



New York State Senate Democratic Majority

STAFF ANALYSIS OF the 2021-22 Executive Budget



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Staff Analysis of the SFY 2021-22 Executive Budget

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January 25, 2021

Dear Colleagues:

On Tuesday, January 19, Governor Andrew M. Cuomo proposed the Executive Budget for State Fiscal Year 2021-22. The Executive Budget proposes All Funds expenditures of \$192.9 billion, State Operating Funds expenditures of \$103.4 billion and General Fund expenditures of \$82.0 billion.

The mid-year update of the State Financial Plan estimated a SFY 2021-22 General Fund gap of \$16.7 billion when not including a proposed \$8 billion in Aid to Localities cuts. The Executive Budget proposal revises the gap to \$10.2 billion based on better-than-expected State tax collections. To close this gap, the Executive Budget proposal includes \$3.6 billion in spending reductions, \$2.0 billion in new revenues, and \$4.6 billion in additional Federal resources that includes an assumption of \$3 billion in new unrestricted Federal Aid. Out-year budget gaps are forecast to be \$2.9 billion in SFY 2022-23, \$6.0 billion in SFY 2023-24, and \$8.6 billion in SFY 2024-25.

The Executive Budget also includes significant policy proposals that will require careful review. These include authorizing adult use of cannabis products, changes to school aid distribution formulas, and increasing personal income tax rates.

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

2021 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

(Hearings will be conducted virtually using web-based conferencing)

Date	Day	Time	Hearing
January 26	Tuesday	9:30 a.m.	Transportation
January 27	Wednesday	9:30 a.m.	Environmental Conservation
January 28	Thursday	9:30 a.m.	Elementary Education
February 02	Tuesday	9:30 a.m.	Housing
		1:00 p.m.	Workforce
February 03	Wednesday	9:30 a.m.	Health
February 04	Thursday	9:30 a.m.	Higher Education
February 05	Friday	9:30 a.m.	Mental Hygiene
February 09	Tuesday	9:30 a.m.	Human Services
February 10	Wednesday	9:30 a.m.	Public Protection
February 11	Thursday	9:30 a.m.	Local Government
February 23	Tuesday	9:30 a.m.	Economic Development
		1:00 p.m.	Taxes

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Financial Plan and Revenue



Staff Analysis of
the 2021-22 Executive Budget

SFY 2021-22 Executive Budget Financial Plan Overview

Overview

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

The budget legislation contains all proposed appropriations and re-appropriations and other provisions needed to implement the Executive Budget, and 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.

Proposed Mid-Year Adjustment Authority

The Executive Budget State Operations appropriation bill includes a provision that will authorize the Executive to transfer appropriation authority to any other department, agency, or authority. Similar language has been proposed previously and rejected by the Legislature. The budget proposal also authorizes across the board cuts if the State receives less than \$3 billion in unrestricted Federal aid before August 31, 2021.

Two-Percent Spending Benchmark

For almost ten years, the Executive Budget has included a two percent limitation on the growth of state spending from State Operating Funds. While not all spending is captured under this measure, the two percent, year-over-year benchmark limit on State Operating Funds has, as a practical matter, capped spending growth in Executive Budgets.

The SFY 2021-22 Executive Budget proposal projects an increase in State Operating Funds spending of \$1.2 billion, or 1.2 percent, for a total of \$103.4 billion. On an All Funds basis, the SFY 2021-22 Executive Budget projects total spending of \$192.9 billion, an increase of \$213 million or 0.1 percent from the Current Estimate for SFY 2020-21.

Year-over-Year Spending (millions of dollars)				
	SFY 2020-21 Current Estimate	SFY 2021-22 Proposed	Change	Percent Change
General Fund (Including Transfers)	74,747	81,960	7,213	9.6%
State Operating Funds	102,186	103,405	1,219	1.2%
State Funds	114,367	118,783	4,416	3.9%
All Funds	192,730	192,943	213	0.1%

Budget Surplus / (Gap)

Executive Budget General Fund Surplus / (Gap) Estimate (millions of dollars)				
Fiscal Year	Mid-Year Update Surplus / (Gap)	Mid-Year Update Gap-Closing Plan Surplus / (Gap)	Updated "Base" Budget Surplus / (Gap)	Surplus / (Gap) after Gap-Closing Plan
SFY 22	(18,267)	(8,725)	(10,201)	0
SFY 23	(19,235)	(9,743)	(10,524)	(2,872)
SFY 24	(18,931)	(9,419)	(10,835)	(5,993)

The Mid-Year Update released in November by the Division of the Budget started with a General Fund budget gap of \$18.3 billion in SFY 2021-22, \$19.2 billion in SFY 2022-23, and \$18.9 billion in SFY 2023-24—all of which reflected a significant decrease in revenues due to the Covid-19 pandemic and that were in addition to existing out-year gaps. The Mid-Year Update gap-closing plan included \$8.0 billion in proposed reductions in Aid to Localities, which still left General Fund budget gaps of \$8.7 billion to \$9.7 billion in the subsequent three years. For SFY 2020-21, the proposed budget balance reduction amount was \$8.2 billion.

Since the release of the Mid-Year Update, tax collections through early January 2021 have surpassed Mid-Year projections—reflecting an improved economic forecast. The Executive Budget Financial Plan increases estimates for General Fund tax receipts by \$6.3 billion in SFY 2021-22, which reflects increases of \$6.0 billion in personal income taxes and \$551 million in Sales and Use Taxes, partially offset by a reduction in business taxes. Other receipts are estimated to increase as well, bringing the total increase in revenues to \$6.5 billion. Combined, these additional revenues help offset the budget gaps for SFYs 2021-22 through 2023-24.

The updated revenue estimates and additional federal stimulus passed in December 2020 lessen the pressure to make Aid to Localities cuts to balance the budget. As a result, the originally-proposed \$8.0 billion Aid to Localities cuts for SFYs 2021-22 through 2023-24 have been reduced. Accordingly, and as a way to establish a new “base” for the General Fund budget gap, the Executive Budget Financial Plan eliminates the planned \$8.0 billion in cuts for SFYs 2021-22 through 2023-24—thus worsening the budget gap on paper, which is reflected in the chart above as the Updated “Base” Budget gap of \$10.2 billion for SFY 2021-22.

As currently proposed, the SFY 2020-21 Executive Budget is balanced through a Gap-Closing Plan, which includes:

- \$4.6 billion in Federal aid, including an assumption of \$3 billion in new unrestricted Federal aid beyond existing Federal aid available to the State
- \$3.6 billion in State spending reductions, including some that are offset by existing Federal aid, as well as \$1.3 billion in Aid to Localities cuts (not including Education and Medicaid)
- \$1.9 billion in new State revenues, including \$1.5 billion from a high-income personal income tax surcharge and \$394 million from a one-year pause of the on-going middle-class tax cuts (first started in tax year 2018)

Revenues

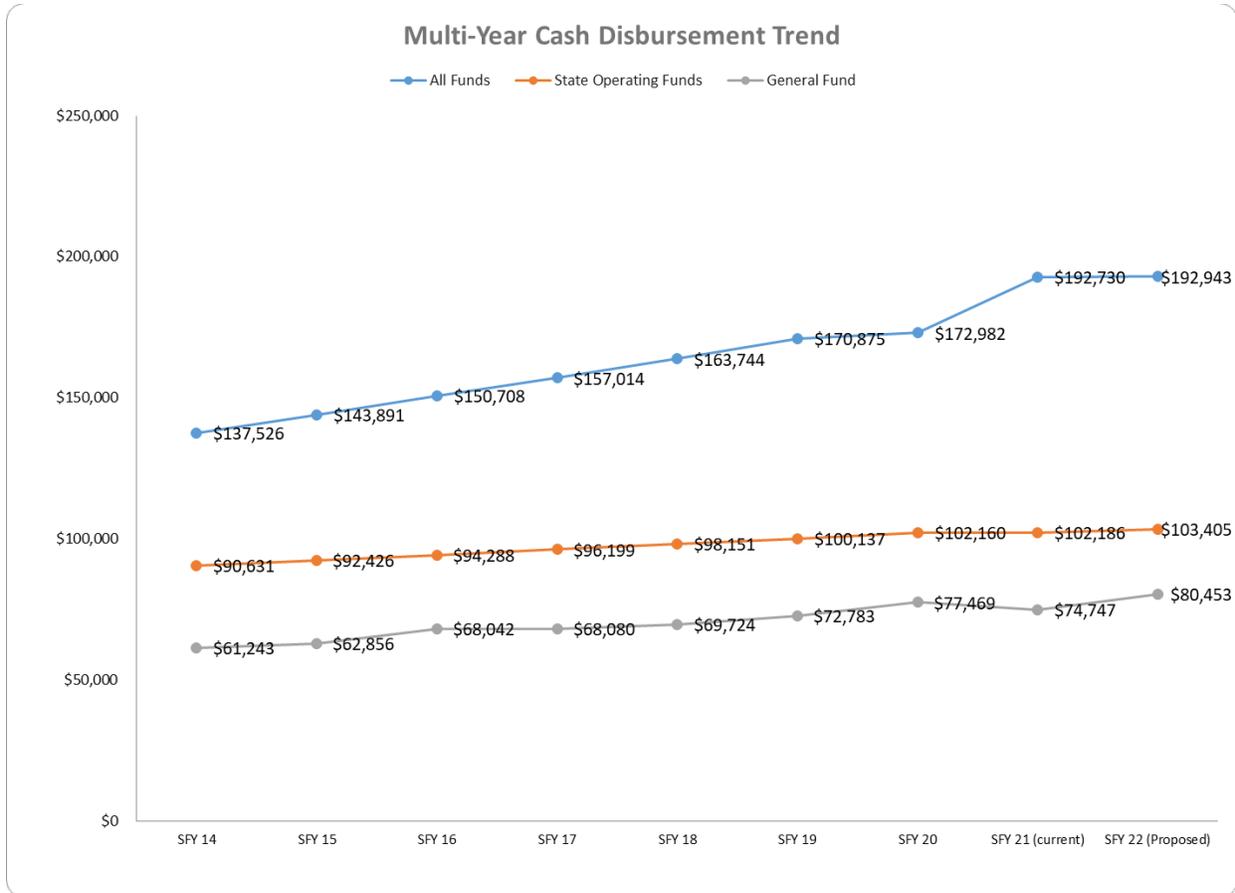
SFY 2021-22 Receipts (millions of dollars)				
Funding Source	SFY 2020-21 Current	SFY 2021-22 Proposed	Change	Percent
General Fund	73,040	80,453	7,413	10.15%
State Operating Funds	99,603	102,709	3,106	3.12%
All Funds	193,549	189,749	(3,800)	-1.96%

The Executive Budget projects that All Funds receipts will total \$189.7 billion in SFY 2021-22, which is 2.0 percent below the current-year estimate of \$193.5 billion. The All Funds amount includes federal receipts (operating and capital), which are projected to be almost \$5.4 billion less (a decrease of 6.5 percent) in the SFY 2021-22 Executive Budget relative to the current estimate for this fiscal year. As noted above, the SFY 2021-22 Executive Budget includes an additional \$3 billion in as-of-yet unreceived Federal aid; without this presumed amount, federal receipts would be \$8.4 billion less (a decrease of 10 percent) as compared to the current estimate for SFY 2020-21. General Fund and State Operating Fund receipts are both projected to be higher, largely the result of better-than-expected State tax revenues.

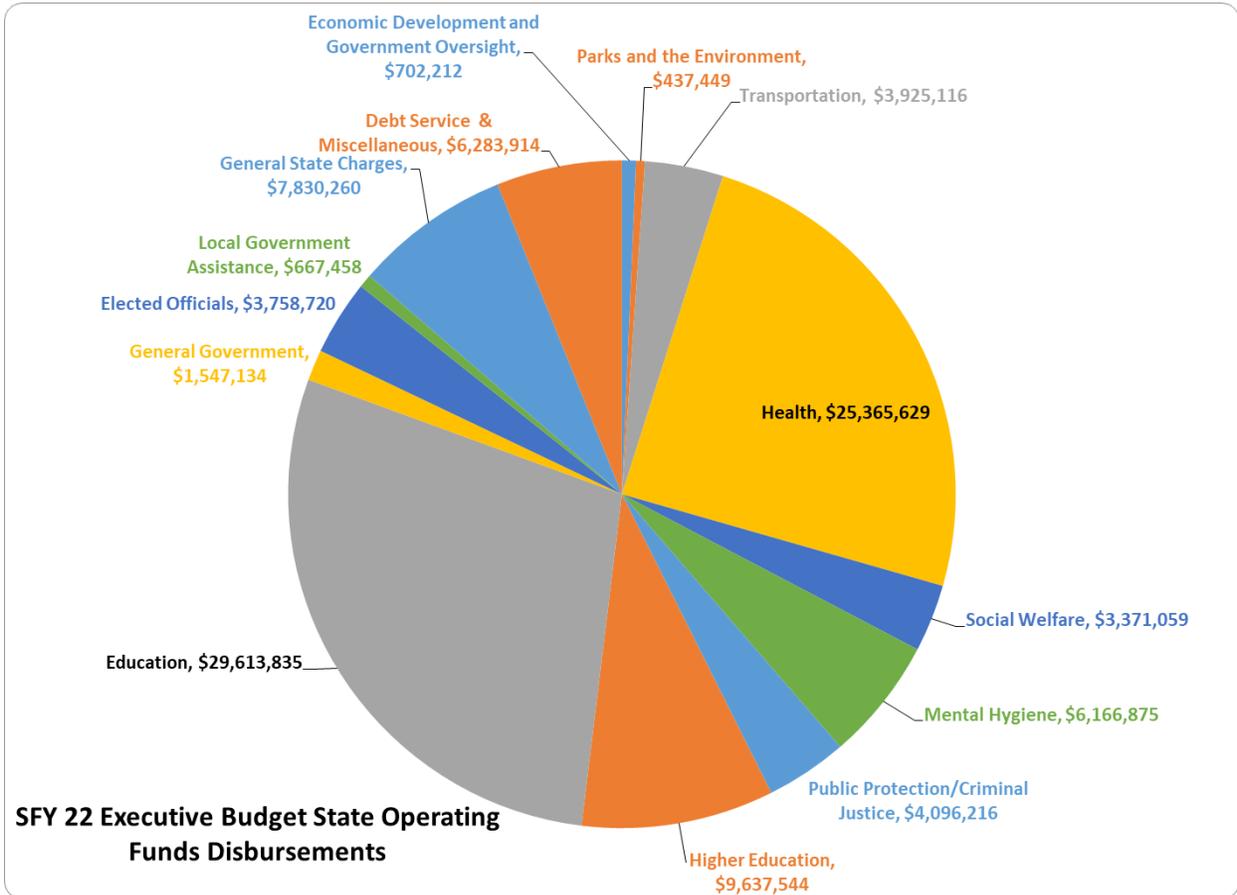
Spending

Below is a chart reflecting the growth of All Funds, State Operating Funds, and General Fund spending since SFY 2013-14.

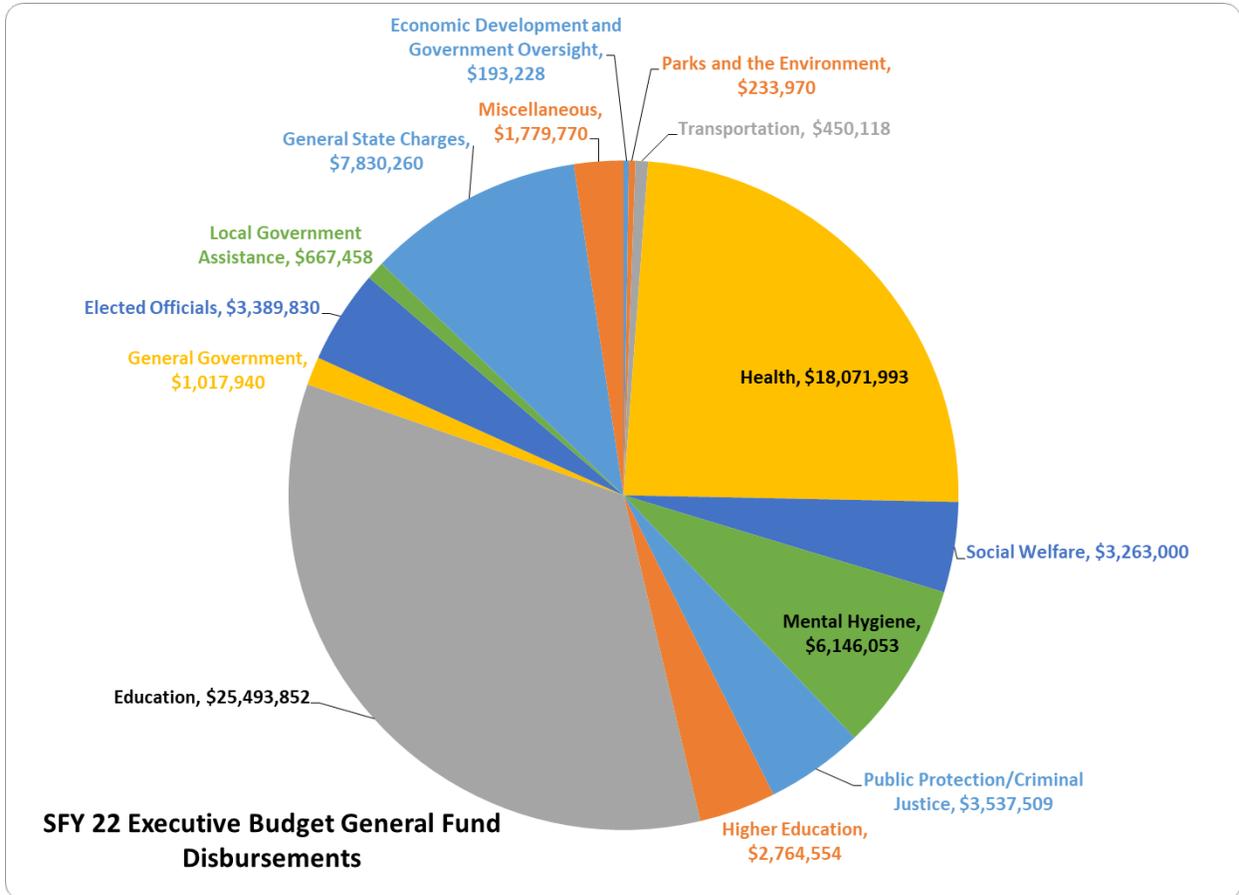
All Funds disbursements in SFY 2021-22 are proposed to total \$192.7 billion, an increase of \$213 million or 0.1 percent over the current estimate for SFY 2020-21. Below is a breakdown of how the All Funds disbursement is proposed in the Executive Budget.



State Operating Funds disbursements in SFY 2021-22 are projected to total \$103.4 billion, an increase of \$1.2 billion or 1.2 percent. However, when adjusting for the repayment of \$4.5 billion in liquidity financing in SFY 2020-21, growth is \$5.7 billion or 5.9 percent. Below is a breakdown of how the State Operating Funds disbursement is proposed in the Executive Budget. Dollar amounts in this chart are in thousands.



General Fund disbursements excluding transfers in SFY 2021-22 are projected to total \$74.8 billion, an increase of \$6.1 billion or 8.9 percent over the current estimate for SFY 2020-21. Below is a breakdown of how the General Fund disbursement is proposed in the Executive Budget. Dollar amounts in this chart are in thousands.



All Funds Cash Financial Plan SFY 2019-20 through SFY 2021-22 (millions of dollars)							
	SFY 2019-20	SFY 2020-21			SFY 2021-22		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	9,975	14,283	4,308	43.2%	15,516	1,233	8.6%
Receipts							
Taxes	82,889	77,746	(5,143)	-6.2%	83,506	5,760	7.4%
Miscellaneous Receipts	29,466	31,707	2,241	7.6%	27,581	(4,126)	-13.0%
Federal Receipts	65,080	84,096			78,662		
Total Receipts	177,435	193,549	16,114	9.1%	189,749	(3,800)	-2.0%
Disbursements							
Local Assistance	130,119	142,324	12,205	9.4%	144,906	2,582	1.8%
State Operations						0	
Personal Service	14,727	15,068	341	2.3%	14,595	(473)	-3.1%
Non-Personal Service	7,477	7,739	262	3.5%	7,542	(197)	-2.5%
General State Charges	8,757	8,619	(138)	-1.6%	10,144	1,525	17.7%
Debt Service	4,916	10,435	5,519	112.3%	6,376	(4,059)	-38.9%
Capital Projects	6,986	8,545	1,559	22.3%	9,380	835	9.8%
Total Disbursements	172,982	192,730	19,748	11.4%	192,943	213	0.1%
Other Financing Sources (Uses)							
Transfer from Other Funds	45,465	37,471	(7,994)	-17.6%	42,619	5,148	13.7%
Transfer to Other Funds	(45,610)	(37,422)	8,188	-18.0%	(42,649)	(5,227)	14.0%
Bond and Note Proceeds	0	365			413		
Net Other Financing Sources (Uses)	(145)	414	559	385.5%	383	(31)	-7.5%
Excess (Deficiency) of Receipts over Disbursements and Reserves	4,308	1,233	(3,075)	71.4%	(2,811)	(4,044)	-328.0%
Closing Fund Balance	14,283	15,516	1,233	8.6%	12,705	(2,811)	-18.1%

State Operating Funds Cash Financial Plan SFY 2019-20 through SFY 2021-22 (millions of dollars)							
Opening Fund Balance	SFY 2019-20	SFY 2020-21			SFY 2021-22		
	Results	Current	Change	Percent	Proposed	Change	Percent
Receipts	12,362	14,407	2,045	16.5%	12,182	-2,225	-15.4%
Taxes	81,472	76,564	(4,908)	-6.0%	82,187	5,623	7.3%
Miscellaneous Receipts	22,700	22,988	288	1.3%	17,470	(5,518)	-24.0%
Federal Receipts	61	51	(10)	-16.4%	3,052	3,001	5884.3%
Total Receipts	104,233	99,603	(4,630)	-4.4%	102,709	3,106	3.1%
Disbursements							
Local Assistance	68,653	66,672	(1,981)	-2.9%	68,447	1,775	2.7%
State Operations							
Personal Service	14,090	12,393	(1,697)	-12.0%	13,914	1,521	12.3%
Non-Personal Service	6,078	5,684	(394)	-6.5%	4,899	(785)	-13.8%
General State Charges	8,423	7,146	(1,277)	-15.2%	9,769	2,623	36.7%
Debt Service	4,916	10,291	5,375	109.3%	6,376	(3,915)	-38.0%
Capital Projects	0	0	0	0.0%	0	0	0.0%
Total Disbursements	102,160	102,186	26	0.0%	103,405	1,219	1.2%
Other Financing Sources (Uses)							
Transfer from Other Funds	41,918	34,108	(7,810)	-18.6%	38,017	3,909	11.5%
Transfer to Other Funds	(41,946)	(33,750)	8,196	-19.5%	(39,103)	(5,353)	15.9%
Bond and Note Proceeds	0	0	0	0.0%	0	0	0.0%
Net Other Financing Sources (Uses)	(28)	358	386	1378.6%	(1,086)	(1,444)	-403.4%
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	2,045	(2,225)	(4,270)	-208.8%	(1,782)	443	-19.9%
Closing Fund Balance	14,407	12,182	(2,225)	-15.4%	10,400	(1,782)	-14.6%

General Fund Cash Financial Plan								
SFY 2019-20 through SFY 2021-22								
(millions of dollars)								
Opening Fund Balance	SFY 2019-20	SFY 2020-21			SFY 2021-22			
	Results	Current	Change	Percent	Proposed	Change	Percent	
	7206	8944	1738	24.1%	7237	-1707	-19.1%	
Receipts								
Taxes								
Personal Income Tax	24,646	23,691	(955)	-3.9%	27,368	3,677	15.5%	
Consumption/Use Tax	8,038	7,196	(842)	-10.5%	7,666	470	6.5%	
Business Taxes	6,370	5,921	(449)	-7.0%	6,019	98	1.7%	
Other Taxes	1,087	1,225	138	12.7%	1,077	(148)	-12.1%	
Miscellaneous Receipts	3,159	6,913	3,754	118.8%	1,767	(5,146)	-74.4%	
Federal Receipts	0	0	0	0.0%	3,000	3,000	0.0%	
Transfers from Other Funds								
PIT in Excess of Revenue Bond Debt Service	25,862	18,866	(6,996)	-27.1%	23,476	4,610	24.4%	
ECEP in Excess of Revenue Bond Debt Service	0	2	2	0.0%	3	1	50.0%	
Sales Tax in Excess of LGAC Bond Debt Service	3,417	3,206	(211)	-6.2%	3,525	319	10.0%	
Sales Tax in Excess of Revenue Bond Debt	2,762	2,131	(631)	-22.8%	2,251	120	5.6%	
Real Estate Taxes in Excess of CW/CA Debt	951	730	(221)	-23.2%	831	101	13.8%	
All Other	2,915	3,159	244	8.4%	3,470	311	9.8%	
Total Receipts	79,207	73,040	(6,167)	-7.8%	80,453	7,413	10.1%	
Disbursements								
Local Assistance	51,863	52,011	148	0.3%	54,571	2,560	4.9%	
State Operations								
Personal Service	8,940	7,372	(1,568)	-17.5%	9,131	1,759	23.9%	
Non-Personal Service	3,114	3,243	129	4.1%	2,450	(793)	-24.5%	
General State Charges	7,454	6,084	(1,370)	-18.4%	8,689	2,605	42.8%	
Transfers to Other Funds								
Debt Service	736	309	(427)	-58.0%	424	115	37.2%	
Capital Projects	3,128	2,983	(145)	-4.6%	4,222	1,239	41.5%	
SUNY Operations	1,179	1,239	60	5.1%	1,226	(13)	-1.0%	
Other Purposes	1,055	1,506	451	42.7%	1,247	(259)	-17.2%	
Total Disbursements	77,469	74,747	(2,722)	-3.5%	81,960	7,213	9.6%	
Excess (Deficiency) of Receipts and Use								
(Reservation) of Fund Balances Over Disbursements	1,738	(1,707)	(3,445)	198.2%	(1,507)	200	11.7%	
Closing Fund Balance	8,944	7,237	(1,707)	-19.1%	5,730	(1,507)	-20.8%	

Revenue Highlights

Temporary Personal Income Tax (PIT) High Income Surcharge (REV Part A): The Executive Budget proposes a temporary income tax surcharge on high-income taxpayers for Tax Years 2021 through 2023. The surcharge is for taxpayers making over \$5 million and goes from 0.5 percent to 2 percent depending on income. Taxpayers would be allowed to pre-pay their Tax Year 2022 and 2023 surcharge liabilities in Tax Year 2021 and receive a deduction from unearned income beginning in Tax Year 2024 corresponding to the amount of any prepayment. This proposal would increase All Funds revenue by \$1.5 billion in SFY 2021-22 and \$1.4 billion in SFY 2022-23.

Cannabis Regulation and Taxation Act (CRTA) (REV Part H): The Executive proposal legalizes the production, sale, and use of adult-use cannabis. It also shifts oversight of existing hemp and medical marijuana programs to a new Office of Cannabis Management. The proposal establishes taxes on the distribution and sale of adult-use cannabis and imposes State and local sales taxes on retail purchases. The new revenue would be utilized to finance a number of programs, including a newly created Cannabis Social Equity Fund. Any county and any city of more than 100,000 residents may opt out. The proposal also creates new penalties related to unlawful and unlicensed activity. The Executive estimates that enactment of this proposal would

increase All Funds revenue by \$20 million in SFY 2021-22 and \$118 million in SFY 2022-23, with out-year revenues increasing to \$374 million in SY 2026-27. The Executive Budget provides \$37 million in financial support to establish the Office of Cannabis Management.

Delay Middle Class Tax Cuts by One Year (REV Part B): The Executive Budget delays the ongoing phase-in of the middle-class personal income tax rate cuts by one year. As a result, the rate schedules currently applicable for Tax Years 2021-2024 would each be delayed by one year. This proposal would increase All Funds revenue by \$394 million in SFY 2021-22 and \$403 million in SFY 2022-23. This proposal would also extend the 8.82 percent rate imposed on high income earners for another year.

Enact a Pass-Through Entity Tax (REV Part C): The Executive Budget proposes to create an optional pass-through entity tax for partnerships, LLCs, and S-corporations to pay a new State tax at 6.85 percent at the entity level in exchange for a personal income tax credit for the partners, members, and shareholders equal to 92 percent of the tax paid. The new pass-through entity tax would permit partners, members, and shareholders of electing entities to deduct this State tax paid from their federal returns and get around the current SALT cap, resulting in savings on their federal taxes. This proposal is revenue neutral to the State.

Make Permanent Local Sales Tax Rate Authorizations (REV Part L): This proposal would increase the permanent local sales tax authority from three to four percent or their currently authorized additional rate, whichever is higher, for all 57 counties outside of New York City, and for the five cities that currently have additional rates. These localities would no longer be required to seek State legislative authorization on a periodic basis to renew those rates and retain those revenue streams. Local authorizations would still occur in two-year cycles. Localities would still require Legislative approval to raise the rates above four percent or their current level. This proposal is revenue neutral to the State.

State Receipt Tables

All Funds Receipts (millions of dollars)				
	Estimated SFY 2020-21	Forecast SFY 2021-22	\$ Change	% Change
Personal Income Tax				
Withholding	41,881	44,617	2,736	6.5%
Estimated Payments	14,749	16,342	1,593	10.8%
Final Returns	3,483	3,982	499	14.3%
Other Payments	1,411	1,498	87	6.2%
Gross Collections	61,524	66,439	4,915	8.0%
Refunds/Offsets	(10,082)	(10,529)	(447)	4.4%
Net Collections	51,442	55,910	4,468	8.7%
User Taxes and Fees				
Sales and Use	14,030	15,037	1,007	7.2%
Cigarette/Tobacco	1,019	982	(37)	-3.6%
Vapor Excise Tax	27	16	(11)	-40.7%
Motor Fuel Tax	426	501	75	17.6%
Highway Use Tax	131	138	7	5.3%
Alcoholic Beverage	273	271	(2)	-0.7%
Opioid Excise Tax	30	34	4	13.3%
Medical Cannabis Excise Tax	8	8	0	0.0%
Adult-Use Cannabis Tax	0	20	20	-
Auto Rental Tax	57	78	21	36.8%
Total	16,001	17,085	1,084	6.8%
Business Taxes				
Corporation Franchise	4,303	4,454	151	3.5%
Corporation and Utilities	605	608	3	0.5%
Insurance	2,143	2,210	67	3.1%
Bank	160	107	(53)	-33.1%
Petroleum Business Tax	967	1,059	92	9.5%
Total	8,178	8,438	260	3.2%
Other Taxes				
Estate	1,213	1,058	(155)	-12.8%
Real Estate Transfer Tax	898	993	95	10.6%
Emp. Comp. Expense Program	3	6	3	100.0%
Pari-Mutuel	11	14	3	27.3%
Other	0	2	2	-
Total	2,125	2,073	(52)	-2.4%
Total Tax Collections	77,746	83,506	5,760	7.4%
Miscellaneous Receipts	31,707	27,581	(4,126)	-13.0%
Federal Grants	84,096	78,662	(5,434)	-6.5%
Total Receipts	193,549	189,749	(3,800)	-2.0%

General Fund Receipts (millions of dollars)				
	Estimated SFY 2020-21	Forecast SFY 2021-22	\$ Change	% Change
Personal Income Tax				
Withholding	41,881	44,617	2,736	6.5%
Estimated Payments	14,749	16,342	1,593	10.8%
Final Returns	3,483	3,982	499	14.3%
Other Payments	1,411	1,498	87	6.2%
Gross Collections	61,524	66,439	4,915	8.0%
Refunds/Offsets	(10,082)	(10,529)	(447)	4.4%
Reported Tax Collections	51,442	55,910	4,468	8.7%
STAR (Dedicated Deposits)	(2,030)	(587)	1,443	-71.1%
RBTF (Dedicated Transfers)	(25,721)	(27,955)	(2,234)	8.7%
Net Collections	23,691	27,368	3,677	15.5%
User Taxes and Fees				
Sales and Use	13,157	14,098	941	7.2%
Cigarette/Tobacco	314	312	(2)	-0.6%
Alcoholic Beverage	273	271	(2)	-0.7%
Opioid Excise Tax	30	34	4	13.3%
Gross Tax Collections	13,774	14,715	941	6.8%
LGAC/STBF (Dedicated Transfers)	(6,578)	(7,049)	(471)	7.2%
Total	7,196	7,666	470	6.5%
Business Taxes				
Corporation Franchise	3,402	3,512	110	3.2%
Corporation and Utilities	460	449	(11)	-2.4%
Insurance	1,919	1,973	54	2.8%
Bank	140	85	(55)	-39.3%
Total	5,921	6,019	98	-0.4%
Other Taxes				
Estate	1,213	1,058	(155)	-12.8%
Real Estate Transfer Tax	898	993	95	10.6%
Employer Compensation Expense Program	3	6	3	100.0%
Pari-Mutuel	11	14	3	27.3%
Other	0	2	2	-
Gross Other Taxes	2,125	2,073	(52)	-2.4%
Real Estate Transfer Tax (Dedicated)	(898)	(993)	(95)	10.6%
RBTF (Dedicated Transfers)	(2)	(3)	(1)	50.0%
Total	1,225	1,077	(148)	-12.1%
Total Tax Collections	38,033	42,130	4,097	10.8%
Miscellaneous Receipts	6,913	1,767	(5,146)	-74.4%
Federal Grants	0	3,000	0	0.0%
Total Receipts	44,946	46,897	1,951	4.3%

Sweeps and Transfers (PPGG, Part QQ):

The Sweeps and Transfers section of the Public Protection General Government Article VII legislation includes the necessary statutory authorization for transfers, temporary loans, and amendments to miscellaneous capital/debt provisions, including bond caps necessary to support the State's Financial Plan in the fiscal year 2021-22. It proposes certain modifications to improve the State's General Fund position in the upcoming fiscal year. Specifically, it would: (1) authorize temporary loans and the deposits of certain revenues to specific funds and accounts, (2) authorize the transfers and deposits of funds to and across various accounts, (3) extend various provisions of Chapter 59 of the Laws of 2017 in relation to capital projects and certain certifications, (4) modify various debt and bond provisions necessary to implement the budget, and (5) extend certain emergency borrowing authorizations created in Fiscal Year 2020-21 budget to ensure the State has liquidity and access to funds in emergency circumstances.

Revenue Agency Details

Department of Taxation and Finance

All Funds Appropriations - Department of Taxation and Finance				
Category	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	\$ Change	% Change
State Operations	\$463,635,400	\$444,185,700	(\$19,449,700)	-4.20%
Aid To Localities	\$4,926,000	\$4,679,700	(\$246,300)	-5.00%
Total	\$468,561,400	\$448,865,400	(\$19,696,000)	-4.20%

The Executive Budget proposes \$448.9 million in All Funds appropriations for SFY 2021-22, a decrease of \$19.7 million or 4.2 percent from the SFY 2020-21 Enacted Budget. The Executive Budget recommends a workforce of 3,785 FTEs, which is consistent with SFY 2020-21 levels.

Division of Tax Appeals

All Funds Appropriations - Division of Tax Appeals				
Category	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	\$ Change	% Change
State Operations	\$3,040,000	\$2,888,000	(\$152,000)	-5.00%
Total	\$3,040,000	\$2,888,000	(\$152,000)	-5.00%

The Executive Budget proposes \$2.9 million in All Funds appropriations for SFY 2021-22, a decrease of \$152,000 or 5.0 percent from the SFY 2020-21 Enacted Budget. The Executive Budget recommends a workforce of 25 FTEs, which is consistent with SFY 2020-21 levels.

SFY 2022 Executive Budget All Funds Revenue Actions (millions of dollars)				
	FY 2022	FY 2023	FY 2024	FY 2025
Personal Income Tax	1,912	1,750	1,536	691
Enact Temporary PIT High Income Surcharge	1,537	1,404	1,195	367
Delay Middle Class Tax Cut by One Year	394	403	445	464
Extend the Farm Workforce Retention Credit for Three Years	0	0	(11)	(11)
Reform and Simplify Various Business Tax Provisions	0	6	6	6
Increase Wage and Withholding Filing Penalty	2	2	2	2
Update Tax Preparer Regulation and Enforcement	15	15	15	15
Preserve Enhanced STAR Exemption Beneficiaries	(36)	(72)	(108)	(144)
Improve Mobile Home STAR Exemption Administration	0	(8)	(8)	(8)
Make Various STAR Program Reforms	0	0	0	0
Consumption/Use Taxes	27	134	178	268
Extend the Alternative Fuels Exemption for Five Years	(2)	(2)	(2)	(2)
Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years	0	0	0	0
Modernize Tax Law to Include the Vacation Rental Industry	10	18	18	18
Simplify Certain Tax Filing and Reporting Requirements	(1)	0	0	0
Make Technical Changes to Cigarette Licensing Provisions	0	0	0	0
Make Technical Correction to Sales Tax Remote Vendor Registration	0	0	0	0
Make Permanent Local Sales Tax Rate Authorizations	0	0	0	0
Increase the Interest Free Period on Certain Sales Tax Refunds	0	0	0	0
Enact the Cannabis Regulation and Taxation Act	20	118	162	252
Business Taxes	(36)	(100)	(25)	(37)
Enact the Pandemic Recovery and Restart Program	(35)	(90)	0	(4)
Enact Employer Child Care Credits	0	0	(5)	(5)
Extend Low-Income-Housing Credits for Five Years	0	(8)	(16)	(24)
Extend the Film Tax Credit for One Year	0	0	0	0
Extend and Enhance Brownfield Tangible Property Redevelopment Credit for Two Years	0	0	0	0
Extend the Alternative Fuels Exemption for Five Years	(1)	(2)	(2)	(2)
Extend the Economic Transformation and Facility Redevelopment Program Tax Credit for Five Years	0	0	(1)	(1)
Extend the Hire-A-Vet Credit for Two Years	0	0	(1)	(1)
Enact a Pass-Through-Entity Tax	0	0	0	0
Other Initiatives	80	412	520	548
Extend Implementation Deadline for the Secure Choice Program	0	0	0	0
Amend the Collection and Reporting of Taxicab Tax and Congestion Surcharge	0	0	0	0
Reform the State Racing Admissions Tax	0	0	0	0
Modernize and Merge Real Property Tax Forms and Processes	0	0	0	0
Make Technical and Conforming Changes to Real Property Tax Law	0	0	0	0
Allow the Department of Taxation and Finance the Right to Appeal the Division of Tax Appeals Tribunal Decisions	0	0	0	0
Promote the Development of Renewable Energy Products	0	0	0	0
Enhance Real Estate Transfer Tax Compliance	0	0	0	0
Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process	49	357	465	493
Eliminate Quick Draw Restrictions	15	30	30	30
Extend Pari Mutuel Tax Rates and Simulcast Provisions for One Year	0	0	0	0
Decouple the Gaming Commission and the Gaming Inspector General	0	0	0	0
Remove Restrictions on Lottery Draw Game Offerings	7	9	9	9
Authorize a Request for Information for Gaming Facility Licenses	0	0	0	0
Temporarily Suspend Certain Racing Support Payments	0	0	0	0
Expand Hunting and Crossbow Licensing	2	2	2	2
Allow Non-CPA Owners of Public Accounting Firms	2	0	0	0
Impose a Department of Motor Vehicles Convenience Fee	4	13	13	13
Application Fees for Office of Mental Health Operating Certificates	1	1	1	1
Revenue Action Proposals Total	1,983	2,196	2,209	1,470

Temporary PIT High Income Surcharge (REV Part A): The Executive Budget proposes legislation to impose a surcharge on high income earners for tax years 2021, 2022, and 2023. The surcharge for all filers (individuals, head of household, or married filing jointly) would be:

- 0.5 percent for taxpayers with taxable income between \$5 million and \$10 million.
- 1.0 percent for taxpayers with taxable income between \$10 million and \$25 million.
- 1.5 percent for taxpayers with taxable income between \$25 million and \$50 million.
- 1.75 percent for taxpayers with taxable income between \$50 million and \$100 million.
- 2.0 percent for taxpayers with taxable income over \$100 million.

Taxpayers would be given the opportunity, in tax year 2021, to pre-pay in part or in full the surcharge amount they would owe in tax years 2022 and 2023, with a subsequent reduction in the payments they would have to make in those tax years. In addition, a new deduction would be created that would allow individuals who made a prepayment in 2021 to claim a deduction for the amount they pre-paid starting in tax year 2024. The deduction would be taken against the amount of unearned income, such as dividend or interest income, they have. The taxpayers would continue to take this deduction until their tax savings equal the full prepayment amount. If an individual dies before they are able to claim the full deduction, a refundable credit would be applied against the final tax return for that taxpayer.

The proposal also includes language to give the Department of Taxation and Finance the ability to make changes to the withholding tables to ensure the full amount of the surcharge is paid while holding harmless individuals who might underpay because of incorrect withholding tables. Lastly, the proposal would waive penalties for individuals who might underpay in their estimated payments due before September.

State Fiscal Impact: This proposal would increase All Funds revenue by \$1.5 billion in SFY 2021-22, \$1.4 billion in SFY 2022-23, \$1.2 billion in SFY 2023-24, and \$367 million in SFY 2024-25. It would lead to a decrease in revenue of \$160 million in SFY 2025-26.

Delay to Middle Class Tax Cut by One Year (REV Part B): The Executive Budget proposes a one-year delay of the implementation of the ongoing Middle Class Tax Cut. New York State is in the middle of implementing a 20 percent reduction in personal income tax rates for single filers with taxable income between \$13,900 and \$215,400, head of household (HOH) filers with taxable income between \$20,900 and \$269,300, and married filers with taxable income between \$27,900 and \$323,200. The lowering of rates began in tax year 2018 and is slated to be fully implemented by tax year 2024. This proposal would delay this schedule by one year, extending the rates for tax year 2020 through tax year 2021, and then would move the additional rate cuts forward by one year such that the fully implemented middle-class tax cut would go into effect in tax year 2025. For tax year 2021, this means that single taxpayers with taxable income between \$21,400 and \$215,400, HOH filers with taxable income between \$32,200 and \$269,300, and married filers with taxable incomes between \$43,000 and \$323,000 will see their state income tax rates remain at 6.09

and 6.41 percent instead of declining to 5.97 and 6.33 percent. The proposal also extends the current top rate of 8.82 percent by one year as part of the delay in changing rates.

State Fiscal Impact: This proposal would raise All Funds revenue by \$394 million in SFY 2021-22, \$403 million in SFY 2022-23, \$445 million in SFY 2023-24, \$464 million in SFY 2024-25, and \$368 million in SFY 2025-26.

Pass-Through Entity Tax (REV Part C): The Executive Budget proposes legislation to create a new and elective State Pass-Through Entity Tax that would take effect in tax year 2022. Pass-through entities, which include partnerships, S-corporations, and LLCs treated as partnerships or S-corporations for federal tax purposes, would individually elect to opt into this State tax on the New York-sourced ordinary income or guaranteed payments of the entity. The rate of the tax would be 6.85 percent. When the partners, members, or shareholders of these pass-through entities file their own state personal income taxes, they would be able to claim a credit equal to 92 percent of the amount of the entity tax apportioned to them.

The purpose of this proposal is to create a vehicle allowing these individuals to indirectly deduct State taxes from the Federal taxes paid by the pass-through entity, thereby getting around the current State and Local Tax (SALT) cap deduction of \$10,000. This would result in significant federal tax savings while the amount of State taxes paid should remain unchanged.

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

Employer Child Care Credits (REV Part D): The Executive Budget proposes to amend existing tax credit programs to incentive employers to provide child care to their employees. The Executive Budget proposes amending the Excelsior Jobs Program in two ways. First, the current two percent Excelsior Investment Tax Credit would be expanded to include expenditures for child care services, with an enhanced credit for these capital expenditures of five percent. In addition, a new Excelsior Child Care Services Tax Credit for ongoing net child care expenditures would be created, for six percent of such expenses. Current participants in the program would need to apply to Empire State Development to renegotiate their credit allocation. This proposal does not change the existing credit caps for the Excelsior Jobs Program.

The Executive Budget would also expand the existing state Employer Provided Child Care Credit. Currently, employers can only claim up to 100 percent of the federal employer provided child care credit amount up to a total of \$150,000. The proposal would allow employers to claim a credit for up to 200 percent of their federal credit, capped at \$500,000.

State Fiscal Impact: The proposal would lower State revenues by \$5 million annually starting in SFY 2023-24.

Business Tax Simplifications and Reforms (REV Part E): The Executive Budget proposes to eliminate the requirement that bus and taxicab companies located outside the State file corporate taxes if they have made fewer than 12 trips into the State, at a tax rate of \$15 per trip. Since 2010, only five companies have been subject to this tax, for an average payment of \$100.

The Executive Budget also proposes to provide that any entity that elects to be treated as an S-corporation for federal tax purposes would automatically be treated as an S-corporation for State tax purposes. Currently, the State requires a separate State election. The Executive Budget indicates that this change will simplify filings for taxpayers, and eliminate possible tax avoidance schemes.

State Fiscal Impact: This proposal would increase All Funds State revenues by \$6 million starting in SFY 2022-23.

One-Year Film Tax Credit Extension (REV Part F): The Executive Budget proposes to extend the Empire State Film Production Credit and the Empire State Post Production Credit for one year, so that it would now end in tax year 2026. The amount allocated for these credits remains unchanged. The proposal would also align the counties eligible for the 10 percent extra credit available to Upstate counties between the two programs. Currently productions can claim the extra 10 percent for the Production credit for work done in Saratoga, Warren, Washington, Columbia, Dutchess, Greene, Orange, Putnam, Rensselaer, Sullivan, and Ulster counties, but could not claim a 10 percent extra credit under the Post-production credit for work done in these counties. This proposal adds these counties to the list eligible for the higher Post-production credit amount. In the SFY 2020-21 Enacted Budget, certain minimum production expenses requirements were included into the Production credit, but productions of pilot episodes were excluded from these new requirements. The Executive Budget also proposes to end this exemption because of cases of abuse in which productions misclassified their short films as pilot episodes.

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

Increased Wage and Withholding Filing Penalty (REV Part G): The Executive Budget proposes to increase the penalty against employers who file incorrect wage and withholding data with the Department of Taxation and Finance (DTF). Employers are required to file quarterly information with DTF on the wages they paid to their employees, and the amounts of taxes and unemployment insurance withheld. DTF must then reconcile this information with the information provided by employees when they file their income taxes. Currently, employers can be fined for providing incorrect data, with a per employee fine of \$50 capped at \$10,000 per employer. This proposal would increase the maximum penalty to \$50,000, with a per employee fine of \$100. According to the Executive, this proposal is necessary to create an incentive for employers to accurately report this data and lower tax administration costs.

State Fiscal Impact: This proposal would increase All Funds revenue by \$2 million annually starting in SFY 2021-22.

Cannabis Regulation and Taxation Act (CRTA) (REV Part H): The Executive Budget reintroduces the CRTA, which would enable the sale of adult-use cannabis and shift oversight of the existing hemp and medical marijuana programs to a new Office of Cannabis Management. The proposal would create a new Cannabis Law, which would govern adult-use cannabis, medical cannabis, and hemp. The proposal amends the tax law to establish taxes on the production and sale of adult-use cannabis and directs revenue sharing between the various levels of government. The new revenue would be utilized to finance a number of programs, including a newly created Cannabis Social Equity Fund. The proposal allows counties or cities with more than 100,000 residents to opt-out of commercial activity. The plan also amends the penal and vehicle and traffic laws to create new penalties related to unlawful and unlicensed activity.

State Fiscal Impact: This proposal would increase All Funds revenues by \$20 million in SFY 2021-22, \$118 million in SFY 2022-23, \$162 million in SFY 2023-24, \$252 million in SFY 2024-25, \$350 million in SFY 2025-26, and \$374 million in SFY 2026-27.

Including the Vacation Rental Industry in Tax Law (REV Part I): The Executive Budget proposes legislation making vacation rentals subject to State and local sales taxes as well as the \$1.50 New York City hotel unit fee. Vacation rentals mean any rental of a room in a residential structure, for the purposes of lodging a guest. Individuals making such rentals would be responsible for collecting and remitting these taxes. Vacation rental marketplace providers, or entities that provide a forum to facilitate vacation rentals, including by collecting the rent (such as Airbnb, VRBO, or others), would be responsible for collecting and remitting these taxes for any transactions they facilitated, and the owners of the properties would be exempted from the responsibility to collect and remit the tax if they use a vacation rental marketplace and receive in good faith certification from the marketplace providers that they will be collecting and remitting these taxes.

State Fiscal Impact: This proposal would increase All Funds revenue by \$10 million in SFY 2021-22 and by \$18 million annually afterwards.

Longer Interest Free Period for Certain Sales Tax Refunds (REV Part K): The Executive Budget proposes to extend the period during which the State is able to review a claim of a refund for overpayment of sales taxes exceeding \$100,000 and not pay interest to the claimant from three to six months. The State must currently review all claims for a refund based on overpayment of sales taxes in three months before interests begin to accrue. The Executive indicates that reviewing the larger claims regularly requires more than three months, forcing the State to pay interest on them. The Executive proposes to give the Department of Taxation and Finance to review the largest claims while leaving the review period for smaller claims unchanged.

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

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

State Fiscal Impact: This proposal does not impact the State Financial Plan.

Three-Year Extension of Certain Sales Tax Exemptions Related to the Dodd-Frank Act (REV Part M): The Dodd-Frank Wall Street Reform and Consumer Protection Act required financial services firms to transfer portions of their back office operations into separate legal entities. This separation of “front” and “back” office functions was aimed at ensuring a firm’s operational continuity. As a result, operations that were previously conducted internally within the same legal entity became services liable for sales tax. In 2015, the provision of these back office services such as payroll provided by previously joint entities were exempted from the sales tax. The Executive Budget proposes to extend this sales tax exemption for an additional three years, with a repeal date of June 30, 2027.

State Fiscal Impact: This proposal does not impact the State Financial Plan.

Make Technical Correction to Sales Tax Remote Vendor Registration (REV Part N): The Executive Budget proposes to align the threshold of gross sales that triggers the responsibility of a sales tax vendor without a physical presence in New York to register with the Department of Taxation and Finance with the volume level of sales threshold necessary for a marketplace to have to collect and remit. When the State passed its legislation requiring internet marketplaces to collect and remit the sales tax, the State chose to put in place a different threshold for the volume of sales necessary for an internet marketplace to be mandated to collect and remit based on the volume of their sales of \$500,000 over the previous four quarters as compared to \$300,000 for other remote vendors. At that time, the State did not change the gross receipts threshold that imposes a requirement to register as a sales tax vendor applicable to these internet marketplaces, which remains at \$300,000. The Executive Budget proposes to raise this registration threshold to \$500,000 so the two thresholds match.

State Fiscal Impact: This proposal does not impact the State Financial Plan.

RETT Compliance Enhancement (REV Part O): The Executive Budget proposes legislation to enhance the ability to collect the Real Estate Transfer Tax (RETT), and to make technical changes to the new Limited Liability Company (LLC) disclosure requirements enacted last year. The first proposal is to expand the definition of persons for the purposes of collecting the RETT to also include any officers, managers, members, or employees of LLCs, partnerships, or sole proprietorships. This ensures that individuals would not be able to evade the collection and remission of this tax by creating a temporary corporate entity that would then be dissolved before taxes are paid. The seller of a property is responsible for collecting and paying the RETT but the State recently added language stating that if a seller failed to pay the tax, the buyer would also be held responsible for the payment of the tax. The Executive is proposing language to clarify that the responsibility for the tax remains on the seller even under these new conditions, and that any buyer forced to pay the tax because of the failure of the seller to pay may take actions against the seller to recoup the amount of taxes paid.

Last year the State enacted new reporting requirements on RETT forms for one- to four-unit residential buildings which required LLCs to disclose their members and shareholders, and which required the members and shareholders identified to disclose their members and shareholders. The Executive proposes to make three changes to these requirements. First, it clarifies that the disclosure covers all residential buildings that can house up to four families, including single standing homes. Secondly, the proposal also exempts any publicly traded companies, mutual funds, or Real Estate Investment Trusts that are disclosed as members or shareholders in an LLC from having to disclose all their members and shareholders. Finally, the proposal exempts RETT forms from tax secrecy, allowing them to be subject to the Freedom of Information Law, which is currently not the case.

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

Technical Changes to Cigarette Licensing Provisions (REV Part P): The Executive Budget proposes legislation that will enhance enforcement measures against the illicit sale and distribution of cigarettes and tobacco products. Any retailer that has had their Certificate of Registration to sell or distribute cigarette or tobacco products revoked may no longer continue to display, advertise, or offer for sale the same. In the event a retailer of cigarette or tobacco products has their license to sell cigarettes or tobacco products revoked, that retailer may sell or transfer the surplus of lawfully stamped inventory to another properly registered retail dealer within ten days of the revocation. Retailers that never had a certification of registration to sell cigarettes must dispose of the cigarettes and may not attempt to sell or transfer them in any way.

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

Simplify Certain Tax Filing and Reporting Requirements (REV Part Q): The Executive Budget proposes changes to the filing requirements for the Alcohol Beverage Tax (ABT) and the Highway Use Tax (HUT) to lower the frequency with which certain small companies have to file. Distributors and importers, including manufacturers designated as such, are currently required to file monthly returns for the ABT. This proposal would expand the existing ability of the Commissioner of the Department of Taxation and Finance to allow certain distributors and importers to file on a different schedule determined by the Commissioner. The Executive indicates that its intent is to allow the Commissioner to provide relief to small farm manufacturers by allowing them to file annually instead of monthly, though the power outlined is not limited to farm licensees. Companies subject to the HUT currently must file either annually, quarterly, or monthly, depending on the amount they would owe. The Executive proposes to raise the threshold allowing companies to file annually from \$250 to \$1,200, and raising the threshold at which companies must file monthly from \$4,000 to \$12,000.

State Fiscal Impact: This proposal would decrease all State revenues by \$1 million in SFY 2021-22 and have no further impact on the Financial Plan thereafter.

Collection and Reporting of Taxicab Tax and Congestion Surcharge (REV Part R): The Executive Budget proposes to make Technology Service Providers (TSP) responsible for the collection and remitting of the taxicab tax and the new congestion surcharge. Under current law, medallion owners or their agents are responsible for collecting and remitting the 50 cent tax on taxicab rides and the new congestion surcharge. Owners are also responsible for submitting detailed ride information to the Taxi and Limousine Commission (TLC). The TLC shares this detailed information to the Department of Taxation and Finance for tax enforcement purposes. Most taxi owners have contracts with TSPs to collect ride information and also to handle the payment of fares via credit cards. The Executive proposes to make TSPs responsible for the collection and remitting of these taxes on all fares they collected, and jointly liable for any fares collected on trips they recorded. In the case of liability for trips in which the TSP did not collect the fare directly, the TSP is allowed to use any funds it would be required to submit back to the owners, minus any contractual charges it is allowed to make, to pay the taxes owed. In the event that these funds are not sufficient to pay back the taxes owed, the owners and their agents would be responsible for the difference.

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

Tax Preparer Regulation and Enforcement (REV Part S): The Executive Budget proposes to expand the penalties for tax preparers or facilitators that fail to register or re-register correctly with the Department of Taxation and Finance or display the correct consumer protection information. Any individuals that fail to register or re-register as required are currently liable for a \$250 fine unless they then register within 90 days after receiving notice of the penalty. Anyone who fails to register or re-register within that period is additionally fined \$500 per month that they continue in

non-compliance. The Executive proposes to expand this fine, with failure to register or re-register leading to a \$500 fine, with an additional fine of \$200 for each day of non-compliance, capped at a maximum fine of \$10,000. The Executive also proposes to mandate that tax preparers or facilitators prominently and conspicuously post a copy of their price list for services and a copy of the Consumer Bill of Rights. Failure to comply with this posting requirement would lead to a \$500 fine on the first day, and a subsequent \$200 fine for each following day in non-compliance, capped at \$10,000. The posting mandate would take effect on January 1, 2022.

State Fiscal Impact: This proposal would increase all funds revenue by \$15 million annually starting in SFY 2021-22.

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

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

Modernization and Merger of Real Property Tax Forms and Processes (REV Part U): The Executive Budget proposes to modernize and simplify the process of filing certain Real Property Tax forms. Currently, when a property is sold, two physical forms must be filed with the Department of Taxation and Finance (DTF) -- one containing information for the payment of taxes, including the Real Estate Transfer Tax (RETT), which is covered under tax secrecy laws as a tax return, and a second form containing almost all the same exact information that will be used for public real property ownership records. The Executive proposes granting DTF the authority to create an online filing system, in which individuals would be able to enter all this information online, with tax specific information remaining secret while property ownership information would remain public information. New York City and Westchester have instituted their electronic deed recording systems, so if they wanted to use this system they would have to opt in. This system would be implemented in such a way to hold harmless localities, which collect local filing fees for this information.

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

Changes to STAR Program Administration (REV Part V): The Executive Budget proposes five changes to the administration of the STAR program. The first proposal would end the ability of individuals currently receiving the Basic STAR Exemption from switching to the Enhanced STAR exemption program. The State currently requires anyone entering the STAR program to join the STAR credit program, but it allows those who were receiving the STAR exemption to stay in the exemption program, and this includes the ability to switch from the Basic STAR exemption to the Enhanced STAR exemption provided to seniors. The Executive proposes to end this practice, requiring those seeking to gain the Enhanced STAR benefit to sign up for the Enhanced STAR credit program. The sole exception would be for a taxpayer who had an increase in income that removed their eligibility for the Enhanced STAR exemption, but who then became re-eligible for the Enhanced STAR benefit.

The second proposal would change the date by which an individual is allowed to switch from the exemption to the credit program from June 15 to May 1. The Executive indicates that the current deadline does not provide the Department of Taxation and Finance (DTF) and local assessors sufficient time to make the switch. Any taxpayer that applied to switch over past May 1 would still get the exemption, but would also receive a credit check for the difference if the credit benefit exceeds the exemption benefit.

The third proposal would allow DTF to inform the assessor directly that someone receiving a STAR benefit has died. Currently, the State is able to inform only county property tax directors that they received information that someone receiving STAR benefits has died.

The fourth proposal would change the body that administers STAR benefit appeals by taxpayers as well as consolidate existing rules governing STAR appeals. Currently, the State Board of Real Property Tax Services handles appeals from taxpayers regarding STAR benefits. The Executive proposes to have DTF be responsible for administering STAR benefit appeals. The Executive indicates that the State Board of Real Property Tax Services, which is made up of five members appointed by the Executive and confirmed by the Senate, does not meet regularly enough to handle the volume of appeals and would prefer to have them handled by full time staff.

The final proposal would convert all existing STAR exemptions for mobile homes into STAR credits. The Executive indicates that this would simplify the administration of the STAR benefit for mobile home owners because. Currently, the benefit accrues to mobile home park owners who then apportion the benefit to individual mobile home owners, which the Executive indicates is a complicated process of administration. The Executive proposal would also include two other provisions that may be to the benefit of mobile home owners. First, mobile park owners are currently allowed to keep two percent of the STAR benefits as an administrative fee to pay for their expenses in administering the program; the Executive proposal would circumvent the need for any administrative allotment of the STAR benefit by mobile home park owners. Secondly, the Executive proposal assumes a valuation floor of \$20,000 for properties in the STAR credit

program, which means that individual mobile home owners with mobile homes valued under \$20,000 would see their benefits increase.

State Fiscal Impact: The proposal to close the Enhanced STAR exemption program to new applicants would decrease State General Fund spending by \$35 million in SFY 2021-22. All Funds revenues would decrease by \$36 million in SFY 2021-22, \$72 million in SFY 2022-23, \$108 million in SFY 2023-24, and \$144 million in SFY 2024-25. The proposal to convert all mobile home owners to the STAR credit program will decrease all funds revenues by \$8 million annually starting in SFY 2022-23.

Technical Changes to the Real Property Tax Law (REV Part W): The Executive Budget proposes to empower the State Board of Real Property Tax Services to act with authority as a quorum when a majority of board members are present. This proposal also prevents a municipal corporation from losing the benefit of any exemption exercised in the event that the population of that municipal corporation falls below the prescribed level necessary to exercise the exemption in the first instant. This proposal would not apply to exemptions that explicitly state that any deviance from the prescribed population volume eliminates eligibility for the municipal corporation. Lastly, the proposal would prevent a municipal corporation's failure to file a copy of a local resolution adopting an exemption with the Secretary of State from rendering the election invalid.

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

Promotion of Renewable Energy Products Development (REV Part X): The Executive Budget proposes legislation that would create a standard methodology for the assessment of wind and solar projects greater than one megawatt in size. The proposal directs the Department of Taxation and Finance, in consultation with the New York State Energy Research and Development Authority, to develop an appraisal model that will determine the assessed value of wind and solar energy systems. The proposal also extends the real property tax exemption for solar, wind, farm waste energy, fuel cell, energy storage, and micro-combined heat and power energy systems until 2030.

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

Extension of the Alternative Fuels Exemption (REV Part EE): The Executive Budget proposes a five-year extension of existing exemptions, reimbursements, and credits for certain alternative fuels. Originally enacted in 2006, exemptions on alternative fuels such as ethanol-gasoline mixes (E-85), biodiesel mixes (B20), compressed natural gas (CNG), and hydrogen have been extended several times.

State Fiscal Impact: This proposal would reduce all State revenues by \$1 million in SFY 2021-22 and \$2 million annually starting in SFY 2022-23.

Extension of the Farm Workforce Retention Credit (REV Part FF): The Executive Budget proposes to extend the eligibility for a farm employee tax credit from January 1, 2022 to January 1, 2025. The credit was originally created in 2016 and offered a fixed credit amount that varied from \$250 in 2017 up to \$600 in 2021. The current proposal would fix the credit at \$600 per farm employee for the three-year extension.

State Fiscal Impact: This proposal would reduce All Funds revenues by \$11 million in SFY 2023-24 and SFY 2024-25.

Extension and Enhancement of the Low-Income Housing Credit (REV Part GG): The New York State Low-Income Housing Credit is based on the existing Federal program and requires an agreement between the taxpayer and the Division of Housing and Community Renewal for a long-term commitment to low-income housing. The credit amount allocated is allowed as a credit against tax for ten years. Since its creation in 2000, the allocation pool has been increased and extended numerous times and expanded to allow transferability to third parties. The Executive Budget proposal would extend this credit for five years and would add an additional \$8 million in aggregate for this credit.

State Fiscal Impact: This proposal would reduce All Funds revenues by \$8 million in SFY 2022-23, \$16 million in SFY 2023-24, and \$24 million in SFY 2024-25.

Extension and Enhancement of the Musical and Theatrical Production Credit (REV Part HH): The Executive Budget proposes to extend this tax credit and increase the aggregate amount available for the credit by \$4 million. The Musical and Theatrical Production Credit became effective on January 1, 2015 and was originally scheduled to sunset on January 1, 2023. This proposal would extend availability of the credit to January 1, 2026.

State Fiscal Impact: This proposal would reduce All State revenues by \$4 million annually through SFY 2025-26.

Extension of the Hire-a-Vet Business Tax Credit (REV Part II): The Executive Budget proposes an extension of this tax credit that seeks to encourage the full-time employment of a veteran by providing employers with a credit based on the wages paid. Eligibility for the credit is extended two years, to January 1, 2023, and is available to employers who hire a qualified veteran for a period of no less than one year for at least 35 hours per week. Employers who hire a disabled veteran receive an expanded benefit.

State Fiscal Impact: This proposal would reduce All Funds revenues by \$1 million dollars annually, beginning in SFY 2023-24.

Extension of the Economic Transformation and Facility Redevelopment Program for Five Years (REV Part JJ): This program was established to support the economies of communities impacted by the closure of certain correctional and juvenile justice facilities. Eligible entities are encouraged to create jobs and investment opportunities in Economic Transformation Areas. Businesses that create at least five new jobs in these areas are eligible for a variety of refundable tax benefits. The Executive Budget proposes to extend this tax for an additional five years, through December 31, 2026.

State Fiscal Impact: This proposal reduces all State revenues by \$1 million dollars annually, beginning in SFY 2023-24.

Extend Implementation Deadline for the Secure Choice Program (REV Part KK): The Executive Budget proposes to extend the enrollment deadline for New York's Secure Choice Program until December 31, 2021, with the option for an additional 12 month extension to December 31, 2022. The Secure Choice Savings Program helps small business employees, freelancers, and contractors save for retirement via a state-supervised Roth Individual Retirement Account. It is voluntary for business owners to enroll in the program.

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

Pandemic Recovery and Restart Program (TEDE Part TT): The Executive Budget proposes three new tax credit programs managed by Empire State Development to assist businesses in the entertainment, accommodations, and food and drink services industries to recover from the pandemic.

The first program, the Small Business Return-to-Work Tax Credit Program, is a one-year tax credit program capped at \$50 million that would be available to small businesses engaged in the accommodations, entertainment, and cultural fields that have seen a 40 percent decline in business between 2019 and 2020. These businesses would be able to claim a \$5,000 per employee credit, capped at \$50,000 per business, for new hires between April 1 and December 31, 2021 when they file their 2021 taxes.

The second program, the Restaurant Return-to-Work Tax Credit Program, would be available to independently owned restaurants and bars in New York City or any areas of the State that were designated orange or red zones for 30 or more consecutive days and saw declines in business of 40 percent or more between 2019 and 2020. The program is also a one-year program, capped at \$50 million, with the same credit amounts. Restaurants would be given the option to claim the credit early for new hires between April 1 and August 31, allowing them to receive the money this year, before they have to file their 2021 taxes.

The third program, the New York City Musical and Theatrical Production Tax Credit, is modeled on the existing credit for productions outside New York City. The credit would be capped at \$25

million, which could cover 25 percent of production costs, up to \$500,000 per production, for any companies that spend at least \$1 million in eligible costs prior to December 31, 2021.

State Fiscal Impact: This proposal would reduce all State revenues by \$35 million in SFY 2021-22, \$90 million in SFY 2023-24, \$0 in SFY 2024-25, and \$4 million in SFY 2025-26.

Capital Fact Sheet

Monetary Settlements

Since SFY 2014-15, the State has received a total of nearly \$13.3 billion in Extraordinary Monetary Settlements. Approximately \$8.1 billion in Extraordinary Monetary Settlements has been appropriated for capital projects to date. The SFY 2021-22 Executive Budget does not include any new planned use of settlement money.

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

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

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

New York State Infrastructure Plan

The Executive Budget increases the State's planned SFY 2020-2024 infrastructure investment by \$31 billion to a total of \$200 billion. The plan includes funding for transportation and mass transit systems, affordable housing, economic and community development, schools, environmental and park facilities, and energy efficiency upgrades.

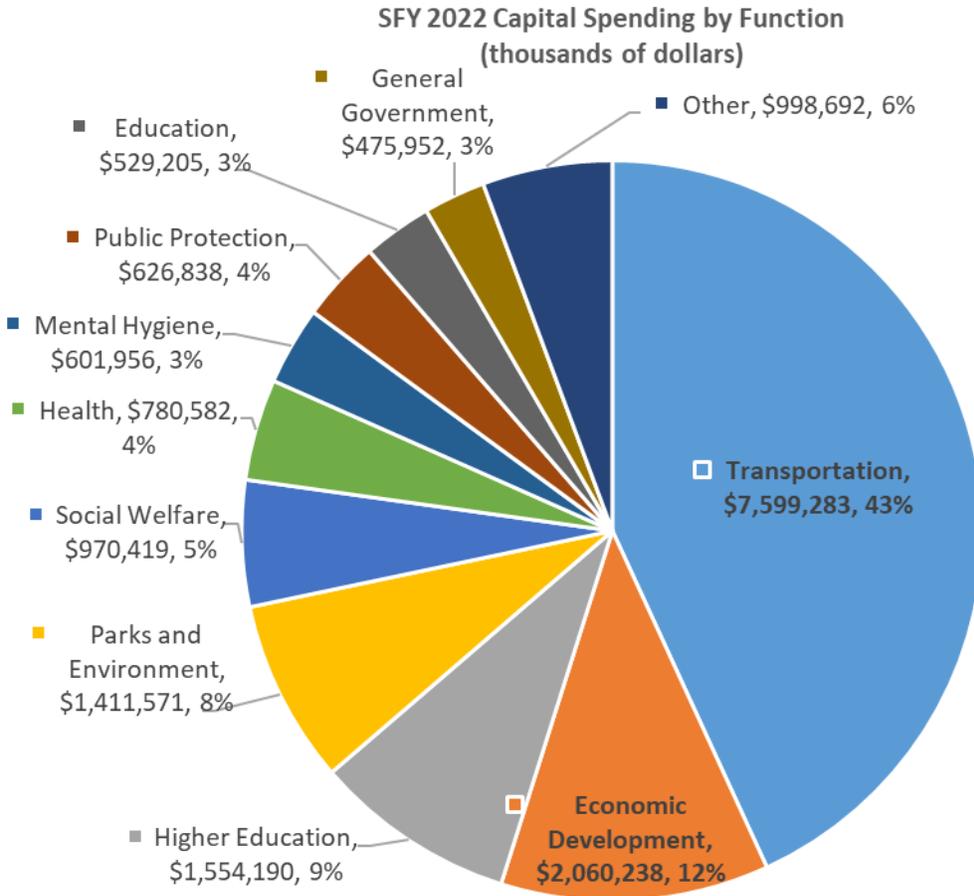
The Executive argues that including \$100 billion worth of infrastructure investments committed to prior to the SFY 2020-2024 plan brings the total infrastructure plan to \$306 billion. Of that, \$97.6 billion is a direct State share. The \$306 billion investment includes:

- \$190 billion for transportation, including mass transit, railroads, airports, highways, and bridges and tunnels across the State. This also includes State contributions to the 2020-2024 MTA Capital Plan and 2021-2022 DOT Capital Plan.
- \$33 billion for improving environmental facilities and parks, and the development of green energy.
- \$33 billion for economic and community development.
- \$14 billion to further the State's investment in the construction of high-quality, affordable housing for the people of New York.
- \$19 billion to help school districts build new and better school buildings.
- \$17 billion to improve and maintain SUNY and CUNY buildings, the State's health care facilities, and other capital assets.

SFY 2021-22 Capital Spending

State capital spending is projected to total \$17.6 billion in SFY 2021-22. The Executive Budget proposal includes \$17.2 billion in spending that appears in the State's Financial Plan and \$400 million in off-budget spending that is currently being financed directly from bond proceeds. Financing for capital spending in SFY 2021-22 is supported with State debt (\$11.5 billion, 65 percent), State cash resources (\$3.9 billion, 22 percent), and Federal aid (\$2.2 billion, 13 percent).

State capital spending over the next five years is expected to average approximately \$14.6 billion annually. In SFY 2021-22, capital spending is projected to increase by 24 percent as compared to SFY 2020-21. The increase is attributable to payments of the State's contributions to the MTA's 2015-19 and 2020-24 Capital Plans, expansion of the Empire Station complex, and new spending included in the SFY 2021-22 Executive Budget.



SFY 2020-21 Debt Summary

Current State-related debt outstanding is projected at \$67.8 billion for SFY 2021-22. This is an increase of \$8 billion, or 13 percent. The Executive Budget expects debt issuances of \$11.6 billion and debt retirements of \$3.6 billion. From SFY 2021-22 through SFY 2025-26, State-related debt is projected to increase an average of 6.6 percent annually, reaching \$82.6 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt to reach 2.97 percent of personal income in SFY 2021-22. 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 Enacted Budget suspended the Debt Reform Act for one year, allowing any debt issued during SFY 2020-21 to be exempted from counting against the debt cap. This was largely

to facilitate the State's response to COVID-19. The Enacted Budget also included permission for the Executive to use \$8 billion in Personal Income Tax (PIT) notes to support the budget during the delay in the Federal tax filing deadline to July and \$3 billion in a line of credit to help manage cash flow throughout the year. The Executive utilized \$4.5 billion of the PIT note authorization and plans to repay those funds within the SFY 2020-21 fiscal year. The Executive did not access the line of credit. For SFY 2021-22, the Executive has asked for similar authorizations, but has stated it does not plan on using them.

Economic Development



Economic Development Fact Sheet

Appropriations

- **Empire Station Complex**: The Executive Budget proposes \$1.3 billion in Capital Funding for the Empire Station Complex through the Special Infrastructure Account.
- **New York Works Economic Development Fund**: The Executive Budget proposes \$220 million in Capital Funding for the New York Works Economic Development fund, unchanged from SFY 2021-22.
- **Regional Economic Development Council Initiative**: The Executive Budget proposes \$150 million in Capital Funding for the Regional Economic Development Councils, unchanged from the past six years.
- **Converting Centers of Excellence into Centers for Advanced Technology**: The Executive Budget proposes converting the Centers of Excellence (COE) into Centers for Advanced Technology (CAT), providing \$7.8 million to former COEs and \$11.2 million to CATs for a combined appropriation of \$19 million in General Funds, an overall decrease of \$4.6 million..
- **High Technology Matching Grants**: The Executive Budget proposes \$5 million in General Fund spending for the High Technology Matching Grants Program, a decrease of \$1 million from the previous year.
- **Tourism Promotion Matching Grants**: The Executive Budget proposes \$2.5 million in General Funds for Tourism Promotion Matching Grants, a decrease of \$1.4 million from the previous year.
- **Retention of Professional Football in Western New York**: The Executive Budget proposes \$2.4 million in Capital Funding for the Retention of Professional Football in Western New York, an increase of \$74,000 from the previous year.
- **Minority and Women-Owned Business Development**: The Executive Budget proposes \$635,000 in General Fund spending for the Minority and Women-Owned Business Development and Lending Program.

Article VII

- **Converting Centers of Excellence into Centers for Advanced Technology (TEDE Part KK)**: The Executive proposes legislation that would convert Centers of Excellence (COE) into Centers of Advanced Technology (CAT), effectively eliminating COEs.
- **Emergency Commercial Eviction and Foreclosure Protections (TEDE Part MM)**: The

Executive Budget proposes to enact eviction and foreclosure protections for commercial tenants and property owners experiencing financial hardship due to COVID-19 until May 1, 2021.

- **New York Medical Supplies Act (PPGG Part BB)**: The Executive proposes legislation mandating that all personal protective equipment (PPE) and medical supplies purchased by State agencies, departments, and authorities must be made or produced in the United States, if the State entity's contract is valued at over \$50,000.

Economic Development Agency Details

Economic Development Agency All Funds Appropriations				
Agency	Available SFY 2020-21	Executive Recommendation SFY 2021-22	\$ Change	% Change
Department of Economic Development	\$ 90,196,165	\$ 28,695,000	\$ (61,501,165)	-68%
Empire State Development Corporation	\$ 482,654,000	\$ 468,014,000	\$ (14,640,000)	-3%
Total	\$ 572,850,165	\$ 496,709,000	\$ (76,141,165)	-13%

Overview

The Executive Budget proposes \$496.7 million in All Funds appropriations for State economic development agencies in SFY 2021-22, a decrease of \$21.6 million or 4 percent from SFY 2020-21 Budget levels. This decrease reflects a \$10 million cut from census funding, \$4.7 million from legislative initiatives, \$4.6 million from CATs and COEs, \$1.4 million from Tourism Promotion Matching Grants, and a \$1 million from High Technology Matching Grants.

Department of Economic Development (DED)

The Executive Budget proposes \$83.2 million in All Funds appropriations for the Department of Economic Development, a decrease of \$7 million or 7.7 percent from SFY 2020-21. This decrease reflects the \$4.6 million cut to the CATs and COEs, the \$1.4 million cut to the Tourism Promotion Matching Grants, and the \$1 million cut to the High Technology Matching Grants.

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

The Executive Budget proposes All Funds appropriations totaling \$468 million for the Empire State Development Corporation in SFY 2021-22, a decrease of \$14.6 million or 3 percent from SFY 2020-21. This decrease reflects a \$10 million cut from census funding and \$4.7 million of legislative initiatives. It is offset by an increase of \$74,000 in capital funding to the Retention of Professional Football in Western New York.

Department of Economic Development			
State Operations			
Program	Enacted SFY 2021	Executive SFY 2022	Change
Administration State Purposes Account	\$ 3,207,000	\$ 3,207,000	\$ -
Clean Air Program	\$ 387,000	\$ 387,000	\$ -
Ec Dev Program State Purposes Account	\$ 12,191,000	\$ 12,191,000	\$ -
Fed Misc Grants Account	\$ 2,000,000	\$ 2,000,000	\$ -
Diversity Job Training Development Fund	\$ 2,000,000	\$ 2,000,000	\$ -
Procurement Opportunities Newsletter Acct	\$ 885,000	\$ 885,000	\$ -
Marketing and Advertising State Purposes Account	\$ 2,337,000	\$ 2,337,000	\$ -
Tourism Marketing	\$ 2,500,000	\$ 2,500,000	\$ -
Commerce Economic Development Assistance Acct	\$ 3,188,000	\$ 3,188,000	\$ -
Total	\$ 28,695,000	\$ 28,695,000	\$ -

Department of Economic Development			
Aid to Localities			
Program	Enacted SFY 2021	Executive SFY 2022	Change
Centers of Excellence	\$ 8,629,621	\$ 7,826,500	\$ (803,121)
Additional Services and Expenses of Centers of Excellence	\$ 2,002,164	\$ -	\$ (2,002,164)
Centers for Advanced Technology	\$12,370,380	\$11,173,500	\$ (1,196,880)
Additional Centers for Advanced Technology	\$ 591,000	\$ -	\$ (591,000)
Technology Development Organization Matching Grants	\$ 1,382,000	\$ 1,382,000	\$ -
Industrial Technology Extension Service	\$ 921,000	\$ 921,000	\$ -
SUNY Polytechnic Institute and RPI Focus Center	\$ 3,006,000	\$ 3,006,000	\$ -
High Technology Matching Grants Program	\$ 6,000,000	\$ 5,000,000	\$ (1,000,000)
NYS Innovation Hot Spots and Incubators	\$ 5,000,000	\$ 5,000,000	\$ -
Tourism Promotion Matching Grants	\$ 3,815,000	\$ 2,450,000	\$ (1,365,000)
Agritourism	\$ 3,971,000	\$ 3,971,000	\$ -
Science and Technology Law Center Program	\$ 343,000	\$ 343,000	\$ -
Manufacturing Extension Partnership Prog Acct	\$12,000,000	\$12,000,000	\$ -
Matching Funds for Manufacturing Extension Partnership Prog	\$ 1,470,000	\$ 1,470,000	\$ -
Total	\$61,501,165	\$54,543,000	\$ (6,958,165)

Empire State Development Corporation (UDC)			
Capital			
Program	Enacted SFY 2021	Executive SFY 2022	Change
Retention of Pro Football in Western NY	\$ 2,357,000	\$ 2,431,000	\$ 74,000
Market NY Program	\$ 8,000,000	\$ 8,000,000	\$ -
New York Works Economic Development Fund	\$ 220,000,000	\$ 220,000,000	\$ -
Regional Economic Development Council Initiative	\$ 150,000,000	\$ 150,000,000	\$ -
Total	\$ 380,357,000	\$ 380,431,000	\$ 74,000

Empire State Development Corporation (UDC)			
Aid to Localities			
Program	Enacted SFY 2021	Executive SFY 2022	Change
Minority and Women-Owned Business Development and Lending Prog	\$ 635,000	\$ 635,000	\$ -
Addl Minority and Women-Owned Business Development	\$ 365,000	\$ -	\$ (365,000)
Federal Community Development Financial Institutions Prog	\$ 1,495,000	\$ 1,495,000	\$ -
Entrepreneurial Assistance Program	\$ 490,000	\$ 490,000	\$ -
Addl Entrepreneurial Assistance Program	\$ 1,274,000	\$ 1,274,000	\$ -
Addl Women's Enterprise Development Center, Inc.	\$ 20,000	\$ -	\$ (20,000)
Empire State Economic Development Fund	\$ 26,180,000	\$ 26,180,000	\$ -
Program Administration for State Ec Dev Initiatives	\$ 42,500,000	\$ 42,500,000	\$ -
Addl Program Administration (including NYS census)	\$ 10,000,000		\$ (10,000,000)
Market NY Program	\$ 7,000,000	\$ 7,000,000	\$ -
Retention of Pro Football	\$ 4,605,000	\$ 4,605,000	\$ -
Urban and Community Development Program	\$ 3,404,000	\$ 3,404,000	\$ -
Association of Community Employment Programs	\$ 150,000	\$ -	\$ (150,000)
The Joint Bellrose Business District Development Corporation	\$ 50,000	\$ -	\$ (50,000)
Bayside Business Association	\$ 50,000	\$ -	\$ (50,000)
CenterState CEO	\$ 200,000	\$ -	\$ (200,000)
Canisius College	\$ 150,000	\$ -	\$ (150,000)
Adirondack North Country, Inc.	\$ 100,000	\$ -	\$ (100,000)
North Country Chamber of Commerce	\$ 200,000	\$ -	\$ (200,000)
World Trade Center Buffalo Niagara	\$ 50,000	\$ -	\$ (50,000)
Bronx Overall Economic Development Corporation	\$ 550,000	\$ -	\$ (550,000)
Bronx Cooperative Development Initiative	\$ 25,000	\$ -	\$ (25,000)
Brooklyn Alliance, Inc.	\$ 500,000	\$ -	\$ (500,000)
Brooklyn Chamber of Commerce	\$ 300,000	\$ -	\$ (300,000)
Brooklyn Neighborhood Improvement Association	\$ 100,000	\$ -	\$ (100,000)
Harlem Park to Park Initiative	\$ 100,000	\$ -	\$ (100,000)
New York Women's Chamber of Commerce	\$ 100,000	\$ -	\$ (100,000)
Queens Chamber of Commerce	\$ 500,000	\$ -	\$ (500,000)
Addl Queens Chamber of Commerce	\$ 44,000	\$ -	\$ (44,000)
Queens Economic Development Council	\$ 100,000	\$ -	\$ (100,000)
Kingsbridge Riverdale Van Cortland Development Corp	\$ 140,000	\$ -	\$ (140,000)
Buffalo Niagara Partnership	\$ 150,000	\$ -	\$ (150,000)
Invest Buffalo Niagara, Inc	\$ 50,000	\$ -	\$ (50,000)
Buffalo Niagara International Trade Gateway Organization	\$ 50,000	\$ -	\$ (50,000)
Stony Brook Medicine's National Cancer Institute	\$ 670,000	\$ -	\$ (670,000)
Total	\$ 102,297,000	\$ 87,583,000	\$ (14,714,000)

Article VII

DASNY Design and Construction Services for DEC and State Parks (TEDE Part II): The Executive Budget proposes to extend the authorization of DASNY to provide design and construction management services to the Department of Environmental Conservation (DEC) & the Office of Parks, Recreation and Historic Preservation, till April 1, 2024. This authorization is due to expire on April 1, 2021 and was last extended from in 2019.

Expanded Dormitory Authority Financing (TEDE Part RR): The Executive Budget proposes to authorize the Dormitory Authority of the State of New York (DASNY) to provide its tax-exempt financing, and design and construction services, to any school district or not-for-profit corporation in the State for capital projects costing \$5 million or more. The proposal also allows DASNY to provide loans to cover working capital needs for any school district or not-for-profit corporation during the period of COVID-19 state of emergency.

DASNY Bond Cap Increase for Medical Facilities (TEDE Part SS): The Executive Budget increases the cap for DASNY financing under the Medical Care Facilities Financing Agency (MCFFA) statute by \$800 million. MCFFA was absorbed by DASNY and medical projects financed under this statute have a bond cap separate from other DASNY borrowing. This bond cap was last increased in 2018 by the same amount.

Extend the General Loan Powers of the New York State Urban Development Corporation (TEDE Part J): The Executive proposes legislation that would extend the loan powers of the UDC to July 1, 2024. These provisions currently expire on July 1, 2021.

Extend Authorization of the New York State Urban Development Corporation to Administer the Empire State Economic Development Fund (TEDE Part K): The Executive proposes legislation that would extend the UDC's authority to administer the Economic Development Fund through July 1, 2024. These provisions currently expire on July 1, 2021.

Converting Centers of Excellence into Centers for Advanced Technology (TEDE Part KK): The Executive proposes legislation that would convert Centers of Excellence (COE) into Centers of Advanced Technology (CAT), effectively eliminating COEs. Empire State Development's Division of Science, Technology, and Innovation (NYSTAR) funds both programs, with additional support from the Legislature, which are generally intended to foster collaboration between the academic research community and the private sector to promote investment in emerging technologies. The CAT program includes a competitive application process.

There are 13 COEs and 15 CATs. The Executive proposal would eliminate the COE program and any currently operating COE would be designated as a CAT for two years. During that time, a competition would be held to determine which COEs would receive final 10-year designations as a CAT. Additionally, the proposal amends the formula and requires CATs/COEs (which at this

point forward would both be CATs) to provide a direct match to State funding. Current law regarding CATs provides a matching scheme in which the CATs scale up their contribution beginning in the sixth year and increasing over time.

Emergency Commercial Eviction and Foreclosure Protections (TEDE Part MM): The Executive Budget proposes to enact eviction and foreclosure protections for commercial tenants and property owners experiencing financial hardship due to COVID-19 until May 1, 2021.

With regard to evictions, the proposal would only apply to evictions for nonpayment of rent. All pending proceedings would be stayed for 30 days. If the commercial tenant provides their landlord or a court with a hardship declaration, the landlord would not be able to commence an eviction proceeding until May 1, 2021. Pending proceedings would also be stayed until that date. Landlords would be required to provide their tenants with a blank hardship declaration before commencing an eviction proceeding and would be required to attest that they have not received a hardship declaration when filing a petition for eviction.

To submit a hardship declaration, the business must certify under penalty of law that they qualify for protection due to one of the following hardships:

- The business was subject to seating, occupancy, or on-premises presence limitations under an executive order issued in response to COVID-19, and the business suffered a significant loss of income or increase in cost.
- The business experienced a 35 percent reduction in revenue for any three-month period during COVID-19 when compared to the same period in 2019.
- The business experienced a 35 percent reduction in employment for any three-month period during COVID-19 when compared to the same period in 2019.

The business may be required to provide documentation of their hardship, and the signatory must also attest to the amount of any federal, state, or local assistance received, if any.

With regard to foreclosures, the proposal would apply to both commercial properties and multifamily residential properties that are not already covered by the COVID-19 Emergency Eviction and Foreclosure Prevention Act of 2020. All pending foreclosure proceedings would be stayed for 30 days. If the mortgagor provides the mortgage lender or the court with a hardship declaration, the lender would not be able to commence a new foreclosure proceeding, and any pending proceeding would be stayed, until May 1, 2021. Lenders would be required to provide the mortgagor with a blank hardship declaration before commencing a foreclosure proceeding and would be required to attest that they have not received a hardship declaration when filing a foreclosure proceeding.

To submit a hardship declaration, the mortgagor must certify under penalty of law that they qualify for protection due to one of the following hardships:

- One or more tenants have defaulted on a significant amount of rent payments since March 1, 2020
- A tenant’s business was subject to seating, occupancy or on-premises presence limitations under an executive order issued in response to COVID-19 and suffered a significant loss of income or increase in cost, resulting in a significant reduction in the amount of rent payments
- The business suffered a significant reduction in revenue or increase in cost for any three-month period during COVID-19

The mortgagor may be required to provide documentation of their hardship and must also attest to the amount of any federal, state, or local assistance received, if any.

New York Medical Supplies Act (PPGG Part BB): The Executive proposes legislation mandating that all personal protective equipment (PPE) and medical supplies purchased by State agencies, departments, and authorities must be made or produced in the United States if the State entity’s contract is valued at over \$50,000.

The head of any State entity contracting the purchase of PPE or medical supplies may decline to follow this requirement if they determine that doing so would be against the public interest, raise costs by an unreasonable amount, result in quality issues, or create public welfare concerns over delays. The Department of Economic Development may enact rules and regulations to carry out this proposal, in consultation with the Office of General Services and the Division of the Budget.

Environment, Energy, Agriculture and Parks



Staff Analysis of
the 2021-22 Executive Budget



Environment, Energy, Agriculture, and Parks Fact Sheet

Appropriations

- **Clean Water Infrastructure Act:** The Executive Budget proposes an additional \$500 million for the Clean Water Infrastructure Act, which is the third installment of a five-year \$2.5 billion commitment.
- **Environmental Protection Fund:** The Executive Budget proposes \$300 million for the Environmental Protection Fund, maintaining the same level as SFY 2020-21.
- **State Parks Projects:** The Executive Budget proposes \$112.5 million for State Parks infrastructure projects as part of a new NY Parks 100 Capital Plan which will build upon the nearly \$1 billion infusion of capital funds the State Parks system has seen over the past decade.
- **Olympic Regional Development Authority:** The Executive Budget proposes \$102.5 million in capital funding for the Olympic Regional Development Authority, in part to upgrade and modernize their facilities for the 2023 World University Games.
- **Local Agricultural Programs:** The Executive Budget proposes \$27.4 million for agricultural programs, which is a decrease of \$4.4 million from SFY 2020-21.

Article VII

- **Broadband Affordability Program:** The Executive proposes legislation that directs any broadband service provider operating in the State to offer low-income consumers a \$15 per month internet plan at a minimum download speed of 25 mbps or at a download speed equal to the broadband service provider's existing low-income offering to consumers in the state.
- **Renewable Energy Credit Deductions for New York City Buildings:** The Executive proposes legislation to allow New York City building owners to purchase renewable energy credits (RECs) offered by the New York State Energy Research and Development Authority (NYSERDA). These credits would be used to offset greenhouse gas emissions pursuant to Local Law 97. Local Law 97 sets limits on greenhouse gas emissions from large buildings and sets a citywide emissions reduction goal to reduce building emissions by 40 percent by 2030 and 80 percent by 2050.
- **Utility Shut-Off Moratorium:** The Executive proposes legislation to amend Chapter 108 of the Laws of 2020, which established a utility shut-off moratorium for residential customers of electric, gas, water, and telephone services during the COVID-19 state of emergency. The Executive proposal expands the moratorium to include cable television and broadband services and extends the moratorium to small businesses under 25 employees. The proposal

permanently applies to any state disaster emergency deemed to have a significant negative and long-term impact on the State's economic future.

- **Increase Cap on the Electric Generation Facility Cessation Mitigation Fund:** The Executive proposes legislation to increase the program cap on the Electric Generation Facility Cessation Mitigation Fund from \$69 million to \$140 million. This fund provides payments to local governments in the event that the closure of an electric generation facility results in a decrease in municipal tax revenues. The Executive indicated that the justification for increasing the program cap is largely due to the upcoming closure of the Indian Point Energy Center.
- **LIPA Debt Restructuring:** The Executive proposes legislation to amend the statutory cap on restructuring bond issuances by the Long Island Power Authority (LIPA). Currently, the law allows for a lifetime total of \$4.5 billion in restructuring bond issuances. The Executive proposal removes the lifetime statutory cap and changes it to a \$4.5 billion cap on outstanding restructuring bonds, creating additional room. The legislation adds authority for LIPA to issue and use restructuring bonds for system resiliency costs, including storm hardening and climate adaptation measures.
- **Hunting Expansion:** The Executive proposes allowing hunters that are 12-13 years old to hunt deer and bear with a rifle, shotgun, or crossbow if accompanied by a parent or legal guardian who holds a hunting license. Currently, hunters under 14 years of age are prohibited from hunting deer and bear with a rifle, shotgun, or crossbow. The legislation also expands the crossbow hunting season.
- **Plastic Bag Ban Amendments:** The Executive proposes legislation amending the plastic bag ban to allow plastic reusable bags to be distributed by stores. This legislation appears to be in response to a court decision striking down as inconsistent with the plastic bag ban a regulation including certain plastic bags in the definition of "reusable bag."

Environment, Energy, Agriculture, and Parks Agency Details

Environment, Agriculture, Parks, and Energy All Funds Appropriations				
Agency	SFY 2020-21 Enacted Budget	SFY 2021-22 Executive Recommendation	Change (\$)	Change (%)
Adirondack Park Agency	\$ 6,034,000	\$ 4,946,000	\$ (1,088,000)	-18.0%
Agriculture and Markets, Department of	\$ 195,453,500	\$ 178,609,000	\$ (16,844,500)	-8.6%
Energy Research and Development Authority	\$ 18,200,000	\$ 20,500,000	\$ 2,300,000	12.6%
Environmental Conservation, Department of	\$ 1,769,497,000	\$ 1,813,653,000	\$ 44,156,000	2.5%
Green Thumb Program	\$ 3,804,000	\$ 3,966,000	\$ 162,000	4.3%
Greenway Heritage Conservancy	\$ 200,000	\$ 200,000	\$ -	0.0%
Hudson River Valley Greenway Communities Council	\$ 321,000	\$ 321,000	\$ -	0.0%
Olympic Regional Development Authority	\$ 158,590,000	\$ 116,590,000	\$ (42,000,000)	-26.5%
Parks, Recreation and Historic Preservation, Office of	\$ 489,156,000	\$ 484,937,000	\$ (4,219,000)	-0.9%
Power Authority	\$ 129,000,000	\$ 86,000,000	\$ (43,000,000)	-33.3%
Public Service, Department of	\$ 106,232,000	\$ 104,340,000	\$ (1,892,000)	-1.8%
Total	\$ 2,876,487,500	\$ 2,814,062,000	\$ (62,425,500)	-2.2%

Overview

The SFY 2021-22 Executive Budget proposes \$2.8 billion in All Funds appropriations for State Agencies within the Environmental Conservation functional area, a decrease of \$62.4 million, or 2.2 percent, from SFY 2020-21 budget levels.

Adirondack Park Agency

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$4.9 million for the Adirondack Park Agency, a decrease of \$1.1 million or 18 percent, from the current fiscal year. This decrease is largely due to the removal of a one-time \$1 million capital funding allocation for administrative facilities upgrades.

Department of Agriculture and Markets

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$178.6 million for the Department of Agriculture and Markets, a decrease of \$16.8 million, or 8.6 percent, from the current fiscal year. This decrease is largely due to the reduction of \$10 million in capital funds for the State Fair and the removal of \$4.4 million in legislative adds.

Energy Research and Development Authority

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$20.5 million for the New York State Energy Research and Development Authority, an increase of \$2.3 million, or 12.6 percent, over the current fiscal year. This increase is necessary to meet the State's obligations

under a federal cost-sharing agreement with the U.S. Department of Energy for the management and administration of the nuclear fuel reprocessing plant at West Valley.

Department of Environmental Conservation

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$1.8 billion for the Department of Environmental Conservation, an increase of \$44.2 million, or 2.5 percent, over the current fiscal year. The Executive Budget proposal includes \$500 million for the Clean Water Infrastructure Act, the same level as SFY 2020-21, as part of a 5-year \$2.5 billion commitment. It also includes a proposal to maintain spending levels for the Environmental Protection Fund (EPF) at \$300 million. The Executive has recommended changes in the disbursement of EPF funds as follows:

- \$19.6 million, an increase of \$450,000, for climate change programs
- \$151.4 million, a decrease of \$1.3 million, for open space programs
- \$88.4 million, a decrease of \$685,000, for parks and recreation programs
- \$40.6 million, an increase of \$1.5 million, for solid waste programs

Please see the full EPF chart at the end of this section for additional detail.

Green Thumb

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$4 million, an increase of \$162,000 or 4.3 percent. This increase can be attributed to an increase in the minimum wage.

Greenway Heritage Conservancy of the Hudson River Valley

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$200,000 for the Greenway Heritage Conservancy of the Hudson River Valley. The funding is unchanged from the current fiscal year.

Hudson River Valley Greenway Communities Council

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$321,000 for the Hudson River Valley Greenway Communities Council. The funding is unchanged from the current fiscal year.

Olympic Regional Development Authority

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$116.6 million for the Olympic Regional Development Authority (ORDA), a decrease of \$42 million, or 26.5 percent, from the current fiscal year. These capital funds are intended in part for upgrades, renovations, and modernizations at ORDA facilities in preparation for the 2023 World University Games.

The SFY 2021-22 Executive Budget also includes a \$2.5 million sub-allocation in the Office of Parks, Recreation and Historic Preservation New York Works program for ORDA capital maintenance and improvements. This is similar to previous fiscal years.

Office of Parks, Recreation and Historic Preservation

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$484.9 million for the Office of Parks, Recreation and Historic Preservation, a decrease of \$4.2 million or 0.9 percent from the current fiscal year. This includes \$112.5 million in capital funds for New York Works projects.

New York Power Authority

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$86 million for the New York Power Authority (NYPA), a decrease of \$43 million or 33.3 percent from the current fiscal year. This decrease reflects a reduction in the State's repayment of funds previously transferred from NYPA to the State.

Department of Public Service

The SFY 2021-22 Executive Budget recommends All Funds appropriations of \$104.3 million for the Department of Public Service, a decrease of \$1.9 million or 1.8 percent from the current fiscal year.

Article VII

Empire State Development Authority to Administer Agriculture and Dairy Product Marketing (TEDE Part M): The Executive proposes making permanent the temporary transfer of authority from the Department of Agriculture and Markets (DAM) to the Empire State Development Corporation (ESD) to administer marketing orders for agricultural and dairy products. The authority was originally transferred from DAM to ESD in SFY 2018-19 due to ESD's experience in statewide marketing campaigns. Marketing revenue is funded through assessments on certain products which are then used for statewide campaigns.

Amendments to the Accelerated Renewable Energy Growth and Community Benefit Act (TEDE Part Q): The Executive proposes to amend the State Environmental Quality Review Act (SEQRA) to exempt renewable energy projects subject to review under the Accelerated Renewable Energy Growth and Community Benefit Act (Renewable Siting Act). The Executive also proposes to amend the Renewable Siting Act to allow the Office of Renewable Energy Siting to collect application fees from potential projects to cover administrative costs. Finally, this part amends the definition of “alternative energy production facility” in the Public Service Law to include facilities with a generating capacity of less than 25 megawatts.

Renewable Energy Credit Deductions for NYC Buildings (TEDE Part R): The Executive proposes legislation to allow New York City building owners to purchase renewable energy credits (RECs) offered by the New York State Energy Research and Development Authority (NYSERDA). These credits would be used to offset greenhouse gas emissions pursuant to Local Law 97. Local Law 97 sets limits on greenhouse gas emissions from large buildings and sets a citywide emissions reduction goal to reduce building emissions by 40 percent by 2030 and 80 percent by 2050.

LIPA Debt Restructuring (TEDE Part T): The Executive proposes legislation to amend the statutory cap on restructuring bond issuances by the Long Island Power Authority (LIPA). Currently, the law allows for a lifetime total of \$4.5 billion in restructuring bond issuances. The Executive proposal removes the lifetime statutory cap and changes it to a \$4.5 billion cap on outstanding restructuring bonds, creating additional room. The legislation adds authority for LIPA to issue and use restructuring bonds for system resiliency costs, including storm hardening and climate adaptation measures.

Increase Megawatt Cap on ReCharge NY (TEDE Part U): The Executive proposes legislation to increase the statutory cap on the amount of specially allocated low-cost power offered by the New York Power Authority to qualifying businesses and not-for-profit corporations under the ReCharge NY program from 100 megawatts to 150 megawatts. Entities that are eligible for ReCharge NY power have made certain commitments to grow their business in New York.

NYPA Captive Insurance (TEDE Part V): The Executive proposes legislation to authorize the New York Power Authority (NYPA) to create a captive insurance company to provide insurance coverage for uninsurable risks from terrorism, cyber/technology, hydro flows, and environmental damage.

Authorize NYSERDA to Finance a Portion of Energy Research and Climate Change Related Costs Through a Gas and Electric Assessment (TEDE Part W): The Executive proposal is an extender of an assessment on electric and gas utilities to fund NYSERDA research, development and demonstration programs, the energy policy and planning program, climate change related

expenses, and the Fuel NY program. The assessment cannot exceed \$22.7 million annually. This Part allows the Executive to designate certain funds for programs that otherwise would not be funded through NYSERDA's budget.

Hunting Expansion (TEDE Part X): The Executive proposes allowing hunters who are 12-13 years old to hunt deer and bear with a rifle, shotgun, or crossbow if accompanied by a parent or legal guardian who holds a hunting license. Currently, hunters under 14 years of age are prohibited from hunting deer and bear with a rifle, shotgun, or crossbow. The legislation also expands the crossbow hunting season.

Plastic Bag Ban Amendments (TEDE Part Y): The Executive proposes legislation amending the plastic bag ban to allow plastic reusable bags to be distributed by stores. This legislation appears to be in response to a court decision that struck down a regulation that included certain plastic bags in the definition of "reusable bag."

Bay Park Alienation (TEDE Part Z): The Executive proposes technical changes to the legal descriptions for temporary surface and permanent subsurface easements for the purpose of constructing, operating, maintaining and repairing a sewer main beneath certain parklands owned by Nassau County, East Rockaway, and the Village of Rockville Centre. The sewer main is part of the Bay Park Conveyance Project, a joint project between the Department of Environmental Conservation (DEC) and the Nassau County Department of Public Works to convey treated effluent from the Bay Park Sewage Treatment Plant to the Cedar Creek Water Pollution Control Plant, which will reduce nitrogen loading into the Western Bays on Long Island. The affected municipalities are required to dedicate an amount equal to or greater than the fair market value of the easements to the acquisition of new parklands and/or capital improvements to existing park and recreational facilities. The temporary easements expire upon completion of the project, and DEC is required to restore the surface of the affected parklands and so that their use for park purposes can be resumed.

Extension of Brownfield Credits (TEDE Part AA): The Executive proposes to extend for up to two years the brownfield tax credit for redevelopment projects that have been delayed due to COVID-19.

Allegany County Land Easement (TEDE Part BB): The Executive proposes granting easements in the Farmersville State Forest, Lost Nation State Forest, and Swift Hill State Forest in Allegany County for buried transmission lines associated with a 340-megawatt wind energy project proposed by Alle-Cat Wind Energy LLC.

Extension of Local Bottle Bill Enforcement (TEDE Part CC): The Executive proposes to extend for two years the authority of New York City, Nassau County, and Suffolk County to retain

a portion of fines and penalties collected as a result of enforcing certain provisions of the Bottle Bill.

Rail Advantaged Housing Act (TEDE Part DD): The Executive proposes legislation authorizing the Department of Environmental Conservation to establish uniform standards and conditions for rezoning proposals that facilitate new housing construction along commuter rail corridors served by the Long Island Rail Road and Metro North. The uniform standards and conditions would include a maximum incremental population increase and parking decrease which, if exceeded, would be deemed an environmental impact requiring more extensive review. The purpose of the legislation is to provide for accelerated environmental review of new housing located along commuter rail corridors to address housing shortages and reduce automobile use.

NYSERDA Build-Ready Authorization (TEDE Part EE): The Executive proposes legislation authorizing NYSERDA to establish single-purpose project holding entities to acquire, sell, and transfer the rights to renewable energy projects under the “build-ready program.” The NYSERDA “build-ready program” was established by the Accelerated Renewable Energy Growth and Community Benefit Act to identify and make build-ready sites for renewable energy development. The Executive intends to facilitate the sale and transfer of these project sites, with all the associated environmental permits and other approvals, through the use of single purpose entities.

Increase Cap on the Electric Generation Facility Cessation Mitigation Fund (TEDE Part NN): The Executive proposes legislation to increase the program cap on the Electric Generation Facility Cessation Mitigation Fund from \$69 million to \$140 million. This fund provides payments to local governments in the event that the closure of an electric generation facility results in a decrease in municipal tax revenues. The Executive indicated that the justification for increasing the program cap is largely due to the upcoming closure of the Indian Point Energy Center.

Utility Shut-Off Moratorium (TEDE Part OO): The Executive proposes legislation to amend Chapter 108 of the Laws of 2020, which established a utility shut-off moratorium for residential customers of electric, gas, water, and telephone services during the COVID-19 state of emergency. The Executive proposal expands the moratorium to include cable television and broadband services and extends the moratorium to small businesses with fewer than 25 employees. The proposal permanently applies to any state disaster emergency deemed to have a significant negative and long-term impact on the state’s economic future.

Broadband Affordability Program (TEDE Part QQ): The Executive proposes legislation that directs any broadband service provider operating in the state to offer low-income consumers a \$15/month internet plan at a minimum download speed of 25 mbps or at a download speed equal to the broadband service provider’s existing low-income offering to consumers in the State.

Environmental Protection Fund			
Account	SFY 2021 Enacted	SFY 2022 Executive	Change
Climate Change Mitigation and Adaptation	\$ 19,150,000	\$ 19,600,000	\$ 450,000
Greenhouse Gas Management	\$ 1,500,000	\$ 1,800,000	\$ 300,000
<i>Regenerate NY</i>	\$ 500,000	\$ 500,000	\$ -
Climate Resiliency Plans	\$ 1,000,000	\$ 800,000	\$ (200,000)
<i>Wood Products Development Council</i>	\$ 200,000	\$ 200,000	\$ -
Smart Growth Grant Program	\$ 2,000,000	\$ 2,000,000	\$ -
Climate Resilient Farms Program	\$ 4,500,000	\$ 4,700,000	\$ 200,000
<i>Cornell Soil Health</i>	\$ 200,000	\$ 200,000	\$ -
Climate Smart Communities	\$ 10,150,000	\$ 10,300,000	\$ 150,000
<i>Resiliency planting program</i>	\$ 500,000	\$ 500,000	\$ -
<i>Groundwork Hudson Valley*</i>	\$ 50,000	\$ -	\$ (50,000)
<i>Community forests grant program</i>	\$ 500,000	\$ 500,000	\$ -
Open Space	\$ 152,649,000	\$ 151,360,000	\$ (1,289,000)
Land Acquisition	\$ 31,000,000	\$ 30,000,000	\$ (1,000,000)
<i>Land Trust Alliance</i>	\$ 2,500,000	\$ 2,500,000	\$ -
<i>Urban Forestry</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Regions 1, 2, and 3</i>	\$ 3,000,000	\$ 3,000,000	\$ -
<i>Lake George Park Commission</i>	\$ 200,000	\$ -	\$ (200,000)
<i>Land Trust Alliance conservation easements</i>	\$ 1,500,000	\$ 3,000,000	\$ 1,500,000
Albany Pine Bush Preserve	\$ 2,675,000	\$ 2,675,000	\$ -
Long Island Central Pine Barrens	\$ 2,000,000	\$ 2,000,000	\$ -
Environmental Commissions	\$ 1,086,000	\$ 1,085,000	\$ (1,000)
<i>Susquehanna River Basin Commission</i>	\$ 259,000	\$ 259,000	\$ -
<i>Delaware River Basin Commission</i>	\$ 359,500	\$ 359,500	\$ -
<i>Ohio River Valley Water Sanitation Commission</i>	\$ 14,100	\$ 14,100	\$ -
<i>Interstate Environmental Commission</i>	\$ 41,600	\$ 41,600	\$ -
<i>New England Interstate Water Pollution Control Comm.</i>	\$ 38,000	\$ 38,000	\$ -
<i>SUNY ESF Center for Native Peoples and the Env.</i>	\$ 373,000	\$ 373,000	\$ -
Long Island South Shore Estuary	\$ 900,000	\$ 900,000	\$ -
Agricultural non-point source pollution abatement	\$ 18,000,000	\$ 18,000,000	\$ -
<i>Cornell IPM</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>CCE Suffolk County</i>	\$ 500,000	\$ 500,000	\$ -
<i>Cornell pesticide management edu. program</i>	\$ 250,000	\$ 250,000	\$ -
Non-agricultural non-point source pollution abatement	\$ 6,000,000	\$ 6,000,000	\$ -
<i>Cornell Community IPM</i>	\$ 550,000	\$ 550,000	\$ -
Farmland Protection	\$ 18,000,000	\$ 17,000,000	\$ (1,000,000)
<i>Cornell Land Classification and Master Soils List</i>	\$ 95,000	\$ 95,000	\$ -
<i>Tug Hill Tomorrow</i>	\$ 1,000,000	\$ 1,000,000	\$ -
Biodiversity stewardship	\$ 1,350,000	\$ 1,350,000	\$ -
<i>Pollinator Protection</i>	\$ 500,000	\$ 500,000	\$ -
<i>Cary Institute of Ecosystem Studies - Catskills</i>	\$ 100,000	\$ 100,000	\$ -
Hudson River Estuary Management	\$ 6,500,000	\$ 6,500,000	\$ -
<i>Mohawk River</i>	\$ 1,000,000	\$ 1,000,000	\$ -
Finger Lakes - Lake Ontario Watershed Protection Alliance	\$ 2,300,000	\$ 2,300,000	\$ -
Lake Erie Watershed Protection	\$ 250,000	\$ 250,000	\$ -

Account	SFY 2021 Enacted	SFY 2022 Executive	Change
Water Quality Improvement Programs	\$ 18,600,000	\$ 19,000,000	\$ 400,000
<i>Suffolk County to address nitrogen</i>	\$ 3,000,000	\$ 4,500,000	\$ 1,500,000
<i>Suffolk County sewer improvement projects</i>	\$ 1,500,000	\$ 1,500,000	\$ -
<i>Nassau County Bay Park Outfall Pipe</i>	\$ 5,000,000	\$ 5,000,000	\$ -
<i>Source water planning</i>	\$ 5,000,000	\$ 5,000,000	\$ -
<i>Town of Hempstead Marine Lab*</i>	\$ 350,000	\$ -	\$ (350,000)
<i>Scajaquada Creek*</i>	\$ 1,000,000	\$ -	\$ (1,000,000)
<i>Chautauqua Lake Association</i>	\$ 150,000	\$ 150,000	\$ -
<i>Chautauqua Lake Partnership</i>	\$ 95,000	\$ 95,000	\$ -
Ocean and Great Lakes projects	\$ 18,750,000	\$ 18,000,000	\$ (750,000)
<i>Peconic Bay Estuary Program</i>	\$ 200,000	\$ 200,000	\$ -
<i>Great Lakes Commission</i>	\$ 60,000	\$ 60,000	\$ -
Invasive Species	\$ 13,238,000	\$ 13,300,000	\$ 62,000
<i>Lake George</i>	\$ 450,000	\$ 450,000	\$ -
<i>Cornell Plant Certification Program</i>	\$ 120,000	\$ 120,000	\$ -
<i>Golden Nematode research</i>	\$ -	\$ 62,000	\$ 62,000
<i>Eradication</i>	\$ 5,750,000	\$ 5,750,000	\$ -
<i>Hemlock wooly adelgid</i>	\$ 500,000	\$ 500,000	\$ -
<i>Southern Pine Beetle</i>	\$ 500,000	\$ 500,000	\$ -
<i>Pine Barrens Commission</i>	\$ 250,000	\$ 250,000	\$ -
<i>Hempstead Weed Harvester*</i>	\$ 300,000	\$ -	\$ (300,000)
Soil and Water Conservation Districts	\$ 10,500,000	\$ 11,500,000	\$ 1,000,000
Agricultural Waste Management	\$ 1,500,000	\$ 1,500,000	\$ -
<i>Cornell dairy acceleration program</i>	\$ 700,000	\$ 700,000	\$ -
Parks, Recreation and Historic Preservation	\$ 89,100,000	\$ 88,415,000	\$ (685,000)
Waterfront revitalization projects	\$ 14,000,000	\$ 14,250,000	\$ 250,000
<i>Projects in underserved areas</i>	\$ 9,000,000	\$ 9,000,000	\$ -
<i>Climate change resiliency planning</i>	\$ 2,000,000	\$ 2,000,000	\$ -
<i>Niagara River Greenway</i>	\$ 200,000	\$ 200,000	\$ -
Municipal parks projects	\$ 19,500,000	\$ 19,500,000	\$ -
<i>Projects in underserved areas</i>	\$ 10,000,000	\$ 10,000,000	\$ -
<i>Tivoli Park</i>	\$ 250,000	\$ 250,000	\$ -
<i>Hudson River Valley Trail Grants</i>	\$ 500,000	\$ 500,000	\$ -
<i>SUNY ESF</i>	\$ 120,000	\$ 120,000	\$ -
<i>Paul Smiths College</i>	\$ 180,000	\$ 180,000	\$ -
<i>Catskill Center for Conservation and Development</i>	\$ 150,000	\$ 150,000	\$ -
<i>East River Esplanade 107th Street Pier*</i>	\$ 1,000,000	\$ -	\$ (1,000,000)
Public access and stewardship	\$ 34,400,000	\$ 35,665,000	\$ 1,265,000
<i>Belleayre</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Parks and Trails Friends Groups</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Adirondack Architectural Heritage for Camp Santanoni</i>	\$ 250,000	\$ -	\$ (250,000)
<i>New York Protected Area Database</i>	\$ 55,000	\$ 18,000	\$ (37,000)
<i>Essex County Adirondack Park shuttle</i>	\$ 1,200,000	\$ 800,000	\$ (400,000)
Hudson River Park Trust	\$ 3,200,000	\$ 4,000,000	\$ 800,000
Zoos, botanic gardens, and aquaria	\$ 16,000,000	\$ 13,000,000	\$ (3,000,000)
Navigation Law programs	\$ 2,000,000	\$ 2,000,000	\$ -

Account	SFY 2021 Enacted	SFY 2022 Executive	Change
Solid Waste	\$ 39,101,000	\$ 40,625,000	\$ 1,524,000
Non-hazardous landfill closures	\$ 764,000	\$ 800,000	\$ 36,000
<i>Essex County</i>	\$ 300,000	\$ 300,000	\$ -
<i>Hamilton County</i>	\$ 150,000	\$ 150,000	\$ -
Municipal recycling projects	\$ 15,312,000	\$ 15,300,000	\$ (12,000)
<i>Food donation and recycling/organics projects</i>	\$ 2,000,000	\$ 2,000,000	\$ -
Secondary materials regional marketing assistance	\$ 200,000	\$ 200,000	\$ -
Pesticide Program	\$ 1,800,000	\$ 1,800,000	\$ -
<i>Long Island Pesticide Prevention</i>	\$ 200,000	\$ 200,000	\$ -
Environmental Justice projects	\$ 7,000,000	\$ 8,000,000	\$ 1,000,000
<i>Connect Kids</i>	\$ 2,000,000	\$ 2,000,000	\$ -
<i>EJ community impact and jobs training</i>	\$ 3,000,000	\$ 3,000,000	\$ -
<i>Adirondack Diversity Initiative</i>	\$ 250,000	\$ 250,000	\$ -
Natural resource damages	\$ 2,025,000	\$ 2,025,000	\$ -
Pollution Prevention Institute	\$ 4,000,000	\$ 4,000,000	\$ -
<i>Interstate Chemicals Clearinghouse</i>	\$ 100,000	\$ 100,000	\$ -
Environmental health assessments	\$ 6,500,000	\$ 6,500,000	\$ -
<i>Clean Sweep NY</i>	\$ 500,000	\$ 500,000	\$ -
<i>Center for Clean Water at Stony Brook</i>	\$ 1,000,000	\$ 1,000,000	\$ -
<i>Children's Environmental Health Centers</i>	\$ 2,000,000	\$ 2,000,000	\$ -
<i>Fresh Connect</i>	\$ 625,000	\$ 625,000	\$ -
Brownfield Opportunity Area grants	\$ 1,500,000	\$ 2,000,000	\$ 500,000
Environmental Protection Fund Total	\$ 300,000,000	\$ 300,000,000	\$ -

*denotes SFY 21 Legislative add

General Government



Staff Analysis of
the 2021-22 Executive Budget



General Government Fact Sheet

Appropriations

- **Office of Public Campaign Finance Board:** The Executive Budget recommends \$7.3 million to create this board, which will be responsible for administering public campaign financing for candidates running for statewide and State legislative office.
- **Office of Cannabis Management:** The Executive Budget recommends \$37.4 million to create this office, which would be responsible for regulating adult use of cannabis.
- **Liberty Defense Fund:** The Executive Budget recommends \$10 million in funding for the Liberty Defense Fund, which is flat from SFY 2020-2021. The Liberty Defense fund provides vital legal services to immigrants and communities in need.

Article VII

- **Protect Judges and their Families from Threats:** The Executive Budget proposes legislation extending privacy protections for voter registration records to judges, retired judges, and their families.
- **Expansion of Absentee Ballot Request Period:** The Executive Budget proposes legislation extending the time when Boards of Elections may start receiving absentee ballot applications.
- **Establish a Deadline for Processing Absentee Ballot Requests:** The Executive Budget proposes legislation setting a deadline for processing absentee ballot applications and mailing absentee ballots to voters.
- **Early Voting Hours Expansion:** The Executive Budget proposes legislation requiring additional hours for early voting.
- **Expedite Absentee Ballot Counting:** The Executive Budget proposes legislation expediting the review and canvass of absentee ballots.
- **Timely Election Recounts:** The Executive Budget proposes legislation specifying the timeframe at which a mandatory recount must start.
- **Allows the State Liquor Authority to Issue Temporary Permits:** The Executive Budget proposes legislation making the ability to grant temporary permits to restaurants and bars permanent and expanding this power to New York City with limitations on hours of operation and live entertainment. It also creates a universal temporary manufacturers permit for all alcoholic products.

- **Alcoholic Beverages in Movie Theaters:** The Executive Budget proposes legislation to allow traditional movie theaters to serve alcoholic beverages at movies rated PG-13, R, or NC-17. Currently, only movie theaters that serve sit-down meals can sell alcohol.

General Government Agency Details

General Government All Funds Appropriations				
Agency	Available SFY 2020-21	Executive Recommendation SFY 2021-22	\$ Change	% Change
Division of Alcoholic Beverage Control	\$13,313,000	\$50,759,000	\$37,446,000	281.3%
Department of Audit and Control	\$384,787,000	\$374,687,000	(\$10,100,000)	-2.6%
Division of the Budget	\$49,721,000	\$49,184,000	(\$537,000)	-1.1%
State Board of Elections	\$46,398,000	\$15,896,000	(\$30,502,000)	-65.7%
Executive Chamber	\$17,854,000	\$17,854,000	\$0	0.0%
Department of Financial Services	\$439,230,963	\$446,718,663	\$7,487,700	1.7%
Office of General Services	\$1,251,128,000	\$1,255,163,000	\$4,035,000	0.3%
Office of Information Technology Services	\$1,011,454,000	\$861,454,000	(\$150,000,000)	-14.8%
Office of the Inspector General	\$7,244,000	\$7,828,000	\$584,000	8.1%
Office of the Lieutenant Governor	\$630,000	\$630,000	\$0	0.0%
Joint Commission on Public Ethics	\$5,582,000	\$5,594,000	\$12,000	0.2%
Department of State	\$321,236,751	\$352,641,000	\$31,404,249	9.8%
Statewide Financial System	\$31,161,000	\$31,161,000	\$0	0.0%
Total General Government	\$3,579,739,714	\$3,469,569,663	(\$110,170,051)	-3.1%

Overview

General Government consists of 22 agencies, boards, and commissions with an essential role in the day-to-day operations of State government. These entities provide oversight, regulation and enforcement of State laws and create an efficient and effective use of government services and funding.

The SFY 2021-22 Executive Budget recommends \$33.5 billion in All Funds support for the agencies under General Government. This level of funding reflects a year to year decrease of \$110.2 million or 3.1 percent. Highlights of the Executive Budget proposal are detailed below.

Division of Alcoholic Beverage Control

The SFY 2021-22 Executive Budget recommends \$50.8 million in All Funds support, an increase of \$37.4 million or 281.3 percent over the SFY 2020-21 Adopted Budget. This level of funding would provide support for 322 FTEs, an increase of 208 FTEs over the SFY 2020-21 Adopted Budget.

The increase of \$37.4 million in the SFY 2021-22 Executive Budget is attributed to the creation of the Office of Cannabis Management (OCM). This office would have 208 FTEs and would be responsible for regulating the adult use of cannabis. The primary duties of this newly created office would include licensing, enforcement, production, and distribution of cannabis products for adult use, industrial, and medical markets.

Article VII

Allows the State Liquor Authority to Issue Temporary Permits (PPGG Part Y): The Executive proposes legislation expanding the State Liquor Authority’s (SLA) powers to issue temporary permits to restaurants and bars awaiting a permanent liquor license. The SLA can currently issue these permits to establishments outside New York City only. Under this proposal, the SLA would also be able to grant them to applicants in New York City, but with restrictions on the licensee’s operations. In New York City, holders of temporary permits would have to end operations at midnight, and would not be allowed to host live music, DJs, karaoke, or dancing. This ability to grant temporary permits would be made permanent. The current authorization expires October 12, 2021.

Additionally, the proposal repeals the existing temporary permit for wineries and farm wineries that can be granted under specific emergency circumstances and replaces it with a general temporary manufacturers permit available to all manufacturers (brewers, “farm” breweries, distilleries, wineries). Manufacturers waiting for their permanent license would be able to pay \$125 to apply for this new temporary permit that would last 6 months. The SLA may grant the permit to applicants who appear likely to obtain the permanent license.

Alcoholic Beverages in Movie Theaters (PPGG Part Z): The Executive proposes legislation to allow traditional movie theaters to serve alcoholic beverages for movies rated PG-13, R, or NC-17. Currently, only movie theaters that serve sit-down meals can receive a license to sell alcohol.

To be eligible, the movie theater must meet specific requirements, most importantly:

- Serve food typically found in a movie theater, like popcorn and snacks.
- Require written evidence of age such as a driver’s license for every purchase of an alcoholic beverage.
- Limit the sale of alcoholic beverages directly to an individual holding a ticket for a movie with an rating of PG-13, R, or NC-17.
- Limit the purchase of an alcoholic drink to one per transaction.
- Limit the sale of alcoholic beverages to one hour prior to the first movie showing and end sales after the end of the last movie showing.

Additionally, where a municipality is required to be notified about the license application, the municipality may express an opinion that may be considered in deciding whether or not the application should be approved.

Department of Audit and Control

The SFY 2021-22 Executive Budget recommends \$374.7 million in All Funds support, which reflects a decrease of \$10.1 million or 2.6 percent from the SFY 2020-21 Adopted Budget. This level of funding would support 2,710 FTEs, which is consistent with the SFY 2020-21 Adopted Budget levels.

This reduction of \$10.1 million is attributed to the elimination of new capital funding for the agency. The SFY 2021-22 Executive Budget includes \$12.1 million in re-appropriation authority for the continuation of IT equipment upgrades, as well as the continued upgrade of the State's payroll system (PayServ).

Division of the Budget

The SFY 2021-22 Executive Budget recommends \$49.2 million in All Funds support, a decrease of \$537,000 or 1.1 percent from the SFY 2020-21 Adopted Budget. This level of funding supports 261 FTEs, which is consistent with the SFY 2020-21 Adopted Budget levels.

The SFY 2021-22 Executive Budget eliminates \$537,000 in funding attributed to membership dues as follows:

- \$479,000 for the Council of State Government
- \$48,000 for the National Conference of State Legislatures
- \$10,000 for the National Council of Insurance Legislators

State Board of Elections

The SFY 2021-22 Executive recommends \$15.9 million in All Funds support, a net decrease of \$30.5 million or 65.2 percent from the SFY 2020-21 Adopted Budget. This level of funding supports 90 FTEs, an increase of 15 FTEs. The overall decrease is attributed to the following:

- \$7.3 million increase in General Fund support to create the Public Campaign Finance Board
- \$21.8 million reduction in federal funds due to the elimination of Help America Vote Act (HAVA) funding
- \$16 million elimination of Capital funding, though the Executive Budget does include \$18.7 million in re-appropriation authority to complete online voter registration activities.

The SFY 2021-22 Executive Budget fully funds the Public Campaign Finance Board, which will be responsible for the administration of public campaign financing for candidates running for statewide and State legislative office, at \$7.3 million.

Article VII

Protect Judges and their Families from Threats (PPGG Part I): The Executive Budget proposes extending the voter registration record privacy protections that victims of domestic violence currently receive to judges, retired judges, and the immediate family of judges. Registration records would be kept private and not be publicly available except by elections officials. In addition, the proposal would allow home addresses of the above referenced individuals to be omitted from public display where it is otherwise required by the Election Law.

Expansion of Absentee Ballot Request Period (PPGG Part Q): The Executive Budget proposes extending the time Boards of Elections may start receiving absentee ballot applications from 30 days prior to Election Day to 45 days prior to Election Day.

Establish a Deadline for Processing Absentee Ballot Requests (PPGG Part R): The Executive Budget proposes a deadline for processing absentee ballot requests and mailing of absentee ballots of four business days from the time the application is received, provided that if the application is received between the tenth and seventh day before the election, the processing time must not exceed twenty-four hours.

Early Voting Hours Expansion (PPGG Part S): The Executive Budget proposes additional required hours for early voting. Under current law, polls must be open for at least eight hours between 7AM and 8PM, with one polling place required to be open until 8PM on at least two weekdays. The Executive proposal would require polls to be open for at least eight hours between 7AM and 9PM, and with one polling place required to be open until 9PM on at least three week days. Under current law, during the weekend, polls must be open for at least five hours between 9AM and 6PM. This proposal would require polls to be open during the weekend for at least ten hours between 9AM and 9PM.

Expedite Absentee Ballot Counting (PPGG Part T): The Executive Budget proposes legislation that amends various provisions of the Election Law in order to expedite the review and canvassing of absentee ballots. This legislation requires the canvass of absentee ballots start four hours before the close of polls on Election Day. In addition, the proposal requires that voters who have been provided absentee ballots surrender them in order to vote by machine during both the early voting period and on Election Day.

Timely Election Recounts (PPGG Part U): The Executive Budget proposes legislation that clarifies that a recount will be triggered based on the results of the canvass three days following the deadline for receipt of absentee ballots. In addition, the proposed legislation provides that any manual recount shall begin within two days after the date required by law and must be completed within five days.

Executive Chamber

The SFY 2021-22 Executive Budget includes \$17.9 million in All Funds support, consistent with the SFY 2020-21 Adopted Budget. This level of support maintains funding for 136 FTEs, also consistent with the SFY 2020-21 Adopted Budget levels.

Department of Financial Services

The SFY 2021-22 Executive Budget recommends \$446.7 million in All Funds support, an increase of \$7.5 million or 1.7 percent over the SFY 2020-21 Adopted Budget levels. This level of funding supports 1,296 FTEs, consistent with SFY 2020-21 Adopted Budget levels.

The increase of \$7.4 million included as part of the SFY 2021-22 Executive Budget is attributed to an increase to the DFS Insurance Fund for a sub-allocation to the Department of Health for Family Planning Services.

Article VII

No-Fault Insurance and Motor Vehicle Insurance Task Force (TEDE Part JJ): The Executive Budget authorizes the Department of Financial Services (DFS) to prohibit health care providers from demanding payment from an insurance company for providing health services for claims under the no-fault insurance law. DFS may prohibit the healthcare provider from submitting claims if they have engaged in patterns of billing for health services that were not rendered or were unnecessary, utilized unlicensed persons to render the health services or beyond the licensed persons scope of practice, or committed a fraudulent insurance act. This prohibition on filing claims does not apply to services rendered in the emergency department of a general hospital. In addition, any healthcare provider that is identified by the worker's compensation board as being disqualified from rendering health services may not demand or request payment for health services. A penalty of up to \$50,000 may be imposed on any provider of health services that is prohibited from demanding or requesting payment in violation of this proposal.

This part also requires the Superintendent of Financial Services to convene a motor vehicle insurance task force to examine alternatives to the no-fault insurance system. The task force will be chaired by the Superintendent, with the Governor appointing eight members, composed of consumer representatives, health insurers, trial attorneys, healthcare providers, and insurers. A report on the task force's recommendations must be issued to the Governor no later than December 31, 2021.

New York Data Accountability and Transparency Act (PPGG Part II): The Executive Budget proposes to require businesses to disclose the type of personal information they collect from

consumers, along with its purpose in collecting it. This proposal also prohibits such businesses from collecting any information beyond what is disclosed and from using such information for purposes other than those stated in the disclosure. These requirements apply to companies that collect personal information from 100,000 or more consumers or that derive more than 50 percent of their revenue from the control or processing of consumers' personal information.

The proposal also directs the Department of State, in consultation with the Department of Financial Services, to create a privacy bill of rights, including information on the right of a consumer to: (1) access data; (2) control data; (3) have data deleted that is collected from them; (4) nondiscrimination; and (5) equal access to services.

This proposal gives the Secretary of State rulemaking authority and designates the Department of State as the enforcement entity for any violations, with a civil penalty of up to \$7,500 per violation. Finally, the proposal creates the Consumer Data Privacy Board, made up of the following members or their designee: the Attorney General, Secretary of State, Superintendent of the Department of Financial Services, the Chief Information Security Officer, the Chief Data Officer, and two members appointed by the Governor. This board shall provide guidance and recommendations on matters related to consumer data privacy.

Disclosure Requirements for Smart Recording Devices (PPGG Part JJ): The Executive Budget proposes to require manufacturers of connected devices such as computers or gaming consoles or toys capable of recording voices to include clear and conspicuous disclosure of their recording capabilities and their settings pertaining to retention and transmission of recordings both on the packaging and in the initial setup. This proposal further prohibits sale of connected devices or toys without such disclosures. The Department of State is designated as the lead enforcement agency with jurisdiction to issue civil penalties of up to \$2,500 for each violation.

Extending Residential Mortgage Forbearance (TEDE Part LL): The Executive Budget proposes to extend the covered period for residential mortgage forbearance to December 31, 2021, or the end of the NY on Pause emergency period, whichever is longer. Homeowners who are in arrears, on a trial period plan, or have applied for loss mitigation and can demonstrate financial hardship can obtain mortgage forbearance from a State-chartered bank or State-regulated mortgage servicer for up to 360 days in total. Under current law, the covered period ends when NY on Pause ends.

LIBOR Discontinuance (TEDE Part PP): The Executive Budget proposes to create a statutory procedure for the transition of contracts that use the London Interbank Offered Rate (LIBOR) as a benchmark to a recommended replacement when LIBOR is discontinued if the contract does not already have a fallback provision identifying a benchmark other than LIBOR. According to the Financial Conduct Authority, the regulatory agency that oversees LIBOR in the United Kingdom,

the publication of LIBOR is expected to cease at the end of 2021, as the banks that submit the data used to create LIBOR will no longer do so.

Under the proposal, in any contract that uses LIBOR as a benchmark and does not contain a fallback provision prescribing the use of a replacement benchmark that does not depend on LIBOR, the LIBOR benchmark in the contract will automatically be replaced on the day that LIBOR is no longer published or is deemed by the Financial Conduct Authority to no longer be representative. It will be replaced by a benchmark based on the Secured Overnight Financing Rate (SOFR) published by the Federal Reserve Bank of New York. The SOFR-based replacement will include any spread adjustments or conforming changes deemed necessary by the Federal Reserve Board, the Federal Reserve Bank of New York, or the Alternative Reference Rates Committee.

If a contract provides one of the parties or another determining person with the ability to select a replacement rate in a fallback provision, the proposal would allow that person to select the SOFR-based replacement rate.

The proposal provides that all other terms of the contracts transitioned to the SOFR-based replacement will remain valid and enforceable, and the transition will not expose any party to liability for damages or equitable relief.

Office of General Services

The SFY 2021-22 Executive Budget recommends \$1.3 billion in All Funds support, an increase of \$4.0 million or 0.3 percent over the SFY 2020-21 Adopted Budget. This level of funding provides support for 1,793 FTEs, consistent with the SFY 2020-21 Adopted Budget levels.

The SFY 2021-22 recommended increase for OGS is attributed to a \$1.5 million increase in General Fund spending for COVID-19 related supplies. The remaining \$2.5 million increase in Federal Funds is for the School Lunch Program.

Office of Information Technology Services

The SFY 2021-22 Executive Budget recommends \$861.5 million in All Funds support, a decrease of \$150 million or 14.8 percent from the SFY 2020-21 Adopted Budget. This level of funding provides support for 3,320 FTEs, consistent with SFY 2020-21 Adopted Budget levels.

The SFY 2021-22 Executive Budget recommends \$95.7 million in Capital Fund support, a decrease of \$150 million from the SFY 2020-21 Adopted Budget. These funds were re-appropriated as part of the SFY 2021-22 Executive Budget and will allow the agency to continue to support development costs related to the integrated eligibility system, which is a system

designed to assist in determining eligibility for various Medicaid and human services programs. When completed it will create a single point of entry for clients.

Article VII

Enabling Comprehensive Technology Service Contracts (PPGG Part FF): The Executive Budget proposes authorizing the Office of Information Technology Services (ITS) to award comprehensive technology service contracts, allowing a single entity, or multiple entities acting as one, to both design and implement IT systems. Current law prohibits awarding such contracts. The proposal also limits change orders in such contracts to a cost increase of no more than five percent of the original order.

Requires Departments to Publicly Disclose Individuals Authorized to Sign State Contracts Online & Identifies Terms and Conditions that Void State Contracts (PPGG Part GG): The Executive Budget proposes requiring each department with a public website to publicly post and maintain a webpage showing a current list of individuals authorized to sign State contracts on behalf of each department. The proposal also identifies terms and conditions that appear within State contracts and terms and conditions within contracts, that would render a contract void and unenforceable. These terms and conditions include, most notably, indemnification clauses, binding arbitration agreements, terms or conditions allowing for a contractor to unilaterally amend the terms of a contract, and terms or conditions allowing the State to limit liability of another person for bodily injury, death, or damage.

Interagency Data Sharing (PPGG Part HH): The Executive Budget proposes to allow all State agencies to share personal data of individuals with other agencies without regard to the disclosure requirements of Personal Privacy Protection Law that generally prohibits such disclosures.

Office of the Inspector General

The SFY 2021-22 Executive Budget recommends \$7.8 million in All Funds support, an increase of \$584,000 or 8.1 percent over the SFY 2020-21 Adopted Budget. This level of funding supports 80 FTEs, an increase of four FTEs over the SFY 2020-21 Adopted Budget levels.

The SFY 2021-22 Executive Budget increase is attributed to a \$100,000 increase in General Fund support for the acquisition of new lease space in Buffalo. The SFY 2021-22 Executive Budget also transfers the Gaming Inspector General and four FTEs to the Office of Inspector General, resulting in an increase of \$484,000.

Joint Commission on Public Ethics (JCOPE)

The SFY 2021-22 Executive Budget recommends an All Funds appropriation of \$5.5 million, with a slight increase of \$12,000. This increase in State Operations funding is attributed to a new building lease in Buffalo that is required due to the previous sale of a State-owned building.

Office of the Lieutenant Governor

The SFY 2021-22 Executive Budget proposes \$630,000 in All Funds support, consistent with SFY 2020-21 Enacted Levels. This level of funding maintains support for seven FTEs, also consistent with SFY 2020-21 Adopted Budget levels.

Department of State

The SFY 2021-22 Executive Budget recommends \$352.6 million in All Funds support, an increase of \$31.4 million or 9.8 percent over the SFY 2020-21 Adopted Budget. This level of funding supports 572 FTEs, an increase of 31 FTEs over the SFY 2020-21 Adopted Budget levels. The SFY 2021-22 Executive Budget includes \$102 million in Capital funding, consistent with SFY 2020-21 Adopted Budget levels. This level of Capital funding provides \$100 million to support the sixth round of the Downtown Revitalization Initiative (DRI), and \$2 million for cemetery maintenance.

The Executive Budget recommends a net increase of \$13.3 million in State Operation funding, attributed to the following:

- \$10 million increase to support the Office of Renewable Energy Siting
- \$3.5 million increase to support various proposals under the Business and Licensing Program
- \$1.8 million increase to support an increase in Federal funds for the Local Government and Community Services Program
- \$2 million State Operations reduction due to the transfer of the Lake George Park Commission to the Department of Environmental Conservation

The SFY 2021-22 Executive Budget recommends an increase of \$18.1 million in Aid to Localities funding, attributed to the anticipation of \$20.5 million in increased Federal funding for the Community Services Block Grant. The SFY 2021-22 Executive Budget offsets this increase by eliminating \$2.4 million in funding for local assistance grants as follows:

- \$900,000 for the Public Utility Law Project
- \$750,000 for the Independent Redistricting Commission
- \$250,000 for the Student Loan Consumer Assistance Program
- \$75,000 for the New York Immigration Coalition

- \$75,000 for Immigrant Families Together
- \$75,000 for Catholic Charities Community Services
- \$75,000 for the New Legal Assistance Group
- \$52,251 for the Empire Justice Center
- \$35,000 for Neighbors Link
- \$20,000 for the Emerald Isle Immigration Center
- \$20,000 for Catholic Charities of Orange, Sullivan, and Ulster Counties
- \$16,500 for Mobilization for Justice, Inc.

The SFY 2021-22 Executive Budget provides \$10 million in General Fund support for the Liberty Defense Fund, consistent with the SFY 2020-21 Adopted Budget levels.

Article VII

Expedited Corporate Filings Permanent Extender (TEDE Part N): The Executive Budget proposes to make permanent the Department of State’s (DOS) authorization to provide expedited filing for service of corporate forms for an additional fee. Current authorization for these expedited services was first instituted in 2003 and is due to expire March 31, 2021.

Service of Process on Business Entities (TEDE Part O): The Executive Budget proposes to allow DOS to serve business entities electronically, rather than through the mail. This proposal also allows service of process on the Secretary of State as the agent of business entities to be submitted electronically. DOS is currently required to receive or send service of process documents by mail. This proposal will have an initial cost of \$3 million for technology investments, but will not have any additional costs thereafter.

Remote Notarization (TEDE Part P): The Executive proposes to allow notaries to rely on audio-visual technology in real-time to notarize documents and exercise notarial authority remotely. This proposal defines the credential criteria for identification, creates a special certificate for remote notarization, and directs DOS to establish minimum standards.

Statewide Financial System

The SFY 2021-22 Executive Budget recommends \$31.2 million in All Funds support, consistent with the SFY 2020-21 Adopted Budget levels. This level of funding would support 133 FTEs, also consistent with the SFY 2020-21 Adopted Budget levels.

New York Convention Center Operating Corporation (TEDE Part S): The Executive Budget proposes to designate the New York Convention Center Operating Corporation (CCOC), which operates the Javits Center in New York City, as a construction-permitting agency for any

events, activities, or construction undertaken on the premises of the Center. This proposal authorizes CCOC, when acting as a construction-permitting agency to apply, whole or in part, the New York City codes for construction, maintenance, and fire safety instead of the New York State Uniform Fire Prevention and Building code and New York State Energy Conservation Construction Codes. This proposal also allows CCOC to modify the City codes subject to the approval of the Department of State.

Transportation



Staff Analysis of
the 2021-22 Executive Budget



Transportation Fact Sheet

Appropriations

- **Year Two of DOT Capital Plan:** The Executive proposes a second year of funding in the amount of \$5.8 billion for its two-year Department of Transportation's (DOT) capital plan, totaling \$11.9 billion over the two years.
- **Statewide Mass Transportation Operating Assistance (STOA) Decreases:** The Executive proposal decreases non-Metropolitan Transportation Authority Downstate aid by 16.2 percent and Upstate aid by 9.4 percent.
- **Consolidated Highway Improvement Program (CHIPs) and Marchiselli:** The Executive Budget discontinues a legislative addition of \$65 million for extreme winter recovery, and otherwise leaves funding for these programs flat at \$478 million.

Article VII

- **Metropolitan Transportation Authority (MTA) Procurement Proposals:** The Executive Budget proposes to eliminate and modify various procurement regulations that govern New York City Transit and the MTA's purchasing practices; shift the cost of relocating certain infrastructure for MTA capital work onto public utility companies; and expand the MTA's authority to occupy New York City's streets without consent or reimbursement in order to perform various infrastructure projects.
- **DMV Convenience Fee on License and Registration Transactions:** The Executive Budget proposes a \$1 "convenience fee" on license and registration transactions, with revenues going to the Dedicated Highway and Bridge Trust Fund.
- **Autonomous Vehicles Expansion:** The Executive Budget proposes to expand the autonomous vehicle pilot program for an additional five years, establish an interagency work group, and modify the one-hand-on-the-wheel law.

Transportation Agency Details

Transportation Agency All Funds Appropriations (millions)				
	SFY 2021 Available	SFY 2022 Executive Recommendation	\$ Change	% Change
Department of Transportation	\$11,908.6	\$10,653.2	(\$1,255.4)	-10.5%
Department of Motor Vehicles	\$450.4	\$456.0	\$5.6	1.2%
Metropolitan Transportation Authority	\$4,022.7	\$848.3	(\$3,174.4)	-78.9%
Total Transportation	\$16,381.6	\$11,957.4	(\$4,424.2)	-27.0%

Overview

The Executive Budget proposes \$12.0 billion in All Funds appropriations for SFY 2021-22, a \$4.42 billion decrease or 27.0 percent from the SFY 2020-21 Enacted Budget. This decrease largely results from reducing planned transit aid appropriations and continuing a one-time SFY 2020-21 \$3 billion MTA Capital Plan commitment in re-appropriations.

Department of Transportation

The Executive Budget proposes \$10.7 billion in All Funds appropriations for the DOT, a decrease of \$1.3 billion or 10.5 percent from SFY 2020-21. The decrease reflects lower appropriations for Statewide Mass Transportation Operating Assistance (STOA). STOA provides operating assistance funds to mass transit systems throughout the State. The Executive Budget also discontinues a Legislative addition of \$65 million in capital funding for extreme winter recovery assistance.

The Executive decreases non-MTA STOA appropriations by 13.4 percent. Specifically, it decreases upstate transit aid by 9.4 percent or \$22.1 million and downstate non-MTA transit aid by 16.2 percent or \$63.9 million.

These decreases in STOA appropriations are made relative to SFY 2020-21 Enacted Budget appropriation levels. Throughout the current fiscal year, the Division of the Budget (DOB) has withheld STOA payments to transit systems. Relative to the final amount of STOA received by transit systems for SFY 2020-21, the Executive argues that its proposal actually increases upstate aid by 9 percent and decreases non-MTA downstate aid by only 6 percent. These values are based on DOB's estimate of how dedicated revenues that fund STOA in the different regions of the State will perform during SFY 2021-22.

SFY 2022 Statewide Mass Transportation Operating Assistance (STOA) Appropriations (millions)				
	SFY 2021 Available	SFY 2022 Executive Recommendation	\$ Change	% Change
MTA Total	\$3,465.8	\$2,984.2	(\$481.6)	-13.9%
Nassau	\$86.5	\$72.4	(\$14.0)	-16.2%
Rockland	\$4.4	\$3.7	(\$0.7)	-16.0%
Staten Island Ferry	\$42.6	\$35.7	(\$6.9)	-16.2%
Suffolk	\$33.6	\$28.2	(\$5.5)	-16.2%
Westchester	\$71.5	\$59.9	(\$11.6)	-16.2%
NYC DOT	\$113.8	\$95.4	(\$18.5)	-16.2%
Suffolk Shuttle	\$0.5	\$0.5	\$0.0	0.0%
Lower Hudson Transit Link	\$11.0	\$11.0	\$0.0	0.0%
Formulas	\$41.3	\$34.6	(\$6.7)	-16.2%
Non-MTA Downstate Total	\$405.2	\$341.3	(\$63.9)	-16.2%
CDTA	\$42.4	\$38.5	(\$4.0)	-9.4%
CNYRTA	\$38.7	\$35.1	(\$3.6)	-9.4%
NFTA	\$61.1	\$55.4	(\$5.7)	-9.4%
RGRTA	\$47.0	\$42.6	(\$4.4)	-9.4%
Formulas	\$46.7	\$42.3	(\$4.4)	-9.4%
Upstate Total	\$236.1	\$214.0	(\$22.1)	-9.4%
MTA Total	\$3,465.8	\$2,984.2	(\$481.6)	-13.9%
Non-MTA Total	\$641.3	\$555.3	(\$86.0)	-13.4%
STOA Total	\$4,107.0	\$3,539.5	(\$567.6)	-13.8%

Note: non-MTA Downstate % change excludes fixed Suffolk County and Lower Hudson Transit Link lump sums.

The Executive Budget provides \$5.8 billion for the second year of a two-year DOT capital program. This pool of funds includes \$100 million each for BRIDGE NY and PAVE NY. Consolidated Highway Improvement Program (CHIPS) and Marchiselli program funding is kept flat at \$477.8 million, but the budget does not include a separate \$65 million add by the Legislature in SFY 2020-21 for extreme winter recovery. CHIPS provides funds to municipalities to support construction and repair of highways, bridges, highway-railroad crossings, and other facilities that are not on the State highway system. Marchiselli program funding is available to offset a portion of the non-federal share of project costs. Extreme winter recovery funding has been added to the State budget by the Legislature for a number of years to help municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather.

The Executive Budget also proposes \$20 million as the second year of a \$100 million five-year initiative to help electrify mass transit bus fleets. The systems that qualify for the funding are the Capital District Transportation Authority, Niagara Frontier Transportation Authority, Rochester-Genesee Regional Transportation Authority, Suffolk County Transit, and Westchester Bee-Line. The initiative has a goal of electrifying 25 percent of these fleets by 2025 and 100 percent by 2035. However, as of January 2021, transit systems have not yet received the funding from the first year of the initiative.

Metropolitan Transportation Authority

The Executive Budget proposes MTA operating aid at \$2.9 billion, a decrease of \$482 million. The Executive Budget also continues the Verrazzano Bridge residential and commercial toll rebate program at SFY 2020-21 levels and maintains funding for reduced fares for schoolchildren at \$25.3 million.

Department of Motor Vehicles

The Executive Budget provides a \$5.6 million increase to the Department of Motor Vehicles to support non-personnel needs associated with moving activities and services online.

Article VII

Department of Transportation

Increased Penalties for Oversized/Unauthorized Vehicles/Parkway Overhead Strikes (TEDE Part A): The Executive Budget proposes legislation increasing penalties for various height and parkway-related infractions committed by commercial vehicles weighing between 10,000 and 26,000 pounds as follows:

- from up to \$350 and/or 15 days imprisonment to up to \$1,000 and/or 15 days for the first conviction
- from up to \$700 and/or 45 days imprisonment to up to \$1,500 and/or 45 days for the second conviction within 18 months
- from up to \$1,000 and/or 90 days imprisonment for three or more convictions within 18 months to up to \$2,500 and/or 90 days imprisonment for three or more convictions within 18 months for various height and parkway related infractions by commercial vehicles

For buses and larger vehicles convicted of various height and parkway-related infractions, the proposal increases fines are increased as follows:

- from up to \$700 and/or 15 days to up to \$5,000 and/or 15 days for the first conviction
- from up to \$1,000 and/or 45 days to up to \$7,500 and/or 45 days for a second conviction within 18 months
- from up to \$2,000 and/or 90 days to up to \$10,000 and/or 90 days for a third conviction within 18 months, as well as a one-year vehicle registration suspension

The bill also authorizes additional penalties in New York City for height-related infractions as follows:

- from up to \$1,000 and/or 30 days in jail currently to up to \$5,000 and/or 30 days in jail for the first offense
- from up to \$2,000 and/or 60 days in jail for a second offense currently to up to \$7,500 and/or 60 days in jail

The current penalty thresholds were established in the SFY 2020-21 Enacted Budget.

Finally, the Executive Budget proposes to expand the commercial navigation system (GPS) requirement adopted for stretch limousines in the 2020 limousine safety package to require that all commercial vehicles be equipped with commercial GPS within one year after adoption of federal standards defining commercial GPS devices. The definition of commercial vehicle for this section includes commercial vehicles with a gross vehicle weight rating of more than 10,000 pounds, as well as tow trucks rated at 8,600 pounds or higher. Non-commercial GPS devices would subsequently be prohibited, and commercial motor carriers would be required to notify drivers and renters of the prohibition on using commercial vehicles on parkways, punishable by up to \$1,000 in fines for rental companies that do not provide the notice.

SLOW Act – Slow Down and Look Out for Highway Workers and Pedestrians Act (TEDE Part B): The Executive Budget includes various transportation safety proposals, namely:

Subpart A: This provision expands criminal law protections for highway workers and various public transportation and highway workers by: (1) including these professionals in the Class D felony of Assault in the Second Degree; (2) creating a Class E felony and including license sanctions for menacing a highway worker by putting them in reasonable fear of imminent death or injury; and (3) establishing a Class B misdemeanor under the Vehicle and Traffic Law for intrusion into a highway work zone. The employee classes added by this legislation to receive enhanced criminal law protections include highway workers, motor vehicle inspectors, and motor carrier investigators.

Subpart B: This provision adds “quick clearance” language which would allow motorists of vehicles involved in a non-injury crash to move their vehicle from the exact location where the crash occurred and without being liable for a Leaving the Scene of an Incident. The proposal also clarifies police officers’ and DOT’s ability to cause the removal of cargo, debris, or a vehicle that interferes with road usage, and permits any person acting at the direction of DOT or a police officer to remove the vehicle, cargo, or debris. Finally, it provides that DOT, the police officer, or the person directed to remove the items are not liable for damaging them unless the removal was carried out in a reckless or grossly negligent manner.

Subpart C: This provision increases financial penalties for a motorist’s failure to exercise due care involving physical injury to a pedestrian or bicyclist as follows:

- from up to \$500 and/or 15 days imprisonment to up to \$1,000 and/or 15 days;
- from up to \$750 and/or 15 days to up to \$1,500 and/or 15 days for serious physical injuries; and
- from up to \$1,000 up to up to \$2,000 for repeat failure to exercise due care convictions involving physical injury or serious physical injury within five years of a previous conviction. This infraction also remains a Class B misdemeanor.

Subpart D: This provision establishes a work zone safety and outreach public education program.

Metropolitan Transportation Authority

Toll Enforcement (TEDE Part E): The Executive Budget proposes legislation increasing penalties and providing for additional theft of service language involving tolled roads. The proposal also increases penalties involving obscuring a license plate on a tolled road to be punishable by fines of \$100-\$500.

NYCTA/MTA Procurement Modifications (TEDE Part F): The Executive Budget proposes to eliminate the requirement that the New York City Transit Authority (NYCTA) use sealed bidding for purposes of further facilitating electronic bidding, eliminates newspaper posting requirements for rail car procurements and local bid preferences, and reduces the timeline between publication of a bid and the opening. The proposed legislation also expands the MTA’s and NYCTA’s design-build authority to offer 10 percent local bid preferences on rail car and bus design-build construction and rehabilitation contracts, pursuant to a Board-approved process.

With respect to the publication requirements, the bill reduces the posting timeline from 15 days to 10 days and allows MTA/NYCTA to post bids in a procurement newsletter rather than in newspapers of general circulation. The language also allows MTA/NYCTA to “piggyback” off existing contracts from other government agencies across the country (on top of its existing authorization to use State and City contracts). It empowers NYCTA to update its qualified products list once per year, instead of the currently required two annual updates. Finally, it permanently extends many other alternative procurement authorizations, such as expanding the threshold for discretionary procurements exempt from Board approval that were previously authorized for two years.

MTA Utility Relocation Costs (TEDE Part G): The Executive Budget proposes legislation transferring the cost of relocating pipes, mains, conduits, and other infrastructure for MTA capital work from the MTA to public utility companies. The legislation also provides that, if the MTA determines that water or sewer infrastructure owned by the City of New York must be removed or altered, the City must provide approvals and permits within 30 days of the plan’s submission to it. The MTA would be obligated to pay the costs for the City’s infrastructure changes, but the City

would be prohibited from requiring the MTA to pay for upgrades related to anticipated future service increases or betterments without its agreement. This legislation has been proposed multiple times in the past, including in the SFY 2016-17 Executive Budget, but it has always been omitted.

Expanding MTA’s Ability to Occupy NYC Streets for Capital Projects (TEDE Part H): The Executive Budget proposes legislation expanding the MTA’s authority to occupy New York City’s streets without consent or reimbursement for purposes of performing various infrastructure work, regardless of whether the City has already permitted the portion of the streets to be occupied by another person or entity. The Executive argues that this provision facilitates accessibility work in instances where private developers hold permits on streets.

Increase Criminal Penalties for Transit Worker Assault and Aggravated Harassment (TEDE Part I): The Executive Budget expands protections for various public transportation workers by including these professionals in the Class D felony of Assault in the Second Degree. This includes station customer assistants, various maintenance officials and janitors, and other agents who collect fares. Various transit workers, like station agents, are already covered under existing law. Class D felonies can be punishable by up to 2-7 years in prison.

The Executive Budget expands second degree aggravated harassment laws, which are punishable by a Class A misdemeanor, to include instances where a person strikes, shoves, kicks, spits on, or otherwise subjects a transit official to physical contact, including public or private transit officials, such as train operators, ticket inspectors, conductors, station cleaners and maintenance staff, station agents, vehicle and track testing officials, and supervisors, among others.

Department of Motor Vehicles

Mandatory Surcharges Extension (TEDE Part FF): The Executive Budget proposes legislation extending some mandatory surcharges and the crime victim assistance fee applied to traffic violations from September 1, 2021 until September 1, 2023.

Autonomous Vehicles (TEDE Part GG): The Executive Budget proposes to extend the statewide autonomous vehicle (AV) testing pilot program for five years. The legislation modifies the current law to eliminate the requirements for police supervision and human driver presence for AV tests and the \$5 million insurance policy. The legislation also creates a new Interagency Group on Autonomous Vehicle Technology with representatives from DOT, DMV, the Thruway Authority, and SUNY. The proposal exempts vehicles engaged in automated steering from the statute requiring motorists to keep one hand on the wheel, starting April 2026. The current authorization already exempts tests conducted under the State’s pilot program from this requirement.

DMV Convenience Fee (TEDE PART HH): The Executive Budget proposes a \$1 “convenience fee” for DMV license and registration transactions, which will be committed to the Dedicated Highway and Bridge Trust Fund (DHBTF). This proposal is expected to generate nearly \$4 million in SFY 2021-22 and \$12-\$13 million annually when fully realized. The convenience fee authorization expires five years after taking effect. The Executive asserts that this funding will support customer-friendly modernization efforts that facilitate additional contactless transactions.

Thruway Authority

Thruway Electronic Bidding (TEDE Part C): The Executive Budget amends the Thruway Authority’s existing authorization to solicit and accept sealed bids from the lowest responsible bidder to add that the Thruway can also solicit and accept bids by electronically secure submission.

Thruway Bidding Thresholds (TEDE Part D): The Executive Budget amends the Thruway Authority’s threshold from \$15,000 up to \$50,000 for exempting goods and services contracts from being subject to Board procurement guidelines and annual reporting.

Racing, Gaming & Wagering



Racing, Gaming & Wagering Highlights

Appropriations

Tribal State Compact Revenue Program: The Executive Budget recommends an appropriation of \$259.0 million for Tribal State Compact Revenue, which represents the local share of the State’s estimated revenues from Native American casinos.

New York State Racing Fan Advisory Council: The Executive Budget includes \$100,000 in State Operations appropriations to continue its support of the Racing Fan Advisory Council.

Article VII

Mobile Sports Wagering Authorization and Casino Tax Rate Reduction Petitions (REV Part Y): The Executive Budget proposes to authorize mobile sports wagering throughout the State. Currently, sports wagering is limited to in-person betting at the four upstate casinos. A mobile system will allow those placing wagers to do so online and on devices such as cell phones and tablets. Under this proposal, the Gaming Commission would select a platform provider or multiple providers through a competitive bidding process.

This proposal also authorizes State-licensed casinos to petition the Gaming Commission for a tax rate reduction on slot machines, to respond to financial difficulties casinos are facing as a result of the Covid-19 pandemic.

Gaming Facility License RFI Authorization (REV Part Z): The Executive Budget proposes to authorize the Gaming Commission to issue a request for information (“RFI”) to solicit interest regarding the three unawarded gaming facility licenses for downstate casinos.

Racing, Gaming & Wagering

Gaming Commission

The SFY 2021-22 Executive Budget recommends \$424.4 million All Funds for the Gaming Commission, a decrease of \$8.2 million or 1.89 percent from the amount appropriated in SFY 2020-21. The Executive Budget continues a \$100,000 State Operations appropriation for the Racing Fan Advisory Council and provides an increase of \$2 million or 0.6 percent in Aid to Localities. The Executive Budget recommends a workforce of 391 FTEs for SFY 2021-22, which is a decrease of 4 FTEs from current levels. However, this reduction would be the result of the Gaming Inspector General function being transferred to the Office of the State Inspector General.

Gaming Commission All Funds Appropriations				
Category	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	\$ Change	% Change
State Operations	\$113,514,000	\$103,352,000	(\$10,162,000)	-8.90%
Aid To Localities	\$319,000,000	\$321,000,000	\$2,000,000	0.63%
Total	\$432,514,000	\$424,352,000	(\$8,162,000)	-1.89%

Tribal State Compact

The Executive Budget recommends an appropriation of \$259.0 million for the Tribal State Compact Revenue Program, which represents the local share of the State's estimated revenues from Native American casinos. The Executive Budget also recommends an appropriation of \$62.0 million for the Gaming Program, which represents the local share of the State's estimated revenues from commercial casino gaming.

Under the State Finance Law, in instances where the State receives monies from Native American casino revenues, as part of the terms of a compact held with the State, the State must provide aid to the local host government of the casino and the surrounding counties within that 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 recommendation provides overall funding of \$6.1 million for Madison and Oneida Counties. Madison County is proposed to receive \$3.6 million in funding as a result of the opening of Point Place, the second casino in Madison County. Madison County previously received impact payments due to the location of the Oneida Indian Nation's Yellow Brick Road Casino in the county. Oneida County will receive \$2.5 million in shared host community gaming revenue.

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

Tribal State Compact receipts are estimated to increase due to the anticipated receipt of outstanding payments owed by the Seneca Nation. Since spring 2017, the Seneca Tribe has withheld payments to the State on the grounds that the 2002 revenue sharing agreement between the State and the Tribe, as contained in the Indian Gaming Regulatory Act, terminated upon the conclusion of the parties' original 14-year exclusivity compact. The dispute proceeded to an arbitration panel, where the panel majority determined that the Seneca Tribe remained obligated to make quarterly contribution payments of 25 percent of the net drop from slot revenue to New York. The arbitration panel's award was upheld by the United States District Court for the Western District of New York in 2019. The Seneca Tribe filed an appeal on this ruling with the United States Second Circuit Court of Appeals on December 12, 2019, but the matter has yet to be heard.

Tribal State Compact Revenue Account				
In Gaming Commission - Aid to Localities				
Appropriation				
	SFY 2020-21	SFY 2021-22	\$ Change	% Change
<i>Host Aid</i>				
Seneca Niagara	\$65,000,000	\$61,000,000	(\$4,000,000)	-6.10%
Seneca Allegany	\$30,000,000	\$27,000,000	(\$3,000,000)	-10.00%
Seneca Buffalo Creek	\$34,000,000	\$38,000,000	\$4,000,000	11.70%
Mohawk	\$15,000,000	\$15,000,000	\$0	0.00%
Oneida	\$32,000,000	\$32,000,000	\$0	0.00%
<i>Regional Aid</i>				
Seneca Niagara	\$32,000,000	\$35,000,000	\$3,000,000	9.37%
Seneca Allegany	\$15,000,000	\$16,000,000	\$1,000,000	6.66%
Seneca Buffalo Creek	\$18,000,000	\$19,000,000	\$1,000,000	5.55%
Mohawk	\$6,000,000	\$6,000,000	\$0	0.00%
Oneida	\$10,000,000	\$10,000,000	\$0	0.00%
Total	\$257,000,000	\$259,000,000	\$2,000,000	0.77%

Racing Reform Program

Funding for the Racing Reform Program facilitated and financed activities associated with the implementation of Chapter 354 of the Laws of 2005 as amended by Chapters 18 and 140 of the Laws of 2008. The SFY 2021-22 Executive Budget recommends State Operations re-appropriation support of \$1.6 million. These re-appropriations are available to finance any State costs resulting from this legislation.

Video Lottery Gaming

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

VLTs are in use at Batavia Downs Gaming, Empire City Casino by MGM Resorts, Finger Lakes Gaming & Racetrack, Hamburg Gaming, Jake's 58 (Suffolk OTB facility), Resorts World Casino (which also hosts the Nassau OTB machines), Saratoga Casino, and Vernon Downs Casino. In SFY 2019-20, approximately 60 percent of the education funding contribution from VLT facilities was derived from Resorts World and Empire City. The table below shows the current statutory distribution of VLT Net Machine Income after prize payouts. VLT receipts are distributed among education funding, agent commission, and the remaining allowance for administration expenses.

VLT Receipts Distribution By Location (After Prize Payout)			
VLT Facility	Education Funding	Agent Commission	Administrative Allowance
Hamburg Gaming	34.00%	56.00%	10.00%
Vernon Downs	34.00%	56.00%	10.00%
Batavia Downs	39.00%	51.00%	10.00%
Resorts World	40.00%	50.00%	10.00%
Nassau Downs OTB	45.00%	45.00%	10.00%
Jake's 58	45.00%	45.00%	10.00%
Saratoga	50.50%	39.50%	10.00%
Empire City	50.50%	39.50%	10.00%
Finger Lakes	52.50%	37.50%	10.00%

Gaming Receipts

Gaming Receipts By Component SFY 2021-22 Estimated (in millions)							
Component	Lottery	VLTs	Casinos		IFS**	TSC***	All Funds
Distribution	Education	Education	Education	Localities*	Education	Total	Total
SFY 2020-21 (Est.)	2,250.0	373.0	56.0	14.0	5.0	528.2	3,226.2
SFY 2021-22 (Proj.)	2,466.0	746.0	128.8	32.2	6.0	165.8	3,544.8
Dollar Change	216.0	373.0	72.8	18.2	1.0	(362.4)	318.6
Percent Change	9.6%	100.0%	130.0%	130.0%	20.0%	-68.6%	9.9%

Notes: * A portion of commercial gaming casino receipts (20 percent) are directed to localities.
 ** IFS stands for Interactive Fantasy Sports
 *** TSC stands for Tribal State Compact

Article VII

Racing Admissions Tax Reform (REV Part J): Under current law, admission to thoroughbred, harness, and quarter horse race tracks are subject to a four percent State tax. Certain simulcast facilities and tele-theaters are able to charge admissions, which are also subject to this four percent tax. Unlike most admission charges, these charges are not subject to State sales tax. These taxes are collected by the Department of Taxation and Finance, and are due after a racing meet.

The intent of this proposal is to create a more consistent and efficient administration system for the Department of Taxation and Finance, race tracks, and simulcast facilities by repealing the State admissions taxes. A State sales tax on these admissions would be imposed at the same rate of four percent, which would create efficiencies by allowing the Department of Taxation and Finance to collect these taxes periodically in the same manner as other sales taxes. Any admission charges collected prior to the enactment of this proposal would continue to be administered under the existing collection regime.

State Fiscal Impact: This measure will not impact the State Financial Plan, but is expected to relieve an administrative burden on the Department of Taxation and Finance.

Mobile Sports Wagering Authorization and Casino Tax Rate Reduction Petitions (REV Part Y): The Executive Budget proposes to authorize mobile sports wagering throughout the State. Currently, sports wagering is limited to in-person betting at the four upstate casinos. A mobile system will allow those placing wagers to do so online and on devices such as cell phones and tablets. Under this proposal, the Gaming Commission would select a platform provider or multiple providers through a competitive bidding process. Providers must demonstrate that the necessary safeguards against addictions and abuses are in place. All revenue raised from mobile sports wagering will be directed toward education.

This proposal also authorizes State-licensed casinos to petition the Gaming Commission for a tax rate reduction on slot machines. Currently, the commercial gaming tax rates on slot machines currently levied at the four upstate casinos are 45 percent for Rivers Casino & Resort, 39 percent for Resorts World Catskills, and 37 percent for both Tioga Downs Casino Resort and del Lago Resort & Casino. The proposal would allow them to seek rates of no lower than 25 percent based on certain criteria, with a final determination made by the Director of the Budget. This proposal is in response to casinos' financial struggles as a result of the Covid-19 pandemic. Any reduction in a facility's slot machine tax rate that the Budget Director approves would be subject to a one-year sunset, triggered when mobile sports betting came online.

State Fiscal Impact: This proposal is expected to increase All Funds revenue by \$49 million in SFY 2021-22. The amount of revenue would grow each year thereafter, eventually increasing All Funds revenue by \$493 million in SFY 2024-25 when the market has fully matured.

Gaming Facility License RFI Authorization (REV Part Z): The Executive Budget proposes to authorize the Gaming Commission to issue a request for information ("RFI") to solicit interest regarding the three unawarded gaming facility licenses for downstate casinos. New York first authorized full commercial casino gaming in 2013 through the Upstate Gaming Economic Development Act of 2013. That legislation authorized four casinos upstate, and allowed three additional licenses to be issued downstate, which will be able to open as early as 2023. Public reports have indicated that parties interested in the downstate casino licenses may be willing to pay at least \$500 million or more to the State for a license, although it remains unclear whether the new economic situation as a result of the COVID-19 pandemic has affected these numbers.

State Fiscal Impact: This proposal will not have an impact on the State Financial Plan, but will allow the State to begin the information gathering process to prepare for issuing new licenses, which will bring in significant revenue in future years.

Elimination of Quick Draw Restrictions (REV Part AA): The Executive Budget proposes to eliminate the last two remaining restrictions on Quick Draw, namely the 2,500-square-foot size restriction imposed on locations offering Quick Draw, and the requirement to be 21 years of age at Quick Draw locations where alcohol is served, conforming with the age restrictions for all other lottery games.

State Fiscal Impact: This measure is expected to generate \$15 million in SFY 2021-22 and \$30 million annually in future years.

Removal of Restrictions on Lottery Draw Game Offerings (REV Part BB): The Executive Budget proposes to eliminate the statutory limitations on the number of per day offerings for lottery draw games (for example, Pick 10, Lotto, and Take 5). This provision would also apply to any

new games introduced in the future. Current law limits these games to not more than one drawing per day; in June 2019, the Cash4Life game switched from twice-a-week drawings to daily drawings, which resulted in a significant increase in sales. In SFY 2021-22, the Gaming Commission plans to increase the number of Take 5 draws to two per day. This proposal will provide flexibility to the Gaming Commission to determine the appropriate number of draws per day, per game, which is expected to increase revenue for education.

State Fiscal Impact: This measure is projected to increase All Funds revenue by \$7 million in SFY 2021-22, and \$9 million each year thereafter.

Decoupling of the Gaming Inspector General from the Gaming Commission (REV Part CC):

The Executive Budget proposal consolidates the function of the Gaming Inspector General (“IG”) under the State IG by moving the position out of the Gaming Commission. Currently, the Gaming Inspector General’s resources are commingled with the resources of the Commission, which could create the impression of a conflict of interest. This office currently has four positions, one of which is vacant.

State Fiscal Impact: This proposal would not have an impact to the State Financial Plan, but would shift four FTEs and \$395,000 from the Gaming Commission’s State Operations General Fund to the State Inspector General.

One-Year Extension of Pari-Mutuel Tax Rate and Simulcast Provisions (REV Part DD):

The Executive Budget would extend the current pari-mutuel tax rate structure and other racing-related provisions for one year. These provisions have been extended numerous times since their original enactment, most recently in the Enacted SFY 2020-21 budget.

State Fiscal Impact: This proposal does not impact the State Financial Plan.

Temporary Suspension of Certain Racing Support Payments (REV Part LL):

The Executive Budget proposes to temporarily suspend statutory payments required by law from Rivers Casino to Saratoga Casino and Raceway, which are intended to keep their horsemen and breeders “held harmless” at 2013 levels, adjusted for inflation. Rivers Casino is the only casino statutorily required to make “hold harmless” payments for horsemen purses and breeding funds to support a Video Lottery Gaming (VLG) facility. The original intent behind this statute in 2013 was to offset reductions in net machine income (NMI) that Saratoga Racino sustains as a result of gaming activity at Rivers, which is in relatively close proximity to the Saratoga facility. Due to the COVID-19 pandemic, Saratoga has experienced significant declines in NMI. As a result, current law requires Rivers to subsidize the difference.

According to the Executive, the intent of the law was not to have one facility subsidize another as a result of the pandemic, and Rivers has also been financially harmed as a result of the pandemic. This proposal temporarily suspends the racing support payment obligations from Rivers and Saratoga while any pandemic-related restrictions are in effect for either facility. These obligations would resume once each facility operates without any pandemic-related restrictions for six full and consecutive calendar months. Support payments for January and February 2020 would be made by Rivers in six equal installment payments beginning after restrictions are lifted and six months have passed.

State Fiscal Impact: This proposal does not impact the State Financial Plan.

Local Government Assistance



Staff Analysis of
the 2021-22 Executive Budget



Local Government Assistance Highlights

Appropriations

- **AIM Funding:** The Executive Budget reduces the State AIM funding appropriation by \$39 million. The Executive proposal would cut AIM payments to all cities by varying amounts and switch all towns and villages still receiving direct State aid through the AIM program to receiving AIM-related payments diverted from county sales tax receipts instead. This appropriations proposal has companion Article VII language (PPGG Part LL).
- **Video Lottery Terminal (VLT) Aid:** The Executive Budget reduces VLT aid by \$10.3 million. The proposal eliminates all VLT aid to municipalities outside of Yonkers and reduces Yonkers' VLT aid by \$1 million, cutting VLT aid expenditures by a total of \$10.3 million. This appropriations proposal has companion Article VII language (PPGG Part KK).
- **Miscellaneous Financial Assistance:** The Executive Budget reduces this funding by \$1.8 million by removing all legislative adds from the SFY 2020-21 Enacted Budget and reducing a payment to the County of Madison by five percent.

Article VII

- **Authorize Shared Jails for Contiguous Counties (PPGG Part PP):** This proposal would allow contiguous counties to share jails. Under current law, each county must have its own jail.
- **Expand Investment Options for Counties (PPGG Part MM):** This proposal allows counties outside New York City to invest in certain classes of financial products that only New York City can currently access.
- **Permanent County-Wide Shared Services Initiative (CWSSI) with Enhanced Flexibility (PPGG Part NN):** This proposal makes permanent the State's existing initiative providing funding for counties to consolidate and share services, with modifications intended to make the program more flexible and increase its utilization.

Local Government Assistance Details

Overview

The Executive Budget for SFY 2021-22 provides local governments with \$45.7 billion in State support through major local aid programs and savings initiatives. The Executive asserts that these proposed actions will result in a net positive impact for all local governments in fiscal year 2022, but this net positive impact is due to a Federally funded school aid increase of \$2.06 billion offsetting reductions in other areas of local aid flowing to county and municipal governments. The following table demonstrates the Division of the Budget's (DOB) estimated local impact of the Executive Budget.

Executive Budget Impact for Local Fiscal Year 2021-22		
Major Local Aid Programs, in Millions	LFY 2021-22 Local Aid	Net Impact on LFY 2021-22
School Aid and Other Education	\$ 31,858.7	\$ 2,060.4
Special Education	\$ 1,353.7	\$ -
Medicaid	\$ 4,819.0	\$ (65.5)
Human Services	\$ 4,303.3	\$ (93.4)
Health	\$ 426.1	\$ 4.6
Mental Hygiene	\$ 70.2	\$ (7.9)
Transportation	\$ 833.8	\$ (13.7)
Municipal Aid	\$ 703.7	\$ (60.4)
Public Protection	\$ 470.7	\$ -
Environment	\$ 430.0	\$ -
Other Local Aid Programs	\$ 478.0	\$ -
Revenue Impacts	\$ -	\$ 10.7
Total Executive Budget Impact	\$ 45,747.2	\$ 1,834.8

Source: New York State Division of the Budget, SFY 2022 Executive Budget Local Government Briefing Book, p. 12.

The following table shows DOB’s estimates of the aggregate net local fiscal impact for each type of municipality from the SFY 2021-22 Executive Budget.

SFY 2021-22 Executive Budget Impact on Each Class of Municipality (in millions)	
Municipality	Net Impact of Executive Budget
New York City (includes school district)	\$1,303.7
School Districts	\$612.1
Counties	-\$24.0
All Other Cities (excludes school districts)	-\$37.8
Towns & Villages	-\$17.4

Source: New York State Division of the Budget, SFY 2021-22 Executive Budget Local Government Briefing Book, p. 12.

Moreover, the Executive Budget proposal recommends \$676.4 million in general fund Aid to Localities appropriations for Local Government Assistance programs. The following table illustrates the change in Local Government Assistance appropriations from last year’s Enacted Budget to this year’s Executive Budget.

Aid to Localities Executive Recommendation for SFY 2021-22				
Funding Source	Enacted SFY 2020-21	Executive Recommendation SFY 2021-22	\$ Change	% Change
General Fund	\$ 729,500,613	\$ 676,438,935	\$ (53,061,678)	-7.27%
Fiduciary Funds	\$ 30,000,000	\$ 30,000,000	\$ -	0.00%
All Funds	\$ 759,500,613	\$ 706,438,935	\$ (53,061,678)	-6.99%

Miscellaneous Financial Assistance

The Executive Budget proposes to reduce funding for the Miscellaneous Financial Assistance program by \$1.84 million, mostly from the elimination of legislative adds appropriated in the SFY 2020-21 Enacted Budget. The Executive proposal eliminates funding for the following legislative adds:

- \$1.2 million to the County of Onondaga for a school discipline pilot project with the Syracuse City School District
- \$200,000 for the Village of New Paltz for expenses related to police and fire services associated with institutions of higher education
- \$200,000 for the Village of Delhi for expenses related to police and fire services associated with institutions of higher education

- \$48,000 in total for the villages of Woodbury, South Blooming Grove, and Sagaponack, which are not included in the AIM program

Moreover, the Executive Budget proposes to decrease local assistance funding for Madison County by five percent from the SFY 2020-21 Enacted Budget level. This payment has been provided to the county because there is a casino within its borders from which it does not receive a share of the revenues. If this proposal were enacted, the County of Madison would receive \$3.56 million.

Citizens Empowerment Tax Credits and Citizens Reorganization Empowerment Grants

Citizen Empowerment Tax Credits provide annual State aid to cities, towns, or villages that consolidate or dissolve. The State aid is equal to 15 percent of the combined local government's tax levy. The local government must use at least 70 percent of the State aid for property tax relief. The credit cannot exceed \$1 million for a local government. Moreover, Citizens Reorganization Empowerment Grants provide up to \$100,000 for local governments to plan or implement consolidations or dissolutions.

Both of these programs fall under a single appropriation, which has been \$35 million for many years. The Executive Budget proposes to reduce the appropriation by five percent to \$33.25 million. It is important to note that the usual appropriation of \$35 million has never been fully expended. For example, the re-appropriations in the SFY 2021-22 Executive Budget proposal changes the SFY 2020-21 appropriation from \$35 million to \$6.12 million to reflect planned expenditures in the current fiscal year for this program.

Local Government Efficiency Grants

Local Government Efficiency Grants are competitive grants that help cover costs for efficiency projects such as shared services or consolidations. The Executive Budget proposes to reduce this appropriation by five percent to \$3.8 million.

Article VII

Elimination of VLT Aid to All Municipalities Outside of Yonkers (PPGG Part KK): Video Lottery Terminal (VLT) aid is given to eligible municipalities where a video lottery gaming facility is located, in accordance with §54-L of the State Finance Law, in order to offset increases in local costs related to hosting the VLTs such as increases in traffic or law enforcement needs. VLT aid is not provided to all municipalities with video lottery gaming facilities.

The Executive Budget proposal reduces VLT aid by \$10.3 million in total. The proposal would completely eliminate all \$9.3 million of aid for 15 eligible municipalities where a video lottery

gaming facility is located outside of Yonkers. The Executive proposes to reduce Yonkers VLT aid by five percent, which is about \$1 million less than the SFY 2020-21 Enacted Budget. According to the Executive Budget Briefing Book, VLT aid is eliminated for all municipalities except Yonkers, as it is the only local government that uses the aid to support its schools. The following table demonstrates the changes from last year’s Enacted Budget to the SFY 2021-22 Executive Budget.

VLT Facility	Municipality	SFY 2020-21	SFY 2021-22
Empire City	City of Yonkers	\$ 19,600	\$ 18,620
Batavia Downs	City of Batavia	\$ 441	\$ -
	Town of Batavia	\$ 160	\$ -
	Genesee County	\$ 200	\$ -
Fairgrounds (Hamburg)	Town of Hamburg	\$ 866	\$ -
	Erie County	\$ 289	\$ -
Finger Lakes	Town of Farmington	\$ 1,778	\$ -
	Ontario County	\$ 591	\$ -
Monticello	Village of Monticello	\$ 291	\$ -
	Town of Thompson	\$ 635	\$ -
	Sullivan County	\$ 309	\$ -
Saratoga Springs	City of Saratoga Springs	\$ 2,326	\$ -
	Saratoga County	\$ 775	\$ -
Vernon Downs	Village of Vernon	\$ 137	\$ -
	Town of Vernon	\$ 232	\$ -
	Oneida County	\$ 257	\$ -
TOTAL		\$ 28,887	\$ 18,620

State Fiscal Impact: This proposal will achieve \$10.3 million in recurring savings.

Reduction of AIM to Cities, Replacement of AIM for Remaining Towns and Villages with AIM-Related Payments, and Reduction of AIM-Related Payments by 20 Percent (PPGG Part LL): The AIM program currently provides funding to all of New York State’s cities (excluding New York City), along with some towns and villages. The SFY 2021-22 Executive Budget proposes reducing AIM funding by \$39 million, or by six percent, from the SFY 2020-21 Enacted Budget. This reduction is primarily driven by the Executive’s proposal to reduce AIM payments to cities ranging between 2.5 and 20 percent, based on each city’s relative reliance on AIM funding. This calculation would be determined by the percentage of a city’s AIM funding for SFY 2019-20 relative to its total general fund expenditures for the local fiscal year 2019. This proposal would result in an estimated \$34.6 million recurring savings for the State. The following table demonstrates the methodology proposed by the Executive to reduce AIM payments to cities.

AIM Funding Cuts to Cities Proposed in SFY 2021-22 Executive Budget	
City's AIM Reliance as Defined in PPGG, Part LL	AIM Payment Cut from SFY 2020-21 Enacted Budget
Did not file with OSC	20%
8.1500% or lower	20%
8.1501% to 11.3436%	15%
11.3437% to 14.1522%	10%
14.1523% or higher	2.5%

The following table shows the estimated AIM reduction to each city as a result of the Executive Budget proposal.

SFY 2021-22 Executive Budget AIM Reductions by City				
City	SFY 2020-21	Cut %	SFY 2021-22	Difference
Albany	\$12,607,823	20%	\$10,086,258	\$2,521,565
Amsterdam	\$2,866,670	2.5%	\$2,795,003	\$71,667
Auburn	\$4,982,093	2.5%	\$4,857,541	\$124,552
Batavia	\$1,750,975	15%	\$1,488,329	\$262,646
Beacon	\$1,537,478	20%	\$1,229,982	\$307,496
Binghamton	\$9,249,457	2.5%	\$9,018,221	\$231,236
Buffalo	\$161,285,233	2.5%	\$157,253,102	\$4,032,131
Canandaigua	\$1,119,304	20%	\$895,443	\$223,861
Cohoes	\$2,742,886	10%	\$2,468,597	\$274,289
Corning	\$1,499,556	15%	\$1,274,623	\$224,933
Cortland	\$2,018,330	15%	\$1,715,581	\$302,750
Dunkirk*	\$1,575,527	20%	\$1,260,422	\$315,105
Elmira	\$4,578,801	2.5%	\$4,464,331	\$114,470
Fulton	\$1,626,822	15%	\$1,382,799	\$244,023
Geneva	\$1,942,613	15%	\$1,651,221	\$291,392
Glen Cove	\$2,837,667	20%	\$2,270,134	\$567,533
Glens Falls	\$1,607,009	15%	\$1,365,958	\$241,051
Gloversville	\$2,302,592	10%	\$2,072,333	\$230,259
Hornell	\$1,497,788	15%	\$1,273,120	\$224,668
Hudson	\$1,456,991	10%	\$1,311,292	\$145,699
Ithaca*	\$2,610,398	20%	\$2,088,318	\$522,080
Jamestown	\$4,572,280	10%	\$4,115,052	\$457,228
Johnstown*	\$1,388,910	20%	\$1,111,128	\$277,782
Kingston	\$3,069,151	20%	\$2,455,321	\$613,830
Lackawanna	\$6,309,821	2.5%	\$6,152,075	\$157,746

SFY 2021-22 Executive Budget AIM Reductions by City				
Little Falls	\$866,034	10%	\$779,431	\$86,603
Lockport	\$2,650,525	15%	\$2,252,946	\$397,579
Long Beach	\$3,152,704	20%	\$2,522,163	\$630,541
Mechanicville*	\$662,392	20%	\$529,914	\$132,478
Middletown	\$2,705,826	20%	\$2,164,661	\$541,165
Mount Vernon*	\$7,155,691	20%	\$5,724,553	\$1,431,138
New Rochelle	\$6,162,927	20%	\$4,930,342	\$1,232,585
Newburgh	\$4,464,656	15%	\$3,794,958	\$669,698
Niagara Falls	\$17,794,424	2.5%	\$17,349,563	\$444,861
North Tonawanda*	\$4,335,111	20%	\$3,468,089	\$867,022
Norwich	\$1,089,279	10%	\$980,351	\$108,928
Ogdensburg	\$1,708,659	10%	\$1,537,793	\$170,866
Olean	\$2,239,826	10%	\$2,015,843	\$223,983
Oneida	\$1,700,877	10%	\$1,530,789	\$170,088
Oneonta*	\$2,231,857	20%	\$1,785,486	\$446,371
Oswego	\$2,451,698	20%	\$1,961,358	\$490,340
Peekskill	\$2,219,384	20%	\$1,775,507	\$443,877
Plattsburgh	\$2,648,880	10%	\$2,383,992	\$264,888
Port Jervis	\$1,406,263	15%	\$1,195,324	\$210,939
Poughkeepsie	\$4,248,021	15%	\$3,610,818	\$637,203
Rensselaer*	\$1,137,317	20%	\$909,854	\$227,463
Rochester	\$88,234,464	2.5%	\$86,028,602	\$2,205,862
Rome	\$9,083,340	2.5%	\$8,856,257	\$227,084
Rye	\$1,208,024	20%	\$966,419	\$241,605
Salamanca*	\$928,131	20%	\$742,505	\$185,626
Saratoga Springs	\$1,649,701	20%	\$1,319,761	\$329,940
Schenectady	\$11,205,994	10%	\$10,085,395	\$1,120,599
Sherrill	\$372,689	10%	\$335,420	\$37,269
Syracuse	\$71,758,584	2.5%	\$69,964,619	\$1,793,965
Tonawanda	\$2,602,104	10%	\$2,341,894	\$260,210
Troy	\$12,279,463	2.5%	\$11,972,476	\$306,987
Utica	\$16,110,473	2.5%	\$15,707,711	\$402,762
Watertown	\$4,703,208	15%	\$3,997,727	\$705,481
Watervliet	\$1,210,193	15%	\$1,028,664	\$181,529
White Plains	\$5,463,256	20%	\$4,370,605	\$1,092,651
Yonkers	\$108,215,479	2.5%	\$105,510,092	\$2,705,387
TOTAL	\$647,093,629		\$612,488,063	\$34,605,566

The Executive proposes to shift all remaining towns and villages from the State funded AIM payment schedule to AIM-related payments, which are funded by a withholding of counties' sales

tax dollars by the Office of the State Comptroller. The withheld funds from counties' sales taxes are then used to make the AIM-related payments to towns and villages within each county. This will reduce the State-funded AIM program by \$8.5 million through shifting the cost to county governments through a withholding of their sales tax. Further, the Executive proposes reducing all AIM-related payments by 20 percent. In aggregate, towns and villages will receive \$13.5 million less than last fiscal year if this proposal is enacted. These proposed changes will result in \$54.1 million being withheld from counties' sales tax receipts to fund AIM-related payments, which is a \$5 million decrease from the amount withheld in SFY 2020-21, making that a positive net impact in aggregate for counties.

State Fiscal Impact: This proposal provides a total of \$39 million in savings through reducing AIM to cities and by replacing AIM to the remaining towns and villages with AIM-related payments.

Expansion of Investment Options for Counties (PPGG Part MM): The Executive Budget proposes to expand the types of investment options available for counties so they have options similar to New York City. Under current law, New York City has temporary authorization to invest in additional products beyond the options available to all other local governments. These additional types of products include, most notably:

- General obligation bonds and notes of any state other than New York, provided that such bonds receive the highest rating of at least one independent rating agency.
- Obligations of any corporation organized under the laws of any state, so long as such obligations received the highest rating of two independent rating services and that no more than \$250 million is invested in any one corporation.
- Bankers' acceptances maturing within 270 days that are purchasable in the open market by Federal Reserve banks.

The proposal extends the authorization currently provided to New York City to all counties, with the same July 1, 2023 expiration date.

State Fiscal Impact: This proposal does not impact the State Financial Plan, but will provide counties additional investment options to manage their resources.

Permanent County-Wide Shared Services Initiative (CWSSI) with Enhanced Flexibility (PPGG Part NN): The Executive Budget proposes to expand opportunities for local government shared services plans, actions, and State matching funds. The SFY 2018-19 budget introduced the CWSSI to provide a process whereby each county could create a plan to submit to the State detailing shared service actions and initiatives that, once implemented, achieve demonstrable taxpayer savings. The State provides matching funds pursuant to the savings realized by the plans.

Under current law, a project included in a previous plan cannot be included in a future plan and is not eligible for State matching funds. This proposal encourages the realization of shared services initiatives by permitting unimplemented projects included in previous plans to be eligible for State funds. Additionally, current law provides that net savings for each project are only eligible for State matching funds for net savings achieved between January 1 and December 31 of the ensuing year. This change allows local governments to decide whether to implement projects, beginning either January 1 or July 1 of the ensuing year, in order to be eligible for State matching funds. All projects in a plan must be implemented during the same 12-month period.

Finally, this proposal will make the CWSSI permanent. A similar proposal was included in the Executive Budget last year (although last year's proposal would not have made the CWSSI permanent), but it was not included in the final Enacted Budget.

State Fiscal Impact: The SFY 2021-22 Executive Budget re-appropriates \$214 million for the CWSSI, and these changes are intended to encourage more participation in the program.

Extended Authorization for Local Government Piggyback Contracts (PPGG Part OO): The Executive Budget proposes to extend local governments' authority to "piggyback" on competitively bid contracts from the federal government and/or any other local government or state for materials, equipment, supplies, apparatus, and any services related to their installation, repair, or maintenance, for an additional two years, to July 31, 2023. This authorization helps local governments to save taxpayer dollars and realize efficiencies. The current expiration is July 31, 2021.

State Fiscal Impact: This proposal will not affect the State Financial Plan, but could increase costs of purchasing goods and services for local governments if it is allowed to expire.

Authorization of Shared Jails for Contiguous Counties (PPGG Part PP): Section 217 of the County Law requires each county to maintain a jail. The Executive Budget proposes to relieve counties that are contiguous to one another of the requirement to operate and maintain their own jails, if they have jointly approved shared services agreements for the housing of their inmate populations and the operation of a jointly maintained county jail. Following recent changes in the law, counties may not need the same jail capacity as in the past, so this proposal could enable counties to realize efficiencies and save money when jail populations and capacity needs are declining. A similar proposal, which did not require counties to be contiguous to share a jail, was proposed in the Executive Budget last year, but it was not included in the final budget.

State Fiscal Impact: This proposal does not impact the State Financial Plan, but will provide contiguous counties with the ability to share jails and potentially realize additional savings.

Labor and Workforce



Labor and Workforce Highlights

Appropriations

- **Unemployment Insurance Funding:** The Executive proposes \$11 billion in additional Unemployment Insurance funding through a deficiency bill, for a total of \$71 billion, to provide adequate funding for an anticipated increase in Unemployment Insurance claims through March 31, 2021.
- **Interest Costs for Federal Unemployment Insurance:** The Executive proposes \$130 million for the payment of interest costs due to advances from the Federal Unemployment Insurance account.
- **COVID-19 Recovery Workforce Initiative:** The Executive proposes \$50 million for a COVID-19 recovery workforce initiative.
- **Employment and Training Program Reductions:** The Executive Budget does not include numerous appropriations added by the Legislature for various employment and training programs, which totaled \$12.1 million in SFY 2020-21.
- **Reduction in State Workforce:** The hiring freeze put in place due to the State financial crisis as a result of the COVID-19 pandemic will result in an estimated reduction of 2,551 Full Time Equivalent Employees (FTEs) through March 2021. The Executive proposes that the State Workforce will decrease by 830 from March 2021 estimates to March 2022 estimates.

Article VIIIs

- **Unemployment Insurance Benefits Changes to Encourage Part-Time Work (ELFA Part T):** The Executive Budget proposes legislation changing the unemployment insurance calculation from a day-based system to an earnings-based system.
- **Paid Leave for COVID-19 Vaccination (ELFA Part W):** The Executive Budget proposes legislation to provide paid leave for public and private employees to receive COVID-19 vaccinations.
- **Extension of Prevailing Wage to Covered Renewable Energy Projects (ELFA Part AA):** The Executive proposes legislation establishing a distinction between prevailing wage requirements on solar renewable energy projects and other renewable energy projects.
- **New York State Insurance Fund Changes (PPGG Parts V, W, X):** The Executive Budget proposes legislation permitting the State Insurance Fund to cover in-state policyholders' out-of-state work, expanding the State Insurance Fund's investment authority, and adjusting the Aggregate Trust Fund rates.

- **Retiree Healthcare Changes (PPGG Parts CC, DD, EE)**: The Executive Budget proposes multiple Article VII provisions to reduce the State's healthcare premium obligations for current and future retirees.

Labor and Workforce Agency Details

Labor and Workforce Agency All Funds Appropriations				
Agency	Available SFY 2020	Executive Recomm	Change	% Change
Department of Labor	\$ 72,874,876,000	\$ 62,051,911,000	\$ (10,822,965,000)	-14.9%
Labor Management Committees	\$ 33,222,000	\$ 27,860,000	\$ (5,362,000)	-16.1%
General State Charges	\$ 6,278,809,000	\$ 7,066,468,000	\$ 787,659,000	12.5%
Department of Civil Service	\$ 58,741,000	\$ 59,541,000	\$ 800,000	1.4%
Workers' Compensation Board	\$ 206,507,000	\$ 206,507,000	\$ -	0.0%
Workers' Compensation Reserve	\$ 9,590,000	\$ 9,590,000	\$ -	0.0%
Office of Employee Relations	\$ 8,683,000	\$ 8,683,000	\$ -	0.0%
Deferred Compensation Board	\$ 892,000	\$ 892,000	\$ -	0.0%
Public Employment Relations Board	\$ 4,056,000	\$ 4,056,000	\$ -	0.0%
Total Labor and Workforce	\$ 79,475,376,000	\$ 69,435,508,000	\$ (10,039,868,000)	-12.6%

Overview

The Executive Budget proposes approximately \$69.4 billion in All Funds appropriations for the agencies comprising the Labor and Workforce functional area in SFY 2021-22. This is a decrease of approximately \$10 billion, or 12.6 percent, from SFY 2020-21 levels. The largest dollar decrease is in the Department of Labor budget, which supports employment and training programs, protects workers, assists the unemployed, and connects job seekers to jobs. This decrease is driven primarily by extremely high Unemployment Insurance (UI) expenses in SFY 2020-21, which necessitated a deficiency bill in January 2021 to provide \$11 billion in additional UI funding in order to provide adequate funding for SFY 2020-21.

Department of Labor

The Executive Budget proposes \$62.1 billion in All Funds appropriations for the Department of Labor (DOL), which is a decrease of \$10.8 billion or 14.9 percent from SFY 2020-21 levels. This decrease is driven primarily by extremely high Unemployment Insurance (UI) expenses in SFY 2020-21, which necessitated a deficiency bill in January 2021 to provide \$11 billion in additional UI funding in order to provide adequate funding for SFY 2020-21. This decrease is offset by increases of \$130 million for the payment of interest costs resulting from the State borrowing funds from the Federal UI Trust Fund to cover the influx of UI claims experienced by the State due to business shutdowns and closures resulting from the COVID-19 pandemic, and \$50 million for a COVID-19 recovery workforce initiative. None of the approximately \$12.1 million in legislative adds for various employment and training programs are included in the Executive Budget. DOL's workforce is estimated to remain constant at 2,695 FTEs.

Department of Civil Service

The Executive Budget proposes \$59.5 million in All Funds appropriations for the Department of Civil Service, which is an increase of \$800,000 or 1.4 percent from SFY 2020-21 levels. This

increase would facilitate the proctoring of virtual civil service examinations. The Executive Budget would continue to reimburse costs related to providing sick leave for employees with a qualifying World Trade Center condition. The Department of Civil Service’s workforce is estimated to remain constant at 336 FTEs.

Please see charts on the following pages for additional workforce details.

Workforce Impact Summary								
All Funds								
FY 2020 Through FY 2022								
	FY 2020 Actuals (03/31/20)	Starting Estimate (03/31/21)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/22)
Major Agencies								
Children and Family Services, Office of	2,889	2,799	(752)	467	0	0	(285)	2,514
Corrections and Community Supervision, Department of	28,651	27,647	(1,642)	842	0	0	(800)	26,847
Education Department, State	2,680	2,650	(265)	265	0	0	0	2,650
Environmental Conservation, Department of	3,017	2,924	(180)	187	0	9	16	2,940
Financial Services, Department of	1,329	1,296	(152)	152	0	0	0	1,296
General Services, Office of	1,844	1,793	(19)	19	0	0	0	1,793
Health, Department of	4,813	5,079	(282)	654	0	(33)	339	5,418
Information Technology Services, Office of	3,423	3,320	(128)	128	0	0	0	3,320
Labor, Department of	2,770	2,695	(127)	127	0	0	0	2,695
Mental Health, Office of	13,929	13,692	(2,531)	2,085	0	0	(446)	13,246
Motor Vehicles, Department of	3,025	2,899	(597)	597	0	0	0	2,899
Parks, Recreation and Historic Preservation, Office of	2,035	1,981	(152)	152	0	0	0	1,981
People with Developmental Disabilities, Office for	18,984	18,590	(2,470)	2,482	0	0	12	18,602
State Police, Division of	5,785	5,602	(273)	273	0	0	0	5,602
Taxation and Finance, Department of	3,787	3,785	(86)	86	0	0	0	3,785
Temporary and Disability Assistance, Office of	1,922	1,864	(222)	222	0	0	0	1,864
Transportation, Department of	8,487	8,182	(338)	338	0	0	0	8,182
Workers' Compensation Board	1,081	1,049	(56)	56	0	0	0	1,049
Subtotal - Major Agencies	110,451	107,847	(10,272)	9,132	0	(24)	(1,164)	106,683
Minor Agencies	7,742	7,704	(642)	952	0	24	334	8,038
Subtotal - Subject to Direct Executive Control	118,193	115,551	(10,914)	10,084	0	0	(830)	114,721
Adjustments								
Hiring Freeze Savings	0	(2,551)	0	0	0	0	0	(2,551)
Subtotal - Adjustments	0	(2,551)	0	0	0	0	0	(2,551)
University Systems								
City University of New York	13,797	13,476	0	0	0	0	0	13,476
State University Construction Fund	141	131	0	0	0	0	0	131
State University of New York	47,085	46,708	0	0	0	0	0	46,708
Subtotal - University Systems	61,023	60,315	0	0	0	0	0	60,315
Independently Elected Agencies								
Audit and Control, Department of	2,698	2,710	(134)	134	0	0	0	2,710
Law, Department of	1,801	1,782	(156)	156	0	0	0	1,782
Subtotal - Independently Elected Agencies	4,499	4,492	(290)	290	0	0	0	4,492
Agency Total	183,715	177,807	(11,204)	10,374	0	0	(830)	176,977

Workforce Impact Summary								
All Funds								
FY 2020 Through FY 2022								
	FY 2020 Actuals (03/31/20)	Starting Estimate (03/31/21)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/22)
Minor Agencies								
Addiction Services and Supports, Office of	724	700	(87)	87	0	0	0	700
Adirondack Park Agency	50	49	(1)	1	0	0	0	49
Aging, Office for the	85	95	(2)	2	0	0	0	95
Agriculture and Markets, Department of	479	467	(18)	18	0	0	0	467
Alcoholic Beverage Control, Division of	109	114	(10)	185	0	33	208	322
Arts, Council on the	27	27	(3)	3	0	0	0	27
Budget, Division of the	261	261	(25)	25	0	0	0	261
Civil Service, Department of	346	336	(21)	21	0	0	0	336
Correction, Commission of	39	38	(2)	2	0	0	0	38
Criminal Justice Services, Division of	405	396	(9)	16	0	0	7	403
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	140	135	(12)	12	0	0	0	135
Elections, State Board of	76	75	(9)	24	0	0	15	90
Employee Relations, Office of	63	61	(3)	3	0	0	0	61
Executive Chamber	118	136	(25)	25	0	0	0	136
Financial Control Board, New York State	12	12	0	0	0	0	0	12
Gaming Commission, New York State	376	395	(19)	19	0	(4)	(4)	391
Higher Education Services Corporation, New York State	145	139	(12)	12	0	0	0	139
Homeland Security and Emergency Services, Division of	579	570	(26)	26	0	0	0	570
Housing and Community Renewal, Division of	622	612	(42)	42	0	0	0	612
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	154	149	(13)	13	0	0	0	149
Indigent Legal Services, Office of	30	30	(2)	2	0	0	0	30
Inspector General, Office of the	78	76	(5)	5	0	4	4	80
Interest on Lawyer Account	9	9	0	0	0	0	0	9
Judicial Conduct, Commission on	42	40	(2)	2	0	0	0	40
Justice Center for the Protection of People with Special Needs	432	420	(68)	68	0	0	0	420
Labor Management Committees	71	70	(5)	5	0	0	0	70
Lieutenant Governor, Office of the	4	7	(1)	1	0	0	0	7
Medicaid Inspector General, Office of the	409	445	(15)	85	0	0	70	515
Military and Naval Affairs, Division of	386	374	(31)	31	0	0	0	374
End Domestic and Gender-Based Violence, Office to	27	26	(3)	6	0	0	3	29
Public Employment Relations Board	32	31	(2)	2	0	0	0	31
Public Ethics, Joint Commission on	46	46	(4)	4	0	0	0	46
Public Service Department	490	476	(42)	42	0	0	0	476
State, Department of	524	541	(88)	128	0	(9)	31	572
Statewide Financial System	137	133	(7)	7	0	0	0	133
Tax Appeals, Division of	24	25	(1)	1	0	0	0	25
Veterans' Services, Division of	93	90	(15)	15	0	0	0	90
Victim Services, Office of	88	87	(11)	11	0	0	0	87
Welfare Inspector General, Office of	6	6	(1)	1	0	0	0	6
Subtotal - Minor Agencies	7,742	7,704	(642)	952	0	24	334	8,038

General State Charges

The Executive Budget proposes \$7.1 billion in All Funds appropriations for General State Charges, which is an increase of \$787.7 or 12.5 percent from SFY 2020-21 levels. This increase is primarily driven by increases in the State's obligations for pensions (\$442.1 million), social security contributions (\$359.3 million), and employee and retiree health insurance (\$151.8 million). There are no FTEs associated with General State Charges.

Labor Management Committees

The Executive Budget proposes \$27.9 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted, which is a \$5.4 million or 16.1 percent decrease from SFY 2020-21 levels due to the current status of CBAs. Any costs of new CBAs will be incorporated within separate legislation. The Labor Management Committees' workforce is estimated to remain constant at 70 FTEs.

Public Employment Relations Board

The Executive Budget proposes \$4.1 million in All Funds appropriations for the Public Employment Relations Board (PERB), which would remain flat when compared to SFY 2020-21 levels. PERB's workforce is estimated to remain constant at 31 FTEs.

Workers' Compensation Board

The Executive Budget proposes \$206.5 million in All Funds appropriations for the Workers' Compensation Board (WCB), which would remain flat compared to SFY 2020-21 levels. The WCB's workforce is estimated to remain constant at 1,049 FTEs.

Workers' Compensation Reserve

The Executive Budget proposes \$9.6 million in All Funds appropriations for the Workers' Compensation Reserve (WCR), which would remain flat when compared to SFY 2020-21 levels. There are no FTEs associated with this fund.

Office of Employee Relations

The Executive Budget proposes \$8.7 million in All Funds appropriations for the Office of Employee Relations (OER), which would remain flat when compared to SFY 2020-21 levels. OER's workforce is estimated to remain constant at 61 FTEs.

Deferred Compensation Board

The Executive Budget proposes \$892,000 in All Funds appropriations for the Deferred Compensation Board (DCB), which would remain flat when compared to SFY 2020-21 levels. DCB’s workforce is estimated to remain constant at four FTEs.

Article VII

Department of Civil Service

Income Related Monthly Adjustment Amount (IRMAA) Reimbursement Elimination for High-Income State Retirees (PPGG Part CC): Higher-income beneficiaries must pay an adjusted amount for Medicare Part B or Part D. These “Income-Related Monthly Adjustment Amounts” (IRMAA) are set by the Social Security Administration and are based on a retiree’s gross income. The Executive Budget proposes legislation that would end the State’s practice of reimbursing IRMAA for high-income State retirees. This proposal would save the state \$4 million in SFY 2021-22, increasing to \$17.1 million dollars in SFY 2022-23. Similar proposals have been rejected by the Legislature in each of the past several budgets.

The IRMAA thresholds begin at \$88,000 for a single filer and \$176,000 for a joint filer, and the premiums are demonstrated in the chart below.

IRMAA Premium Rates			
Single Retirees	Married Retirees	IRMAA Premium (monthly)	Total Premium (monthly)
Up to \$88,000	<i>Up to \$176,000</i>	\$0	\$148.50
\$88,001-\$111,000	\$176,001-\$222,000	\$59.40	\$207.90
\$111,001-138,000	\$222,001-\$276,000	\$148.50	\$297.00
\$138,001-\$165,000	\$276,001-\$330,000	\$237.60	\$386.10
\$165,001-\$500,000	\$330,001-\$750,000	\$326.70	\$475.20
Over \$500,000	Over \$750,000	\$356.40	\$504.90

Cap on Reimbursement for Medicare Part B Premiums for State Retirees (PPGG Part EE):

The Executive Budget proposes legislation that would limit reimbursement of Medicare Part B premium paid to retirees to an amount equal to 2021’s standard Medicare premium charge, which is currently \$148.50. This proposal would result in savings of \$1.8 million in SFY 2021-22 and \$9.3 million in SFY 2022-23.

Under current law, all State retirees who vest lifetime health benefits and reach the age of 65 are enrolled in Medicare Part B in lieu of the State’s own health insurance. The State then reimburses State retirees for their Medicare Part B costs. Because the federal government sets premium rates,

the reimbursement amount has increased over the years. This change would freeze the reimbursement rate and force the Legislature to negotiate for a statutory change in order to increase the premium reimbursement. Similar proposals have been rejected by the Legislature in each of the past several budgets.

Standard Medicare Premium Rates 2012 - 2020						
2012	2013-2016	2017	2018	2019	2020	2021
\$99.00	\$104.90	\$121.80	\$134.00	\$135.50	\$144.60	\$148.50

Sliding Scale Reimbursement of Healthcare Costs for Future New York State Civilian Hires at Retirement (PPGG Part DD):

The Executive Budget proposes Article VII language to scale healthcare costs for retirees based upon years of service. This proposal would affect employees hired on or after October 1, 2021, and consequently any savings from this proposal would not be realized until at least 2031. This proposal would not apply to police officers, firefighters, uniformed personnel in the Department of Corrections and Community Supervision, security hospital treatment assistants or any state employee that has retired with ordinary, accidental, or performance of duty disability. Similar proposals have been rejected by the Legislature in each of the past several budgets.

Currently, the State’s share of healthcare costs is the same whether an employee retires after 10 years of service or 30 years. Under this proposal a sliding scale would be implemented so that only employees who retire with 30 years of service would earn retiree healthcare at the current employee rate. The exact rates would vary based on employee grade and years of service in the following manner:

Sliding Scale Reimbursement of Healthcare Costs				
	Proposed Single Premiums		Proposed Family Premiums	
State Service	<i>Grade 9 or lower</i>	<i>Grade 10 or higher</i>	<i>Grade 9 or lower</i>	<i>Grade 10 or higher</i>
10 - 20 years	54% - 72%	50% - 68%	39% - 57%	35% - 53%
20 - 30 years	78% - 88%	74% - 84%	63% - 73%	59% - 69%

Department of Labor

Unemployment Insurance Benefits Changes to Encourage Part-Time Work (ELFA Part T):

The Executive Budget proposes legislation amending the partial unemployment insurance calculation system from a day-based system to an earnings-based system. Under the current system, unemployment insurance claimants working part time are eligible for benefits if the claimant works less than four days in a week and earns less than \$504 during the week. Each day during which a claimant reports having worked causes the weekly benefit rate to drop by 25 percent, regardless of how many hours worked or the amount of money earned on that day. This proposal would change that so the first \$100 dollars earned by the claimant, or earnings up to the

amount equal to 40 percent of the claimant's weekly benefit amount, whichever is greater, will not reduce the amount of unemployment insurance benefits the claimant receives. After that amount of earnings, any additional unemployment insurance benefits will be reduced dollar by dollar.

This proposal is very similar in structure to the proposal in S.1042A (Ramos) / A.2355A (Stirpe), which passed the Senate on January 19, 2021. However, S.1042A has a more generous disregard of either the first \$100 dollars earned by the claimant, or earnings up to the amount equal to 50 percent of the claimant's weekly benefit amount, whichever is greater. In addition, S.1042A would become effective within 30 days of enactment, whereas the Executive's proposal would not become effective until a year after enactment.

The Executive recently announced a temporary partial unemployment measure as a stop-gap until a more permanent fix is put into effect. Under this policy, there is no reduction of benefits for the first four hours of work, and any subsequent hours worked in a week will be translated to a certain number of "days" for reporting purposes.

Paid Leave for COVID-19 Vaccination (ELFA Part W): The Executive Budget proposes to provide paid leave for public and private employees who are receiving COVID-19 vaccinations. Each employee would be entitled to eight hours of paid leave to be used for each of two COVID-19 vaccine injections, or four hours per appointment. Employees would be entitled to their regular rate of pay for the leave taken under this proposal. In addition, this leave may not reduce an employee's accrued leave or earned benefits or wage supplements or diminish any rights under a collective bargaining agreement. The proposal includes anti-discrimination and anti-retaliation provisions, and gives the Commissioner of Labor authority to adopt regulations, issue emergency regulations, and issue guidance on matters including the use, payment, and employee eligibility of leave under the proposal. As an unconsolidated proposal, the provision of additional paid sick leave for this purpose would not apply to any other activity other than receiving a vaccination for COVID-19. The Executive has indicated that there may be a fiscal associated with this bill, and is currently working with the Department of Labor to determine how much it might cost the State.

Extension of Prevailing Wage to Covered Renewable Energy Projects (ELFA Part AA): The Executive advances a proposal that addresses whether prevailing wage requirements are applied on certain renewable energy projects. The bill draws a distinction between the installation of a solar energy system and other installations of renewable energy systems. Prevailing wage requirements are triggered when the installation is of a solar energy system with a capacity of over five megawatts alternating current and with a total project cost of over five million dollars. Prevailing wage requirements are triggered when the installation is of another renewable energy system where the capacity is over 25 megawatts alternating current and has a total project cost of over ten million dollars. This proposal's impact on last year's Enacted Budget, which set prevailing standards for private renewable energy projects using public funds, is unclear, since this proposal

is set in unconsolidated law. Notably, last year's prevailing wage provisions, now codified in Section 214-A of the Labor Law, apply prevailing wage to publicly funded projects over 5 million dollars and receiving 30 percent or more in public subsidies based on a threshold of 5 MW, as opposed to the 25 MW in this proposal. On the other hand, this legislative proposal explicitly applies the prevailing wage standards to projects covered by REDC Renewable Energy Credits, suggesting the Executive does not believe the current prevailing wage language covers these commonly used public incentive credits for renewable projects. It is also unclear what impact this proposal has on completely private renewable energy projects, as the legislative proposal explicitly excludes projects that are completely privately funded, but does not define whether this includes or excludes State loan financing or tax-incentives that reduce costs without providing hard dollar incentives.

Workers' Compensation Board

NYSIF Out-of-State Coverage (PPGG Part V): The Executive Budget proposes legislation permitting the State Insurance Fund to cover in-state policyholders' out-of-state work. The State Insurance Fund (SIF) is a nonprofit State entity that acts as a government insurance carrier and provides workers' compensation and disability benefits for employers as carrier of last resort; it is also the largest workers' compensation insurance carrier in New York and competes with private insurance carriers. It is required by law to provide the lowest possible premiums. This proposal was rejected by both houses in the Fiscal Year 2021 Executive Budget due to concerns about how this proposal would impact the workforce at SIF. However, this year's proposal includes a new provision that clarifies that agreements made under this proposal will not include claims services outside of what is required for the out-of-state work.

NYSIF Enhanced Investment Authority (PPGG Part W): The Executive proposes legislation authorizing the State Insurance Fund (SIF) to expand its investment authority by permitting investment in the same types of funds and securities that private workers' compensation insurance providers are currently able to invest in. Current law requires that SIF limits its investment to a list of approved securities described in the Banking Law. The Executive proposal instead provides that reserve funds may instead be invested in a category of investments described in the Insurance Law. SIF has historically claimed this is more appropriate since it is more akin to an insurance fund and not a bank, and SIF believes that the enhanced investment authority will allow it to compete with private insurance carriers. A similar proposal was rejected by both houses in the Fiscal Year 2021 Executive Budget and in the Fiscal Year 2020 Executive Budget.

Reserve and Deposit Discounts (PPGG Part X): The Executive Budget proposes legislation that would permit the State Insurance Fund (SIF) to use modern mortality and remarriage tables to calculate deposits and reserves for the Aggregate Trust Fund (ATF). As part of the 2007 reforms, a provision of workers' compensation law requires workers' compensation carriers to make a

deposit into the ATF when a claimant is classified as having a permanent partial disability. The rate of the ATF contribution is based on survivorship, life expectancy, and remarriage rates. The memorandum in support of this bill published by the Division of the Budget argues that SIF currently uses an outdated, century-old mortality and remarriage table to calculate appropriate deposits into the ATF. For example, because people get married less frequently than in the past and tend to live longer, the Executive believes that ATF rates should increase. The Executive proposal provides that different, more up-to-date tables from the Department of Health and Human Services and the United States Railroad Retirement Board would be used instead and will be continually updated every ten years consistent with publishing from those two entities. This proposal would strengthen the long-term fiscal health of the ATF and does not impact what an injured worker would receive. It also would avoid any potential fiscal impact on the state, since the state must cover the cost if the ATF rates are not accurate.

This proposal would also amend the reserved discount rate used to calculate reserve levels for the Workers' Compensation Fund (WCF) in a manner consistent with the other change proposed in this section. For this section, SIF argues that WCF's reserves are currently set at a discounted rate of five percent but that such reserve was set in 1989 when interest rates were higher than they are now. Instead, this bill would remove that discounted rate and use the same reserve standard private workers' compensation insurers use under the Insurance Law. This change would not impact the ATF, but rather would impact reserves on SIF claims.

Human Services and Housing



Staff Analysis of
the 2021-22 Executive Budget

Human Services and Housing Highlights

Appropriations

- **Emergency Rental Assistance Program:** The Executive Budget includes \$1.3 billion to assist residents with rental arrears who have experienced financial hardship and are at risk of homelessness or housing instability.
- **Advantage After School:** The Executive Budget provides \$28 million in funding for the Advantage After School program.
- **Family First Prevention Service Act (FFPSA) Implementation:** The Executive provides \$75 million in federal support for the implementation of FFPSA.
- **Supplemental Nutrition Assistance Program (SNAP):** The Executive Budget provides \$420 million in support for SNAP, an increase of \$20 million above SFY 2020-21.

Article VII

- **Closure of Four Underutilized OCFS Youth Facilities (ELFA Part H):** The Executive proposes to close four secure and non-secure youth facilities. The Executive seeks to waive the statutory one-year notice of closure provision and instead notify the Legislature six months prior to the impending closure.
- **Permanent Elimination of State Share for Committee on Special Education Placements (ELFA Part I):** The Executive proposes to permanently eliminate the State share for Committee for Special Education placements, which is currently shared by the local social services district and local school district. That provision was set to expire on April 1, 2021.
- **Family First Prevention Services Act (FFPSA) Provisions (ELFA Part L):** To bring New York into compliance with the federal FFPSA by September 2021, the Executive proposes to require periodic assessments and Family Court review and approval for foster care children placed in qualified residential treatment programs.
- **Standardized Parent Co-Pay Cap for Child Care (ELFA Part Z):** The Executive proposes to limit the family co-payment requirement to no more than 20 percent of their income above the federal poverty level.

- **Prohibit Discrimination Based on Citizenship (ELFA Part S)**: The Executive proposes to expand Human Rights Law to include citizenship or immigration status as a protected class, prohibiting discrimination based on citizenship or immigration status in employment, housing, public accommodations, and in other instances where the Human Rights Law protects against unlawful discrimination.
- **Expansive Equal Rights Amendment (Concurrent Resolution)**: The Executive proposes a constitutional amendment to add sex, sexual orientation, gender identity or expression, ethnicity, national origin, age, and disability as protected classes in the New York Constitution's anti-discrimination clause.

Human Services Agency Details

Overview

The Executive Budget recommends \$12.94 billion in All Funds appropriation authority for the agencies comprising the Human Services and Housing functional area for SFY 2021-22. This is an increase of \$2.1 billion, or 19.2 percent, over SFY 2020-21 levels. This change is largely the result of an increase in appropriation authority for the Office of Temporary and Disability Assistance, the Office of Children and Family Services, and the Division of Housing and Community Renewal offset by a decrease in the Pay for Success Contingency Reserve.

Human Services and Housing Agency Funds Appropriations				
Agency	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	change	percent
Office of Children and Family Services	\$ 4,070,042,529	\$ 4,486,047,000	\$ 416,004,471	10.2%
Raise the Age	\$ 250,000,000	\$ 250,000,000	\$ -	0.0%
Office of Temporary and Disability Assistance	\$ 5,871,704,000	\$ 7,253,445,000	\$ 1,381,741,000	23.53%
Division of Housing and Community Renewal	\$ 309,362,000	\$ 646,517,000	\$ 337,155,000	109.0%
State of New York Mortgage Agency	\$ 216,274,429	\$ 232,800,000	\$ 16,525,571	7.6%
Division of Veterans' Services	\$ 21,531,000	\$ 19,527,000	\$ (2,004,000)	-9.3%
Division of Human Rights	\$ 18,153,000	\$ 18,153,000	\$ -	0.0%
Office of the Welfare Inspector General	\$ 1,312,000	\$ 1,312,000	\$ -	0.0%
National and Community Service	\$ 30,773,300	\$ 30,773,300	\$ -	0.0%
Pay for Success Contingency Reserve	\$ 69,000,000	\$ -	\$ (69,000,000)	-100.0%
Nonprofit Infrastructure Capital Investment Program	\$ -	\$ -	\$ -	0.0%
Total Human Services, Aging, and Housing	\$ 10,858,152,258	\$ 12,938,574,300	\$ 2,080,422,042	19.2%

Office of Children and Family Services (OCFS)

The SFY 2021-22 Executive Budget recommends \$4.5 billion in All Funds appropriation authority for the Office of Children and Family Services, an increase of \$416 million or 10.2 percent over SFY 2020-21. The Executive Budget recommends a workforce of 2,514 FTEs for SFY 2021-22, a decrease of 285 FTEs from SFY 2020-21 due to the closure of some facilities.

This increase can mainly be attributed to:

- An additional \$500 million in federal support for additional emergency funding to address public health emergencies as part of the Child Care Block Grant.
- An additional \$75 million in federal support for continued compliance and implementation of the Family First Prevention Services Act (FFPSA).
- An increase of \$27.2 million in support for child care subsidies.

These increases are partially offset by:

- \$69.4 million in temporary reductions due to the Executive's 5 percent withholding of local assistance to various programs.
- \$29.4 million from the elimination of various legislative initiatives.
- \$10.9 million reductions from Youth Facility closures.
- \$4.4 million reductions from the consolidation of the Community Optional Preventive Services program and the Supervision and Treatment Services for Juveniles Program.
- \$1.8 million in reductions from the consolidation of Community Multi-Service Offices.

Child Care Subsidies

The SFY 2021-22 Executive Budget provides \$832 million in overall support for child care subsidies, which is unchanged from SFY 2020-21. This funding is derived from an array of funding sources, including \$229 million in OCFS General Fund support for child care, \$214.9 million in TANF support, \$221.4 million in federal Child Care Development Fund, and \$166.8 in federal Child Care Development Fund prior year rollover. The Executive Budget continues to reserve up to \$80 million in federal funding to support implementation of the health and safety requirements of the federal Child Care and Development Fund Block Grant Reauthorization Act of 2014, along with up to \$10 million in additional federal funding to increase child care availability in the State.

Child Care Support Programs

The SFY 2021-22 Executive Budget proposes to invest \$40 million of federal funding to cap low income families' co-payments for child care at 20 percent of their income above the poverty level. The Executive also proposes a \$6 million investment providing grants to create child care programs in identified child care deserts. Funding for these investments will be supported through prior years Child Care Block Grant funding being rolled over into this fiscal year. Additionally, the Executive Budget provides \$500 million in federal support for additional emergency funding to address public health emergencies as part of the Child Care Block Grant.

Family First Prevention Service Act (FFPSA) Implementation

The Executive proposes \$75 million in federal support for the implementation of FFPSA. The Executive will provide \$25 million to assist with FFPSA compliance and \$50 million for temporary grants to entities with expired demonstration projects. New York City will be the only district eligible for these grants. This is the second year of federal implementation funding.

Community Optional Preventive Services program and the Supervision and Treatment Services for Juveniles Program

The Executive proposes to provide \$16 million for the consolidated Community Optional Preventive Services program and the Supervision and Treatment Services for Juveniles Program. The Executive has determined that consolidation will capture associated efficiencies since these programs serve similar constituencies and will allow local governments greater flexibility in service delivery for at-risk youth. The Executive estimates \$2.7 million in savings, or 20 percent, for SFY 2021-22, increasing to \$3.8 million when fully annualized.

Raise the Age (RTA)

New York's Raise the Age law took effect on October 1, 2018, at which time the age of criminal responsibility increased from 16- to 17-years old. On October 1, 2019, the second phase of Raise the Age became effective, and the age of criminal responsibility increased from 17- to 18- years old. The SFY 2021-22 Executive Budget provides \$250 million in funding to support continued implementation of Raise the Age, which is unchanged over SFY 2020-21. The Executive proposal includes \$19 million in savings for this fiscal year from limitations placed on Voluntary Agency providers' reimbursements by only reimbursing them for utilized beds. Currently, providers are reimbursed for the cost of maintaining a bed, regardless if it was utilized, to ensure sufficient capacity as RTA went into effect. As the RTA Voluntary Agency residential population increases, vacancy rates are expected to decrease, resulting in savings of \$14.6 million in out years.

Youth Facility Closures

The Executive proposes the closure of four OCFS-operated Youth Facilities and the waiver of statutory notice. The Executive estimates this will result in \$10.9 million in savings in SFY 2021-22 and \$21.8 million in savings annually thereafter.

Consolidate Community Multi-Service Offices (CMSO)

The Executive Budget proposes the consolidation of OCFS CMSOs in New York City and Central New York. CMSOs provide community supervision, family engagement, and support during a youth's residential placement and after their return to the community. Currently, OCFS operates ten CMSOs and four satellite offices. This consolidation will result in a total of eight CMSOs and one satellite office. The Executive estimates that this proposal will result in a 25 FTE reduction and yield \$1.8 million in savings for SFY 2021-22.

Permanent Elimination of the State Share of Committee on Special Education Placement Costs

The Executive proposes to make permanent the elimination of the 18.42 percent State share of room and board costs associated with the placement of children with severe disabilities by the Committee on Special Education for counties outside of New York City. Prior to enactment of this proposal, New York City already paid for such placements without State assistance.

Under this proposal, the State share would be added to the school districts' existing 38.42 percent share. Last year, the Executive eliminated the State share for all districts outside of New York City, creating a statewide policy where the costs are shared between the local social service district (43.15 percent) and the school district (56.84 percent).

Survivor-Centered Domestic Violence Pilot Program

The Executive provides \$4.8 million to maintain the flexible survivor-centered services pilot program for individuals and families who have experienced domestic violence, a decrease of \$250,000 from SFY 2020-21.

Article VII

OCFS Authorization to Close Four Underutilized Youth Facilities (ELFA Part H): The Executive advances legislation authorizing OCFS to close four secure and non-secure youth residential facilities. Those facilities are: Goshen Secure Center (Orange County), Columbia Secure Center (Columbia County), Red Hook Non-Secure Center (Dutchess County), and Brentwood Non-Secure Residential Center (Suffolk County), with a proposed closure date of October 1, 2021. The capacity for these four facilities total 142 beds, but only 50 youth currently occupy beds in these four facilities combined. OCFS will transfer these youth to other State facilities with vacant capacity. The closure of the facilities will result in a reduction of 260 full time employees.

The proposed language will also allow OCFS to waive the statutory one-year notice required for closures of youth facilities, and instead permit OCFS to notify the Speaker of the Assembly and Temporary President of the Senate six months prior to any anticipated closures. Such notice will also be published on OCFS's website.

Permanent Elimination of State Share for Committee on Special Education Residential Placements (ELFA Part I): The Executive proposes language which would permanently eliminate the state's financial contribution for Committee on Special Education (CSE) residential placements. A CSE has the authority to recommend placement of students with disabilities in residential schools. OCFS is responsible for the maintenance costs of the students.

The SFY 2021-22 Executive Budget proposed language that would change the current funding structure for CSE residential placements by shifting the State's share (18.424 percent) to local school districts for districts outside of New York City, which is already responsible for paying this share.

The SFY 2020-21 Enacted Budget created the following cost share structure: local school district (56.848 percent) and local social services district (43.152 percent), with a repeal date of April 1, 2021 for such provisions. The Executive is seeking to remove the repeal date and make the cost share provisions permanent. Continued implementation of this legislation is estimated to save the State approximately \$28 million annually.

Permanent Funding Structure for Youth Development Program (ELFA Part J): The Executive proposes language that would permanently extend the laws governing funding for the Youth Development Program.

In SFY 2014-15, the Enacted Budget consolidated the funding streams for the Youth Delinquency Prevention Programs and Special Delinquency Prevention Programs into one State funding stream. Under current law, local counties and the City of New York must submit comprehensive plans to OCFS, detailing the need for youth development programs in their communities, desired allocation of funds, and projected performance outcomes for services and programs.

As this statutory language was extended once in 2018 and set to sunset on December 31, 2021, the Executive seeks to remove the 2021 repeal date and make the law for funding these programs permanent.

Permanent Contractual Relationship between OCFS and BOCES (ELFA Part K): The Executive proposes language that would permanently extend the law authorizing OCFS to contract with Boards of Cooperative Educational Services (BOCES) to provide educational services to youth in OCFS juvenile facilities. BOCES provide special education, music, art, foreign language, and technical education services to youth in OCFS custody.

In SFY 2019-20, the Enacted Budget authorized OCFS to contract with BOCES to provide special education and career services to youth in OCFS facilities for a three-year period expiring on June 30, 2021. As this statutory language is set to sunset this year, the Executive seeks to remove the 2021 repeal date and allow the contractual agreement between OCFS and BOCES to continue indefinitely, at a cost of \$38,000 for SFY 2022-23. Without such an agreement, the Executive projects that OCFS would have to hire seven full-time teachers at an annualized cost of \$485,000.

Federal Family First Prevention Services Act Compliance (ELFA Part L): The Executive proposes language that would bring the State into compliance with the federal Family First Prevention Services Act (FFPSA). Per federal law, after foster youth have been in congregate care for two weeks, federal Title IV-E funding will only be available for certain settings, such as qualified residential treatment programs (QRTPs), specialized settings providing prenatal or parenting supports, supervised independent living, residential supportive settings for human trafficking survivors, and licensed residential family-based substance abuse treatment facilities.

The Governor's proposal calls for notice to the Family Court and attorneys for all parties, when a child has been placed in a QRTP. An assessment as to the appropriateness of the QRTP placement must be conducted within 30 days of the start of placement, and the court must schedule a court hearing no later than 60 days from the date a child is placed in a QRTP. The Governor's proposal sets forth the criteria for the evaluation of the child's placement in a QRTP and approval or disapproval of the placement.

Implementation of Differential Response Programs for Select Allegations of Child Maltreatment (ELFA Part M): The Executive proposes language that would require each local social services district (LSSD) to establish a program that implements differential responses to reports of child maltreatment. Differential response programs are designed to allow the LSSD to work collaboratively with the family to address the allegation when there is no showing of immediate or impending danger to the safety of the child or family. Current law allows LSSDs, at their discretion, to submit a plan to OCFS for authorization of a differential response program. This proposal would remove the discretion and require each LSSD to implement such a program.

Each LSSD must submit a plan to OCFS on or before January 1, 2023, for implementation prior to January 1, 2024. In addition, each plan submitted by the LSSD must include protocols that will remove implicit bias from the decision-making process in determining which cases would be diverted to the differential response program.

Limiting Child Care Parent Subsidies and Amending Current Child Care Provider Requirements (ELFA Part Z): The Executive proposes language that would cap the total family co-payment for the cost of child care assistance to no more than 20 percent of their income above the federal poverty level. Currently, LSSDs are allowed to set their own co-payment multiplier, which varies across the State between 10 percent and 35 percent. The Executive proposes to create a statewide cap of 20 percent. Such implementation will cost approximately \$40 million dollars and help make child care more affordable for 32,000 families.

The Executive also proposes language that would remove certain child care employment requirements from statute and regulations, including no longer providing personal and employment references, eliminating additional Statewide Central Register for Child Abuse and

Maltreatment clearances and permit the approval and quicker processing of background clearances.

Office of Temporary and Disability Assistance (OTDA)

The SFY 2021-22 Executive Budget proposes \$7.3 billion in All Funds appropriation authority for the Office of Temporary and Disability Assistance, a net increase of \$1.4 billion or 23.5 percent above SFY 2020-21. The Executive Budget recommends a workforce of 1,864 FTEs for SFY 2021-22, a decrease of 123 FTEs from SFY 2020-21 due to a hiring freeze.

The net increase can mainly be attributed to:

- The addition of \$1.3 billion in federal support for the Emergency Rental Assistance Program;
- An increase of \$200 million in federal funding for Temporary Assistance for Needy Families (TANF)
- An increase of \$70 million for Public Assistance/Safety Net Assistance
- An increase of \$51 million in federal support for Homeless housing prevention
- An increase of \$20 million in federal support for Supplemental Nutrition Assistance Program (SNAP)
- An increase of \$2.5 million in support for various homeless housing programs, including New York State Supportive Housing Program (NYSSHP), the Solutions to End Homelessness Program (STEHP) and the Operational Support for AIDS Housing Program (OSAH)

These increases are offset by decreases of:

- \$194 million from the reduction in support for TANF child care subsidies
- \$19.8 million from the elimination of various legislative TANF initiatives
- \$15 million from the elimination of support for New York City's shelter supplement program for people with HIV/AIDS
- \$5 million from the elimination of support for shelter supplement programs for people with HIV/AIDS outside New York City
- \$4.9 million from the elimination of other various legislative initiatives
- \$4.4 million in temporary reductions due to the Executive's 5 percent withholding of local assistance to various programs
- \$1 million from the elimination of New York Services to At-Risk Youth (NYSARY) for unaccompanied children residing in Nassau and Suffolk Counties

Temporary Assistance for Needy Families (TANF)

Summary of FY 2022 Executive Budget TANF Program (thousands of dollars)				
Program	SFY 2020-21 Enacted	SFY 2021-22 Executive	change	percent
TANF Base	\$ 1,708,925	\$ 1,714,943	\$ 6,018	0.35%
Family Assistance/Emergency Assistance to Families	\$ 1,300,000	\$ 1,500,000	\$ 200,000	15.38%
Child Care Subsidies	\$ 408,925	\$ 214,943	\$ (193,982)	-47.44%
TANF Initiatives	\$ 1,059,799	\$ 1,040,041	\$ (19,758)	-1.86%
Advantage After School	\$ 33,041	\$ 28,041	\$ (5,000)	-15.13%
ATTAIN	\$ 2,000	\$ -	\$ (2,000)	-100.00%
Career Pathways	\$ 1,425	\$ -	\$ (1,425)	-100.00%
Centro of Oneida	\$ 25	\$ -	\$ (25)	-100.00%
Child Care CUNY	\$ 141	\$ -	\$ (141)	-100.00%
Child Care Facilitated Enrollment - Monroe County	\$ 2,549	\$ -	\$ (2,549)	-100.00%
Child Care Facilitated Enrollment - Other Counties	\$ 5,939	\$ -	\$ (5,939)	-100.00%
Child Care SUNY	\$ 193	\$ -	\$ (193)	-100.00%
Flexible Fund For Family Services	\$ 964,000	\$ 964,000	\$ -	0.00%
Non-Residential DV	\$ 3,000	\$ 3,000	\$ -	0.00%
Preventive Services	\$ 785	\$ -	\$ (785)	-100.00%
RGRTA	\$ 82	\$ -	\$ (82)	-100.00%
Jewish Child Care Association of New York	\$ 200	\$ -	\$ (200)	-100.00%
Summer Youth Employment	\$ 45,000	\$ 45,000	\$ -	0.00%
Wage Sidsidy	\$ 475	\$ -	\$ (475)	-100.00%
Welfare to Careers	\$ 800	\$ -	\$ (800)	-100.00%
Wheels for Work	\$ 144	\$ -	\$ (144)	-100.00%
TOTAL TANF	\$ 2,768,724	\$ 2,754,984	\$ (13,740)	-0.50%

The SFY 2021-22 Executive Budget proposes total TANF appropriations of nearly \$2.8 billion, a decrease of \$13.7 million, or 0.5 percent below SFY 2020-21 levels. The Executive proposal provides \$28 million for the Advantage After School program. The Executive maintains funding for the Summer Youth Employment program at \$45 million, and eliminates \$19.8 million in SFY 2020-21 legislative initiatives.

Public Assistance

The Executive Budget projects a public assistance caseload of 558,000 recipients in SFY 2021-22, an increase of 22,205 recipients or 4.1 percent over SFY 2020-21. Safety Net spending is projected at \$2.1 billion, an increase of \$13 million from SFY 2020-21 due to an increase in the Safety Net population. The Executive anticipates federal TANF spending at \$1.4 billion, an increase of \$128 million from SFY 2020-21.

Emergency Rental Assistance Program

The Executive Budget includes \$1.3 billion in federal support for the Emergency Rental Assistance Program to assist residents with rental arrears who have experienced financial hardship and are at risk of homelessness or housing instability. Households will be eligible for the program if one or more individuals has experienced financial hardship, is at risk of homelessness or housing instability and earns up to 80 percent of the Area Median Income (AMI). The program would prioritize the most vulnerable residents who have been unemployed for at least 90 days and earning up to 50 percent of AMI. The program will support households by making up to 12 months of rental arrears payments and up to three months of prospective rent payments. A portion of this federal allotment will go directly to the State. Eligible localities with a population of at least 200,000 will have the option to receive direct federal payments or to opt-in to the State program. In order to combat the potential for fraud through double-dipping, households will be eligible for funding either through their locality's plan developed with their direct federal payment or through the State if their locality has not opted for direct payment.

Homeless Housing and Assistance Program

The Executive Budget provides \$128 million in capital support for the Homeless Housing and Assistance Program, which is unchanged from SFY 2020-21. These funds will be used for capital construction of housing targeted to individuals and families experiencing homelessness. In addition, the Executive provides \$5 million for supportive housing for veterans experiencing homelessness and \$5 million for supportive HIV/AIDS housing for counties outside of New York City.

Code Blue Program Appropriation

The Executive Budget includes \$12.4 million for the Code Blue program to support LSSDs' implementation of emergency measures for the homeless during inclement winter weather, a decrease of \$650,000 from SFY 2020-21. This is the Executive's second year of providing a discrete appropriation for this program. The program is the result of the Governor's 2016 Executive Order directing LSSDs to work with law enforcement and community based organizations to protect homeless individuals when temperatures drop below freezing.

Supportive Housing Programs

The Executive provides a total of \$90.4 million in overall support for the New York State Supportive Housing Program (NYSSHP), the Solutions to End Homelessness Program (STEHP) and the Operational Support for AIDS Housing Program (OSAH), or to qualified grantees of these programs, an increase of \$4.9 million from SFY 2020-21. The Executive provides \$45.2 million

in support from OTDA for this purpose and an additional \$45.2 million in funding from the Mortgage Insurance Fund (MIF) Excess Reserve, *see* ELFA Part O.

Article VII

Pass-Through Authorization of Any Federal SSI and COLA Increases (ELFA Part P): The Executive proposes to statutorily raise the personal needs allowance (PNA) and monthly Supplemental Security Income (SSI) standard of need amounts for elderly and disabled recipients who receive this assistance. PNAs are funds provided to individuals receiving family care, residential care, or care in a “facility for the mentally retarded,” the term still used in federal law.

The proposed language provides an average increase of \$2-\$3 per month per individual, dependent on the level of care, and authorizes these amounts to be increased in 2022, as per any increases at the federal level. This annual COLA increase will take effect December 31, 2021.

In addition, the Executive proposes language codifying the increase in federal SSI payments due to the recent 1.3 percent Cost of Living Adjustment (COLA) increase. Beginning in January 2021, the monthly SSI benefit amount has increased approximately \$11-16 per person, dependent on the residential living arrangement.

Transfer of Gifts to Food Banks Tax Check-Off Fund from OTDA to DOH (ELFA Part Q): The Executive proposes to transfer administration of the State’s “Gifts to Food Banks” Fund from OTDA to the Department of Health (DOH). Revenue from the fund is used to fund grants to regional food banks.

When the fund was first established in 2018, OTDA was charged with administering it. As food banks programs are administered by DOH, the Executive would consolidate the grant and programmatic administration of the State’s food banks in DOH.

Shortened Administrative Process for Transfer of Unclaimed Child Support Collections (ELFA Part V): The Executive proposes to alter the process for unclaimed funds collected by the State for child support. Current law provides that after two years of diligent efforts by the LSSD to locate the person entitled to these funds, the Family Court can issue an order to either return the funds to the person who paid them or order them to be deposited with the county treasurer or commissioner of finance. If the funds remain unclaimed after seven years, the funds are then paid to the State Comptroller.

Housing Agency Details

Division of Housing and Community Renewal

The Executive Budget proposes \$646.6 million in All Funds appropriations for the Division of Housing and Community Renewal (DHCR) for SFY 2021-22, representing an increase of \$337.2 million or 109 percent from SFY 2020-21 levels. The Executive Budget proposes a DHCR workforce of 612 FTEs, which would remain constant to SFY 2020-21 levels.

This funding increase is attributable to the following Executive proposals:

- An increase of \$186 million in Capital funding to support the creation of 20,000 supportive housing units over 15 years.
- An increase of \$130 million in Capital funding for the Governor's Office of Storm Recovery (GOSR) to assist areas impacted by natural disasters.
- An increase of \$21.6 million in Aid to Localities appropriations to fund the Rural Rental Assistance Program (RRAP) through DHCR. In SFY 2020-21, this program was funded through excess Mortgage Insurance Fund (MIF) reserves at \$21 million. The SFY 2021-22 RRAP appropriation represents an increase of \$630,000 or 3 percent over SFY 2020-21 levels due to estimated increases in rental costs.

The Executive Budget proposes to continue funding the Tenant Protection Unit (TPU) at an appropriation level of \$5.5 million.

The Executive Budget provides \$2.5 billion in re-appropriations to continue the five-year affordable and supportive housing plan to create and preserve 100,000 affordable housing units and at least 6,000 supportive housing units.

Article VII

Ban on Late Fees & Allowing Use of Security Deposits to Pay Rent During COVID-19 (ELFA Part Y): The Executive Budget proposes to prohibit residential landlords from collecting fees for the late payment of rent from March 20, 2020 to May 1, 2021. It would also allow any tenant that submits a hardship declaration under the COVID-19 Emergency Eviction and Foreclosure Prevention Act to use their security deposit to pay any rent arrears or future rent until May 1, 2021. If the tenant uses their security deposit to pay the rent, they would be required to either replenish the security deposit in twelve monthly payments beginning June 1, 2021, or obtain rent insurance in lieu of the deposit. The landlord would not be able to charge interest during the replenishment period.

Sales Tax Exemptions for Affordable Housing Development (ELFA Part U): The Executive proposes offering eligible not-for-profit Housing Development Fund Corporations (HDFCs) that enter into regulatory agreements with DHCR or the New York City Department of Housing Preservation and Development (HPD) a sales tax exemption that would support the development of affordable housing. The tax exemption would last as long as the agreement is in effect. Once the term of the agreement expires, the tax exemption terminates.

Currently, companies and corporations organized exclusively for charitable purposes are exempt from paying and charging sales tax. However, some not-for-profit companies and corporations enter into agreements to work on affordable housing projects even though those projects are sometimes affiliated with for-profit purposes. The Executive aims to clarify that not-for-profit HDFCs that enter into regulatory agreements with DHCR and HPD on affordable housing projects will be exempt from paying and charging sales tax regardless of whether the affordable housing project is affiliated with a for-profit purpose.

State of New York Mortgage Agency

The Executive Budget proposes \$232.8 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing an increase of \$16.5 million or 7.6 percent from SFY 2020-21 levels. This increase is entirely due to an increase in mortgage recording taxes that SONYMA collects. There are no FTEs associated with SONYMA.

Article VII

Expanding the Authority of the State of New York Mortgage Agency (ELFA Part X): The Executive proposes amending the existing law to:

- eliminate the requirement that non-depository SONYMA lenders be approved by Fannie Mae or Freddie Mac and instead allow them to be supervised by federal and State certified not-for-profit entities to broaden the pool of non-depository lenders that SONYMA can purchase mortgages from;
- broaden SONYMA's purchase powers to include purchasing construction loans owned by banks; and
- grant SONYMA the authority to facilitate and complete loan modifications for SONYMA borrowers who may be in default or borrowers behind on mortgage payments.

These modifications would be subject to existing agreements and/or contracts with SONYMA's bond and note holders.

Authorizes the Utilization of Excess Funds in the Mortgage Insurance Fund (MIF) and the Housing Finance Agency (HFA) (ELFA Part O): The Mortgage Insurance Fund, which is maintained by SONYMA, provides insurance on mortgage loans across the State to encourage

public and private investment. Current statute requires any excess MIF funds be returned to the State. In past years, excess MIF funds were utilized for community development and other programs. This year, MIF is projected to generate an aggregate total of \$63.4 million in excess revenues and reserves. These funds would be used to support the following programs:

- **Homeless Housing Programs:** The Executive proposes funding various Homeless Housing and Prevention Programs at \$45.2 million in SFY 2021-22, an increase of \$2.8 million or 6 percent over SFY 2020-21 funding levels.
- **Neighborhood Preservation Program:** The Executive proposes funding the Neighborhood Preservation Program (NPP) at \$12.8 million in SFY 2021-22, which is unchanged from SFY 2020-21.
- **Rural Preservation Program:** The Executive Budget proposes funding the Rural Preservation Program (RPP) at \$5.4 million in SFY 2021-22, which is unchanged from SFY 2020-21.

Additionally, the Executive proposes to transfer \$65.6 million of excess HFA funds to reimburse the City of New York for Adult Shelter costs to support the mandate that the City provide shelter to all individuals and families regardless of whether or not they are eligible for public assistance. This is intended to be a one-time HFA expense.

Converting Vacant Commercial Space and Underutilized Hotels to Residential Housing (TEDE Part L): The Executive proposes legislation that would allow flexibility in zoning in New York City so that vacant commercial properties and underutilized hotel properties with fewer than 150 rooms can be converted into residential housing. This proposal would apply to building permits issued and permit applications filed prior to December 31, 2026.

Vacant commercial properties located within certain areas of Manhattan’s business district between 14th and 60th Streets will be converted to residential housing and would be designated for affordable or supportive housing. Converted units may (1) be a part of a State affordable housing plan or agreement with DHCR that designates at least 20 percent of its units as affordable housing; (2) be operated as a supportive housing facility under a contract with any city or State agency; or (3) designate a certain amount of newly converted units to create and preserve affordable housing or designate a certain amount of converted units to prevent homelessness.

Underutilized hotel properties will be converted to residential housing and would be designated for affordable or supportive housing. Converted hotel units may either (1) be a part of a State affordable housing plan or agreement with DHCR that designates at least 20 percent of its units as affordable housing; or (2) be operated as a supportive housing facility with a contract with any city or state agency; or (3) designate a certain amount of units to preserve affordable housing in any New York City borough outside of Manhattan or between Chambers Street and 110th Street in

Manhattan or designate a certain amount of units to prevent homelessness in any New York City borough outside of Manhattan or within the same area of Manhattan.

Division of Veterans' Services

The SFY 2021-22 Executive Budget recommends \$19.5 million in All Funds appropriation support for the Division of Veterans' Services, a decrease of \$2 million or 9.3 percent below SFY 2020-21 levels. This decrease is the result of eliminating support for all SFY 2020-21 legislative initiatives (\$1.9 million) and terminating participation in the Human Services Call Center (\$79,000). The Executive Budget recommends a workforce of 90 FTEs, which is unchanged from the previous year.

Division of Human Rights

The SFY 2021-22 Executive Budget recommends \$18.2 million in All Funds appropriation support for the Division of Human Rights, which is unchanged from SFY 2020-21. The Executive Budget recommends a workforce of 149 FTEs for SFY 2021-22, a decrease of 15 FTEs from SFY 2020-21.

Article VII

Extends Anti-Discrimination Protections to All For-Profit Schools (ELFA Part R): The Executive proposes to expand the definition of educational institutions under the Human Rights Law, to provide anti-discrimination protections to all for-profit non-sectarian schools.

Prohibits Discrimination Based on Citizenship (ELFA Part S): The Executive proposes amending Human Rights Law to include citizenship or immigration status as a protected class, prohibiting discrimination in employment, housing, public accommodations, and in any other instances which Human Rights Law protects against discrimination. The Division of Human Rights relies on the "national origin" protection when addressing complaints of discrimination against immigrants. By explicitly including citizenship or immigration status under anti-discrimination laws, this bill expands protections and makes it clear that discrimination against immigrants is against State law.

Concurrent Resolution

Expansive Equal Rights Amendment: The Executive proposes to adopt a concurrent resolution amending the State Constitution to add sex, sexual orientation, gender identity or expression, ethnicity, national origin, age, and disability as protected classes in the anti-discrimination clause of Article I § 11.

Miscellaneous Agencies

Office of the Welfare Inspector General

The SFY 2021-22 Executive Budget recommends \$1.3 million in All Funds appropriation support for the Office of the Welfare Inspector General, which is unchanged from SFY 2020-21. The Executive recommends a workforce of six FTEs, which is unchanged from the previous year.

National and Community Service

The Executive recommends \$30.8 million in All Funds appropriation support for the Office of National Community Service, which is unchanged from the previous year. The Executive also recommends a workforce of 10 FTEs, which is unchanged from the previous year. The Office of National and Community Service provides staff support to the New York State Commission on National and Community Service, which qualifies the State for federal community service grants for local nonprofit agencies. Programs supported by these grants include providing youth education, assistance to individuals with disabilities, public health services, and disaster preparedness.

Pay for Success

The Executive Budget proposes no new funding for the Pay for Success Contingency Reserve in SFY 2021-22, a decrease of \$69 million or 100 percent below SFY 2020-21. The Executive provides \$69 million in All Funds re-appropriation authority for this year. Under the Pay for Success model, program financing is provided up-front by private or philanthropic sources. Government payments are only made if the programs achieve agreed upon outcomes, as verified by an independent validator, and public sector savings exceed its costs.

Education



Education Highlights

Appropriations

- **School Aid:** The Executive Budget proposes a School Aid increase of \$2.1 billion (7.1 percent), for a total of \$31.7 billion in school year (SY) 2021-22, including federal funds, STAR, and formula-based aids. Notably, State funding is reduced by \$607 million.
- **Local District Funding Adjustment:** The Executive Budget proposes a Local District Funding Adjustment (LDFA), which would cut State payments to school districts for STAR by \$1.35 billion in SY 2021-22. School districts' LDFA would equal the lesser of federal CRRSA Act funding or the STAR payment to the district, with the reduction fully offset by school districts' federal CRRSA funds.
- **Expense-Based Aid Reform (Services Aid):** The Executive Budget proposes to consolidate 11 existing expense-based aids, including Transportation Aid and BOCES Aid, into a new block grant called "Services Aid." The Executive then applies a Services Aid cut based on a scaled per pupil amount, which cuts this new aid category by \$693 million compared to current-law projections. This reduction in funding is fully offset by districts' federal CRRSA funds.
- **Charter Schools:** The Executive Budget proposes to reduce charter school tuition rates in proportion to school districts' reduction in State support as a percentage of their total General Fund spending. Additionally, the Executive proposes to reduce supplemental tuition payments that are paid by the State directly to school districts equal to half of the reduction in charter tuition. These two proposals are estimated to save school districts \$40 million and the State \$35 million in SY 2021-22. The Executive also proposes to eliminate \$47 million in State reimbursement to New York City for charter school rental assistance.
- **Nonpublic School Aid:** The Executive proposes reducing nonpublic school aid for SY 2021-22 by two percent. The Executive will also administratively hold nonpublic schools harmless for spring 2020 school closures that would otherwise result in aid losses.
- **State Aid Withholdings:** All State withholdings of formula-based aid from SFY 2020-21 will be repaid to school districts before the end of the year.

Article VII

- **Transportation Aid (ELFA Part A)**: The Executive proposes making costs related to delivery of meals and instructional materials during the spring 2020 school closures eligible for Transportation Aid.
- **Prior Year Aid Claim Elimination (ELFA Part A)**: The Executive Budget proposes to eliminate claims owed to school districts, known as the prior year aid claims, and considers these claims paid pending a final audit.
- **Elimination of Teacher Support Grant Programs (ELFA Part A)**: The Executive Budget proposes to eliminate three teacher support programs at the conclusion of SY 2020-21. The programs are the Teachers of Tomorrow Teacher Recruitment and Retention Program, the New York State Mentor Teacher-Internship Program, and the Albert Shanker National Board for Professional Teaching Standards Certification Grant Program.
- **Reissuance of Surrendered, Revoked or Terminated Charters (ELFA Part A)**: The Executive Budget provides for the reissuance of surrendered, revoked, or terminated charters, commonly known as “zombie charters,” and specifies that these charters shall not be counted within the limits of the New York City or statewide charter school cap.

Education Agency Details

State Education Department All Funds Appropriations				
Agency	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	\$ Change	% Change
State Education Department	\$38,763,722,850	\$39,368,259,850	\$604,537,000	1.5%
Total State Education Department	\$38,763,722,850	\$39,368,259,850	\$604,537,000	1.5%

Overview

The Executive Budget proposes \$39.4 billion in All Funds appropriations for the State Education Department (SED) in SFY 2021-22. This is an increase of \$605 million, or 1.6 percent, over SFY 2020-21 levels and is reflective of a \$2.1 billion School Aid increase. The Executive Budget also recommends a workforce of 2,650 FTEs for SED, a 1.6 percent decrease from SFY 2020-21 projected levels.

P-12 Education

The Executive Budget provides \$31.7 billion in School Aid, an increase of \$2.1 billion (7.1 percent) over SY 2020-21. The \$2.1 billion increase is comprised of three main components:

- An increase of \$3.85 billion from the federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, fully programmed in SY 2021-22.
- A decrease of \$1.1 billion in federal CARES Act funding that was fully programmed in SY 2020-21.
- A year-to-year decrease of \$607 million in State support, including
 - Full restoration of the \$1.1 billion Pandemic Adjustment
 - Local District Funding Adjustment cut of \$1.35 billion
 - Year-to-year decrease in the School Tax Relief (STAR) program payments to districts of \$91 million
 - Year-to-year decrease in expense-based aids of \$293 million, after taking into account the Executive’s Services Aid proposal.

In sum, the Executive Budget proposes to cut State-funded school aid by \$2 billion, including \$693 million through the Services Aid cut and \$1.35 billion through the Local District Funding Adjustment of STAR payments to districts. While non-recurring federal CRRSA funds fully offset these reductions in State funding in SY 2021-22, these cuts would remain after the one-time federal funding expires.

2021-22 Executive Budget - School Aid Increase Components (\$ in Millions)				
	SY 2020-21	SY 2021-22	\$ Increase	% Increase
Foundation Aid	\$18,412	\$18,412	\$0	0.0%
Expense-Based Aids	\$8,640	\$8,358	(\$282)	-3.3%
Other School Aid	\$530	\$519	(\$12)	-2.2%
Pandemic Adjustment	(\$1,131)	\$0	\$1,131	-100.0%
Total Traditional School Aid	\$26,451	\$27,289	\$837	3.2%
STAR Payment to Districts	\$2,030	\$1,939	(\$92)	-4.5%
Local District Funding Adjustment	\$0	(\$1,352)	(\$1,352)	N/A
Subtotal of State Funding	\$28,482	\$27,875	(\$607)	-2.1%
Federal CARES Act Funds	\$1,134	\$0	(\$1,134)	-100.0%
Federal CRSSA Act Funds	\$0	\$3,852	\$3,852	N/A
Total School Aid	\$29,615	\$31,727	\$2,111	7.1%

Federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act: The CRRSA Act provided \$4.3 billion to New York schools, including \$4 billion from the Elementary and Secondary School Emergency Education Relief (ESSER) Fund and \$323 million from the Governor’s Emergency Education Relief (GEER) Fund. This funding is in addition to the \$1.1 billion in federal CARES Act funding that was provided to major school districts for SY 2021-22.

The majority of the ESSER funding is provided to school districts and charter schools in proportion to their federal Title I awards. The GEER fund includes \$249 million to support services and assistance to nonpublic schools, while the Executive is using the remaining \$73 million to provide school districts of lower wealth with a minimum per pupil allocation. The Executive Budget programs the entire amount (\$3.85 billion) that major public school districts are set to receive from the CRRSA Act in the SY 2021-22.

Federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Distribution to New York Schools (\$ in Millions)			
	Elementary and Secondary School Emergency Education Relief (ESSER) Fund	Governor’s Emergency Education Relief (GEER) Fund	Total CRRSA Act Funds
Major School Districts	\$3,779	\$73	\$3,852
Charter Schools	\$216	\$0	\$216
Non-Major School Districts	\$2	\$0	\$2
Nonpublic Schools	\$0	\$249	\$249
SED Administration	\$5	\$1	\$6
Total	\$4,002	\$323	\$4,325

Local District Funding Adjustment to STAR: School districts are reimbursed for the loss in tax revenue from the STAR program through additional State Aid. The Executive proposes a Local District Funding Adjustment (LDFA) to cut these STAR payments to districts by \$1.35 billion overall. For any district, the cut would be equal to the lesser of the district's STAR payment or the district's Federal CRRSA funding. In other words, reductions to STAR payments can be no greater than the amount of Federal CRRSA funding a district receives. However, the LDFA cut to STAR would be recurring in the out-years, while the federal CRRSA funds are one-time, non-recurring funds for SY 2021-22. For 254 school districts, this LDFA cut will equal the full amount of STAR they are projected to receive in SY 2021-22.

Absent this cut, STAR property tax exemption program was projected to decrease by \$91 million to a total of \$1.94 billion in SY 2021-22, with the year-to-year decline attributed to the continued shift of homeowners to the STAR personal income tax credit and away from the STAR property tax exemption.

Pandemic Adjustment: The Executive Budget fully restores the \$1.1 billion bottom-line Pandemic Adjustment reduction to SY 2020-21 school aid, resulting in a \$0 Pandemic Adjustment for SY 2021-22. This adjustment reduced State support for school aid by \$1.1 billion in SY 2020-21, which was fully offset by federal CARES Act funding.

Expense-Based Aid Reform (Services Aid): Beginning in SY 2021-22, the Executive proposes to consolidate 11 expense-based aid categories (Transportation, BOCES, High Tax, Special Services, Computer Hardware & Technology, Charter School Transitional, Software, Library Materials, Textbook, Supplemental Public Excess Cost, and Academic Enhancement) into a new block grant called Services Aid.

The Executive applies a Services Aid cut based on a scaled per pupil amount, which cuts this new aid category by \$693 million (New York City would absorb 89 percent of this cut, totaling \$620 million). Absent this cut, Services Aid would total \$4 billion Statewide in SY 2021-22, instead of \$3.3 billion under the Executive proposal. This reduction in funding is fully offset by districts' federal CRRSA funds in SY 2021-22. However, the Services Aid cut would be recurring in the out years, while the federal CRRSA funds are one-time, non-recurring funds for SY 2021-22.

Notably, the Executive proposes making costs related to delivery of school meals and instructional materials during the spring 2020 school closures eligible for Transportation Aid. However, the proposal does not include payment of standby transportation costs that districts incurred during the school closures in order to keep staff on the payroll in case in-person classes resumed.

Proposed "Services Aid" (\$ in Millions)	
Proposed Aids to Consolidate into Services Aid	Current Law Projection for SY 2021-22
Transportation Aid	\$2,088
BOCES Aid	\$1,083
Textbook Aid	\$172
Software Aid	\$45
Special Services Aid	\$282
Library Materials Aid	\$19
Academic Enhancement Aid	\$28
Computer Hardware and Technology Aid	\$36
High Tax Aid	\$223
Supplemental Public Excess Cost Aid	\$4
Charter School Transitional Aid	\$46
Total	\$4,025

Services Aid Allocation in Executive Budget:

\$3,333

=

Cut to School Districts of:

(\$693)

Foundation Aid: The Executive Budget maintains level funding for Foundation Aid, totaling \$18.4 billion for the SY 2021-22. There are 238 school districts whose Foundation Aid is fully phased-in, but \$4.1 billion remains to be phased-in for 435 school districts.

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

Other Expense-Based Aids: The Executive Budget provides a \$111 million increase in funding for expense-based aids that were not consolidated into Services Aid for SY 2021-22, consistent with current law projections provided by SED. These aids (Building Aid, Public/Private Excess Cost Aids, Full-Day Kindergarten Conversion Aid, Universal Prekindergarten, and Reorganization Operating Aid) reimburse school districts for costs incurred in the previous school year based on wealth-equalized reimbursement ratios.

2021-22 Executive Budget - Total School Aid Detail				
(\$ in Millions)				
Aid Category	SY 2020-21	SY 2021-22	\$ Increase	% Increase
Foundation Aid	\$18,412	\$18,412	\$0	0.0%
<i>Community Schools Set-Aside</i>	\$250	\$250	\$0	0.0%
Services Aid	\$3,725	\$3,333	(\$393)	-10.5%
Building Aid	\$3,055	\$3,063	\$8	0.3%
Excess Cost Aid - High Cost	\$620	\$667	\$47	7.6%
Excess Cost Aid - Private	\$396	\$441	\$45	11.4%
Universal Prekindergarten Aid	\$836	\$849	\$12	1.5%
Reorganization Operating Incentive Aid	\$5	\$4	(\$1)	-16.3%
Full-Day Kindergarten Conversion Aid	\$2	\$1	(\$1)	-43.6%
Total Formula-Based Aids on the Run	\$27,052	\$26,770	(\$282)	-1.0%
Pandemic Adjustment	(\$1,131)	\$0	\$1,131	-100.0%
Categorical Aids	\$300	\$289	(\$12)	-3.9%
Competitive Grants	\$230	\$230	\$0	0.0%
Total Traditional School Aid	\$26,451	\$27,289	\$837	3.2%
School Tax Relief (STAR) Reimbursement	\$2,030	\$1,939	(\$92)	-4.5%
Local District Funding Adjustment	\$0	(\$1,352)	(\$1,352)	N/A
Subtotal of State Funding	\$28,482	\$27,875	(\$607)	-2.1%
Federal CARES Act Funds	\$1,134	\$0	(\$1,134)	N/A
Federal CRRSA Act Funds	\$0	\$3,852	\$3,852	N/A
Total School Aid, with Federal and STAR	\$29,615	\$31,727	\$2,111	7.1%

Prekindergarten: The Executive maintains funding for prekindergarten programs at \$849 million.

Executive Initiatives: The Executive Budget continues to fund \$230 million in awards from past competitive grants. Notable programs include:

- \$55 million for Empire State After School program grants;
- \$38 million for Early College High Schools (ECHS), including NYS Pathways in Technology ECHS (P-TECH), Smart Scholars ECHS, and Smart Transfer ECHS;
- \$20.5 million for Master Teacher awards; and
- \$11.7 million for Mental Health grants awarded to Community Schools and School Mental Health programs.

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2021-22:

- \$189.3 million, a decrease of \$2.3 million (two percent), in Mandated Services Aid to reimburse the actual expenditures of nonpublic schools for specified State testing and data collection activities. The Executive will also administratively hold harmless aid losses to nonpublic schools as a result of spring 2020 school closures. Additionally, the Executive will

establish claiming deadlines while requiring SED to prorate payments if claims exceed annual funding levels;

- \$29.4 million, a decrease of \$600,000 (two percent), for STEM instruction;
- \$15 million in capital funding for nonpublic school purchases of health and safety equipment, the same level as last year;
- \$904,000, a decrease of \$18,000 (two percent) to support Academic Intervention Services (AIS), a decrease of \$18,000 from the previous school year; and
- The Executive discontinues \$1 million in funding for nonpublic immunization recordkeeping.

It should also be noted that \$249 million of the Governor's Emergency Education Relief (GEER) funds from the federal CRRSA Act are reserved for pandemic-related services and assistance to nonpublic schools.

Charter Schools:

- **Charter Tuition Rates:** The Executive Budget proposes to reduce charter school tuition rates for SY 2021-22 in proportion to school districts' combined reduction in expense-based aid and Local District Funding Adjustment as a percentage of their total General Fund spending. This change alone is projected to save school districts \$75 million in charter tuition costs. Charter tuition rates would then revert back to their levels under current law in SY 2022-23.
- **Supplemental Basic Tuition Payments to School Districts:** The Executive proposes to reduce supplemental basic tuition payments to school districts equal to half of the reduction in charter tuition rates. This change would allow the State to realize savings of \$35 million in SFY 2021-22, while providing districts net savings of \$40 million when combined with the decrease in charter tuition rates. The Executive Budget appropriates \$132 million to reimburse school districts in SFY 2021-22 for these supplemental tuition payments.
- **NYC Charter Facilities Aid:** The Executive Budget proposes to eliminate Charter School Facilities Aid reimbursement to New York City, yielding \$47 million of savings in SFY 2021-22. New York City currently receives 60 percent reimbursement on the costs of providing charter schools with rental assistance.
- **Zombie Charters:** The Executive also proposes to reissue charters that were surrendered, revoked, or terminated after July 1, 2015. These charters will be reissued outside of both the New York City and statewide charter school caps.

Special Education: The Executive Budget includes the following special education funding for SY 2021-22:

- \$1.04 billion for preschool special education (State aid covers 59.5 percent of the overall costs associated pursuant to Section 4410 of the Education Law, with counties paying the remaining 40.5 percent)

- \$667 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
- \$441 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
- \$365 million for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law
- \$104 million for private schools for the blind and deaf, including \$93.7 million in base funding for the State share of tuition costs and \$10.2 million in additional funding

Teacher Resource and Computer Training Centers: The Executive Budget does not provide the \$4.3 million remaining cost to operate the Teacher Resources and Computer Training Centers program for the remainder of SY 2020-21, and no new funding is provided for SY 2021-22. Overall, this results in a \$14.3 million cut for the program.

Prior Year Aid Queue: The Executive Budget eliminates \$18.7 million in funding for school districts' prior year claims and expunges all claims currently in the queue, where school districts are owed over \$300 million from the State.

New York City Fiscal Stabilization Grant: The Executive Budget eliminates the discretionary \$26.4 million fiscal stabilization grant to New York City, first provided in 2003.

SED State Aid System Capital Project: The Executive Budget provides \$41 million in capital funding to develop a modernized state aid data system at SED.

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

- \$96 million for the Employment Preparation Program (EPE)
- \$54 million for the education of students who reside in the Office of Mental Health or the Office for the People with Developmental Disabilities.
- \$34 million for the School Lunch/Breakfast Program
- \$33 million for education of homeless children and youth
- \$19 million for Bilingual Education Grants
- \$18 million for the My Brother's Keeper initiative
- \$14 million for School Health Services in the Big Four school districts
- \$12 million for the Roosevelt School District
- \$12 million for districts participating in the Urban-Suburban Transfer Program
- \$10 million for locally sourced food reimbursement
- \$10 for the education of youth detained in local correctional facilities

- \$6 million to subsidize the cost of Advanced Placement and International Baccalaureate test fees
- \$2 million to fully subsidize the cost of reduced-price meals
- \$1 million for Community Schools Regional Technical Assistance Centers

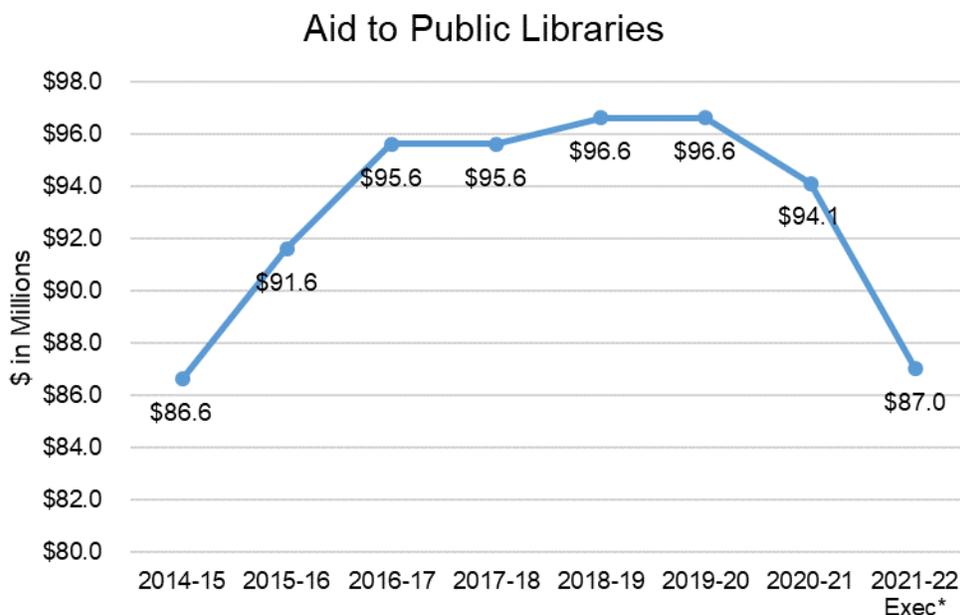
Other Notable Programmatic Support Eliminated: The Executive Budget discontinues or reduces funding for the following programs not previously mentioned:

- Discontinues \$25 million for Teachers of Tomorrow
- Discontinues \$12 million for the Yonkers City School District
- Discontinues \$2 million for Teacher-Mentor Intern program
- Discontinues \$2 million for the East Ramapo Central School District
- Discontinues \$1.2 million for Rochester School Health Services
- Discontinues \$1.2 million for Buffalo School Health Services
- Discontinues \$903,000 for Henry Viscardi School
- Discontinues \$903,000 for the New York School for the Deaf
- Discontinues \$500,000 for the Mill Neck Manor School for the Deaf
- Discontinues \$500,000 for the Cleary School for the Deaf
- Discontinues \$500,000 for Teacher Diversity Pipeline Pilot
- Reduces funding by \$500,000 to a total of \$740,000 for the Center for Autism and Related Disabilities at SUNY Albany. An additional \$500,000 in federal funding is also provided for this program.
- Discontinues \$500,000 for the Consortium for Worker Education Credential Initiative
- Discontinues \$500,000 for the Long Island Pre-K Initiative
- Discontinues \$475,000 for the Executive Leadership Institute
- Discontinues \$475,000 for the Magellan Foundation
- Discontinues \$450,000 for the New York City Community Learning Schools Initiative
- Discontinues \$385,000 for Bilingual Teacher Institute
- Discontinues \$200,000 for Cornell Cooperative Extension-Sullivan County
- Discontinues \$175,000 for the Rochester Monitor
- Discontinues \$150,000 for the National Association of Social Workers for test preparation materials
- Discontinues \$100,000 for NIA Community Service Network
- Discontinues \$87,500 for the Hempstead Monitor
- Discontinues \$87,500 for the Wyandanch Monitor
- Discontinues \$80,000 for Center for Education Innovation
- Discontinues \$20,000 for YMCA of Greater New York - Castle Hill
- Discontinues \$5,000 for Turkish Cultural Center

Cultural Education

The Executive Budget provides:

- \$87 million for aid to public libraries (\$7 million decrease)
- \$14 million in capital funds for library construction (flat from SFY 2020-21)
- \$13 million for public television and radio (\$700,000 decrease)
- Discontinues \$250,000 to Schomburg Center for Research in Black Culture
- Discontinues \$75,000 to Langston Hughes Community Library
- Discontinues \$10,000 to Queens Public Library



Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides:

- \$13.4 million for Independent Living Centers, a reduction of \$500,000
- \$6.3 million for Adult Literacy Education, a reduction of \$1.5 million

Article VII

Consolidation of Expense-Based Aids (ELFA Part A): The Executive Budget proposes to consolidate 11 expense-based aids, including Transportation Aid and BOCES Aid, into a single block grant called “Services Aid.”

Aidable Transportation Expenses (ELFA Part A): The Executive Budget proposes to make transportation expenses that were incurred during the state emergency disaster pursuant to

Executive Order 202 of 2020 eligible for aid, including the transportation of meals, educational materials and supplies to students, and transportation to provide internet access to students.

Prior-Year Aid Claim Elimination (ELFA Part A): The Executive Budget proposes to eliminate claims owed to school districts, known as prior-year aid claims, and considers these claims paid pending a final audit.

Reissuance of Surrendered, Revoked, or Terminated Charters (ELFA Part A): The Executive Budget proposes to reissue charters that were surrendered, revoked, or terminated after July 1, 2015, to allow new charters to replace those that have closed. The language specifies that these charters shall not be counted within the limits of the New York City or statewide charter school caps.

Elimination of Teacher Support Grant Programs (ELFA Part A): The Executive Budget proposes to eliminate three teacher support programs at the conclusion of the 2020-21 school year. The programs are the Teachers of Tomorrow Teacher Recruitment and Retention Program, the New York State Mentor Teacher-Internship Program, and the Albert Shanker National Board for Professional Teaching Standards Certification Grant Program.

Pandemic Adjustment Clarification (ELFA Part A): The Executive Budget clarifies that the SY 2020-21 Pandemic Adjustment cannot exceed a school district's State Aid appropriation.

Special Education Waivers (ELFA Part A): The Executive Budget proposes to allow school districts, approved private schools, or BOCES to submit an application for a waiver from special education duties outlined in state law, so long as the district, private school, or BOCES can demonstrate that it will continue to meet all federal requirements if such waiver is granted. The Commissioner of Education can grant or deny requests for a waiver.

Contracts for Excellence (ELFA Part A): The Executive Budget proposes to extend Contracts for Excellence for SY 2021-22 for those districts that are currently required to submit a Contract for Excellence, unless all schools within the district are identified as in good standing. Currently, certain districts are required to submit a Contract for Excellence concerning schools within the district in need of academic improvement. Contracts for Excellence require these districts to set aside a portion of Foundation Aid to specific program initiatives aimed at raising student achievement.

Higher Education



Staff Analysis of
the 2021-22 Executive Budget



Higher Education Highlights

Appropriations

- **Student Financial Aid:** The Executive Budget maintains support for over \$1 billion in Higher Education Services Corporation financial aid programs, including the Tuition Assistance Program (TAP) and Excelsior Scholarship. HESC financial aid funding is held harmless from any budget reductions, and students who were unable to complete academic requirements needed to maintain financial aid eligibility because of the coronavirus pandemic are held harmless from financial aid award reductions.
- **Opportunity Programs Maintained:** The Executive Budget maintains funding for opportunity programs largely at SFY 2020-21 levels, totaling \$213 million in support.
- **SUNY & CUNY Operating Support:** The Executive Budget reduces general operating support for SUNY State-operated campuses and CUNY senior colleges by five percent. This results in a total reduction of \$46 million for SUNY State-operated campuses and \$26 million for CUNY senior colleges. Each system continues to receive full State support for employee fringe benefits and debt service.
- **Community Colleges:** The Executive Budget maintains base operating aid for community colleges at \$2,947 per full-time equivalent (FTE) student, resulting in a decrease to SUNY community colleges of \$33 million and a decrease to CUNY community colleges of \$10 million. These decreases are attributed to declining enrollment projections. Additionally, the Executive has reduced community college funding in SFY 2020-21 by five percent, totaling \$35 million.
- **Aid to Private Colleges (Bundy Aid):** The Executive Budget eliminates general operating support for private colleges, also known as Bundy Aid. This includes \$16.8 million remaining in SFY 2020-21 and \$35.1 million in SFY 2021-22.
- **Higher Education Withholdings:** The Executive anticipates restoring withheld funding from academic year (AY) 2019-20 by the end of the current fiscal year. Reimbursements include TAP and opportunity programs.

Article VII

- **Rational Tuition Extension (ELFA Part E):** The Executive proposes to extend the SUNY and CUNY Boards' authorization to raise tuition by up to \$200 per year. The current authorization lapses at the end of this Academic Year. This extension would be effective through the AY 2024-25. The Executive also proposes various changes to allow SUNY and

CUNY to have flexibility in raising tuition for some graduate programs and lowering the tuition for high-demand certificate programs.

- **Extension of Financial Aid Eligibility Due to the COVID-19 Pandemic (ELFA Part F):**
The Executive proposes to allow students who were unable to complete any semester, quarter, or term during the COVID-19 disaster emergency to retain both their financial aid eligibility and award level.

Higher Education Agency Details

Higher Education Agencies All Funds Appropriations				
Agency	Available SFY 2020-2021	Executive Recommendation SFY 2021-2022	\$ Change	% Change
State University of New York	\$11,913,840,100	\$11,584,937,100	(\$328,903,000)	-2.8%
City University of New York	\$5,339,709,700	\$4,870,178,200	(\$469,531,500)	-8.8%
Higher Education Services Corporation	\$1,139,472,000	\$1,115,412,000	(\$24,060,000)	-2.1%
Council on the Arts	\$46,983,000	\$46,883,000	(\$100,000)	-0.2%
Total Higher Education	\$18,440,004,800	\$17,617,410,300	(\$822,594,500)	-4.5%

Overview

The Executive Budget recommends an All Funds appropriation of \$17.6 billion for higher education and arts in New York. This is a reduction of \$822.6 million or 4.5 percent from SFY 2020-21 levels and is largely reflective of reductions in general operating support and new capital funding for SUNY and CUNY.

On an All Funds basis, CUNY appears to be decreasing by a larger percent than SUNY. However, this is largely attributed to the technical change of eliminating excess appropriation authority associated with the shifting of CUNY support to an Enterprise Fund structure. This change does not affect how CUNY funding flows, but instead is just a structural change to the classification of funds.

4-Year Institution State Operating Support (\$ in Millions)				
University System	SFY 2020-21	SFY 2021-22	\$ Change	% Change
CUNY Senior Colleges	\$554	\$526	(\$28)	-5%
SUNY State-Operated Campuses	\$1,017	\$968	(\$49)	-5%
Total 4-Year Institution Operating Support	\$1,571	\$1,494	(\$77)	-5%

City University of New York (CUNY)

The Executive Budget recommends an All Funds appropriation of \$4.9 billion for CUNY with a workforce totaling 13,476 FTEs, consistent with current workforce levels.

CUNY Senior Colleges: The Executive Budget provides CUNY senior colleges with \$1.39 billion, a decrease of \$28 million from SFY 2020-21. In addition to removing legislative adds, the Executive Budget cuts general operating support to CUNY senior colleges by \$26.2 million (5 percent), resulting in total operating support for CUNY (excluding fringe benefits) of \$526 million. Fringe benefits are maintained at the prior year level of \$868 million.

CUNY Senior College State Operating Support (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
State Operating Support	\$554	\$526	(\$28)	-5%
Fringe Benefits	\$868	\$868	\$0	0%
Total CUNY Senior Colleges	\$1,422	\$1,394	(\$28)	-2%

The Executive proposes to allow a tuition rate increase of up to \$200 per year through AY 2024-25. Tuition revenue is projected to total \$1.22 billion, encompassing the projected \$33 million increase in tuition revenue that a \$200 tuition increase would generate.

The Executive Budget maintains funding for the following notable CUNY senior college programs at SFY 2020-21 levels:

- Maintains \$28.1 million for the Search for Education, Elevation and Knowledge (SEEK) opportunity program
- Maintains \$4 million for Open Educational Resources
- Maintains \$1.5 million for CUNY LEADS

The Executive Budget discontinues or reduces funding for the following CUNY senior college programs:

- Reduces general operating support by \$26.2 million
- Reduces State support of the School of Labor and Urban Studies by \$1.5 million to a total of \$2.18 million
- Discontinues \$250,000 for the CUNY Pipeline Program
- Discontinues \$20,000 for the Citizenship Now program

CUNY Community Colleges: The Executive Budget maintains base operating aid for community colleges at \$2,947 per full-time equivalent (FTE) student, the same as SFY 2020-21. This results in overall community college base aid of \$215.3 million for CUNY, a decrease of \$10 million from SFY 2020-21 Enacted Budget funding levels attributed to projected enrollment decreases. Additionally, the Executive has reduced SFY 2020-21 community college funding by approximately \$12 million in the current year.

CUNY Community College State Operating Support (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
Community College Base Aid	\$225	\$215	(\$10)	-4%
All Other State Operating Support	\$20	\$17	(\$4)	-19%
Total CUNY Community Colleges	\$246	\$232	(\$14)	-6%

The Executive Budget maintains funding for the following CUNY community college programs at SFY 2020-21 levels:

- Maintains \$2 million for the Next Generation Job Linkage Program
- Maintains \$2 million for the CUNY Apprenticeship Program
- Maintains \$1.3 million for the College Discovery opportunity program

The Executive Budget discontinues or reduces funding for the following CUNY community college programs:

- Discontinues \$2.5 million of State support for the Accelerated Studies in Associate Programs (ASAP)
- Reduces funding by \$902,000 to a total of \$813,100 for child care centers
- Reduces funding by \$447,000 to a total of \$8.5 million for rental aid

CUNY Capital: The Executive Budget maintains \$284.2 million for CUNY critical maintenance projects, which is level funding from SFY 2021-22. The Executive provides \$35.5 million for the State’s 50 percent share of projects at CUNY community colleges, a \$29 million decrease from the prior year which is reflective of local sponsor fiscal challenges. The Executive Budget provides no new funding for the 2:1 capital matching grant program first enacted in SFY 2020-21 for new construction. This funding remains available through re-appropriation.

CUNY Capital Funding (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
Critical Maintenance	\$284.2	\$284.2	\$0.0	0.0%
Strategic Needs Capital Matching Program - State Share	\$200.0	\$0.0	(\$200.0)	n/a
Strategic Needs Capital Matching Program - Campus Share	\$100.0	\$0.0	(\$100.0)	n/a
Community Colleges	\$64.3	\$35.5	(\$28.8)	-44.8%
Total CUNY Capital	\$648.5	\$319.7	(\$328.8)	-50.7%

Federal Stimulus: The Federal government provided a total of \$692 million in support to CUNY for COVID-19 pandemic relief through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act. Institutional aid from the federal funding totals \$455 million (\$287 million for senior colleges and \$169 million for community colleges). Student aid totals \$237 million (\$158 million for senior colleges and \$79 million for community colleges).

State University of New York (SUNY)

The Executive Budget recommends an All Funds appropriation of \$11.6 billion for SUNY with a workforce totaling 46,708 FTEs, consistent with current workforce levels.

SUNY State-Operated Colleges: The Executive Budget provides \$2.8 billion in support for SUNY State-operated campuses, a decrease of \$49 million from SFY 2020-21 levels. In addition to removing legislative adds, the Executive Budget cuts general operating support to SUNY State-operated campuses by \$46.4 million (five percent), resulting in total operating support for SUNY (excluding fringe benefits) of \$968 million. Employee fringe benefits are projected to decrease by \$55 million to a total of \$1.83 billion.

SUNY State-Operated Campuses State Operating Support (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
State Operating Support	\$1,017	\$968	(\$49)	-5%
Fringe Benefits	\$1,885	\$1,829	(\$55)	-3%
Total SUNY State-Operated Campuses	\$2,901	\$2,797	(\$104)	-4%

The Executive proposes to allow a tuition rate increase of up to \$200 per year through AY 2024-25. The Executive proposes a \$1.92 billion appropriation for tuition, encompassing the projected \$50 million increase in tuition revenue that a \$200 tuition increase would generate.

The Executive Budget maintains funding for the following SUNY State-operated college programs at SFY 2020-21 levels:

- Maintains \$32.2 million for the Educational Opportunity Programs (EOP)
- Maintains \$62 million for the Educational Opportunity Centers (EOCs), including \$5.5 million for ATTAIN labs
- Maintains \$4 million for Open Educational Resources

The Executive Budget discontinues or reduces funding for the following notable SUNY State-operated college programs:

- Reduces general operating support by \$46.4 million
- Reduces funding by \$700,000 to a total of \$1.97 million for Small Business Development Centers
- Reduces funding by \$600,000 to a total of \$6 million for Graduate Diversity Fellowships
- Discontinues \$500,000 for the SUNY Tele-Counseling Initiative for mental health services
- Reduces funding by \$250,000 to a total of \$250,000 for the New York State Veterinary College at Cornell
- Discontinues \$200,000 for the SUNY Institute for Leadership and Diversity and Inclusion

- Reduces funding by \$150,000 to a total of \$200,000 for the SUNY Hispanic Leadership Institute
- Discontinues \$100,000 for the Benjamin Center at SUNY New Paltz
- Reduces funding by \$196,000 to a total of \$3.7 million for the Cornell Cooperative Extension Program

SUNY Community Colleges: The Executive Budget maintains base aid for community colleges at \$2,947 per FTE, the same as SFY 2020-21. This results in overall community college base aid of \$398.2 million for SUNY, a reduction of \$33 million from SFY 2020-21 Enacted Budget funding levels attributed to projected enrollment decreases. Additionally, the Executive has reduced SFY 2020-21 community college funding by \$23 million in the current year.

SUNY Community Colleges State Operating Support (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
Community College Base Aid	\$431	\$398	(\$33)	-8%
All Other State Operating Support	\$24	\$23	(\$2)	-7%
Total SUNY Community Colleges	\$455	\$421	(\$35)	-8%

The Executive Budget maintains funding for the following notable SUNY community college programs at SFY 2020-21 levels:

- Maintains \$3 million for the SUNY Apprenticeship Program
- Maintains \$3 million for the Next Generation Job Linkage Program
- Maintains \$1.9 million for workforce development

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

- Reduces funding by \$1.1 million to \$1 million total for child care centers
- Discontinues \$100,000 for the Orange County Community College BRIDGES Program
- Reduces funding by \$579,000 to a total of \$11 million for rental aid

SUNY Capital: The Executive Budget maintains \$550 million for SUNY critical maintenance projects, which is level funding from SFY 2020-21. The Executive provides \$14.6 million for the State’s 50 percent share of projects at CUNY community colleges, a \$31.4 million reduction from SFY 2020-21 levels which is reflective of local sponsor fiscal challenges. The Executive Budget provides no new funding for the 2:1 capital matching grant program first enacted in SFY 2020-21 for new construction, but this funding remains available through re-appropriation. Additionally, \$150 million is provided to the three SUNY Hospitals, with each campus receiving \$50 million (SUNY Downstate, SUNY Upstate, and Stony Brook).

SUNY Capital Funding (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
Critical Maintenance	\$550.0	\$550.0	\$0.0	0.0%
Strategic Needs Capital Matching Program - State Share	\$200.0	\$0.0	(\$200.0)	n/a
Strategic Needs Capital Matching Program - Campus Share	\$100.0	\$0.0	(\$100.0)	n/a
Community Colleges	\$46.0	\$14.6	(\$31.4)	-68.3%
SUNY Hospitals	\$150.0	\$150.0	\$0.0	0.0%
Total SUNY Capital	\$1,046.0	\$714.6	(\$331.4)	-31.7%

SUNY Hospitals: The Executive Budget proposes to increase spending authority for the SUNY Hospitals by \$250 million, for a total of \$3.4 billion.

Federal Stimulus: The Federal government provided a total of \$818 million in support to SUNY for COVID-19 pandemic relief through the CARES Act and the CRRSA Act. Institutional aid from the federal funding totals \$522 million (\$300 million for State-operated colleges and \$222 million for community colleges). Student aid totals \$297 million (\$186 million for State-operated colleges and \$111 million for community colleges).

State Education Department – Office of Higher Education and the Professions

The Executive Budget maintains funding for higher education opportunity programs that are administered by the State Education Department at SFY 2020-21 levels, including:

- \$35.5 million for the Higher Education Opportunity Program (HEOP)
- \$18.4 million for the Liberty Partnerships Program (LPP)
- \$15.8 million for the Science and Technology Entry Program (STEP)
- \$12 million for the Collegiate Science and Technology Entry Program (CSTEP)
- \$6 million for the Foster Youth Initiative
- \$1.5 million for the CUNY LEADS program

The Executive Budget discontinues funding for the following programs:

- Discontinues \$35 million in unrestricted aid to independent colleges (Bundy Aid) for SFY 2022, as well as \$16.8 million in remaining payments in SFY 2021
- Discontinues \$368,000 for the Albert Shanker Grant, which defrays the costs of National Board for Professional Teaching Standards (NBPTS) certification to eligible New York State public school teachers

The Executive Budget also provides \$7.85 million in capital funding to support the development of SED's electronic licensing (e-licensing) system.

Federal Stimulus: The Federal government provided a total of \$912 million in support to private, not-for-profit, and proprietary colleges in New York for COVID-19 pandemic relief through the

CARES Act and the CRRSA Act. Institutional aid from the federal funding totals \$517 million, while student aid totals \$394 million.

Opportunity Program Funding Levels (\$ in Millions)				
Program	SFY 2020-21	SFY 2021-22	\$ Change	% Change
SUNY Educational Opportunity Centers (EOC)	\$62.0	\$62.0	\$0.0	0.0%
SED Higher Education Opportunity Program (HEOP)	\$35.5	\$35.5	\$0.0	0.0%
SUNY Educational Opportunity Program (EOP)	\$32.2	\$32.2	\$0.0	0.0%
CUNY Search for Education, Elevation, and Knowledge (SEEK)	\$28.1	\$28.1	\$0.0	0.0%
SED Liberty Partnership Program	\$18.4	\$18.4	\$0.0	0.0%
SED Science and Technology Entry Program (STEP)	\$15.8	\$15.8	\$0.0	0.0%
SED Collegiate Science and Technology Program (CSTEP)	\$12.0	\$12.0	\$0.0	0.0%
SED Foster Youth Initiative	\$6.0	\$6.0	\$0.0	0.0%
CUNY Accelerated Study in Associates Program (ASAP)	\$2.5	\$0.0	(\$2.5)	-100.0%
CUNY LEADS	\$1.5	\$1.5	\$0.0	0.0%
CUNY College Discovery	\$1.3	\$1.3	\$0.0	0.0%
Total	\$215.3	\$212.8	(\$2.5)	-1.2%

Higher Education Services Corporation (HESC)

The Executive Budget proposes \$1.1 billion in All Funds appropriations for the Higher Education Services Corporation (HESC) with a workforce totaling 139 FTEs, consistent with SFY 2020-21 levels. The Executive Budget proposes to hold harmless students who were unable to complete academic requirements needed to maintain financial aid eligibility because of the coronavirus pandemic.

Tuition Assistance Program: The Executive Budget provides \$847 million for full-funding of the Tuition Assistance Program (TAP) for SFY 2021-22, a decrease of \$13.1 million from SFY 2020-21 Enacted Budget levels that can be attributed to declining enrollment. TAP recipients have been declining by an average of approximately 7,500 FTEs each year over the past five years.

Excelsior Scholarship: The Executive Budget provides \$130 million to fully-fund the Excelsior Scholarship at the current \$125,000 maximum adjusted gross income (AGI) threshold. The Excelsior Scholarship covers the full cost of tuition at SUNY and CUNY schools for eligible students after applying all other financial aid awards.

Enhanced Tuition Awards: The Executive Budget provides \$7.8 million to fully-fund Enhanced Tuition Awards. Eligible students with an AGI of less than \$125,000 who attend a participating private college receive \$6,000 through a combination of their TAP award, ETA award, and match from the private college.

Other Scholarships and Programs: The Executive Budget provides \$63 million, a decrease of \$7 million for SFY 2020-21 level, for all other scholarships and programs. This \$63 million includes:

- \$3.9 million for the Patricia McGee nursing scholarship
- \$3.1 million for the part-time scholarship award program
- \$1.7 million in loan forgiveness for licensed social workers
- \$150,000 for loan forgiveness for young farmers
- \$50,000 for child welfare worker loan forgiveness
- \$50,000 for child welfare worker scholarships

Higher Education Capital Matching Grant Program (HECap)

The Executive Budget does not include any new support for the HECap program for independent colleges.

Council on the Arts

The Executive Budget provides \$46.9 million in All Funds appropriations for the Council on the Arts, including \$40.6 million for grants awarded not-for-profit arts organizations. The Council on the Arts provides more than 2,400 grants to local theaters, museums, and dance companies across the State. The Executive reduced Council on the Arts funding by \$100,000 through the removal of two legislative adds to support the Museum of the City of New York (\$50,000) and the Bronx Museum of the Arts (\$50,000).

Article VII

Non-CPA Partnership Proposal (ELFA Part B): The Executive proposes language to permit non-CPAs to own a minority stake in a CPA firm. Under this proposal CPA's would need to hold a simple majority, at least 51 percent, of the outstanding stock shares, directors, and officer positions. The proposal also mandates that the Board of Directors including the president, the chair of the board, and any chief executive or other officers remain certified public accountants. As was added for the first time in last year's Executive Budget proposal, this proposal keeps language to charge non-CPAs in these firms a \$300 registration fee, collected by SED that goes to the general fund. DOB projects that this fee will raise \$1.5 million in fee revenue for the general fund.

Streamlined College Program Approval Process (ELFA Part C): The Executive proposes a new process for SED approval of programs of study at degree-granting not-for-profit and public colleges in the State. The proposed new process would have the institution's governing board approve the new curriculum or program of study and then notify SED. Thirty days after the institution notifies SED the submitted program will be deemed approved. The institutions taking advantage of this streamlined pathway must maintain their accreditation with the Middle States Commission on Higher Education and have maintained a physical presence in New York for at least ten years. This streamlined pathway cannot be used on programs of study that lead to professional licensure, nor can the changes made affect the institution's approved master plan.

Procurement Flexibility and Consortium Services (ELFA Part D): The Executive proposes extending procurement flexibility for SUNY, CUNY, both the SUNY and CUNY construction funds, and the SUNY hospitals for an additional five years. This authorization has been in place since 2011 and the proposal would extend this authority until 2026. The authorization provided the systems more flexibility by eliminating the need for pre-approval from the state comptroller for procurements.

The Executive also is proposing language to allow SUNY to purchase services and technology by consortium to help the system cut costs and share services between institutions.

Rational Tuition Increases (ELFA Part E): The Executive proposes legislation extending authorization for the Boards of SUNY and CUNY to raise tuition by up to \$200 per year; this authorization would end in the AY 2024-25. This authorization is presently scheduled to end in the current academic year.

The Executive also proposes allowing for graduate and research programs to impose higher tuition rates. The flexibility on tuition rates would also give the Chancellors of SUNY and CUNY the ability to lower the fee rate for certain certificate programs to make them more competitive.

COVID Financial Aid Eligibility Impact Waiver (ELFA Part F): The Executive proposes to hold harmless students whose academic progress was hindered by COVID-19. The proposal would allow a student to retain financial aid eligibility if the student was unable to complete the academic year, any semester, quarter, or term due to circumstances caused by COVID-19. The effect of this provision would be to extend the duration of the students award. A student's institution would need to certify and have HESC approve that the reason for their failure to maintain eligibility was solely due to the COVID-19 state emergency.

Excelsior Tuition Rate ((ELFA Part G): The Executive proposes a change to the Excelsior reimbursement methodology. Currently, Excelsior would update its rate of reimbursement, based on the tuition of SUNY and CUNY every four years. That rate was due to be updated in this budget year, AY 2021-22. However, the Executive proposes delaying the rate update until AY 2023-24 and moving to an annual update thereafter. The Executive projects a \$21.6 million savings annually for the next two academic years due to this change.

Public Protection & Judiciary



Public Protection Highlights

Appropriations

The Executive Budget recommends an All Funds appropriation of \$10.7 billion for all Public Protection agencies. This amount represents an overall increase of \$3.2 billion or 44 percent compared to SFY 2020-21. The \$10.7 billion includes \$4.4 billion for State Operations, \$5.7 billion for Aid to Localities, and \$660 million for Capital Projects. The net impact is mainly attributed to the following Executive recommendations:

- \$4 billion increase in Aid to Localities federal funding for the Division of Homeland Security and Emergency Services to reimburse localities for COVID-19 claims.
- \$160 million decrease in Capital Projects funding for the Division of Military and Naval Affairs, mainly attributed to one-time expenses in SFY 2020-21.
- \$40 million decrease in funding for the Division of Criminal Justice Services, due to the elimination of legislative additions and a capital grant program.
- \$16 million decrease in funding for the Department of Law, due to the elimination of a legislative addition and Capital Projects funding.
- \$8 million net decrease in funding for the Department of Corrections and Community Supervision, due to a \$22 million increase and \$30 million decrease in spending.

Article VII

Eliminates the Offense of Loitering for the Purpose of Engaging in a Prostitution Offense (PPGG Part G): The Executive proposes eliminating the offense of Loitering for the Purpose of Engaging in a Prostitution Offense, often referred to as “Loitering for the Purposes of Prostitution” or “Walking While Trans.”

Allows All Counties to Conduct Electronic Appearances in Criminal Matters (PPGG Part J): The Executive proposes expanding current law, which allows certain counties to hold electronic appearances in criminal cases, by allowing any court hearing criminal matters to conduct electronic appearances. Courts are not required to participate and defendants must consent on the record.

Uniform Police Accreditation (PPGG Part K): The Executive proposes a new accreditation process for ensuring that background checks on prospective police officers are uniform across the state. The proposal would also enable the Division of Criminal Justice Services to investigate issues related to excessive force, criminal activity, abuse, and conflicts of interest in police departments.

Allows Monitors to be Appointed to Oversee Compliance with Executive Order 203 (PPGG

Part L): The Executive proposes directing the Attorney General to appoint monitors to oversee the operations of any police department that does not submit a plan to address bias in policing pursuant to Executive Order 203.

Public Protection Agency Details

Public Protection Agencies Comparison (\$ In Millions)				
Agency	Available SFY 2020-21	Executive Proposed SFY 2021-22	\$ Change	% Change
Department of Homeland Security and Emergency Services	\$1,563,907,000	\$4,968,807,000	\$3,404,900,000	218%
Department of Corrections & Community Supervision	\$3,389,741,000	\$3,381,430,000	(\$8,311,000)	-0.2%
Division of State Police	\$1,014,276,000	\$1,022,276,000	\$8,000,000	0.8%
Division of Criminal Justice Services	\$363,912,500	\$323,995,000	(\$39,917,500)	-11%
Office of Indigent Legal Services	\$261,273,000	\$311,273,000	\$50,000,000	19.1%
Department of Law	\$282,446,000	\$266,446,000	(\$16,000,000)	-5.7%
Office of Victim Services	\$211,992,000	\$211,992,000	\$0	0%
Division of Military and Naval Affairs	\$306,111,000	\$146,111,000	(\$160,000,000)	-52%
Interest on Lawyer Account	\$47,103,000	\$47,103,000	\$0	0%
Office to End Domestic and Gender-Based Violence	\$5,783,000	\$10,508,000	\$4,725,000	82%
Judicial Commission (3)	\$6,094,000	\$6,094,000	\$0	0%
State Commission of Correction	\$2,955,000	\$2,955,000	\$0	0%
Total Public Protection Agencies	\$7,455,593,500	\$10,698,990,000	\$3,243,396,500	43.5%

Division of Homeland Security and Emergency Services (DHSES)

The Executive Budget proposes an All Funds appropriations of \$4.9 billion for DHSES, an increase of \$3.4 billion from SFY 2020-21. State Operations funding remains flat at \$81.5 million. Aid to Localities funding is increased by \$3.3 billion, for a total of \$4.8 billion, to accommodate the federal share of costs resulting from natural or manmade disasters from the Disaster Assistance Program. Capital Projects funding is increased by \$5.5 million, for a total of \$33.5 million, for grants or reimbursement to counties for the development, consolidation, or operation of public safety communications systems networks designed to support statewide interoperable communications for first responders. The Executive's recommendation supports a workforce of 570 FTEs, consistent with SFY 2020-21.

Department of Corrections and Community Supervision (DOCCS)

The Executive Budget recommends an All Funds appropriation of \$3.38 billion, a net decrease of \$8.3 million or 0.2 percent compared to SFY 2020-21. The net decrease is due to a \$30 million decrease in State Operations spending and an increase of \$22 million in mainly COVID-19 response spending. The Executive's recommendation supports a workforce of 26,847 FTEs, a decrease of 800 FTEs compared to SFY 2020-21.

State Operations: The Executive recommends a \$2.9 billion appropriation, a net decrease of \$25 million compared to SFY 2020-21. The DOCCS State Operations budget supports costs related to personnel services, parole board operations, programs, health services, and community supervision. The net decrease in spending is mainly attributed to the following Executive

recommendations:

- \$30 million decrease in program and service costs resulting from DOCCS right-sizing the prison system to reduce excess capacity.
- \$5 million increase in program services for supplies and material.

Aid to Localities: The Executive recommends a \$34.5 million appropriation, an increase of \$5 million compared to SFY 2020-21. The increase supports reimbursement to counties for costs associated with detaining “State readies,” people sentenced to prison but waiting in local jails for DOCCS to receive them.

Capital Projects: The Executive recommends a \$437 million appropriation, an increase of \$12 million compared to SFY 2020-21, for facility maintenance costs.

Article VII

Authorizes Closures of Correctional Facilities Upon 90-Day Notice to the Legislature (PPGG Part M): The Executive’s proposal authorizes the Governor to close any number DOCCS correctional facilities as necessary for the cost-efficient and effective operation of the correctional system, provided that 90 days’ notice is given to the Legislature.

Division of State Police (DSP)

The Executive Budget recommends an All Funds appropriation of \$1 billion, with a slight increase of \$8 million to support the purchase of body-worn cameras. Capital funding remains flat at \$128.5 million. The Executive’s recommendation supports a workforce of 5,602 FTEs, consistent with SFY 2020-21.

Division of Criminal Justice Services (DCJS)

The Executive Budget recommends an All Funds appropriation of \$324 million, a net decrease of \$40 million or 11 percent compared to SFY 2020-21. The net decrease is due to an increase of \$1 million to support the expansion of the police accreditation program, the elimination of \$16 million in SFY 2020-21 legislative additions, and the elimination of \$25 million for the Securing Communities Against Hate Crimes (SCAHC) grant program.

The \$324 million includes \$85.4 million in State Operations funding to support 403 FTEs and \$238 million in Aid to Localities funding. The Executive recommendations include support for the following major programs:

- \$40 million for implementation of discovery reforms, however, this amount includes \$5 million categorized as discovery reform but which is carved out specifically to supplement the street outreach and gang prevention program listed below.

- \$19.4 million for Legal Services Assistance Funding (LSAF), same amount as SFY 2020-21. However, the Executive eliminates \$4.2 million in SFY 2020-21 LSAF legislative additions.
- \$16.4 million for Street Outreach and Gang Prevention.
- \$6.3 million for Rape Crisis Center Service.
- \$4.9 million for Operation SNUG.

Re-appropriations: The Executive does not recommend re-appropriation for \$20 million in legislative additions from SFY 2020-21 that were not disbursed.

Article VII

Establishes a Domestic Violence Misdemeanor (PPGG Part C): The Executive proposes legislation establishing a Class A misdemeanor for Domestic Violence. A person would commit this crime when they commit a serious offense, as defined in the Penal Law, or one of a list of other crimes, against a member of their family or household.

Eliminates the Offense of Loitering for the Purpose of Engaging in a Prostitution Offense (PPGG Part G): The Executive proposes eliminating the offense of Loitering for the Purpose of Engaging in a Prostitution Offense, often referred to as “Loitering for the Purposes of Prostitution” or “Walking While Trans.”

Allows All Counties to Conduct Electronic Appearances in Criminal Matters (PPGG Part J): The Executive proposes expanding current law, which allows certain counties to hold electronic appearances in criminal cases, by allowing any court hearing criminal matters to conduct electronic appearances. Courts are not required to participate and defendants must consent on the record.

Uniform Police Accreditation (PPGG Part K): The Executive proposes a new accreditation process for ensuring that background checks on prospective police officers are uniform across the State. The proposal would also enable DCJS to investigate issues related to excessive force, criminal activity, abuse, and conflicts of interest in police departments.

Allows Monitors to be Appointed to Oversee Compliance with Executive Order 203 (PPGG Part L): The Executive proposes directing the Attorney General to appoint monitors to oversee the operations of any police department that does not submit a plan to address bias in policing pursuant to Executive Order 203.

Prohibits Gun Purchase and Possession for People with Open Arrest Warrants (PPGG Part N): The Executive proposes prohibiting people with outstanding warrants of arrest for felonies or serious offenses that prohibit gun possession upon conviction from possessing or acquiring

firearms. This proposal also prohibits others from acquiring firearms on behalf of a person with an outstanding arrest warrant for a felony or serious offense.

Requires Gun Data to be Shared with State and National Databases (PPGG Part O): This proposal would require local law enforcement to share information with DCJS about guns that are possessed unlawfully, recovered from crime scenes, or reasonably believed to have been used in a crime. DCJS would then be required to share this information with federal authorities to ensure that the information is accessible by law enforcement nationwide.

Office of Indigent Legal Services (ILS)

The Executive Budget recommends an All Funds appropriation of \$311 million, an increase of \$50 million or 19 percent compared to SFY 2020-21. The \$50 million increase supports the ongoing statewide implementation of Hurrell-Harring Settlement, which includes counsel at arraignment and caseload standards.

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

The Executive Budget recommends an All Funds appropriation of \$266 million, a decrease of \$16 million or 5.7 percent compared to SFY 2020-21. The decrease is due to the elimination of a \$10 million legislative addition for the Home Owner Protection Program (HOPP) and \$6 million in Capital Projects funding related to IT system and equipment upgrades. The Executive's recommendation supports a workforce of 1,782 FTEs.

Office of Victim Services (OVS)

The Executive Budget recommends an All Funds appropriation of \$212 million, the same amount as SFY 2020-21. The \$212 million includes \$14 million in State Operations funding and \$198 million in Aid to Localities funding. The Executive's recommendation supports a workforce of 87 FTEs.

Division of Military and Naval Affairs (DMNA)

The Executive Budget proposes an All Funds appropriation of \$146 million, a decrease of \$160 million compared to SFY 2020-21. The decrease is attributed to the elimination of Capital funding, which was used to support one-time capital projects for the Jamaica Armory project and for re-appropriations for the Military Museum. State Operations and Aid to Localities remains flat from SFY 2020-21. The Executive's recommendation supports a workforce of 374 FTEs, unchanged over SFY 2020-21.

Article VII

Extends the Recruitment Incentive and Retention Program (Part P): The Executive proposes to extend the Recruitment Incentive and Retention Program (RIRP) by changing the sunset year

from 2021 to 2026. The RIRP provides State Military Forces (Army and Air National Guard, and Naval Militia) with direct college tuition payments up to SUNY tuition rates per semester at a two- or four-year college or university.

Interest on Lawyer Account (IOLA)

The Executive Budget recommends an All Funds appropriation of \$47.1 million, consistent with SFY 2020-2021.

Office to End Domestic and Gender-Based Violence

The Executive Budget proposes an All Funds appropriation of \$10.5 million, an increase of \$4.5 million over SFY 2020-21. This increase is due to the transferring of the Aid to Localities Enough Is Enough Program and funding for rape crisis services and centers from the Department of Health to the Office to End Domestic and Gender-Based Violence. The Enough is Enough program supports rape crisis and sexual violence programs statewide to assist colleges and universities in implementing the response services, training, and prevention education components to prevent campus sexual violence and to provide trauma-informed assistance to college and university student survivors. The Executive's recommendation supports a workforce of 29 FTEs, an increase of 3 FTEs from SFY 2020-21.

Article VII

Renaming the Office for the Prevention of Domestic Violence (PPGG Part B): The Executive proposes to rename the Office for the Prevention of Domestic Violence to the Office to End Domestic and Gender-Based Violence. The renamed agency is tasked with operating in collaboration with survivors, state coalitions and other stakeholders, with an emphasis on survivor-centered domestic and gender-based violence services.

Judicial Commissions

The Executive Budget recommends All Funds appropriations of the following amounts for the State's three Judicial commissions: Commission on Judicial Conduct (\$6 million); the Judicial Screening Committee (\$38,000), and Commission on Judicial Nomination (\$30,000). Funding for all three commissions remains unchanged from SFY 2020-21.

State Commission of Correction (SCOC)

The Executive Budget recommends an All Funds appropriation of \$3 million, consistent with SFY 2020-21. The Executive's recommendation supports a workforce of 32 FTEs.

Public Protection Miscellaneous Appropriations

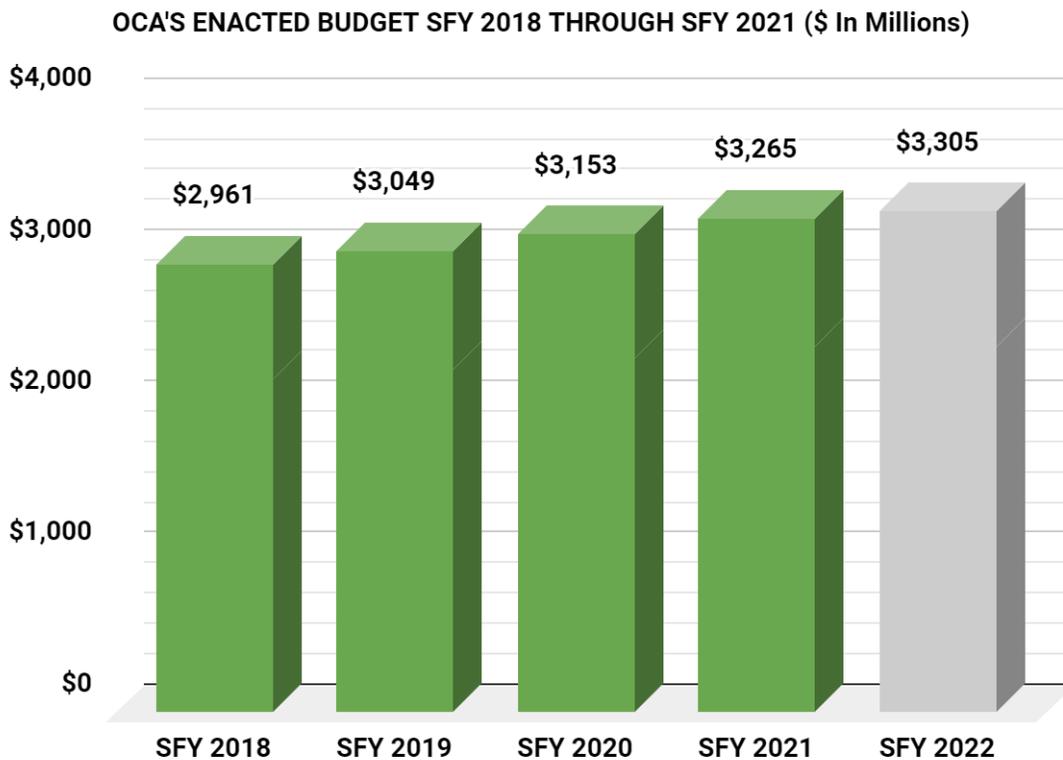
The Executive Budget recommends three emergency response miscellaneous appropriations to support disbursement of funds related to unanticipated expenses which derive from a man-made

or natural disaster, including public health emergencies such as COVID-19. These appropriations would also support disbursements of unrestricted federal funding received throughout the year.

- \$44 billion for Special Federal Emergency Appropriation, an increase of \$19 billion, including \$35 billion in State Operations and \$9 billion in Aid to Localities
- \$200 million for Public Security and Emergency Response, an increase of \$100 million
- \$2 billion for Special Emergency Appropriation, an increase of \$1 billion

Judiciary Highlights

The Office of Court Administration’s (OCA) request includes a total appropriation of \$3.3 billion, an increase of \$40 million or 1.2 percent compared to SFY 2020-2021. OCA’s request maintains support for the following programs: \$113 million for Court Facilities Incentive Aid, \$100 million for Judiciary’s Civil Legal Services Grant program, and \$47 million for the Criminal Defense Assistance program. OCA’s request dedicates \$6 million in revenue from the State Bar Examination fee to the Attorney Licensing Fund. The chart below outlines OCA’s budget trend since SFY 2017-2018.



Judiciary

Office of Court Administration (OCA)

OCA is the administrative agency for the Judiciary, one of the three branches of the New York State Government. 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 of each year. The State is responsible for funding all courts except Town and Village Courts.

OCA's request of \$3.3 billion includes \$2.4 billion in All Funds appropriations and \$888 million in General State Charges (GSC). The All Funds appropriations remain unchanged compared to SFY 2020-21. The GSC increased by \$40 million or 4.7 percent compared to SFY 2020-21.

Judiciary Budget Comparison (\$ in Millions)				
Agency	Available SFY21	OCA Request SFY22	\$ Change	% Change
Office of Court Administration	\$3,265	\$3,305	\$40	1.2%

The OCA's All Funds appropriations of \$2.4 billion consists of \$2.25 billion in State Operations, \$180 million in Aid to Localities, and \$25 million in Capital Projects funding. The request continues the dedication of \$6 million in revenue from the State Bar Examination fee to the Attorney Licensing Fund to support the Candidate Fitness, Attorney Discipline, and State Board of Law Examiner programs. Prior to SFY 2020-21, the State Bar Examination Fee had gone to the General Fund.

The OCA's request maintains support for the following Aid to Localities programs:

- \$113 million for the Court Facilities Incentive Aid Program, which provides State grants to local governments for the construction and maintenance of court facilities.
- \$47 million will be sub-allocated to the Office of Indigent Legal Services to enhance the Judiciary's Criminal Defense Assistance program.
- \$15 million to the IOLA fund to support the Judiciary's Civil Legal Services.
- \$4 million for the Justice Court Assistance Program, which provides State grants to towns and villages to assist with automating their judicial courts.

The OCA's request also includes a \$25 million Capital appropriation, unchanged compared to SFY 2020-21. This funding supports continuing improvements to court technology infrastructure to enhance the Judiciary's security, computer network, and records management systems.

Article VII

Veterans' Treatment Courts (ELFA Part N): The Executive Budget proposes to direct the Chief Administrator of the Courts to establish veterans' treatment courts, which serve as a venue for criminal charges against veterans other than criminal charges in which the victim and the accused are members of the same family. Currently, there are 31 veterans treatment courts across the State, which operate as a division of drug treatment or mental health courts. Under the Executive Budget proposal, in criminal courts outside of New York City, eligible defendants would be able to move to have a criminal action removed to a veterans' treatment court in an adjoining county. Upon the defendant's motion, the original court would provide the original district attorney the opportunity to be heard, and, if the district attorney in the adjoining county consents, the court would be able to order that the action be removed to the veterans' treatment court in the adjoining county. The transfer would take effect after at least five days, unless the veterans' treatment court notifies the original court that it will not accept the action or that it will accept the action prior to the original effective date of the transfer.

Require Domestic Violence Abusers to Pay Housing Costs (PPGG Part D): The Executive Budget proposes to allow a court issuing an order of protection to require the respondent to pay for the reasonable cost of repairing damages caused by the respondent to the protected party's home, pay the rent or mortgage payments on the protected party's home, or pay the reasonable costs of relocation for the protected party, which may include security deposits, utility deposits, moving services, and first and last month's rent. These payments would not entitle the respondent to access to the protected party's home.

LGBTQ Fairness in Child Custody (PPGG Part F): The Executive Budget proposes to prohibit courts from considering the sex, sexual orientation, gender identity, or gender expression of the parties when determining the best interests of the child in a child custody proceeding. The court would also be unable to prohibit a party from undergoing gender reassignment.

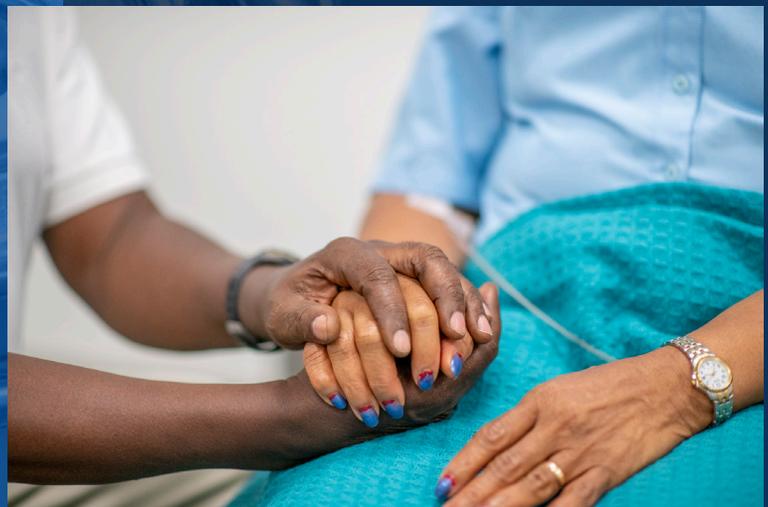
Removal of "Incorrigible" from State Law (PPGG Part H): The Executive proposes to remove the use of the word "incorrigible" from the Family Court Act and Education Law. "Incorrigible" is a pejorative term used to describe the behavior of juveniles in educational settings, and is also used as a possible ground in filing a Persons in Need of Supervision (PINS) petition. The Executive seeks to remove the term from State law to eliminate discrimination in family welfare and educational systems.

Interest Rate on Civil Judgments and Accrued Claims (PPGG Part AA): The Executive Budget proposes to set the interest rate on judgments and accrued claims at the one-year United States treasury bill rate, as determined by the weekly average published by the Federal Reserve. This interest rate would apply for all judgments or claims against private parties or government

entities, except that it would not apply to judgments or claims under the Tax Law where a specific interest rate is provided. Currently, the interest rate on judgments and accrued claims is nine percent unless another rate is specifically provided for by statute. The interest rate for judgments and accrued claims to be paid by the State can be less than nine percent.

Eliminates Barriers of Gender Designation on Identity Documents (HMH Part R): The Executive proposes enabling people to change the gender or sex designation on their birth certificates without providing medical proof of transition. This proposal would also eliminate the publication requirement for name changes and would allow name change records to be sealed.

Health and Mental Hygiene



Health and Mental Hygiene Fact Sheet

Appropriations

- The Executive Budget proposes \$411 million in State share savings through various Medicaid actions in Mainstream Managed Care, Hospitals, Long Term Care, and Pharmacy. A 1 percent across-the-board Medicaid Rate Reduction is included in the Medicaid savings actions.
- The Executive Budget continues the Nourish NY Initiative supporting New York's regional food banks and local food providers' with an additional \$25 million investment.
- \$2.0 billion for the Department of Health and \$38.5 million for Mental Hygiene agencies to support the costs associated with the \$15 minimum wage increase.
- The Executive Budget eliminates funding for the following public health programs:
 - Empire Clinical Research Investigator Program (ECRIP) (\$3.4 million)
 - Rabies Prevention Program (\$1.3 million)
 - Office of Health Insurance Programs Alzheimer's Program (\$1.4 million)
 - Infertility Program (\$1.9 million)
 - Health Promotions Initiative (\$430,000)
 - Enriched Housing Subsidy Program (\$380,000)
 - Maternal and Early Childhood Foundation Program (\$227,000)
 - Tick Disease Prevention Program (\$69,000)
 - Long Term Care Community Coalition Program (\$26,000)
 - Enhancing the Quality of Adult Living (EQUAL) (\$6.5 million)
- \$1.9 million reduction of Jail-Based Treatment funding
- \$250,000 reduction of Diversity in Medicine/Post-Baccalaureate Program

Article VII

Elimination of Essential Plan Premiums (HMH Part H): The Executive proposes the elimination of Essential Plan coverage premiums for New Yorkers earning between \$39,300 and \$52,400 for a family of four, promoting coverage for an additional 100,000 people.

340B Reimbursement Fund (HMH Part C): The Executive proposes the creation of a permanent reimbursement fund specifically to support the services provided by eligible entities in the federal 340B drug discount program. These entities include Federally Qualified Health Centers and other safety net providers. The fund shall be at least \$102 million.

Pharmacy Benefit Manager Regulations (HMH Part J): The Executive proposes registration requirements for Pharmacy Benefit Managers (PBMs) with the Department of Financial Services (DFS) as well as mandatory disclosure with DFS of any financial incentives a PBM receives for

promoting a specific prescription drug. Additional transparency requirements would also be mandated.

Creation of the Office of Addiction and Mental Health Services (HMH Part CC): The Executive proposes integrating the Office of Addiction Services and Supports and the Office of Mental Health into a single State agency called the Office of Addiction and Mental Health Services.

Health and Mental Hygiene Agency Details

Health and Mental Hygiene Agency All Funds Appropriations				
Agency	Available SFY 2020-2021	Executive Recommendations	\$ Change	% Change
Department of Health	\$ 161,196,847,171	\$ 188,046,727,800	\$ 26,849,880,629	16.7%
State Office for the Aging	\$ 274,767,500	\$ 271,641,500	\$ (3,126,000)	-1.1%
Office of Medicaid Inspector General	\$ 52,613,000	\$ 55,244,000	\$ 2,631,000	5.0%
Office of Mental Health	\$ 4,467,462,000	\$ 4,435,572,000	\$ (31,890,000)	-0.7%
Office for People with Developmental Disabilities	\$ 5,002,471,000	\$ 4,942,092,000	\$ (60,379,000)	-1.2%
Office of Addiction Services and Supports	\$ 824,612,000	\$ 918,949,000	\$ 94,337,000	11.4%
Justice Center for the Protection of People with Special Needs	\$ 58,574,000	\$ 57,938,000	\$ (636,000)	-1.1%
Total	\$ 171,877,346,671	\$ 198,728,164,300	\$26,850,817,629	15.6%

State Office for the Aging (SOFA)

The SFY 2021-22 Executive Budget proposes \$271.6 million in All Funds appropriations for SOFA. This is a decrease of \$3.1 million or 1.1 percent below SFY 2020-21 levels and is the result of the discontinuation of one-time Legislative additions.

The Executive Budget includes:

- Continuation of the \$15 million investment in the Expanded In-Home Services for the Elderly Program (EISEP). This investment delays Medicaid costs in personal care and nursing home placement, resulting in \$34 million in Medicaid savings
- Deferral of the cost of living adjustment, saving \$2 million

Department of Health

The Executive Budget proposes \$188 billion in All Funds appropriations for the Department of Health (DOH) in SFY 2021-22. Due to the nature of Medicaid, DOH is funded through two-year appropriations. This is an increase of \$26.8 billion or 16.7 percent.

Medicaid

The SFY 2021-22 Medicaid State Funds spending will be managed within the allowable statutory growth level of 2.9 percent. Medicaid savings in SFY 2020-21 were largely achieved by reducing rates paid to managed care and long-term care insurance carriers based on lower health care utilization due to the pandemic, the use of available balances, and revisions to estimated costs. Total federal, State, and local Medicaid spending is expected to be \$88.4 billion in SFY 2021-22, including \$53.5 billion in federal spending and \$27.3 billion in State spending.

Medicaid Spend (in Millions)				
	Available SFY 2020-2021	Executive Recommendations SFY 2021-2022	\$ Change	% Change
DOH Medicaid	\$ 83,672	\$ 88,440	\$ 4,768	5.7%
Medicaid Global Cap	\$ 19,992	\$ 20,572	\$ 580	2.9%

Local Growth Takeover

The Executive Budget continues to relieve local governments of Medicaid expenditure growth. In SFY 2021-22, the State will assume an estimated \$4.8 billion in costs that would have otherwise been incurred by localities.

Minimum Wage Increase

The Executive Budget includes nearly \$2 billion to support the direct costs of SFY 2021-22 minimum wage increases for health care workers who provide services reimbursed by Medicaid on behalf of the Department of Health.

SFY 2021 to SFY 2022 Minimum Wage Impacts (Thousands)			
	SFY 2021	SFY 2022	Increase
Home Care (MLTC)	\$132,720	\$168,510	\$35,790
Transportation (MLTC)	\$3,700	\$4,290	\$590
Home Care (MMC)	\$9,980	\$9,980	\$0
Personal Care	\$8,180	\$8,340	\$160
Home Health	\$1,300	\$1,360	\$60
Nursing Homes	\$1,440	\$1,640	\$200
Inpatient	\$200	\$300	\$100
Outpatient (Clinic)	\$590	\$620	\$30
Assisted Living Programs	\$210	\$210	\$0
Hospice	\$10	\$10	\$0
Transportation (FFS)	\$810	\$840	\$30
Total	\$159,140	\$196,100	\$36,960

In SFY 2021-22, the Executive proposes to spend \$411M below the Medicaid Global Cap through actions which include the following notable proposals:

- Base Actions, State savings of \$213.29 million in SFY 2021-22, which include:
 - CMS has allowed for managed care rate reductions since utilization has decreased during COVID-19. The estimated savings include \$33 million in Mainstream Managed Care (MMC) and \$20 million in Managed Long Term Care (MLTC)
- Mainstream Managed Care Actions, State savings of \$64.1 million in SFY 2021-22, which include:
 - Federal rules require adherence to a Medical Loss Ratio (MLR) and DOH requires 86 percent of health plan premiums to go to medical service. This savings initiative is attributed to recouping any lower spend.

- Hospital Actions, State savings of \$180.52 million in SFY 2021-22, which include:
 - Hospital actions include the elimination of the State-funded portion of the Public Indigent Care Pool (ICP). This elimination affects New York City Health + Hospitals, as well as Nassau, Westchester, and Erie Counties.
- Long Term Care Actions, State savings of \$116.6 million in SFY 2021-22, which include:
 - Electronic Visit Verification savings are related to improving the integrity of personal care services through a combination of various programmatic efficiencies and lower administrative costs than originally forecasted by the Department when the federal government imposed this requirement.
- Pharmacy Actions, State savings of \$15.40 million in SFY 2021-22, which include:
 - The Executive proposes the elimination of “prescriber prevails” as well as reduced coverage for over-the-counter drugs. This section of law protects patients by ensuring they have access to the medicine their doctor or other health care provider knows is the most effective treatment for them.
- Other Actions, State savings of \$216.79 million in SFY 2021-22, which include:
 - The largest savings action under this category is an across-the-board reduction of 1 percent. Consistent with the across-the-board cut, the Executive proposes a 1 percent targeted cut to the Office of People with Developmental Disabilities.
 - The second largest savings action is to return non-distressed healthcare providers to a two-week payment lag.
 - The Executive proposes a pilot program in medical respite, concerning care to patients facing home insecurity issues who do not warrant inpatient hospitalization. The Department anticipates a competitive bid process for this initiative.

The full list of actions, which include both actions the Department proposes to take administratively as well as those which are proposed via Article VII, are included in the following scorecard.

SFY 22 Executive Budget Medicaid Scorecard - Deficit (Savings)						
Proposals (\$ in millions)	Article VII / Administrative	Implementation Date	SFY 2022		SFY 2023	
			Gross	Non-Fed	Gross	Non-Fed
Global Cap Base Deficit			\$753	\$396	\$660	\$285
Base Actions			\$ (337.49)	\$ (213.29)	\$ (100.33)	\$ (50.17)
COVID-19 Managed Care Rate Reduction (MMC)	Admin	2/1/21	\$ (87.15)	\$ (33.12)	\$ -	\$ -
COVID-19 Managed Long Term Care (MLTC) Rate Reduction	Admin	2/1/21	\$ (40.01)	\$ (20.00)	\$ -	\$ -
Financial Plan Minimum Wage Spend	Admin	2/1/21	\$ (100.33)	\$ (50.17)	\$ (100.33)	\$ (50.17)
Off-Set of State Only Medicaid Costs	Admin	4/1/21	\$ (110.00)	\$ (110.00)	\$ -	\$ -
Mainstream Managed Care Actions			\$ (128.80)	\$ (64.40)	\$ (120.00)	\$ (60.00)
Discontinue Remaining MMC Quality Pool Payments by 50%	Admin	4/1/21	\$ (120.00)	\$ (60.00)	\$ (120.00)	\$ (60.00)
SFY18 MMC Medical Loss Ratio (MLR) Recoupment	Admin	4/1/21	\$ (8.80)	\$ (4.40)	\$ -	\$ -
Hospital Actions			\$ (201.40)	\$ (180.52)	\$ (119.40)	\$ (90.02)
VAPAP Medicaid Reduction	Admin	2/1/21	\$ (99.00)	\$ (99.00)	\$ -	\$ -
Discontinue the Public Indigent Care Pool	Article VII	4/1/21	\$ (65.40)	\$ (65.40)	\$ (65.40)	\$ (65.40)
Reduce Hospital Capital Rate Add-on from 5% to 10%	Article VII	10/1/21	\$ (17.00)	\$ (8.50)	\$ (34.00)	\$ (17.00)
Discontinue VBP Readiness Funding	Admin	2/1/21	\$ (20.00)	\$ (7.62)	\$ (20.00)	\$ (7.62)
Long Term Care Actions			\$ (233.20)	\$ (116.60)	\$ (188.50)	\$ (94.25)
Discontinue MLTC Quality Pool Payments by Remaining 75%	Admin	4/1/21	\$ (103.50)	\$ (51.75)	\$ (103.50)	\$ (51.75)
Electronic Visit Verification (EVV) Savings	Admin	4/1/21	\$ (40.00)	\$ (20.00)	\$ (40.00)	\$ (20.00)
Reduce Workforce Recruitment and Retention Funding by additional 25%	Article VII	4/1/21	\$ (45.00)	\$ (22.50)	\$ (45.00)	\$ (22.50)
SFY18 MLTC MLR Recoupment	Admin	4/1/21	\$ (44.70)	\$ (22.35)	\$ -	\$ -
Pharmacy Actions			\$ (30.80)	\$ (15.40)	\$ (88.54)	\$ (44.27)
Eliminate Prescriber Prevails	Article VII	1/1/22	\$ (13.40)	\$ (6.70)	\$ (53.70)	\$ (26.85)
Reduce Coverage for Over-the-Counter Drugs	Article VII	10/1/21	\$ (17.40)	\$ (8.70)	\$ (34.84)	\$ (17.42)
Other			\$ (444.21)	\$ (216.79)	\$ (293.66)	\$ (145.38)
1% Across the Board	Admin	4/1/21	\$ (188.00)	\$ (94.00)	\$ (188.00)	\$ (94.00)
Return Non-Distressed Providers to Lag	Admin	4/1/21	\$ (150.00)	\$ (75.00)	\$ -	\$ -
OPWDD Targeted Medicaid Rate Reduction (1%)	Admin	7/1/21	\$ (24.59)	\$ (6.98)	\$ (32.60)	\$ (9.30)
Pilot Medical Respite	Article VII	4/1/21	\$ (2.62)	\$ (1.31)	\$ (3.36)	\$ (1.68)
Comprehensive Telehealth Reform Package	Article VII	4/1/21	\$ (79.00)	\$ (39.50)	\$ (116.00)	\$ (58.00)
Maintain 340B Reinvestment for Community Health Centers	Article VII	4/1/22	\$ -	\$ -	\$ 46.30	\$ 17.60
Net Savings			\$ (622.90)	\$ (411.00)	\$ (250.43)	\$ (199.09)

Medicaid & Federal Response to COVID-19

The Families First Coronavirus Response Act (FFCRA) provided a temporary 6.2 percentage point increase to each qualifying state and territory's Federal Medical Assistance Percentage (FMAP) during the 2019 Novel Coronavirus (COVID-19) national emergency. To help states maintain healthcare spending throughout the crisis, the increased FMAP was retroactive to January 1, 2020, and is effective through the end of the quarter in which the COVID-19 emergency ends. The total estimated funding from this increased eFMAP measure is \$5.4 billion for State and local

governments combined, and is expected to continue through June 2021. This partially offsets the increased public health insurance program enrollment due to the economic downturn and associated unemployment related to COVID-19.

Health Care Reform Act (HCRA)

Originally created to fund graduate medical assistance and the Indigent Care Pool for hospitals that provide uncompensated care, the Health Care Reform Act (HCRA) now supports several health programs, including a significant portion of the Medicaid program. The Executive proposes several funding adjustments, detailed below.

Physician's Excess Medical Malpractice

The Executive Budget restructures payments for the Physician's Excess Medical Malpractice program by splitting policy payments over two years, and reducing future Excess Medical Malpractice payments by half resulting in a combined saving of \$51 million in SFY 2021-22.

Health Facility Restructuring Pool (HFRP)

The HFRP is jointly administered by DOH and DASNY, and is authorized to make interest-free loans to not-for-profit Article 28 facilities for improvements in health care delivery systems that benefit public health. Article 28 facilities are hospitals, nursing homes, diagnostic treatment centers, and midwifery birth centers. The Executive Budget makes a one-time \$10 million reduction to the HFRP transfer to DASNY. The normal transfer amount is \$19.6 million, and the \$19.6 million appropriation remains to allow flexibility. The \$19.6 million payment amount is expected to be reinstated in SFY 2022-23. The current balance in the pool is \$35.6 million, and this one-time payment reduction will save \$10 million.

Hospital Audits

The Executive Budget discontinues the 405.4 Hospital Audits program as this service is already mandated by law and enforced by healthcare provider unions, saving \$1 million.

AIDS Drug Assistance Program (ADAP)

ADAP provides reimbursement to health care providers for patients living with HIV/AIDS or at risk of HIV infection. The Executive Budget proposes a one-time reduction of ADAP support in SFY 2021-22, saving \$5 million. The full value is expected to be reinstated in SFY 2022-23.

Rural Health Network Development and Health Access Program

The SFY 2020-21 Enacted Budget consolidated the Rural Health Care Access Development and Rural Health Care Network Development programs into one program, and reduced funding by \$3.27 million to \$9.4 million. The overarching goal of this program is to improve the health of New Yorkers living in rural areas by supporting the development and operation of rural health

networks. The SFY 2021-22 Executive Budget proposes funding the program at \$6.2 million, a further reduction of \$3.2 million.

Medical Indemnity Fund (MIF)

The Executive Budget proposes reinstating the annual payment of \$52 million to the MIF. The SFY 2020-21 budget suspended HCRA contributions to the MIF to provide financial plan relief, but was only intended to be a one-year payment holiday. The MIF was designed to provide a funding source for future health care costs of plaintiffs in medical malpractice actions who have suffered birth-related neurological injuries as the result of medical malpractice during a delivery admission.

New York State of Health

The Executive Budget includes \$442 million in total gross funding for the operation of the NY State of Health (NYSOH). NYSOH serves as a centralized marketplace to shop for, compare, and enroll in a health insurance plan.

Empire Clinical Research Inventory Program (ECRIP)

In 2000, New York State established ECRIP to promote the training of physicians in clinical research throughout the State. ECRIP provides support to teaching hospitals across the state for training physicians in clinical research and improving the detection and treatment of diseases. The Executive Budget proposes eliminating ECRIP, saving \$3.4 million.

Public Health

In SFY 2021-22, the Executive proposes \$135.6 million in Public Health State savings by taking actions which include the following notable proposals:

Nourish NY

The Executive Budget proposes an additional \$25 million to the NourishNY program and establishing a pilot program to intercept and redistribute nutritionally-viable but ugly food surplus.

Early Intervention (EI)

EI provides therapeutic and support services to children under age three with disabilities or developmental delays. Services are accessed and coordinated at the county level. The Executive Budget proposes:

- Payment of service provided via telehealth at the existing facility-based rate, as telehealth does not require travel, a savings of \$1 million.
- Elimination of coverage for multiple group services for children received on the same day, limiting the size of a group session to six children, and limiting the number of children having a 1:1 aide in a group session to four, a savings of \$1.1 million.

- No longer authorizing back-to-back extended sessions of special instructions or other EI services on the same day for the same child's Individualized Family Service Plan, a savings of \$9.8 million.

Enough is Enough

The Executive Budget proposes transferring the Enough is Enough program from DOH to the Office to End Domestic and Gender-Based Violence. The Executive proposes transferring \$4.5 million in funding from DOH to OPDV, keeping funding for this program flat.

New York State Stem Cell (NYSTEM) Program

The Executive Budget proposes a phase out of the NYSTEM program, upon expiration of current contract commitments. Launched in 2007, NYSTEM supports stem cell research and investigates the potential of stem cell technology to alleviate disease and improve human health. It is the second largest government-financed stem cell program in the country, behind California's Institute for Regenerative Medicine. Phasing out NYSTEM will save \$12.8 million in SFY 2021-22 and \$24.4 million in SFY 2022-23.

Spinal Cord Research Program

The Spinal Cord Injury Research Board (SCIRB) and Trust Fund was created in 1998 to support innovative scientific ideas and approaches that would lead to breakthroughs in curing spinal cord injury paralysis. At the time of inception, New York was the first to establish a trust fund dedicated solely to finding a cure for spinal cord injuries. The Executive Budget proposes a phase-out of the Spinal Cord program, upon expiration of current contract commitments. Phasing out the Spinal Cord program will save \$2.4 million in SFY 2021-22, and \$6.6 million in SFY 2022-23.

The full list of actions, which include both actions the Department proposes to take administratively as well as those which are proposed via Article VII, are included in the following scorecard.

SFY 2022 Executive Budget Health Proposals Department of Health		
	Legal Admin	SFY 2021-2022
Local Assistance Proposals		
Early Intervention - Teletherapy Rates	Admin	\$ (1,000,000)
Early Intervention - Group Development	Admin	\$ (1,100,000)
Early Intervention- Discontinue Consecutive Extended Sessions	Admin	\$ (9,800,000)
Health Facility Restructuring Program - transfer to DASNY	Admin	\$ (10,000,000)
Reduce ADAP transfer (one-time)	Admin	\$ (5,000,000)
Reduce HCRA Rural Health program by 25%	Admin	\$ (3,170,000)
Phase Out Spinal Cord Research Program	Legal	\$ (2,425,000)
Reduce Center for Liver Transplant funding by 10%	Admin	\$ (25,000)
General Public Health Works - Reduce GPHW NYC Rate to 10%	Legal	\$ (20,000,000)
Discontinue ECRIP	Legal	\$ (3,445,000)
Discontinue Rabies Prevention Program	Admin	\$ (1,336,000)
Discontinue Infertility Program	Admin	\$ (1,911,000)
Discontinue of OHIP Alzheimer's Programs	Admin	\$ (1,367,000)
Discontinue Health Promotions Initiative	Admin	\$ (430,000)
Discontinue Enriched Housing Subsidy Program	Legal	\$ (380,000)
Discontinue Maternal and Early Childhood Foundation Program	Admin	\$ (227,000)
Discontinue Tick Disease Prevention Program	Admin	\$ (69,000)
Discontinue Long Term Care Community Coalition Program	Admin	\$ (26,000)
Discontinue EQUAL funding	Legal	\$ (6,532,000)
Reduce Excess Medical Malpractice Savings Proposals	Legal	\$ (51,050,000)
SOFA - Defer FY 2022 1% COLA	Admin	\$ (2,022,000)
Total Local Assistance		\$ (121,315,000)
State Operations Proposals		
E-Prescribing	Legal	\$ (500,000)
Phase Out the Stem Cell Research Program	Legal	\$ (12,840,000)
Discontinue Section 405.4 Hospital Audits	Legal	\$ (1,000,000)
Total State Operations		\$ (14,340,000)
Total Budget Action		\$ (135,655,000)

In addition to the organizations included in the Public Health scorecard, the Executive Budget proposes the following reductions in appropriation amounts for various Executive Programs, including:

- Hypertension Prevention, Screening and Treatment Programs (\$138,000)
- Children's Asthma Program (\$34,000)
- Universal Prenatal and Postpartum Home Visitation Program (\$369,000)
- Childhood Asthma Coalitions (\$186,000)
- Obesity and Diabetes Program (\$1,194,000)

- Tobacco Use Prevention and Control Program (\$6.6 million)
- Nurse-Family Partnership (\$600,000)
- Sickle Cell Screening Program (\$34,000)
- Diversity in Medicine/post-baccalaureate program (\$249,000)

Capital Projects

Statewide Health Care Facility Transformation Program

The Executive Budget continues the Statewide Health Care Facility Transformation Program (SHCFTP), established to provide funding in support of capital projects, debt retirement, working capital, or other non-capital projects that facilitate health care transformation activities such as mergers, consolidation, acquisitions, or other activities. The goal of these activities is to create financially sustainable systems of care, preserve or expand health care services, and modernize facility infrastructure.

In SFY 2019-20, \$525 million was allocated for the SHCFTP bringing the total to \$1.22 billion. To date, \$991 million has been awarded, leaving a remaining \$229 million to be released for “Statewide III,” the third round of statewide funding. However, the request for applications has yet to be released.

Capital Financing for Essential Care Providers

The SFY 2021-22 Executive Budget continues \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, and working capital. This includes \$1.2 billion in capital funding for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital, alternative payment arrangements, and other non-capital needs statewide. Of this amount, \$5 million is to be made available for regional perinatal care centers or other health providers to establish telehealth applications.

Enhancing the Quality of Adult Living Program

The Executive Budget proposes the complete elimination of the Enhancing the Quality of Adult Living (EQUAL) Program, saving \$6.5 million. The EQUAL Program was established to enhance residents’ quality of care and life experiences in adult care facilities. In the current program, funding can be used for a broad array of projects that improve quality of life. Use of funds under this program may include air conditioning, furnishings, activities, and community outings. The SFY 2020-21 Enacted Budget established a second category for the EQUAL program intended to

target capital projects and shifted \$3.27 million into Capital Projects for services and expenses of a quality program for adult care facilities.

Drinking Water State Revolving Fund (DWSRF)

The DWSRF is a federal financial assistance program to help water systems and states to achieve the health protection objectives of the Safe Drinking Water Act through loans. A 20 percent State match is mandatory for receiving federal DWSRF funding. The Executive Budget proposes a new appropriation of \$15 million for the DWSRF State match. This match was previously provided under the Clean Water Clean Air Act of 1996, but is anticipated to be depleted by SFY 2021-22.

Mental Hygiene

Office of Mental Health

The Executive Budget proposes \$4.4 billion in All Funds appropriations for the Office of Mental Health (OMH), a \$26.9 million or 0.7 percent decrease from SFY 2020-21.

The Executive Budget includes:

- \$17.15 million in temporary reductions due to the Executive's 5 percent withholding of local assistance to various programs
- \$5.1 million to support the costs associated with the \$15 minimum wage, a \$1.1 million increase from SFY 2020-21
- Discontinuation of \$6.4 million in legislative adds
- Deferral of the 1 percent Cost of Living Adjustment, saving \$15 million
- \$60 million in Capital funding to preserve community-based housing that allows people to live in the most integrated setting possible

Office of Addiction Services and Supports

The Executive Budget proposes \$918.9 million in All Funds appropriations for the Office of Addiction Services and Supports (OASAS), a \$94.3 million or 11.4 percent increase from SFY 2020-21.

The Executive Budget includes:

- Reduction of jail-based treatment funding by 50 percent, a reduction of \$1.9 million attributed to the success of bail reform reducing the population of incarcerated individuals requiring treatment
- \$1.8 million to support the cost associated with the \$15 minimum wage, a \$400,000 increase from SFY 2020-21
- Discontinuation of \$3.5 million in legislative adds
- Deferral of the 1 percent Cost of Living Adjustment, saving \$4.3 million

Office for People with Developmental Disabilities

The Executive Budget proposes \$4.9 billion in All Funds appropriations for the Office for People with Developmental Disabilities (OPWDD), a \$60.4 million or 1.2 percent decrease from SFY 2020-21.

The Executive Budget includes:

- A targeted 1 percent Medicaid Rate Reduction to OPWDD, consistent with the 1 percent across-the-board cut proposed within the Medicaid scorecard
- \$12 million in temporary reductions due to the Executive's 5 percent withholding of local assistance to various programs
- \$31.6 million to support the cost associated with the \$15 minimum wage, a \$7.9 million increase from SFY 2020-21
- Discontinuation of \$440,000 in legislative adds
- Deferral of the 1 percent Cost of Living Adjustment, saving \$26.9 million

Justice Center for the Protection of People with Special Needs

The Executive Budget proposes \$57.9 million in All Funds appropriation for the Justice Center for the Protection of People with Special Needs (Justice Center), a \$636,000 or 1 percent decrease from SFY 2020-21. The Executive Budget proposes the elimination of Adult Home Advocacy Program funding, which will save the Justice Center \$230,000.

HMH Article VII

Extend the Medicaid Global Cap (HMH Part A): The Executive Budget proposes legislation extending the Medicaid Global Cap through State Fiscal Year 2022-23. This is a one-year extension that would continue to link Medicaid expenditures to the 10-year rolling average of the medical component of the Consumer Price Index.

Medicaid Pharmaceutical Recommendations (HMH Part B): The Executive Budget proposes legislation to align coverage for non-prescription drugs and over-the-counter products with other states and the federal Medicare Part D Program. The Executive Budget also proposes legislation that will eliminate "prescriber prevails," which requires Medicaid to cover a non-generic drug if the prescriber finds that the specific medication is medically necessary.

Establishes a 340B Reimbursement Fund (HMH Part C): The Executive Budget proposes legislation to create a permanent supplemental payment fund of \$102 million to support activities associated with the federal 340B drug discount program. Federally Qualified Health Centers and other 340B providers have raised concerns that the pharmacy carve out scheduled to be implemented on April 1, 2021, will lead to decreased revenue for 340B providers that DOH has not accounted for. This fund is designed to offset losses 340B providers may have incurred due to the transition of the Medicaid pharmacy benefit from Managed Care to Fee-For-Service and will be for community health centers. Only entities that have enrolled in the 340B program by calendar

year 2022 will be eligible for funding through the reimbursement fund. Hospitals will be ineligible to receive funding through this fund.

Hospital Related Medicaid Recommendations (HMH Part D): The Executive Budget proposes legislation to reduce the capital rate add-on for inpatient hospital expenses by an additional five percent and discontinues State-share Indigent Care Pool payments to public hospitals.

Modifies Worker Recruitment and Retention Funding (HMH Part E): The Executive Budget proposes a reduction in the maximum amounts of funding for the Workforce Recruitment and Retention program for personal care service workers, certified home health agencies, long-term home health care programs, AIDS home care programs, and hospice programs by an additional 25 percent. This funding was authorized in 2002 to support providers' ability to recruit and retain qualified direct care staff.

Telehealth Reform (HMH Part F): The Executive Budget proposes a series of reforms to improve accessibility to healthcare via telehealth.

- Providers will no longer be limited to where they can practice via telehealth.
- The Statewide Health Information Network for New York (SHIN-NY) will develop a single consent form to allow for an improved electronic exchange of clinical information.
- An interstate licensure program will be created to authorize practitioners licensed by contiguous states or states in the Northeast region to provide telehealth services. Consideration will be taken for specialty practice areas with historical access issues, such as psychiatry.
- Insurers will be required to provide an adequate network of providers to meet all medically appropriate hospital, medical, or surgical needs via telehealth.
- Health care professionals, group practices, diagnostic and treatment centers, and health centers will be required to disclose if they offer telehealth services.

Medicaid Medical Respite Pilot Program (HMH Part G): The Executive Budget proposes legislation to authorize and implement medical respite programs to address the needs of individuals who lack access to safe housing, do not require hospital inpatient services, and can receive healthcare in a lower-intensity setting. Licensed or certified not-for-profit programs would be able to provide temporary room and board and the arrangement of health care and support services to patients who are at-risk or homeless and experiencing a health condition that requires treatment but not high-level care.

Eliminate Essential Plan Premiums (HMH Part H): The Executive Budget proposes legislation to rename the Family Health Plus Program to the Basic Health Program. There will be no monthly premiums for individuals with a household income at or below 200 percent of the federal poverty line. The Executive estimates that over 400,000 Essential Plan members currently pay \$20 monthly premiums.

Waiver Authority For New York State of Health Marketplace (HMH Part I): The Executive Budget authorizes DOH and DFS, with the approval of DOB, to apply for federal waivers as deemed necessary to further the objectives of the New York State of Health Marketplace to take actions to further reduce the number of uninsured persons in New York State. Federal waiver programs allow states to adjust requirements of federal programs such as Medicaid and Medicare to experiment with and implement different ways of financing, organizing, and delivering health care services.

Department of Financial Services

Regulation of Pharmacy Benefit Managers (HMH Part J): The Executive Budget requires Pharmacy Benefit Managers (PBMs) to register with, and eventually become licensed by, the Department of Financial Services (DFS). PBMs doing business in New York State must register with DFS by June 1, 2021 and by June 1, 2023 become licensed by DFS. Licenses expire after three years. PBMs manage a health insurance company's reimbursements for prescription drugs, including negotiating prices with drug manufacturers and dispensing fees to pharmacists.

Every PBM must report annually to DFS information requested by the Superintendent, including any pricing discounts, rebates, or clawbacks received by the PBM, and the terms of any contract between the PBM and any other party relating to pharmacy benefit management services provided to a health plan, including but not limited to dispensing fees paid to pharmacies. A PBM must disclose in writing to a health plan with whom the PBM has a contract any activity or arrangement of the PBM that presents a conflict of interest with the PBM's contractual relationship with, or duties to, the health plan.

DFS is given the authority to set minimum standards for the issuance of a PBM license, including standards of conduct, prohibitions on conflict of interest and deceptive or non-competitive practices, prohibitions on abusive pricing models such as spread pricing, prohibitions on unfair claims processes, the creation of standards for the creation of pharmacy networks, and prohibitions on requiring pharmacies to meet arbitrary accreditation or recertification standards.

In addition, the Executive proposal prohibits any health plan contract with a PBM that limits access to pharmacy benefit management financial or utilization information. DFS may suspend, revoke, or refuse to renew or issue a PBM license if it determines that the PBM violated the Insurance Law, provided misleading information in its application or reports, or demonstrated untrustworthiness.

Restructures Physicians Excess Medical Malpractice Program (HMH Part K): The Executive Budget proposes restructuring the Physicians Excess Medical Malpractice Program that provides an additional excess medical malpractice policy for physicians above their general malpractice insurance policy. The Executive Budget extends the program until July 1, 2022 but now requires the physician to purchase their excess liability policy directly from an insurer and pay for 50 percent of the premium. The insurer will then be paid 25 percent of the premium at the end of the policy period from the hospital excess liability pool, and then the remaining 25 percent a year after the policy ends. This proposal results in a State savings of \$51 million.

Department of Health

Cuts Reimbursement to New York City For General Public Health Works Reimbursement (HMH Part L): The Executive Budget proposes reducing reimbursement to New York City under the General Public Health Work program that provides core public health programs, such as disease prevention, community health assessments, and communicable disease control from 20 percent to 10 percent for a State savings of \$20 million in SFY 2021-22 and \$38.5 million in subsequent years. This reduction does not include claims related to public health emergencies.

Discontinues Several Research and Education Programs (HMH Part M): The Executive Budget proposes to discontinue several research and education programs. Specifically:

- Discontinuing the Empire Clinical Research Inventory Program (ECRIP) that provides grants to teaching hospitals for research projects for a State savings of \$3.45 million.
- Eliminates the Spinal Cord Injury Research Program (SCIRP) that provides funding for research into spinal cord injury paralysis for a State savings of \$2.4 million.
- New York State Stem Cell Science Program (NYSSTEM) that provides funding for stem cell research. NYSSTEM will expire after all of the various contracts currently being awarded have expired, for a State savings of \$12.8 million in SFY 2021-22, and \$24.4 million in SFY 2022-23.

Eliminates e-Prescribing Exemptions (HMH Part N): The Executive Budget proposes removing exceptions to the mandatory electronic prescribing for veterinarians and for those prescribers who have received a waiver from DOH, with an estimated State savings of \$500,000 in SFY 2021-22, and \$1.2 million in SFY 2022-23.

Discontinues Several Public Health Programs (HMH Part O): The Executive Budget discontinues several public health programs including:

- EQUAL (Enhancing the Quality of Adult Living), which was established to enhance residents' quality of care and life experiences in adult care facilities. Elimination of this program provides State savings of \$6.5 million.

- Hospital Resident Working Hour Audit requirement that requires DOH to annually audit hospital compliance with the amount of hours a resident physician may work in a week for a State savings of \$1 million.
- Operating Subsidies for Adult Care Facilities licensed as Enriched Housing Programs for a State savings of \$380,000.

Extenders (Part S):

The Executive Budget proposes to extend the following programs and provisions of law:

- Authorization of bad debt and charity care allowances for certified home health agencies through June 30, 2023.
- Authorization to contract with transportation managers or brokers by removing the expiration of this authorization, thereby making it permanent.
- Limiting the reimbursement of certified home health agencies and long term home health programs administrative and general costs through March 31, 2023.
- Elimination of the trend factor for service for general hospital and nursing home reimbursement through March 31, 2023.
- Authorization for the financing of certain health care capital improvements through March 31, 2023.
- Regulatory waiver authority for DOH, OMH, OPWDD, and OASAS to allow providers who are involved in DSRIP projects, or who would like to scale and replicate the ideas coming out of the DSRIP program, until April 1, 2024.
- Increased reimbursement rates for the Medical Indemnity Fund, which provides funding for future health care costs of children who have birth-related neurological injuries through March 31, 2022.
- Authority of DOH to issue certificates of public advantage through December 31, 2024.
- Nurse Practitioner Modernization Act through June 30, 2027.
- Health Facility Cash Management Program through March 31, 2023.

State Education Department

Expands Pharmacists' Scope of Practice and Authorizes Collaborative Drug Therapy Management (HMH Part P):

The Executive proposes several changes to expand pharmacists' existing scope of practice. First, the Executive proposes adding pharmacists to the list of professionals classified as qualified health professionals, meaning that they would be able to be the lead administrator of a limited service laboratory and order and administer FDA-approved tests.

The next change to scope of practice for pharmacists the Executive proposes would expand the types of immunizations that a pharmacist may administer to a person 18-years of age or older. The

proposed expansion would include any immunization recommended by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention (CDC) pursuant to a patient-specific, or non-patient-specific order from a physician or nurse practitioner. Currently, pharmacists may only administer immunizations for influenza, pneumococcal, acute herpes zoster, meningococcal, tetanus, diphtheria, or pertussis. The Executive would also remove the sunset provision from pharmacists' ability to administer immunizations, which is currently scheduled to expire July 1, 2022.

Finally, the Executive also proposes modifications to the existing collaborative drug therapy management demonstration program by making the program permanent. The proposal would add that pharmacists in a collaborative drug therapy management program can either engage in formal collaborative practice arrangements with physicians, or now can also engage in such practice arrangements with nurse practitioners. The program also would give the pharmacists the ability to prescribe an order to adjust or manage a patient's ongoing condition rather than directly adjust the order.

Modernize the Office of Professional Misconduct and Update Physician Profiles (HMH Part Q):

The Executive proposes methods for additional oversight of physicians practicing in the State. The proposal alters the current lifetime validity of physicians' licenses by providing that a license can be stricken by the Board of Regents after a physician's failure to register with SED for two consecutive periods. Additionally, the proposal would add to the physician licensure process the requirement that SED collect fingerprints to be able to have criminal background checks conducted.

The Executive also proposes mandating that physicians report to the Office of Professional Medical Conduct (OPMC) within 24 hours if they are charged with a crime or misconduct. Current law requires such reporting only on the final resolution of a case involving the physician. Further, the OPMC would have the authority in certain situations to disclose to the public that a complaint has been filed against a particular physician if there is a risk to the public.

The Executive Budget proposal also requires physicians to post additional information on the New York State Physician Profile website. This new information includes hours of operation of the physician's practice, the availability of assistive technology, whether the physician is accepting new patients, the physician's website and social media accounts, any physicians that share a practice, and workforce research and planning information.

In addition, the Executive Budget clarifies that any information on the physician profile related to the health care plans the physician is affiliated with will now be updated by DOH and is no longer

the responsibility of the physician, authorizes an employee or contractor to update the physician profile on behalf of the physician, requires the profiles to be updated within six months of a physician's re-registration application, and allows physicians to omit information from their profiles regarding their appointments to medical school faculties, their website and social media accounts, and the name of physicians they share a practice with. However, they will no longer be able to omit information regarding the location of their practice and the healthcare plans that they are affiliated with.

Mental Hygiene

Department of Mental Hygiene

Extends Authority of Facility Directors to Act as Representative Payees (HMH Part T): The Executive Budget extends the authority of Office of Mental Health (OMH) and Office for People with Developmental Disabilities (OPWDD) facility directors to act as representative payees for the cost of a resident's care and treatment until 2024.

Extends Authority of OMH/OPWDD to Appoint Temporary Operators (HMH Part U): The Executive Budget proposes a five-year extension allowing OMH and OPWDD to appoint temporary operators for established programs providing services to individuals with serious mental illness, developmental disabilities, or chemical dependence. The extension would expire on March 31, 2026.

Extends Demonstration Program for Inpatient Psychiatry Units (HMH Part V): The Executive Budget proposes extending the ability for OMH and OPWDD to implement time-limited demonstration programs for an additional three years. These time-limited demonstration programs are for individuals with intellectual and/or developmental disabilities. The authority would expire on March 31, 2024.

Creates the Office of Addiction and Mental Health Services (HMH Part CC): The Executive Budget proposes the creation of a new Office of Addiction and Mental Health Services (OAMHS) through the integration of the Office of Mental Health (OMH) and the Office of Addiction Services and Supports (OASAS). The budget proposal charges the unified agencies with addressing mental illness and addiction in a comprehensive manner and to provide services and programs to promote recovery for individuals with mental illness, substance use disorder or co-occurring disorders. The integrated agency would take on existing responsibilities of each office and the newly appointed Commissioner of Office of Addiction and Mental Health Services is vested with the powers, duties, and obligations of the Commissioner of Mental Health and Commissioner of the Office of Addiction Services and Supports.

The transition is effective immediately and must be complete by January 1, 2022. Until a new Commissioner is appointed by the Executive and confirmed by the Senate, the existing Commissioners of Mental Health and Office of Addiction Services and Supports are to work together to facilitate integration of the agencies. An Acting Commissioner of the Office of Addiction and Mental Health Services may be named during the transition and carry out duties related to the integration, prior to Senate approval. All OMH and OASAS employees would be retained and integrated into the new agency. No further examinations or qualifications would be required and employees would be granted the same or similar titles and job duties as well as the same collective bargaining units, civil service classifications, status, and rights.

Authorize Integrated Licensure for Comprehensive Outpatient Services (HMH Part DD):

The Executive Budget proposes granting DOH, OMH, and OASAS the authority to establish a framework for the licensing, regulation, and oversight of comprehensive outpatient services centers.

Such centers licensed as a comprehensive outpatient service center will also be eligible for the higher incentive payment Medicaid rates granted to patient centered medical homes.

Operating under this structure, multiple programs who provide care on an independent and outpatient basis for the same patient will be able offer the same outpatient services for preventative, diagnostic, therapeutic, and rehabilitative care and treatment of mental illness, addiction, and physical health conditions but in a coordinated and integrated manner and at a single location. A physician “medical director” will be responsible for the overall direction and supervision of care for each patient. DOH, OMH, and OASAS are granted the authority to establish a single set of licensing standards and requirements related to construction, operation, reporting and data collection relating to these centers in regulation.

Office of Mental Health

Extends Community Reinvestment for State Psychiatric Inpatient Bed Closures (HMH Part W):

The Executive Budget proposes to extend for three years the community mental health support and workforce reinvestment program which requires OMH to reinvest savings from inpatient bed closures into community mental health services. The extension would expire on March 31, 2024.

Suspends Notification and Community Reinvestment Requirements for OMH Facility Closures (HMH Part X):

The Executive Budget proposes legislation that would allow OMH to close, consolidate, reduce, transfer, or otherwise redesign services at any OMH-operated hospital, facility or program without issuing a one-year notification and removes the requirement to reinvest these savings into community services. This proposed suspension of notifications and reinvestment would be for one year and would expire on March 31, 2022. This proposal would allow for the

Rockland Children's Psychiatric Center to transfer its inpatient clients to the New York City Children's Center-Bronx Campus. The Executive does not anticipate any layoffs with this proposal.

Increase Penalties for Mental Hygiene Law Violations And Establish Applications Fees for OMH Operating Certificates (HMH Part Z): The Executive Budget proposes legislation to allow the Commissioner of Mental Health to issue sanctions for Mental Hygiene law violations, and allows the Commissioner to develop a schedule of sanctions that could exceed the current fine of \$1,000 per day or \$15,000 per violation. The Executive Budget also proposes legislation to establish a schedule of fees for the purpose of processing applications for operating certificates for OMH licensed facilities.

Crisis Stabilization Services (HMH Part AA): The Executive Budget proposes legislation to address comprehensive crisis reform in three subparts.

Crisis Stabilization Centers: Subpart A proposes legislation that would allow OMH and OASAS to jointly create crisis stabilization centers. These crisis stabilization centers would be for individuals with psychiatric and/or substance abuse disorder and would be open 24 hours a day, 365 days a year. The crisis stabilization centers would be appropriately staffed by an interdisciplinary team that would include at least a psychiatrist or psychiatric nurse, a credentialed alcoholism and substance abuse counselor, and a peer support specialist. The goal of these crisis stabilization centers is to divert individuals from the emergency room or comprehensive psychiatric emergency programs if the individual does not need acute care or inpatient services.

Kendra's Law - Assisted Outpatient Treatment Orders: Subpart B proposes legislation that would allow court-ordered Assisted Outpatient Treatment to be extended if the appropriate director has made multiple attempts to inform the individual with mental illness about the hearing. The Executive Budget also proposes legislation to allow the director to petition the court for continued AOT if the patient is unlikely to voluntarily participate in outpatient treatment that would allow them to live safely in the community, and that continued treatment would prevent a relapse or deterioration that would result in harm to the person or others and the individual has experienced a substantial increase in symptoms within six months of the expiration of the order..

Involuntary Commitment: Subpart C amends the definition of "likelihood to result in serious harm" or "likely to result in serious harm" to include an additional standard for involuntary commitment. The additional standard is if there is a substantial risk of the person being unable to provide food, clothing, shelter, or personal safety for themselves, and the neglect of these basic needs would result in serious accident, illness or death.

Office of Addiction Services and Supports

Establish Standards for Addiction Professionals (HMH Part Y): The Executive Budget proposes to clarify that OASAS has the authority to develop and implement a set of standards for addiction service professionals such as Credentialed Alcoholism and Substance Abuse Counselors (CASAC's) and certified recovery peer advocates. The Executive Budget also proposes setting fees for the credentialing, licensing, certification, and recertification of addiction professionals and providers and for the establishment, certification, and recertification of OASAS addiction programs and services. Individuals who currently hold valid alcoholism or substance abuse counselor credentials issued by the Office, or a designated entity, as of April 1, 2021 will be allowed to practice as an "addiction professional" under the new licensing system.

Justice Center for People with Special Needs

Eliminate Requirement to Administer an Adult Home Advocacy Program Within The Justice Center (HMH Part EE): The Executive Budget proposes legislation that would eliminate the Justice Center's requirement to administer the Adult Home Advocacy and Adult Home Resident Council Programs. The Adult Home Advocacy program provides legal and non-legal advocacy services and training in residents' rights and self-advocacy to mentally disabled individuals residing in adult homes in New York City and Long Island. The Adult Home Resident Council program establishes and supports resident councils in order to promote the rights of adult home residents and to support their advocacy activities in their homes and other settings.



New York State Senate Democratic Majority
**STAFF ANALYSIS OF THE 2021-22
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