



NEW YORK STATE LEGISLATURE

March 8, 2023

Hon. Andrea Stewart-Cousins
Temporary President & Majority Leader
New York State Senate
The Capitol, Room 332
Albany, New York 12247

Re: FY 2024 NEW YORK STATE BUDGET

Dear Leader Stewart-Cousins:

In anticipation of the 2023 Legislative Session, the Senate Republican Conference unveiled the **“Rescue NY Agenda”** proposing a safer, stronger, more affordable, and more free New York. The plan is a commitment to responsible stewardship of tax dollars, jump-starting our slow economic recovery and restoring common sense to our criminal justice system. We believe a budget that follows the tenets of this agenda will improve and strengthen our state. As such, the Senate One House Budget and the FY2024 Enacted Budget must focus on:

- Cutting the Empire State’s Highest-in-the-Nation Tax Burden and Controlling Government Spending;
- Reducing the Cost of Living for Families and All Residents;
- Improving New York’s Worst-in-the-Nation Business Climate;
- Enacting Climate Policies that Ensure Access to Affordable, Reliable, and Clean Energy;
- Restoring Common Sense to Our Criminal Justice System to Prevent Crime and Protect New Yorkers;
- Increasing Efforts and Investment to End the Opioid and Mental Health Epidemics;
- Supporting and Protecting Our Seniors;
- Providing a High-Quality Education to All Students;
- Expanding Economic Opportunity and Strengthening Our Workforce;
- Investing in Infrastructure for the 21st Century;

- Helping Our Veterans and Military Families Thrive;
- Upholding the Rights of New Yorkers; and
- Improving State Governance and Restoring Accountability

With this in mind, the Senate Republican Conference is advancing the following items as key priorities that must be considered and/or addressed in both the Senate One House Budget and the FY2024 Enacted Budget:

Cutting the Empire State’s Highest-in-the-Nation Tax Burden and Controlling Government Spending

Rejecting Tax Increases

According to the Financial Plan, we are closing our current fiscal year with a \$8.7 billion General Fund surplus. This is the result of strong tax receipts as well as less-than-estimated disbursements being expended.

While the Governor has claimed that no new taxes are contained within the Executive Budget proposal for FY 2024, one of her signature proposals is to increase the top Metropolitan Commuter Transportation Mobility Tax (“MCTMT”) rate from 0.34% to 0.50% effective July 1, 2023. The MCTMT is imposed on certain employers and self-employed individuals engaging in business within the Metropolitan Commuter Transportation District (“MCTD”), which includes New York City, Long Island, and the counties of Dutchess, Orange, Putnam, Rockland, and Westchester. In addition, this proposal would increase the rate imposed upon net earnings from self-employment to 0.42% for tax year 2023 to 0.50% for tax years beginning on or after January 1, 2024. This proposal is expected to generate \$800 million annually for the MTA.

The Governor also proposes to extend the current 7.25% business income tax rate for three years, through tax year 2026, for taxpayers with a business income base over \$5 million. This, with the proposed extension of the current 0.1875% capital base tax rate for three years, will increase revenue by \$810 million in FY 2025, \$1.170 billion in FY 2026, and \$880 million in FY 2027.

New York continues to have among the highest tax burdens in the nation. Any new tax increases, including the MCTMT rate increase, proposed during this year’s budget-making process must be rejected.

Preventing “Stealth Tax Increases” by Adjusting Tax Brackets for Inflation

New Yorkers continue to grapple with high costs related to the inflationary environment. To provide relief, the FY2024 Budget should index New York’s income tax brackets, standard deduction, and dependent exemptions to inflation. Adjusting tax brackets for inflation would prevent further “bracket creep” that results in taxpayers moving into higher tax brackets where they will face higher tax rates without any increase to their real income. During a period of

rampant inflation, such as the moment we find ourselves in, taxpayers will be facing stealth tax increases never approved by elected lawmakers. Adjusting taxes this way could save New Yorkers roughly \$300 million annually.

Property Tax Relief

The Executive Budget eliminates \$624 million in Medicaid Enhanced Federal Medical Assistance Program (eFMAP) fund payments intended to go directly to local governments. Each county would receive a loss in state funding due to this proposal. This loss of funding would directly lead to property tax increases as counties and New York City would have to spend nearly \$1 billion more annually according to the New York Association of Counties.¹ This not only flagrantly flies in the face of the intent of the federal program, but it also threatens the financial security of property taxpayers throughout New York State. These provisions must be rejected.

The Executive Budget proposes to keep AIM funding for municipalities level from the current fiscal year at \$715 million. The Republican Conference supports an increase in AIM base aid to municipalities, which has been long overdue for over a decade. With the scourge of the COVID-19 outbreak and its resulting impact over three years, the numerous state mandates over even more years, and ever-increasing inflation, local budgets have taken a beating. An increase to the total AIM base aid payments to municipalities would assist local municipal budgets and allow them to pay for the increasing cost of essential services in their localities without raising local taxes.

Our conference finds it alarming that the Executive Budget provides no property tax relief. New Yorkers continue to face some of the highest property taxes in the Nation, especially in suburbs where residents of Nassau, Rockland, and Westchester counties face property tax bills that exceed \$10,000.² To provide relief, we must take action to reduce property taxes by \$2.3 billion by requiring the State to pick up the local share of Medicaid outside of New York City over five years and local governments to pass the savings along to property taxpayers.

Providing Relief to Middle-Class Taxpayers

In addition to no property tax relief, the Executive Budget does not provide any tax relief for middle-class taxpayers despite an \$8.7 billion surplus. The Senate Republican Conference believes action is needed to protect the middle class as they struggle to keep up with increasing costs. Language should be included in the budget to eliminate “tax benefit recapture” provisions for middle-class taxpayers. New York is one of only a handful of states that have such provisions that require taxpayers subject to higher income tax brackets to pay a flat tax at the highest marginal rate on their entire income instead of just their income above a given bracket threshold.

¹ <https://www.nysac.org/files/SFY%202024%20Executive%20Budget%20Impact%20Report.pdf>

² <https://taxfoundation.org/property-taxes-by-state-county-2022/>

This would save middle-class taxpayers roughly \$650 million while also simplifying our tax code and ending a regressive practice.

Enacting a Permanent Cap on Runaway State Spending

The Executive Budget purports to increase FY 2024 All Funds spending by 2.4 percent and State Operating Funds spending by two percent. However, when evaluating state spending using a two-year average to eliminate timing of payment distortions and also use actual numbers as opposed to projections as a baseline, All Funds spending over two years (from FY 2022 projected through FY 2024) is actually 8.4 percent or 4.2 percent which equates to an annual average of 4.2 percent. Applying the same methodology to State Operating Funds, spending increases from FY 2022 by 6.6 percent, which equates to an annual average of 3.3 percent.

The Senate Republican Conference proposes to include language in the budget to cap State Operating Funds spending at two percent as certified by the State Comptroller and put in place provisions for exceeding the spending cap during a state of emergency by a two-thirds vote in each House of the Legislature.

Reducing the Cost of Living for Families and All Residents

Supporting Families and Addressing Childcare Costs

The average cost of childcare in New York is over \$12,000 annually. Such costs stress families' budgets and force workers out of the labor force. We support the Executive's proposal to create a new tax credit to incentivize employers to create and expand childcare options for their employees. Additionally, we support provisions in the budget to increase childcare assistance eligibility up to the federal maximum limit to provide relief for those in need of support living in high-cost communities and the inclusion of \$1 million for the creation of the Business Navigator Program to assist businesses that are interested in supporting childcare.

The Conference would like to see a new round of \$50 million for the Child Care Capital Program to support investment in building new childcare sites. Additionally, language should be included to:

- Create a \$5 million Child Care and Early Childhood Education Innovation Fund to support grants for projects that accelerate the start-up and expansion of licensed childcare businesses, increase the employment retention of childcare workers, and improve the economic viability of the childcare sector.
- Establish an emergency task force of critical stakeholders to work with the State to temporarily waive regulations that do not impact health and safety and recommend costly/ineffective regulations to be cut permanently.

Lastly, we believe there are opportunities to provide more relief to families raising children through the tax code. There are a number of options that could be taken to provide this critical support including, but not limited to:

- Recoupling the Empire State Child Tax Credit to the federal law — providing an additional \$500 million in relief — and expanding eligibility to include children under the age of four; OR
- Setting up a new independent version (decoupled from the federal credit) of the current Empire State Child Tax Credit by consolidating the State’s current Child Tax Credit, \$1,000 dependent exemption, State’s EITC benefit, and the Child and Dependent Care credit into a flat fully refundable credit per child or dependent with a high phaseout threshold.

Either option would bolster the support provided to families. With consolidation and/or the elimination of other costly and inefficient tax credits, New York could provide a large amount of investment in children and families with relatively little new spending.

Reducing Health Care Costs and Ensuring Access to Care for All New Yorkers

Healthcare costs are on the minds of nearly all New Yorkers. Rising costs and staffing shortages are weakening New York’s healthcare system. To provide relief from rising costs and support our healthcare system, we support:

- Reducing the cost of health insurance by phasing out the HCRA tax;
- Providing impactful Medicaid rate increases to hospitals, nursing homes, assisted living facilities, and other providers across the state;
- Maintaining the Medicaid 340B program to ensure the sustainability of safety net providers;
- Supporting meaningful prescription price transparency measures that truly reflect the price consumers pay at the pharmacy counter, and that do not jeopardize access to life-saving medications or result in increased drug costs to consumers; and
- Rejecting the elimination of wage parity for the CDPAP program and the personal care aides who rely on this supplemental benefit.

Staffing shortages threaten not only to increase costs for consumers, but to limit access to critical care throughout New York State. The Conference supports provisions in the budget to provide licensing and practice flexibility for healthcare professionals, entering the interstate Medical Licensure Compact and the Nurse Licensure Compact, and permitting healthcare professionals who hold a license from another state to request a temporary practice permit after applying for licensure in New York. Additionally, we need to invest in the workforce by expanding student loan forgiveness programs for healthcare professionals, providing specific tuition benefits for high-need occupations such as nurses, and increasing funding for nursing education and faculty.

Lowering Housing Costs

Although the Conference is generally supportive of increasing the supply of new homes in New York State, we believe the Governor's top-down policies remove local control and will harm communities. New York should forgo top-down mandates and instead incentivize localities to relax local zoning to allow for the development of more housing and more affordable housing. Additionally, we support efforts to spur development such as creating successors to New York City's 421-A and J-51 programs. Additionally, we believe establishing a program where the State may pre-approve parcels for housing development and waive certain regulations for projects that create ten or more homes and/or apartments upon a municipality's request would go a long way to reducing barriers to the creation of new housing supply. Further, streamlining the development process by reforming the State Environmental Quality Review Act would speed up the approval of housing development as well. These efforts give localities tools instead of mandates, providing for local control and spurring growth.

Defraying the Cost of Higher Education

The Senate Republican Conference opposes Governor Hochul's plan to raise tuition at SUNY and CUNY. Although we are sympathetic to the need to invest in higher education and our public higher education systems, it is irresponsible to dive into the pockets of students and families to provide this funding at a time when they face high costs and economic uncertainty. We should be taking this opportunity to provide relief to families footing the tuition bill as well as using our financial aid system to encourage students to pursue high-need fields. As such, we support increasing the income eligibility limit for the Tuition Assistance Program (TAP) to \$110,000 (from \$80,000) to allow an additional 24,000 middle-class families access to financial support. Additionally, we support restoring Graduate TAP to provide support for students pursuing graduate degrees in STEM or healthcare fields. Lastly, we support increasing community college base aid to ensure these critical engines of opportunity have the funding they need to provide innovative workforce education and training while continuing to be a gateway to success for countless students.

Improving New York's Worst-in-the-Nation Business Climate

We join employers throughout New York in their disappointment with the Executive Budget's "failure to even acknowledge the growing unemployment insurance crisis, which left unaddressed will potentially add hundreds of dollars of additional UI [unemployment insurance] costs per employee annually for years to come."³ New York is the only state facing this crisis that has made no effort to pay back its debt. The Senate Republican Conference supports the inclusion of language in the budget to create an Unemployment Insurance Solvency Reserve

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<https://www.nfib.com/content/news/new-york/nys-budget-update-nfib-speaks-out-against-spending-tax-proposals/>

Fund which would use existing reserves or surplus revenue to pay the Interest Assessment Surcharge and/or a portion of the UI deficit.

Additionally, we believe increasing the minimum wage is ill-timed and poses a serious threat to businesses as they already face high costs and an exceptionally tight labor market. We already know that New York is lagging behind in our recovery, and adding additional costs to businesses at this time would only exacerbate their plight while also potentially leading to job losses and business closures.

This is a time to support our businesses, especially our small businesses. We support providing a \$464 million tax cut for our small businesses by:

- Increasing the corporate tax threshold from \$390,000 to \$500,000 and lowering the rate to 2.5 percent;
- Expanding the small business exemption to all PIT businesses regardless of whether they have employees; and
- Increasing the threshold to \$500,000, the exemption to 15 percent, and the exemption to 20 percent for farmers.

In addition to this tax cut, we believe the budget should include language setting a goal to eliminate one-third of all state regulations in three years by simplifying and streamlining the state's rulemaking and licensing practices, reforming the state's project-killing development process, fast-tracking the appeals process, and reining in overzealous state agencies.

Lastly, we support:

- Providing \$3 million in funding for the Workforce Development Institute (WDI);
- An additional \$3 million appropriation to fund the WDI Manufacturing initiative in the FY 2024 Enacted Budget;
- The restoration of \$1.75 million in funding for the Manufacturers Intermediary Apprenticeship Program (MIAP); and
- The successful negotiation of a fair gaming compact between New York State and the Seneca Nation of Indians as the statewide economic benefits of such a compact are indisputable.

Supporting Our Farms and Agriculture Industries

We support current proposals to provide \$10 million for a new Food Access Expansion Program which would provide grants to support food access infrastructure in underserved communities and make the Investment Tax Credit fully refundable for eligible farmers for five years. Last year, we strongly urged the Governor and legislative majorities to make this credit refundable to help farmers address rising costs while they upgrade their farms. In addition to restoring and

increasing funding for key programs and associations such as County Cornell Cooperative Extension, Farm Viability Institute, and funding for apple research, among other critical programs, we also support investment in new meat, vegetable, fruit, and seafood processing facilities in New York.

Restoring Common Sense to Our Criminal Justice System to Prevent Crime and Protect New Yorkers

The Senate Republican Conference has consistently called for common-sense criminal justice policies that put the safety of New Yorkers first. While we support rolling back bail reform, we have also supported allowing judges to consider dangerousness when setting bail in an effort to mitigate the negative impact of said reforms. In this light, we support the removal of the “least restrictive means” requirement, however, we believe this is only a small step to providing judges the discretion they need to uphold public safety. Additionally, we hope the budget will not include other proposals that could threaten public safety such as the Clean Slate Act, elder parole, and sentencing reform. We hope that action will be taken in the budget to address violent crime, support crime victims, and further invest in law enforcement, including:

- Creating the SAFER Communities Grant Program to invest in critical investigatory and prosecutorial resources designed to increase case clearance rates for homicides and gun crimes;
- Increasing funding for gun interdiction efforts;
- Raising the caps on Office of Victim Services reimbursements for crime victims; and
- Investing in victim support programs.

The Conference also supports the following provisions currently included in the FY2024 Executive Budget:

- The addition of two new State Police academies;
- Continuing the \$40 million appropriation to the Criminal Justice Discovery Compensation Fund.;
- The \$40 million appropriation for grants to District Attorney Offices to assist with discovery compliance;
- The additional \$40 million for Districts Attorney Offices to hire new prosecutors;
- \$7 million in new funding for an Anti-Fentanyl Innovation Grant, which would be used to create specialized units targeting illegal fentanyl distribution; and
- The \$7.4 million for increased staffing for an enhanced parole supervision program within DOCCS (Supervision Against Violent Engagement).

Assigned Counsel Rate Increases

The Executive Budget proposes to increase the hourly rate paid to assigned counsel program attorneys statewide. These counsels defend indigent people in a court of law and they have not seen pay rate has not increased in close to 20 years. The Senate Republican Conference believes that 20 years is too long for a pay increase for these counsels especially for the vital services that they employ. The issue is that counties would be mandated to fund the full amount of the pay raise without state assistance and this law would take effect on April 1, 2023. The impact of this pay raise would vary between region and county, but would result in a high fiscal impact for county budgets. We believe that the Enacted Budget must include state assistance for these rate increases so that the counties do not bear the full cost.

Increasing Efforts and Investment to Address the Opioid and Mental Health Crises

According to a November 2022 Comptroller report, “the increase in opioid overdose deaths in New York between 2019 and 2021 was about 68 percent.”⁴ It is clear that New York remains in the grip of an opioid epidemic. At the same time, we face a mental health epidemic as we continue to hear from our schools and parents about the state of our young people and see those too often left behind by our mental health care system living on our streets. We support the following provisions in the Executive Budget aimed at supporting opioid and mental health treatment:

- The depositing of over \$320 million in payments to the Opioid Settlement Fund to be used to support addiction services throughout the state;
- \$28.2 million in state funds to support the Critical Time Intervention (CTI) teams;
- \$15 million in funding for opening 150 new State-operated inpatient psychiatric beds;
- \$6.5 million to maintain over 1,500 OASAS residential recovery units;
- \$46.1 million to support a Direct Care Pay increase for state employees for mental hygiene agencies;
- 2.5% COLA for human service providers (\$74.8 million OPWDD, \$50.6 million OMH, \$13.3 million OASAS), although these critical workers will fall behind the minimum wage workers’ increase if a significant amount more is not done;
- Authorizing licensed pharmacists to prescribe and order opioid antagonists, limited to naloxone and other medications approved by the Department of Health;
- Including controlled substances that are represented to be other controlled substances, such as illicit fentanyl pressed into tablet form to appear like FDA-approved controlled substance medications;

⁴ <https://www.osc.state.ny.us/reports/continuing-crisis-drug-overdose-deaths-new-york>

- Adding criminal sale of an imitation controlled substance in the fifth, third, and first degree to the definition of “drug trafficking felony” in the Penal Law and creating stricter penalties for the sale or possession with intent to sell imitation controlled substances;
- Creating a Qualified Mental Health Association Credential; and
- Establishing Joint Licensure between OMH and OASAS for Certified Community Behavioral Health Clinics.

Additionally, we believe further action must be taken to address the needs of New Yorkers, including:

- Expanding access to mental health services in our schools by establishing a Mental Health Services Coordinator Program, reimbursing school districts for the hiring of mental health services professionals, and providing targeted State-aid to address mental health issues related to remote learning and social isolation;
- Increasing heroin and opioid prevention and treatment funding by \$75 million over three years;
- Providing additional funding to open crisis stabilization centers throughout New York that connect people in need to critical mental health and substance-use services by supporting local efforts to establish centers and/or opening state-operated centers to ensure residents in every county have access to such facilities;
- Increasing support for inpatient and outpatient treatment by funding both juvenile and adult mental health beds and restoring them to pre-OMH Transformation Plan levels of 2,866 adult beds and 460 children beds;
- Making Kendra’s Law permanent and adopting the expansions to the Assisted Outpatient Treatment (AOT) Program included in Mayor Adams’ [Psychiatric Crisis Care Legislative Agenda](#);
- Stopping any further reduction of mental health beds by placing a 5-year moratorium on bed reductions at State hospitals and requiring public hearings and legislative approval before any future reductions as part of the OMH facility Transformation Plan; and
- Expanding the COLA by adding an additional 6% making it 8.5% for critical direct care workers.

Supporting and Protecting Our Seniors

We support efforts to provide additional support to family caregivers, relief from energy costs, and increased pay for home care workers. We believe these priorities are shared by many of our fellow legislators and hope the support for giving seniors the ability to age will culminate in meaningful investments and support in the final budget. Additionally, we support providing additional relief to retirees by increasing the amount of private pension and/or retirement income that is tax-free above the current \$20,000 limit.

Providing a High-Quality Education to All Students

Pandemic learning loss has had a detrimental impact on New York’s students. The most recent National Assessment of Educational Progress (NAEP) results showed appreciable drops in both fourth and eighth-grade reading and math scores with the steepest decline in the percentage of fourth graders demonstrating basic proficiency or above in math. Only four states had a lower average score on the fourth-grade math assessment.⁵ Our Conference believes New York schools are at their very best when they focus on education and helping every child achieve their full potential. Our Conference supports fully funding Foundation Aid with a \$2.7 billion increase for a total amount of \$24.07 billion. Additionally, we support the Governor’s proposals to eliminate the regional cap on the number of charters that may be issued in New York and permanently authorize the re-issuance of any charter originally issued to a charter school that subsequently closed after July 1, 2015, due to surrender, revocation, termination or non-renewal (so-called “zombie charters”). The Conference opposes cuts to our 4201 schools and supports increased funding for these schools as well our 853 schools. These schools provide invaluable services and are struggling to meet the needs of their students due to increasing costs and tight labor markets. We also urge the cuts to Library Aid not only be restored, but additional funding be included.

The Conference also strongly believes more needs to be done to help schools prepare for the zero-emission bus mandate including the provision of additional funding, flexibility, and additional time.

To ensure our schools are healthy and safe, the Senate Republican Conference supports these critical additions to the FY2024 Budget:

- Meeting the nutritional needs of students by providing funding for food backpack programs that provide families with free groceries for weekends and school breaks, the continuation of free breakfast and lunch programs for all students, and more local sourcing of school meals; and
- Protecting our students by establishing a school resource officer (SRO) education grant program to reimburse school districts outside the city of New York, for the hiring of an SRO.

Expanding Economic Opportunity and Strengthening Our Workforce

The Senate Republican Conference strongly urges a larger investment in Career and Technical Education (CTE) including a phased-in increase in the aid-able salaries of CTE teachers (from \$30,000 to \$60,000) and implementing the Board of Regents request for “a new tier of aid for

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https://www.nationsreportcard.gov/profiles/stateprofile/overview/NY?cti=PgTab_ScoreComparisons&chart=1&sub=MAT&sj=NY&fs=Grade&st=MN&year=2019R3&sg=Gender%3A%20Male%20vs.%20Female&sgv=Difference&ts=Single%20Year&tss=2022R3&sfj=NP

CTE within BOCES aid to accompany expenses for other services, capital and lease, and administration.”⁶ The Conference supports the \$10 million over two years in competitive funding for school districts, BOCES, and community colleges to develop strategic workforce plans that promote job readiness across the state. The Conference also supports flexibility and support for school districts to collaborate to form regional technical high schools and invest in upgrading workforce development facilities and technology at community colleges, noncredit programs, BOCES, public libraries, and local one-stop career centers.

Additionally, provisions should be included in the FY2024 budget to improve and strengthen workforce training and education, including:

- Creating a statewide industry certification policy that establishes a process for identifying in-demand credentials by region, tracking attainment and employment outcomes, and incentivizing colleges to offer and provide credit for in-demand industry credentials;
- Encouraging community colleges to consolidate their non-credit and credit workforce education programs under one roof; and
- Centralizing apprenticeship programs, funding regionally-driven/industry-led career pathways/sectoral partnerships, and adopting Invest in Skills NY “credential passport” enabling participants in various pathways (CTE, BOCES, etc.) to transition seamlessly from institution to institution.

Investing in Infrastructure for the 21st Century

Supporting Investment in Local Roads and Bridges and Water Infrastructure

According to the New York State County Highway Superintendents Association and the New York State Association of Town Superintendents of highways 87 percent of local roads are not eligible to receive Federal Infrastructure and Jobs Act funds. However, there is a clear need to repair and maintain these critical roads.

Increasing Consolidated Local Street and Highway Improvement Program (CHIPS) aid by \$200 million over the Executive’s proposal would help address this obvious need. Additionally, we support a \$70 million increase in Extreme Winter Recovery Funding. The Senate Republican Conference also supports maintaining funding for the BRIDGE-NY, PAVE-NY, State Touring Route, and POP programs while also supporting increasing the CHIPS bidding threshold from \$350,000 to \$750,000.

Additionally, we believe the budget should include provisions to:

- Protect our drinking water by increasing funding for a safe, reliable water, and sewer infrastructure; and

⁶ <https://www.regents.nysed.gov/common/regents/files/1222saa2.pdf>

- Make the Empire State more resilient to extreme weather events and the impact of climate change by hardening our shorelines, taking additional steps to mitigate coastal erosion and flooding, and ensuring we have well-designed protocols in place to keep residents safe during weather-related emergencies.

Expanding Access to High-Speed Broadband

Although the FY2023 Enacted Budget marked a major policy victory with the elimination of the fiber optic utility fee, more remains to be done as high-speed broadband is still out of reach for many New Yorkers. To address this we believe the budget should include provisions to:

- Ensure that State-funded projects are based on accurate availability data;
- Reduce the cost of deployment by eliminating prevailing wage requirements on State-funded broadband projects; and
- Provide a refundable tax credit for residents and small businesses in rural areas that pay out-of-pocket expenses for network construction costs.

Helping Our Veterans and Military Families Thrive

While it was heartening to see the Executive Budget included a \$15,000 increase for the Joseph P. Dwyer Veterans Peer Support program, after years of having to fight for restorations during the budget process, this is not enough. This program provides invaluable services to veterans in need of support and we believe we should make funding for this program permanent and double the current \$7.7 million allocation to increase support for current programs and allow for expansion into new counties. For these reasons, we ask that the budget include at least a 6 percent increase in funding for Local Veteran Service Agencies that offer support programs, connect veterans, and provide transportation.

On April 1st, 2023 the Division of Veterans' Services will be formally elevated to the Department of Veterans' Services. However, the Executive Budget actually reduced funding for the new department relative to the funding previously provided to the division. We request that you include a sizable increase in funding for the new Department of Veterans' Services over and above what was provided to the Division in last year's budget to reflect their elevation to a department and to expand the important service they provide. With this new funding and elevation, the Department should take over responsibility for all-state-run veterans programs.

Additionally, we urge the inclusion of appropriate base retention funding. These funds are necessary to protect our military facilities around the state.

Lastly, our conference supports the inclusion of provisions in the FY2024 Budget to ensure injured veterans have access to healthcare by establishing the "New York's Own Combat

Veterans Healthcare Choice Program Act" to establish tax-free savings accounts to pay the healthcare costs of certain combat veterans until covered by the federal government.

Enacting Climate Policies that Ensure Access to Affordable, Reliable, and Clean Energy

We strongly urge that the following provision of the Executive Budget be rejected:

- Prohibiting installation of fossil fuel equipment and building systems in new homes by 2026 and existing homes by 2030;
- Establishing an economy-wide Cap-and-Invest program for greenhouse gas emissions; and
- Providing NYPA with the authority to plan, design, develop, finance, construct, own, operate, maintain or improve, alone or jointly with other entities, renewable energy generating projects.

These policies threaten the economic well-being of all New Yorkers, place the Empire State at a massive competitive disadvantage, and undermine our energy sector's viability and stability. Instead of passing anti-market and anti-consumer policies, we believe action must be taken in the budget to:

- Support diverse energy sources by:
 - recognizing the importance of natural gas and biofuels;
 - providing parity to zero-emissions technologies (ex. hydroelectric, nuclear) by utilizing technology-agnostic standards and targets;
 - investing in and welcoming burgeoning technologies such as next-generation nuclear and hydrogen; and
 - rapidly phasing out tax incentives/subsidies when technologies have matured and gained market self-sufficiency;
- Enact a temporary moratorium on the State shutting down any energy-producing facilities unless public safety is directly threatened while alternatives become more reliable or come online;
- Repeal and oppose costly and anti-market mandates on consumers such as the ban on new internal combustion engines after 2035;
- Requiring independent cost studies and full transparency of all proposals from the Climate Action Council, especially on proposals mandating energy producers to raise utility rates, before a vote by the Legislature; and
- Providing over \$300 million in energy tax relief by eliminating the two-percent gross receipts tax, placing a moratorium on utility fees levied by the Public Service Commission, and limiting future increases of fees or the creation of new fees.

Upholding the Rights of New Yorkers

In addition to opposing the Governor's housing proposals, the Senate Republican Conference strongly opposes the inclusion of so-called "Good Cause Eviction" legislation in the budget. This bill will drastically disincentivize investment in new rental housing and significantly increase the

cost of operating existing rentals. Additionally, we support the inclusion of language to roll back the disastrous rent regulation policies.

Improving State Governance and Restoring Accountability

As this is budget season, it is imperative that we look to reform our budget process and increase accountability. The budget must advance language to bring more transparency and efficiency to the budgeting process and reduce the influence of special interest by:

- Creating a Legislative Budget Office to provide objective, non-partisan analysis, requiring the budget to be balanced in terms of generally accepted accounting principles (GAAP);
- Limiting the use of messages of necessity;
- Putting in place new reporting requirements for lump sum allocations;
- Enforcing quarterly reporting requirements; and
- Limiting non-budget legislation included in the State Budget

Lastly, the FY2024 Enacted Budget should include fully funding the Authorities Budget Office (ABO) to improve oversight and accountability of public funds.

In conclusion, the Senate Republican Conference urges you to consider the above priorities. As so many New Yorkers continue to face challenges, our priorities will help to make our state safer, stronger, more affordable, and more free.

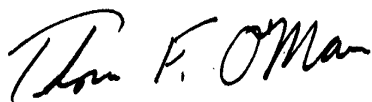
Sincerely,



Robert G. Ort
NYS Senate Minority Leader



Andrew Lanza
NYS Senate Minority Deputy Leader



Thomas F. O'Mara
NYS Senate Finance Ranker



William Weber
NYS Senate Ranker on Budget and Revenue