



NEW YORK STATE SENATOR

Michelle Hinchey

Senator Michelle Hinchey Announces Major Upstate Wins in Final State Budget

MICHELLE HINCHEY April 14, 2022

| ISSUE: **FY'23 STATE BUDGET**



ALBANY, NY – Senator Michelle Hinchey today announced major highlights of the final enacted State Budget for Fiscal Year (FY) 2023, which includes landmark investments and increased funding areas that will benefit upstate and rural New Yorkers.

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I fought for a budget that would get equity for upstate and strengthen our communities with transformational levels of investment for local needs that have been ignored for far too long, and I'm proud to say that we delivered. We secured record education funding, the largest investment for upstate housing in New York's history and drove significant investment towards child care to support working families across our state. We made it easier to do business in New York with new tax credits and funding streams to help small businesses get back on their feet and grow. And we secured record-setting funding for broadband expansion, allowing us to make the kinds of improvements that can change the course of a community's future. This budget shows what's possible when upstate has a real seat at the policy table, and I'm proud of what we've been able to achieve for working people across SD-46."

Key provisions championed by Senator Hinchey that are incorporated in the final enacted State Budget include:

"This year, we stood up for middle-class families, delivering real tax relief and savings that will significantly ease the financial pressures hitting New Yorkers' wallets," **said Senator Michelle Hinchey**. "I was proud to be a leading advocate to give people reprieve at the pump through a gas tax holiday, which will translate to immediate savings and keep nearly \$600 million in the pockets of New Yorkers. We accelerated a reduction in middle-class income taxes starting this year and created a new property tax rebate for middle-class homeowners — all ways that we are making life more affordable for everyday New Yorkers."

With Senator Hinchey's advocacy, the final budget includes:

- **Suspending the Gas Tax:** The final enacted budget suspends the state sales tax on gas from June 1 to December 31 of this year, providing a 16 cent per gallon gas tax holiday and also allows counties to cap their sales tax at \$2, \$3, or \$4 per gallon.
- **\$2.2 billion in New Property Tax Rebates:** The final budget creates new, expanded STAR property tax rebates for middle-class homeowners — an advance on Tax Year 2022 that will be directly sent to eligible homeowners beginning in Fall 2022.

- **Accelerating Middle-Class Income Tax Cuts:** The final budget accelerates a reduction in middle-class income taxes beginning in the Tax Year 2023.
- **\$287 million in Child Tax Credits** for families making less than \$100,000.

Senator Michelle Hinchey said, “Our kids are our future, and when we invest in their education we have an opportunity to set them on a lifelong path to success and raise up entire communities in the process. That’s the progress I fought for and delivered this year through a historic increase in Foundation Aid, an expansion of universal pre-K that’s brought nearly 1,000 new seats to SD-46 in just two years, and boosted funding to enrich SUNY campuses.”

The final budget includes:

- **Historic Child Care Investments:** The final budget allocates \$7 billion over the next four years to bolster access to affordable childcare for working families and support providers, including increasing the reimbursement rate to providers to 80% of the market rate, \$50 million in capital funding for child care centers, \$832 million to retain child care subsidies for eligible families, and \$343 million for workforce stabilization grants, including \$257.3 million dedicated to the child care workforce for employee salary enhancements, establishing retirement accounts, or one-time employee bonuses.

Senator Michelle Hinchey said, “Our final state budget includes a historic down payment that sets New York on a path toward universal child care. We have a \$7 billion investment planned over the next four years to help more middle-class families afford child care, help more child care centers open, and immediately boost provider grant support. Child care is essential infrastructure across every community and this budget is just the beginning of our work to close upstate care deserts, give every kid the chance to benefit from early education, and put more money in parents’ pockets to be able to provide for their families.”

- **Universal Pre-K Expansion:** After securing funding for 580 first-ever pre-K seats in her Senate District last year, Senator Hinchey secured \$125 million in funding to continue the state's commitment to fully phase in pre-K programming across upstate within the next two years, which will generate 378 new pre-K seats in SD-46. The final budget also provides \$1.2 million to support existing pre-K seats.
- **Boosting SUNY Funding:** The final budget will invest more than \$160 million in SUNY schools each year over the next five years. Investments include:
 - \$75 million for the College of Engineering and Applied Sciences at UAlbany, including funding for the Albany AI Supercomputing Initiative to expand AI innovation in New York
 - \$48.8 million to fully reimburse colleges for the Tuition Assistance Program (TAP) Gap
 - \$150 million to make part-time students eligible for TAP, and restoring TAP eligibility for people who are incarcerated
 - \$53 million for new full-time faculty
 - \$60 million in additional operational support
 - \$150,000 for The Benjamin Center at SUNY New Paltz
 - \$16 million to establish child care centers on each SUNY campus that does not currently have one
- **\$1.5 billion Foundation Aid Increase** to deliver on the state's commitment to fully fund Foundation Aid over the next two years and ensure that every K-12 school district receives a minimum year-to-year increase of 3 percent.
- **\$100 million in Mental Health Grants** for school districts and BOCES institutions.

Senator Michelle Hinchey said, “Upstate is consistently left out of the conversation when it comes to funding assistance for housing and because of this inequity we face a dire housing

shortage that has made finding a safe, affordable place to live nearly impossible in our communities. This year, I took a stand, rallied my colleagues, and created the first-ever comprehensive investment in upstate and rural housing, and I'm proud to say that I delivered. We've secured the largest upstate housing investment in New York's history, which will dramatically improve and increase our local housing supply and create affordable pathways to homeownership. This is a massive step forward to ensuring that young residents, seniors, and growing families have the stable, secure housing they need."

Senator Hinchey secured over \$286 million in the final budget to address the upstate housing crisis, including the following investments.

To Help with Affordable Homeownership:

- \$36 million to create homeownership opportunities for low- and moderate-income families through the **Affordable Housing Corporation**.
- \$50 million to rehabilitate homes and support first-time homeownership that stays affordable through the **Community Land Bank Revolving Acquisition Fund**.
- \$35 million to provide homeowners facing foreclosure with legal services through the **Homeowner Protection Program**.
- \$3.4 million to assist low-income senior citizen homeowners and people with disabilities with the cost of addressing emergency home repairs and code violations through the **RESTORE/ACCESS to Home Programs**.

To Help with Rental Unit Supply:

- \$100 million to turn old hotels and motels into affordable rental housing through the **Housing our Neighbors with Dignity Act**, which was previously only available in NYC but, due to Senator Hinchey's advocacy, has been expanded statewide.

- \$7 million to create small-scale rental developments between 5 and 20 units through the **Small Rental Development Initiative**.

For Rental Assistance:

- **\$925 million for the Emergency Rental Assistance Program (ERAP)** to help low-and-moderate-income households at risk of experiencing homelessness or housing instability cover the cost of rent.
- **\$125 million for the Landlord Rental Assistance Program (LRAP)** to provide rental assistance for landlords whose tenants did not apply for ERAP, including situations where the tenant has vacated the rental property.
- \$5.46 million to deliver affordable housing and services for families, including accessibility modifications and legal assistance through the **Rural Preservation Program**.
- **\$35 million to create an Eviction Prevention Legal Assistance Program** for tenants facing eviction outside NYC.

The FY 2023 State Budget codifies Senator Hinchey’s bill to repeal the Broadband Fiber Optic Fee (S7494), which places unnecessary fees on telecommunications companies building lines in a state-controlled highway right-of-way. These surprise fees have made it unaffordable for many fiber-optic companies to install broadband service and, therefore, has blocked many expansion projects.

Senator Michelle Hinchey said, “We need to make sure that no community is left behind in our work to connect all homes and businesses with reliable, high-speed internet, and my bill to repeal the Broadband Fiber Optic Fee is an immediate way we can help spur broadband build-out in unserved and underserved communities. This repeal will help us close the digital

divide across New York State, and I am incredibly proud to see my proposal included in the final budget.”

The final budget includes \$1.45 billion in federal and state funding for broadband projects along with the **Working to Implement Reliable and Equitable Deployment of Broadband Act (WIRED Broadband Act)**, which establishes a Division of Broadband Access within ESD and a broadband advisory committee to implement all broadband grant programs and includes provisions to ensure fair labor standards.

Senator Michelle Hinchey said, “Last year, we set the bar at a record-high for Catskills Park funding, and this year, we’ve shattered that ceiling with unprecedented investment to protect our public lands and increase accessibility for everyone using them. As a Senator representing the Catskills, I will always fight to protect our home and drive funding toward preserving our natural resources.”

Investments championed by Senator Hinchey to protect the environment and advance New York’s climate goals include:

- A landmark **\$8 million for stewardship and maintenance in the Catskills and Adirondack Parks**, an increase of \$6.5 million over last year, building on the historic funding attention Senator Hinchey carved out for the Catskills in 2021.
- **\$16.7 million for the Climate Resilient Farming Fund, a result of Senator Hinchey’s Soil Health and Climate Resiliency Act (S4722A)**, which will reduce carbon emissions and help farmers expand healthy soil practices.
- **\$4.2 billion for the Clean Water, Green Jobs, Green NY Environmental Bond Act**: This funding will be used to protect communities from the climate crisis and mitigate its impacts on our environment by funding projects for water quality improvement, expanding EV infrastructure, flood risk reduction, wetlands restoration, open space conservation, and climate-resilient infrastructure. The Environmental Bond Act will be included on the November 2022 General Election ballot and must be approved by New York voters to be enacted.

- **\$400 million for the Environmental Protection Fund** to support local capital projects, including stewardship of public lands, restoring wildlife habitats, and updating municipal sewage infrastructure. Some local project highlights include:
 - **\$3 million for Albany Pine Bush Preserve**
 - **\$7.5 million for Hudson River Estuary Fund**
- **\$650 million for water quality improvement**, including \$200 million for water infrastructure improvement and \$250 million for municipal stormwater grants.
- **Expanding Incentives for Home-based Renewable Energy** by providing new tax credits for geothermal systems of up to \$5,000 beginning this year.
- **Funding for dam repair as part of the Environmental Bond Act**, which could be used to rehabilitate both private and publicly-owned dams in critical condition across upstate New York.

Senator Michelle Hinchey said, “Everyone benefits from having access to safe, modern roads, and in this budget, I fought hard for quality-of-life-changing funding that will help revitalize our aging upstate infrastructure. We should all be able to get into our cars with the peace of mind that we can make it from our homes to the grocery store without popping a tire, and the resources we’ve secured for our local highway departments this year, including new specialized funding to fill burdensome potholes, is something we can all get behind.”

The final state budget includes the following investments for local roads:

- **\$538 million in Consolidated Local Street and Highway Improvement Program (CHIPS)** funding to rehabilitate local roads and bridges.
- **\$100 million in Extreme Winter Recovery** funding to address the impacts of severe weather on our roads and protect the safety of New York drivers.

- **\$150 million for the PAVE NY program** to support the rehabilitation and reconstruction of local highways and roads.
- **\$100 million in new funding for the Pave our Potholes (POP) program.**
- **Full restoration of \$59.1 million in Aid and Incentives to Municipalities (AIM).**

Senator Michelle Hinchey said, “This year, home care workers and advocates across New York State took an unprecedented stand, forming one of the strongest and most effective coalitions to elevate, on a statewide stage, the dire need to build a home care sector that works for every New Yorker who needs care and every person who provides it. I am endlessly proud to be part of this coalition and to fight this fight on behalf of our rural and upstate communities. Due to this outstanding level of advocacy, the state budget begins to undo decades of underinvestment in our homecare sector. While this is important progress, we won’t stop fighting for a New York in which home care workers receive the full economic justice they deserve and our older and disabled family members the care they need to live with dignity in their communities.”

Key budget initiatives to support healthcare workers and upstate healthcare systems include:

- **\$1 billion towards Fair Pay for Home Care**, securing a wage increase for home care workers of \$3 per hour over two years, representing a raise of approximately 20%.
- **\$4.6 million for volunteer fire departments to recover the costs of providing emergency medical services.** New York is the only state that does not allow volunteer fire departments to bill insurers and therefore must absorb the costs themselves as well as through local taxpayer-funded budgets. This budget provision championed by Senator Hinchey reverses that and will provide financial relief to departments and local taxpayers across the state.
- **\$500 million to raise wages for human services workers** and a 5.4% Cost of Living Adjustment (COLA) for human services workers.

- **\$136 million for healthcare and mental hygiene worker bonuses**, with up to \$3,000 in bonuses going to full-time workers earning less than \$125,000 who remain in their positions for one year and prorated bonuses for those working fewer hours.
- **\$1.15 billion for Financially Distressed and Safety-Net Hospitals.**
- **\$2.2 million for New York State Area Health Education Centers** to provide community-based healthcare workforce recruitment and training in medically-disadvantaged communities.

“Small businesses are the pillars of our upstate economies and in this year’s budget I fought hard to ensure that we are making it easier to do business in New York,” **said Senator Michelle Hinchey.** “I was proud to champion new tax credits and seed funding to help businesses get back on their feet, reinstate alcohol to-go—a measure that has been an economic lifeline for many of our favorite bars and restaurants throughout this pandemic, and boost investment in upstate arts organizations, which are the driving forces of our cultural life. This is a budget that stands in solidarity with our business community at a time that’s never been more important to cut red tape and bolster their chances for prosperity.”

The final budget includes the following investments to support small businesses:

- **\$250 million tax credit** for any COVID-related expenses incurred by small businesses.
- **\$200 million Small Business Seed Funding Grant Program** for early-stage small and micro businesses that opened before or during the pandemic but were ineligible for state and federal pandemic aid. The final budget also expands eligibility for seed funding to independent arts contractors and all businesses that started on September 1, 2018, and after.
- **\$2 million Minority and Women-Owned Business Development and Lending Program** to help more MWBEs in New York State get their businesses off the ground.

- **Authorizing bars and restaurants to sell alcoholic beverages to-go**, with a three-year sunset, a measure that will help many recover from pandemic losses.
- **\$20 million for arts organizations outside of NYC** through the New York State Council on the Arts (NYSCA).
- \$1 million in additional support secured by Senator Hinchey for the **Tourism Promotion Matching Grant Program**, for a total of \$3.5 million, to help small tourism agencies boost area tourism and local economies.
- Extending the **Film and Television Production Tax Credit** through 2029.
- Expanding the **Restaurant Return to Work Tax Credit** Program by allowing an additional credit of \$5,000 per each full time employee.
- **\$300,000 Cornell Hops Breeding and Research Program** to help grow and develop signature New York hops varieties and support the state's craft brewing industry.

Senator Michelle Hinchey said, “We have secured the highest Agriculture Budget in New York’s history, and it sends a clear message: New York wants its farms to stay in business and to prosper; New York values the hard work of farming families who put food on our tables and serve as the anchors of our rural communities, and New York is dedicated to strengthening local food systems statewide to connect more New Yorkers with healthy, locally-grown food.”

The final budget includes the following investments and new programs for agriculture:

- **\$2 million for Double Up Food Bucks**, a healthy food incentive program that provides individuals and families who receive SNAP benefits with a dollar-to-dollar match, for the purchase of fruits and vegetables.
- **Unprecedented Tax Credits for New York Farmers:**

- **Creating a Farm Employer Overtime Credit**, allowing farm employers to claim 118% of the cost of overtime hours worked.
 - **Expanding the Investment Tax Credit** from 4% to 20% to help cover the cost of new farm items purchased.
 - **Doubling the Farm Workforce Retention Tax Credit** from \$600 to \$1,200 per farm employee and extending it through 2026.
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- **\$5 million Meat Processing Expansion Grants** to address the shortage of meat processing facilities through a new grant program that can be used to expand existing facilities or open new facilities. This will make it easier for small cattle and pork farmers to process their products and get affordable, local meat into grocery stores, strengthening New York's food supply chain and rural economies.
 - **\$4 million Economically & Socially Disadvantaged Farmer Fund**, which provides grant funding to BIPOC and other historically marginalized populations to help begin or expand their agricultural businesses.
 - **\$250,000 Cornell CALS Pro-Dairy Climate Specialist**, a full time expert who will facilitate on-farm research focused on reducing greenhouse gas emissions and work with New York's dairy farmers to ensure they have the information they need to implement best practices to fight the climate crisis.
 - **\$5 Million Cornell CALS Climate Adaptive Research Farms Program**, for capital projects designed to implement sustainable farming practices, including managing climate adaptation, sequestering carbon, and reducing GHG emissions.
 - **\$200 million Cannabis Social Equity Fund** to finance capital costs for cannabis dispensaries operated by social equity licensees.

With Senator Hinchey's advocacy, the final budget includes the following support for New York's veteran community:

- Senator Hinchey was a leading advocate pushing for the creation of a **New York State Department of Veterans' Services** as one centralized office that will elevate the needs of veterans statewide and make critical program offerings more accessible to them and their families.
- Senator Hinchey secured a \$25,000 increase for Legal Services of **Hudson Valley's Veterans and Military Families Advocacy Project**, bringing total investment to \$225,000 this year. This unit helps veterans and their families gain economic stability by overcoming barriers to employment and housing, gaining access to disability compensation, pension programs, free or low-cost medical care, and higher education.

Senator Hinchey secured funding in the final budget for several local programs and services in the 46th District, including:

- **\$2 million to expand the Capital District Transit Authority to Montgomery County**, for a total of \$4.3 million, which will create regularly scheduled public transportation connections between the City of Amsterdam and the rest of the Capital Region for the first time.
- **\$1.5 million for capital upgrades at Belleayre Mountain Ski Center** to maintain this Catskills recreational attraction, owned and operated by the Olympic Regional Development Authority (ORDA).