact of the rate increase on customers’ energy burden. In addition, the proposal would allow the PSC to install independent affordability monitors within utilities if more than three percent of the utility’s customers are energy-burdened following a rate increase. The proposal requires the PSC to report annually on energy affordability, including a comparison of residential energy affordability in New York with energy affordability in other states.

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

Prevents Utility Shutoffs for Tenants Due to Landlord Utility Arrears (TED Part Q): The Executive Budget proposes to replace the right of municipalities and public utilities to discontinue utility and water service to tenants when a landlord fails to pay utility bills with the option to seek a lien against the building owner instead.

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

Sustainable Future Program

The Executive Budget discontinues the one-time appropriation for the Sustainable Future Program, a decrease of \$1 billion, or 100 percent.

Environmental Protection Fund Table

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025-26	SFY 2026-27	Change (\$)
Climate Change Mitigation and Adaptation	\$45.0	\$45.7	\$0.7
Greenhouse Gas Management	\$2.4	\$2.4	-
Regenerate NY	\$0.5	\$0.5	-
Refrigeration Council Pilot Program	\$0.5	\$0.5	-
Municipal Community Forests	\$0.5	\$0.5	-
Vermont Energy Investment Corporation	\$0.3	\$0.3	-
Climate Resiliency Plans	\$6.6	\$6.6	-
Wood Products Development Council	\$0.02	\$0.02	-
Timbuctoo	\$1.3	\$1.3	-
CALs ESF Climate and Applied Forestry Institute	\$1.5	\$1.5	-
Climate Coordinators	\$2.5	\$2.5	-
Nature Conservancy Staying Connected Program	\$0.03	\$0.05	\$0.02
Resiliency Planting Program	\$0.5	\$0.1	(\$0.4)
Smart Growth Grant Program	\$3.8	\$3.9	\$0.1
Climate Resilient Farms Program	\$19.5	\$19.1	(\$0.4)
Cornell Soil Health	\$0.5	\$0.5	-
Ag and Forestry*	\$0.5	-	(\$0.5)
Climate Smart Communities	\$12.0	\$12.0	-
Municipal EV Fast Chargers*	\$1.0	-	(\$1.0)
Farmers Market Resiliency Grant Program	\$0.7	\$0.7	-
NYS Adaption and Resilience Plan**	-	\$1.0	\$1.0
Open Space	\$203.8	\$204.6	\$0.8
Land Acquisition	\$42.0	\$42.0	-
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	-
Tug Hill Tomorrow Landscape	\$0.3	\$0.3	-

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025-26	SFY 2026-27	Change (\$)
Open Space Grant Program	\$0.2	\$0.2	-
Grassland Birds*	\$0.5	-	(\$0.5)
Land Trust Building Removal and Site Cleanup	\$0.5	\$0.5	-
Albany Pine Bush Preserve	\$3.1	\$3.1	-
Long Island Central Pine Barrens	\$2.5	\$2.5	-
Long Island Shore Estuary	\$2.0	\$2.1	\$0.1
Agricultural Non-point Source Pollution Abatement	\$18.5	\$18.7	\$0.2
Cornell Pesticide Management Education Program	\$0.3	\$0.3	-
Non-agricultural Non-point Source Pollution Abatement	\$6.0	\$6.0	-
Cornell Community IPM	\$1.0	\$1.0	-
Farmland Protection	\$25.0	\$25.0	-
Cornell Land Classification and Master Soils List	\$0.15	\$0.18	\$0.03
Capacity Grants	\$1.0	\$1.0	-
Biodiversity Stewardship	\$1.9	\$1.9	-
Pollinator Protection	\$0.5	\$0.5	-
Cary Institute of Ecosystem Studies - Catskills	\$0.2	\$0.2	-
Paul Smith's College for the Watershed Institute*	\$0.2	-	(\$0.2)
UAlbany for the Atmospheric Sciences Research Center*	\$0.2	-	(\$0.2)
Hudson River Estuary Management	\$7.5	\$7.5	-
Mohawk River	\$1.5	\$1.0	(\$0.5)
Finger Lakes - Lake Ontario Watershed Protection Alliance	\$3.5	\$3.5	-
Lake Erie Watershed Protection	\$0.3	\$0.3	-
Water Quality Improvement Programs	\$25.3	\$25.1	(\$0.2)
Suffolk County Nitrogen Reduction	\$4.5	\$4.5	-
Nassau County Bay Park Outfall Pipe	\$5.0	\$5.0	-
Source Water Planning	\$5.0	\$5.0	-
Chautauqua Lake Association	\$0.2	\$0.2	-
Chautauqua Lake Partnership	\$0.1	\$0.1	-

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025-26	SFY 2026-27	Change (\$)
Cornell University Groundwater Contaminant Removal	\$1.0	\$1.0	-
Stony Brook Center for Clean Water	\$1.0	\$1.0	-
Eastern Finger Lake Coalition	\$1.2	\$1.2	-
Allegheny River Watershed Program	\$1.0	\$1.0	-
Lake Erie-Niagara River Basin	\$1.3	\$1.3	-
Great South Bay*	\$0.2	-	(\$0.2)
Ocean and Great Lakes Projects	\$24.6	\$24.6	-
Peconic Bay Estuary Program	\$0.8	\$0.8	-
Billion Oyster Project, Inc.	\$0.5	\$0.5	-
Invasive Species	\$18.6	\$18.6	-
Cornell Plant Certification Program	\$0.2	\$0.2	-
Eradication	\$5.8	\$5.8	-
Hemlock Woolly Adelgid	\$0.5	\$0.5	-
Southern Pine Beetle	\$0.5	\$0.5	-
Soil and Water Conservation Districts	\$18.0	\$18.7	(\$0.7)
Agricultural Waste Management	\$1.9	\$1.9	-
Cornell Dairy Acceleration Program	\$0.7	\$0.7	-
Lake George Park Commission	\$0.90	\$1.0	\$0.1
Urban Farms and Community Garden	\$2.3	\$2.3	-
Cornell University	\$0.3	\$0.3	-
Parks, Recreation and Historic Preservation	\$118.6	\$118.8	\$0.2
Waterfront Revitalization Projects	\$14.3	\$14.3	-
Projects in Underserved Areas	\$10.5	\$10.5	-
Climate Change Resiliency Planning	\$2.0	\$2.0	-
Niagara River Greenway	\$0.3	\$0.5	\$0.2
Municipal Parks Projects	\$26.0	\$26.0	-
Projects in Underserved Areas	\$13.0	\$13.0	-
Tivoli Park	\$0.3	\$0.3	-
Hudson River Valley Trail Grants	\$0.5	\$0.5	-

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025-26	SFY 2026-27	Change (\$)
SUNY ESF	\$0.3	\$0.3	-
Paul Smith's College	\$0.3	\$0.3	-
Catskill Center for Conservation and Development	\$0.3	\$0.3	-
Teatown Lake*	\$0.5	-	(\$0.5)
Public access and stewardship	\$50.1	\$50.6	\$0.5
Parks and Trails Friends Groups	\$2.5	\$2.7	\$0.2
New York Protected Area Database	\$0.3	-	(\$0.3)
Adirondack and Catskills Wilderness Protection	\$10.0	\$8.0	(\$2.0)
Adirondack Mountain Club Visitor Centers*	\$0.3	-	(\$0.3)
SCALE / Adirondack Lake Monitoring	\$2.0	\$1.0	(\$1.0)
Camp Santanoni Historic Area	\$0.8	\$0.8	
Saranac Chain of Lakes Carrying Capacity Survey*	\$1.0	-	(\$1.0)
5 Towns (up to \$300,000 each for the towns of Minerva, Long Lake, Indian Lake, North Hudson and Newcomb)	\$1.5	-	(\$1.5)
Hudson River Park Trust (HRPT)	\$4.4	\$4.1	(\$0.3)
Zoos, Botanic Gardens, and Aquaria (ZBGA)	\$21.5	\$21.5	-
Navigation Law Programs	\$2.3	\$2.3	-
Solid Waste	\$57.7	\$56.0	(\$1.7)
Non-hazardous Landfill Closures	\$0.3	\$0.3	-
Municipal Recycling Projects	\$21.3	\$19.6	(\$1.7)
Food Donation and Recycling/Organics Projects	\$5.0	\$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	\$14.3	\$14.3	-
Connect Kids	\$3.8	\$3.8	-
EJ Air Monitoring	\$4.0	\$4.0	-
Center for Native Peoples and the Environment	\$1.1	\$1.1	-
Natural Resource Damages	\$1.8	\$1.8	-

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025-26	SFY 2026-27	Change (\$)
Pollution Prevention Institute	\$4.6	\$4.6	-
Interstate Chemicals Clearinghouse	\$0.3	\$0.3	-
Environmental Health Assessments	\$11.3	\$11.3	-
Clean Sweep NY	\$0.5	\$0.5	-
Children's Environmental Health Centers	\$4.0	\$4.0	-
Fresh Connect / SNAP EBT	\$3.9	\$3.9	-
Center for Clean Water at Stony Brook	\$1.0	\$1.0	-
Brownfield Opportunity Area Grants	\$2.0	\$2.0	-
Environmental Protection Fund Total	\$425.0	\$425.0	-
* Denotes SFY 2025-26 Legislative add			
** Denotes SFY 2026-27 Executive add			

Stand-alone Concurrent Resolution

Constitutional Amendment to Sell Camp Gabriels, Moriah Shock, and Mount McGregor Correctional Facilities in the Adirondack Park: The Executive Budget proposes a concurrent resolution amending the State Constitution to allow for the sale of the Camp Gabriels, Moriah Shock, and Mount McGregor correctional facilities in the Adirondack Park in order to use the lands for other public benefits. The facilities' total combined acreage is approximately 243 acres. The proposal would require the addition of at least 1,500 acres to the forest preserve in exchange.

RACING, GAMING & WAGERING



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Racing, Gaming, & Wagering Fact Sheet

Appropriations

- **Gaming Commission:** The Executive Budget proposes an All Funds appropriation of \$493 million, an increase of \$55 million, or 12.6 percent, from SFY 2025-26.
- **Tribal State Compact:** The Executive Budget recommends an appropriation of \$306 million for payments made pursuant to Tribal State Compacts. This is an increase of \$55 million from SFY 2025-26.

Racing, Gaming, & Wagering Agency Details

Gaming Commission

The New York State Gaming Commission was created in 2013 upon the merging of the former Division of Lottery and the Racing and Wagering Board. The Commission is tasked with overseeing lottery administration, gaming, horse racing, and pari-mutuel wagering.

The SFY 2026-27 Executive Budget proposes an All Funds appropriation of \$493 million, an increase of \$55 million or 12.6 percent, from the amount appropriated in SFY 2025-26. This increase is attributable to a \$55 million increase in Aid to Localities directly related to the Tribal State Compact. The Executive Budget proposes an appropriation of \$62 million for the Gaming Program in Aid to Localities, which represents the local share of the State’s estimated revenues from commercial casino gaming revenues. The Executive Budget recommends continuing to appropriate \$100,000 in State Operations for the Racing Fan Advisory Council. The Gaming Commission’s workforce remains constant at 396 FTEs.

Racing, Gaming, & Wagering All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State Operations	\$119.2	\$119.2	\$0.0	0.00%
Aid to Localities	\$318.8	\$373.8	\$55.0	17.25%
Total	\$438.0	\$493.0	\$55.0	12.56%

Tribal State Compact

The Executive Budget recommends an appropriation of \$306 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 an increase of \$55 million from the prior year.

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 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 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, Point Place and Lake House casinos. The State is currently in ongoing negotiations with the Seneca Nation regarding its Tribal State Compact, which operates the Seneca Niagara, Seneca Allegany, and Seneca Buffalo Creek casinos.

Tribal State Compact receipts are estimated to decrease from \$400 million to \$227 million between SFY 2025-26 and SFY 2026-27, primarily due to the expected receipt in SFY 2025-26 of outstanding payments owed by the Mohawk Tribe since the end of SFY 2019-20. The receipts estimate also reflects the assumption that the State will continue to receive slot share payments from the Seneca Nation currently held in escrow, retroactive to March 2024, going forward. Despite the expected decline in receipts in SFY 2026-27, appropriation authority for disbursements to localities is increasing, as outlined in the table below.

Tribal State Compact Revenue Account in Gaming Commission Aid to Localities (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Host Aid				
Seneca Niagara	\$30.0	\$39.0	\$9.0	30.00%
Seneca Allegany	\$20.0	\$20.0	\$0.0	0.00%
Seneca Buffalo Creek	\$22.0	\$32.0	\$10.0	45.45%
Mohawk	\$70.0	\$71.0	\$1.0	1.43%
Oneida	\$51.0	\$54.0	\$3.0	5.88%
Regional Aid				
Seneca Niagara	\$12.0	\$25.0	\$13.0	108.33%
Seneca Allegany	\$8.0	\$13.0	\$5.0	62.50%
Seneca Buffalo Creek	\$9.0	\$21.0	\$12.0	133.33%
Mohawk	\$12.0	\$13.0	\$1.0	8.33%
Oneida	\$17.0	\$18.0	\$1.0	5.88%
Total	\$251.0	\$306.0	\$55.0	21.91%

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 2026-27 Executive Budget proposes a continuation of \$1.6 million in re-appropriations to fund reform activities.

Video Lottery Gaming

The mission of the New York State Division of 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 choice.

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 New York City (which also hosts Nassau OTB machines), Resorts World Hudson Valley, Saratoga Casino, and Vernon Downs Casino. In SFY 2024-25, approximately 66 percent of education funding contributions from VLT facilities were derived from Resorts World NYC, Nassau OTB machines, and Empire City Casino. As a recipient of one of the three additional casino licenses awarded by the Gaming Commission in December 2025, Resorts World NYC will no longer operate as a VLT facility once it converts and begins operating as a casino, however the exact timing of this conversion is to be determined.

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 remaining towards the allowance for administrative expenses.

VLT Receipts Distribution by Location (After Prize Payout)			
VLT Facility	Education Funding	Agent Commission	Administrative Allowance
Batavia Downs Gaming	39.00%	51.00%	10.00%
Empire City Casino by MGM Resorts	50.50%	39.50%	10.00%
Finger Lakes Gaming and Racetrack	46.50%	43.50%	10.00%
Hamburg Gaming	34.00%	45.00%	10.00%
Jake’s 58 Hotel and Casino	45.00%	45.00%	10.00%
Nassau Downs OTB	45.00%	45.00%	10.00%
Resorts World Casino NYC	40.00%	50.00%	10.00%
Saratoga Casino Hotel	46.50%	43.50%	10.00%
Vernon Downs Casino Hotel	34.00%	56.00%	10.00%
Resorts World Hudson Valley	41.00%	49.00%	10.00%

Saratoga Casino Hotel, Finger Lakes Gaming and Racetrack, and Resorts World Hudson Valley receive an additional commission, capped at 10 percent, to offset the reduction in revenues due to competition from a nearby casino. Batavia Downs receives an additional commission of 5 percent until April 1, 2030. These additional funds are only eligible for reducing healthcare costs and increasing salaries and wages of non-executive and non-managerial employees, and supplementing distributions payable to participating counties or municipalities as required under the law. Vernon Downs is eligible to receive a 6.4 percent additional commission until March 31, 2027, provided it maintains certain employment requirements.

Gaming Receipts

Gaming Receipts by Component SFY 2025-26 Estimated and SFY 2026-27 Projected (\$ in Millions)								
Component	Lottery	VLTs	Casinos		IFS**	TSC***	MSW****	
Distribution	Education	Education	Education	Localities*	Education	Total	Total	Total
SFY 2025-26	\$2,442.0	\$1,108.0	\$134.4	\$33.6	\$10.0	\$400.0	\$1,303.0	\$5,431.0
SFY 2026-27	\$2,378.0	\$1,092.0	\$134.4	\$33.6	\$11.0	\$227.0	\$1,369.0	\$5,245.0
Dollar Change	(\$64.0)	(\$16.0)	\$0.0	\$0.0	\$1.0	(\$173.0)	\$66.0	(\$186.0)
% Change	-2.62%	-1.44%	0.00%	0.00%	10.00%	-43.25%	5.07%	-3.42%

Source: NYS Division of Budget, Economic and Revenue Outlook, p.176
 * 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 include Education, Youth Sports, and Problem Gambling.

Article VII - Miscellaneous

Make Technical Amendments to Pari-Mutuel Tax Reform (REV Part W): The Executive Budget proposes to make technical corrections to the simplified pari-mutuel tax structure enacted in the SFY 2025-26 Budget. In the SFY 2025-26 Enacted Budget, the State consolidated a complex system of program-specific, multi-rate taxes into a modernized “flat tax” structure under Section 136 of the Racing, Pari-Mutuel Wagering and Breeding Law. This shift was intended to simplify operations for the Gaming Commission and for regulated racing entities by imposing a standard tax rate on the total amounts wagered on contests, thus reducing administrative burdens and making these taxes easier to calculate. As part of this transition, the law included provisions to ensure horse aftercare funds did not suffer a loss of revenue compared to the prior tax structure.

This proposal would finalize the State’s transition to the modernized tax system for horse racing by making various technical changes conforming to those made in the original legislation. It clarifies the legal formulas used to calculate tax caps for harness tracks and makes clear that residual betting proceeds (“breaks” resulting from rounding payments) are strictly directed to support horse aftercare programs. Furthermore, it systematically updates the wider body of Racing Law by removing obsolete tax rate schedules and conflicting language that was previously overridden by last year’s statutory changes.

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

Extend Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for

One Year (REV Part X): The Executive Budget proposes extending the authorized non-capital use of capital acquisition funds (CAF) by the Capital District Regional Off-Track Betting (OTB) Corporation for one additional year. This authorization allows Capital OTB to use up to \$1 million from their CAF during SFY 2026-27 towards expenditures necessary to accept authorized wagers, past due statutory obligations to New York licensed or franchised racing corporations or associations, past due contractual obligations due to other racing associations or organizations for the costs of acquiring a simulcast signal, past due statutory payment obligations due to the equine-related State funds, and any past due obligations. The prior year’s authorization was also up to \$1 million, and Capital OTB requested and used \$1 million of their CAF toward non-capital use.

Prior to accessing these funds, Capital OTB must attest to the proper handling of surcharge monies and submit an expenditure plan to the Gaming Commission for approval. The Commission will review the plan and may conduct an independent audit to ensure funds are used as intended. If the Commission determines the funds were used for unauthorized purposes, Capital OTB must reimburse the CAF.

Fiscal Impact: The Executive proposal would have no fiscal impact on the State and its localities.

Permanently Extend Certain Pari-Mutuel Tax and Simulcasting Provisions (REV Part Y):

The Executive Budget proposes to permanently extend various pari-mutuel tax and simulcasting provisions permanently. Extending these various pari-mutuel tax and simulcasting provisions would maintain the current pari-mutuel tax and simulcasting structure that is currently in place in New York State. These provisions have been annually extended for over 30 years, with the provisions last being extended for an additional year, most recently in the SFY 2025-26 Enacted Budget.

Fiscal Impact: The Executive proposal would have no fiscal impact on the State and its localities.

Extend Certain Horse Racing Seasonal Employee Licensing Requirements

(REV Part Z): The Executive Budget proposes extending the authorization to exempt certain horse racing seasonal employees (such as trainers, stable employees, jockeys, etc.) from licensure for additional race dates occurring in 2026 at Saratoga Racetrack. Currently, seasonal employees did not need to be licensed for additional race dates in 2024 and 2025 at Saratoga Racetrack. The proposal would extend the provisions for an additional year, and include the 2026 race dates at Saratoga Racetrack, to account for the continued temporary relocation of Belmont Park horse races while it is closed for racing. The original exemption was first enacted in the SFY 2024-25 Enacted Budget.

Fiscal Impact: The Executive proposal would have no fiscal impact on the State and its localities.

GENERAL GOVERNMENT



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

General Government Fact Sheet

Appropriations

- **Office of Cannabis Management:** The Executive Budget proposes \$17 million in new capital appropriations for the development of OCM’s integrated case management and licensing system. The Executive Budget also proposes \$25 million in local assistance appropriations for the Community Grants Reinvestment Fund.
- **Alcoholic Beverage Control - State Liquor Authority Enforcement Efforts:** The Executive Budget proposes \$450,000 in increased funding to support six FTEs in the State Liquor Authority (SLA). These new FTEs will assist SLA in performing joint enforcement with OCM on the illegal sale of intoxicating THC and hemp beverages at SLA-licensed retailers. The Executive Budget also maintains \$2.4 million in funding and dedicates five FTEs to the Licensing Bureau.
- **Department of Financial Services - Digital Innovation, Governance, Integrity, and Trust Office:** The Executive Budget includes \$21.2 million to create the new office of Digital Innovation, Governance, Integrity, and Trust (DIGIT). This office is created to provide oversight on emerging technologies and actors like data brokers and AI frontier developers.
- **State Board of Elections: Public Campaign Finance:** The Executive Budget includes \$100 million to support public matching fund payments. Starting this year, the matching program will include qualified candidates running for statewide offices.

Article VII

- **Modernize the Alcoholic Beverage Control Law:** The Executive Budget proposes numerous changes to the ABC Law, including but not limited to: changing the tied-house law to alcohol manufacturers to have an interest in up to three New York retail licenses; allowing wholesalers to charge different prices to on and off-premises retailers and to offer certain discounts; making alcohol in movie theaters permanent; updates the rules on shipping alcohol directly to consumers and allows for the creation of fulfillment warehouses; and increasing the products that micro-breweries and micro-distilleries can sell and the number of branch retail locations they can have.

- **SLA Licensing Modernization and Allowing Dancing:** The Executive Budget proposes legislation creating several new alcoholic beverage license types, such as, including licenses for adult-use day care facilities, hotel concessionaires and higher education institutions. It amends access to some existing licenses, such as allowing airport lounges to serve only guests and making cafes eligible for liquor licenses. In a separate proposal, the Executive creates a new on-premises liquor license for restaurants that have live or prerecorded music and allow for dancing.
- **Premium Increase Explanations:** The Executive Budget proposes legislation requiring insurers to explain premium increases on auto or residential property insurance policies.
- **Homeowners' Insurance Loss Ratio Benchmark:** The Executive Budget proposes legislation requiring large homeowners' insurance companies to resubmit rates for approval if their actual loss ratios for the past two years fall below a benchmark to be set by the Department of Financial Services (DFS).
- **Automatic Property Insurance Premium Reductions:** The Executive Budget proposes legislation requiring insurers of homeowners and certain commercial properties to offer premium discounts for properties implementing fire, theft, water, wind, and hurricane mitigation and damage prevention strategies.
- **Litigation Reform:** The Executive Budget proposes legislation narrowing the definition of "serious injury" as it pertains to motor vehicle injuries, limits non-economic loss recovery to serious injuries, and puts caps on such damages for accidents involving uninsured, impaired, or felonious drivers.
- **Dashboard Camera Premium Reductions for Automobile Insurance:** The Executive Budget proposes legislation requiring motor vehicle insurers to offer premium discounts for vehicles equipped with a dashboard camera.
- **Extend the Excess Profit Law for Automobile Insurance:** The Executive Budget proposes legislation extending the requirement for motor vehicle insurers to refund policyholders excess profits.
- **Preventing Voter Suppression & Deception in Elections:** The Executive Budget proposes legislation creating new criminal offenses, ranging from Class A misdemeanors to Class D felonies, for individuals or entities that knowingly engage in intimidation, deception, or obstruction regarding a voter's right to cast a ballot. The proposal grants the Attorney General concurrent jurisdiction with District Attorneys to prosecute such offenses.

- **Protecting Elections from Misleading or Deceptive AI Content:** The Executive Budget proposes legislation requiring distributed political communications that are materially deceptive to include provenance data, to the extent technically feasible. The proposal further prohibits the distribution of deceptive media created by AI within 90 days of an election if it is done without the depicted individual’s consent and with the intent to influence election results.
- **Labeling for AI-Generated Content – Digital Content Provenance Act:** The Executive Budget proposes legislation requiring providers of generative AI systems to embed provenance data into content made publicly available to New York residents to verify its origin. The proposal also mandates that large online platforms preserve this data and provide users with accessible tools to detect whether content has been created or modified by artificial intelligence.
- **Establish the Safe by Design Act:** The Executive Budget proposes legislation establishing safety and design standards for online platforms to protect minors, including a requirement to use age assurance mechanisms. The proposal mandates strict default privacy settings that restrict strangers from communicating with minors and limits data collection, with enforcement authority vested in the Attorney General.
- **Protect Private Education Loan Borrowers and Cosigners:** The Executive Budget proposes to require private student lenders and servicers to provide clear disclosures and protections for borrowers and cosigners regarding cosigner release and loan refinancing.
- **Regulation of Data Brokers – “Data Broker Accountability Act”:** The Executive Budget proposes to require data brokers to register annually with the Department of Financial Services (DFS) and disclose the details regarding data collection and sales practices. The proposal also requires DFS to create a deletion mechanism by which consumers can request that data brokers delete any personal information data brokers have collected about them.

General Government Agency Details

General Government All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Division of Alcoholic Beverage Control	\$94.6	\$132.0	\$37.5	39.6%
Department of Audit and Control	\$603.7	\$643.4	\$39.7	6.6%
Division of the Budget	\$51.1	\$50.5	(\$0.620)	-1.2%
State Board of Elections	\$143.4	\$142.2	(\$1.2)	-0.8%
Executive Chamber	\$25.7	\$27.5	\$1.8	7.0%
Office of the Lieutenant Governor	\$1.2	\$1.2	\$0	0.0%
Department of Financial Services	\$549.8	\$600.0	\$50.2	9.1%
Office of General Services	\$1,688.6	\$1,700.0	(\$26.6)	-1.6%
Office of Information Technology Services	\$1,230.6	\$1,200.6	(\$50.0)	-4.1%
Office of the State Inspector General	\$12.0	\$12.0	\$0.17	0.1%
Commission on Ethics and Lobbying	\$9.2	\$8.9	(\$0.3)	-2.7%
Department of State	\$807.1	\$727.6	(\$79.5)	-9.9%
Statewide Financial System	\$35.3	\$39.8	\$4.5	12.8%
Insurance and Securities Fund Reserve	\$1,515.0	\$1,515.0	\$0	0.0%
Total	\$6,747.3	\$6,800.7	(\$34.003)	-0.5%

Overview

The Executive Budget recommends \$6.8 billion in All Funds support for the agencies within the General Government functional area, which reflects a decrease of \$34 million from SFY 2025-26. This decrease is primarily due to a decrease in funding of \$79.5 million for the Department of State for the elimination of one-time funding for the underserved communities and civic engagement program, a decrease of \$50 million for the Office of Information Technology Services attributed to the discontinuation of one-time funding for a critical health and safety application mainframe upgrade, and a decrease of \$26.6 million for the Office of General Services, which is primarily attributed to the shifting of various capital projects to reappropriation spending.

These decreases in funding are offset by an increase of \$50.2 million in the Office of Financial Services to assist in implementing enhanced insurance actions as well as establishing the new Office of Digital Innovation, Governance, Integrity, and Trust, and an increase of \$39.7 for the Department of Audit and Control, to support IT infrastructure investments and the expansion of the Department's data center.

Alcoholic Beverage Control

The Executive Budget recommends \$132 million in All Funds support for the Division of Alcoholic Beverage Control (ABC), which is an increase of \$37.5 million or 39.6 percent from SFY 2025-26. This increase of \$37.5 million is attributed to an increase of \$20 million in local assistance funding for the Community Grants Reinvestment Fund for OCM, an increase of \$17 million in Capital funding for the development of OCM's Integrated Case Management Licensing System, and an increase of \$450,000 in State operations funding to support 11 new FTEs for the State Liquor Authority (SLA) licensing and enforcement. This level of funding for ABC would support 466 FTEs, which is an increase of 11 FTEs over SFY 2025-26.

The Office of Cannabis Management is provided \$25 million to support the Community Grants Reinvestment Fund, which is an increase of \$20 million over SFY 2025-26. The Community Reinvestment Fund provides grants to nonprofits to invest in communities disproportionately affected by drug policies.

Article VII

Extend Authorization for Temporary Retail Permits (PPGG Part N): The Executive Budget proposes to extend the SLA’s authorization to issue temporary retail permits to on-premises consumption applicants for an additional year, which is the same amount of time for which it was previously extended.

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

Modernize the Alcoholic Beverage Control Law (PPGG Part O): The Executive Budget proposes several technical amendments to the Alcoholic Beverage Control (ABC) Law to be administered by the State Liquor Authority (SLA), broken down into subparts:

Subpart A: Aligns the rules governing the payment to wholesalers for delivery of alcoholic beverages by a holder of a temporary retail permit to the rules governing payment by licensed premises for products from wholesalers. This would expand temporary retail permit holders’ payment options, such as being able to pay with credit cards for beer and wine product deliveries. They would also be subject to being placed on delinquency lists for nonpayment.

Subpart B: Prohibits any labelling statement, design, representation, or device that is intended to appeal to children and those under twenty-one years of age.

Subpart C: Gives the SLA the same power to determine the specific duration of a beer wholesaler license and license to sell beer and wine-products for off-premises consumption as it currently has for other beer license types. Other license types include brewer and farm-brewery licenses, vendors licenses, and licenses to sell beer for on-premises and off-premises consumption. This also allows SLA to extend the license duration to three years.

Subpart D: Allows manufacturers and wholesalers of liquor and wine to engage in channel pricing, which is charging a different amount to licensed off-premises retailers like liquor and wine stores, and on-premises retailers, like bars and restaurants. Currently charging different prices to different types of retailers in this manner is prohibited. Manufacturers and wholesalers would still be required to charge the same prices to retailers in the same channel that are similarly situated. The Executive also proposes to allow mix and match quantity discounts, which would allow offering discounts to retailers on products from the same manufacturer that fall under the same brand name but differ in vintages, age, or names.

Subpart E: Makes changes related to the direct delivery of alcoholic beverages to customers. This proposal adds references to the new direct shipment licenses approved in 2024 to the statute on prohibition on bringing alcoholic beverages into the State without consigning them to someone licensed to traffic in alcoholic beverages. A violation of this prohibition by an individual would be a class E felony. The only other felonies in the ABC Law are for having an illegal still or for illegally distilling liquor, and for a second violation of the prohibition of selling, manufacturing, or storing illicit alcohol.

The proposal amends the trucking permit to state that a holder of a trucking permit is not allowed to make deliveries to unlicensed individuals unless the delivery is happening as provided under an intra- and interstate direct delivery license. To make such deliveries, a trucking permit holder would need the driver or delivery staff to be certified under an alcohol training and awareness program. When making a delivery, the trucking permit holder is required to check photo identification to confirm age, require the customer to sign an acknowledgement of receipt and a certification that the delivered products will not be resold. They must refuse to deliver to an individual who appears to be under 21 years old and/or refuses to provide valid identification. Permit holders would be required to report to the SLA twice annually on direct deliveries, including the amounts delivered, the addresses and names of the recipients, the name and number of the direct shipment licensees, and the quantity and value of each delivery.

The proposal also allows warehouse permit holders to apply for a permit to become a fulfillment warehouse, which would allow them to package and ship alcoholic beverages sold by licensed retailers, manufacturers, or those with direct shipment licenses, to consumers in the State. These permits would last three years and cost \$2,100. Shipments would have to be conspicuously labelled with SLA approved labels. Fulfillment warehouses would be required to report to the SLA twice annually, on the licensees using the warehouse, the quantities in alcoholic beverages shipped in gallons, and the names and addresses of the delivery recipients, including the shipment dates and values.

Finally, the proposal updates the reporting requirements for interstate direct shippers, so they would be required to report twice annually to the SLA on the names and addresses to which they shipped, the value and amount of such shipments, and which common carriers delivered the shipments.

Subpart F: Makes permanent the authority of the SLA to issue liquor licenses to movie theaters. This authorization was included in the SFY 2024-25 budget and is set to expire in 2027.

Subpart G: Repeals a prohibition on having entrances into other interior parts of buildings placed on special liquor license holders from on-premises consumption and rules requiring certain doorways to be clear.

Subpart H: Allows bona fide hotels to be eligible not only for the regular on-premises liquor license if they have a restaurant, but also for the special license to sell liquor for on-premises consumption that still requires the sale of food for consumption on the premises. The threshold for food for special licensees is a lower threshold than a full restaurant's.

Subpart I: Expands the activities allowed under a micro-brewery, micro-distillery, or micro-rectifier license. This proposal allows these micro-business licenses to sell their products and other New York State labelled alcoholic drinks for on-and off-premises consumption in their licensed location. These licensees would also be able to conduct tastings, as long as they make food available during the tasting and also make sales for off-premises consumption at the State Fair, county fairs, or nonprofit farmer markets.

The proposal allows micro-brewers, micro-distillers, and micro-rectifiers to manufacture, bottle, and sell food condiments and other alcohol related foods, as well as sell gift items, and they could operate up to five branch locations located away from their licensed premises. Branch offices may not share space with or share a common entrance with any other business and the licensee would notify the SLA of the locations of such branches before beginning operations. Micro-distilleries and rectifiers could allow other businesses to be present within their licensed premises, subject to rules and regulations from the SLA.

Subpart J: Prohibits wholesalers from charging any fees to retailers for anything other than the purchase of products unless the SLA has promulgated rules and regulations allowing for such a fee, for which SLA can impose limitations, conditions, and recordkeeping requirements it deems appropriate.

Subpart K: Amends the tied-house prohibition on licensed manufacturers and wholesalers that have an ownership interest on any licensed retailers, by allowing the owners of manufacturers in and outside the State to have ownership stakes in up-to-three retail locations in the State. Currently, legislation exempting a specific location from the tied-house prohibition must be passed to allow for a licensed manufacturing location or a licensed retail location if the owner has an interest in both a manufacturing and retail location anywhere in the world.

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

SLA Licensing Modernization (PPGG Part P): The Executive Budget proposes to create several new alcoholic beverage license types, and to make changes to existing licenses, with the proposal broken down into several subparts:

Subpart A: Creates a new license type to allow adult care facilities to sell alcoholic beverages, including liquor, at any food and drinking establishments on their premises exclusively to residents and guests of residents or to sell for service alcoholic beverages to residents and their guests in any portions of their premises designated for the consumption of alcoholic beverages. The license would last three years, have a \$500 license fee, and the SLA would charge a \$200 initial application fee and a \$100 renewal fee.

Subpart B: Defines the term “airport lounges” as a premise in an airport owned, leased, or operated by a certified airline used to provide provisions and services. The proposal would allow for the on-premises retail of alcoholic beverages at a licensed airport lounge even if the lounge only serves alcohol to individuals with lounge access privileges, as long as the lounge also provides food in a manner consistent with all existing department of health regulations, though the sale of food is not required to guests buying alcohol.

Subpart C: Defines the term “cafe” as a place that serves light fare, and not necessarily full food entrees if the service of such light fare is the main source of income and the location complies with all applicable department of health regulations for the service of food.

Subpart D: Creates a liquor license for higher education institutions. This license would allow any colleges, universities, or places of higher education authorized to issue degrees to sell liquor, wine, beer, and cider for on-premises consumption during events on campus in licensed locations held periodically, where food is also served. The license also allows, following notice to the SLA, to serve liquor, wine, beer, and cider for on-premises consumption at special events such as meetings, seminars, and conferences occurring on campus at locations not included in the license, as long as the sale of alcohol is incidental to the event.

This license would also allow the licensee to manufacture up to 10,000 barrels of beer, 75,000 gallons of wine or cider, and 37,500 gallons of distilled spirits. The licensee would be able to hold tastings of its products on its licensed campus locations, at the State Fair, county fairs, and non-profit farmers' markets, and at events held by charitable organizations. A higher education licensee may sell its products to another licensed retailer if that retailer is also controlled by the college or university. A higher education licensee must notify the SLA of any events or tastings at least five days prior to the event. The tied-house prohibition would be in effect for the licensee’s alcoholic beverage officer, who would not be able to have an ownership interest in another retail or manufacturing license.

Subpart E: Creates a hotel concessionaire license that allows the sale of unopened alcoholic beverages from a concession or shop within a hotel to registered overnight guests of the hotel. This license would allow for the sale of alcoholic beverages except for liquor, containing no more than fifteen percent alcohol by volume and in containers not exceeding 750 milliliters. A licensed shop or concession must sell food; must be supervised by the licensee, a manager or employee at all times; sales can only be carried out by a person who has been certified in an alcohol training awareness program and the shop must verify identification using a scanner when conducting sales. A hotel that has active liquor licenses may apply for this license type. This license would last three years; the license fee amount varies by location. There is a \$100 initial application fee and a \$25 renewal fee.

Subpart F: Creates an early morning sports bar permit allowing for the on-premises consumption of alcoholic drinks, which would allow an already licensed location to be open and serving alcohol from the hours of seven o'clock in the morning to eight o'clock in the morning on Mondays through Saturdays and from seven o'clock in the morning to ten o'clock in the morning on Sundays, on days when a major professional or international sporting event is being televised during those morning periods Eastern Standard Time. This permit would last the length of the underlying license period of a location and would cost \$1,000. There would also be a \$20 filing fee.

Subpart G: Allows *all* beer wholesale licensees to be able to sell beer for off-premises consumption. Currently, brewers or wholly owned subsidiaries of brewers who have a distributor's license can sell beer for off-premises consumption, as well as beer wholesalers who were licensed prior to July 1, 1960, and who have continued to renew their license or to whom such a license was transferred. This proposal allows new beer wholesale licensees to authorize sales for off-premises consumption.

Subpart H: Allows cafes and airport lounges to obtain special on-premises liquor licenses, which is the same type of license available to most restaurants, theaters, and movie theaters, and is subject to municipal notice, the 200-foot and 500-foot rules, etc. The proposal also updates the section defining the SLA's enforcement powers to impose civil penalties on permit and license holders to reference a number of licenses and permits being created by the various Executive Budget proposals, as well as several licenses created in the last few years that had not been added in, like the direct interstate shipment licenses, and various special farm wine license types.

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

Eliminate Outdated Restrictions on Dancing (PPGG Part Q): The Executive Budget proposes to create a new type of liquor license called the Dine and Dance license, which would be available to locations that serve food alongside having live music, DJ music, or prerecorded music and providing a space for patrons or employees to dance, though exotic dancing is prohibited. The SLA can currently issue a cabaret liquor license to locations that provide musical entertainment and dancing, but only if that location can accommodate 600 or more people. This license type would not have a capacity limitation. Cabaret licenses also do not require the sale of food, unlike this license type. The Dine and Dance license would allow such premises to sell liquor and all other types of alcoholic beverages for on-premises consumption.

The Dine and Dance license would be subject to municipal notice requirements, the 200-foot rule from schools and houses of worship, and the 500-foot rule from three or more other on-premises liquor licensed locations. The SLA would also be able to issue temporary permits to applicants for this license type. The SLA would use the public interest test when determining whether to grant this type of license and must show good cause to refuse to issue one. The fee for this license type would be the same as for the regular liquor license, and the license would last for two years.

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

Department of Audit and Control (Office of the State Comptroller)

The Executive Budget recommends \$643.4 million in All Funds support for the Department of Audit and Control, an increase of \$39.7 million or 6.6 percent from SFY 2025-26. This increase in funding is attributed to \$25.5 million in general salary increases, and 13 new FTEs. Within the increase, \$12.2 million would support various project upgrades including \$2.2 million for the Rensselaer Technology Park expansion, and \$2.4 million would be for OSC's new office space in Brooklyn. This level of funding would support 2,940 FTEs.

Division of the Budget

The Executive Budget recommends \$50.5 million in All Funds support, a decrease of \$620,000 or 1.2 percent from SFY 2025-26. This reduction in funding is attributed to the elimination of membership dues for the Council on State Governments, the National Conference of Insurance Legislators, and the National Conference of State Legislature. These membership dues have been traditionally supported by Legislative additions. This level of funding would support 292 FTEs for the Division of the Budget, which is consistent with SFY 2025-26 enacted levels.

State Board of Elections

The Executive Budget proposes \$142.2 million in All Funds support, a decrease of \$1.2 million or 0.8 percent from SFY 2025-2026. This decrease of \$1.2 million is primarily attributed to the elimination of a \$1 million legislative addition to support local boards of elections, including New York City local board of elections. The Executive Budget includes \$1 million in federal funding for the Help America Vote Act (HAVA), which is a reduction of \$2.4 million from SFY 2025-26 Adopted Level, however the Executive Budget includes \$3.4 million in reappropriation authority for HAVA activities. The SFY 2026-27 Executive Budget does not provide any new Capital funding but does reappropriate \$27.7 million to continue to build an online and automatic voter registration system. This level of funding supports 228 FTEs, which is consistent with SFY 2025-26 Adopted levels.

Article VII

Preventing Voter Suppression & Deception in Elections (PPGG Part R): The Executive Budget proposes creating several new criminal offenses including a class A misdemeanor for individuals, organizations, corporations, or other entities who knowingly engage in acts of intimidation, deception, or obstruction that affect the right of voters to access the elective franchise; a class B misdemeanor for any attempt to commit such an offense; and a class D felony for subsequent convictions. Criminal liability for conduct of another and conspiracy can also apply to prosecutions under this section. The Executive additionally proposes that the Attorney General will have concurrent jurisdiction with District Attorneys to prosecute such offenses.

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

Protecting Elections from Misleading or Deceptive AI Content (PPGG Part S): The Executive Budget proposes requiring distributed or published political communications that are materially deceptive to include provenance data, to the extent it is technically feasible and reasonable. Materially deceptive media means an image, video, audio, text, or any technological speech or conduct that is fully or partially created or modified and that: (i) is visually indistinguishable from reality to a reasonable person; (ii) depicts a scenario that did not occur or significantly altered the scenario; and (iii) is created by or with software, AI, or any other computer-generated or technological means. Provenance data includes unique devices, systems, or service information that is reasonably capable of being associated with a particular user who created or modified the digital content. The Executive also proposes that a person or entity may not distribute or enter into a contract to distribute materially deceptive media if the person or entity knows or should know that the item is materially deceptive media and the distribution: (i) takes place within 90 days before an election, (ii) is made without express written consent from any depicted individual, and (iii) is made with the intent to influence the result of the election.

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

Executive Chamber

The Executive Budget recommends \$27.5 million in All funds support for the Executive Chamber, an increase of \$1.8 million or 7 percent from SFY 2025-2026. This increase of \$1.8 million includes \$700,000 for general salary increases and \$1.1 million for additional FTEs to bring staffing levels to full budgeted fill levels of 168 FTEs.

Office of the Lieutenant Governor

The Executive Budget proposes \$1.2 million in All Funds support for the Office of the Lieutenant Governor, which is consistent with SFY 2025-2026 Enacted Levels. This level of funding for the Office of the Lt. Governor supports 10 FTEs, which is consistent with SFY 2025-26 enacted levels.

Department of Financial Services

The Executive Budget proposes \$600 million in All Funds support for the Department of Financial Services, an increase of \$50.2 million or 9.1 percent from SFY 2025-26. This increase is due to enhanced regulatory actions related to insurance reforms proposed in the Executive Budget and establishes the Office of Digital Innovation, Governance, Integrity, and Trust to oversee other commercial entities like AI developers and data brokers. The Executive Budget proposes \$21.2 million for the new office and \$7 million to support the office's FTEs. This level of funding supports 1,493 FTEs, which is an increase of 52 FTEs over SFY 2025-26 enacted levels.

Article VII

Regulation of Data Brokers – “Data Broker Accountability Act” (TED Part AA): The Executive Budget proposes establishing a regulatory framework for businesses that collect and sell consumers' personal information. The proposal applies to businesses and their affiliates doing business in the state that meet at least one of the following: having over \$25 million in annual revenue in the prior year; buying, selling, or sharing the personal information of at least 100,000 consumers; or deriving at least 50 percent of annual revenue from data brokering activities. Data brokers must register annually with the Department of Financial Services (DFS) by July 1 of the year after which the business meets the data broker definition and disclose details of data collection and sales practices, including the types of sensitive data collected and methods for opting out.

The proposal requires DFS to create a publicly accessible website for data broker registration information, and a deletion mechanism for consumers to request deletion of their personal information. Data brokers must check for deletion requests at least once every 45 days for deletion requests and must delete the requesting consumer's personal information within 45 days thereafter. Exceptions to the deletion requirement include circumstances where reasonably necessary for: completing the transaction for which the personal information was collected; ensuring security and integrity; debugging or repairing errors; exercising free speech; complying with a legal obligation, court order, or subpoena; or cooperating with law enforcement. Data brokers must also publicly post their privacy policy, disclose deletion request metrics, and undergo a third party audit every three years.

Data brokers will pay DFS's costs of administering the program, with fees assessed on a pro-rata basis. The proposal also contains exemptions for entities covered by certain federal laws such as the credit ratings agencies, financial institutions, and certain healthcare entities and health information, as well as governmental and certain public service entities.

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

Premium Increase Explanations (TEDE Part BB): The Executive Budget proposes requiring insurers to provide auto insurance and homeowners/residential property insurance policyholders with explanations when premiums increase. If a covered policy premium increases by more than ten percent, the insurer must include the amount of the increase and a written explanation of the primary rating factors causing the increase on the premium bill or declarations page. For policies covering motor vehicles or residential real property with increases of ten percent or less, insurers must include a notice that policyholders can request a written explanation of any increase, which the insurer must provide within 20 days.

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

Homeowners' Insurance Loss Ratio Benchmark (TEDE Part CC): The Executive Budget proposes requiring large homeowners' insurance companies, defined as those with gross homeowners' insurance premiums totaling ten million dollars or more, to resubmit rates for approval if their actual loss ratios for the past two years fall below a benchmark to be set by the Department of Financial Services (DFS). DFS is tasked with conducting a study to determine appropriate benchmark loss ratios. The proposal also adds a provision stating that individuals are only entitled to personal property and liability coverage when they have a legitimate right to the property.

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

Automatic Property Insurance Premium Reductions (TEDE Part DD): The Executive Budget proposes requiring insurers to offer discounts on risk mitigation measures for both residential and commercial property insurance. Insurers must provide at least one discount when the property includes fire prevention or mitigation improvements, theft prevention or mitigation measures, water damage prevention devices, and wind damage mitigation improvements to roofs. Similar discounts must also be offered for commercial property insurance, including coverage for public entities. Discounts apply to fire prevention, theft prevention, water mitigation, roof and wind improvements, and hurricane-resistant laminated glass windows or doors, with standards for installation established by the Department of Financial Services. Insurers must disclose, on policy declarations pages, the total dollar value of discounts applied and provide a notice summarizing all available discounts. Insurers must also report annually to the Superintendent on all discounts offered, amounts, the number of insureds receiving them, and the zip codes of insured properties.

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

Litigation Reform (TEDE Part EE): The Executive Budget proposes narrowing the definition of “serious injury” as it pertains to motor vehicle injuries. It would remove auto insurance coverage for certain “non-permanent” injuries that temporarily limit daily activities and instead focus on significant injuries. The Executive also proposes limiting recovery for non-economic damages to serious injuries or basic economic loss and adds a \$100,000 cap on non-economic damages for serious injuries resulting from use of an uninsured vehicle, operation while impaired, or operation during the commission of a felony. Under this proposal, a claimant cannot recover damages for personal injury if their own fault is greater than the fault of the person or persons they are claiming against (this is commonly referred to as a modified comparative fault standard).

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

Reporting Suspected Insurance Fraud (TEDE Part FF): The Executive Budget proposes extending the timeframe insurers have to report suspected fraud from 30 days to 60 days. The proposal further states that the insurer is not barred from issuing a denial or asserting a defense after the 30-day period in cases where the insurer fails to pay a claim or issue a denial within 30 days after the claimant submits proof of loss.

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

Reporting Requirements for Multifamily Housing Insurers (TEDE Part GG): The Executive Budget proposes requiring insurers that cover residential properties with two or more dwelling units to file an annual report with the Department of Financial Services (DFS). The report must be public and must include premiums collected, claims paid, and any other information DFS deems necessary.

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

Dashboard Camera Premium Reductions for Automobile Insurance (TEDE Part II): The Executive Budget proposes requiring motor vehicle insurers to offer premium discounts for vehicles equipped with a dashboard camera. The dashboard camera must be capable of continuous loop recording with a minimum resolution of 1080p that captures footage of the road ahead. To qualify, policyholders must submit proof of installation and operation of the camera. Failure to maintain an operational device results in forfeiture of the discount at the next renewal unless compliance is later demonstrated and the discount is reinstated.

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

Protect Private Education Loan Borrowers and Cosigners (TEDE Part JJ): The Executive Budget proposes to require private student lenders and loan servicers to provide clear disclosures and protections for borrowers and cosigners, including specific and reasonable criteria for cosigner release from the loan. Private student loans made after the law’s enactment cannot require proof of more than 24 payments, or their equivalent, as part of the criteria for cosigner release. A private student lender must also send the borrower and cosigner written notification when the cosigner is eligible for release within 30 days, and provide notification if an application for cosigner release is incomplete, approved, or denied.

The proposal also requires specific information to be provided to cosigners at loan origination and thereafter, including information on cosigner obligations, risks, and rights. The proposal also prevents lenders from imposing requirements that permanently preclude cosigner release and requires lenders to notify the borrower or cosigner when they request an action that would negatively affect their eligibility for cosigner release.

The proposal also requires lenders to disclose the benefits and options that a borrower may forego by refinancing a federal student loan to a private one. Enforcement is placed with DFS and includes penalties of up to \$2,500 per day for each violation, and up to \$10,000 for willful violations.

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

Extend the Excess Profit Law for Automobile Insurance (TEDE Part KK): The Executive Budget proposes extending, until June 30, 2029, existing law requiring that motor vehicle insurers establish a fair, practicable, and nondiscriminatory plan for refunding or crediting policyholders their share of any excess profits. Current law defines “excess profit” as profits exceeding a reasonable rate of return on net worth for such policies, as determined by the Department of Financial Services (DFS). The Excess Profit Law expires on June 30, 2026.

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

Office of General Services

The Executive Budget proposes \$1.7 billion in All Funds support for the Office of General Services (OGS), which is a decrease of \$26.6 million from the SFY 2025-2026 enacted levels. This decrease in funding is attributed to a decrease in Capital funding of \$48.5 million, for projects being cashed out of reappropriation authority, and not the elimination of any projects currently under way. This decrease of \$48.5 million in Capital appropriations is offset by an increase of \$21.8 million in General Fund spending for lease space, building maintenance and State fleet upgrades. The Executive Budget also includes \$5 million in reappropriation authority for the Reparations Commission. This level of funding for OGS would support 2,055 FTEs, which is 31 FTEs over the SFY 2025-26 enacted levels.

Article VII

Modifying Comptroller Procurement Oversight (PPGG Part Y): The Executive Budget proposes to increase the discretionary purchasing threshold, which is the amount that can be spent without requiring a contract to receive approval from the Office of the State Comptroller (OSC), for State agencies. The regular discretionary threshold for agencies would be increased from \$50,000 to \$300,000, the threshold for OGS and customer agencies of its Business Services Center would be increased from \$85,000 to \$300,000, and the threshold for purchases made using OGS centralized contracts would be increased from \$125,000 to \$300,000. In addition, the proposal would remove the requirement that OSC approve any purchase order or other procurement transaction from OGS centralized contracts valued at \$200,000 or more, which means that any orders based off OGS centralized contracts would no longer be approved by OSC.

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

Extend the Procurement Stewardship Act (PPGG Part CC): The Executive Budget proposes legislation extending the Procurement Stewardship Act for five years until June 30, 2031. The Procurement Stewardship Act establishes the framework in the State Finance Law for public commodities, services, and technology procurements by different methodologies like preferred source, lowest cost, best value, and identifying responsible and responsive bidders. This was last extended for five years in 2021 in the adopted budget.

Fiscal Impact: The Executive does not include a fiscal estimate for this proposal.

Office of Information Technology Services

The Executive Budget proposes \$1.2 billion in All Funds support for the Office of Information Technology Services, which is a decrease of \$50 million from SFY 2025-2026 Enacted Levels. The decrease in funding is attributed to the discontinuation of a one-time addition for upgrading a mainframe that supports critical health and safety applications. This level of funding for the Office of Information Technology Services supports 4,158 FTEs, which is consistent with SFY 2025-26 enacted levels.

Office of the State Inspector General

The Executive Budget recommends \$12 million in All Funds support for the Office of the State Inspector General, an increase of \$17,000 or 0.1 percent over SFY 2025-2026. This level of funding for the Office of State Inspector General would support 107 FTEs, which is an increase of two FTEs over SFY 2025-26 enacted levels.

Commission on Ethics and Lobbying (COELIG)

The Executive Budget proposes an All Funds appropriation of \$8.9 million, a net decrease of \$250,500 or 2.7 percent compared to SFY 2025-26. This net decrease is attributed to a \$253,000 increase in personal services costs, which is offset by a \$500,000 decrease in non-personal services due to the elimination of one-time funding for contractual legal service liabilities for COELIG, which were paid in SFY 2025-26. The Executive Budget proposal supports a workforce of 68 FTEs, unchanged compared to SFY 2025-26.

Article VII

Charge Fees for Ethics Lobbying Training Noncompliance (PPGG Part U): The Executive Budget proposes to allow COELIG to adopt regulations and procedures for the mandatory ethics training that registered lobbyists and their clients must complete, including but not limited to setting completion deadlines for the training. Starting in the two-year period of 2027 and 2028, all lobbyists and clients will be required to complete the training once every two years. Currently, lobbyists and clients must complete the training once every three years. COELIG would be allowed to impose a penalty for the failure to complete this training in time of up to \$25 a day.

Fiscal Impact: The Executive estimates this proposal would increase revenue by \$750,000 in State Fiscal Year 2026-27

Streamline the Annual Financial Disclosure Statement (PPGG Part V): The Executive Budget proposes to amend the annual financial disclosure statement, which must be filed by statewide elected officials, members of the Legislature, state officers and employees whose salary exceeds \$115,252, designated policymakers, as well as by certain political party chairs. This proposal would remove definitions that are duplicated from Public Officers Law (POL) Section 73, referring instead to the definitions in POL section 73, unless this section of Law uses a different definition. The proposal makes concurring changes to several sections in the Tax Law that reference definitions affected by this change.

The proposal consolidates the two tables of values used to categorize various assets and business holdings into one table, and increases the value threshold and makes concurring changes throughout the disclosure statement. These table values were last updated in 2011. The proposal merges several questions where the current disclosure statement asks separate questions for the filer, their spouse, and relatives. Questions that are split between different times periods are also merged. The question asking for disclosure of digital financial assets is merged with the question asking about other securities. It also doubles the threshold for debts and liabilities that a filer has to report from \$10,000 to \$20,000. The proposal simplifies the language used, such as now referring to “you” as opposed to “the reporting individual” when asking questions about the person filing. All these changes would go into effect on January 1 after the budget is adopted.

Increase Lobbyist Registration Fees (PPGG Part Z): The Executive Budget proposes to require lobbyists to pay an annual registration fee of \$250, starting with any registrations filed after April 1, 2026. Lobbyists who in a year expend, incur, or receive less than \$5,000 of reportable expenses or compensation are exempt from this proposed fee, as they are under current law. Currently, lobbyists must pay a \$200 registration fee for a biennial period, with the fee prorated to \$100 for someone who registers after January 1 of the second year of a biennial period.

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

Extend Procurement Lobbying Law and Increase Contract Threshold (PPGG Part BB):

The Executive Budget proposes to extend the Procurement Lobbying Law, which currently expires on July 31, 2026, by five years, to July 31, 2031. The proposal also increases the dollar value threshold for what contracts are covered by this law, from contracts with an annual expenditure valued at over \$15,000, to contracts valued at over \$50,000. The Procurement Lobbying Law governs contacts and communications between State entities, including the Unified Court System and the Legislature, and bidders and other private parties, during the procurement process, and gives COELIG the power to impose fines and penalties against parties that conduct improper communications during the procurement process. This Law was established in 2005. It was last extended in 2021 for five years, and the contract threshold has remained unchanged since 2005.

Fiscal Impact: The Executive estimates this proposal would have a \$300,000 in revenue for the State in fiscal year 2027 and no fiscal impact on local government.

Department of State

The Executive Budget recommends \$727.6 million in All Funds support for the Department of State, which is a decrease of \$79.5 million or 9.9 percent from SFY 2025-26 Enacted Levels. This decrease is attributed to the elimination of \$97.7 million in legislative additions as well as other reductions for various other programs. This reduction includes the elimination of the Community Engagement and Capacity Building Program, resulting in a \$90 million decrease in appropriations. These reductions are offset by \$18.6 million in program increases, including \$6 million in additional capital funding for the Public Authorities Reporting Information System (PARIS).

The Executive Budget proposes \$76.8 million in all funds support for the Office of New Americans (ONA), including \$64.2 million to provide various services and programs for immigrants residing in New York, \$7.87 million for reimbursement of migrant services incurred by the Office of Temporary and Disability for 2024 and 2025 years. The Executive budget maintains \$5 million in funding for the Office of Faith and Nonprofit Development Services, of which \$1.5 million will support staffing and equipment, and \$3.5 million will support local assistance grants.

The Executive Budget proposes \$208 million in capital funding, which is an increase of \$6 million over SFY 2025-26 enacted levels. This funding would support \$200 million for a new round of funding for the Downtown Revitalization Initiative and NY Forward, \$6 million in new capital for PARIS, and \$2 million for cemetery maintenance and repairs.

The Executive Budget proposes \$221.9 million on State operations funding, which is an increase of \$1.3 million from SFY 2025-2026 enacted levels. This increase is primarily attributed to increases in contractual services. This level of funding includes \$1.1 million for continued support of the New York State Commission on African American History, and \$1.47 million for Asian American Pacific Islander Commission. Overall funding supports 700 FTEs for the Department of State, which is consistent with SFY 2025-26 enacted levels.

Article VII

Labeling for AI-Generated Content- Digital Content Provenance Act (TEDE Part X): The Executive Budget proposes the Digital Content Provenance Act to require providers of generative AI systems (or “synthetic content creation systems”) to include provenance data, which is defined as a cryptographically bound record of a piece of the content origin and history of modification, including when a generative AI system was used in its creation or editing. This record must include information on the content’s origin or creation, subsequent modifications to the content or its metadata, and any use of a synthetic content creation system. It cannot include personally identifying information unless the user affirmatively opts in.

Content creation providers must also give users the option to add a clear and conspicuous manifest disclosure on images, videos, and audio files that identifies the content as AI-generated, and they must make a publicly available free provenance reader tool available that can display any embedded provenance data while not revealing personal or device-linked information unless the user opts in.

Online platforms that host content creation systems must, to the extent technically feasible and reasonable, detect whether standards-compliant provenance data is embedded in content on the platform, and make a provenance reader interface available that provides for disclosing provenance data. Users must be able to inspect this information either directly through on-platform tools or by downloading the content to access the data via external or third-party applications.

The Attorney General (AG) is authorized to enforce violations, including the power to pursue injunctions against continuing or repeat violations and civil fines of up to \$5,000 per violation, though the proposal also provides an opportunity to cure violations within 30 days of receiving notice from the AG. This proposal does not apply to services like standard video games or TV/movie streaming that do not let users create, upload, or share their own content.

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

Establish the Safe by Design Act (TEDE Part Y): The Executive Budget proposes to establish safety and design standards for social media and online platforms to protect minors physically located in New York. This proposal largely applies to online platforms that are used by covered minors in the state, allows users to construct a public or semi-public profile, offers public or private messaging, allows creation and posting of media, or allows users to create games or immersive digital environments for other users and offers mechanisms to exchange money for digital currency.

The proposal requires platform operators to conduct age assurance, as well as prohibiting them from allowing users who are not already connected to a minor to communicate or interact with a minor without parental consent. There are also additional protections for platform users who are under 13 years old, including potential spending and communications limits. Platform operators must, by default, also disable any integrated AI companions for minors. “Age assurance” means any method to reasonably determine whether a user is a minor, which is based off the SAFE for KIDS Act that was adopted in 2024 to regulate addictive social media feeds, and the proposal provides similar rulemaking authority for the AG to identify commercially reasonable age assurance methods. Information collected for age assurance purposes must be deleted immediately after the attempt to determine a user's age, except where necessary to comply with other laws.

The proposal also prohibits operators from using mechanisms or design features that undermine or subvert the bill’s purposes and bars them from withholding, degrading, or increasing the price of products or features because the user is covered under the bill. The AG is authorized to pursue injunctions, restitution, and civil penalties of up to \$5,000 per violation to enforce the law, and is directed to maintain a website to receive complaints and information related to the platforms.

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

Prohibiting Misleading Discounts in Sales (TEDE Part Z): The Executive Budget proposes prohibiting retail sellers from knowingly advertising a discount from a former price unless that former price was the actual, bona fide price at which the seller previously offered the product openly and in good faith. The proposal specifies that whether a former price is “actual” and “bona fide” is evaluated using a non-exhaustive list of factors, including whether the former price exceeds the retailer’s usual and customary markup for similar merchandise, whether substantial sales actually occurred at that former price in the regular course of business, how long the former price was openly offered to the public, and how recently the former price was used before the advertised discount.

A violation of these advertising standards constitutes a deceptive act under the General Business Law 349, authorizing the Attorney General to bring enforcement actions seeking injunctive relief, and civil penalties, and permits a private right of action for individuals harmed for actual damages or \$50, whichever is greater.

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

Statewide Financial System

The Executive Budget recommends \$39.8 million in All Funds support for the Statewide Financial System, which is an increase of \$4.5 million or 12.8 percent from SFY 2025-2026 Enacted Levels. This increase of \$4.5 million is for a new oracle contract and license. This level of funding supports 147 FTEs, which is consistent with SFY 2025-26 Enacted Levels.

Miscellaneous – Data Analytics

The Executive Budget provides no new funding for SFY 2026-27 which is consistent with SFY 2025-26 Enacted Levels. The SFY 2026-27 Executive Budget includes \$18.9 million in reappropriation authority for this purpose.

Insurance and Securities Fund Reserve

The Executive Budget recommends \$1.5 billion for the Insurance and Securities Fund Reserve Guarantee, which is consistent with SFY 2025-2026 Enacted Levels. This program provides contingency appropriation authority based on assessments placed on insurers and financial institutions that will allow the State to fulfill claims in the event an entity becomes insolvent or defaults on obligations.



HEALTH



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Health Fact Sheet

Appropriations

- **Hospital Operating & Capital Funding:** The Executive Budget proposes \$2.6 billion in Hospital funding, including \$1.3 billion for the Safety-Net Transformation Program (SNTP).
- **HPNAP & Nourish New York:** The Executive Budget proposes \$137.8 million to support grants to address food insecurities. The Executive proposal includes \$72.8 million for Hunger Prevention and Nutrition Assistance Program (HPNAP), \$55 million for Nourish New York (NNY) and \$10 million in new capital funding for Providing Local Access to Essential Substances (PLATES). This is an increase of \$25 million in base funding compared to SFY 2025-26.
- **Reproductive Health Grants:** The Executive Budget provides \$55 million to support grants to reproductive health care providers, a decrease of \$5 million compared to SFY 2025-26.

Article VII

- **Health Care Transactions:** The Executive Budget proposes expanding oversight of financial transactions by health care entities.
- **Medical Indemnity Fund (MIF):** The Executive proposes reducing most MIF reimbursement rates to Medicare and Medicaid levels.
- **Temporary Staffing Agencies:** The Executive proposes allowing the Department of Health to establish profit caps for healthcare staffing agencies.
- **Independent Dispute Resolution:** The Executive proposes removing Medicaid and emergency services from the Independent Dispute Resolution (IDR) process and adding the Empire Plan. It would also modify the IDR process.
- **Long Term Care:** The Executive proposes restoring the 10% reduction to the nursing home capital rate add-on enacted in the SFY 2025 budget.
- **Managed Care:** The Executive proposes extending the cooling off period, which requires providers and insurance plans to continue to abide by expired contracts during negotiations.
- **Hospital at Home:** The Executive proposes allowing general hospitals to provide medical care within the home without securing a home care agency license.

Health Agency Details

Health Agency All Funds Appropriations (\$ in Millions)				
	SFY 2025-26 Available Funds	SFY 2026-27 Executive Budget Proposal	\$ Change	% Change
Department of Health (DOH)	\$136,310	\$136,502	\$192	0.14%
State Office for the Aging (SOFA)	\$433.9	\$435.8	\$1.9	0.44%
Office of Medicaid Inspector General (OMIG)	\$59	\$71	\$12	20.30%
Total Health	\$136,803	\$137,009	\$206,213	0.15%

Overview

The Executive Budget proposes All Funds appropriations of \$137 billion for all health agencies, an increase of \$206.2 million or less than one percent compared to SFY 2025-26. The \$137 billion includes \$3.8 billion for State Operations, \$131.8 billion in Aid to Localities, and \$1.4 billion for Capital Projects. The increase is mainly attributed to spending growth in the Medicaid program and additional investment in operating and capital support for hospitals and nursing homes.

Department of Health (DOH)

The Executive Proposes All Funds appropriations of \$136.5 billion, a net increase of \$192.3 million, or less than one percent, compared to SFY 2025-26. The All Funds appropriations include \$3.7 billion in State Operations, \$131.4 billion in Aid to Localities, and \$1.4 billion in Capital Projects. The \$192.3 million increase includes a \$54.1 million decrease to State Operations, a \$387.3 million increase to Aid to Localities, and a \$141 million decrease to Capital Projects. The Executive's Proposal supports a workforce of 6,220 FTEs, an increase of 11 FTEs compared to SFY 2025-26.

Health Care Enrollment: The Executive Budget proposal projects a total enrollment of 8.8 million individuals enrolled in a public healthcare program by the end of SFY 2026-27 (March 31, 2027), a decrease of nearly 344,000 enrollees compared to the end of SFY 2025-26 (March 31, 2026). This enrollment consists of individuals enrolled in Medicaid, the Essential Plan (EP) and Child Health Plus (CHP). The Executive reports; elevated enrollment, changes in federal aid and eligibility criteria continue to adversely impact the Financial Plan. The Executive estimates that up to 1.3 million EP enrollees are at risk of coverage disruption because of H.R.1, which may lead to some enrollees completely losing health coverage in SFY 2026-27. DOH has submitted a request to CMS for federal approval to shift EP enrollees back to Section 1331 of the Affordable Care Act. Basic Health Plan (BHP) to minimize this risk. This would have a possible impact on the Financial Plan if approved.

The Executive Budget proposal projects the following enrollment by the end of SFY 2026-27:

- Medicaid: 6.8 million enrolled, an increase of 15,000 compared to SFY 2025-26.
- Essential Plan: 1.4 million enrolled, a decrease of 355,088 compared to SFY 2025-26.
- Child Health Plus: 557,000 enrolled, a decrease of 4,000 compared to SFY 2025-26.

Medicaid: The Executive Budget proposes \$122.6 billion in All Funds Medicaid spending, a decrease of \$3.4 billion or 2.7 percent compared to SFY 2025-26. This includes \$65.1 billion federal-share, a decrease of \$7.8 billion and \$48.5 billion state-share, an increase of \$4.4 billion compared to SFY 2025-26. The Executive Budget projects All Funds Medicaid spending will grow to \$128.8 billion by SFY 2029-30.

Medicaid Global Cap: The Medicaid Global Cap is determined using a five-year rolling average of healthcare spending projections. The Global Cap Index is revised based on updated Centers for Medicare & Medicaid Services (CMS) annual projections of healthcare spending. The Executive Budget proposal estimates spending growth of \$2.1 billion, bringing the Global Cap to \$28.6 billion in SFY 2026-2027. The Executive Budget proposal estimates that \$29 billion or 75 percent of total DOH State-share spending will be subject to the Medicaid Global Cap in SFY 2026-27.

Local Growth Takeover: The Executive Budget proposes that the State continue to assume nearly \$9.2 billion in costs in SFY 2026-27 that would have otherwise been borne by localities. There has been \$62.8 billion in savings for localities since 2015 due to the State takeover.

Hospital Funding: The Executive Budget proposes \$1.6 billion in state-share hospital base operating funding, which includes financially distressed hospitals. This represents a decrease of \$500 million due to the elimination of an SFY 2024-25 supplemental investment.

Budget Actions: The Executive Budget estimates that Medicaid spending is projected to stay within the allowable Global Cap in SFY 2026-27 and will exceed the Global Cap by \$2.9 billion in SFY 2027-28, absent any additional administrative or statutory budget actions. The Executive proposes the following administrative budget actions to bring spending within the allowable Global Cap in SFY 2026-27:

- \$25 million decrease in spending attributed to Pharmacy Initiatives to reduce drug costs by directing DOH to negotiate with manufacturers to secure discounts for the State.
- \$20 million reallocation of Nursing Home VAPAP funding. This funding will be repurposed to support the restoration of the Nursing Home Capital Rate increase, providing \$28 million total in SFY 2026-27.
- \$17.9 million reduction in spending attributed to Medicaid Enterprise Client Management (MECM) System.
- \$7.5 million decrease in spending attributed to Standardizing Personal Care Fee-For-Service Administrative Reimbursement at 15 percent of total costs.
- \$2.5 million decrease in spending attributed to Health Home program reforms, which seeks to maximize resources for higher acuity children and adults by modifying eligibility criteria.

The MCO Tax collection is set to expire in SFY 2025-26, as a result of H.R.1. The Executive has requested approval from CMS to continue collection beyond April 1, 2026. The Financial Plan does not assume collection will continue beyond SFY 2025-26. As such, the Executive Budget proposes an updated spending plan for the Healthcare Stability Fund (HSF), which is supported by the Managed Care Organization (MCO) tax revenue anticipated prior to SFY 2026-27. In addition, the Executive Budget proposes a transfer of \$750 million in General Fund dollars into the HSF to offset a loss in MCO Tax receipts. The Executive Budget proposes \$2.1 billion in spending in SFY 2026-27.

The Executive Budget proposes the following:

- \$750 million for Targeted Healthcare Investment.
- \$500 million for the remaining Global Cap deficits.
- \$330 million in operating to support the Safety-Net Transformation Program.
- \$193 million investment in Nursing Homes.
- \$155 million to support investment in hospitals for rate increases.
- \$50 million to support an increase in the Medicaid physician fee schedule.
- \$50 million for Mainstream Medicaid Managed Care Quality Pool Program.
- \$20 million to support clinics and Federally Qualified Health Centers.
- \$15 million for value-based incentive payments.
- \$8 million for Assisted Living Programs.

Health Care Reform Act (HCRA): The Executive Budget proposes \$7.9 billion in Health Care Reform Act (HCRA) spending, a decrease of \$10 million compared to SFY 2025-26.

The Executive Budget proposes HCRA funding will be used to support the following:

- \$4.9 billion to continue support for Medicaid Assistance spending.
 - \$150 million for Distressed Provider Assistance, hospital operating funding.
- \$1.4 billion for the Child Health Plus (CHP) program.
- \$631 million for hospital indigent care.

Public Health: The Executive proposes \$2.7 billion to support various Public Health programs, a decrease of \$355 million or 11.6 percent, compared to SFY 2025-26. The Executive Budget proposes the following:

- \$212 million in Rural Health Transformation Program (RHTP); federal funding includes \$21 million for State Operations and \$190.9 million for provider grants.
- \$138 million total funding to support nutrition assistance programs.
- \$72.8 million total for Hunger Prevention and Nutrition Assistance Program (HPNAP), an increase of \$15 million compared to SFY 2025-2026.
- \$55 million total for Nourish New York, unchanged compared to SFY 2025-26.
- \$10 million total new capital funding to support Providing Local Access to Essential Sustenance (PLATES) program, providing capital equipment grants to food banks.
- \$75 million increase to support the Medical Indemnity Fund (MIF) to keep the MIF open to new enrollees through SFY 2026-27, subject to additional savings achieved through reforms proposed in Article VII proposal HMH Part I.
- \$5 million decrease for reproductive health programs grants, providing a total of \$55 million in SFY 2026-27:
 - \$25 million for the Reproductive Equity and Freedom Grant Program.
 - \$20 million for abortion medication care grants.
 - \$10 million for Reproductive Health Facilities capital grants, a \$5 million decrease compared to SFY 2025-26.
- \$7 million increase for improving vital records access.
- \$5.9 million total funding to support Choose Health Life.
- \$4.7 million increase for storage and disposal of seized illegal vapor products.
- \$4 million increase for enabling transformation of the healthcare delivery system.
- \$1.5 million increase for expanding the use of artificial intelligence (AI) technology in healthcare.
- \$1.3 million increase for radiological health protection investment.
- \$500,000 increase to support Transgender and Gender Non-Conforming Wellness and Equity Fund, providing a total of \$2.9 million.
- \$230,000 increase for asbestos safety training program investment.
- \$100,000 increase for reading and language acquisition equality for deaf children.
- \$28.3 million decrease due to the elimination of legislative grants.
- \$13.45 million decrease attributed to the elimination of \$7.7 million in non-core programs (HMH Part E) and \$5.8 million in other non-core programs.

Health Capital Funds: The Executive Budget proposes an All Funds appropriation of \$1.4 billion for Capital Projects, a net decrease of \$141 million or 9 percent compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$1 billion in renewed funding for the Safety-Net Hospital Transformation Program to support additional transformation projects and encourage partnerships between safety-net hospitals. Funding will be available to support multi-year projects.
- \$3.2 million in new funding for emergency medical services modernization.
- \$95 million decrease in Safe Drinking Water Resolving funding. This includes an \$85 million decrease in federal funding, providing \$260 million total in SFY 2026-27.
- \$50 million decrease in the maintenance and improvements of existing institutions.
- \$5 million decrease in the Statewide Health Information Network for New York.

Article VII

Medicaid Global Cap Extender (HMH Part A): The Executive proposes extending the Medicaid Global Cap through SFY 2027-28.

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

Health Related Extenders (HMH Part B): The Executive Budget proposes the following:

- *Section 1:* Extends the Medicaid Managed Care Program authority to March 31, 2032.
- *Section 2:* Extends authority to charge Medicaid copays to March 31, 2032.
- *Section 3:* Extends the Comprehensive Health Services Program to March 31, 2029.
- *Section 4:* Permanently authorizes the use of funds from the Office of Professional Misconduct for the New York State Physician Profile website, which allows the public to access review information on physicians in the state.
- *Section 5:* Extends authority to operate the Statewide Health Information Network of New York (SHIN-NY) and Statewide Planning and Research Cooperative System (SPARCS) until March 31, 2029.
- *Section 6:* Extends patient safety violation penalties in Public Health Law, the Patient Safety Center account overseen by the Office of the State Comptroller and the Department of Taxation and Finance, and the provision requiring the State Comptroller deposit violation fees into the Patient Safety Center until April 1, 2029; and extends the Enriched Social Adult Day Services Demonstration Project until March 31, 2029.
- *Sections 7-9:* Makes the Nursing Home Medicare Maximization Program, which requires nursing homes to exhaust all potential Medicare benefits before billing Medicaid, permanent.
- *Section 10:* Extends the statewide formulary for antiretrovirals approved by the FDA for the treatment of HIV/AIDS, opioid dependence agents, and opioid antagonists to March 31, 2029.
- *Section 11:* Extends the statewide formulary for antiretrovirals approved by the FDA for treating HIV/AIDS and hepatitis C agents for which the manufacturer has a rebate agreement with the federal government to March 31, 2032. This section is not set to expire until 2029.
- *Section 12:* Extends authority to make payments for the New York City Health + Hospitals (H+H) Upper Payment Limit (UPL) Program to March 31, 2029.
- *Section 13:* Extends the authorization to provide services to nonresidents in adult homes, residences for adults, and enriched housing programs to July 1, 2029.
- *Section 14:* Extends electronic prescription exemptions for certain providers until June 1, 2029.
- *Section 15:* Extending the Indigent Care Pool to December 31, 2029.
- *Section 16:* Extends regulatory flexibility authority for certain Delivery System Redesign Incentive Payment (DSRIP) program projects or practices for two years, through April 1, 2028.
- *Section 17:* Allows pharmacists to direct limited-service laboratories and order and administer Covid-19 and influenza tests.
- *Section 18:* Makes the Collaborative Drug Therapy Management Program permanent.
- *Section 19:* Authorizes physician assistants to issue non-patient specific orders for routine Covid-19 and influenza testing.

- *Section 20:* Extends payment parity for telehealth and in person Medicaid fee-for-service and managed care services to April 1, 2028.
- *Section 21:* Extends the Statewide Medicaid Integrity and Efficiency Initiative to March 31, 2028.
- *Section 22:* Extends the New York State of Health (the State Health Insurance Exchange) Customer Service Contract to August 19, 2027.

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

Reauthorize the Health Care Reform Act (HCRA) for Three Years (HMH Part C): The Executive proposes extending the Health Care Reform Act (HCRA) through March 31, 2029. Originally created to fund graduate medical education and the Indigent Care Pool for hospitals that provide uncompensated care, HCRA now funds many health programs, including a significant portion of the Medicaid program. This proposal also ends the Empire Clinical Research Investigator Program (ECRIP) and changes the name of the Diversity in Medicine program to the Scholars in Medicine and Science and Scholarships in Medicine program. Finally, the Executive proposes extending the same funding for each of the remaining HCRA initiatives.

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

Excess Physician’s Medical Malpractice Program (HMH Part D): This program provides eligible physicians with additional medical malpractice insurance above the policy limits of their primary malpractice coverage. The Executive proposes extending the program for an additional year to June 30, 2027. It also proposes the following changes to the program, which are similar to amendments proposed in the SFY 2025-26 Executive Budget:

- For policy periods beginning on or after July 1, 2025, participating physicians would buy their own coverage and pay the cost upfront. The Department of Financial Services (DFS) would reimburse them at the end of the policy period for half the cost and pay the provider the other half one year after.
- For policy periods beginning on or after July 1, 2026, insurance carriers would only charge physicians half the cost of the premium. At the end of the policy period, DFS would pay 25% of the premium to the carrier and another 25% one year after.
- If physicians have not paid at least half of the premium at the conclusion of their policy, their coverage would be cancelled.

Fiscal Impact: The Executive proposal estimates this would result in State savings of \$39.3 million in SFY 206-27 and an additional \$19.6 million in State savings in SFY 2027-28.

Discontinuing Public Health Programs (HMH Part E): The Executive Budget proposes ending the following DOH programs:

- Enhanced Quality of Adult Living (EQUAL) Program, which aims to enhance the quality of care and life experience for certain residents in adult care facilities through funding to improve or expand services or enhance the facility’s physical environment.
- Enriched Housing Operating Assistance Program, which provides operating subsidies for enriched housing operators to improve care for individuals receiving Supplemental Security Income benefits.
- Tick-Borne Disease Institute, which coordinates the State’s policies concerning Lyme disease and other tick-borne diseases.
- Audits of hospital compliance with medical resident working hour restrictions.

Fiscal Impact: The Executive proposal estimates this would result in State savings of \$7.7 million in SFY 2026-27 and an additional \$7.4 million in State savings in SFY 2027-28.

Health Law Amendments (HMH Part F): The Executive proposes the following changes:

- Allowing the Dental Society of the State of New York to use funds collected through a license plate surcharge for dental access and public education programs.
- Clarifying the effective dates of parts JJ and P of Chapter 57 of the laws of 2025 regarding pregnancy loss and hospital provision of abortion care in emergency situations.
- Updating a reference to the Drug Utilization Board and adding pregnant persons and those with opioid use disorders to the list of those whose medical needs must be considered in making prior-authorization decisions.
- Updating cross-references to the Public Health Law within section 1119 of the Insurance Law and cross-references in section 3351 of the Public Health Law to reflect changes to the 2025 law that moved definitions.
- Amending the definition of “look-back period” (the period during which the State must examine Medicaid eligibility) from three months to the “retroactive eligibility period” to align with recent federal law changes.

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

Cardiac Readiness (HMH Part G): The Executive proposes repealing the requirement that purchasers of Automated External Defibrillators (AEDs) enter into a collaboration with an emergency healthcare provider, requiring instead that one individual associated with the public use AED be trained in its operation and routine maintenance. The Executive also requires that AEDs be registered with DOH and report usage data to the Department.

Fiscal Impact: The Executive proposal estimates this would have a \$3.2 million fiscal impact on the State annually and no fiscal impact to local governments.

Oversight of Healthcare Transactions (HMH Part H): The Executive proposes greater DOH oversight of healthcare financial transactions, including requiring parties to transactions to submit additional background information to DOH. Further, it would allow the Department to perform a cost and market impact review assessing the impact of the transaction on cost, quality, access, health equity, and competition, which would also allow DOH to delay the transaction.

Fiscal Impact: The Executive proposal estimates this would have a \$150,000 fiscal impact on the State annually and no fiscal impact to local governments. The Executive proposal also estimates that these costs would be offset by additional fee revenue generated from healthcare investors related to material transaction reviews.

Medical Indemnity Fund Reimbursement (HMH Part I): The Medical Indemnity Fund (MIF) covers the health care costs associated with individuals who have suffered birth-related neurological injuries. The Executive proposes reducing reimbursement rates to (i) the Medicare rate, or, if no Medicare rate is available, (ii) the Medicaid rate, or, if there is no Medicare or Medicaid rate, (iii) a rate determined by the Commissioner of Health. These rate changes would not apply to home or vehicle modifications, nor private duty nursing services, the latter of which would be based on a fee schedule laid out in the Medicaid State Plan Amendment.

Fiscal Impact: The Executive Budget proposes savings of \$50 million from June 1, 2026, to March 31, 2027. The total annual savings would be \$65 million for this proposal.

Temporary Staffing Agency Oversight (HMH Part J): The Executive proposal requires temporary healthcare staffing agencies to report information regarding wages and benefits of temporary staff that contract with the staffing agency and to disclose all healthcare entities to which the temporary staff has provided services. The proposal also allows the Department of Health to establish profit caps for these agencies to minimize costs for medical providers.

Fiscal Impact: The Executive proposal estimates a \$4.2 million fiscal impact on the State in FY 2027 and \$3.3 million annually thereafter, and no fiscal impact on local governments.

Community Paramedicine and Hospital at Home (HMH Part K): The Executive proposal extends the authorization of currently operating community-based paramedicine programs until April 1, 2030, sets the number of allowed programs in the state to 99, and expands the scope of practice of paramedics to include administering vaccines under non-patient specific orders from a physician or nurse practitioner. This proposal also codifies the Acute Hospital Care at Home program into state law, which would allow the program to expand to other hospitals. This program is already in certain healthcare facilities under federal authorization. It also authorizes DOH to establish rates for services.

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

Long Term Care Proposals (HMH Part L): The Executive Budget restores the 10 percent reduction to the nursing home capital rate add-on enacted in the SFY 2025-26 budget. It would also align the State’s Medicaid Buy-In for Working Persons with Disabilities (MBI-WPD) program premium structure with the Medicaid State Plan Amendment (SPA).

Fiscal Impact: The Executive proposal estimates a \$28.8 million annual fiscal impact on the State annually and no fiscal impact to local governments. The Executive estimates this would have a net cost of \$8.8 million because the Executive shifts \$20 million from the Nursing Home VAPAP grant program.

Managed Care (HMH Part M): The Executive proposes several managed care changes as follows:

- Requires the same copay rules as Medicare for Medicaid coverage of psychology and ambulance services.
- Essential Plan (EP): Eliminates Long-Term Services and Supports (LTSS) because it has never been federally approved and makes permanent the dental and vision services that are set to expire in 2030.
- Repeals the process for children under 19 to receive presumptive eligibility for Medicaid, under the rationale that the New York State of Health Marketplace tells potential enrollees if they are eligible for Medicaid in real time.
- Repeals continuous Medicaid eligibility for children under the age of six.
- Restricts Medicaid coverage for Applied Behavior Analysis (ABA) to services referred from or provided by providers certified by the Commissioner of Health as a Center of Excellence Provider.
- Extends the cooling off period, which requires providers and insurance plans to continue to abide by expired contracts during negotiations, from two months to 120 days. This provision also allows the Commissioner of Health to approve communications sent out to enrollees or patients during that period.
- Restricts Medicaid coverage of biomarker precision testing to only when it is deemed medically necessary, as determined by the Department of Health.

Fiscal Impact: The Executive proposal estimates a net State savings of \$63.7 million in SFY 2026-27 and an additional \$99.4 million in net State savings in SFY 2027-28. There is no fiscal impact on local governments.

Health Care Stability Fund Investments (HMH Part O): The SFY 2024-25 Enacted Budget established a tax on managed care organizations (MCOs) to raise funds for the State’s health system. The Executive proposes using that revenue to support Medicaid investments in certain healthcare providers, including FQHCs, and Article 28 diagnostic and treatment clinics, hospitals, and nursing homes, subject to federal financial participation and sufficient funds.

Fiscal Impact: The Executive Budget authorizes up to \$1.5 billion in SFY 2026-27 and up to \$1 billion annually thereafter in SFY 2027-28.

State Office for the Aging

The Executive Budget proposes an All Funds appropriation of \$436 million, a net increase of \$1.9 million or 0.4 percent, compared to SFY 2025-26. The \$436 million includes \$16.6 million for State Operations and \$419 million in Aid to Localities. The Executive Budget proposal supports a workforce of 126 FTEs, unchanged compared to SFY 2025-26.

The Executive Budget proposal supports the following:

- \$53 million for home and community-based services for seniors in non-medical in-home services.
- \$7 million increase in Naturally Occurring Retirement Communities (NORCs) and Neighborhood Naturally Occurring Retirement Communities (NNORCS) for a total of \$16 million in SFY 2026-27.
- \$4 million increase to support 1.7 percent Targeted Inflationary Increase (TII) (HMH Part P).
- \$8.3 million decrease due to the elimination of legislative grants.
 - \$1.4 million decrease in the Holocaust Survivors Initiative for a total of \$1 million in SFY 2026-27.
 - \$1.1 million decrease in Project Guardianship.
 - \$5.8 million decrease for all other legislative adds.

Office of the Medicaid Inspector General (OMIG)

The Executive proposes All Funds appropriations of \$71.1 million, an increase of \$12 million or 20 percent compared to SFY 2025-26. The increase is attributed to a shift in personal services payments from the Department of Health to OMIG to cover expenses of OMIG. The Executive’s proposal supports a workforce of 549 FTEs, an increase of four FTEs compared to SFY 2025-26. The primary role of OMIG is to prevent and detect Medicaid, waste, abuse, or fraud.

Article VII - Miscellaneous

Assistance Demonstration Project for Displaced Workers (TED Part LL): The Executive Budget proposes to extend the Health Insurance Continuation Demonstration Assistance Project under the Consolidated Omnibus Budget Reconciliation Act (COBRA) for one year, until July 1, 2027. This program is designed to ensure that entertainment workers who lose their jobs maintain their health insurance.

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

Independent Dispute Resolution (PPGG Part T): The Executive proposes removing Medicaid medical and emergency services from the Independent Dispute Resolution (IDR) process and adding the Empire Plan to the IDR process. It would also (i) require arbitrators in the IDR process to select the offer closest to the 50th percentile of all allowed payment amounts for the service performed by the provider, (ii) cap the maximum fee at the 80th percentile of all allowed amounts for the service performed by the provider, and (iii) extend the timeframe for IDR determinations from 30 days to 45 days.

Fiscal Impact: The Executive proposal estimates this would result in a total State savings of \$57.3 million, with \$28.8 million saved to NYSHIP in both SFY 2026-27 and SFY 2027-28, and \$28.5 million saved in Medicaid spending in both SFY 2026-27 and SFY 2027-28.

Prior Authorization Reforms (TED Part HH): The Executive proposes several changes to prior authorization requirements for state-regulated insurance plans:

- Require the Department of Financial Services to collect and publish information from all state-regulated insurance plans regarding their pre-authorization claim request approvals, denials, and appeals.
- Extend the continuity of care period from 60 days to 90 days for all health conditions and require continuity of care to extend for the full term of a pregnancy and the post-partum period (1 year after birth).
- Require insurers to publish formulary prescription drug lists to their public websites on a publicly accessible page.
- Limit the number of utilization reviews that can be conducted against an enrollee with a chronic condition to no more than once per year. Part HH defines a chronic condition as a condition that is expected to last for at least one year and requires ongoing treatment.

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

MENTAL HYGIENE



STAFF ANALYSIS OF THE 2026-27
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Mental Hygiene Fact Sheet

Appropriations

- **Supportive Housing Programs:** The Executive Budget invests \$71.4 million for supportive housing programs for OMH and OASAS.
- **Opioid Program Funding:** The Executive Budget includes \$31.3 million net increase to support the Opioid programs, providing a total of \$105.5 million.
- **1.7% Targeted Inflationary Increase:** \$176 million State-share (\$268.4 million gross) to support. This includes providers under contract with the following agencies: OMH; OPWDD; OASAS; SOFA; OCFS; and OTDA.

Article VII

- **Targeted Inflationary Increase:** The Executive proposes a 1.7 percent funding increase for programs serving people with mental health and addiction issues, individuals with intellectual and developmental disabilities, children and families, and the elderly.
- **Integrating Behavioral Health Services:** The Executive proposes authorizing a joint license for programs serving individuals with co-occurring mental health and addiction disorders.

Mental Hygiene Agency Details

Mental Hygiene Agency All Funds Appropriations (\$ in millions)				
Agency	SFY 2025-26 Available Funds	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Office for People with Developmental Disabilities	\$10,146	\$10,339	\$193	1.90%
Office of Mental Health	\$6,294	\$6,299	\$5	0.10%
Office of Addiction Services and Supports	\$1,262	\$1,344	\$83	6.50%
Department of Mental Hygiene	\$600	\$600	\$0	0.00%
The Justice Center for People with Special Needs	\$63	\$63	\$0	0.00%
Council on Developmental Disabilities	\$6	\$10	\$4	55.9%
Total Mental Hygiene	\$18,371	\$18,655	\$284	1.50%

Overview

The Executive Budget proposes All Funds appropriations of \$18.7 billion, an increase of \$284 million or 1.5 percent compared to SFY 2025-26. This includes \$5.6 billion in State Operations, \$12.3 billion in Aid to Localities, and \$680 million in Capital Projects.

Office for People with Developmental Disabilities (OPWDD)

The Executive Budget proposes All Funds appropriations of \$10.3 billion, a net increase of \$193 million, or two percent, compared to SFY 2025-26. The All Funds appropriations include \$2.4 billion in State Operations, \$7.8 billion in Aid to Localities, and \$143 million in Capital Projects. The Executive’s proposal supports a workforce of 19,125 FTEs, an increase of 10 compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$316.9 million net increase in Aid to Localities including:
 - \$95.1 million increase to support 1.7 percent Targeted Inflationary Increase (TII) (HMH Part P).
 - \$95 million increase for local share Medicaid growth.
 - \$88 million increase to support a one-time Medicaid payment associated with the 53rd Medicaid cycle, which will occur in SFY 2026-27.
 - \$39.3 million increase to support minimum wage payments.
 - \$1.3 million decrease due to the elimination of legislative grants.
 - \$500,000 increase to support five percent rate increase Family Care providers.
- \$123.8 million net decrease in Capital Projects including:
 - \$75 million decrease due to the discontinuation of one-time appropriation to support modernization and renovation of Institute for Basic Research (IBR), including the development of a Genomics Core, modernization of equipment needed to help advance IBR's research goals, and renovation of space for a Willowbrook learning center, which will be funded through re-appropriations in SFY 2026-27.
 - \$25 million decrease due to the discontinuation of one-time appropriation to support establishment of regional disability clinics, which will be funded through re-appropriations in SFY 2026-27.
 - \$23.6 million decrease for one-time vehicle fleet replacement.
 - \$15 million increase to develop additional housing for individuals with developmental disabilities.
 - \$1.5 million increase for assessments of vacant State-owned property.
 - \$1 million increase to support personal services re-estimates.
- \$1.3 million in new appropriations in State Operations to support the office of the Chief Disability Officer (CDO). This includes \$998,000 for personal services and \$268,000 for non-personal services. The funding amount remains unchanged compared to SFY 2025-26 because the CDO was provided funding from other appropriations in OPWDD, which are decreased in SFY 2026-27 because of these new appropriations.

Office of Mental Health (OMH)

The Executive Budget proposes All Funds appropriations of \$6.3 billion, a net increase of \$4.9 million or less than one percent compared to SFY 2025-26. The \$6.3 billion includes \$2.4 billion for State Operations, \$3.5 billion in Aid to Localities, and \$444.5 million for Capital Projects. The Executive's proposal supports a workforce of 15,902 FTEs, an increase of 1 FTE compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$65 million increase to support rate increases for OMH supportive housing program providers, which includes the following:
 - \$38 million to increase stipends for scattered-site Supportive Housing units.
 - \$26.8 million to increase rates for Single Room Occupancy (SRO) units.
- \$55.7 million increase to support 1.7 percent Targeted Inflationary Increase (TII) (HMH Part P).
- \$20.5 million increase to support State of the State (SOTS) Youth Mental Health Investments, which includes:
 - \$17.5 million to expand the Teen Mental Health First Aid Training program to all tenth-grade students statewide.
 - \$1.8 million to support access to behavioral health services for LGBTQ+ youth.
 - \$664,000 to provide access to mental health care to Indigenous students.
 - \$500,000 to expand the number of Youth Safe Spaces by designating two additional community organizations that will be providing young people with behavioral health wellness services.
 - \$100,000 to establish the “Schools of Distinction in Prevention” to recognize ten selected schools responding to youth mental health needs. The ten schools will receive technical assistance and implementation grants.
- \$20 million increase to support annualization of prior year initiatives.
- \$7.6 million increase to support minimum wage payments.
- \$5.3 million increase to support a one-time Medicaid payment associated with the 53rd Medicaid cycle, which will occur in SFY 2026-27.
- \$5 million to cover local share Medicaid growth.
- \$160 million decrease in Capital Projects due to the discontinuation of a one-time appropriation for forensic inpatient beds expansion, which will be funded through re-appropriations in SFY 2026-27.
- \$386,000 net decrease due to a \$114,000 increase in personal services supporting one FTE for mental health supports for indigenous youth program, which is offset by a \$500,000 savings from commercial insurance compliance.
- \$13.5 million decrease due to the discontinuation of legislative grants.

Article VII

Integrating Behavioral Health Services (HMH Part Q): The Executive proposes authorizing the Office of Mental Health and the Office of Addiction Services and Supports to create and oversee the Integrated Behavioral Health Services Program, which will combine and coordinate services for the care and treatment of individuals with co-occurring mental illness and addictive disorders. This program will issue a joint license to providers delivering mental health and addiction services, promulgate operational regulations, and set rates for these services.

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

Office of Addiction Services and Supports (OASAS)

The Executive Budget proposes All Funds appropriations of \$1.34 billion, a net increase of \$82.6 million or 6.5 percent, compared to SFY 2025-26. The \$1.3 billion includes \$198.6 million for State Operations, \$1.05 billion for Aid to Localities, and \$93 million for Capital Projects. The Executive's proposal supports a workforce of 812 FTEs, unchanged compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$31.3 million net increase to support the Opioid Settlement and Stewardship Fund programs, providing a total of \$105.5 million, which includes:
 - \$20.7 million to support municipalities.
 - \$12.3 million to support harm reduction.
 - \$6.6 million to support recovery.
 - \$5.4 million to support grassroots organizations working with disproportionately affected populations.
 - \$4.4 million to support treatment.
 - \$4.3 million to support prevention.
 - \$3.9 million to support special populations.
 - \$3.6 million to support health-related social needs.
 - \$3.4 million to support data and outcomes.
 - \$2.5 million to support workforce and workplace diversity, equity, inclusion, and belonging.
 - \$35 million is reserved for allocation.
- \$20 million increase for Cannabis Addiction Services, providing a total of \$24 million.
- \$11.7 million increase to support problem gambling, which includes funding to establish a Workforce Institute, integrated peer support services and conduct a 10-year study to assess trends, providing a total of \$22.3 million
- \$11 million increase to support 1.7 percent Targeted Inflationary Increase (TII) (HMH Part P).

- \$6.9 million increase to support minimum wage payments.
- \$6.4 million increase to support rate increases for OASAS supportive housing program providers.
- \$1 million increase to support the development of a First Responders Behavioral Health Center of Excellence, which will provide support services for emergency response agencies across the State.
- \$250,000 to support building community with Guided Recovery Action through Congregational Engagement (GRACE), which will provide faith-based leaders with resources to help individuals gain access to substance use disorder services.
- \$4.7 million decrease due to elimination of legislative grants.
- \$1.3 million decrease in Capital Projects due to the elimination of a one-time appropriation for Medical Medication Units (MMU) expansion, which will be funded through re-appropriations in SFY 2026-27.

Article VII

Gambling Addiction Insurance Coverage (HMH Part R): The Executive proposes requiring State-regulated insurers to cover treatment for gambling addiction disorders; current law requires them to cover alcohol and substance use disorder treatment. Part R also requires the Superintendent of Financial Services to include gambling addiction insurance coverage data in the Mental Health and Substance Use Disorder Parity report, which is published every other year.

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

Department of Mental Hygiene

The Executive Budget proposes All Funds appropriation of \$600 million, unchanged from SFY 2025-26. The Department of Mental Hygiene operates through three independently operating agencies: the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Addiction Services and Supports.

Article VII

Targeted Inflationary Increase (HMH Part P): The Executive Budget proposes a 1.7 percent targeted inflationary increase (TII) for eligible programs and services under the Office of Mental Health, Office for People with Developmental Disabilities, Office of Addiction Services and Supports, Office of Temporary and Disability Assistance, Office of Children and Family Services, and State Office for the Aging for SFY 2026-27. The TII follows the same structure and includes the same programs as proposed in last year's Executive Budget.

Fiscal Impact: The Executive Budget estimates this proposal would have a \$176 million State-share costs (\$268.4 million gross) in SFY 2026-27.

The Justice Center for the Protection of People with Special Needs (The Justice Center)

The Executive Budget proposes All Funds appropriations of \$63.1 million, a decrease of \$230,000, or less than one percent, compared to SFY 2025-26. The All Funds appropriations include \$62.3 million for State Operations and \$777,000 in Aid to Localities. The decrease is attributable to the elimination of funding for the Adult Home Advocacy programs and Adult Homes Resident Council Support Project (HMH Part S). These programs provide contracts to Mobilization for Justice, Inc. (\$105,000), Nassau/Suffolk Law Services, Inc. (\$65,000) and Family Services League, Inc. (\$60,000) for social and legal services for individuals in adult homes. The Executive's Proposal supports a workforce of 501 FTEs, with no increase from SFY 2025-26.

Article VII

Eliminate Adult Home Advocacy Programs (HMH Part S): The Executive Budget proposes eliminating the Adult Home Advocacy and Adult Home Resident Council Programs under the rationale that these programs duplicate the work of other DOH programs. The Adult Home Advocacy program provides legal and non-legal advocacy services and training in residents' rights and self-advocacy to individuals with intellectual and developmental disabilities (IDD) residing in adult homes in New York City and Long Island. The Adult Home Resident Council Program establishes and supports resident councils to promote the rights of adult home residents and to support their advocacy activities.

Fiscal Impact: The Executive proposal estimates this will result in a state savings of \$230,000 annually.

State Council on Developmental Disabilities (CDD)

The Executive Budget proposes All Funds appropriations of \$9.76 million, an increase of \$3.5 million, or 56 percent, compared to SFY 2025-26. This increase is attributed to the inclusion of new dry appropriations for non-personal services to provide the agency with the ability to incur expenses for equipment, supplies, and/or contractual services. The Executive Budget proposal supports a workforce of 18 FTEs, unchanged compared to SFY 2025-26.

HUMAN SERVICES AND HOUSING



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Human Services and Housing Fact Sheet

Appropriations

- **Child Care:** The Executive provides \$3.03 billion in support for the Child Care Block Grant (CCBG), an increase of \$830 million from SFY 2025-26, along with a number of new Executive proposals. Child Care appropriations include support for the following programs:
 - **Child Care Subsidies:** The Executive provides \$2.2 billion to provide childcare subsidies to families below 85 percent of the State median income (approximately \$113,568 for a family of four). This is an increase of \$789.3 million, or 35.9 percent, over SFY 2025-26.
 - **New York City 2-Care:** The Executive provides \$73 million to begin implementation of a contract-based childcare program for two-year-olds in New York City. The first year of funding is to support enrollment and services for 2,000 children in high-need areas identified by New York City.
 - **Rest of State Child Care Pilot Programs:** The Executive provides \$66 million for the implementation of additional childcare pilot programs in Dutchess, Monroe, and Broome counties.
 - **Increased Operating Support for Child Care:** The Executive proposes to increase operating support for the Office of Children and Family Services (OCFS) by \$35 million. Funding includes support for an additional 54 FTEs in SFY 2026-27.
 - **Office of Child Care and Early Education:** The Executive proposes \$1.5 million for the establishment of the Office of Child Care and Early Education, which will coordinate the implementation of universal childcare programs.
- **Increased Homeless Housing Support:** The Executive proposes a \$60 million funding increase for the Empire State Supportive Housing Initiative. The Executive also maintains the \$25 million increase to the Homeless Housing Assistance Program (HHAP) initiated in SFY 2025-26.
- **Upgraded Electronic Benefits Transfer (EBT) Cards:** The Executive proposes to begin the transition to chip-enabled EBT cards. The Executive anticipates a fiscal impact of \$23 million in All Funds support, for the first year of the transition.
- **Affordable Housing Construction:** The Executive Budget commits \$250 million in new capital to accelerate the construction of affordable housing.

- **Multi-Year Housing Program:** The Executive Budget appropriates an additional \$186 million to fund the development of supportive housing units across the state.
- **Modular and Starter Home Development:** The Executive Budget provides \$100 million in capital for the MOVE-IN NY Homes program to support factory-built and modular housing statewide, a \$50 million increase from SFY 2025–26.
- **Manufactured Home Park Improvement Revolving Loan Fund:** The Executive Budget allocates \$6 million to establish a revolving loan fund providing manufactured home park owners with affordable financing for critical infrastructure upgrades.
- **Housing Access Voucher Pilot Program:** The Executive Budget includes \$50 million in local assistance funding to support the second year of the Housing Access Voucher Pilot Program, providing housing vouchers to individuals who are homeless or at imminent risk of housing loss.
- **Restored Program Funding:** The Executive Budget restores and maintains funding for key housing initiatives, including \$50 million for the **Resilient and Ready Program** to support home retrofits and disaster preparedness, \$40 million for the **Homeowner Protection Program (HOPP)** to provide foreclosure prevention legal services, and \$20 million for **Lead Abatement** initiative outside of New York City, consistent with prior-year funding levels.

Article VII

- **Child Care Provider Registration and Training Amendments:** The Executive Budget proposes extending childcare licenses and registrations to six years, eliminating fixed-hour training requirements, maintaining volunteer coverage, and increasing provider flexibility in selecting training topics, subject to OCFS approval.
- **Private Adoptive Placement Amendments:** The Executive Budget proposes extending the period adoptive parents may pay a birth mother’s reasonable expenses by lengthening the pre- and post-birth time frames.
- **Authorize Use of Body Scanners in Youth Detention and Justice Facilities:** The Executive Budget proposes extending existing law governing the use of body imaging scanning equipment to include secure and specialized secure detention facilities, as well as facilities for youth placed with or committed to OCFS, to screen individuals and visitors.

- **Expands the Number of Land Banks Permitted:** The Executive Budget proposes to increase the number of land banks that can simultaneously exist in New York State from 35 to 45.
- **Extends and Reforms J-51:** The Executive Budget proposes to expand and extend the existing J-51 tax abatement to cover improvements and alterations to affordable rental and owner-occupied multifamily housing in New York City.
- **Creates the Crime of Aggravated Harassment of a Rent-Regulated Tenant:** The Executive Budget proposes to create stronger criminal penalties for landlords who engage in systematic harassment across multiple buildings and those who repeatedly violate the existing anti-harassment laws.
- **Authorize the Repurposing of Real Property Owned by SUNY and DOT:** The Executive Budget authorizes the conveyance of long-term leases of land owned by SUNY for mixed-use housing and community amenities, as well as authorizing long-term leases of land owned by the Department of Transportation (DOT) in Suffolk County.
- **Expand the Rent Increase Exemption for Senior Citizens and Persons with Disabilities:** The Executive Budget proposes to extend the existing programs and raise the income threshold for the Senior Citizen Rent Increase Exemption (SCRIE) and the Disability Rent Increase Exemption (DRIE) from \$50,000 to \$75,000 per year in New York City and allow for an increase in eligibility outside New York City via local option.
- **Permanent Tuition Benefit Program for New York State Militia (PPGG Part A):** The Executive Budget proposes removing the expiration date for the tuition benefits program for eligible State militia members, such as Army and Air National Guard and Naval Militia, so that the program will be ongoing.

Human Services Agency Details

Human Services and Housing All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Office of Children and Family Services	\$6,284.4	\$7,202.9	\$918.5	14.6%
Raise the Age	\$250	\$250	\$0	0%
Office of Temporary and Disability Assistance	\$7,836.9	\$7,889.4	\$52.5	0.67%
Division of Housing and Community Renewal	\$2,485.1	\$1,055.7	(\$1,429.4)	-(7.5%)
State of New York Mortgage Agency	\$187.6	\$218.9	\$31.3	16.7%
Department of Veterans' Services	\$36.2	\$31.8	\$4.4	-12.9%
Division of Human Rights	\$39.9	\$39.9	\$0	0%
Office of Welfare Inspector General	\$1.4	\$1.4	\$0	0%
National and Community Service	\$32	\$32	\$0	0%
Nonprofit Infrastructure Capital Investment Program	\$0	\$0	\$0	0%
Total	\$17,153.5	\$16,722	(\$422.7)	-2.5

Overview

The SFY 2026-27 Executive Budget recommends \$16.7 billion in All Funds support for the agencies comprising the Human Services and Housing functional areas. This reflects a decrease of \$422.7 million, or 2.5 percent, from SFY 2025-26, which can primarily be attributed to the non-recurring \$1 billion City of Yes commitment for New York City housing development, offset by a \$965.8 million expansion of childcare services and support.

Office of Children and Family Services (OCFS)

The SFY 2026-27 Executive Budget recommends \$7.2 billion in All Funds support, which reflects an increase of \$918.5 million, or 14.6 percent, over SFY 2025-26. This increase in funding is primarily attributed to a \$789.3 million increase for childcare subsidies, the inclusion of \$139 million for new childcare initiatives, an additional \$59 million in support for child welfare services, and an additional \$20.5 million for adult protective/domestic violence (AP/DV) services. These increases are offset by the elimination of a one-time, \$100 million appropriation of capital funds, and \$86.8 million in legislative additions.

Child Care: The Executive Budget provides \$3 billion for the New York State Child Care Block Grant, which reflects an increase of \$830 million over SFY 2025-26 enacted levels. This \$3 billion childcare investment includes \$2.2 billion in general fund support, \$338.2 million from the federal Child Care and Development Fund, and \$497.2 million in Temporary Assistance for Needy Families (TANF) support.* The income eligibility for childcare assistance is 85 percent of state median income (SMI), which is currently \$113,568 for a family of four. The Executive Budget includes funding for the following childcare initiatives:

- *New York City 2-Care:* The Executive Budget includes \$73 million for the establishment and implementation of a contract-based childcare program for two-year olds in New York City. The first year of the program is expected to enroll 2,000 children in high-need areas identified by New York City. At full implementation, the program is expected to serve 30,000 children.
- *Rest of State Child Care Pilot Programs:* The Executive Budget also includes \$66 million for childcare pilot programs in Broome, Dutchess, and Monroe counties. Like the universal 3-K programs in New York City, these programs are intended to provide childcare to families with children aged zero to three.
- *Supplemental Child Care Funding:* The Executive Budget includes \$630 million in supplemental childcare funding for local social services districts that exhaust their base Child Care Assistance Program (CCAP) allocation. This level of funding is an increase of \$230 million over SFY 2025-26 enacted levels. The supplemental childcare funding will be distributed in a manner similar to the \$400 million in that was appropriated in SFY 2025-26.

**Funding for Universal Pre-K and New York City 3-K is provided in the State Education Department Executive Budget proposal.*

OCFS Operating Support: The Executive Budget provides \$624.9 million in operating support for OCFS, an increase of \$36.5 million. This increase includes:

- *General Operating Support:* The Executive Budget includes an additional \$35 million in operating support to accommodate the expansion of the State's childcare programs. Funding will also support the addition of 54 FTEs.
- *Office of Child Care and Early Education:* The Executive Budget provides \$1.5 million for the creation of a new office within OCFS. Staffed by 3 FTEs, the new office is intended to coordinate the implementation of the State's universal childcare initiatives.

Child Welfare: The Executive Budget provides \$959 million for child welfare services, an increase of \$59 million over SFY 2025-26 enacted levels. This increase in funding would align the appropriation with current spending trends.

Medical Care for Foster Children: The Executive Budget provides \$160 million for Medicaid services for foster youth, an increase of \$41 million, to align the appropriation with current spending trends.

Adult Protective/Domestic Violence (AP/DV) Services: The Executive Budget provides \$85.5 million for AP/DV services, an increase of \$20.5 million, to align the appropriation with current spending trends.

Targeted Inflationary Increase (TII): The Executive Budget includes \$11.5 million to provide a 1.7 percent TII for the following OCFS programs:

- \$7 million for foster care services
- \$4.1 million for adoption services
- \$420,000 for New York/New York III Program for supportive housing

Detention Capital: The Executive Budget provides \$10 million for capital expenditures of secure juvenile detention facilities, an increase of \$5 million, to align the appropriation with current spending trends.

Learning and Enrichment After-School Program Supports (LEAPS): The Executive Budget provides \$116.1 million for LEAPS, an increase of \$3.8 million, to support minimum wage increases.

Raise the Age: The Executive Budget provides \$250 million in All Funds support for the continued implementation of Raise the Age, which is consistent with SFY 2025-26 enacted levels. The Executive financial plan includes \$131 million of spending against this appropriation. The Executive Budget eliminates an estimated \$581.6 million in reappropriation authority from State Fiscal Years 2018-19 through 2023-24. It also amends the appropriation language to allow for the payment of outstanding prior year claims out of the \$453.9 million in remaining reappropriation authority.

Article VII

Child Care Provider Registration and Training Amendments (ELFA Part H): The Executive Budget proposes extending the childcare licensing and registration period from four to six years for certain providers that remain in compliance with applicable laws and regulations. The proposal restructures training requirements by removing fixed-hour mandates, adding the inclusion of volunteers with regular and substantial contact with children, and allowing providers who can demonstrate basic competency to determine ongoing training topics based on their experience and the needs of the children in their care, subject to approval by OCFS.

Fiscal Impact: The Executive proposal does not have a fiscal impact on the State.

Private Adoptive Placement Amendments (ELFA Part I): The Executive Budget proposes to extend the period during which adoptive parents may pay a birth mother's reasonable and actual expenses for housing, maternity clothing, clothing for the child, and transportation. The proposal increases the allowable pre-birth payment period from 60 days to 180 days and extends the post-birth or post-consent period from 30 days to 45 days, whichever occurs later. It also allows a court to approve payments beyond these time limits if it makes a written finding that the circumstances justify them. Payments may also include medical and hospital costs related to childbirth, as well as legal fees and necessary disbursements associated with the adoption.

Fiscal Impact: The Executive proposal does not have a fiscal impact on the State.

Authorize Use of Body Scanners in Youth Detention and Justice Facilities (ELFA Part J): The Executive Budget proposes authorizing, but not mandating, the use of body imaging scanning technology in secure and specialized secure detention facilities, and facilities for youth placed with or committed to OCFS. The State Commission of Correction, in consultation with the Department of Corrections and Community Supervision (DOCCS) and OCFS, would be required to establish regulations governing the use of this technology to screen committed or detained individuals and visitors, including requirements for alternative screening methods. DOCCS and OCFS are also required to promulgate regulations for the screening of employees. The proposal also requires annual reporting to the Legislature by local government agencies, DOCCS or OCFS on their use of body scanning technology. Currently, this authorization is limited to adult correctional facilities.

Fiscal Impact: The Executive proposal does not have a fiscal impact on the State.

Makes Permanent the Current Financing Structure for Residential Placements of Children with Special Needs Outside of New York City (ELFA Part K): The Executive Budget proposes making the current reimbursement structure for the placement of children with disabilities by school districts permanent. This reimbursement structure has been extended repeatedly during the budget process.

Currently, local social service districts are responsible for covering the costs associated with residential school-based placement of students. Costs for a student with disabilities placed in a residential school are paid by the local social service districts (LSSDs) where the student resides at the start of the school year. Under this reimbursement structure, LSSDs are reimbursed by the student's school district at approximately 56.85 percent. Currently, costs for a student attending a state-operated school for the deaf or blind are reimbursed at 50 percent. If a school district fails to make the required reimbursement payments, the State Comptroller must withhold state reimbursement to that district equal to the amount owed to the LSSD. Upon certification by OCFS and the State Education Department (SED) that payments are overdue, the Comptroller will pay the withheld amount directly to the LSSD.

Fiscal Impact: The Executive estimates that this proposal will result in \$28.6 million in annual savings for the State. Savings will be generated by permanently eliminating the State share of costs for room and board of residential school students.

Office of Temporary and Disability Assistance (OTDA)

The SFY 2026-27 Executive Budget recommends \$7.9 billion in All Funds support, an increase of \$57.4 million, or 0.7 percent, over SFY 2025-26 enacted levels. This increase in funding is primarily attributable to an additional \$14.3 million in appropriation authority for childcare subsidies and \$70 million of appropriation authority for payment of penalties assessed by the federal government due to SNAP payment error rates.

Public Assistance: The Executive Budget projects total gross costs of \$3.89 billion for a public assistance caseload of 722,013 recipients. This represents a year-to-year increase of 8,504 recipients, or 1.2 percent. Safety Net spending is projected at \$2.84 billion, an increase of \$58 million, or 2.1 percent. The Executive anticipates federal TANF spending at \$1.1 billion for a caseload of 207,446 recipients, a decrease of 1,194 recipients.

The Executive Budget includes \$2.8 billion in support for TANF, an increase of \$1.6 million, or 0.06 percent, from SFY 2025-26. This increase is attributable to increased support for childcare subsidies, youth employment programs, and the Baby Benefit. The increase is offset by the elimination of \$13.57 million in funding for various TANF initiatives traditionally supported by the legislature.

Child Care Subsidies: The Executive Budget commits \$497.9 million in TANF funds to childcare subsidies, an increase of \$14.3 million from prior year levels.

Summary of SFY 2026-27 Executive Budget TANF Program (\$ in Thousands)				
Program	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
TANF Base Total	\$1,188,817	\$1,186,821	(\$1,996)	-0.17%
Public Assistance (PA) Benefits	\$1,057,731	\$1,051,726	(\$6,005)	-0.57%
Baby Benefit	\$3,600	\$7,200	\$3,600	100%
Emergency Assistance to Needy Families (EAF)	\$280,537	\$280,537	\$0	0%
NYC EAF Share Shift (15%)	(\$34,768)	(\$34,768)	\$0	0%
NYC FA Share Shift (15%)	(\$118,283)	(\$117,874)	\$409	-0.3%
TANF Initiative Total	\$1,573,500	\$1,577,100	\$3,400	0.2%
ACCESS - Welfare to Careers	\$800	\$0	(\$800)	-100%
Advanced Technology Training (ATTAIN)	\$4,100	\$0	(\$4,100)	-100%
Career Pathways	\$1,425	\$0	(\$1,425)	-100%
Centro of Oneida	\$25	\$0	(\$25)	-100%
Child Care CUNY	\$141	\$0	(\$141)	-100%
Child Care Subsidies	\$483,630	\$497,900	\$14,270	3%
Child Care SUNY	\$193	\$0	(\$193)	-100%
Flexible Fund for Family Services	\$964,000	\$964,000	\$0	0%
Non-Residential Domestic Violence Screening	\$3,000	\$3,000	\$0	0%
Non-Residential Domestic Violence Screening, Additional	\$200	\$0	(\$200)	-100%
Jewish Child Care Association	\$200	\$0	(\$200)	-100%
Preventative Services	\$785	\$0	(\$785)	-100%
Rochester-Genesee Regional Transportation Authority	\$82	\$0	(\$82)	-100%
Summer Youth Program	\$51,500	\$53,000	\$1,500	2.9%
Additional Summer Youth Employment	\$5,000	\$0	(\$5,000)	-100%
Youth Opportunities Program	\$40,600	\$42,000	\$1,400	3.4%
Local District Case Management Support	\$17,200	\$17,200	\$0	0%
Rochester, Buffalo, Syracuse, Anti-Poverty	\$0	\$0	\$0	0%
Wage Subsidy Program	\$475	\$0	(\$475)	-100%
Wheels for Work	\$144	\$0	(\$144)	-100%
Total	2,762,317	\$2,763,921	\$1,604	0.06%

SNAP Error Rate Fiscal Penalties: The Executive Budget includes \$70 million for potential fiscal sanctions levied by the Federal government due to SNAP payment error rate penalties incurred by local social services districts. The payment error rate measures the accuracy of a state's eligibility and benefit determinations, including both overpayments and underpayments.

Electronic Benefit Transfer (EBT) Card Upgrades: The Executive Budget includes \$23.3 million for an EBT card upgrade initiative, including a \$2.4 million federal share, a \$16.8 million state share, and a \$4.1 million local share. Funding will be used to replace the current magnetic strip EBT cards with chip-enabled EBT cards, which are more secure and less vulnerable to skimming. These upgrades are in response to the expiration of federal authority to replace stolen benefits.

Supportive Housing: The Executive Budget includes \$300 million for the Empire State Supportive Housing Initiative (ESSHI), a \$60 million increase from SFY 2025-26 funding levels. The program provides supportive housing and services for families and individuals who are unsheltered and have disabling conditions or life challenges. Additionally, the Executive provides \$74.2 million for homeless housing and preventive services programs, a \$2.8 million increase from prior year levels.

The Executive also maintains \$153 million in capital support for the Homeless Housing Assistance Program (HHAP), maintaining the additional investment of \$25 million in non-recurring support for the program from SFY 2025-26.

Employment Opportunities for Youth: The Executive Budget provides \$53 million for the Summer Youth Employment program, a net decrease of \$3.5 million from SFY 2025-26. The decrease is the result of a \$5 million legislative add that was eliminated and is offset by a \$1.5 million increase associated with the increase in the State's minimum wage. The Executive estimates that this funding would employ approximately 18,400 low-income youths across New York State.

The Executive Budget also provides \$42 million for the Youth Employment Program, an increase of \$1.4 million from SFY 2025-26. The increase provided is associated with an increase in the State's minimum wage. Through the Gun Involved Violence Elimination (GIVE) initiative, this program provides year-round employment opportunities to approximately 4,500 low-income youths in targeted regions outside New York City.

Article VII

Authorize the Pass-Through of Any Federal Supplemental Security Income Cost of Living

Adjustment (ELFA Part L): 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 PNA 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 the monthly PNA limit for individuals receiving care as follows:

- Family care is increased by \$5 (\$186 to \$191).
- Residential care increased by \$6 (\$213 to \$219).
- Enhanced residential care is increased by \$7 (\$255 to \$262).

The proposal raises the standard monthly need by \$27 for single individuals as follows:

- Individuals living alone (\$1,054 to \$1,081).
- Individuals living with others with or without in-kind income (\$990 to \$1,017).
- Individuals receiving family care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,195 to \$1,222).
- Individuals receiving family care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,233 to \$1,260).
- Individuals receiving residential care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,372 to \$1,399).
- Individuals receiving residential care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,402 to \$1,429).
- Individuals receiving enhanced residential care (\$1,661 to \$1,688).

The proposal raises the standard monthly need by \$41 for couples as follows:

- Couples living alone (\$1,554 to \$1,595).
- Couples living with others with or without in-kind income (\$1,496 to \$1,537).

Fiscal Impact: The Executive proposal does not have a fiscal impact on the State.

Department of Veterans' Services

The SFY 2026-27 Executive Budget recommends \$31.8 million in All Funds support, a decrease of \$4.4 million, or 12.9 percent, over SFY 2025-26. This decrease is attributed to the elimination of legislative adds and the transfer of the Alex R. Jimenez New York State Military Immigrant Legacy Program to the Department of State.

Article VII

Permanently Authorize the Tuition Benefits Program for Members of the New York Army and Air National Guard and the Naval Militia (PPGG Part A):

The Executive Budget proposes removing the expiration date on the Recruitment Incentive and Retention Program, which was established to provide tuition benefits for New York State militia members who are enrolled in degree producing educational programs working toward their baccalaureate degree. This proposal makes this program permanently available to eligible militia members.

Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal. The Executive Budget proposes \$5.5 million for the military readiness program.

Division of Human Rights (DHR)

The SFY 2026-27 Executive Budget recommends \$39.9 million in All Funds support, which is consistent with SFY 2025-26 enacted levels. This level of funding supports 282 FTEs, which is consistent with SFY 2025-26 enacted levels. DHR investigates employment, housing, and Human Rights Law violations, and engages in hate and bias prevention activities.

Office of the Welfare Inspector General (OWIG)

The SFY 2026-27 Executive Budget recommends \$1.4 million in All Funds support, which is consistent with SFY 2025-26 enacted levels. This level of funding supports six FTEs, which is consistent with SFY 2025-26 enacted levels. The OWIG was established to prevent, investigate, and prosecute welfare fraud, waste, abuse, and illegal acts involving social services programs at both the state and local levels.

National and Community Service (NCS)

The SFY 2026-27 Executive Budget recommends \$32 million in All Funds support which is consistent with SFY 2025-26 enacted levels. This level of funding supports 10 FTEs, which is consistent with SFY 2025-26 enacted levels. NCS 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 that provide youth education, disability assistance, public health services, and disaster preparedness.

Nonprofit Infrastructure Capital Investment Program

The SFY 2026-27 Executive Budget does not include any new capital funding, which is consistent with SFY 2025-26 enacted levels. The Executive Budget does include \$48.2 million in capital reappropriation authority. This program provides capital grants to nonprofits to assist in the improvement of their organizations' physical and technological infrastructure. Since the most recent request for proposals issued in SFY 2023-24, this program has distributed \$64.3 million in grants amongst 188 nonprofit organizations throughout New York State.

Housing Agency Details

Division of Housing and Community Renewal (DHCR)

The Executive Budget proposes \$1.1 billion in All Funds appropriations for DHCR for SFY 2026-27, a decrease of \$1.4 billion, or 57.5 percent from SFY 2025-26 levels. This decrease is primarily attributable to the discontinuation of the one-time \$1 billion City of Yes commitment in SFY 2025-26, funding that is now carried forward through reappropriation in this year's Executive Budget. The Executive recommends that the DHCR workforce remains constant at 676 FTEs.

The Executive provides funding for the following new capital projects:

- Affordable Housing Construction: \$250 million to accelerate affordable housing construction.
- Housing Program: \$186 million in additional appropriations under the current multi-year housing program to fund the development of supportive housing units across the State.
- Modular and Starter Homes: \$100 million appropriation for modular and starter home construction through the MOVE-IN NY program, a \$50 million increase from the SFY 2025-26 Enacted Budget.

The Executive Budget restores funding for the following capital projects:

- Resilient and Ready Program: \$50 million to support home retrofits and repairs for natural disaster preparedness and response.
- Lead Abatement: \$20 million for lead abatement outside of New York City.

The Executive Budget makes cuts or reductions to the following capital programs:

- The Executive Budget excludes \$415 million in capital programs that were funded in the SFY 2025-26 Budget:
 - \$100 million for a Pro-Housing Supply Fund.
 - \$75 million for Rest-of-State Public Housing Authorities.
 - \$60 million for Rest-of State Mitchell-Lama Preservation.
 - \$50 million for Mixed-Income Rental Revolving Loan Fund.
 - \$40 million for Land Banks.
 - \$40 million for the Vacant Apartment Repair and Rehabilitation Fund.
 - \$30 million for Infill Housing.
 - \$10 million for USDA 515 Rental Properties Preservation.
 - \$10 million for Small Rental Housing Development Initiative.

- The Executive also decreases \$6.6 million in funding for the following capital programs:
 - \$4 million decrease to Access to Home Program.
 - \$2.6 million decrease to Housing Opportunities for the Elderly Program.

Local Assistance Projects

The Executive provides the following new local assistance funding:

- Manufactured Homes Park Improvement Revolving Loan Fund: \$6 million in new funding to establish a revolving loan fund to help park owners finance repairs and infrastructure improvements.

The Executive Budget restores funding for the following local assistance projects:

- Housing Access Voucher Program (HAVP): \$50 million for housing vouchers to individuals who are homeless or at imminent risk of housing loss. Funding remains consistent with SFY 2025-26 levels.
- Homeowner Protection Program (HOPP): \$40 million for foreclosure prevention legal aid. Funding level remains constant from FY 25-26

The Executive Budget makes cuts or reductions to the following local assistance programs:

- \$10 million for Land Banks.
- \$5.25 million in technical assistance for the Pro-Housing Supply Fund.
- \$1.5 million for NYC Community Land Trusts.
- The Executive also proposes a \$2 million decrease in funding for Fair Housing Testing.

State of New York Mortgage Agency

The Executive Budget proposes \$218.9 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing a decrease of \$31.3 million, or 16.7 percent, from SFY 2025-26 levels. There are no FTEs associated with SONYMA.

Article VII

Authorizes the Mortgage Insurance Fund Utilization (ELFA Part M): 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 \$117.75 million available for the upcoming fiscal year, consisting of excess revenues through fiscal year 2027 and reserves that can be accessed without negatively impacting the MIF's credit rating, representing a net increase of \$6 million from SFY 2025-26.

These funds would be used to support the following programs:

- **Rural Rental Assistance Program (RRAP):** The Executive proposes funding RRAP at \$25.38 million in SFY 2026-27. This amount is an increase of \$1.92 million from SFY 2025-26.
- **Neighborhood Preservation Program (NPP):** The Executive proposes funding the Neighborhood Preservation Program at \$12.83 million in SFY 2026-27, a decrease of \$5.97 million from SFY 2025-26. Of note, the Executive Budget does not include a carve out of \$250,000 for the Neighborhood Preservation Coalition, as was provided in SFY 2025-26.
- **Rural Preservation Program (RPP):** The Executive proposes funding the Rural Preservation Program at \$5.36 million in SFY 2026-27, a decrease of \$2.69 million from SFY 2025-26. Of note, the Executive Budget does not include a carve out of \$250,000 for the Rural Preservation Coalition, as was provided in SFY 2025-26.
- **Homeless Housing Programs:** The Executive proposes funding of \$74.18 million in SFY 2026-27 for programs like Solutions to End Homelessness Program, the New York State Supportive Housing Program, and the Operational Support for AIDS Housing Program, which is an increase of \$17.8 million from SFY 2025-26.

Fiscal Impact: The Executive Budget proposes utilizing \$117.75 million in excess MIF funds to support outlined programs.

Expands the Number of Land Banks Permitted (ELFA Part N): The Executive Budget proposes to increase the number of land banks that can simultaneously exist in New York State from 35 to 45 for the purpose of acquiring and repurposing vacant properties for affordable housing. The Land Bank Act of 2011 permitted municipalities the option to apply for and create land banks in their communities. Land banks are not-for-profit corporations created to take control of, and redevelop, vacant or abandoned properties to better serve the public interest. The Land Bank Act originally authorized up to ten land banks that can simultaneously exist in New York State and this cap has increased over the years, most recently in 2018, when the cap was increased from 25 to 35.

Fiscal Impact: The Executive Budget did not provide a fiscal estimate for this proposal. It is regulatory in nature as it increases the permissible number of land banks that can exist in New York State.

Extends and Reforms J-51 (ELFA Part O): The Executive proposes to extend and expand the expiring J-51 tax benefit designed to help rent-regulated and affordable homeownership buildings pay for necessary repairs and improvements. These new changes would allow owners of multifamily housing to receive a tax abatement for up to 100 percent of the certified reasonable costs of alterations and improvements to rental and owner-occupied buildings in New York City. The current benefit allows recovery of up to 70 percent of the certified reasonable costs. For both the existing and reformed benefit, the annual abatement cannot exceed 8.3 percent of certified reasonable costs of construction and the total length of the abatement cannot exceed 20 years.

To be eligible under this proposal, consistent with the current J-51 program, a rental building must be a multiple dwelling with at least 50 percent of its units affordable, be owned by a Mitchell-Lama housing company, or receive substantial government assistance. An ownership building must either be operated as a condominium or cooperative with an average assessed value per unit at \$60,000 or less or be operated by a mutual company or mutual redevelopment company. The building must also not be concurrently receiving tax benefits for rehabilitation or new construction under state or local law, except those under the Private Housing Finance Law.

To qualify for the abatement, building owners must apply with the local housing agency at least four months prior to the effective date of the proposal or completion date of the work, and must demonstrate the eligibility of the construction and reasonable costs. Certified reasonable costs are limitations determined by the local housing agency for specified alterations and improvements that are updated every three years. The application must also include a list of the owners with a substantial interest in the building and an affidavit stating they have not been found to have harassed or unlawfully evicted tenants in the past five years. The local housing agency may also require proof of compliance with the City's Housing Maintenance Code. The application has a non-refundable filing fee of \$1,000 plus \$75 per unit in excess of six units.

Rental buildings receiving the tax benefit, other than Mitchell-Lamas, must subject any affordable and market-rate rental unit in the building to rent stabilization until the first vacancy after the tax benefit expires, unless it would otherwise be subject to rent regulation. For rental buildings that are not recipients of substantial government assistance, the owner must ensure that no affordable unit is held off the market for a period that is longer than reasonably necessary. Owners receiving tax benefits under this proposal must also waive major capital improvement (MCI) rent increases for the eligible construction attributable to the program. Affordable rental units cannot be rented on a temporary, transient or short-term basis, and every lease and renewal must be for a term of one to two years.

Rental buildings may not convert to condominium or cooperative for the duration of the benefit. Owners must provide notice to tenants on the construction and their rights under the program and must not engage in harassment or unlawful eviction during the duration of the benefit. Noncompliance with the rental terms may result in extending the required period of rent stabilization, increasing the number of affordable rental units in the building, financial penalties, and a termination of program benefits. Under the proposal, any prospective, present or former tenant of a rental building has a right of action to enforce the requirements and prohibitions of the tax benefit.

The proposal also includes annual public reporting requirements, including total benefits approved and where, benefits revoked, and updates to the certified reasonable cost schedule. While the current J-51 program does not expire until June 30, 2026, this program would go into effect immediately upon being signed into law and remain in effect until June 30, 2036.

Fiscal Impact: The Executive did not provide a fiscal for this proposal. Expanded eligibility for the J-51 tax abatement program could increase the number and value of property tax abatements granted, resulting in a reduction in local property tax revenues in New York City. The extent of revenue impact would depend on program participation and the cost of eligible building improvements.

Creates the Crime of Aggravated Harassment of a Rent-Regulated Tenant (ELFA Part P):

The Executive proposes to create a new criminal offense for landlords who engage in systematic harassment of tenants. The proposal creates a new Class D felony, punishable by up to seven years in prison, for aggravated harassment of a rent-regulated tenant, which occurs when an owner acts with the intent to induce two or more tenants, occupying different units in two or more residential buildings, to vacate their units or when an owner has committed the crime of harassment of a rent regulated tenant in the first degree and has been convicted of such in the preceding five years.

Owners acting with the intent to induce tenants to vacate must intentionally engage in systematic ongoing conduct which impairs the habitability of the housing accommodation, which creates or maintains conditions that endanger the safety of a rent-regulated tenant, or which is reasonably likely to, or does, disturb the comfort, repose, peace, or quiet of rent regulated tenants in the use and occupancy of their housing accommodations. A good faith commencement and pursuit of a lawful eviction does not, by itself, constitute disturbing the comfort, repose, peace, or quiet of a tenant.

Fiscal Impact: The Executive did not provide a fiscal estimate for this bill, but it is conduct-regulating in nature as it establishes new criminal penalties to prohibit landlords from engaging in systematic harassment of rent-regulated tenants.

Authorize the Repurposing of Real Property Owned By Certain SUNY and DOT (TEDE Part U): The Executive proposes to authorize the conveyance of long-term leases of land in Suffolk County owned by SUNY, at Farmingdale and Stony Brook, for mixed-use housing and community amenities; and in the Town of Babylon owned by the Department of Transportation (DOT) for use deemed appropriate by the Commissioner. There are no requirements for housing affordability included in this proposal.

Subpart A of the proposal gives the trustees of SUNY the power to lease a portion of approximately 8.7 acres of land on Farmingdale's campus to the Farmingdale State Development Corporation to build multipurpose facilities that support housing needs and community amenities. Subpart B provides the SUNY trustees with the power to lease approximately 10 acres of land on Stony Brook's Southampton campus for the same purpose. With respect to both Farmingdale and Stony Brook, the lease may occur without any public bidding, for a period not to exceed 99 years with terms negotiated by the trustees, and subject to approval by the Director of the Division of Budget, the Attorney General, and the State Comptroller. If the leased property ceases to be used for housing and amenities, the lease will terminate and the land and any improvements thereon will revert to SUNY. After the end of the lease, the land and its improvements thereon will revert to SUNY. All proceeds related to the leases authorized by this proposal must be used for the benefit of the respective Farmingdale or Stony Brook campuses, and the allocation of the proceeds will be subject to approval by the trustees.

Subpart C of the proposal gives the Commissioner of the Department of Transportation the power to transfer 12.5 acres of state-owned property across two parcels in the Town of Babylon. The land may be transferred upon such terms and conditions as the Commissioner deems appropriate, and nothing in the proposal requires that the lands be developed for housing development or awarded by a competitive process.

Fiscal Impact: There is no fiscal impact associated with this proposal, which authorizes the conveyance of certain long-term land leases to build multipurpose facilities that support housing and community needs.

Expands the Rent Increase Exemption for Senior Citizens and Persons with Disabilities

(REV Part V): The Executive Budget proposes to extend the existing programs and raise the income threshold for the Senior Citizen Rent Increase Exemption (SCRIE) and the Disability Rent Increase Exemption (DRIE) from \$50,000 to \$75,000 per year. For New York City specifically, the legislation mandates implementation of the \$75,000 limit without requiring local law, ordinance or resolution to be adopted. Outside New York City, the limit is a local option, allowing municipalities the discretion of increasing the limit to \$75,000. Outside of New York City, SCRIE/DRIE are predominantly available in certain municipalities in Nassau and Westchester counties. The proposal also extends the provisions authorizing SCRIE and DRIE, which are currently set to expire on June 30, 2026, to June 30, 2028.

Fiscal Impact: The Executive did not provide a fiscal for this proposal. Expanded eligibility for SCRIE and DRIE could increase the number of property tax credits issued, which may reduce local property tax revenues in New York City, where the tax base is not adjusted to account for these credits. Any revenue impact would depend on program participation levels.

LABOR AND WORKFORCE



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Labor and Workforce Fact Sheet

Appropriations

- **Department of Labor:** The Executive decreases appropriations by \$8.3 million primarily to reflect the one-time, prior year repayment of federal unemployment insurance arrears accumulated during the pandemic.
- **Wage Theft and Workers Compensation Fraud Enforcement:** The Executive proposes \$5.1 million for a DOL grant program to help district attorneys in smaller, rural jurisdictions investigate wage theft. The Executive Proposal also includes \$17 million in funding for the Workers' Compensation Board to establish workers' compensation fraud units in district attorney offices statewide.
- **Workers' Compensation Board Technology Upgrades:** The Executive provides \$30 million in capital funding for continued information technology upgrades to equipment, software, and services.
- **Census Planning and Outreach:** The Executive Budget includes \$3 million for planning initiatives ahead of the 2030 census. Funding includes community outreach, public education, and support to local governments for the Local Update of Census Addresses.
- **Department of Civil Service Resources:** The Executive includes a \$13 million increase in funding to support modernization of the State's civil service system and to cover increased Employee Health Service costs.
- **NYSHIP Contributions Transfer:** The Executive proposes a transfer of \$358 million in outstanding NYSHIP employee healthcare contributions from SUNY Stony Brook, SUNY Upstate, and SUNY Downstate into the general fund.

Article VII

- **Workers' Compensation Fraud Enforcement Assessment:** The Executive proposes allowing the Worker's Compensation Board to create a new assessment on businesses to fund the establishment and maintenance of dedicated workers' compensation fraud units within New York State district attorney's offices.
- **Expands Eligibility to Treat Workers' Compensation Patients:** The Executive proposes allowing any duly licensed acupuncturist, chiropractor, nurse practitioner, occupational therapist, physician, physician assistant, podiatrist, psychologist, or social worker to provide medical treatment to a workers' compensation patient, unless they are on the exclusion list.

Labor and Workforce Agency Details

Labor and Workforce All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Department of Labor	\$15,343.3	\$7,060.3	(\$8,283.0)	-54.0%
Labor Management Committees	\$51.7	\$51.7	\$0.0	0.0%
General State Charges	\$8,816.1	\$9,731.3	\$915.2	10.4%
Department of Civil Service	\$132.3	\$145.3	\$13.0	9.9%
Workers' Compensation Board	232.0	279.0	\$47.0	20.3%
Workers' Compensation Reserve	9.6	9.6	\$0.0	0.0%
Office of Employee Relations	\$16.0	\$16.0	\$0.0	0.0%
Deferred Compensation Board	\$1.0	\$1.4	\$0.4	39.0%
Public Employment Relations Board	6.6	6.6	\$0.0	0.0%
Total	\$24,608.7	\$17,301.2	(7,307.4)	-29.7%

Overview

The SFY 2026-27 Executive Budget recommends \$17.3 billion in All Funds support for the agencies comprising the Labor and Workforce functional areas. This reflects a net decrease of \$7.3 billion, or 29.7 percent from SFY 2025-26. The decrease is largely the result of a one-time, prior-year repayment to eliminate federal unemployment insurance arrears accumulated during the pandemic.

Department of Labor

The Executive Budget proposes \$7.1 billion in All Funds appropriations for the Department of Labor (DOL), a decrease of approximately \$8.3 billion, or 54.0% percent, from SFY 2025-26 levels. This decrease in funding is largely attributable to the one-time, prior year repayment of federal unemployment insurance arrears accumulated during the pandemic. The Executive recommends a workforce of 2,942 FTEs for DOL, consistent with previous levels.

The Executive Budget includes \$5.1 million in new funding for a grant program to assist district attorneys in rural jurisdictions with conducting wage theft investigations. The Executive also proposes \$3 million in new funding to establish a Census Planning Commission that will assist local governments with community outreach, public education, and the update of Census addresses.

Department of Civil Service

The Executive Budget proposes \$145.3 million in All Funds appropriations for the Department of Civil Service (DCS), an increase of \$13 million, or 9.8 percent, from SFY 2025-26 levels. This increase will support modernization of the State's civil service system and cover increased Employee Health Service costs. The Executive recommends a workforce of 582 FTEs, unchanged from previous levels.

Article VII

Eliminates IRMAA Reimbursement for High-Income Retirees and Provides Premium Refunds to Certain Retirees (PPGG Part EE):

The Executive Budget proposes eliminating reimbursement for Income Related Monthly Adjustment Amounts (IRMAA) paid to high-income state retirees and their dependents. Federal law requires high-income individuals enrolled in Medicare Part B to pay an IRMAA premium in addition to their standard premium. New York State currently reimburses retirees and their dependents enrolled in the New York State Health Insurance Program for both their Medicare Part B standard premium and IRMAA premium. The Executive proposes eliminating IRMAA reimbursement, so retirees only receive reimbursement for their standard Medicare Part B premium. This change would apply to any IRMAA incurred on or after January 1, 2026.

Additionally, the Executive Budget proposes providing a new annual health insurance premium refund to certain eligible state retirees beginning December 1, 2028. Individuals who retired on or after January 1, 1983, but prior to January 1, 2012, and individuals who retired on or after January 1, 2012, from a title allocated or equated to salary grade nine or below, would be eligible to receive an annual premium refund equaling 50% of the amount reimbursed by the Department of Civil Service for IRMAA premiums in 2025 divided by the number of eligible state retirees. Premium amounts would be adjusted to account for inflation each year.

Fiscal Impact: According to the Executive, enactment of this bill would reduce State costs under the New York State Health Insurance Program (NYSHIP) by \$14 million in SFY 2026-27 and \$15.2 million in SFY 2027-28, reflecting the elimination of reimbursements for IRMAA premiums.

General State Charges

The Executive Budget proposes \$9.7 billion in All Funds appropriations for General State Charges, an increase of \$915 million, or 10.4 percent, from SFY 2025-26 levels. The increase of \$915 million is primarily attributable to an increase in the State's share of health insurance for its employees and retirees due to medical inflation, paired with the rising cost of GLP-1 drugs and the increased utilization of out-of-network services. The continued growth of the State Workforce and salary increases have also raised the State's social security and pension liabilities, partially offset by an estimated \$121 million in savings from a prepayment of pension obligations reflected in the SFY 2026-27 Financial Plan. The Executive Budget also includes a \$20.1 million increase in Metropolitan Commuter Transportation Mobility Tax payments, an employer payroll tax that creates a dedicated revenue stream for the Metropolitan Transportation Authority.

Additionally, the Executive proposes transferring \$358 million in SUNY hospital employee healthcare contributions into the state general fund via the General State Charges budget.

Last year's Enacted Budget included a \$10 million General State Charges appropriation to cover reasonable private attorneys' fees and expenses for State employees responding to certain legal processes related to their employment. This funding is not continued in this year's Executive Budget.

There are no FTEs associated with the General State Charges budget.

Labor Management Committees

The Executive Budget proposes \$51.7 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been reached, with enabling legislation enacted. This represents an effectively equivalent funding level to the SFY 2025-26 Enacted Budget, with a \$6,000 year-over-year increase. Additionally, \$132 million is available in reappropriations, representing unspent funds from existing CBAs. The Labor Management Committees' workforce is estimated to remain constant at 77 FTEs.

Office of Employee Relations

The Executive proposes \$16 million in All Funds appropriations for the Office of Employee Relations (OER), reflecting no change from SFY 2025-26 levels. The Office of Employee Relations workforce is also expected to stay constant at 107 FTEs.

Public Employment Relations Board

The Executive Budget proposes \$6.7 million in All Funds appropriations for the Public Employment Relations Board (PERB), reflecting no change from SFY 2025-26 levels. PERB workforce levels remain unchanged at 41 FTEs.

Workers' Compensation Board

The Executive Budget proposes \$279 million in All Funds appropriations for the Workers' Compensation Board, a \$47 million increase, or 20.3 percent, from SFY 2025-26 levels. This increase includes \$17 million in Special Revenue appropriations to provide grants for district attorneys to establish and maintain workers' compensation fraud units. Special revenue funding for the New York State workers' compensation system is generated through employer and insurance carrier assessments tied to workers' compensation premiums. The Executive also includes \$30 million in capital funding to support departmental information technology improvements. The Workers' Compensation Board staffing level remains unchanged from SFY 2025-26.

Workers' Compensation Reserve

The Executive budget proposes \$9.6 million in All Funds appropriations for the Workers' Compensation Reserve, unchanged from SFY 2025-26 levels. There are no FTEs associated with the Workers' Compensation Reserve.

Article VII

Workers' Compensation Fraud Enforcement Assessment (PPGG Part W): The Executive proposes allowing the Worker's Compensation Board to create a new assessment on businesses to fund the establishment and maintenance of dedicated workers' compensation fraud units within New York State district attorney's offices.

The Worker's Compensation Board is entitled to collect annual assessments from employers required to obtain workers' compensation coverage to pay for the expenses necessary to administer their responsibilities. Under this authority, the Executive proposes allowing the Board to collect a sum determined by the Chair to create and maintain dedicated workers' compensation fraud units within district attorney's offices.

Fiscal Impact: The Executive Budget includes a \$17 million appropriation in the Workers' Compensation Board budget to enact the grant program

Expands Eligibility to Treat Workers' Compensation Patients (PPGG Part X): The Executive proposes expanding the number of available workers' compensation providers by allowing any provider, defined as a duly licensed acupuncturist, chiropractor, nurse practitioner, occupational therapist, physician, physician assistant, podiatrist, psychologist, or social worker, to provide medical care or treatment to an injured worker so long as they are not on the Workers' Compensation Board's exclusion list. The Chair would still be required to authorize physicians, podiatrists, chiropractors, and psychologists to perform independent medical examinations.

The exclusion list would be maintained by the Chair and include any providers currently disqualified from rendering care or providing independent medical examinations. Reasons for disqualification include: a provider being found guilty of professional or other misconduct or incompetency, exceeding the limits of their professional competency in rendering medical care or treatment, failing to provide copies of medical reports, or appear or testify as required, knowingly making a false statement or representation to the Board, including about their own qualifications, and failing to complete required training. Providers who have previously lost the privilege to treat injured workers and whose authorization has not been restored by January 1, 2028, would also be placed on the exclusion list.

These changes would take effect January 1, 2028.

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

Deferred Compensation Board

The Executive Budget proposes \$1.4 million in All Funds appropriations, an increase of \$392,000, or 39 percent, from FY 2026. The Executive also recommends a workforce of 6 FTEs, an increase of 2 FTEs from the current fiscal year. The proposed increases will support administration of the Deferred Compensation Plan and correspond to the progressive growth in employee participation.

State Workforce

The Executive Budget anticipates an aggregate increase to the State Workforce of 502 full-time employees for the fiscal year ending on March 31, 2027. The Executive proposes targeted staffing investments in multiple agencies, including the Office of Children and Family Services, the Department of Tax and Finance, the Department of Financial Services, the Department of Environmental Conservation, and the Department of Corrections and Community Supervisions.

Workforce Impact Summary

All Funds
FY 2025 Through FY 2027

	FY 2025 Actuals (03/31/25)	Starting Estimate (03/31/26)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/27)
Minor Agencies								
Addiction Services and Supports, Office of	758	812	(80)	80	0	0	0	812
Adirondack Park Agency	53	59	(2)	2	0	0	0	59
Aging, Office for the	90	126	(12)	12	0	0	0	126
Agriculture and Markets, Department of	559	656	(20)	20	0	0	0	656
Alcoholic Beverage Control, Division of	364	455	(52)	63	0	0	11	466
Arts, Council on the	30	41	(4)	4	0	0	0	41
Budget, Division of the	292	292	(30)	30	0	0	0	292
Civil Service, Department of	448	582	(74)	74	0	0	0	582
Correction, Commission of	47	62	(5)	15	0	0	10	72
Criminal Justice Services, Division of	482	627	(52)	76	0	0	24	651
Deferred Compensation Board	4	4	0	2	0	0	2	6
Developmental Disabilities, State Council on	0	18	0	0	0	0	0	18
Economic Development, Department of	127	160	(10)	10	0	0	0	160
Elections, State Board of	157	228	(19)	19	0	0	0	228
Employee Relations, Office of	83	107	(11)	11	0	0	0	107
Ethics and Lobbying, Independent Commission on	55	68	(3)	3	0	0	0	68
Executive Chamber	157	168	(10)	10	0	0	0	168
Financial Control Board, New York State	11	12	(2)	2	0	0	0	12
Gaming Commission, New York State	313	396	(26)	26	0	0	0	396
Higher Education Services Corporation, New York State	96	138	(13)	13	0	0	0	138
Homeland Security and Emergency Services, Division of	715	770	(48)	48	0	0	0	770
Housing and Community Renewal, Division of	662	676	(35)	35	0	0	0	676
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	205	282	(26)	26	0	0	0	282
Indigent Legal Services, Office of	50	62	(4)	4	0	0	0	62
Inspector General, Office of the	101	105	(14)	16	0	0	2	107
Interest on Lawyer Account	8	11	0	0	0	0	0	11
Judicial Conduct, Commission on	47	56	(3)	3	0	0	0	56
Justice Center for the Protection of People with Special Needs	492	501	(28)	28	0	0	0	501
Labor Management Committees	71	77	(5)	5	0	0	0	77
Lieutenant Governor, Office of the	0	10	(1)	1	0	0	0	10
Medicaid Inspector General, Office of the	538	545	(26)	30	0	0	4	549
Military and Naval Affairs, Division of	400	439	(30)	30	0	0	0	439
Prevention of Domestic Violence, Office for	42	46	(5)	12	0	0	7	53
Prosecutorial Conduct, Commission on	4	19	(2)	2	0	0	0	19
Public Employment Relations Board	33	41	(6)	6	0	0	0	41
Public Service Department	556	628	(55)	55	0	0	0	628
State, Department of	723	700	(74)	74	0	0	0	700
Statewide Financial System	142	147	(7)	7	0	0	0	147
Tax Appeals, Division of	26	29	0	0	0	0	0	29
Veterans' Services, Department of	99	110	(14)	14	0	0	0	110
Victim Services, Office of	105	109	(11)	12	0	0	1	110
Waterfront Commission	25	32	(4)	4	0	0	0	32
Welfare Inspector General, Office of	7	6	(1)	1	0	0	0	6
Subtotal - Minor Agencies	9,177	10,413	(824)	885	0	0	61	10,474

Workforce Impact Summary

All Funds
FY 2025 Through FY 2027

	FY 2025 Actuals (03/31/25)	Starting Estimate (03/31/26)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/27)
Major Agencies								
Children and Family Services, Office of	3,076	2,983	(508)	565	0	0	57	3,040
Corrections and Community Supervision, Department of	19,197	25,545	(2,603)	2,636	0	0	33	25,578
Education Department, State	2,756	2,916	(292)	310	0	0	18	2,934
Environmental Conservation, Department of	3,302	3,371	(176)	221	0	0	45	3,416
Financial Services, Department of	1,379	1,441	(101)	153	0	0	52	1,493
General Services, Office of	1,800	2,024	(243)	274	0	0	31	2,055
Health, Department of	5,405	6,209	(740)	751	0	0	11	6,220
Information Technology Services, Office of	3,851	4,158	(211)	211	0	0	0	4,158
Labor, Department of	3,042	2,942	(236)	236	0	0	0	2,942
Mental Health, Office of	14,458	15,901	(1,181)	1,182	0	0	1	15,902
Motor Vehicles, Department of	3,122	3,228	(264)	264	0	0	0	3,228
Parks, Recreation and Historic Preservation, Office of	2,473	2,469	(142)	142	0	0	0	2,469
People with Developmental Disabilities, Office for	18,793	19,115	(1,466)	1,476	0	0	10	19,125
State Police, Division of	5,912	6,521	(267)	274	0	0	7	6,528
Taxation and Finance, Department of	3,685	3,832	(304)	370	0	0	66	3,898
Temporary and Disability Assistance, Office of	1,931	2,053	(178)	178	0	0	0	2,053
Transportation, Department of	8,570	8,495	(1,103)	1,107	0	0	4	8,499
Workers' Compensation Board	1,023	1,112	(106)	106	0	0	0	1,112
Subtotal - Major Agencies	103,775	114,315	(10,121)	10,456	0	0	335	114,650
Minor Agencies								
	9,177	10,413	(824)	885	0	0	61	10,474
Subtotal - Subject to Direct Executive Control	112,952	124,728	(10,945)	11,341	0	0	396	125,124
University Systems								
City University of New York	13,434	13,511	(1,350)	1,350	0	0	0	13,511
State University Construction Fund	137	145	(15)	15	0	0	0	145
State University of New York	49,376	50,958	(5,096)	5,096	0	0	0	50,958
Subtotal - University Systems	62,947	64,614	(6,461)	6,461	0	0	0	64,614
Independently Elected Agencies								
Audit and Control, Department of	2,688	2,927	(400)	413	0	0	13	2,940
Law, Department of	2,016	2,277	(137)	172	0	0	35	2,312
Subtotal - Independently Elected Agencies	4,704	5,204	(537)	585	0	0	48	5,252
Grand Total	180,603	194,546	(17,943)	18,387	0	0	444	194,990

LOCAL GOVERNMENT



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Local Government Assistance Fact Sheet

Appropriations

- **Temporary Municipal Assistance:** The Executive Budget proposes \$50 million in Temporary Municipal Assistance funding to AIM-eligible municipalities. This funding was originally a two-year commitment, with the Executive extending funding for a third year.
- **Miscellaneous Financial Assistance:** The Executive Budget proposes maintaining \$20 million in miscellaneous financial assistance to the City of Albany.

Local Government Assistance Details

Overview

The SFY 2026-27 Executive Budget proposes \$62.7 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 on local governments of approximately \$2.9 billion for municipalities and school districts in the Local Fiscal Year (LFY) 2026-27.

SFY 2026-27 Executive Budget Impact for Local Fiscal Year 2026-27 (\$ in millions)		
Major Local Aid Programs	LFY 2026-27 Local Aid	Net Impact on LFY 2026-27
School Aid and Other Education	\$39,252.8	\$1,627.2
Special Education	\$1,797.4	\$0.0
Medicaid	\$9,167.2	\$0.0
Human Services	\$7,945.9	\$1,192.2
Health	\$510.0	\$0.0
Mental Hygiene	\$120.5	\$0.0
Transportation	\$1,693.5	\$0.0
Municipal Aid	\$823.6	\$27.4
Public Protection	\$1,042.3	\$63.3
Environment	\$0.0	\$0.0
Economic Development	\$50.0	\$50.0
Other Local Aid Programs	\$364.7	\$0.0
Revenue Impacts	\$0.0	(\$30.3)
Total	\$62,767.9	\$2,929.8

SFY 2026-27 Executive Budget Impact on Local Governments (\$ in millions)	
New York City (includes school district)	\$1,577.1
School Districts (excluding New York City)	\$671.4
Counties	\$353.5
All Other Cities (excludes school districts)	\$25.6
Towns and Villages	\$0.9

The Executive Budget proposes \$868.3 million in All Funds appropriations in Aid to Localities for Local Government Assistance programs, a decrease of \$16.8 million from SFY 2025-26.

Local Government Assistance All Funds Appropriations (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
State Operations				
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	\$8.0	\$8.0	\$0.0	0.0%
Temporary Municipal Assistance	\$50.0	\$50.0	\$0.0	0.0%
VLT	\$30.1	\$30.1	\$0.0	0.0%
Miscellaneous Assistance	\$40.6	\$23.8	(\$16.8)	-41.4%
Small Government Assistance	\$0.2	\$0.2	\$0.0	0.0%
General Fund Total	\$879.1	\$862.3	(\$16.8)	-1.9%
Fiduciary Fund Total	\$0.0	\$0.0	\$0.0	0.0%
All Funds Total	\$885.1	\$868.3	(\$16.8)	-1.9%

Aid and Incentives for Municipalities

Aid and Incentives for Municipalities (AIM) 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) and Citizen Empowerment Tax Credits (CETG)

Citizen Reorganization Empowerment Grants (CREG) provide up to \$100,000 for local governments to plan or implement consolidations or dissolutions. Citizen Empowerment Tax Credits (CETG) provide annual State aid to cities, towns, and villages that consolidate or dissolve. These tax credits are equal to fifteen percent of the consolidated local government's combined tax levy. At least 70 percent of each award must be used for direct property tax relief. The Executive Budget proposes \$35 million for these programs, unchanged from SFY 2025-26.

Local Government Efficiency Programs (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 \$8 million for this program, unchanged from the current fiscal year.

Video Lottery Terminal Aid

The Executive Budget proposes \$30.1 million for Video Lottery Terminal (VLT) Aid, unchanged from the current fiscal year. This funding supports municipalities where a video lottery gaming facility is located to offset increases in local costs related to hosting VLTs. VLT Aid is provided only 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)		
Municipality	VLT Facility	SFY 2026-27
City of Yonkers	Yonkers	\$19,600
City of Batavia	Batavia Downs	\$441
Town of Batavia	Batavia Downs	\$160
Genesee County	Batavia Downs	\$200
Town of Hamburg	Fairgrounds (Buffalo)	\$866
Erie County	Fairgrounds (Buffalo)	\$289
Town of Farmington	Finger Lakes	\$1,778
Ontario County	Finger Lakes	\$591
Village of Monticello	Newburgh	\$291
Town of Thompson	Newburgh	\$635
Sullivan County	Newburgh	\$309
Town of Newburgh	Newburgh	\$780
Orange County	Newburgh	\$454
City of Saratoga Springs	Saratoga	\$2,326
Saratoga County	Saratoga	\$775
Village of Vernon	Vernon Downs	\$137
Town of Vernon	Vernon Downs	\$232
Oneida County	Vernon Downs	\$257
Total		\$30.1

Miscellaneous Financial Assistance

The Executive Budget proposes \$23.8 million in miscellaneous financial assistance, a reduction of \$16.8 million from the SFY 2025-26 Enacted Budget. This funding decrease is associated with the elimination of \$15 million appropriated to Monroe County by the Executive and the removal of \$1.8 million in SFY 2025–26 legislative additions. The Executive Budget continues to provide Madison County with \$3.8 million and continues to provide \$20 million in miscellaneous financial assistance to the City of Albany.

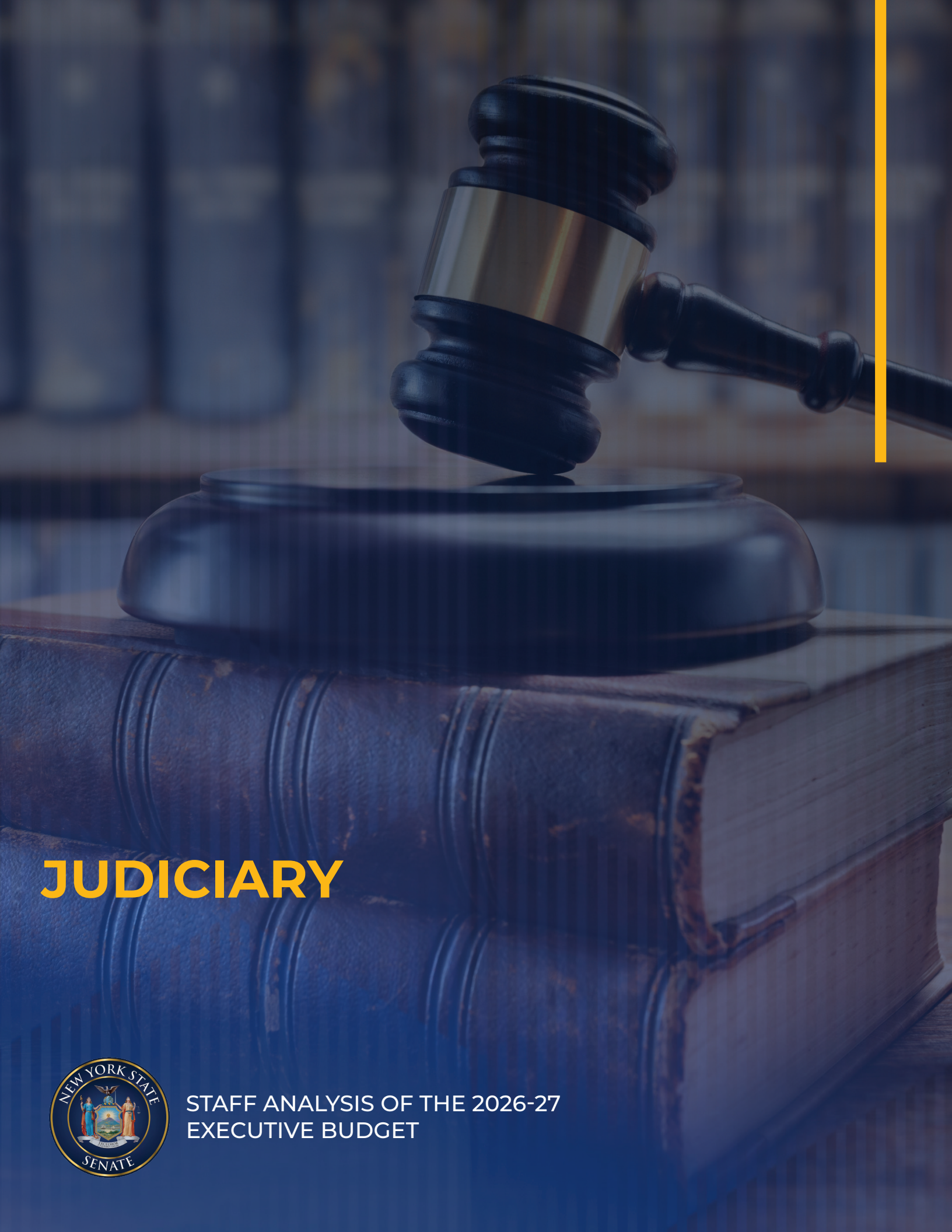
Small Government Assistance

The Executive Budget proposes \$217,000 in Small Government Assistance, unchanged from SFY 2025-26. 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 the Suspension of the Cell Surcharge Revenue Transfer to the Emergency Services Revolving Loan Fund (PPGG Part B): The Executive Budget proposes to extend the existing suspension of the \$1.5 million annual transfer from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund to assist local governments, fire districts, and not-for-profit fire/ambulance in financing emergency response equipment and related capital needs. The Executive Budget proposes to extend the existing suspension through State Fiscal Year 2029-30, which allows for local emergency services-related grants instead. Current law suspends the annual transfer of \$1.5 million in funding by two fiscal years and currently applies through State Fiscal Year 2025-26. This suspension has been regularly extended by two fiscal years since 2011.

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



JUDICIARY



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Judiciary Fact Sheet

Appropriations

- **Judiciary Civil Legal Services program (JCLS):** \$29 million increase to support Judiciary's Civil Legal Services program (JCLS) program, which includes \$4 million for three percent COLA and enhanced funding, providing a total of \$179.5 million in SFY 2026-27.
- **Attorney for Child (AFC) program:** \$5.7 million increase for the Attorney for Child (AFC) program, for a total of \$216.9 million in SFY 2026-27.

Article VII

- **Market-Based Interest Rate on Court Judgments:** The Executive proposes modifying the statutory interest rate on court judgments, which is currently typically nine percent per year, to a variable, market-based rate.

Office of Court Administration Agency Details

Office of Court Administration (OCA) All Funds Appropriations (\$ in Millions)				
	SFY 2025-26 Available Funds	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
OCA All Funds	\$3,049	\$3,259	\$210	7%
General State Charges (GSC)	\$1,043	\$1,193	\$149	14%
Total	\$4,093	\$4,452	\$359	9%

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. These estimates must be included in the Executive Budget without revisions, but the Executive can still make recommendations. The Office of Court Administration (OCA) Budget proposes total appropriations of \$4.5 billion, an increase of \$359 million or nine percent compared to SFY 2025-26. The OCA Budget proposes a total All Funds spending of \$4.4 billion, an increase of \$364 million compared to SFY 2025-26, which is \$15 million lower than the total proposed appropriations. The OCA Budget proposal supports a workforce of 18,100 FTEs, an increase of 1,100 FTEs.

Office of Court Administration

The \$4.5 billion total appropriations include \$3.26 billion in All Funds appropriations (State Operations, Aid to Localities and Capital Projects) and \$1.2 billion in General State Charges (GSC). The OCA All Funds appropriations of \$3.26 billion represent an increase of \$210 million or 6.9 percent compared to SFY 2025-26. The increase in spending is mainly attributed to funding to support court operations, funding to support access to justice, and critical case processing initiatives, technology to improve efficiency, accessibility, security, and transparency.

The OCA Budget proposes the following:

- \$68.5 million increase to support prospective collective bargaining agreements.
- \$34.4 million increase to support personal services for annualization, pay increments, bonus, location pay, uniform allowance. Security and Law Enforcement Differential (SLED).
- \$29.5 million increase to support Judiciary’s Civil Legal Services program (JCLS) program, which includes \$4 million for three percent COLA and enhanced funding, providing a total of \$179.5 million in SFY 2026-27.
- \$12.2 million increase to support personal services costs of Judges, which includes,
 - o Annualization of 15 new judgeships authorized by Chapter 55 of the Laws of 2025, including 10 NYC Civil Court and 5 Court of Claims
 - o A two percent salary increase for all judges and justices, as authorized by the New York State Commission on Legislative, Judicial, and Executive Compensation in 2023.
- \$10 million increase in Capital Project, providing a total of \$60 million to support the following:
 - o \$49 million to support developing technology equipment, software, services, and support for the Division of Court Modernization.
 - o \$7 million to enhance health and safety in courthouses through the acquisition of X-ray machines, magnetometers, security cameras and door access systems.
 - o \$4 million for the acquisition of equipment associated with general facility renovation and upgrades.
- \$7.8 million increase to support the Court Facilities Incentive Aid Program (CFIA), providing a total of \$135.4 million in financial assistance to local government for construction and maintenance of court facilities.
- \$6.1 million increase to create a statewide lab-based drug testing program.
- \$5.7 million increase for the Attorney for Child (AFC) program, for a total of \$216.9 million in SFY 2026-27.
- \$3.7 million increase to support annualization and increase of nonjudicial staff, including court officers

General State Charges: The OCA Budget proposes an All Funds GSC of \$1.2 billion, an increase of \$149.2 million or 14 percent compared to SFY 2025-26. This funding supports statutory and negotiated fringe benefits provisions. OCA’s GSC includes employer-paid contributions for pensions, Social Security, Medicare, health insurance, and employee benefit funds.

The OCA's GSC proposal includes the following:

- \$622 million for Health, Dental, Vision, & Life insurance which covers active and retired employees, administrative costs, and reimbursements for local retiree health plans, a \$72.8 million increase compared to SFY 2025-26.
- \$377.1 million for pensions including obligations to the New York State and local retirement system and New York City employment retirement system, an increase of \$62.8 million compared to SFY 2025-26.
- \$157.5 million for Social Security and Medicare based on mandated employer contribution rates and increased personal service expenditures, an \$11.4 million increase compared to SFY 2025-26.
- \$36.5 million for Employee Benefit Funds for contractual obligations under collective bargaining agreements for employees and retirees, an increase of \$2.2 million increase compared to SFY 2025-26

Article VII

Market-Based Interest Rate on Court Judgments (PPGG Part DD): The Executive proposes modifying the statutory interest rate on court judgments. Under current law, the rate in most cases is nine percent per year. The Executive proposes replacing that flat rate with a variable, market-based rate.

Fiscal Impact: The Executive Budget estimates that this proposal would have a \$2.5 million savings to the State in SFY 2026-27.



PUBLIC PROTECTION



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Public Protection Fact Sheet

Appropriations

- **National Guard Operating Support in DOCCS Correctional Facilities:** The Executive Budget includes \$535 million to extend the deployment of the National Guard to provide operating support in Department of Corrections and Community Supervision (DOCCS) state correctional facilities.
- **Gun Violence Prevention:** The Executive Budget includes \$352 million for gun violence prevention programs.
- **State Emergency Operations Center:** The Executive Budget provides \$150 million in Capital funding for the Division of Homeland Security and Emergency Services (DHSES) to support the construction of a new State Emergency Operations Center (SEOC) in the City of Albany to provide DHSES with the ability to assist with emergency responses across the State.
- **Health Records in Correctional Facilities:** The Executive Budget includes \$35.8 million in capital funding to support the development and implementation of an electronic health records system for the incarcerated population.
- **Division of State Police Comprehensive Plan for Drones:** The Executive Budget includes \$5 million for the Division of State Police to pilot drones as first responders. This technology will allow officers to assess situations before arriving on scene. This funding will be tied to legislation that will limit where drones may fly, expand law enforcement authority to respond to credible drone threats and support safe testing of counter-drone technologies.
- **Crime Analysis Center in Westchester County:** The Executive Budget includes \$4.5 million to support a new Crime Analysis Center in Westchester County.

Article VII

- **Prohibiting Ghost Guns and Convertible Pistols with Conversion Devices:** The Executive Budget proposes prohibiting the manufacture and sale of “pistol converters” and “convertible pistols” capable of being easily modified to turn into machine guns. It also criminalizes the unlicensed sale or distribution of digital code used to 3D print major firearm components or illegal firearm parts.
- **Protecting Rights to Access Health Care Services and Religious Exercise:** The Executive Budget proposes expanding on existing law concerning criminal interference with reproductive healthcare and religious worship, most notably by establishing a 25-foot buffer zone in which certain protest activities would be prohibited.
- **Sensitive Locations Protection Act:** The Executive Budget proposes restricting civil immigration enforcement in designated “sensitive” locations. Sensitive locations under the bill include schools, daycares, summer camps, healthcare facilities, and places of worship.
- **The New York State Bivens Act:** The Executive Budget proposes establishing a right to sue federal officers for violations of the federal Constitution. The purpose of this proposal, according to the Executive’s stated legislative intent, is to provide a remedy to New York residents injured by the unconstitutional conduct of federal officials “acting under color of law.”
- **Critical Incident Leave for State Police:** The Executive Budget proposes requiring the Superintendent of State Police to develop a policy to provide paid leave for members of the State Police who, in the course of their official duties, take an action that results in the death of another person, or who are otherwise involved in a critical incident.

Public Protection Agency Details

Public Protection All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Available Funds	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Division of Homeland Security & Emergency Services	\$9,085	\$9,249	\$164	2%
Department of Corrections and Community Supervision	\$4,485	\$4,148	(\$337)	-8%
Division of State Police	\$1,363	\$1,333	(\$30)	-2%
Division of Criminal Justice Services	\$986	\$952	(\$34)	-3%
Department of Law (Office of the State Attorney General)	\$495	\$413	(\$82)	-17%
Office of Indigent Legal Services	\$490	\$491	\$1	0%
Division of Military and Naval Affairs	\$446	\$307	(\$139)	-31%
Office of Victim Services	\$352	\$352	\$0	0%
Interest on Lawyer Account	\$81	\$81	\$0	0%
Office of the Prevention of Domestic Violence	\$19	\$20	\$1	5%
Judicial Commissions	\$9	\$9	\$0	0%
State Commission of Correction	\$7	\$7	\$0	0%
Commission on Prosecutorial Conduct	\$3	\$3	\$0	0%
Total	\$17,821	\$17,365	\$456	3%

Overview

The Executive Budget proposes Public Protection All Funds appropriations of \$17.4 billion, a net decrease of \$456 million or three percent compared to SFY 2025-26. The Executive Budget Proposal supports a workforce of 36,661 FTEs, an increase of 236 FTE compared to 2025-26.

Division of Homeland Security and Emergency Services (DHSES)

The Executive Budget proposes All Funds appropriations of \$9.25 billion, a net increase of \$163.9 million or 1.8 percent compared to SFY 2025-26. The Executive Budget proposes a total increase of \$192 million offset by \$28 million in reductions. The Executive Budget proposal supports a workforce of 770 FTEs, unchanged compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$150 million increase in Capital funding to support Centralized State Emergency Operation Center (SEOC) Facility in Albany County.
- \$26.2 million increase to support nonpersonal services expenses of disaster assistance operations, providing a total of \$33.8 million in SFY 2026-27.
- \$7.5 million increase in State Operations to support contractual and personal services
- \$5 million increase in Capital funding to support equipment to expand Statewide Urban Search and Rescue capabilities.
- \$2.7 million increase to support operations of the Office of Fire Prevention and Control, providing a total of \$11.7 million in SFY 2026-27.
- \$1.2 million increase in federal funding to support personal services in the Emergency Management program.
- \$25 million decrease in Capital funding due to the discontinuation of one-time Volunteer Fire Infrastructure and Response Grant (V-FIRE), which will be funded through re-appropriations in SFY 2026-27.
- \$2.3 million decrease due to the elimination of legislative grants, which includes:
 - \$1.5 million decrease for Red Cross Emergency Response Preparedness, bringing total available funding to \$3.3 million in SFY 2026-27.
 - \$750,000 decrease for the New York State Professional Fire Fighters Association
 - \$50,000 decrease for the Maynard Fire Department
- \$1 million decrease in contractual services which support education materials, digital literacy media training for students and youth.

Article VII

Partnering with Canada to Strengthen Disaster Response (PPGG Part J): The Executive Budget proposes authorizing the Governor to enter New York State into two cross-border emergency management agreements: the Northern Emergency Management Assistance Compact (NEMAC) and the International Emergency Management Assistance Compact (IEMAC).

NEMAC is a federally authorized mutual aid agreement that facilitates coordinated emergency response and resource/personnel sharing among certain participating Northern tier U.S. states (including Midwest and Great Lakes states) and the Central Canadian provinces, (specifically in regions affected by large-scale or cross-border disasters). IEMAC, which consists of the New England States and the Eastern Canadian provinces, is a separate mutual aid agreement meant to address disaster response across the Northeastern border. Joining these agreements would allow New York to share resources, personnel, emergency planning strategies, and conduct emergency exercises or drills with participating states and Canadian provinces.

The proposal also designates the Division of Homeland Security and Emergency Services (DHSES) as the coordinating agency for offers and requests for assistance under these compacts and as the facilitator for reimbursement of non-state resource providers, such as private utility companies. The bill also provides that legislative ratification of each compact is considered complete upon certification by the Governor.

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

Department of Correction and Community Supervision (DOCCS)

The Executive Budget proposes All Funds appropriations of \$4.14 billion, a net decrease of \$336.6 million or 7.5 percent compared to SFY 2025-26. The net decrease is mainly attributed to the removal of the one-time \$400 million investment for fixed camera installation in the SFY 2025-26. The Executive Budget proposal supports a workforce of 25,578 FTEs, an increase of 33 FTEs compared to SFY 2025-26. 18 FTEs will be for the recruitment staffing expansion and 15 FTEs for the Body Worn Camera Foil Unit.

The Executive Budget proposes the following:

- \$35.8 million increase in Capital funding to support the development and implementation of an Electronic Health Record (EHR) system.
- \$22 million increase to support contract nursing costs.
- \$3 million increase to support the expansion of correctional officer recruitment.
- \$1.2 million increase in Capital funding Preservation of Facilities for DOCCS Rehabilitation projects.
- \$1.1 million increase, to support the creation of the Body-Worn Camera (BWC) FOIL unit, to process camera footage.
- \$400 million decrease in Capital funding due to the discontinuation of the one-time appropriation to support installation and maintenance of fixed cameras in state correctional facilities, which will be funded through re-appropriation in SFY 2026-27.

Correctional Facility Emergency Response (CFER)

The Executive Budget proposes All Funds appropriations of \$535 million, unchanged compared to SFY 2025-26. This additional appropriation provides DOCCS the ability to continue covering expenses associated with deployment of the New York State National Guard, which has provided operational support in DOCCS correctional facilities to address the staffing shortages.

Division of State Police (DSP)

The Executive Budget proposes All Funds appropriation of \$1.3 billion, a net decrease of \$29.9 million or 2.2 percent compared to SFY 2025-26. The net decrease is mainly attributed to increase in personal services costs offset by one-time payment of retroactive union settlement agreements with the Police Benevolent Association (PBA) and the New York State Investigators Association (NYSPIA) reached in SFY 2025-26. The Executive Budget proposal supports a workforce of 6,528 FTEs, an increase of seven FTEs unchanged compared to SFY 2025-26.

The Executive Budget proposal supports the following:

- \$5 million increase to support Drone Pilot Program (PPGG Part D).
 - \$4 million for nonpersonal services (contracts & equipment).
 - \$1 million for personal services.
- \$4 million increase to support Critical Incident Pay Leave (PPGG Part AA).
- \$2 million increase, to support the Executive Budget proposal to crack down on Auto Insurance fraud.
- \$231,000 increase in Capital funding to support purchase of new vehicles.

Article VII

Critical Incident Leave for State Police (PPGG Part AA): The Executive proposes requiring the Superintendent of State Police to establish a policy for paid critical incident leave. Critical incident leave is a new category of leave and would not count against a member's vacation, sick, or personal leave accruals.

Critical incidents include the following actions performed by a member of the State Police or experienced by a member in the course of their official duties: (i) an action which directly causes serious physical injury or death to another person, (ii) the discharge of a firearm by a member directed at another person, (iii) a traffic accident or other incident involving a division vehicle, aircraft, or vessel that results in serious injury or death, and (iv) any other incident designated by the Superintendent.

The policy must guarantee at least 20 calendar days of paid leave for a member who justifiably uses deadly force and whose actions were the direct and proximate cause of the death of another person. It shall provide at least ten days of paid leave for any other member who is physically present in the immediate proximity of the critical incident and whose exposure to the incident placed them within the immediate zone of operation engagement, regardless of whether they used force or discharged a weapon. The Superintendent may designate additional circumstances in which a member shall be eligible for critical incident leave.

If, after a member has been paid critical incident leave, it is determined that a critical incident did not occur or that the member's actions were not justified, the Superintendent may deduct equivalent vacation or personal leave days or withhold future paid leave, provided that they do not deduct more days than were granted as critical incident leave.

Fiscal Impact: The Executive estimates that this proposal would have a fiscal impact on the State of up to \$4 million. The costs will vary depending on the number of critical incidents, the number of paid leave days, and the number of members involved.

Division of Criminal Justice Services (DCJS)

The Executive Budget proposes All Funds appropriation of \$952 million, a net decrease of \$34.5 million or 3.5 percent compared to SFY 2025-26. The Executive Budget proposal supports a workforce of 651 FTEs, an increase of 24 FTEs compared to SFY 2025-26.

The Executive Budget proposal supports the following:

- \$6.7 million increase for expansion of Crime Lab accreditation, training, forensic staffing, DNA and Drug analysis, providing a total of \$13 million in SFY 2026-27.
- \$4.5 million increase to support the Crime Analysis Center (CAC) statewide expansion by establishing a new CAC in Westchester County, providing a total of \$37.5 million for all CACs in SFY 2026-27.
- \$1 million increase in Crime Prevention and Reduction Strategies.
 - \$500,000 for a task force of experts to recommend regulations for minimum safety standards for 3D printers sold in New York.
 - \$500,000 to develop an accreditation program for Police Training.
- \$35.5 million decrease due to the elimination of various legislative grants.
- \$10 million decrease in Pretrial Services grant funding, providing \$20 million in total funding in SFY 2026-27.
- \$3 million decrease due to the elimination of one-time funding for prosecutorial services for the Onondaga County District Attorney Office to support expert witnesses and testimony related expenses.
- \$2 million decrease due to the elimination of funding for the Correctional Association of New York (CANY).

Article VII

Stopping Illegal Homegrown Guns (PPGG Part C): The Executive Budget proposes prohibiting the manufacture and sale of “pistol converters” and “convertible pistols” capable of being easily modified to turn into machine guns. It also criminalizes the unlicensed sale or distribution of digital code used to 3D print major firearm components or illegal firearm parts.

Subpart A addresses “convertible pistols” and “pistol converters” (devices that turn pistols into machine guns). It creates new Class D felonies for the manufacture, transport, or shipping of a pistol converter and creates a Class D Felony for transporting, shipping, or disposing of a “convertible pistol” as merchandise. The proposal addresses the supply chain of these items and essentially imposes criminal liability on the manufacturers and distributors of these weapons/parts; it does not limit enforcement/criminal liability to the individual user.

Additionally, this proposal also addresses 3D printing and the digital components of ghost guns. It creates a Class E felony for distributing “digital firearm manufacturing code” (code that gives printers the ability to print firearm components and illegal firearm parts) to individuals without a gunsmith license. The proposal also criminalizes possession of such code when held with the intent to manufacture illegal firearms.

Subpart B addresses the potential use of 3D-printer blocking technology to prevent the printing of firearm components such as frames, receivers, or converter devices or illegal firearm parts. Rather than imposing an immediate mandate, the proposal creates a working group led by the Division of Homeland Security and Emergency Services (DHSES) alongside the Department of State and SUNY to study whether this “blocking technology” is actually feasible and to develop appropriate standards. If the group determines the technology works and sets safety standards, the “blocking technology” requirement goes into effect. Once effective, the Attorney General is authorized to enforce the law, with fines of up to \$5,000 for a first violation.

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

Developing a Comprehensive Plan for Drones (PPGG Part D): The Executive Budget proposes establishing a new crime of Unlawful Use of a Drone, in varying degrees, and creating a drone registry. It creates restricted flight zones around concerts, protests, parades, festivals, sporting events, large public gatherings, police stations, fire departments, emergency services dispatch stations, state, local, or federal correctional facilities, and “critical infrastructure”; it effectively establishes “no-fly” zones across the State. “Critical infrastructure” under this proposal includes an extensive list of sites including locations such as petroleum refineries, power plants, chemical facilities and certain enclosed water treatment centers. To enforce this provision, law enforcement agencies are explicitly authorized to identify, seize, and neutralize drones that are considered “credible threats.”

The proposal also creates three new criminal offenses. It creates the crime of Unlawful Use of a Drone in the Second Degree (a Class A misdemeanor), which penalizes operating a drone over prohibited spaces without express approval from a legitimate authority or operating in a manner that creates a credible threat to safety. The offense elevates to Unlawful Use of a Drone in the First Degree (a Class E felony) if the drone is used in the commission of another crime or if the operator has a prior conviction. Finally, the bill creates the charge of Aggravated Unlawful Use of a Drone (a Class D felony) for persistent offenders who commit the crime after a previous first-degree conviction.

The proposal further authorizes police and peace officers to take reasonable, necessary steps to intercept and disable drones operating in protected areas. Law enforcement must then report the interception to the Superintendent of the State Police. Lastly, the Superintendent must create a registry of vetted vendors of drones, called “the New York State blue list.”

Fiscal Impact: The Executive budget provides \$5 million to the Division of State Police to pilot drones as first responders.

Addressing Insurance Fraud (PPGG Part F): The Executive Budget proposes to expand the definition of fraudulent insurance to include “a person who hires, requests, encourages, orchestrates, or invites another individual to stage a motor vehicle accident.” It also increases penalties for insurance and health care fraud.

The proposal explicitly adds elements of "Staging a Motor Vehicle Accident", which is an existing crime, to the statutory definition of a "fraudulent insurance act." This addition would allow an individual who stages a crash to be charged with the specific felony of staging the accident and the separate crime of Insurance Fraud for the resulting claim.

It also significantly lowers the monetary thresholds for what constitutes Insurance Fraud in the First Degree (from \$1 million to \$50,000), Second Degree (from \$50,000 to 3,000), Third Degree (from \$3,000 to 1,000), and Fourth Degree (eliminates the existing \$1,000 threshold). The proposal also lowers the monetary thresholds for what constitutes Health Care Fraud in the First Degree (one million to \$100,000), Third Degree (\$10,000 to \$3,000), and Fourth Degree (\$3,000 to \$1,000), making it easier to prosecute these offenses as higher level felonies.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and no fiscal impact to local governments.

Reconfiguring and Expanding the New York Motor Vehicle Theft and Insurance Fraud Prevention Board (PPGG Part G): The Executive Budget proposes reconfiguring the New York Motor Vehicle Theft and Insurance Fraud Prevention Board by expanding and rebalancing its membership. Under current law, the Board is generally responsible for overseeing and coordinating state-funded efforts to prevent motor vehicle theft and insurance fraud, including directing grant funding to enforcement and prevention programs aimed at reducing insurance costs. The proposal aims to change the Board’s membership by expanding it to include ex-officio members such as the Chief Judge of the Court of Appeals, the Commissioner of the Department of Motor Vehicles (DMV), and the Superintendent of the State Police. Additionally, the proposal gives the Commissioner of the Division of Criminal Justice Services (DCJS), who chairs the Board, more authority to effectuate more policy recommendations and implementations. Essentially, it ensures that the Commissioner may continue to exercise all statutory powers and carry out program functions even if the Board fails to make recommendations or fails to act.

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

Extending Orders of Protection (PPGG Part H): The Executive Budget proposes requiring certain temporary orders of protection, specifically those issued or extended at the same time as an arrest warrant, to remain in effect until a subsequent court appearance by the defendant or respondent. Under current law, a court may issue or extend a temporary order of protection when it issues an arrest warrant for a defendant or respondent, but the temporary order of protection may expire before the individual appears again in court.

Under the proposal, a temporary order of protection issued in connection with an arrest warrant must remain in effect until the defendant or respondent subsequently appears in court. In criminal court cases, the court must inform the defendant at the time the order is issued that the order will remain in effect until the next court appearance. In Family Court cases, the court must provide this notice when the respondent first appears before the court.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and no fiscal impact to local governments.

Reducing Costs and Delays in New York Grand Jury Proceedings (PPGG Part I): The Executive Budget proposes aligning the criminal court definition of a business record for purposes of evidence admission in grand jury proceedings with the civil court definition.

This proposal would allow business records taken within the regular course of business to be admitted into evidence for grand jury proceedings without requiring the presence of a live witness to authenticate the records. Records containing material beyond that which is regularly generated in the normal course of business must be redacted or may be admitted subject to a limiting grand jury instruction, to ensure that only appropriate and/or relevant business records is considered by the grand jury.

The proposal also allows certain grand jury witnesses located more than 100 miles from the grand jury to be designated as “special witnesses,” allowing them to testify remotely by videoconference. Under this framework, the prosecutor must conduct questioning in the presence of the grand jury, and includes safeguards requiring that the witness testify alone, without referring to notes or other materials, and under conditions that allow the grand jury to clearly see and hear the witness during questioning.

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

Protecting Safe Access to Worship and Health Care (PPGG Part K): The Executive Budget proposes expanding on existing law concerning criminal interference with reproductive healthcare and religious worship, most notably by establishing a 25-foot buffer zone in which certain protest activities would be prohibited.

Under current law, it is a crime to use force to interfere with another person because that other person was engaging in activities related to reproductive healthcare or religious worship. The Executive proposal expands on this law by, among other things, making it a crime to demonstrate within 25 feet of a reproductive healthcare clinic or place of worship “with intent to alarm and annoy” anyone who seeks to enter, exit, or otherwise use such facilities. This new buffer zone would include and be measured from the parking lot, driveway, entrances, exits, and public sidewalks touching any protected location.

Additionally, the Executive proposal adds a definition for “place of religious worship,” a previously undefined term under current law and defines it as a building or structure that “a reasonable person would know” is collectively recognized by religious adherents for religious worship or education. Penalties for violations, which remain unchanged from current law, range from a Class A misdemeanor to a Class C felony.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and no fiscal impact to local governments.

Department of Law (Office of the State Attorney General-OAG)

The Executive Budget proposes All Funds appropriations of \$413.1 million, a net decrease of \$81.9 million or 16.6 percent compared to SFY 2025-26. The net decrease is attributed to a \$13.9 million increase in State Operations to support additional FTEs, offset by a \$95.8 million decrease due to the elimination of a one-time appropriation which supports payments to the State from the Juul Lab, Inc. Settlement. This funding supports public education campaigns to prevent e-cigarette use among young people, anti-vaping programs, enforcement of vaping laws, and public health research that will be continued to be funded through re-appropriation in SFY 2026-27. The Executive Budget proposal supports a workforce of 2,312 FTEs; an increase of 35 FTEs compared to SFY 2025-26.

Article VII

Sensitive Locations Protection Act (PPGG Part L): The Executive Budget proposes restricting civil immigration enforcement in designated “sensitive” locations. Sensitive locations under the bill include schools, daycares, summer camps, healthcare facilities, and places of worship. In the case of sensitive locations owned or operated by the State or a local government, civil immigration enforcement would be prohibited in non-publicly accessible areas except where there is a federal judicial warrant. Civil immigration enforcement would still be permitted in publicly accessible areas within sensitive locations, such as lobbies or open parking lots. For privately owned or operated sensitive locations, the proposal authorizes an owner to also deny access to civil immigration agents unless there is a federal judicial warrant.

The proposal further states that the State Attorney General, an individual, or the owner or operator of a sensitive location can seek relief in state court for any violation of this protection.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and no fiscal impact to local governments.

The New York State Bivens Act (PPGG Part M): The Executive Budget proposes establishing a right to sue federal officers for violations of the federal Constitution. The purpose of this proposal is to provide a remedy to New York residents injured by the unconstitutional conduct of federal officials “acting under color of law.” This proposal does not establish any new rights for individuals but rather serves as a vehicle to enforce an individual’s already existing constitutional rights against federal actors. The text closely mirrors a federal statute, 42 U.S.C § 1983, which similarly serves as a vehicle for individuals to enforce their constitutional rights against state or local actors.

If a plaintiff wins a suit under this provision, the proposal allows the court to take a number of remedial actions including granting compensatory or punitive damages or providing injunctive relief, like ordering the defendant to stop engaging in specific behaviors.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and no fiscal impact to local governments.

Office of Indigent Legal Services (ILS)

The Executive Budget proposes All Funds appropriations of \$490.8 million, an increase of \$425,000 or five percent compared to SFY 2025-26. This increase is to support salary increases and fringe benefits for staff. The Executive Budget proposal supports a workforce of 62 FTEs, unchanged compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$92 million to support reimbursement to counties for cost associated with 18-B Assigned Counsel Program pay increase, unchanged compared to SFY 2025-26.
- \$25 million total funding for the Parental Representation program, providing grants to counties to support legal services in Family Court matters, unchanged compared to SFY 2025-26.

Division of Military and Naval Affairs (DMNA)

The Executive Budget proposes All Funds appropriations of \$306.6 million, a net decrease of \$139.5 million or 31.3 percent compared to SFY 2025-26. The Executive Budget proposal supports a workforce of 439 FTEs, unchanged compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$5.5 million increase mainly attributed to an increase in federal funding to cover personal services costs.
- \$145 million decrease in Capital funding due to the discontinuation of a one-time appropriation to support construction a new DMNA 42nd Infantry Division Headquarters and additional armory renovation projects, which will be funded through re-appropriations in SFY 2026-27.
- \$3.3 million in total funding for the Recruitment Incentive and Retention Program (RIRP) as proposed in PPGG Part A, providing payment of tuition benefits for members of the State's militia. The Executive estimates \$2.6 million in annual cash disbursements under this appropriation.

Office of Victim Services (OVS)

The Executive Budget proposes All Funds appropriations of \$352.8 million, an increase of \$642,000 or nearly one percent compared to SFY 2025-26. The \$642,000 increase will support the Executive Budget proposal providing technical assistance to OVS Victim Assistance program grantees to enhance long-term stability. The Executive's proposal supports a workforce of 110 FTEs an increase of one FTE compared to SFY 2025-26.

Article VII

Reforming Sexual Offense Evidence Collection Kit Procedures (PPGG Part E): The Executive Budget proposes amending the sexual offense evidence retention period from 20 years to the later of 20 years or the survivor's 40th birthday. The proposal also prevents a third party from directing the evidence to be destroyed if the survivor is a minor, a vulnerable elderly person, or an individual unable to care for themselves due to a disability. However, the proposal states that a survivor who is a minor may consent to the destruction of evidence.

Lastly, the proposal establishes a working group composed of the Office of Victim Services (OVS) and the Division of Criminal Justice Services (DCJS). The working group will be required to consult with the State Police and the Department of Health, to make recommendations related to sexual offense evidence collection and testing and to consider the creation of a coordinated tracking system for sexual offense evidence kits, among other things.

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

Interest on Lawyer Account (IOLA)

The Executive Budget proposes All Funds appropriation of \$80.9 million, unchanged compared to SFY 2025-26. The Executive's proposal supports a workforce of 11 FTEs, unchanged compared to SFY 2025-26.

Office for the Prevention of Domestic Violence (OPDV)

The Executive Budget proposes All Funds appropriations of \$20 million, a net increase of \$550,000 or 2.8 percent compared to SFY 2025-26. The Executive's proposal supports a workforce of 53 FTEs; an increase of seven FTEs compared to SFY 2025-26.

The Executive Budget proposes the following:

- \$600,000 increase for personnel services to support seven FTEs for youth mental health, awareness for supportive housing options for survivors, and training law enforcement on gender-based violence.
- Elimination of a \$50,000 legislative grant for family violence and women's rights clinic at the SUNY Buffalo Law School.

Judicial Commissions

The Executive Budget proposes All Funds appropriations of \$9.4 million for the Judicial Commission, details are as follows:

- **Commission on Judicial Conduct**: \$9.3 million, unchanged from SFY 2025-26. The Executive's proposal supports a workforce of 56 FTEs, unchanged compared to SFY 2025-26.
- **Judicial Screening Committee**: \$38,000 unchanged from SFY 2025-26.
- **Commission on Judicial Nomination**: \$30,000 unchanged from SFY 2025-26.

State Commission of Correction (SCOC)

The Executive Budget proposes All Funds appropriation of \$7.2 million, an increase of \$100,000 or 1.4 percent compared to SFY 2025-26. The increase will support two additional part-time Commission members as outlined in S.8825 (Salazar), a negotiated chapter amendment to Chapter 707 of the laws of 2025. The Executive's proposal supports a workforce of 72 FTEs; an increase of 10 FTEs compared to SFY 2025-26.

State Commission on Prosecutorial Conduct

The Executive Budget recommends an All Funds appropriation of \$3 million, unchanged compared to SFY 2025-26. The Executive Budget proposal supports a workforce of 19 FTEs unchanged compared to SFY 2025-26.

Public Protection Miscellaneous Appropriations

The Executive Budget proposes an All Funds miscellaneous appropriation of \$9.5 billion to support emergency response related to unanticipated expenses which derive from a man-made or natural disaster:

- \$7 billion for Special Federal Emergency, unchanged from SFY 2025-26.
- \$2 billion for Special Emergency, unchanged from SFY 2025-26.
- \$500 million for Public Security and Emergency Response, unchanged from SFY 2025-26.

TRANSPORTATION



STAFF ANALYSIS OF THE 2026-27
EXECUTIVE BUDGET

Transportation Fact Sheet

Appropriations

- **Statewide Mass Transportation Operating Assistance (STOA):** The Executive Budget proposes increasing non-MTA downstate aid by 7.4 percent for a total of \$640 million, and Upstate aid by 5.8 percent for a total of \$370 million. The Executive also increases MTA on-budget operating aid by 5.8 percent for a total of \$4.5 billion.
- **Consolidated Local Streets and Highway Improvement Program (CHIPS):** The Executive Budget proposes \$648 million for CHIPS, which includes a previous legislative add of \$50 million.
- **Department of Transportation Five-Year Capital Plan:** The Executive provides \$6 billion for the fifth year of the DOT Capital Plan, bringing the total five-year capital plan to \$34.5 billion.
- **Modernize Jamaica Station:** The Executive proposes \$50 million to modernize Jamaica Station. These projects are intended to promote better traffic flow, reduce crowding, and improve connections among the LIRR Main Line, New York City Transit, and AirTrain JFK.
- **Second Avenue Subway Crosstown Expansion:** The Executive proposes \$25 million for preliminary engineering work to extend the Second Avenue Subway west across 125th Street, adding three new stops.
- **Subway Co-Response Outreach Teams (SCOUT) Program:** The Executive proposes \$25 million to expand the SCOUT program from 10 teams to 15 teams. This program pairs MTA police officers with mental health coordinators to assist individuals in crisis.

Article VII

- **Autonomous Vehicle Technology Demonstrations:** The Executive Budget proposes legislation to create a new program authorizing the use of autonomous for-hire vehicles to operate throughout the state upon DMV approval, excluding New York City. It also extends the current statewide autonomous vehicle testing pilot program by two years until April 1, 2028.
- **Intelligent Speed Assistance:** The Executive Budget proposes legislation to authorize New York City to establish a pilot program requiring speeding offenders to install an intelligent speed assistance device (speed restrictor) in their vehicles. These devices use technology to limit vehicle speed to posted speed limits or thresholds. The legislation empowers the City to determine the number of convictions triggering installation of the speed restrictor and length of time the restrictor must be installed for, and empowers the City to select the compliant technology and amount by which the restrictor can allow the vehicle to exceed the speed limit.
- **Second Avenue Subway—West Environmental Reviews:** The Executive Budget proposes to allow the MTA to conduct separate environmental reviews for multiple Second Avenue Subway projects related to the 125th Street Subway westbound extension. This is intended to allow the tunnelling portion of the project to pursue a separate environmental review from the station and facility construction portion of the project.
- **Automated Work Zone Speed Enforcement:** The Executive Budget proposes legislation to expand the work zone speed camera enforcement programs from controlled access highways maintained by DOT, the Thruway, MTA Bridges and Tunnels, and Bridge Authority to instead apply to any highway that they have jurisdiction over.
- **Strengthen Motorcycle Licensing Standards:** The Executive Budget proposes legislation to add a new requirement for first-time motorcycle license applicants in New York. Applicants who have never previously held a motorcycle license, in any state, must complete a state-approved motorcycle rider safety course as part of applying for a motorcycle license.
- **Extend the Metropolitan Transportation Authority’s Tax Increment Financing Authorization:** The Executive Budget proposes to extend the MTA’s authorization to use tax increment financing upon local approval in the MTA region by 10 years until April 1, 2036.

Transportation Agency Details

Transportation All Funds Appropriations (\$ in Millions)				
Agency	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
Department of Transportation	\$14,421.40	\$13,811.92	(\$609.48)	(-4.2%)
Department of Motor Vehicles	\$487.45	\$489.96	\$2.50	0.5%
Metropolitan Transportation Authority	\$5,127.54	\$2,244.81	(\$2,882.73)	(-56.2%)
Total	\$20,036.39	\$16,546.69	(\$3,489.00)	(17.4%)

Overview

The Executive Budget proposes \$16.55 billion in All Funds appropriations for SFY 2026-27. This represents a decrease of \$3.49 billion, or 17.4 percent, from the previous fiscal year. This decrease is primarily due to the \$3 billion in State aid for the 2025-29 MTA Capital Program which was provided by the State in SFY 2025-26 but now reappropriated in SFY 2026-27.

Department of Transportation

The Executive Budget provides \$13.8 billion to the DOT, a decrease in overall spending by \$609.5 million, or 4.2 percent, from SFY 2025-26. This decrease is largely the result of the additional \$800 million provided for core projects for the DOT Capital Plan in SFY 2025-26 that is now reappropriated. Additionally, the Executive Budget maintains a DOT workforce of 8,499 FTEs and its 11 regional offices for SFY 2026-27.

The Executive Budget provides \$6 billion for the fifth and final year of the SFY 2023-27 five-year DOT capital plan, bringing the five-year total to \$34.5 billion. The Executive Budget funds CHIPS and Marchiselli programs at \$648 million and \$39.7 million, respectively, reflecting a continuation of a legislative add of \$50 million for CHIPS. 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. The Marchiselli program funding offsets a portion of the non-federal share of project costs.

Five Year Transportation Capital Obligations (FY 2027 Executive Budget) FY 2023						
	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2023 – FY 2027
Highway Program	\$2,575	\$2,599	\$2,603	\$2,679	\$2,767	\$13,224
Purchasing Power Restoration	\$0	\$0	\$0	\$800	\$0	\$800
Local Pave Our Potholes	\$100	\$100	\$100	\$100	\$100	\$500
Local Pave NY/Bridge NY	\$350	\$350	\$350	\$350	\$350	\$1,750
Priority (Mega) Projects	\$850	\$1,300	\$1,900	\$100	\$0	\$4,150
Highway and Bridge Program Subtotal	\$3,875	\$4,349	\$4,953	\$4,029	\$3,217	\$20,424
Administration	\$85	\$87	\$88	\$89	\$91	\$440
Engineering	\$954	\$957	\$954	\$1,029	\$1,004	\$4,900
Preventative Maintenance	\$466	\$466	\$466	\$466	\$466	\$2,332
Maintenance Facilities	\$37	\$37	\$37	\$37	\$37	\$185
Other Federal Programs	\$26	\$26	\$26	\$26	\$26	\$131
Rail Development	\$90	\$90	\$90	\$90	\$90	\$449
Aviation Systems	\$177	\$27	\$27	\$27	\$27	\$283
Non-MTA Transit	\$160	\$160	\$166	\$246	\$200	\$930
Capital Aid to Localities	\$578	\$638	\$638	\$688	\$688	\$3,229
Extreme Winter Recovery	\$100	\$100	\$100	\$100	\$100	\$500
State Touring Routes	\$100	\$140	\$140	\$140	\$140	\$660
DOT Capital Plan Total	\$6,648	\$7,077	\$7,685	\$6,967	\$6,086	\$34,462

The Executive Budget maintains funding levels for BRIDGE NY (\$200 million) and PAVE NY (\$150 million). The BRIDGE NY Program provides state funds to municipalities to modernize infrastructure, focusing on the State’s bridges. The PAVE NY Program provides state funds to municipalities to support the construction and repair of highways, bridges, highway-railroad crossings, and other facilities not on the State highway system. The Executive Budget continues \$100 million for the local Pave Our Potholes program, which provides state funding to municipalities to support the rehabilitation and reconstruction of local highways and roads; \$100 million in capital funding for the Extreme Winter Recovery program, which helps municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather; and \$140 million for the State Touring Routes program, which provides support to localities that maintain touring routes on behalf of the State.

The Executive Budget does not include \$20 million that was part of a six-year initiative to help electrify mass transit bus fleets with a goal of electrifying 100 percent of the mass transit fleet by 2040. The Executive eliminated the funding as the account has not disbursed any funds since 2020-21. However, the funding was not made available until December 2024. The transit systems that qualify for this funding are Capital District Transportation Authority; Niagara Frontier Transportation Authority; Rochester-Genesee Regional Transportation Authority; Suffolk County Transit; and Westchester Bee-Line. The Executive also eliminates the \$26 million Legislative add for the Niagara Frontier Transportation Authority’s light rail line.

SFY 2026-27 Statewide Mass Transportation Operating Assistance (STOA) Appropriations (\$ in Millions)				
	SFY 2025-26 Enacted Budget	SFY 2026-27 Executive Budget Proposal	Change (\$)	Change (%)
MTA Total	\$4,214.48	\$4,456.91	\$242.43	5.75%
Nassau	\$126.72	\$136.16	\$9.44	7.45%
Rockland	\$6.40	\$6.88	\$0.48	7.45%
Staten Island Ferry	\$62.42	\$67.07	\$4.65	7.45%
Suffolk	\$49.29	\$52.97	\$3.67	7.45%
Westchester	\$104.78	\$112.58	\$7.80	7.45%
NYC DOT	\$166.82	\$179.24	\$12.43	7.45%
Suffolk Shuttle	\$0.75	\$0.50	(\$0.25)	(33.33%)
Lower Hudson Transit Link	\$11.00	\$19.40	\$8.40	76.36%
Formulas	\$60.51	\$65.02	\$4.51	7.45%
Non-MTA Downstate Total	\$588.69	\$639.82	\$51.12	8.69%
CDTA	\$69.20	\$73.18	\$3.98	5.75%
CNYRTA	\$57.18	\$60.46	\$3.29	5.75%
NFTA	\$89.01	\$94.13	\$5.12	5.75%
RGRTA	\$68.52	\$72.46	\$3.94	5.75%
Formulas	\$65.53	\$69.30	\$3.77	5.8%
Upstate Total	\$349.42	\$369.52	\$20.10	5.75%
MTA Total	\$4,214.48	\$4,456.91	\$242.43	5.75%
Non-MTA Total	\$938.12	\$1,009.34	\$71.22	7.59%
STOA Total	\$5,152.60	\$5,466.25	\$313.65	6.09%

Note: Chart excludes incentive transit appropriations.

The Executive Budget provides \$5.5 billion to Statewide Mass Transportation Operating Assistance (STOA) program. This represents an overall increase of \$314 million or 6.1 percent from SFY 2025-26. MTA transit aid is proposed at \$4.5 billion, which is an increase of \$242 million or 5.8 percent. Non-MTA downstate aid is proposed at \$639.8 million, which is an increase of \$51.1 million or 8.7 percent. Upstate aid is proposed at \$369.5 million, which is an increase of \$20.1 million or 5.8 percent. The Executive Budget also provides \$200 million in capital assistance to non-MTA transit systems.

The Executive provides \$30 million for the Gateway Development Commission, an increase of \$10 million over SFY 2025-26, reflecting an increase in the state-share of operating expenses for the Gateway Tunnel Project.

The Executive includes \$1.75 million for the Ogdensburg Bridge and Port Authority, a decrease of \$750,000 from SFY 2025-26, due to continuing Covid impacts, which have had negative effects on bridge crossings and airport enplanements leading to a significant operating gap for the authority.

The Executive also eliminates the following legislative adds: \$1 million for a study on Hudson Valley transit service, \$100,000 for the QueensRail Corporation for a feasibility study for the QueensLink project, \$250,000 to study regional transit service in Monroe County, and \$500,000 to study the feasibility of developing high-speed rail on I-90 Thruway.

Article VII

Enhance Transportation Worker Protections (TEDE Part F): The Executive Budget proposes to expand criminal and traffic-law protections for transportation and highway workers. The bill broadens existing felony assault provisions to include additional categories of transit employees, roadway workers, tolling personnel, and motor vehicle-related employees, as well as expanding where the assault triggers the aggravated offense to include construction projects, roadways, bridges, tunnels, walkways and tolling facilities. It also creates a new E felony offense for menacing a highway worker if the worker is placed in fear of death or imminent injury, mandates the suspension of a driver's license upon conviction for assaulting or menacing a covered worker, and establishes a new criminal offense (B misdemeanor) for unlawfully entering or intruding into an active highway or roadway work zone.

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

Expand the Automated Work Zone Speed Enforcement Program (TEDE Part G): The Executive Budget proposes to expand the automated work zone speed enforcement demonstration program by eliminating the restriction that limits enforcement to controlled-access highways. The bill authorizes the use of photo speed enforcement in any active highway work zone under the jurisdiction of the DOT, Thruway Authority, MTA, or Bridge Authority. It preserves the existing enforcement structure of the program while broadening the scope of where automated speed enforcement may be used to include any highway.

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

Metropolitan Transportation Authority

The Executive Budget proposes \$2.2 billion in All Funds appropriations for the MTA, a decrease of \$2.9 billion or 56%, from SFY 2025-26. This decrease represents the one-time \$3 billion in State aid provided for the 2025-29 MTA Capital Program in SFY 2025-26 that is now reappropriated. The Executive Budget provides \$8.6 billion in transit operating aid to the MTA, of which \$4.1 billion is provided to the MTA without appropriation. This includes off-budget funding from the Payroll Mobility Tax, MTA Aid, and FHV surcharge. The Executive maintains the Verrazano Bridge residential and commercial toll rebate program at \$26 million and maintains \$25.3 million for reduced fares for students.

The Executive also provides \$25 million in new funding to expand the Subway Co-Response Outreach Teams (SCOUT) program from ten teams to 15 teams. These teams consist of MTA police officers and mental health coordinators from the New York City Department of Homeless Services to assist individuals experiencing a mental health crisis.

The Executive provides \$50 million for initial costs to modernize Jamaica Station as well as \$25 million for preliminary engineering work to extend the Second Avenue Subway west across 125th Street, adding three stops at Lennox Ave, St. Nicholas Ave, and Broadway.

Article VII

Extend the Metropolitan Transportation Authority's Tax Increment Financing

Authorization (TEDE Part H): The Executive Budget proposes to extend the MTA's authorization to use tax increment financing upon local approval in the MTA region by 10 years until April 1, 2036. MTA district municipalities may create "mass transportation capital districts" to work with the MTA and enter into alternate financing arrangements, such as tax increment financing, though the authorization has not been used since it was originally enacted in 2016. This authorization was last extended for one year until April 1, 2026.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal; however, revenue from the program supports the MTA Capital Plan.

Second Avenue Subway – West Environmental Reviews (TEDE Part I): The Executive Budget proposes to exempt the MTA from the need to unify environmental reviews for multiple Second Avenue Subway projects related to the 125th Street Subway westbound extension portion of the project. This is intended to allow the tunneling portion of the project to pursue a separate environmental review from the station and facility construction portion of the project to allow for phased construction of the tunneling work and station work. The proposal additionally bars the MTA from approving, permitting, and acquiring real property by means of eminent domain and from undertaking any discretionary action required for construction until the completion of the environmental reviews.

Fiscal Impact: The Executive provides \$25 million in funding for preliminary engineering work.

Department of Motor Vehicles

The Executive Budget proposes \$490 million in All Funds appropriations for the DMV, an increase of \$2.5 million or 0.5 percent, from SFY 2025-26. This increase reflects an increase in spending on highway safety programs from federal grant funding.

The Executive Budget maintains a DMV workforce of 3,228 Full-Time Equivalent (FTEs) for SFY 2026-27. The DMV operates 28 state-run offices, primarily located in the New York City Metropolitan District and Long Island, and 102 county-run offices.

Article VII

Extend the Authorization for Certain Department of Motor Vehicle Fees (TEDE Part A):

The Executive Budget proposes a two-year extension to the distribution of Transportation and Transmission Tax revenues between upstate (PTOA) and downstate transit operating systems (MMTOA). These revenues were originally directed solely to the downstate transit fund; the revenue sharing was established in 2013 and is set to expire in 2026. The Executive Budget also extends the section authorizing use of Dedicated Highway and Bridge Trust Fund (DHBTF) revenues for DMV operations by two years, to April 1, 2028. Each was extended for two years when last extended.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal; however, these fees will generate significant revenue for expenses incurred by the DMV and other transportation programs.

Extend the Internet Point Insurance Reduction Program (TEDE Part B): The Executive Budget proposes to extend the expiration date of the Accident Prevention Course Internet Technology Pilot Program for an additional two years until April 1, 2028. The program allows eligible motorists to complete a point and insurance reduction course (defensive driving) online rather than in person.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal; however, the revenue collected from this program supports State operations.

Strengthen Motorcycle Licensing Standards for New and Inexperienced Riders (TEDE Part C): The Executive Budget proposes to add a new requirement for first-time motorcycle license applicants in New York. Individuals who have never previously held a motorcycle license in any state would be required to complete a state-approved motorcycle rider safety course as a condition of licensure. This would be in addition to mandatory written tests, vision screenings, and pre-licensing courses that are already required. The requirement applies only to first-time motorcycle license applicants and does not affect individuals renewing or transferring an existing motorcycle license.

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

Autonomous Vehicle Technology Demonstrations (TEDE Part E): The Executive Budget proposes to exempt autonomous for-hire vehicles from the one-hand-on-the-wheel law, and creates a new program authorizing the use of autonomous for-hire vehicles by autonomous vehicle networks to operate throughout the state upon DMV approval. Operation of autonomous for-hire vehicles would remain expressly prohibited in New York City. A \$1 million application fee is required, along with a \$500,000 renewal fee every four years thereafter, as well as a \$5 million insurance coverage minimum. The bill conditions authorization on compliance with requirements set by the DMV, including limitations on where and how demonstrations may be conducted, compliance with applicable traffic and motor vehicle safety laws, and sufficient demonstration of local support. It also extends the current statewide autonomous vehicle testing pilot program by two years until April 1, 2028.

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

Waterfront Commission

The Executive Budget provides \$6.4 million for the New York City Waterfront Commission, an increase of \$1.4 million or 28 percent from SFY 2025-26. This increase reflects operational funding to help the Commission lease its property. The Executive budget supports a workforce of 32 FTEs for SFY 2026-27.

The Waterfront Commission of New York Harbor was formed in 1953 and was operated collaboratively by New Jersey and New York. The Commission collaborated with local and federal law enforcement agencies to investigate, deter, and combat criminal activity in the Port of New York and ensured fair hiring and employment practices. New Jersey left the Commission in 2023 following a Supreme Court decision of April of that year.

Article VII - Miscellaneous

Stop New York City's Super Speeders through Intelligent Speed Assistance (TEDE Part

D): The Executive Budget proposes to authorize New York City to establish a pilot program requiring certain drivers with repeated speeding violations to install an intelligent speed assistance device (speed restrictor) in their vehicles. The device uses vehicle-based technology and data on posted speed limits to regulate the vehicle's maximum speed. The bill authorizes New York City to define what speed violations would trigger speed restrictor use (the bill explicitly allows the City to use speed camera violations and speeding offenses, though), gives the City discretion to determine the number of offenses and lookback that would require installation of a speed restrictor, and gives the City discretion over the length of time they can require the restrictor to be installed in a vehicle. The bill also establishes misdemeanor violations for tampering with the device, circumventing the device, or either operating or allowing another to operate the vehicle without the device when the requirement is in place. It also includes a five-year sunset.

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



New York State Senate Democratic Majority
**STAFF ANALYSIS OF THE 2026-27
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