

NEW YORK STATE SENATE DEMOCRATIC MAJORITY

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Senate Majority One-House Budget Resolution: Investing in All New Yorkers

(Albany, NY) The Senate Democratic Majority advanced a one-house budget resolution that prioritizes affordability, economic stability and greater opportunities. The budget resolution proposes transformative investments in k-12 public education including fully funding Foundation Aid for the first time in New York's history, making school meals free for all public school students and increasing funding to further support universal pre-k expansion across the state. The budget resolution prioritizes economic support for working families by rejecting tuition hikes for SUNY and CUNY students, rejecting proposed fare hikes for MTA commuters, increasing funding to expand eligibility to affordable childcare, putting forth an 8.5 percent cost of living adjustment for many healthcare workers and raising the floor of the state's minimum wage and then indexing it to the annual cost of living so more working New Yorkers can truly make a living wage.

"In our One-House Budget Resolution, we are putting forward a proposal that prioritizes investments in working and middle class families and centers the most pressing concerns of All New Yorkers," said Senate Majority Leader Andrea Stewart-Cousins. "Our One-House Resolution puts New York State on firm fiscal footing while prioritizing transformative investments in public education and affordable childcare. The Senate Majority proposes to raise wages and increase the supply of affordable housing across the state by advancing an inclusive and collaborative approach that centers community input. Our One-House Resolution makes targeted investments to strengthen our healthcare system, expand access to mental health treatment and improve public safety in our communities. Our One-House Resolution also advances innovative solutions to address the fiscal stability of the MTA and build out the foundation to a cleaner environment for New Yorkers to enjoy for generations to come. By investing in New Yorkers, we ensure we are building a stronger fiscal foundation, improving affordability and creating opportunities. I look forward to working with Governor Hochul and Speaker Heastie in passing a transformative budget that works for all New Yorkers."

The Senate Majority One-House Budget Resolution also puts forward a cap-and-invest program to address climate pollution and makes significant investments to build the foundation for a cleaner and more sustainable environment. The One-House Budget restores critical funding to local municipalities and prioritizes investments in critical infrastructure and transportation. The Senate Majority makes historic investments in the MTA by allocating new sources of dedicated funding by raising revenue from the ultra-wealthy to help address the system's fiscal deficit, improve frequency and reliability of service, and ensure the system's long-term future as a public good that moves New York's economy forward.

The Senate Majority's One-House Budget Resolution makes critical investments in a range of efforts to address homelessness and expand housing supply across New York while expanding tenant protections to help New Yorkers stay in their homes. This One-House Budget Resolution prioritizes keeping New Yorkers safe by increasing funding to community violence reduction and crime fighting interventions, and allocating additional resources to better support the implementation of discovery reform as well as increasing support for pretrial services.

In this budget proposal, the Senate Majority makes significant investments to expand healthcare access to uninsured New Yorkers and bolster the accessibility of behavioral health services and mental health treatment. The Senate Majority's One-House Budget Resolution also provides new investments in economic development including robust funding for new grant programs to boost small businesses and increase access to capital for minority and women owned businesses.

Senate Deputy Majority Leader Michael Gianaris said, "The Senate's budget proposal is a winner for working New Yorkers. It includes critical investments in housing, provides good cause eviction protections, keeps money in New Yorkers pockets by adopting my proposal to stop MTA fare hikes while providing groundbreaking free bus service, and halts tuition increases at CUNY and SUNY. I'm proud to work with my Senate colleagues as we seek to get these proposals over the finish line and put them into action."

Senate Finance Chair Liz Krueger said, "I am proud that once again our conference has worked collaboratively to propose a one-house budget that delivers desperately needed action on affordability, economic stability, and the climate crisis. This proposal is, as always, thoughtful, fact-based, and driven by the needs of our constituents. We provide more money for regular New Yorkers, and less on needless corporate giveaways, with critical investments in mass transit, education, healthcare, and public safety. This proposal lays out a blueprint for a more prosperous and equitable state, and I look forward to working with our colleagues in the Assembly and the Governor's office to deliver the best possible final budget."

Highlights in the State Senate Majority's One-House Budget Resolution include:

Increasing the Housing Supply & Strengthening Tenant Protections:

The Senate Majority one-house resolution puts forward a comprehensive range of initiatives to address the housing shortage by providing critical investments to incentivize municipalities across the state to build new affordable housing while retaining community input in development and strengthening tenant protections statewide. The housing initiatives advanced in the One-House Budget Resolution include:

- Adding \$389 million for the Emergency Rental Assistance Program (ERAP) for a total of \$639 million.
- Adding \$5 million for legal representation for eviction outside of New York City for a total of \$40 million.
- Modifying the Executive proposal to set housing growth targets by removing mandatory requirements and overrides of local zoning.
 - The Senate recognizes and supports the need for an expanded and diversified housing supply, particularly affordable housing, in order to address the State's affordability crisis while recognizing the critical role of community input in meeting development needs with community buy-in to different development strategies. The Senate will further consider programs, policies, and incentives to facilitate the development of a robust and sustainable housing supply.
- Supporting the advancement of tenant protections that align with the core principles of Good Cause Eviction.

Combating Climate Change & Protecting the Environment:

Under the Senate One-House Budget Resolution, New York continues to lead the way in advancing impactful policies to combat climate change and protect the environment as part of the implementation of the landmark Climate Leadership and Community Protection Act, including:

- Directing the Department of Environmental Conservation and NYSERDA to establish a cap-and-invest program to implement emissions reduction requirements under the Climate Leadership and Community Protection Act and adding specific programmatic details regarding issuance and allocation of allowances, labor standards and protections, prevention of market manipulation, and protections for disadvantaged communities, as well as by setting up the Climate and Community Protection Fund to ensure all benefits and rebates from the program are equitably distributed (S.5360).
- Putting forth language to align the Public Service Law with the emission reduction mandates of the Climate Leadership and Community Protection Act, to ensure an equitable transition from the gas distribution system to a renewable system for heating and hot water, eliminate entitlement for new gas connections, and cap the energy burden of low income households to 6 percent of their income (S.2016).
- Increasing funding for the Environmental Protection Fund by \$100 million to \$500 million.

- Increasing clean water infrastructure funding by \$100 million to \$600 million.
- Advancing language to establish a Climate Change Cost Recovery Program to require
 fossil fuel companies that have contributed significantly to the buildup of greenhouse
 gasses in the atmosphere to compensate the State based on such companies' greenhouse
 gas contributions, and directs the proceeds to be used for climate change-related
 expenditures in a manner similar to the aforementioned bill (S.2129), but with proceeds
 directed to the Climate and Community Protection Fund.
- Additional environmental actions include:
 - Advancing language that municipalities may only issue a permit for new construction under seven stories that is an all-electric building by 2025, and may only issue a permit for new construction seven stories or more that is an allelectric building by 2028.
 - Modifying the Producer Responsibility Program to be replaced with language similar to the Packaging Reduction and Recycling Infrastructure Act (S.4246).
 - o Including language to create the Safe Water Infrastructure Action Program, which is modeled off the CHIPS program for local roads and bridges (<u>S.4350</u>).
 - Putting forth language to expand the Returnable Container Act (<u>S.237</u>).

Strengthening Our Public Schools and Higher Education:

Last year we made historic investments in public education to build a well resourced cradle to college to career pipeline and support the next generation through every step of their schooling. In this year's one-house budget resolution we propose to continue building on these efforts to strengthen and improve our public schools by increasing investment in key areas including:

- Fully funding Foundation Aid, for the first time in the state's history.
- Rejecting the carve out for high impact tutoring.
- Rejecting to lift the charter school cap
- Investing \$280 million for universal school meals.
- Adding \$125 million for Universal Pre-K (UPK) reimbursement increases for early adopting schools.
- Increasing library operating aid by \$7 million and added \$25 million in capital funding.

SUNY & CUNY:

- Rejecting SUNY and CUNY tuition hikes.
- Increasing the maximum family income cap for TAP eligibility from \$80,000 to \$110,000.
- Increasing CUNY funding:
 - o \$149 million for general operating aid.
 - o \$333 million for a CUNY matching endowment.

- o \$435 million for CUNY capital funding
- Increasing SUNY funding:
 - o \$151 million for operating aid.
 - o \$68 Million for SUNY hospital debt service.
 - o \$350 million for SUNY capital funding

Expanding Access to Healthcare, Mental Health Treatment & Social Services:

The COVID-19 pandemic exposed glaring gaps in our healthcare systems and exacerbated persistent inequities in the access of mental health treatment and behavioral health services. Our One-House Budget Resolution makes critical investments to expand healthcare access to the uninsured, and bolsters the accessibility of mental health treatment and social services for the most vulnerable New Yorkers. The Senate One-House Budget Resolution includes:

- Adding an 8.5 percent COLA increase for all workers at OMH, OASAS, OCFS and OPWDD.
- Increasing the Medicaid reimbursement rate for hospitals and nursing homes by 10 percent.
- Adding \$1 billion in State funding for financially distressed and safety-net hospitals.
- Modifying Essential Plan eligibility and delaying the expansion of coverage for undocumented people over 64 years of age by accepting the proposed expansion of the Essential Plan but rejecting the delay in coverage for undocumented immigrants over 64 years old, and including coverage for undocumented immigrants regardless of age through the Essential Plan (Part of S.2237).
- Adding \$10 million to support doula services and provide reimbursement rates for providers.
- Providing \$10 million for a pilot of Daniel's Law to support increasing access to emergency mental health crisis counselors.
- Adding \$187 million to support safe staffing for nursing homes.
- Adding \$1 million to support Native American Health Clinics.

Bolstering Investments in Public Safety:

The Senate Majority Conference believes that true criminal justice and public safety can go hand-in-hand. In this year's One-House Budget Resolution, we prioritize funding to bolster public safety initiatives including:

- Increasing funding for Public Safety Initiatives:
 - o \$20 million to support Operation SNUG.
 - o \$20 million to support pretrial services.

- \$14 million for local law enforcement to support funding related to enforcement of Extreme Risk Protection Orders.
- Adding \$10 million to support legislative grants for community safety and restorative justice grant programs that include:
 - Investing in gun violence prevention programs, gang and crime reduction strategies managed by local governments, and community-based not-for-profit service providers.
 - o Aiding survivors of sexual assault and domestic violence.
 - Supporting criminal and civil legal services, alternatives to incarceration, community supervision and re-entry initiatives.
- Support for Discovery Reform Statewide:
 - o \$40 million for Discovery Reform funding for criminal defenders.
 - \$50 million for New York City District Attorneys to support discovery reform implementation.
 - Supporting criminal and civil legal services, alternatives to incarceration, community supervision and re-entry initiatives.

Boosting Funding to Spur Economic Development & Support Small Businesses:

The Senate Democratic Conference is committed to strengthening our small business owners and entrepreneurs, who are the bedrock of our economy and anchors of our communities. This year we are continuing to help their bottom line in the wake of COVID, and investing in their success for years to come. Our One-House Budget Proposal includes:

- Investing \$100 million to establish a Small Business Development Grants Program.
- The Senate supports exploring the use of conduit financing to provide unemployment insurance premium relief to business owners across the State.
- Adding \$7.5 million to establish the New York State Entrepreneurial Training Grants program.
- \$2.4 million in additional support for the Minority and Women-Owned Business Development and Lending Program, for a total of \$3 million.

Supporting Working People and Families:

The Senate Majority One-House Resolution prioritizes investments in key sectors of the economy to better support working families and the middle class and provide relief from inflation. Our budget proposal includes critical funding to support workforce development and boost New Yorkers bottom lines, including:

• Increasing funding for and access to child care by:

- \$623 million to expand child care eligibility up to 103 percent of the State median income level in 2023. The Senate also proposes to increase childcare eligibility to 129 percent of the State median income level in 2024.
- \$500 million for the Workforce Retention Grant program, providing up to
 \$12,000 in salary enhancements to child care workers.
 - Eligible childcare workers must be employed at a childcare facility that serves families receiving subsidized childcare.
 - Employees will receive a proportional share of the \$12,000 based upon the percentage of an employer's enrolled children that are receiving subsidized childcare.
- Raising the minimum wage and then indexing the minimum wage to inflation after a sufficient increase to ensure that New Yorkers earn a living wage to support their basic needs and the needs of their families.
- Expanding the Empire State Child Credit by allowing it to be claimed for children under four.
- Adding \$16 million to provide an allowance for the cost of diapers.

Investing in Transforming Our Transportation Infrastructure:

The Senate One-House Budget Resolution makes historic investments in the MTA by allocating new sources of dedicated funding including raising revenue from the wealthiest New Yorkers and corporations. Our resolution advances measures to address the system's fiscal deficit, and transform the MTA frequency and reliability of service across the board to ensure the viability of the system in the short- and long-term. The proposal also provides critical funding for highway and transit infrastructure across the state. The Senate One-House Budget Resolution includes:

• MTA:

- o Rejecting the biennial fare hikes.
- O Intentionally omitting the requirement for New York City to fully cover the net paratransit operating expenses of the MTA, to fully cover the MTA's net fare revenue difference from providing reduced MetroCard rates for K-12 students within the City, and to fully cover forgone revenue related to Payroll Mobility Tax exemptions.
- Rejecting the increase on the Payroll Mobility Tax and exempting local governments from the current tax in Rockland, Putnam, Orange, and Dutchess counties.
- Repealing supplemental vehicle registration and license fees for Rockland,
 Putnam, Orange, and Dutchess county residents.
- Implementing a pilot program to test providing two free bus lines in each borough.
- o The Senate proposes to fully fund the MTA by:

- Increasing the Corporate Franchise Tax surcharge in the MTA region from 30 percent to 45 percent.
- Establishing a 50-cent surcharge on transportation network company rides that occur in New York City to be dedicated to the MTA, and establishing a 50-cent surcharge on transportation network company rides that occur outside of New York City which will be dedicated to non-MTA transit funding outside the City.
- Establishing a parking permit system for residential neighborhoods in New York City. Revenues from the parking permit system will be dedicated to the MTA.
- Repealing the Madison Square Garden tax exemption and sending all future revenues generated from property taxes on such property to the MTA.
- Upstate and Roads and Bridges:
 - Adding \$88 million for non-MTA STOA Funding for an overall increase of 20 percent.
 - An additional \$200 million in support for the Consolidated Local Street and Highway Improvement Program (CHIPS), for a total of \$738.1 million.
 - o Adding \$10 million for the Marchiselli Program, for a total of \$50 million.
 - o Investing an additional \$50 million for Bridge NY, for a total of \$250 million.
 - Adding \$70 million in additional support for the Extreme Winter Recovery program, for a total of \$150 million.
 - Adding \$30 million in additional support for the State Touring Routes Program, for a total of \$130 million.
- Investing \$2 million for ten more New York State Railroad Safety Inspectors.

Local Government Assistance:

Our democracy is strong because it grows from the ground up. We are always looking to invest in local institutions and ensure that municipalities have the resources they need to serve the people. To that extent, the Senate Majority Conference's One-House Budget Resolution includes:

- Increasing AIM by \$213 million (approximately 30 percent per municipality).
- Investing \$250,000 to establish a New York Aid and Incentives for Municipalities (AIM) redesign task force (S.770).
 - This task force would study the current AIM formula and distribution levels, and explore reinstating AIM funding for New York City.
- Adding a \$50 million Capital Fund for Volunteer Firehouses and increasing the personal income tax credit for Volunteer Firefighters.

• Making EMS an "essential" service and creating a dedicated funding stream for nonprofit and volunteer EMS providers.

To view the full Senate Majority One-House State Budget Resolution, please visit: nysenate.gov/legislation/resolutions/2023/r555

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