



New York State Senate Democratic Majority

# STAFF ANALYSIS OF the 2022-23 Executive Budget



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Temporary President of the Senate

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**Majority Leader**

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# Staff Analysis of the SFY 2022-23 Executive Budget

*As Prepared by the Senate Counsel and Finance Staff*

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**RULES**  
**BUDGET & REVENUE**

January 24, 2022

Dear Colleagues:

On Tuesday, January 18, Governor Kathy Hochul proposed the Executive Budget for State Fiscal Year 2022-23. The Executive Budget proposes All Funds expenditures of \$216.3 billion, State Operating Funds expenditures of \$118.8 billion and General Fund expenditures of \$95.5 billion.

The mid-year update of the State Financial Plan estimated a SFY 2022-23 General Fund surplus of \$5 billion, which was to be deposited into the State's reserves. The Executive Budget proposal revises this surplus to \$6.4 billion based on better-than-expected State tax collections and reduced spending. The Executive Budget proposes to use the surplus to fund \$2.6 billion in tax reductions, including a \$2.2 billion property tax rebate and \$362 million in other actions. The Executive Budget proposal includes \$4.8 billion in spending increases, and utilizes \$966 million in reserves from the prior year. Out-year budgets are balanced and include deposits to the State's reserves of \$5.1 billion in SFY 2022-23, \$2.4 billion in SFY 2023-24, and \$2.9 billion in SFY 2024-25.

The Executive Budget also includes significant policy proposals that will require careful review. These include expanding access to tuition assistance programs, term-limits for statewide elected officials, sealing certain criminal convictions, and authorizing additional casino licenses.

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

# 2022 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

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

<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Hearing</b>
January 25	Tuesday	9:30 a.m.	Public Protection
January 26	Wednesday	9:30 a.m.	Elementary Education
January 31	Monday	11:00 a.m.	Workforce
		2:00 p.m.	Housing
February 01	Tuesday	9:30 a.m.	Environmental Conservation
February 02	Wednesday	9:30 a.m.	Human Services
February 07	Monday	11:00 a.m.	Higher Education
February 08	Tuesday	9:30 a.m.	Health
February 09	Wednesday	9:30 a.m.	Local Government
February 14	Monday	11:00 a.m.	Mental Hygiene
February 15	Tuesday	9:30 a.m.	Transportation
February 16	Wednesday	9:30 a.m.	Economic Development
		1:00 p.m.	Taxes

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# Financial Plan and Revenue



Staff Analysis of  
the 2022-23 Executive Budget



## **SFY 2022-23 Executive Budget Financial Plan Overview**

### **Overview**

The State Constitution requires that the Executive make an annual submission to the Legislature containing a plan of recommended appropriations, expenditures, and cash disbursements necessary to carry out its programs, 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 explicit recommendations for making changes to the current revenue structure and legislation to implement such recommendations.

The budget legislation contains all proposed appropriations, reappropriations, and other provisions needed to implement the Executive Budget. It is accompanied by the Executive Budget Financial Plan. The Financial Plan provides a comprehensive outline of the government's financial resources and the spending amounts that are required to carry out programs.

Notably, the SFY 2021-22 Enacted Budget included language in the preamble of the State Operations and Aid to Localities budget bills that granted the Executive emergency powers such as the authority to withhold certain appropriated funds. While that withholding language was removed, the SFY 2022-23 Executive Budget includes new language that allows for the unlimited transfer of appropriation authority and makes the State Operations budget contingent on the passage of the Aid to Localities budget.

### **Changes in Spending from SFY 2021-22**

<b>SFY 2022-23 Change in Spending (\$ millions)</b>				
	<b>SFY 2021-22 Projected</b>	<b>SFY 2022-23 Proposed</b>	<b>Change</b>	<b>Percent Change</b>
General Fund (Including Transfers)	\$90,686	\$95,486	\$4,800	5.3%
State Operating Funds	\$115,218	\$118,839	\$3,621	3.1%
State Funds	\$128,773	\$134,954	\$6,181	4.8%
All Funds	\$212,918	\$216,339	\$3,421	1.6%

The SFY 2022-23 Executive Budget proposal projects an increase in State Operating Funds spending of \$3.6 billion or 3.1 percent, for a total of \$118.8 billion, over SFY 2021-22. The SFY 2022-23 Executive Budget also updates projections for the remainder of SFY 2021-22 and now estimates that State Operating Funds disbursements for the current year will increase 10.6 percent over SFY 2020-21.

On an All Funds basis, the SFY 2022-23 Executive Budget projects total spending of \$216.3 billion, an increase of \$3.4 billion or 1.6 percent from the current estimate for SFY 2021-22.

## Budget Surplus / (Gap)

Executive Budget General Fund Surplus / (Gap) Estimate (\$ millions)			
	SFY 2022-23	SFY 2023-24	SFY 2024-25
Mid-Year Update Base	\$0	(\$247)	(\$1,176)
Mid-Year Update Revision	\$0	\$0	\$0
Executive Budget Base	\$6,436	\$5,349	\$5,520
Executive Budget after Policy Actions	\$0	\$0	\$0

The Mid-Year Update released in November by the Division of Budget (DOB) started with no General Fund budget gap in SFY 2022-23. Before any re-estimates, the budget gap was estimated at \$247 million and \$1.2 billion, in SFY 2023-24 and SFY 2024-25, respectively. After accounting for stronger than anticipated tax receipts in the first six months of 2021 and making accompanying upward revisions to State wage and bonus forecasts, the Mid-Year Update also projected no budget gaps for SFY 2023-24 and SFY 2024-25. Notably, this was the first time that DOB published a financial plan with no budget gaps in any fiscal year. The Mid-Year Update Financial Plan included \$3.5 billion for Rainy Day Reserve and Economic Uncertainty.

Since the release of the Mid-Year Update, tax collections through early January 2022 have surpassed Mid-Year projections, reflecting an improved economic forecast. The Executive Budget Financial Plan increases estimates for tax receipts by \$5.0 billion in SFY 2022-23 and other receipts and transfers are estimated to decrease, bringing the total net increase in revenues to \$4.9 billion. These trends result in average revenues of \$4.9 billion annually and help establish budget surpluses through the entire financial plan timeframe.

The updated revenue estimates and disbursement revisions have resulted in a budget surplus of \$5.0 billion in the current fiscal year and \$6.4 billion in SFY 2022-23. The Executive proposes to use the current year surplus for future pandemic assistance, relief for individuals and businesses, and bonuses for direct care workers.

The Executive Budget proposes to use the SFY 2022-23 surplus for various initiatives and planned deposits into reserves. These initiatives include:

- \$2.2 billion for the non-recurring Homeowner Tax Rebate Credit.
- \$1.4 billion for non-recurring capital pay-as-you-go (PAYGO) resources.
- \$1.1 billion for non-recurring healthcare/frontline worker bonuses.

## Revenues

SFY 2022-23 Receipts (\$ millions)				
Funding Source	SFY 2021-22 Current	SFY 2022-23 Proposed	Change	Percent
General Fund	\$112,038	\$92,647	(\$19,391)	-17.3%
State Operating Funds	\$134,573	\$115,857	(\$18,716)	-13.9%
All Funds	\$243,441	\$212,043	(\$31,398)	-12.9%

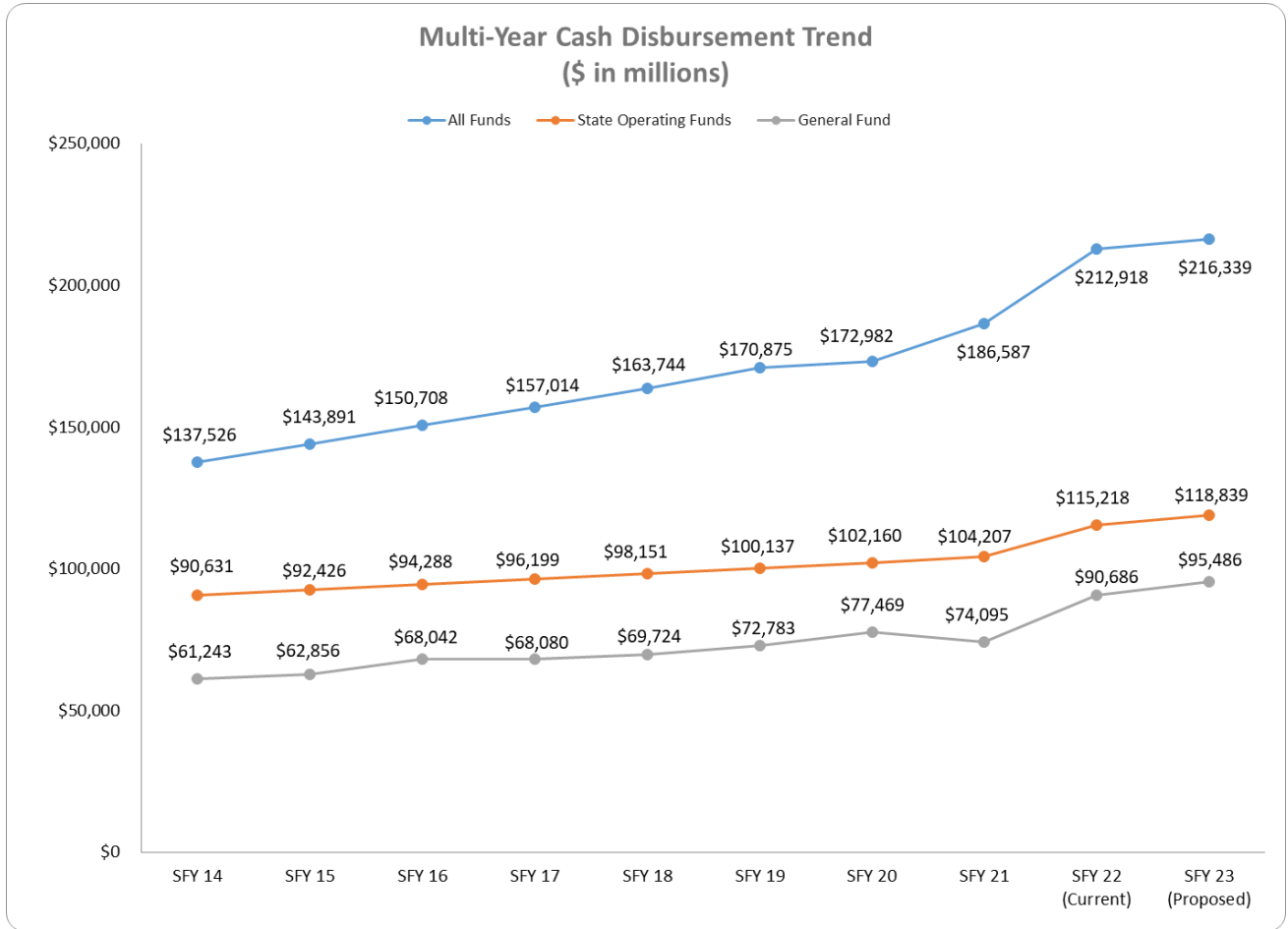
The Executive Budget projects that All Funds receipts will total \$212.0 billion in SFY 2022-23, a decrease of 12.9 percent compared to the current year estimate of \$243.4 billion. The All Funds amount includes Federal resources, both operating and capital, which are projected to be almost \$14.8 billion lower in the SFY 2022-23 Executive Budget, relative to the current fiscal year.

## Reserves

SFY 2022-23 Executive Budget Reserves (\$ millions)				
	SFY 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25
<b>Planned Deposits</b>	<b>\$4,984</b>	<b>\$5,053</b>	<b>\$2,448</b>	<b>\$2,925</b>
Rainy Day Reserves	\$875	\$920	\$915	\$950
Economic Uncertainty	\$4,109	\$4,133	\$1,533	\$1,975
<b>Balance at Year-End</b>	<b>\$8,950</b>	<b>\$14,003</b>	<b>\$16,451</b>	<b>\$19,376</b>
Rainy Day Reserves	\$3,351	\$4,271	\$5,186	\$6,136
Economic Uncertainty	\$5,599	\$9,732	\$11,265	\$13,240

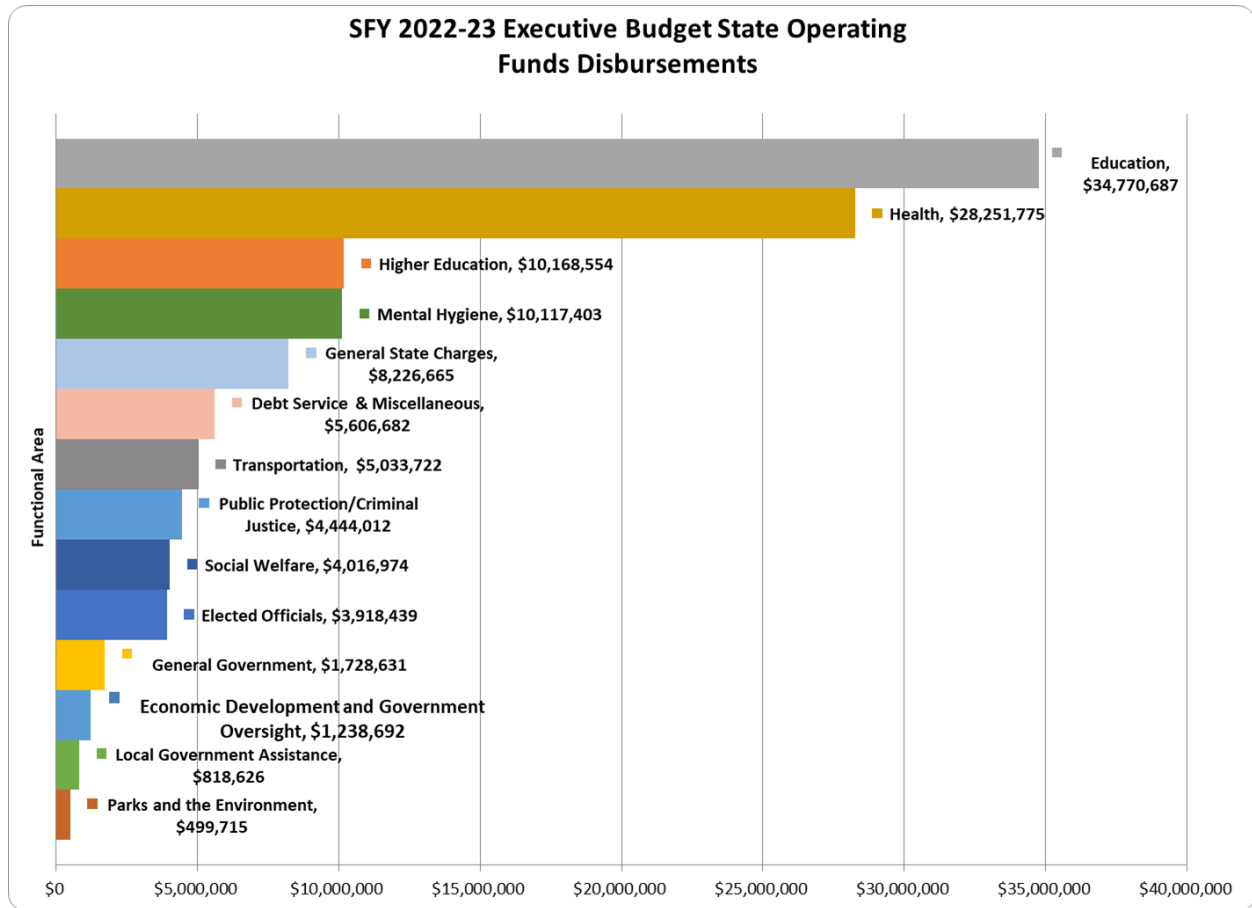
The Executive Budget plans to use the increase in tax receipts to grow reserves annually, with the goal to reach 15 percent of State Operating Fund spending in SFY 2024-25. This will be accomplished through annual deposits into the State's two statutory funds, the Tax Stabilization Reserve and the Rainy Day Reserve. Additionally, funds will be reserved for economic uncertainty, an informal set aside of General Fund resources that does not have statutory limitations or requirements. In order to realize this higher level of savings, the Executive Budget includes language to amend the Rainy Day Reserve statute, allowing for increased deposits and balance requirements. In addition, the Executive Budget proposes setting aside \$2 billion from the current year surplus for future pandemic recovery initiatives.

Spending



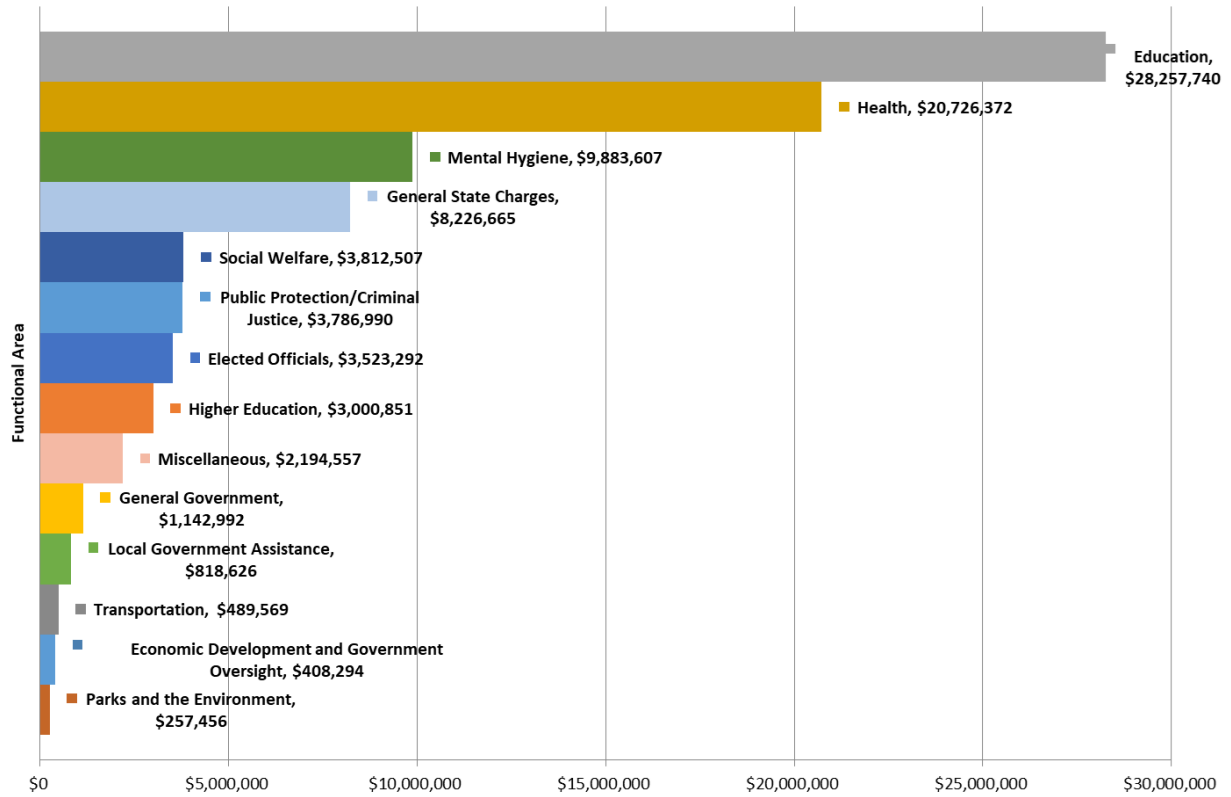
All Funds disbursements in SFY 2022-23 are projected to total \$216.4 billion, an increase of \$3.4 million or 1.6 percent over the current estimate for SFY 2021-22.

State Operating Funds disbursements in SFY 2022-23 are projected to total \$118.8 billion, an increase of \$3.6 billion or 3.1 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 millions.



General Fund disbursements excluding transfers in SFY 2022-23 are projected to total \$86.5 billion, an increase of \$3.6 billion or 4.3 percent over the current estimate for SFY 2021-22. Below is a breakdown of how the General Fund disbursement is proposed in the Executive Budget. Dollar amounts in this chart are in millions.

### SFY 2022-23 Executive Budget General Fund Disbursements



All Funds Cash Financial Plan SFY 2020-21 through SFY 2022-23 (\$ millions)							
	SFY 2020-21	SFY 2021-22			SFY 2022-23		
	Results	Current	Change	Percent	Proposed	Change	Percent
<b>Opening Fund Balance</b>	\$14,284	\$18,751	\$4,467	31.3%	\$49,355	\$30,604	163.2%
<b>Receipts</b>							
Taxes	\$82,376	\$117,864	\$35,488	43.1%	\$99,674	(\$18,190)	-15.4%
Miscellaneous Receipts	\$30,772	\$25,956	(\$4,816)	-15.7%	\$27,514	\$1,558	6.0%
Federal Receipts	\$78,152	\$99,621			\$84,855		
<b>Total Receipts</b>	<b>\$191,300</b>	<b>\$243,441</b>	<b>\$52,141</b>	<b>27.3%</b>	<b>\$212,043</b>	<b>(\$31,398)</b>	<b>-12.9%</b>
<b>Disbursements</b>							
Local Assistance	\$134,771	\$160,695	\$25,924	19.2%	\$164,918	\$4,223	2.6%
State Operations						\$0	
Personal Service	\$14,793	\$16,100	\$1,307	8.8%	\$15,762	(\$338)	-2.1%
Non-Personal Service	\$7,375	\$9,662	\$2,287	31.0%	\$7,576	(\$2,086)	-21.6%
General State Charges	\$9,260	\$10,253	\$993	10.7%	\$10,574	\$321	3.1%
Debt Service	\$13,298	\$8,371	(\$4,927)	-37.1%	\$5,612	(\$2,759)	-33.0%
Capital Projects	\$7,090	\$7,837	\$747	10.5%	\$11,897	\$4,060	51.8%
<b>Total Disbursements</b>	<b>\$186,587</b>	<b>\$212,918</b>	<b>\$26,331</b>	<b>14.1%</b>	<b>\$216,339</b>	<b>\$3,421</b>	<b>1.6%</b>
<b>Other Financing Sources (Uses)</b>							
Transfer from Other Funds	\$37,289	\$65,106	\$27,817	74.6%	\$53,531	(\$11,575)	-17.8%
Transfer to Other Funds	(\$37,540)	(\$65,458)	(\$27,918)	74.4%	(\$53,774)	\$11,684	-17.8%
Bond and Note Proceeds	\$203	\$433			\$433		
<b>Net Other Financing Sources (Uses)</b>	<b>(\$48)</b>	<b>\$81</b>	<b>\$129</b>	<b>268.8%</b>	<b>\$190</b>	<b>\$109</b>	<b>134.6%</b>
<b>Excess (Deficiency) of Receipts over Disbursements and Reserves</b>	<b>\$4,665</b>	<b>\$30,604</b>	<b>\$25,939</b>	<b>-556.0%</b>	<b>(\$4,106)</b>	<b>(\$34,710)</b>	<b>-113.4%</b>
<b>Closing Fund Balance</b>	<b>\$18,949</b>	<b>\$49,355</b>	<b>\$30,406</b>	<b>160.5%</b>	<b>\$45,249</b>	<b>(\$4,106)</b>	<b>-8.3%</b>

State Operating Funds Cash Financial Plan SFY 2020-21 through SFY 2022-23 (\$ millions)								
Opening Fund Balance	SFY 2020-21		SFY 2021-22		SFY 2022-23			
	Results	Current	Change	Percent	Proposed	Change	Percent	
	\$14,408	\$14,934	\$526	3.7%	\$36,900	\$21,966	147.1%	
<b>Receipts</b>								
Taxes	\$81,200	\$116,552	\$35,352	43.5%	\$98,198	(\$18,354)	-15.7%	
Miscellaneous Receipts	\$25,109	\$17,592	(\$7,517)	-29.9%	\$17,384	(\$208)	-1.2%	
Federal Receipts	\$61	\$429	\$368	603.3%	\$275	(\$154)	-35.9%	
<b>Total Receipts</b>	<b>\$106,370</b>	<b>\$134,573</b>	<b>\$28,203</b>	<b>26.5%</b>	<b>\$115,857</b>	<b>(\$18,716)</b>	<b>-13.9%</b>	
<b>Disbursements</b>								
Local Assistance	\$65,087	\$76,857	\$11,770	18.1%	\$82,829	\$5,972	7.8%	
State Operations								
Personal Service	\$12,355	\$14,293	\$1,938	15.7%	\$15,075	\$782	5.5%	
Non-Personal Service	\$5,651	\$6,478	\$827	14.6%	\$5,135	(\$1,343)	-20.7%	
General State Charges	\$7,918	\$9,261	\$1,343	17.0%	\$10,188	\$927	10.0%	
Debt Service	\$13,196	\$8,329	(\$4,867)	-36.9%	\$5,612	(\$2,717)	-32.6%	
Capital Projects	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	
<b>Total Disbursements</b>	<b>\$104,207</b>	<b>\$115,218</b>	<b>\$11,011</b>	<b>10.6%</b>	<b>\$118,839</b>	<b>\$3,621</b>	<b>3.1%</b>	
<b>Other Financing Sources (Uses)</b>								
Transfer from Other Funds	\$32,434	\$60,095	\$27,661	85.3%	\$47,863	(\$12,232)	-20.4%	
Transfer to Other Funds	(\$33,873)	(\$57,484)	(\$23,611)	69.7%	(\$47,908)	\$9,576	-16.7%	
Bond and Note Proceeds	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	
<b>Net Other Financing Sources (Uses)</b>	<b>(\$1,439)</b>	<b>\$2,611</b>	<b>\$4,050</b>	<b>281.4%</b>	<b>(\$45)</b>	<b>(\$2,656)</b>	<b>-101.7%</b>	
<b>Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements</b>	<b>\$724</b>	<b>\$21,966</b>	<b>\$21,242</b>	<b>2934.0%</b>	<b>(\$3,027)</b>	<b>(\$24,993)</b>	<b>-113.8%</b>	
<b>Closing Fund Balance</b>	<b>\$15,132</b>	<b>\$36,900</b>	<b>\$21,768</b>	<b>143.9%</b>	<b>\$33,873</b>	<b>(\$3,027)</b>	<b>-8.2%</b>	

General Fund Cash Financial Plan SFY 2020-21 through SFY 2022-23 (\$ millions)								
Opening Fund Balance	SFY 2020-21		SFY 2021-22		SFY 2022-23			
	Results	Current	Change	Percent	Proposed	Change	Percent	
	\$8,944	\$9,161	\$217	2.4%	\$30,513	\$21,352	233.1%	
<b>Receipts</b>								
Taxes								
Personal Income Tax	\$25,456	\$32,125	\$6,669	26.2%	\$22,685	(\$9,440)	-29.4%	
Consumption/Use Tax	\$7,250	\$4,627	(\$2,623)	-36.2%	\$6,948	\$2,321	50.2%	
Business Taxes	\$6,420	\$16,514	\$10,094	157.2%	\$17,112	\$598	3.6%	
Other Taxes	\$1,549	\$1,289	(\$260)	-16.8%	\$1,284	(\$5)	-0.4%	
Miscellaneous Receipts	\$7,515	\$1,839	(\$5,676)	-75.5%	\$1,789	(\$50)	-2.7%	
Federal Receipts	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	
Transfers from Other Funds								
PIT in Excess of Revenue Bond Debt Service	\$18,578	\$26,567	\$7,989	43.0%	\$20,679	(\$5,888)	-22.2%	
PTET in Excess of Revenue Bond Debt Service	\$0	\$8,355	\$8,355	0.0%	\$7,540	(\$815)	-9.8%	
ECEP in Excess of Revenue Bond Debt Service	\$0	\$3	\$3	0.0%	\$3	\$1	33.3%	
Sales Tax in Excess of LGAC Bond Debt Service	\$3,238	\$4,034	\$796	24.6%	\$2,151	(\$1,883)	-46.7%	
Sales Tax in Excess of Revenue Bond Debt	\$1,278	\$7,763	\$6,485	507.4%	\$7,210	(\$553)	-7.1%	
Real Estate Taxes in Excess of CW/CA Debt	\$783	\$1,311	\$528	67.4%	\$990	(\$321)	-24.5%	
All Other	\$2,245	\$7,611	\$5,366	239.0%	\$4,256	(\$3,355)	-44.1%	
<b>Total Receipts</b>	<b>\$74,312</b>	<b>\$112,038</b>	<b>\$37,726</b>	<b>50.8%</b>	<b>\$92,647</b>	<b>(\$19,391)</b>	<b>-17.3%</b>	
<b>Disbursements</b>								
Local Assistance	\$48,981	\$61,177	\$12,196	24.9%	\$64,869	\$3,692	6.0%	
State Operations								
Personal Service	\$7,154	\$9,479	\$2,325	32.5%	\$10,067	\$588	6.2%	
Non-Personal Service	\$2,950	\$4,169	\$1,219	41.3%	\$2,563	(\$1,606)	-38.5%	
General State Charges	\$7,032	\$8,155	\$1,123	16.0%	\$9,030	\$875	10.7%	
Transfers to Other Funds								
Debt Service	\$326	\$339	\$13	4.0%	\$329	(\$10)	-2.9%	
Capital Projects	\$4,540	\$4,618	\$78	1.7%	\$5,271	\$653	14.1%	
SUNY Operations	\$1,229	\$1,336	\$107	8.7%	\$1,460	\$124	9.3%	
Other Purposes	\$1,883	\$1,413	(\$470)	-25.0%	\$1,897	\$484	34.3%	
<b>Total Disbursements</b>	<b>\$74,095</b>	<b>\$90,686</b>	<b>\$16,591</b>	<b>22.4%</b>	<b>\$95,486</b>	<b>\$4,800</b>	<b>5.3%</b>	
<b>Excess (Deficiency) of Receipts and Use (Reservation) of Fund Balances Over Disbursements</b>	<b>\$217</b>	<b>\$21,352</b>	<b>\$21,135</b>	<b>-9739.6%</b>	<b>(\$2,839)</b>	<b>(\$24,191)</b>	<b>113.3%</b>	
<b>Closing Fund Balance</b>	<b>\$9,161</b>	<b>\$30,513</b>	<b>\$21,352</b>	<b>233.1%</b>	<b>\$27,674</b>	<b>(\$2,839)</b>	<b>-9.3%</b>	

## State Receipts Tables

All Funds Receipts (\$ millions)				
	Estimated SFY 2021-22	Forecast SFY 2022-23	\$ Change	% Change
<b>Personal Income Tax</b>				
Withholding	\$51,495	\$51,638	\$143	0.3%
Estimated Payments	\$21,995	\$10,402	(\$11,593)	-52.7%
Final Returns	\$4,382	\$4,664	\$282	6.4%
Other Payments	\$1,483	\$1,533	\$50	3.4%
<b>Gross Collections</b>	<b>\$79,355</b>	<b>\$68,237</b>	<b>(\$11,118)</b>	<b>-14.0%</b>
Refunds/Offsets	(\$11,232)	(\$19,211)	(\$7,979)	71.0%
Revenue Bond Tax Fund	\$0	\$2	\$2	0.0%
<b>Net Collections</b>	<b>\$68,123</b>	<b>\$49,028</b>	<b>(\$19,095)</b>	<b>-28.0%</b>
<b>User Taxes and Fees</b>				
Sales and Use	\$17,226	\$18,137	\$911	5.3%
Cigarette/Tobacco	\$964	\$944	(\$20)	-2.1%
Vapor Excise Tax	\$27	\$27	\$0	0.0%
Motor Fuel Tax	\$485	\$485	\$0	0.0%
Highway Use Tax	\$144	\$144	\$0	0.0%
Alcoholic Beverage	\$274	\$277	\$3	1.1%
Opioid Excise Tax	\$26	\$26	\$0	0.0%
Medical Cannabis Excise Tax	\$13	\$13	\$0	0.0%
Adult-Use Cannabis Tax	\$0	\$56	\$56	-
Auto Rental Tax	\$99	\$98	(\$1)	-1.0%
<b>Total</b>	<b>\$19,258</b>	<b>\$20,207</b>	<b>\$949</b>	<b>4.9%</b>
<b>Business Taxes</b>				
Corporation Franchise	\$7,013	\$8,697	\$1,684	24.0%
Corporation and Utilities	\$529	\$570	\$41	7.8%
Insurance	\$2,281	\$2,358	\$77	3.4%
Bank	\$151	\$84	(\$67)	-44.4%
Pass Through Entity Tax	\$25,065	\$22,620	(\$2,445)	-9.8%
Business Tax Revenue Bond	(\$8,355)	(\$7,540)	\$815	-9.8%
Petroleum Business Tax	\$1,035	\$1,081	\$46	4.4%
<b>Total</b>	<b>\$27,719</b>	<b>\$27,870</b>	<b>\$151</b>	<b>0.5%</b>
<b>Other Taxes</b>				
Estate	\$1,271	\$1,266	(\$5)	-0.4%
Real Estate Transfer Tax	\$1,472	\$1,282	(\$190)	-12.9%
Emp. Comp. Expense Program	\$6	\$6	\$0	0.0%
Pari-Mutuel	\$13	\$13	\$0	0.0%
Other	\$2	\$2	\$0	-
<b>Total</b>	<b>\$2,764</b>	<b>\$2,569</b>	<b>(\$195)</b>	<b>-7.1%</b>
<b>Total Tax Collections</b>	<b>\$117,864</b>	<b>\$99,674</b>	<b>(\$18,190)</b>	<b>-15.4%</b>
<b>Miscellaneous Receipts</b>	<b>\$25,956</b>	<b>\$27,514</b>	<b>\$1,558</b>	<b>6.0%</b>
<b>Federal Grants</b>	<b>\$99,621</b>	<b>\$84,855</b>	<b>(\$14,766)</b>	<b>-14.8%</b>
<b>Total Receipts</b>	<b>\$243,441</b>	<b>\$212,043</b>	<b>(\$31,398)</b>	<b>-12.9%</b>



General Fund Receipts (\$ millions)				
	Estimated SFY 2021-22	Forecast SFY 2022-23	\$ Change	% Change
<b>Personal Income Tax</b>				
Withholding	\$51,495	\$51,638	\$143	0.3%
Estimated Payments	\$21,995	\$10,402	(\$11,593)	-52.7%
Final Returns	\$4,382	\$4,664	\$282	6.4%
Other Payments	\$1,483	\$1,533	\$50	3.4%
<b>Gross Collections</b>	<b>\$79,355</b>	<b>\$68,237</b>	<b>(\$11,118)</b>	<b>-14.0%</b>
Refunds/Offsets	(\$11,232)	(\$19,211)	(\$7,979)	71.0%
<b>Reported Tax Collections</b>	<b>\$68,123</b>	<b>\$49,026</b>	<b>(\$19,097)</b>	<b>-28.0%</b>
STAR (Dedicated Deposits)	(\$1,939)	(\$1,831)	\$108	-5.6%
RBTF (Dedicated Transfers)	(\$34,059)	(\$24,510)	\$9,549	-28.0%
<b>Net Collections</b>	<b>\$32,125</b>	<b>\$22,685</b>	<b>(\$9,440)</b>	<b>-29.4%</b>
<b>User Taxes and Fees</b>				
Sales and Use	\$16,137	\$16,986	\$849	5.3%
Cigarette/Tobacco	\$293	\$303	\$10	3.4%
Alcoholic Beverage	\$274	\$277	\$3	1.1%
Opioid Excise Tax	\$26	\$26	\$0	0.0%
<b>Gross Tax Collections</b>	<b>\$16,730</b>	<b>\$14,715</b>	<b>(\$2,015)</b>	<b>-12.0%</b>
LGAC/STBF (Dedicated Transfers)	(\$12,103)	(\$10,644)	\$1,459	-12.1%
<b>Total</b>	<b>\$4,627</b>	<b>\$6,948</b>	<b>\$2,321</b>	<b>50.2%</b>
<b>Business Taxes</b>				
Corporation Franchise	\$5,577	\$6,954	\$1,377	24.7%
Corporation and Utilities	\$401	\$420	\$19	4.7%
Insurance	\$2,056	\$2,128	\$72	3.5%
Pass Through Entity Tax	\$16,710	\$15,080	(\$1,630)	-9.8%
Business Tax Revenue Bond	(\$8,355)	(\$7,540)	\$815	-9.8%
Bank	\$125	\$70	(\$55)	-44.0%
<b>Total</b>	<b>\$16,514</b>	<b>\$17,112</b>	<b>\$598</b>	<b>-0.3%</b>
<b>Other Taxes</b>				
Estate	\$1,271	\$1,266	(\$5)	-0.4%
Real Estate Transfer Tax	\$1,472	\$1,282	(\$190)	-12.9%
Employer Compensation Expense Program	\$6	\$6	\$0	0.0%
Pari-Mutuel	\$13	\$13	\$0	0.0%
Other	\$2	\$2	\$0	-
<b>Gross Other Taxes</b>	<b>\$2,764</b>	<b>\$2,569</b>	<b>(\$195)</b>	<b>-7.1%</b>
Real Estate Transfer Tax (Dedicated)	(\$1,472)	(\$1,282)	\$190	-12.9%
RBTF (Dedicated Transfers)	(\$3)	(\$3)	\$0	0.0%
<b>Total</b>	<b>\$1,289</b>	<b>\$1,284</b>	<b>(\$5)</b>	<b>-0.4%</b>
<b>Total Tax Collections</b>	<b>\$54,555</b>	<b>\$48,029</b>	<b>(\$6,526)</b>	<b>-12.0%</b>
<b>Miscellaneous Receipts</b>	<b>\$1,839</b>	<b>\$1,789</b>	<b>(\$50)</b>	<b>-2.7%</b>
<b>Federal Receipts</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
<b>Total Receipts</b>	<b>\$56,394</b>	<b>\$49,818</b>	<b>(\$6,576)</b>	<b>-11.7%</b>

## Capital Fact Sheet

### Monetary Settlements

Since SFY 2014-15, the State has received a total of nearly \$13.5 billion in Extraordinary Monetary Settlements. Approximately \$8.1 billion in Extraordinary Monetary Settlements have been appropriated for capital projects to date. The SFY 2022-23 Executive Budget does not include any new use of settlement money for capital purposes.

<b>Appropriated Monetary Settlement Funds (\$ thousands)</b>									
	<b>SFY 2016</b>	<b>SFY 2017</b>	<b>SFY 2018</b>	<b>SFY 2019</b>	<b>SFY 2020</b>	<b>SFY 2021</b>	<b>SFY 2022</b>	<b>SFY 2023</b>	<b>Total</b>
Thruway Stabilization Program	\$1,285,000	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,985,000
Upstate Revitalization Initiative	\$1,500,000	\$170,000	\$0	\$0	\$0	\$0	\$0	\$0	\$1,670,000
Health Care	\$355,000	\$0	\$200,000	\$125,000	\$0	\$0	\$0	\$0	\$680,000
Affordable and Homeless Housing	\$0	\$640,000	\$0	\$0	\$0	\$0	\$0	\$0	\$640,000
Broadband Initiative	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Buffalo Billion, Phase II	\$0	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
Life Sciences Initiative	\$0	\$0	\$320,000	\$0	\$0	\$0	\$0	\$0	\$320,000
MTA Capital Plan	\$250,000	\$0	\$65,000	\$0	\$0	\$0	\$0	\$0	\$315,000
Municipal Restructuring/Downtown Revitalization	\$150,000	\$20,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$270,000
Security and Emergency Response	\$150,000	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$250,000
Clean Water Infrastructure	\$0	\$0	\$0	\$0	\$250,000	\$0	\$0	\$0	\$250,000
DOT Capital Plan Contribution	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
Long Island Transformative Projects	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$150,000
Environmental Protection Fund	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Upstate Infrastructure and State Fair	\$115,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115,000
Other Economic Development Projects	\$0	\$85,000	\$0	\$0	\$0	\$0	\$0	\$0	\$85,000
Southern Tier & Hudson Valley Farmland	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
Empire State Poverty Reduction Initiative	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000
Non-MTA Transit	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000
Community Health Care Revolving Loans	\$19,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,500
Roswell Park Cancer Institute	\$15,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,500
Behavioral Health Care Grants	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
<b>Total</b>	<b>\$4,550,000</b>	<b>\$1,960,000</b>	<b>\$1,205,000</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,090,000</b>

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

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

### New York State Infrastructure Plan

The Executive Budget includes new capital appropriations totaling \$30.4 billion in SFY 2022-23, which will be committed and spent over a number of years. The plan includes appropriations for

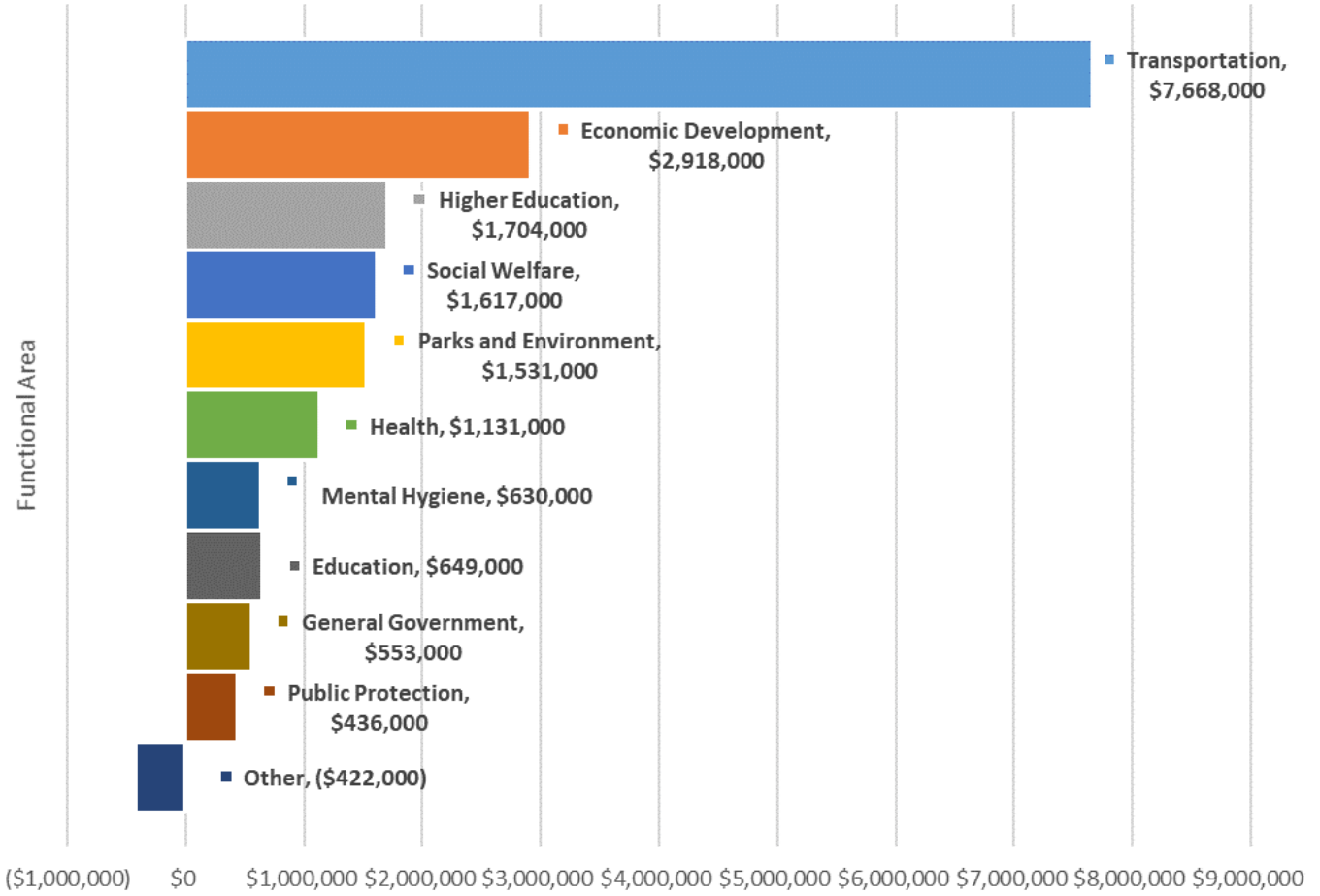
transportation and mass transit systems, affordable housing, economic and community development, schools, environmental and park facilities, and energy efficiency upgrades. Appropriations in major functional areas include:

- \$8.5 billion for transportation, including \$7.7 billion for the first year of the five-year DOT Capital Plan
- \$5.3 billion for parks, the environment, agriculture and markets, including \$4 billion for the Environment Bond Act
- \$4.9 billion for social welfare, including \$4.7 billion for the first year of the five-year Housing Plan
- \$3.8 billion for economic development, including \$1.5 billion for ConnectAll Broadband Expansion
- \$2.3 billion for health and mental hygiene, including \$1.6 billion for Health Care Transformation Capital
- \$2.1 billion for education and higher education, including \$1.7 billion for SUNY/CUNY
- \$2.1 billion in total for other smaller capital initiatives
- \$1.3 billion for public protection and general government

### **SFY 2022-23 Capital Spending**

State capital spending is projected to total \$18.6 billion in SFY 2022-23. The Executive Budget proposal includes \$18.6 billion in spending that appears in the State's Financial Plan and \$15 million in off-budget spending that is currently being financed directly from bond proceeds. Financing for capital spending in SFY 2022-23 is supported with State debt (\$10.6 billion or 57 percent), State cash resources (\$5.1 billion or 28 percent), and Federal aid (\$2.9 billion or 15 percent). State capital spending over the next five years is expected to average approximately \$18.4 billion annually. In SFY 2022-23, capital spending is projected to increase by 20.3 percent as compared to SFY 2021-22. The increase is mostly attributable to new five-year capital plans for both transportation and housing, and new spending included in the SFY 2022-23 Executive Budget. The graph below summarizes SFY 2022-23 spending. The negative "All Other" category is related to potential underspending related to the timing of capital project delivery.

**SFY 2022-23**  
**Capital Spending by Function**  
 (thousands of dollars)



## **SFY 2022-23 DEBT SUMMARY**

Current State-related debt outstanding is projected at \$69.3 billion for SFY 2022-23. This is an increase of \$6.4 billion, or 10 percent over the previous year. The Executive Budget expects debt issuances of \$9.3 billion and debt retirements of \$2.9 billion. From SFY 2022-23 through SFY 2026-27, State-related debt is projected to increase an average of 7.0 percent annually, reaching \$88.1 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt, subject to the debt cap, to reach 3.26 percent of personal income in SFY 2022-23. State-supported debt is a narrower definition of debt than State-related debt, and is used to measure compliance with the Debt Reform Act of 2000. The Debt Reform Act caps outstanding State-supported debt issued since April 1, 2000 at four percent of personal income.

The SFY 2020-21 and 2021-22 Enacted Budgets suspended the Debt Reform Act for those years, allowing any debt issued during those fiscal years to be exempted from counting against the debt cap. This suspension was to facilitate the State's response to the COVID-19 pandemic. The Executive Budget does not include this authorization for SFY 2022-23. Recent Enacted Budgets included permission for the Executive to use emergency Personal Income Tax (PIT) notes and a line of credit (LOC) to help manage cash flow during the uncertainty of the pandemic. The Executive has again proposed allowing DOB to access liquidity financing of \$3 billion in emergency PIT notes and \$2 billion in a LOC, but has stated that it does not plan on using these authorizations.

## Revenue Fact Sheet

- **Accelerating the Middle Class Tax Cut:** The Executive Budget proposes to speed up the implementation of the Middle Class Tax Cut by accelerating the personal income tax rates currently scheduled to take effect starting in tax year 2025 to tax year 2023 instead. This change affects single filers with taxable incomes between \$13,900 and \$215,400 and married filers with taxable incomes between \$27,900 and \$323,200.
- **Homeowner Tax Rebate Credit:** The Executive Budget proposes to create a one-time refundable personal income tax credit for tax year 2022 for taxpayers who receive the basic or enhanced STAR exemption or credit and with incomes at or below \$250,000. The amount of the credit will be based on a percentage of their existing STAR benefit. The Tax Department would send an advanced payment of the credit to those it determines eligible on or before October 31, 2022.
- **Small Business Tax Cut:** The Executive Budget proposes to increase the amount of income that small businesses making under \$250,000 can deduct from taxable income from 5 percent to 15 percent, and extends this modification to non-farm LLCs, partnerships, and New York S-corporations that employ at least one person and have an income of \$1.5 million or less, if the taxpayer share of income from all pass-through entities does not exceed \$250,000.
- **Small Business Tax Credit for COVID-19 Capital Expenses:** The Executive Budget proposes to create a new tax credit program, capped at \$250 million, that would provide tax credits to small businesses with gross receipts under \$2.5 million for expenses incurred in 2021 and 2022 to comply with COVID-19 orders or to make their business safer.
- **Make Local Sales Tax Rates Permanent:** The Executive Budget proposes to allow localities to extend their current sales tax rates through local laws every two years, instead of having to seek approval from the Legislature. Any locality wanting to increase their sales tax rate would still require legislative approval.

**Department of Taxation and Finance (DTF)**

<b>All Funds Appropriations - Department of Taxation and Finance (\$ in millions)</b>				
	<b>SFY 2021-22 Available</b>	<b>SFY 2022-23 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
State Operations	\$451.11	\$468.30	\$17.19	3.8%
Aid To Localities	\$6.93	\$6.93	\$0.00	0.0%
<b>Total</b>	<b>\$458.04</b>	<b>\$475.22</b>	<b>\$17.19</b>	<b>3.8%</b>

The Executive Budget recommends an All Funds appropriation of \$475.2 million for the Department of Taxation and Finance, an increase of \$17.2 million or 3.8 percent from SFY 2021-22. The Executive Budget recommends a workforce of 3,785 FTEs, consistent with SFY 2021-22 levels.

**Division of Tax Appeals (DTA)**

The Executive Budget recommends an All Funds appropriation of \$3.3 million for the Division of Tax Appeals in State Operations funds, an increase of \$233,000 or 7.6 percent. The Executive Budget recommends a workforce of 26 FTEs, an increase of one FTE.

**Article VII**

**Accelerate the Middle-Class Tax Cut (REV Part A):** The Executive Budget proposes to speed up the implementation of the Middle Class Tax Cut by accelerating the personal income tax rates currently scheduled to take effect starting in Tax Year 2025 to Tax Year 2023 instead. This change affects single filers with taxable incomes between \$13,900 and \$215,400 and married filers with taxable incomes between \$27,900 and \$323,200.

<b>Middle Income Tax Cut Rate Comparison (Married Filers)</b>			
<b>New York Taxable Income</b>	<b>Tax Rate for TY 2022</b>	<b>Current Planned Rate for TY 2023</b>	<b>Proposed Rate for TY 2023</b>
Over \$27,900 to \$161,500	5.85%	5.73%	5.50%
Over \$161,500 to \$323,200	6.25%	6.17%	6.00%
<b>Middle Income Tax Cut Rate Comparison (Head of Household Filers)</b>			
Over \$20,900 to \$107,650	5.85%	5.73%	5.50%
Over \$107,650 to \$269,300	6.25%	6.17%	6.00%
<b>Middle Income Tax Cut Rate Comparison (Individual Filers)</b>			
Over \$13,900 to \$80,650	5.85%	5.73%	5.50%
Over \$80,650 to \$215,400	6.25%	6.17%	6.00%

*Fiscal Impact: This proposal would reduce State receipts by \$162 million in SFY 2022-23, \$615 million in SFY 2023-24, \$360 million in SFY 2024-25, and \$44 million in SFY 2025-26.*

**Enhanced Tax Credits for Farmers (REV Part B):** The Executive Budget proposes a number of new or enhanced tax credits for farmers, including:

- **Subpart A:** Expanding the rate of the Investment Tax Credit for property to be used for farming from 4 percent to 20 percent for eligible farmers.
- **Subpart B:** Extending the Farm Workforce Retention Credit for one additional year, so it would now end after Tax Year 2025 and doubling the value of the credit from \$600 to \$1,200 for Tax Years 2021 through 2025.
- **Subpart C:** Creating a new Farm Employer Overtime Credit, which allows farm employers to claim a credit for the overtime paid to their farm workers in the event that the overtime threshold for farm workers is decreased from 60 hours. The credit will cover overtime expenses for any overtime hours worked between the original 60 hour threshold and the new threshold established. It will not cover any overtime expenses for any hours over 60 worked.

*Fiscal Impact: This proposal would have no fiscal impact in SFY 2022-23, and would reduce State receipts by \$16 million in SFY 2023-24, \$16 million in SFY 2024-25, and \$43 million in SFY 2025-26.*

**Provide Small Business Tax Relief (REV Part C):** The Executive Budget proposes to increase the amount of income that small businesses making under \$250,000 can deduct from taxable income from 5 percent to 15 percent. It extends this modification to non-farm LLCs, partnerships, and New York S-corporations that employ at least one person and have an income of \$1.5 million or less if the taxpayer's share of income from all pass-through entities does not exceed \$250,000.

*Fiscal Impact: This proposal would reduce receipts by \$100 million each year from SFY 2022-23 to SFY 2025-26.*

**Create a Tax Exemption for Student Loan Forgiveness Awards (REV Part D):** The Executive Budget proposes to allow taxpayers to exclude from their taxable income the amount of any student loan forgiveness award provided by a program managed by the Higher Education Services Corporation.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, and would reduce receipts by \$1 million each in SFY 2023-24, SFY 2024-25, and SFY 2025-26.*

**Create a Tax Credit for Small Business COVID-Related Expenses (REV Part E):** The Executive Budget proposes to create a new tax credit program, capped at \$250 million, that



would provide tax credits to small businesses with gross receipts under \$2.5 million in Tax Year 2021 for capital expenses incurred in 2021 and 2022 to comply with COVID-19 orders or to make their business safer. The credit is available for businesses that file personal income or corporate franchise taxes. Empire State Development is responsible for confirming eligibility and awarding these refundable credits, which are capped at \$25,000 per business.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, would reduce receipts by \$250 million in SFY 2023-24, and would have no fiscal impact in SFY 2024-25 and SFY 2025-26.*

**Extend the New York City Musical and Theatrical Production Tax Credit (REV Part F):**

The Executive Budget proposes to extend the application period for this credit for musical and theatrical productions in New York City to June 30, 2023 from its current expiration of December 31, 2022. The proposal allows productions with an initial performance date before January 1, 2023 to claim a credit up to \$3 million, while productions with initial performance date after January 1, 2023 will be eligible for a credit up to \$1.5 million unless the Empire State Development Corporation determines that tourism has not yet recovered in New York City. The proposal increases the cap for this credit program from \$100 million to \$200 million. The Executive also proposes that funds deposited in the new New York State Council on the Arts Cultural Programs Fund can be used only for grant programs run by the New York State Council on the Arts.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, would cost \$100 million in SFY 2023-24, and would have no fiscal impact in SFY 2024-25 and SFY 2025-26.*

**Establish a Permanent Rate for the MTA Surcharge (REV Part G):** The Executive Budget proposes to permanently set the rate for the MTA surcharge on the corporate franchise tax at 30 percent starting in Tax Year 2023. The rate of this surcharge, which is paid by corporations located within the Metropolitan Commuter Transportation District, is currently set by the Commissioner of Tax, as has been the case since Tax Year 2016. The rate for Tax Years 2021 and 2022 was set at 30 percent.

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

**Extend and Enhance the Hire-A-Vet Tax Credit for Three Years (REV Part H):** The Executive Budget proposes to increase the maximum credit for non-disabled veterans working full time to \$15,000 from the current \$10,000, to match the maximum credit possible for disabled veterans working full time. In addition, a credit of up to \$7,500 would now be available for employing a veteran part-time. The proposal expands eligibility to veterans who left service prior to September 1, 2001. The credit program, which currently expires at the end of Tax Year 2022, would be extended for three years, to Tax Year 2025.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$1 million each in SFY 2024-25 and SFY 2025-26.*

**Provide Tax Credits for the Phase-Out of a Grade 6 Fuel Oil (REV Part I):** The Executive Budget proposes creating a new credit available to businesses outside of New York City seeking to convert their heating systems from one using Grade 6 fuel oil to either a biodiesel or geothermal heating system. The New York State Energy Research and Development Authority would process applications and award these refundable credits. The proposal includes a cap of \$500,000 in credits to be awarded to businesses within the same municipality.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, would cost \$17 million in SFY 2024-25, and would have no fiscal impact in SFY 2025-26.*

**Increase the State Low-Income Housing Tax Credit Aggregate Cap Growth (REV Part J):** The Executive Budget proposes to add an additional \$7 million a year to the aggregate cap for the State Low-Income Housing Tax Credit for four years, starting in 2022.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, and would reduce receipts by \$7 million in SFY 2023-24, \$14 million in SFY 2024-25, and \$21 million in SFY 2025-26.*

**Extend the Clean Heating Fuel Tax Credit for Three Years (REV Part K):** The Executive Budget proposes to extend the Clean Heating Fuel Tax Credit, which expires at the end of Tax Year 2022 through Tax Year 2025. The credit is available to purchasers of bioheating fuel that contains at least six percent biodiesel.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$6 million each in SFY 2024-25 and SFY 2025-26.*

**Extend the Tax Credit for Companies Providing Transportation for Individuals with Disabilities an Additional Six Years (REV Part L):** The Executive Budget proposes to extend this credit, which expires at the end of Tax Year 2022, for an additional six years, through Tax Year 2028. The credit is available to taxi and livery companies for the upgrade of vehicles to make them accessible and is capped at \$10,000 per vehicle.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$1 million in SFY 2024-25 and SFY 2025-26.*

**Extends the Film Tax Credit for Three Years (REV Part M):** The Executive Budget proposes to extend the expiration of the Film Tax Credit from 2026 to 2029. In addition, productions applying for the credit will be mandated to, starting in Tax Year 2023, submit a diversity plan, pursuant to regulations to be developed by ESD. That plan must indicate whether the applicant plans to participate in any training, education, or recruitment programs designed to increase

diversity in their hiring. The proposal also doubles the amount to be deposited in the Empire State Entertainment Diversity Job Training Development Fund, from the current 0.25 percent of the credit amount to 0.5 percent of the credit amount.

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

**Extends the New York Youths Jobs Program Tax Credit for Five Years (REV Part N):** The Executive Budget proposes to extend this program, which is currently set to expire in Tax Year 2022, to Tax Year 2027. The program is managed by the Department of Labor and provides tax credits to businesses for employing at-risk youth in full-time and part-time positions.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$40 million in SFY 2024-25 and SFY 2025-26.*

**Extend the Empire State Apprenticeship Tax Credit for Five Years (REV Part O):** The Executive Budget proposes to extend this program, which is currently set to expire in Tax Year 2022, to Tax Year 2027. The credit is managed by the Department of Labor and provides refundable tax credits to employers that offer apprenticeships.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$10 million in SFY 2024-25 and SFY 2025-26.*

**Extends the Alternative Fuels and Electric Vehicle Recharging Property Credit for Five Years (REV Part P):** The Executive Budget proposes to extend this program, which is currently scheduled to expire at the end of Tax Year 2022, to Tax Year 2027. The program provides tax credits for the cost of installing alternative fuel vehicle refueling or electric vehicle recharging property, less any costs covered by grants.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$3 million in SFY 2024-25 and SFY 2025-26.*

**Extend the Workers with Disabilities Tax Credit for Six Years (REV Part Q):** The Executive Budget proposes to extend this credit program, which is currently scheduled to expire in the middle of Tax Year 2022, to the end of Tax Year 2028. The program is managed by the Department of Labor, and provides credits for businesses employing individuals with developmental disabilities.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and would reduce receipts by \$1 million in SFY 2024-25 and SFY 2025-26.*

**Require S-Corporation Conformity with Federal Returns (REV Part R):** The Executive Budget proposes that any entity electing to be treated as an S-corporation for federal tax

purposes be automatically treated as an S-corporation for State tax purposes. Currently, the State requires a separate State election.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, and would generate revenue of \$13 million each in SFY 2023-24, SFY 2024-25, and SFY 2025-26.*

**Eliminate the Investment Tax Credit for Production of Master Tapes (REV Part S):** The Executive Budget proposes to make property used to create any visual or audio recordings or to duplicate any video or audio master tapes ineligible for the Investment Tax Credit (ITC). The ITC is aimed at incentivizing economic activity in New York by providing a credit for tangible property being utilized by a business in New York. The amount that can be claimed under the ITC is based on the underlying value of the property being used. For these recordings, current law determines the value by considering all the costs associated with the production of that recording, regardless of whether that activity happened in New York State.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23 and SFY 2023-24, and save the State \$75 million in SFY 2024-25 and SFY 2025-26.*

**Exempt Certain Water Vessels from the Petroleum Business Tax (REV Part T):** The Executive Budget proposes to exempt tugboats and towboats from paying the Petroleum Business Tax (PBT) for fuel oil they use. Reimbursement would be made available for the amount of PBT that was paid and passed on to a tugboat or towboat if the fuel was purchased from a terminal that had paid the PBT. Currently, the State can collect PBT on fuel used by such vessels when they are operating in New York waters, but the tax can't be collected for oil used while operating outside of New York waters. This makes enforcement of the PBT difficult, as it is difficult to track fuel usage relative to State boundaries in waterways shared with other entities, such as New York Harbor, the Hudson River, and the St. Lawrence River.

*Fiscal Impact: The proposal would reduce State receipts by \$1 million in SFY 2022-23, and by \$2 million in SFY 2023-24, SFY 2024-25, and SFY 2025-26.*

**Make Permanent Local Sales Tax Rate Authorizations (REV Part U):** The Executive proposes to give all 57 counties outside of New York City and the five cities that currently have additional rates the permanent authority to extend their current additional rates of sales tax. In addition, any counties that are currently at their statutorily allowed 3 percent (Saratoga, Warren, and Washington) or have additional rates that are below 4 percent (Ontario) would be allowed to impose a rate of up to 4 percent without needing legislative approval. Localities would still require Legislative approval to raise the rates above 4 percent of their current level, if that is higher than 4 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 pre-emption rights between cities and counties, and preserves any existing revenue distribution agreements. Counties will still be required to seek legislative action in the future to amend any revenue distribution agreements that are set in state statute.

*Fiscal Impact: The proposal would have no fiscal impact on the State.*

**Modernize Tax Law to Include the Vacation Rental Industry (REV Part V):** The Executive 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. Property owners making these 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 or VRBO), would be responsible for collecting and remitting these taxes for any transactions they facilitated. Property owners would be exempt 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 collect and remit the tax. The proposal also removes the general requirement of property owners who rent their property for fewer than three days in a year and do not use a vacation rental marketplace to do so to collect sales taxes.

*Fiscal Impact: The proposal would increase revenue by \$22 million in SFY 2022-23, \$43 million in SFY 2023-24, \$43 million in SFY 2024-25, and \$44 million in SFY 2025-26.*

**Streamline the Withholding Table and Quarterly Interest Rate Publication Schedule (REV Part W):** The Executive Budget proposes to require the Department of Taxation and Finance to post any changes to the withholding tables on its website and in the State Register. The proposal would further require the DTF Commissioner to publish the interest rates to be charged for under or overpayment of taxes on the agency website within 20 days of a change.

*Fiscal Impact: The proposal would have no fiscal impact on the Financial Plan.*

**Expand the Financial Institutions Data Management Program (REV Part X):** The Executive Budget proposes to expand the types of financial institutions that participate in the Data Management Program. This program requires financial institutions that do business in New York and that participate in programs designed to find unpaid child support to share data with DTF to allow the Department to find and seize assets to recover unpaid taxes. This proposal adds virtual currency businesses licensed by the Department of Financial Services to the list of institutions that must participate in this program.

*Fiscal Impact: The proposal would have no fiscal impact in SFY 2022-23, and would generate revenue of \$75 million SFY 2023-24, SFY 2024-25, and SFY 2025-26.*

**Extend and Amend the Telecommunications Assessment Ceiling Program for Four Years**

**(REV Part Y):** The Executive Budget proposes to extend this program, in which the State sets a maximum possible assessment, or ceiling, on what a locality can assess telecommunication property, for four years. The proposal also makes changes to the process for appealing assessments made under this program to allow a company challenging both the municipal assessment and the state ceiling to consolidate the hearings. Companies challenging a local assessment would be required to provide localities with cost data that they already provide to the State. If they do not provide this data, the challenge would be dismissed.

*Fiscal Impact: The proposal would have no fiscal impact on the State.*

**Enact STAR Administrative Reforms (REV Part Z):** The Executive Budget proposes a number of amendments to the administration of the STAR program:

- **Subpart A:** This provision streamlines the ability of the State to provide an individual with the correct STAR savings if the assessment rolls are not corrected on time for someone who submitted a late application with good cause. Currently, if a change to the assessment rolls does not happen on time and someone is assessed excess property taxes, the State will send the school district the amount of a refund, and then the school district will refund the property owner. This proposal allows DTF to refund the property owner directly.
- **Subpart B:** This provision allows the application to switch from the STAR exemption program to the STAR credit program to be submitted 45 days before the end of the application date for the exemption. Currently, the deadline is 15 days before the end of the exemption application date.
- **Subpart C:** This provision clarifies that income eligibility for STAR is determined by looking at the income from two years before. Language making this explicit was left out of the basic STAR credit statute, even though this is how income eligibility for the STAR exemption program is currently determined.
- **Subpart D:** This provision allows the State to share STAR info with municipalities in other states if they will share similar property tax data with us. Currently the State can share data with other state governments but not with municipalities in other states directly. This provision is aimed at identifying individuals trying to claim multiple home addresses to get benefits in more than one state.
- **Subpart E:** This provision allows DTF to share info about a taxpayer's death with local assessors directly. In addition, this provision creates a program allowing individuals to identify themselves as a person with an interest in the property if the owner has died. Any notices regarding delinquent property taxes would be sent to these individuals, though receiving such notices will not be construed as making those individuals responsible for the delinquent property taxes. If no one comes forward and identifies themselves, localities are given the power to start a foreclosure proceeding on the property. The local

enforcement officer must still comply with existing notification requirements for a foreclosure proceeding.

*Fiscal Impact: The proposal would have no fiscal impact on the Financial Plan.*

**Solar and Wind Valuation Program Technical Corrections (REV Part AA):** The Executive Budget proposes to create a new appeals process for complaints regarding the assessments created utilizing the State-mandated assessing model under the Solar and Wind Valuation Program. The state has required all assessors to utilize a specific model to come up with the assessments for solar and wind power projects generating more than one megawatt of electricity. The proposal would allow individuals to challenge local assessments only on the basis of whether the values utilized in the model were correct or not. Any individual seeking to challenge the model itself as the basis for their assessment will be required to file action against the State directly through an Article 78 proceeding.

*Fiscal Impact: The proposal would have no fiscal impact on the Financial Plan.*

**Provide a Homeowner Tax Rebate Credit (REV Part BB):** The Executive Budget proposes to create a one-time refundable personal income tax credit for Tax Year 2022 for homeowners who receive the basic or enhanced STAR exemption or credit and have incomes at or below \$250,000. The amount of the credit will be based on a percentage of their existing STAR benefit, and no credits will be issued if the value is below \$100. For homeowners receiving the basic STAR credit or exemption, the value of the credit is shown in the table below.

<b>Value of Homeowner Tax Rebate Credit as a Percentage of the STAR Benefit</b>		
<b>Qualified Gross Income</b>	<b>Basic STAR recipient outside New York City</b>	<b>Basic STAR recipient in New York City</b>
Not Over \$75,000	163 percent	125 percent
Over \$75,000 to \$150,000	115 percent	115 percent
Over \$150,000 to \$200,000	66 percent	105 percent
Over \$200,000 to \$250,000	18 percent	100 percent
Over \$250,000	No Credit	No Credit

For homeowners who receive the Enhanced STAR credit or exemption, which is available only to homeowners who are over 65 years of age and with a combined household income of \$90,550 or less for 2021 or \$92,000 or less for 2022, the value of the credit will be a percentage of their STAR benefits as well, without any further tiers by income. For Enhanced STAR recipients outside New York City, the value of their credit is 66 percent of their STAR benefit. For those in New York City, the value of the credit is 110 percent. DTF would send an advanced payment of the credit to those it determines eligible on or before October 31, 2022 .

*Fiscal Impact: The proposal would have a \$2.2 billion impact in SFY 2022-23, and no fiscal impact thereafter.*

**Sweeps and Transfers (PPGG Part Y):** The Executive Budget proposes a number of different transfers of State funds between different accounts, as well as changes to the various State authority debt caps. In addition, this section includes the following proposals:

- Authorizing the Division of Budget to enter into contracts with the Gateway Development Commission to cover New York’s share of \$2.35 billion in capital commitments for the Hudson River Tunnels Project. Any payments shall be subject to annual appropriation by the Legislature. This authorization would enable the State to use low-interest federal infrastructure loans to cover New York’s share of the project.
- Giving the State the authority to issue up to \$3 billion in short-term personal income tax bonds with a maturity no later than March 31, 2023 in order to deal with any unexpected budget shortfalls.
- Giving the State the authority to utilize lines of credit of up to \$2 billion to deal with any unexpected budget shortfalls. Any use of such lines of credit would be limited to a final maturity of March 31, 2023.

This year's proposal does not include any language authorizing the Director of the Division of Budget to make cuts in appropriations similar to language included in previous proposed Executive Budgets.



# Economic Development



Staff Analysis of  
the 2022-23 Executive Budget



## **Economic Development Fact Sheet**

### **Appropriations**

- **ConnectALL Initiative:** The Executive Budget proposes a total of \$1.5 billion in capital to expand reliable broadband access to all New Yorkers. The State will provide \$300 million to match \$1.2 billion in federal funding.
- **Restore New York Communities Program:** The Executive Budget provides \$250 million in capital to reinstate the Restore NY program, which provides funding to municipalities to rehabilitate or demolish vacant, abandoned, or condemned properties. This program was last funded in the SFY 2017-18 Enacted Budget.
- **Offshore Wind:** The Executive Budget proposes \$500 million in capital funding for off-shore wind development to meet the Climate Leadership and Community Protection Act's goal of 9,000 MW of wind energy by 2035. New York has already contracted for 2,490 MW of development.
- **Regional Economic Community Assistance Program:** The Executive Budget proposes \$800 million in capital to establish a program to foster workforce and commercial development, tourism and infrastructure improvements, small business support, and community and urban revitalization in historically disadvantaged communities.
- **Workforce Development:** The Executive Budget provides \$350 million towards reimagining the State's workforce development efforts, including \$115 million for a workforce development grants program, \$35 million for workforce development capital grants, and \$20.8 million to establish a new office of Workforce and Economic Development within ESD to coordinate statewide workforce initiatives. The proposal also includes funding for various teacher and healthcare worker initiatives.
- **Innovation Venture Program:** The Executive Budget proposes \$75 million for a new Innovation Venture Program. The Executive has not yet provided details on the program.

### **Article VII**

- **Small Business Seed Funding Grant:** The Executive Budget proposes a grant program to provide technical assistance and outreach in areas such as business planning, legal consultation, mentoring services for post-pandemic planning, and reopening planning to eligible early-stage businesses with fewer than 100 employees.

- **Social Equity Funds for Cannabis Dispensaries:** The Executive Budget proposes to allow for the creation of private debt or equity funds to finance the capital costs of new adult cannabis dispensaries operated by social equity applicants. The proposal also expands DASNY’s authority to enter into agreements directly with the Cannabis Control Board, the Office of Cannabis Management (OCM), or these new private debt or equity funds to assist with these capital costs or to form subsidiaries to conduct this work.

**ECONOMIC DEVELOPMENT AGENCY DETAILS**

<b>Economic Development Agency All Funds Appropriations (\$ in millions)</b>				
	<b>SFY 2022 Available</b>	<b>SFY 2023 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
Department of Economic Development	\$691.32	\$97.17	(\$594.15)	-85.94%
Empire State Development Corporation	\$1,300.24	\$3,983.48	\$2,683.24	206.36%
<b>Total Economic Development</b>	<b>\$1,991.56</b>	<b>\$4,080.65</b>	<b>\$2,089.09</b>	<b>104.90%</b>

**Overview**

The Executive Budget proposes \$4.1 billion in All Funds appropriations for SFY 2022-23, an increase of \$2.1 billion or 104.9 percent from SFY 2021-22. This increase largely results from new capital funding, \$1.5 billion for the ConnectALL Initiative, \$800 million for the New York State Regional Economic and Community Assistance Program, \$500 million for Offshore Wind Ports, and \$250 million for Restore New York Communities.

**Department of Economic Development**

The Executive Budget proposes \$97.2 million in All Funds appropriations for the Department of Economic Development (DED), a decrease of \$594.2 million or 85.9 percent from SFY 2021-22. The decrease reflects the elimination of one-time federal funding of \$600 million for the State Small Business Credit Initiative (SSBCI). It is offset by the Executive maintaining \$4.6 million in legislative additions for the Centers for Advanced Technology (CAT) and Centers of Excellence (COE).

The Executive Budget recommends a DED workforce of 165 FTEs for SFY 2022-23, an increase of 26 FTEs from SFY 2021-22. The workforce increase will primarily be for employees of the Minority-and-Women-Owned Business Development Program to assist with certification and appeal delays. Additional funding has also been provided for IT upgrades.

The Executive Budget proposes \$13.6 million for the Centers for Advanced Technologies (CAT) and \$12.0 million for the Centers of Excellence (COE), which is unchanged from SFY 2021-22. This total includes \$1.2 million and \$3.4 million of additional funding previously provided by the Legislature for CAT and COE, respectively. The Executive provides \$2.5 million for Tourism Promotion Matching Grants, a decrease of \$1 million due to the elimination of a legislative

initiative. The Executive maintains support of \$5 million each for the High Technology Matching Grants Program and the Innovation Hot Spots and Incubators Program.

### Empire State Development Corporation

The Executive Budget proposes \$4.0 billion in All Funds appropriations for the Empire State Development Corporation (ESD), an increase of \$2.7 billion or 206.4 percent from SFY 2021-22. The increase reflects funding for new capital initiatives, including \$1.5 billion for the ConnectALL Initiative, \$800 million for the New York State Regional Economic and Community Assistance Program, and \$500 million for Offshore Wind Ports. It is offset by the elimination of \$800 million for the Small Business Pandemic Relief Program, \$25 million for the Restaurant Resiliency Grant Program, and \$7.2 million in legislative initiatives.

The Executive Budget proposes \$320 million in Capital Funding for the New York Works Economic Development fund, an increase of \$100 million from SFY 2021-22. The Executive maintains support for \$150 million in capital support for the Regional Economic Development Councils (REDC) and \$45 million to support economic development and tourism promotion in the State. The Executive proposes \$635,000 for the Minority and Women-Owned Business Development and Lending Program, a decrease of \$1.4 million due to the elimination of legislative additions. The Executive Budget eliminates a total of \$7.0 million in funding for the Retention of Professional Football in Western New York.

### Article VII

#### Empire State Development Corporation (ESD)

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

**(TEDE Part Y):** The Executive Budget proposes to extend ESD general loan powers for three years to July 1, 2025. The extension has previously been done for one year.

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

##### **Extend the Urban Development Corporation's Authorization to Administer the Empire State Economic Development Fund (TEDE Part Z):**

The Executive Budget proposes to extend ESD's authority to administer the UDF for an additional three years to July 1, 2025. The extension of this authority has previously been done for one year.

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

**Linked Deposit Program Expansion (TEDE Part BB):** The Executive Budget proposes to expand the eligible businesses participating in the Excelsior Linked Deposit Program to include community development institutions. The proposal also expands the program by including business projects funded by community development financial institutions as eligible projects for

reduced rate financing. Community development institutions are independent organizations with a primary purpose of promoting community development to targeted populations and providing development services paired with financing or loans. These institutions must also have a governing board inclusive of residents of the targeted community.

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

**Small Business Seed Funding Grant Program (TEDE Part CC):** The Executive Budget proposes the creation of a new Small Business Seed Funding Grant Program to assist early-staged small businesses with 100 employees or less and micro-businesses with 10 employees or less. The program will provide grants and technical assistance such as financial planning, legal consultations, language services, and re-opening planning. These services can be provided by ESD or partner organizations such as chambers of commerce, local business development corporations, trade associations, and others. To be eligible, a business must have begun on March 1, 2019 or later, must have been operational for at least six months prior to submitting an application for assistance, and either have between \$5,000 and \$1 million in gross receipts or be able to show \$10,000 in business expenses.

Grant funds may only be used for eligible costs incurred between March 1, 2019 and January 1, 2022. Eligible costs may include payroll, commercial rent or mortgage payments, repayment of property or school taxes, insurance costs, utility costs, and costs associated with COVID-19 health protocols such as purchasing personal protection equipment or ventilation and air conditioning units. Grants may not be used to pay any loan obtained through state or federal government assistance or relief programs.

*Fiscal Impact: This proposal will have a \$200 million fiscal impact on the State.*

Dormitory Authority of New York (DASNY)

**Extension for DASNY Subsidiary Authorization (TEDE Part DD):** The Executive Budget proposes extending DASNY's authorization to create subsidiary organizations by three years from July 1, 2022 to July 1, 2025.

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

**Expanded DASNY Financing (TEDE Part EE):** The Executive Budget proposes authorizing the Dormitory Authority to provide its tax-exempt financing and design and construction services to any not-for-profit corporation in the State for capital projects costing \$5 million or more.

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

**Bidder Prequalification Program for DASNY Public Works (TEDE Part FF):** The Executive Budget proposes authorizing DASNY to set up and maintain a list of pre-qualified bidders and to restrict bidding for public works projects to those on the list. In determining a bidder's eligibility, DASNY shall evaluate a bidder's capability, resources, labor relations and compliance, MWBE commitment, and health and safety record. The Authority shall also set up an appeals process for denials from the list.

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

**DASNY Financing for Downtown Revitalization Program Recipients (TEDE Part GG):** The Executive Budget proposes adding any recipient of loans or grants from the Downtown Revitalization Program to the list of entities eligible to receive tax-exempt financing and design and construction assistance from DASNY.

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

**DASNY Services for Other State Authorities (TEDE Part HH):** The Executive Budget proposes authorizing DASNY to enter into design and construction management agreements with other State authorities for planning, design, construction, reconstruction, rehabilitation, improvement, and equipment projects. This includes design-build agreements only where an authority utilizing DASNY services is already authorized to undertake design-build projects.

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

**Social Equity Fund for Retail Cannabis Dispensaries (TEDE Part II):** The Executive Budget proposes the creation of private debt or equity funds to give financial assistance for the development of retail cannabis dispensaries. Funds would assist with the fixed capital costs of establishing retail dispensaries, including leasing, purchasing, construction, and design costs. The proposal also expands DASNY's authority to enter into agreements directly with the Cannabis Control Board, the Office of Cannabis Management (OCM), or these new private debt or equity funds to assist with these capital costs or to form subsidiaries to conduct this work. DASNY and its subsidiaries, the private debt or equity funds, the Cannabis Control Board, and OCM would be reimbursed for their expenses with revenues collected from the cannabis program.

*Fiscal Impact: This proposal will have a \$50 million fiscal impact on the State.*

# Education





## Education Fact Sheet

### Appropriations

- **School Aid Total:** The Executive Budget proposes a School Aid increase of \$2.1 billion, or 7.2 percent, for a total of \$31 billion in the 2022-23 school year. This includes a \$1.6 billion or 8.1 percent increase over SY 2021-22 in Foundation Aid, for a total of \$21.4 billion.
- **Expense-Based Aids:** The Executive Budget proposes full funding of formula-driven expense-based aids, including Building Aid and Transportation Aid. The Executive projects these categories to increase by \$471 million, or 5.3 percent.
- **Charter Schools Tuition:** The Executive Budget proposes an increase in reimbursement of Supplemental Basic Tuition for charter schools by \$52 million over FY 2022, for a total of \$185 million. The Executive budget increases per pupil funding for New York City to 4.7 percent, or \$788 per charter student. This is commensurate with the increase in school operations for public schools and reflects a continuation of current law. The Executive also proposes to increase charter schools facilities aid for New York City by 50 percent, for a total of \$100 million.
- **Nonpublic School Aid:** The Executive Budget proposes level funding for Mandated Services Aid at \$116 million and for the Comprehensive Attendance Policy at \$77 million. It also proposes \$55 million for STEM instruction, which is an increase of \$15 million, or 38 percent. The Executive Budget would increase capital funding for Nonpublic School Health and Safety by 67 percent, for a total of \$45 million.
- **State Match Funding for Learning and Mental Health Grants:** The Executive Budget proposes \$100 million over two years for a new State matching fund through the Recover from COVID School program (RECOVS). Funding from this program is meant to target summer learning, after school, extended-day or extended-year programs, as well as to hire mental health professionals for school districts with highest needs. School districts are required to utilize Federal relief funds (such as American Rescue Plan and CRSSA funds) to get matching State funds.
- **Positive School Climate Program:** The Executive Budget proposes a new initiative for \$2 million to create a safe and supportive school climate in high-need schools with high suspension rates.

- **Capital Projects:** The Executive Budget provides new capital funding for Schools for the Blind by \$3.2 million and \$1.8 million for Schools for the Deaf. The Executive Budget proposes to provide \$35.7 in rehabilitation costs for three State-owned schools on Native American reservations: the St. Regis Mohawk School (\$17.8 million), the Tuscarora School (\$11.8 million), and the Onondaga School (\$6.1 million).
- **State Operations:** The Executive proposes an overall increase of \$24.7 million in State Operations. This reflects an increase of \$8 million, or 12 percent, in General Fund support, \$1 million in federal funds, and a \$16 million increase, or 9 percent, in Special Revenue.

## **Article VII**

- **Building Aid and Transportation Aid Penalty Forgiveness:** The Executive proposes to provide SED with discretion to forgive Building and Transportation Aid penalties for late or incomplete submissions if the error was inadvertent administrative or ministerial oversight.
- **New York City Mayoral Control:** The Executive proposes to extend mayoral control over New York City schools for four years, through June 30, 2026.
- **Zero-Emission School Buses:** The Executive proposes to require all newly purchased school buses to be zero-emission by 2027 and to require all school buses on the road to be zero-emission by 2035.

## Education Agency Details

State Education Department All Funds Appropriations (\$ in Millions)				
Agency	Available SFY 2021-2022	Executive Recommendation SFY 2022-2023	\$ Change	% Change
State Education Department	\$52,074	\$40,601	(\$11,472)	-22.0%
<b>Total State Education Department</b>	<b>\$52,074</b>	<b>\$40,601</b>	<b>(\$11,472)</b>	<b>-22.0%</b>

### Overview

The Executive Budget proposes \$40.6 billion in All Funds appropriations for the State Education Department (SED) in SFY 2022-23. This is a decrease of \$11 billion, or 28.3 percent, over SFY 2021-22 levels and is reflective of a \$13.4 billion decrease in Federal pandemic funds. The Executive Budget also recommends a workforce of 2,876 FTEs for SED, a 7.1 percent increase from SFY 2021-22 projected levels.

### State Operations

The Executive budget includes language shifting multiple responsibilities from SED to other agencies. It calls for the transfer of the Child Nutrition Program to the Department of Agriculture and Markets. It would also allow for the transfer of oversight of licensure and disciplining programs for medical professions to the Department of Health.

### P-12 Education

The Executive Budget provides \$30.7 billion in total School Aid on the run, an increase of \$2.1 billion (7.2 percent) over SY 2021-22. The \$2.1 billion increase is comprised of a \$1.6 billion, or 8.1 percent, increase in Foundation Aid, and a \$471 million, or 5.3 percent, increase in expense-based aids (see table below titled “2022-23 Executive Budget School Aid Detail”).

The Foundation Aid increase reflects a phase-in of 50 percent of remaining Foundation Aid owed, plus a minimum three percent increase to all school districts. This is in keeping with current law to phase-in Foundation Aid by SY 2023-2024.

In sum, the Executive Budget proposes a School Aid total of \$31.2 billion, an increase of \$2 billion, or 7.1 percent, over SY 2021-22. This total is comprised of \$30.8 billion in total school aid on the run, \$301 million in categorical aids, and \$232 million in competitive grants.

<b>2022-23 Executive Budget - School Aid Increase Components</b>				
<b>(\$ in Millions)</b>				
	<b>SY 2021-22</b>	<b>SY 2022-23</b>	<b>\$ Increase</b>	<b>% Increase</b>
Foundation Aid	\$19,816	\$21,417	\$1,600	8.1%
Expense-Based Aids	\$8,860	\$9,331	\$471	5.3%
<b>School Aid On The Run</b>	<b>\$28,677</b>	<b>\$30,748</b>	<b>\$2,071</b>	<b>7.2%</b>
Categorical Aids	\$308	\$301	(\$7)	-2.3%
Competitive Grants	\$230	\$232	\$2	0.9%
<b>Total School Aid</b>	<b>\$29,214</b>	<b>\$31,280</b>	<b>\$2,066</b>	<b>7.1%</b>

Foundation Aid: The Executive Budget increases funding for Foundation Aid, totaling \$1.6 billion, or eight percent, for the SY 2022-23. The Executive proposal adheres to language adopted in last year’s budget that phases in 50 percent of remaining Foundation in FY 2022-23 and fully phases in Foundation in FY 2023-24. In FY 2021-22, there are 258 school districts whose Foundation Aid is fully phased in, while \$3 billion remains to be phased in for 415 school districts. The Executive proposal results in 287 school districts whose Foundation Aid is fully phased in, with \$1.5 billion remaining for 386 districts in FY 2022-23.

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 afterschool, summer programming, school-based health services, and other wrap-around services are provided to students and the community.

Expense-Based Aids: The Executive Budget provides a \$471 million increase, or 5.3 percent, in funding for expense-based aids for SY 2022-23, consistent with current law projections provided by SED. These aids (Transportation Aid, Building Aid, Public/Private Excess Cost Aids, Universal Prekindergarten, Reorganization Operating Aid and others) reimburse school districts for costs incurred in the previous school year based on wealth-equalized reimbursement ratios.

2022-23 Executive Budget - Total School Aid Detail (\$ in Millions)				
Aid Category	SY 2021-22	SY 2022-23	\$ Increase	% Increase
Foundation Aid	\$19,816	\$21,417	\$1,600	8.1%
Excess Cost Aid - High Cost	\$568	\$574	\$6	1.0%
Excess Cost Aid - Private	\$372	\$411	\$40	10.7%
Reorganization Operating Incentive Aid	\$4	\$4	(\$1)	-19.5%
Textbooks (Incl. Lottery)	\$166	\$170	\$4	2.5%
Computer Hardware	\$35	\$36	\$1	2.3%
Computer Software	\$43	\$44	\$1	2.0%
Library Materials	\$17	\$18	\$1	5.0%
BOCES	\$1,045	\$1,122	\$78	7.4%
Special Services	\$255	\$254	(\$0)	-0.1%
Transportation (Incl. Summer)	\$1,948	\$2,249	\$302	15.5%
High Tax	\$223	\$223	\$0	0.0%
Universal Prekindergarten Aid	\$945	\$952	\$7	0.7%
Academic Enhancement Aid	\$28	\$28	\$0	0.0%
Charter School Transitional Aid	\$47	\$52	\$5	10.7%
Full-Day Kindergarten Conversion Aid	\$1	\$0	(\$1)	-100.0%
Supplemental Public Excess Cost	\$4	\$4	\$0	0.0%
Building Aid (Incl. Reorg)	\$3,158	\$3,188	\$30	0.9%
<b>Total Formula-Based Aids</b>	<b>\$28,677</b>	<b>\$30,748</b>	<b>\$2,071</b>	<b>7.2%</b>

Executive Initiatives: The Executive Budget continues to fund \$232 million in awards from past competitive grants in addition to proposing new initiatives. 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;
- \$12 million for Mental Health grants awarded to Community Schools and School Mental Health programs;
- \$100 million over two years for a new Recover from COVID School program (RECOVS);
- \$2 million for a new Positive School Climate program; and
- \$2 million for a new grant for Master Teacher and School Counselor.

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2022-23:

- \$116 million in Mandated Services Aid to reimburse the actual expenditures of nonpublic schools for specified State testing and data collection activities;
- \$55 million, an increase of \$15 million, or 38 percent, for STEM instruction;
- \$77 million for Comprehensive Attendance Policy;
- \$45 million, an increase of \$30 million (67 percent), in capital funding for nonpublic school purchases of health and safety equipment;

- \$922,000 to support Academic Intervention Services (AIS); and
- The Executive discontinues \$1 million in funding for nonpublic immunization recordkeeping.

Charter Schools:

- Charter Tuition Rates: The Executive Budget proposes to increase New York City charter school tuition rates by \$788, or \$ 4.7 percent, to \$17,633 per pupil for SY 2022-23.
- Supplemental Basic Tuition Payments to School Districts: The Executive proposes to increase Supplemental Basic Tuition Payments to school districts by \$52 million, or 39 percent, for a total of \$185 million.
- New York City Charter Facilities Aid: The Executive Budget proposes to double Charter School Facilities Aid to New York City by \$48.5 million, or 94 percent, for a total of \$100 million. New York City currently receives 60 percent reimbursement on the costs of providing charter schools with rental assistance.

Special Education: The Executive Budget includes the following special education funding for SY 2022-23:

- \$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).
- \$574 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 provides \$14.3 million in total to operate the Teacher Resources and Computer Training Centers program for the remainder of SY 2021-22, and for the beginning of SY 2022-23.

Rehabilitation of Nation Schools: The Executive Budget provides a new appropriation for \$35.7 million in capital funding to rehabilitate three Nation Schools: the St. Regis Mohawk School (\$17.8 million), the Tuscarora School (\$11.8 million), and the Onondaga School (\$6.1 million).

Schools for Blind and Deaf: The Executive Budget provides \$3.2 million in new capital funding for Schools for the Blind and \$1.8 million in capital funding for Schools for the Deaf.

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

- \$96 million for the Employment Preparation Program (EPE);
- \$48 million for the education of students who reside in a school operated by the Office of Mental Health or the Office for People with Developmental Disabilities;
- \$37 million for the School Lunch/Breakfast Program;
- \$30 million for education of homeless children and youth;
- \$19 million for Bilingual Education Grants;
- \$25 million for Teachers of Tomorrow;
- \$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 the Yonkers City School District;
- \$12 million for districts participating in the Urban-Suburban Transfer Program;
- \$10 million for locally sourced food reimbursement;
- \$7 million for the education of youth detained in local correctional facilities;
- \$7 million to subsidize Advanced Placement and International Baccalaureate test fees;
- \$3 million in Learning Technology Grants;
- \$2 million to fully subsidize the cost of reduced-price meals;
- \$2 million for the Teacher-Mentor Intern program;
- \$1 million for the Center for Autism and Related Disabilities at SUNY Albany;
- \$1 million for Community Schools Regional Technical Assistance Centers;
- \$750,000 for Monitors in East Ramapo, Hempstead, Wyandanch, and Rochester; and
- \$400,000 for Bus Driver Safety.

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

- Discontinues \$1.2 million for Rochester School Health Services;
- Discontinues \$1.2 million for Buffalo School Health Services;
- Discontinues \$1 million for NYC Kids RISE;
- Discontinues \$500,000 for Teacher Diversity Pipeline Pilot;
- 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;

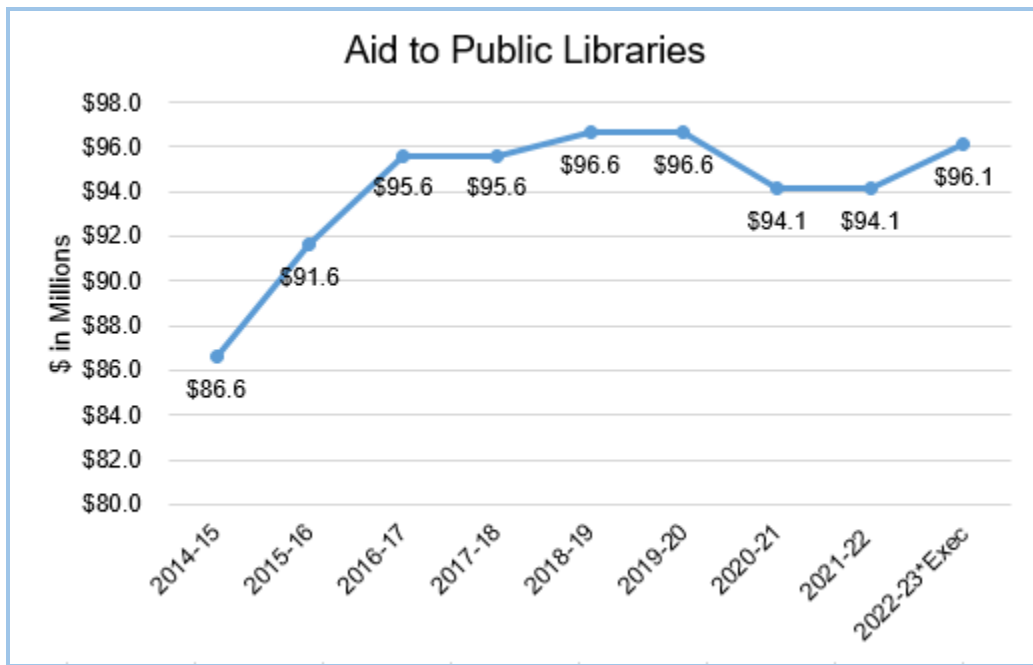
- Discontinues \$275,000 for Auburn Enlarged School District; and
- Reduces \$7 million for the education of Native American students in public schools (funding is based on reimbursement formula).

**Cultural Education**

Cultural Education Funding: The Executive Budget increases support for libraries by \$2 million, or two percent, for a total of \$96 million. Funding is also increased for public broadcasting by \$8 million to fund various initiatives, representing an increase from \$14 million to \$22 million. Capital funds for library construction would decrease \$20 million, from \$34 million to \$14 million.

The Executive Budget discontinues:

- \$250,000 to Schomburg Center for Research in Black Culture
- \$75,000 to Langston Hughes Community Library



**Adult Career and Continuing Education Services (ACCES)**

The Executive Budget provides \$16 million for Independent Living Centers, an increase of \$2 million, and additionally \$8 million for Adult Literacy Education, held flat from SFY 2021-22.



## **Article VII**

**Extends Contract for Excellence (ELFA Part A)**: The Executive proposes to extend the Contract for Excellence for the 2022-23 school year. This extender requires low performing districts to establish plans and set aside a portion of Foundation Aid to target programs proven to raise the achievement of the students with the greatest educational need.

*Fiscal Impact: This is an extension of existing policy and has no fiscal impact to State or Local governments.*

**Ends Building Aid Reductions for School Clean Energy Infrastructure (ELFA Part A)**: The Executive proposes to eliminate Building Aid reductions for school districts receiving energy efficiency grants from NYSERDA's Clean Green Schools program, so long as the grants do not exceed actual project expenditures.

*Fiscal Impact: This would result in savings to school districts, which would be reimbursed for the full expenditures incurred through Building Aid.*

**Building Aid and Transportation Aid Penalty Forgiveness (ELFA Part A)**: The Executive proposes to give the State Education Department discretion to forgive Building and Transportation Aid penalties for late or incomplete submissions, so long as the failure to submit the report was inadvertent administrative or ministerial oversight by the school district.

*Fiscal Impact: This would be a cost to the State based on what penalties school districts would otherwise incur but would now be forgiven. This amount is unknown.*

**Electronic Transportation Contract Submission (ELFA Part A)**: The Executive proposes to allow school districts to submit transportation contracts to the State Education Department electronically. Currently, school districts are required to submit physical copies of transportation contracts and cannot submit electronic copies.

*Fiscal Impact: This would yield administrative savings for SED and school districts that move to electronic contract submissions.*

**New York City Mayoral Control & Accountability (ELFA Part A)**: The Executive proposes to extend mayoral control over New York City schools for four years, through June 30, 2026.

*Fiscal Impact: There would be no fiscal impact associated with this extension of mayoral control over New York City schools.*

**Zero-Emission School Buses (ELFA Part B)**: The Executive proposes to require all newly purchased school buses to be zero-emission by 2027 and all school buses on the road to be zero-emission by 2035. In addition, the proposal extends Transportation Aid reimbursement for

the purchase or lease of zero-emission electric school buses, as well as infrastructure, such as charging stations. The Executive also proposes to extend the lease or financing amortization of zero-emission buses from five years to 10 years.

*Fiscal Impact: This could result in increased reimbursements to districts in future years.*

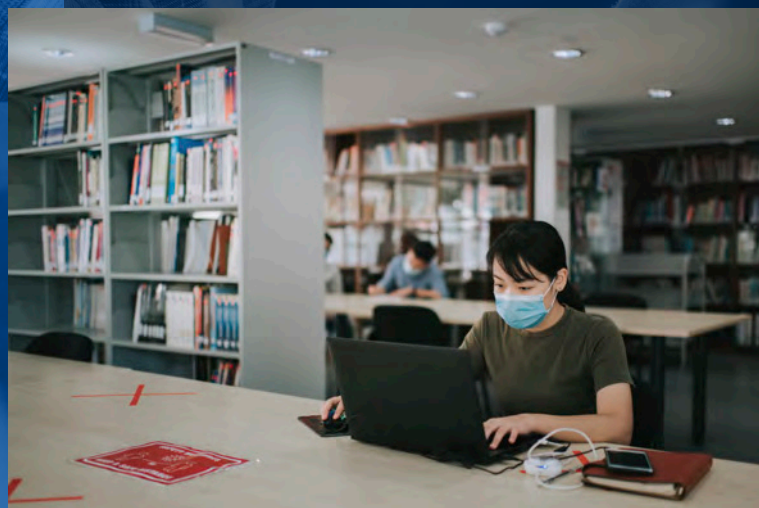
**Temporary Certification for Teachers (ELFA Part C):** The Executive proposes to provide teachers with temporary professional certification, valid for one year, which allows the teacher to work while their permanent certification is pending approval. The State Education Department must provide this temporary certification within five days of receiving the teacher's application and attestation of obtaining all requirements of certification. Individuals with temporary professional certification shall work under the supervision of a certified teacher in the same area while their permanent certification is pending approval. The Executive also proposes to provide a temporary certification for those who have expired certifications, valid for two years, if they are in good standing and previously held a certification in that area.

*Fiscal Impact: There would be no fiscal impact associated with granting temporary re-certification for Teachers.*

# Higher Education



Staff Analysis of  
the 2022-23 Executive Budget



## Higher Education Highlights

### Appropriations

- **Student Financial Aid:** The Executive Budget includes \$150 million to expand TAP for part-time students enrolled in six or more credits. Furthermore, the Executive Budget expands part-time TAP to include students enrolled in workforce credential programs at community colleges in high-demand fields.
- **Opportunity Programs:** The Executive Budget proposes a 10 percent across-the-board increase in appropriations for opportunity programs and training centers, totaling \$271 million in support.
- **SUNY & CUNY Operating Support:** The Executive Budget fully reimburses colleges for the \$108.4 million TAP gap, resulting in payments of \$48.8 million to SUNY and \$59.6 to CUNY. The proposed budget also includes a \$106 million increase for additional full-time faculty, divided evenly between SUNY and CUNY.
- **Capital:** The Executive Budget includes a \$315 million increase to CUNY for State-operated campuses and a \$9 million increase for community college projects. For SUNY, it includes a \$325 million increase for State-operated campuses and a \$42 million increase for community college projects. The Executive Budget also provides \$30 million in appropriations for the HECap program for independent colleges.
- **Childcare at SUNY & CUNY Campuses:** The Executive Budget provides \$15.6 million to expand childcare centers on campuses that currently lack these services.
- **Community Colleges:** The Executive Budget provides funding so that no community college experiences a decrease in state base aid. Without those funds the community colleges would face an \$81 million (13 percent) decrease in funds.
- **Aid to Private Colleges (Bundy Aid):** The Executive Budget holds flat Bundy Aid for nonpublic schools at \$35 million.

### Article VII

- **State Support for SUNY and CUNY to Fully Fund the TAP Gap :** The Executive proposes to remove the three-year phase-in plan and immediately and fully fund the TAP gap starting with FY 2022-2023 and every year thereafter.

- **Expansion of TAP for Part-Time Students and Apprenticeships:** The Executive proposes to expand Tuition Assistance Program (TAP) awards to include part-time students so long as the student meets all other eligibility criteria for the program and is enrolled in at least six credits. The proposal also extends TAP awards to students engaged in non-degree seeking programs at community colleges, where the program prepares students for high demand workforce industries.
- **Restore the Tuition Assistance Program for Incarcerated Individuals:** The Executive proposes to repeal a section of the Education Law that prohibits incarcerated individuals from receiving TAP awards.
- **Prohibits Transcript Withholding at Institutions of Higher Education:** The Executive proposes to prohibit the practice of withholding transcripts at institutions of higher education for failure to pay any student-related debt. This will be enforced by the Department of Financial Services and any institution found in violation will pay a \$500 fine per violation.
- **Transfers Oversight for Licensed Healthcare Professionals to the Department of Health:** The Executive proposes to transfer governance and oversight over 28 healthcare professions to the Department of Health from the State Education Department.

## HIGHER EDUCATION AGENCY DETAILS

<b>Higher Education Agencies All Funds Appropriations (\$ in Millions)</b>				
Agency	Available SFY 2021-2022	Executive Recommendation SFY 2022-2023	\$ Change	% Change
State University of New York	\$11,865.80	\$12,521.87	\$656.07	5.5%
City University of New York	\$5,031.55	\$5,820.71	\$789.16	15.7%
Higher Education Services Corporation	\$1,203.17	\$1,197.26	(\$5.91)	-0.5%
Council on the Arts	\$92.57	\$87.94	(\$4.62)	-5.0%
<b>Total Higher Education</b>	<b>\$18,193.09</b>	<b>\$19,627.78</b>	<b>\$1,434.70</b>	<b>7.9%</b>

### Overview

The Executive Budget proposes an All Funds appropriation of \$19.6 billion for higher education and arts in New York, which represents a \$1.4 billion, or 8 percent increase from SFY 2021-22. This is the result of an increase in both capital funding and operating support.

### City University of New York (CUNY)

The Executive Budget provides an All Funds appropriation of \$5.8 billion for CUNY, with the workforce increasing by 540, totaling 14,016 FTEs.

CUNY Senior Colleges: The Executive Budget awards CUNY senior colleges with \$1.6 billion, a \$124 million increase, or 8.7 percent from SFY 2021-22. This is reflective of a \$130 million increase in operating aid. The Executive also increases childcare centers for senior colleges by \$3.6 million. The budget also provides \$53 million for the hiring of new staff. Fringe benefits are projected to increase by \$48 million, or 6 percent, equating to \$916 million.

<b>CUNY Senior College State Operating Support (\$ in Millions)</b>				
Program	SFY 2021-22	SFY 2022-23	\$ Change	% Change
State Operating Support	\$560	\$636	\$76	14%
Fringe Benefits	\$868	\$916	\$48	6%
<b>Total CUNY Senior Colleges</b>	<b>\$1,428</b>	<b>\$1,552</b>	<b>\$124</b>	<b>9%</b>

The Executive Budget increases funding for the following CUNY senior college programs from SFY 2021-22 levels:

- \$3.4 million for the Search for Education, Elevation and Knowledge (SEEK) opportunity program; and
- \$165,000 for CUNY LEADS.

The Executive Budget maintains funding for the following CUNY senior college programs at SFY 2021-22 levels:

- \$835,000 for ACE Learning Center;
- \$250,000 for the CUNY Pipeline; and
- \$20,000 for Medgar Evers Programmatic Initiatives.

The Executive Budget implements funding for the following new CUNY senior college programs:

- \$1.5 million for Rangel Infrastructure Workforce Training; and
- \$1 million for First Impressions Youth Legal Collaborative.

CUNY Community Colleges: The Executive Budget provides CUNY community colleges with \$239 million, a decrease of \$867,000, or 0.4 percent, from SFY 2021-22. This is due to a readjustment in enrollment calculations at Hostos and Guttman Community Colleges. Hold harmless language ensures that no community college will experience a year-to-year decrease in State funding.

<b>CUNY Community College State Operating Support (\$ in Millions)</b>				
<b>Program</b>	<b>SFY 2021-22</b>	<b>SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
Community College Base Aid	\$219	\$217	(\$2)	-1%
All Other State Operating Support	\$21	\$22	\$1	7%
<b>Total CUNY Community Colleges</b>	<b>\$240</b>	<b>\$239</b>	<b>(\$1)</b>	<b>0%</b>

The Executive Budget maintains funding for the following CUNY community college programs:

- \$2.5 million for the CUNY ASAP Program;
- \$2 million for the Next Generation Job Linkage Program;
- \$2 million for the CUNY Apprenticeship Program; and
- \$1.9 million for Workforce Development.

The Executive Budget increases funding by \$1.6 million for Opportunity Programs.

CUNY Capital: The Executive Budget provides a \$315 million increase for State-operated campuses, \$709 million, 80 percent in total. It also includes \$45 million for new capital appropriations for community college projects, amounting to a \$9 million increase, or 25 percent.

**State University of New York (SUNY)**

The Executive Budget recommends an All Funds appropriation of \$12.5 billion for SUNY with the workforce increasing by 340 and totaling 46,771 FTEs.

SUNY State-Operated Colleges: The Executive Budget provides \$3 billion in support for SUNY State-operated campuses, amounting to a \$161 million increase, or six percent.

<b>SUNY State-Operated Campuses State Operating Support (\$ in Millions)</b>				
<b>Program</b>	<b>SFY 2021-22</b>	<b>SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
State Operating Support	\$1,027	\$1,145	\$119	12%
Fringe Benefits	\$1,829	\$1,871	\$42	2%
<b>Total SUNY State-Operated Campuses</b>	<b>\$2,856</b>	<b>\$3,017</b>	<b>\$161</b>	<b>6%</b>

The Executive Budget increases funding for the following SUNY State-operated college programs from SFY 2021-22 levels:

- \$6 million for Educational Opportunity Centers (EOC);
- \$5.4 million for Childcare Centers; and
- \$4 million for Educational Opportunity Programs (EOP).

The Executive Budget maintains funding for the following SUNY State-operated college programs at SFY 2021-22:

- \$9.5 million for the Empire Innovation Program;
- \$6.6 million for the Graduate Diversity Fellowships; and
- \$411,000 for the Sea Grant Institute.

SUNY Community Colleges: The Executive Budget increases operating aid by \$3.8 million, reflecting enrollment growth at a small number of community colleges. Additionally, the Executive guarantees that no college will experience a decrease in support. Absent this appropriation, SUNY community colleges would face a \$45 million (11 percent) loss in formula aid due to enrollment declines.

<b>SUNY Community Colleges State Operating Support (\$ in Millions)</b>				
<b>Program</b>	<b>SFY 2021-22</b>	<b>SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
Community College Base Aid	\$413	\$416	\$4	1%
All Other State Operating Support	\$24	\$30	\$5	22%
<b>Total SUNY Community Colleges</b>	<b>\$437</b>	<b>\$446</b>	<b>\$9</b>	<b>2%</b>

The Executive Budget maintains funding for the following notable SUNY community college programs at FY 2021-22 levels:

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



The Executive Budget also provides \$5.4 million for new childcare centers.

**SUNY Capital:** The Executive Budget increases capital funding by \$364 million, or 33 percent, from \$1.1 billion to \$1.5 billion. SUNY senior colleges will receive an increase of \$325 million, for a total of \$975 million, and SUNY community colleges will receive an increase of \$42 million, for a total of \$57 million. There is also an increase in funding by \$5 million for maintenance and operations. A \$10 million appropriation for EOP Centers is not continued.

**State Education Department – Office of Higher Education and the Professions**

The Executive Budget provides a 10 percent across-the-board increase for higher education opportunity programs that are administered by SUNY, CUNY and SED. This results in an increase of \$24.7 million, for a total of \$271.5 million. Additionally, \$35 million is maintained for unrestricted aid to independent colleges (Bundy Aid). New budget language is included so that to receive these appropriations, a plan to increase and improve diversity must be submitted to SED for approval.

<b>Opportunity Program Funding Levels (\$ in Millions)</b>				
<b>Program</b>	<b>SFY 2021-22</b>	<b>SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
SUNY Educational Opportunity Centers (EOC)	\$66.0	\$72.6	\$6.6	10.0%
SED Higher Education Opportunity Program (HEOP)	\$42.6	\$46.9	\$4.3	10.0%
SUNY Educational Opportunity Program (EOP)	\$38.6	\$42.5	\$3.9	10.0%
CUNY Search for Education, Elevation, and Knowledge (SEEK)	\$33.7	\$37.1	\$3.4	10.0%
SED Liberty Partnership Program	\$22.0	\$24.2	\$2.2	10.0%
SED Science and Technology Entry Program (STEP)	\$19.0	\$20.9	\$1.9	10.0%
SED Collegiate Science and Technology Program (CSTEP)	\$14.4	\$15.8	\$1.4	10.0%
SED Foster Youth Initiative	\$7.2	\$7.9	\$0.7	10.0%
CUNY LEADS	\$1.7	\$1.8	\$0.2	10.0%
CUNY AOE Opportunity	\$1.6	\$1.8	\$0.2	10.0%
<b>Total</b>	<b>\$246.8</b>	<b>\$271.5</b>	<b>\$24.7</b>	<b>10.0%</b>

**Higher Education Services Corporation (HESC)**

The Executive Budget proposes a \$5.9 decrease in appropriations, or 0.5 percent, totaling \$1.2 billion and a workforce totaling 128 FTEs. This decrease is largely due to readjustments reflecting prior-year declines in enrollment resulting in lower TAP expenditures.

The Executive Budget maintains funding for the the following programs at SFY 2021-22 levels:

- \$3.9 million for the Nursing Faculty Scholarship;
- \$3.1 million for the New York State Part-Time Scholarship Program;
- \$1.7 million for the Social Worker Loan Forgiveness Program;
- \$150,000 for the New York Young Farmers Loan Forgiveness Program;
- \$50,000 for the New York State Child Welfare Worker Scholarship Program; and
- \$50,000 for the New York State Child Welfare Worker Loan Forgiveness Program.

### **Higher Education Capital Matching Grant Program (HECap)**

The Executive Budget provides \$30 million in appropriations for the HECap program for independent colleges. HECap did not receive funding in SFY 2021-22.

### **Council on the Arts**

The Executive Budget provides \$87.9 million in All Funds appropriations for the Council on the Arts, a \$4.6 million decrease, or 5 percent, from SFY 2021-22. The decrease reflects a reduction in funding for traditional competitive arts grants from \$43.1 million to \$40.6 million, and discontinuing funding for stabilization grants (\$1 million) and other Legislative initiatives (\$1.8 million). The majority of the Arts appropriations goes to grants to assist not-for-profit arts organizations. The Executive Budget maintained funding for the Arts & Cultural Organization Recovery Grant Program (\$40 million) and the Empire State Plaza Program (\$220,000).

### **Article VII**

**State Support for SUNY and CUNY to Fully Fund the TAP Gap (ELFA Part D):** The Executive proposes to remove the existing three-year phase-in plan and instead fully close the Tuition Assistance Program (TAP) Gap beginning in FY 2022-2023.

Under the current law's three year phase-in plan, scheduled to begin in FY 2022-23, General Fund Operating Support would be made available to SUNY and CUNY to fund tuition credits that are not covered by a student's TAP award. In FY 2022-2023, the amount provided would be 33 percent of the TAP gap, increasing to 67 percent in 2023-2024 and full funding in 2024-2025.

*Fiscal Impact: Fully funding the TAP gap will cost the State \$108.4 million in appropriations.*

**Expansion of TAP for Part-Time Students and Apprenticeships (ELFA Part E):** The Executive proposes to expand TAP awards to include part-time students so long as the student meets all other eligibility criteria for the program and is enrolled in at least six credits. Under current law, part-time students are only eligible for TAP awards if the student was a full-time student in the two previous semesters. This proposal would remove this provision, allowing all part-time students to be TAP-eligible. This proposal also extends TAP awards to students enrolled at community colleges in non-degree seeking programs, approved by the Empire State Development Corporation or New York State Regional Economic Development Councils, where the program prepares students for high demand workforce industries.

*Fiscal Impact: The expansion of TAP for Part-Time Students and Apprenticeships will cost the State \$150 million in FY 2022-23.*

**Restoring TAP for Incarcerated Individuals (ELFA Part F):** The Executive proposes to repeal a section of the Education Law that makes incarcerated individuals ineligible for TAP awards. Chapter 83 of the Laws of 1995 prohibited individuals incarcerated in any federal, state, or other penal institution from receiving TAP awards. This proposal would repeal that provision to make incarcerated individuals eligible for TAP awards so long as they meet other eligibility criteria, including minimum grade point average and income threshold.

*Fiscal Impact: Restoring TAP for incarcerated individuals will cost the State \$5 million in FY 2022-23.*

**Excelsior Scholarship Tuition Reset (ELFA Part G):** The Executive proposes to accelerate the reconciliation of the Excelsior Scholarship's tuition support levels with the actual cost of tuition from Academic Year 2024 to Academic Year 2023. Chapter 59 of the Laws of 2017 froze the State's reimbursement to the State University of New York (SUNY) and the City University of New York (CUNY) for students who receive the Excelsior Scholarship at 2017 tuition rates. It was then scheduled to update those rates to current rates in the 2022 academic year. The FY 2022 Enacted Budget extended the 2017 academic year reimbursement rate for two additional years to 2024 academic year and would update annually thereafter. This proposal would accelerate that reset to the 2023 academic year.

*Fiscal Impact: The Excelsior Scholarship Tuition Reset will cost the State \$18.6 million in FY 2022-23.*

**Allow Use of College Savings (529) Accounts for Apprenticeship Programs (ELFA Part H):** The Executive proposes to allow College Savings Accounts (529 Accounts) to be used for apprenticeship programs that are certified by the U.S. Secretary of Labor and registered with the National Apprenticeship Program. Currently, 529 Accounts may be used for tuition, books, supplies, certain computer equipment, software, internet access and certain room and board expenses where the beneficiary is enrolled at least part-time. This proposal expands the permissible use of these accounts to include costs associated with apprenticeship programs, as permitted at the federal level.

*Fiscal Impact: Allowing the use of college savings accounts for apprenticeship programs will have no direct cost to the State or local governments.*

**Prohibit Transcript Withholding (ELFA Part I):** The Executive proposes to prohibit the practice of withholding transcripts at institutions of higher education for failure to pay any student-related debt. This proposal also prohibits institutions from charging a higher fee for a transcript for students who owe a debt. Institutions found in violation may be subject to a \$500 fine per violation. Institutions violating this law may also be subject to suspension, limitation or termination of the institution's participation in state higher education financial aid programs by the President of Higher Education Services Corporation.

*Fiscal Impact: Prohibiting transcript withholding will have no direct cost to the State or local governments.*

**Streamline Approvals for New Higher Education Programs (ELFA Part J):** The Executive proposes to accelerate the program approval process at the State Education Department (SED). Currently, institutions of higher education seeking to offer a new program or curricula are required to obtain SED approval prior to operation of the program. Under this proposal, eligible programs would receive temporary authorization to operate for 45 days after SED completes its review of the application. If the program is later disapproved, the institution must cease operation of the program.

*Fiscal Impact: Streamlining approvals for new higher education programs will have no fiscal impact to the State or local governments.*

**Minority Ownership by Non-CPAs (ELFA Part K):** The Executive proposes to allow non-CPAs to own a minority stake in Certified Public Accounting (CPA) firms. Under this proposal, CPAs 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 certified public accountants remain as members of the Board of Directors including the president, the chairperson of the board, and any chief executive or other officer. This proposal charges non-CPAs in these firms a \$300 registration fee, collected by the State Education Department.

*Fiscal Impact: Allowing minority ownership by non-CPAs will have no fiscal impact to the State or local governments.*

# Environment, Energy, Agriculture and Parks



## Environment, Agriculture, Parks, and Energy Fact Sheet

### Appropriations

- **Clean Water Infrastructure Act:** The Executive Budget proposes \$500 million for the Clean Water Infrastructure Act. This is the fourth installment of a five-year, \$2.5 billion commitment. The Act provides funding for municipal drinking and wastewater infrastructure projects.
- **Water Pollution Control Revolving Fund:** The Executive Budget proposes \$438 million to support the Water Pollution Control Revolving Fund for wastewater infrastructure projects.
- **Environmental Protection Fund:** The Executive Budget proposes \$400 million for the Environmental Protection Fund, an increase of \$100 million from previous years.
- **Environmental Bond Act:** The Executive Budget proposes \$4 billion for the Environmental Bond Act, which reflects a \$1 billion increase over the original enactment in 2021.
- **State Parks Projects:** The Executive Budget proposes a \$90 million increase for park projects, for a total of \$202 million in funding. The funding is used to repair, rehabilitate, maintain and improve parks and historic sites.
- **Olympic Regional Development Authority:** The Executive Budget proposes a funding increase of \$169.5 million for ORDA to support the 2023 World University Games.
- **Adirondack Park Agency:** The Executive proposes \$29 million in capital funding for the construction of a new headquarters.
- **Local Agriculture Programs:** The Executive proposes \$34.7 million for agricultural programs, a decrease of \$1.8 million from SFY 2021-22.

### Article VII

- **Brownfields Cleanup Program:** The Executive Budget proposes to extend the Brownfields Cleanup Program to 2032, as it is due to expire at the end of this year. The proposal also extends by two years the period during which tax credits can be claimed, incentivizes brownfield redevelopment in disadvantaged communities and for renewable energy projects, and expands the categories of project costs eligible for the tax credit.
- **Environmental Bond Act:** The Restore Mother Nature Environmental Bond Act will be submitted to the voters for approval in November 2022. The Bond Act authorizes \$3 billion in funding for restoration and flood risk reduction, open space land conservation and recreation, climate change mitigation, and water quality improvement and climate

resilient infrastructure. The Executive Budget proposes to increase the Bond Act to \$4 billion and to rename it the “Clean Water, Clean Air and Green Jobs Bond Act.”

- **Wetlands Protection:** The Executive Budget proposes amending the Freshwater Wetlands Act to provide the Department of Environmental Conservation with permitting jurisdiction over wetlands less than 12.4 acres in size, the current jurisdictional threshold, if they are of unusual importance and to eliminate the requirement that a wetland be mapped before DEC may exert permit jurisdiction.
- **Extended Producer Responsibility:** The Executive Budget proposes creating an Extended Producer Responsibility Program for packaging and paper products. The program requires creation of producer responsibility organizations, establishes recycled content and waste reduction goals for products, and requires establishment of convenient recycling drop-off locations for consumers.
- **Building Electrification and Efficiency:** The Executive Budget includes the Advanced Building Codes, Appliance and Equipment Efficiency Standards, and Building Benchmarking Act of 2022 that requires zero onsite greenhouse gas emissions at new construction by 2027, directs the adoption of residential and commercial building energy codes to achieve greater energy savings, and expands the list of equipment and appliances subject to energy and water efficiency standards.
- **Gas Utility Service:** The Executive Budget includes a proposal that allows the Public Service Commission (PSC) to require customers to pay the material and installation costs to connect to the gas distribution system no matter the customer’s distance from the system. The Executive also proposes to allow gas and electric utilities to own geothermal energy systems.
- **Transfer the School Lunch Program to the Department of Agriculture and Markets:** The Executive proposes to transfer the National School Lunch Program and the free and reduced breakfast program from the State Education Department to the Department of Agriculture and Markets. The U.S. Department of Agriculture must approve this transfer.

## Environment, Energy, Agriculture, and Parks Agency Details

Environment, Agriculture, Parks, and Energy All Funds Appropriations (\$ in Millions)				
Agency	SFY 2021-22 Enacted Budget	SFY 2022-23 Executive Recommendation	Change (\$)	Change (%)
Adirondack Park Agency	5.3	35.2	29.9	563.8%
Agriculture and Markets, Department of	194.6	272.9	78.3	40.2%
Energy Research and Development Authority	20.5	23.6	3.1	15.1%
Environmental Conservation, Department of	1,882.3	6,210.0	4,327.8	229.9%
Green Thumb Program	4.0	4.5	0.6	14.5%
Greenway Heritage Conservancy	0.2	0.2	0.0	12.5%
Hudson River Valley Greenway Communities Council	0.3	0.4	0.1	18.7%
Olympic Regional Development Authority	116.6	116.6	-	0.0%
Parks, Recreation and Historic Preservation, Office of	497.5	609.8	112.3	22.6%
Power Authority	86.0	43.0	-43.0	-50.0%
Public Service, Department of	112.1	117.5	5.4	4.8%
<b>Total</b>	<b>2,919.3</b>	<b>7,433.9</b>	<b>4,514.5</b>	<b>154.6%</b>

### Overview

The SFY 2022-23 Executive Budget proposes \$7.4 billion in All funds appropriations for State Agencies within the Environmental Conservation functional area, an increase of \$4.5 billion, or 154.6 percent, from SFY 2022 budget levels. This increase is largely due to the addition of the \$4 billion Environmental Bond Act.

### Adirondack Park Agency

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$35.2 million for the Adirondack Park Agency, an increase of \$29.9 million or 563.8 percent from the current fiscal year. This increase is primarily the result of a proposal to build a new \$29 million Agency headquarters.

### Department of Agriculture and Markets

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$272.9 million for the Department of Agriculture and Markets, an increase of \$78.3 million or 40.2 percent from the current fiscal year. This increase is largely due to the proposed increase of \$28 million in capital funds for the State Fair program, and the receipt of \$26.7 million of federal funds for the Agriculture Business Services program. The Executive also proposes the removal of \$7.9 million in legislative adds.

### Article VII

**Transfer the School Lunch Program to the Department of Agriculture and Markets (TEDE Part V):** The Executive proposes to transfer the National School Lunch Program from the State



Education Department to the Department of Agriculture and Markets (DAM). The U.S. Department of Agriculture must approve the transfer of Authority to DAM before this becomes law. This proposal would also transfer the free and reduced breakfast program to DAM. The proposal allows all transferred employees to stay in their civil service classification and collective bargaining unit.

*Fiscal Impact: The costs to transfer the program should be minimal. The proposed Budget for the Department of Agriculture and Markets has \$1.3 million in increased funding for the school lunch program, in addition to \$3.1 million for FTE costs. The Department will incur unknown rent and relocation costs.*

### **Energy Research and Development Authority**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$23.6 million for the New York State Energy Research and Development Authority (NYSERDA), an increase of \$3.1 million or 15.1 percent over the current fiscal year. This increase would support the State's obligation of 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.

### **Article VII**

**Authorize NYSERDA to Finance a Portion of Energy Research and Program-Related Costs Through a Gas and Electric Assessment (TEDE Part AAA):** The Executive Budget includes a proposal to extend an assessment on electric and gas utilities to fund NYSERDA research, development and demonstration programs, including grants, the energy policy & planning program, the zero emissions vehicle and electric vehicle rebate program, and the Fuel NY program. The assessment cannot exceed \$22,875,000 annually. This proposal allows the Executive to designate certain funds for programs that otherwise would not be funded through NYSERDA's budget. This is an annual authorization of a transfer of funds.

*Fiscal Impact: The Executive's proposal will have no additional fiscal impact. The proposal extends the annual authorization to transfer funds to projects at the DEC, Department of Agriculture and Markets, and University of Rochester. Under the annual program, NYSERDA transfers \$4 million to the State for DEC climate change expenses, \$100,000 for expenses of the Department of Agriculture and Markets and \$1 million for the University of Rochester's Laboratory for Laser Energetics.*

**Building Energy Codes and Appliance Standards (TEDE Part EEE):** The Executive proposes legislation to amend the State Energy Construction Code to require zero onsite greenhouse gas emissions at new construction by 2027 and to direct the State Fire Prevention and Building Code Council to adopt residential and commercial building energy codes to achieve greater energy savings. The proposal expands the list of equipment and appliances subject to

energy and water efficiency standards. The Department of State and NYSEERDA are authorized to conduct investigations and enforcement regarding compliance with the equipment and appliance efficiency standards. The proposal empowers NYSEERDA to require energy benchmarking for covered properties and to publish the benchmarking data annually.

*Fiscal Impact: The Executive's proposal would result in increased costs to the State and local governments to renovate and improve existing buildings according to updated energy standards. DOS and NYSEERDA would face unknown costs to conduct investigations and enforce compliance. NYSEERDA would face additional costs for publishing annual benchmarking data. However, NYSEERDA's funding is off-budget, so this would not be a direct State cost. While there will be costs to implement the sections adopting new energy codes, the codes will likely result in cost savings from increased energy efficiency.*

### **Department of Environmental Conservation**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$6.2 billion for the Department of Environmental Conservation, an increase of 229.9 percent over the current fiscal year. The Executive Budget proposal includes a \$4 billion Environmental Bond Act, which increases the Bond Act by \$1 billion from its \$3 billion funding in SFY 2021-2022. Originally included in the SFY 2020-2021 Budget, the Executive pulled the Bond Act from the November 2020 ballot citing the impacts from the pandemic. The Bond Act was subsequently reappropriated in the SFY 2021-2022 Budget and placed on the ballot for November 2022. This year's Executive Budget proposes increasing the Bond Act from \$3 billion to \$4 billion. All Bond Act funds remain subject to voter approval in November. The Executive Budget proposal includes \$500 million for the Clean Water Infrastructure Act, the same level as SFY 2022, as part of a 5-year, \$2.5 billion commitment. It also includes a proposal to increase spending for the Environmental Protection Fund (EPF) to \$400 million, an increase of \$100 million. The Executive has recommended changes in the disbursement of EPF funds as follows:

- \$44.5 million, an increase of \$25.4 million, for climate change programs.
- \$184.2 million, an increase of \$33.1 million, for open space programs.
- \$117.9 million, an increase of 27.8 million, for parks and recreation programs.
- \$53.4 million, an increase of \$13.7 million, for solid waste programs.

### **Article VII**

**Solid Waste Mitigation Program (TEDE Part KK):** The Executive Budget proposes amending the Clean Water Infrastructure Act of 2017 to eliminate the \$25 million cap on spending for the solid waste mitigation program, which funds assessment and remediation of solid waste disposal sites that are causing impairment of drinking water supplies.

*Fiscal Impact: There would be no direct costs for this amendment. Total project spending costs are currently capped at \$25 million, and this would remove the cap. This does not increase the annual appropriation to the program.*

**Brownfields Cleanup Program (TEDE Parts U and LL):** The Executive Budget proposes legislation extending the Brownfields Cleanup Program (BCP), which is due to sunset at the end of 2022, to December 31, 2032. The Executive also proposes to:

- Increase the brownfield tangible property tax credit for brownfield redevelopment projects in conforming Brownfield Opportunity Areas (BOAs), certified by DOS and in disadvantaged communities.
- Provide brownfield tax credits to redevelopment projects in New York City that are located in a conforming BOA or will be developed as a renewable energy facility site.
- Extend from five to seven years the period for which certain brownfield redevelopment costs may be calculated and for which brownfield tax credits may be claimed if a Certificate of Completion was issued by DEC between March 30, 2015 and June 24, 2021.
- Require a \$50,000 fee upon execution of a Brownfield Cleanup Agreement with DEC.

*Fiscal Impact: Extending the Brownfields Cleanup Program and increasing tax credit eligibility would increase costs to the Brownfield program. The Executive Budget proposes an increase of \$7.25 million for the Brownfield Cleanup and Opportunity Areas. Total funding for Brownfields is proposed at \$15 million. The Budget has proposed 27 FTEs at the DEC for the Brownfield Cleanup Program. Exact program costs have not been provided by the Executive.*

**Waste Tire Recycling (TEDE Part MM):** The Executive Budget proposes legislation extending for five years to December 31, 2027 the requirement that tire retailers accept waste tires from customers and the waste tire management and recycling fee included with new tire purchases. These requirements currently sunset on December 31, 2022. The \$2.50 fee for each new tire sold is deposited into the Waste Tire Management and Cleanup Fund, which is used for the cleanup of abandoned waste tire dumps in the State.

*Fiscal Impact: There are no new costs to the State for extending the Waste Tire Recycling Program. Extending the program's fees will continue to generate revenue for the cleanup of abandoned waste tire sites. The Waste Tire Management and Cleanup Fund is estimated to receive \$19.2 million in deposits in SFY 2022-23.*

**Environmental Bond Act (TEDE Parts NN and OO):** The Restore Mother Nature Environmental Bond Act (“Bond Act”) was passed in the SFY 2021-22 Enacted Budgets, and will be submitted to the voters for approval in November 2022. The Bond Act authorizes \$3 billion in funding for restoration and flood risk reduction, open space land conservation and recreation, climate change mitigation, water quality improvement, and climate resilient

infrastructure. The Executive proposes to increase the Bond Act to \$4 billion (increasing the amounts allocated to each of the existing capital project categories) and to rename it the “Clean Water, Clean Air and Green Jobs Bond Act.” The additional funds are allocated as follows:

- Restoration and flood risk reduction is increased from \$1 billion to \$1.2 billion.
- Open space land conservation and recreation is increased from \$550 million to \$650 million.
- Climate change mitigation is increased from \$700 million to \$1.1 billion.
- Water quality improvement and resilient infrastructure is increased from \$550 million to \$650 million.

*Fiscal Impact: The Executive proposes a \$4 billion Environmental Bond Act. This is an increase of \$1 billion from the SFY 2021 Bond Act, which was authorized at \$3 billion. The Bond Act must be approved by voters in November before any funds can be allocated.*

<b>Clean Water, Clean Air, and Green Jobs Environmental Bond Act</b>			
<b>(\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2021 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Restoration and Flood Risk Reduction</b>	<b>\$1,000</b>	<b>\$1,200</b>	\$200
Voluntary real property buy-out	\$250	\$250	\$0
Shoreline protection	\$100	\$100	\$0
Inland flooding and local waterfront revitalization	\$100	\$100	\$0
<b>Open Space Land Conservation and Recreation</b>	<b>\$550</b>	<b>\$650</b>	\$100
Fish Hatcheries	\$75	\$75	\$0
Open Space	\$200	\$200	\$0
Farmland Protection	\$100	\$100	\$0
<b>Climate Change Mitigation</b>	<b>\$700</b>	<b>\$1,100</b>	\$400
Green Buildings	\$350	\$350	\$0
<b>Water Quality Improvement and Resilient Infrastructure</b>	<b>\$550</b>	<b>\$650</b>	\$100
Water Infrastructure Improvement Act projects	\$200	\$200	\$0
Municipal stormwater grants	\$100	\$100	\$0
<b>Natural Resources and Climate Change</b>	<b>\$200</b>	<b>\$400</b>	\$200
<b>Environmental Bond Act Total</b>	<b>\$3,000</b>	<b>\$4,000</b>	\$1,000

**Environmental Protection Fund (TEDE Part PP):** The Executive Budget proposes legislation that would increase the transfer amount of funds from the real estate taxes to the Environmental Protection Fund. The proposal would increase the transfer into the EPF by \$138.3 million from \$119.1 million to \$257.4 million, therefore reducing the amount available to the General Fund by the same amount. Funds from the real estate taxes, in addition to the annual transfer to the EPF, are used to pay capital expenses, secure interest, and pay back loans on real property. The Executive proposes to increase the EPF from \$300 million to \$400 million, with the additional

funds spread across all four EPF accounts: Climate Change, Open Space, Parks & Recreation, and Solid Waste.

*Fiscal Impact: The Executive proposes a \$400 million Environmental Protection Fund. This is an increase of \$100 million from SFY 2021-22, which was appropriated at \$300 million. Legislation to increase the funds collected from real estate transfer tax to be deposited in the EPF will generate additional revenue for the EPF.*

**Wetlands Protection (TEDE Part QQ):** The Executive Budget proposes amending the Freshwater Wetlands Act to provide DEC with permitting jurisdiction over wetlands less than 12.4 acres in size, the current jurisdictional threshold, if they meet flooding mitigation, urban open space, ecological, or water quality protection criteria. The Executive's proposed amendments also:

- Eliminate the requirement that a wetland be mapped before DEC may exert permit jurisdiction.
- Clarify that the agricultural exemption applies to lands in active agricultural use.
- Require DEC to issue a jurisdictional determination within 60 days upon request. That determination will be for five years.
- Increase application fees for wetland permits.
- Authorize DEC to issue a cease and desist order to prevent significant damage to a wetland caused by unpermitted activity.
- Authorize enforcement actions to protect designated coastal erosion hazard areas.

*Fiscal Impact: This amendment may lead to administrative cost savings for the State. It removes the requirement on the DEC to map a wetland before exercising permit jurisdiction. These savings should cover any additional expenses from expanding permit jurisdiction for wetlands less than 12.4 acres in size. The State will raise limited revenue from the increased fees for wetland application permits. Minimum fees are increased to \$100, and all fees are deposited into the Marine Resources Account of the Conservation Fund.*

**Extended Producer Responsibility (TEDE Part RR):** The Executive Budget proposes legislation creating an Extended Producer Responsibility (EPR) program for packaging and paper products. The program requires creation of producer responsibility organizations and requires submission to DEC of a plan that establishes a funding mechanism to implement the plan, provides for reimbursement of costs to municipalities, establishes recycled content and waste reduction goals for products, and requires establishment of convenient recycling drop-off locations for consumers. Exemptions are provided for newspapers, magazines, and periodicals, for producers with less than \$1 million gross revenue, for entities producing less than one ton of packaging or paper products, for producers with a single retail point that are not a franchise, and for municipalities and non-profits.

*Fiscal Impact: The proposed Extended Producer Responsibility program will have no direct costs to the State or local governments. The administrative costs to the DEC will be reimbursed by each producer responsibility organization. Limited revenue may be generated by the issuing of fines for violating the program's requirements.*

**Hazardous Packaging (TEDE Part SS):** The Executive Budget proposes legislation phasing in a ban on perfluoroalkyl (PFAS) substances and phthalates in packaging. PFAS substances and phthalates have a variety of adverse human health effects. This proposal bans food packaging with a PFAS content of more than 100 parts per million (ppm) on December 31, 2022. Effective December 31, 2024, all packaging with a PFAS content of more than 100 ppm and all packaging with a phthalate content of more than 100 ppm will be banned.

*Fiscal Impact: The proposed ban of PFAS chemicals will have no direct costs to the State or local governments. Any costs to replace products will fall on producers.*

**Suffolk County Wastewater Management (TEDE Part TT):** The Executive Budget proposes legislation authorizing creation by the Suffolk County Legislature of a Suffolk County Wastewater Management District to levy wastewater fees to fund water quality improvement projects that protect the Long Island aquifer. If approved by the Suffolk County Legislature, the measure will need voter approval.

*Fiscal Impact: Suffolk County may face costs for the creation of the Suffolk County Wastewater Management District. The District will raise revenue through fees to fund water quality improvement projects. The fee for taxpayers will be \$5 a month per residential unit.*

**Wastewater Infrastructure Funding for Schools (TEDE Part UU):** The Executive Budget proposes legislation making school districts eligible for wastewater infrastructure funding from the Clean Water State Revolving Fund administered by the Environmental Facilities Corporation.

*Fiscal Impact: There are no direct costs associated with this proposal. Currently, school districts are not eligible for Clean Water State Revolving Fund projects. Making school districts eligible would widen the pool of eligible applicants and make the program more competitive. The Executive Budget proposal includes \$484 million for the Clean Water State Revolving Fund through federal and State matching funds.*

### **Green Thumb**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$4.5 million for Green Thumb, an increase of \$575,000 or 14.5 percent over last year. This increase is attributed to an increase in the minimum wage and a proposed 10 percent expansion of the program.

### **Greenway Heritage Conservancy of the Hudson River Valley**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$225,000 for the Greenway Heritage Conservancy of the Hudson River Valley, an increase of \$25,000 or 12.5 percent over the current fiscal year. This increase can be attributed to increased salary costs.

### **Hudson River Valley Greenway Communities Council**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$381,000 for the Hudson River Valley Greenway Communities Council, an increase of \$60,000 or 18.7 percent over the current fiscal year. This increase is due to the additional funding proposed for the Empire State Trail.

### **Olympic Regional Development Authority**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$116.6 million for the Olympic Regional Development Authority (ORDA). The funding is unchanged from the current fiscal year. The capital funds of \$102.5 million are intended for upgrades, renovations, and modernizations at ORDA facilities in preparation for the 2023 World University Games.

The World University Games are appropriated an additional \$67 million in a special Aid to Localities appropriation.

The SFY 2022-23 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 2022-23 Executive Budget recommends All Funds appropriations of \$609.8 million for the Office of Parks, Recreation and Historic Preservation, an increase of \$112.3 million or 22.6 percent from the current fiscal year. This includes \$202.5 million in capital funds for projects at various sites through New York Works, an increase of \$90 million from the current fiscal year. The Executive has not provided a breakdown of how this money would be distributed.

### **Article VII**

**Vessel Surcharge (TEDE Part WW):** The Executive Budget proposes legislation to eliminate the vessel surcharge applied when vessels register or renew their registration. The vessel surcharge ranges from \$3.75 to \$18.75, depending on the size of the vessel, and is deposited into the I Love NY Waterways account.

*Fiscal Impact: The proposed legislation would result in reduced revenue for the State. While the State would lose revenue from eliminating vessel surcharges, fees from vessel registration would remain. The proposed Budget accounts for this lost revenue, removing the \$2 million “I Love NY Water Vessel Access” appropriation from the Parks capital funds.*

**Hudson River-Black River Regulating District Tax Payments (TEDE Part XX):** The Executive Budget proposes legislation that shifts responsibility for payment of local real property taxes for lands managed by the Hudson River-Black River Regulating District from the District to the State. The State owns the lands managed by the District, which is located in the Adirondack Park north of Amsterdam.

*Fiscal Impact: This would result in \$3.4 million in costs to the State by shifting the tax burden of lands managed by the District to the State.*

**State and Regional Parks Councils (TEDE Part YY):** The Executive proposes legislation to eliminate certain powers and duties of the State Council of Parks, Recreation and Historic Preservation and the Regional Councils of Parks, Recreation and Historic Preservation and specify that the powers of these organizations are advisory only.

*Fiscal Impact: This proposed legislation will likely reduce costs to the State. Reducing the State and Regional Council’s responsibilities will likely result in decreased operating expenses.*

### **New York Power Authority**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$43 million for the New York Power Authority (NYPA), a decrease of \$43 million or 50 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.

### **Article VII**

**NYPA Captive Insurance (TEDE Part ZZ):** The Executive Budget includes a proposal to authorize the New York Power Authority (NYPA) to create a captive insurance company. A captive insurance company is a wholly owned and controlled subsidiary of a parent corporation that can access reinsurance markets and provide insurance coverage for uninsurable risks. The proposal authorizes NYPA to establish a captive insurance company to insure itself from risks related to terrorism, cyber/technology, hydro flows, and environmental damage.

*Fiscal Impact: The Executive’s proposal would provide long-term cost savings by smoothing costs associated with disasters. NYPA may face additional administrative costs to create the insurance company. However, its funding is off-budget, so this is not a direct cost to the State.*



**NYPA Services for Hospitals (TEDE Part DDD):** The Executive Budget includes a proposal that authorizes the New York Power Authority (NYPA) to offer energy services to any general hospital located in the state. Currently, NYPA energy services are limited to government entities or NYPA power customers. The proposal would expand NYPA's authorization to offer general hospitals financing and project-related services to reduce greenhouse gas emissions and operational costs related to energy use.

*Fiscal Impact: This Executive proposal would have no direct costs to the State or local governments. NYPA is already authorized to provide energy services to public entities, higher education institutes, and authority-owned generating facilities. This may result in additional operational expenses to NYPA; however, NYPA's funding is off-budget, so this would not result in costs to the State.*

**NYPA Broadband Capacity (TEDE Part FFF):** The Executive Budget includes a proposal to authorize the New York Power Authority (NYPA) to lease or sell excess capacity from its broadband technologies and infrastructure to other State entities to support the State's broadband initiatives.

*Fiscal Impact: This proposal would increase costs to the State for each purchase of excess broadband technology and infrastructure from NYPA. As NYPA's funding is off-budget, the revenue from the sales or lease would not be deposited into State funds.*

## **Department of Public Service**

The SFY 2022-23 Executive Budget recommends All Funds appropriations of \$117.5 million for the Department of Public Service, an increase of \$5.4 million or 4.8 percent from the current fiscal year. This proposed increase is attributed to increased staffing and salary costs.

### **Article VII**

**Authorize Utility and Cable Television Assessments that Provide Funds from Cable Television Assessment Revenues and Utility Assessment Revenues (TEDE Part BBB):** The Executive Budget includes a proposal to authorize a utility assessment to reimburse related utility regulatory expenses in the Office of Parks, Recreation & Historic Preservation (OPRHP) and the Departments of Agriculture and Markets (DAM), Environmental Conservation, and State. The proposal includes the authorization of a cable television assessment to reimburse expenses incurred by the Department of Health public service education program. Current law permits the Department of Public Service (DPS) to assess public utilities and cable television companies for costs related to the regulation of their respective industries. This is an annual authorization of a transfer of funds.

*Fiscal Impact: This proposal will not have any additional costs to the State or local governments. The DPS already recovers assessments on utilities for their regulatory costs. This*

proposal would authorize OPRHP, DAM, DEC, and DOS to recover costs related to each agency's regulatory expenses. No additional assessments would be issued.

**Gas Utility Service (TEDE Part CCC):** The Executive Budget includes a proposal that allows the Public Service Commission to require an applicant for gas service to pay the material and installation costs to connect to the gas distribution system no matter the customer's distance from the system. Current law requires a gas utility to connect an applicant for service whose building is within 100 feet of a gas line at no cost to the applicant by spreading the cost to all the utility's ratepayers (the "100-foot" rule). This proposal allows the Public Service Commission to require an applicant to pay the costs to connect to gas service, even if that applicant is within 100 feet of a gas line. The proposal also authorizes gas and electric utilities to own geothermal energy systems.

*Fiscal Impact: This proposal would have no direct costs to the State or local governments. Utility customers would be required to pay the installation costs.*

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2022 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Climate Change Mitigation and Adaptation</b>	<b>19.1</b>	<b>44.5</b>	<b>25.4</b>
<b>Greenhouse Gas Management</b>	<b>1.5</b>	<b>2.5</b>	<b>1.0</b>
Regenerate NY	0.5	0.5	-
Refrigeration Council Pilot Program**	-	0.3	-
<b>Climate Resiliency Plans</b>	<b>0.8</b>	<b>4.8</b>	<b>4.0</b>
Wood Products Development Council	0.2	0.2	-
Climate Coordinators**	-	2.0	2.0
<b>Smart Growth Grant Program</b>	<b>2.0</b>	<b>3.5</b>	<b>1.5</b>
<b>Climate Resilient Farms Program</b>	<b>4.5</b>	<b>17.5</b>	<b>13.0</b>
Cornell Soil Health	0.2	0.5	0.3
<b>Climate Smart Communities</b>	<b>10.3</b>	<b>16.2</b>	<b>5.9</b>
Resiliency planting program	0.5	0.5	-
Community forests grant program	0.5	0.5	-
Municipal EV fast chargers	1.0	-	(1.0)

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2022 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Open Space</b>	<b>151.1</b>	<b>184.2</b>	<b>33.1</b>
<b>Land Acquisition</b>	<b>30.0</b>	<b>40.0</b>	<b>10.0</b>
Land Trust Alliance	2.5	2.5	-
Urban Forestry	1.0	1.0	-
Regions 1, 2, and 3	1.5	3.0	1.5
Region 9	0.1	-	(0.1)
Land Trust Alliance conservation easements	1.5	1.5	-
Cities and towns with population greater than 65,000**	-	0.5	0.5
<b>Albany Pine Bush Preserve</b>	<b>2.7</b>	<b>2.7</b>	<b>-</b>
<b>Long Island Central Pine Barrens</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>
<b>Environmental Commissions</b>	<b>1.1</b>	<b>1.1</b>	<b>-</b>
Susquehanna River Basin Commission	0.3	0.3	-
Delaware River Basin Commission	0.4	0.4	-
Ohio River Valley Water Sanitation Commission	0.0	0.0	-
Interstate Environmental Commission	0.0	0.0	-
New England Interstate Water Pollution Control Comm.	0.0	0.0	-
SUNY ESF Center for Native Peoples and the Env.	0.4	0.4	-
<b>Long Island South Shore Estuary</b>	<b>0.9</b>	<b>0.9</b>	<b>-</b>
<b>Agricultural non-point source pollution abatement</b>	<b>18.0</b>	<b>20.0</b>	<b>2.0</b>
Cornell IPM	1.0	2.0	1.0
CCE Suffolk County	0.5	0.5	-
Cornell pesticide management edu. program	0.3	0.3	-
<b>Non-agricultural non-point source pollution abatement</b>	<b>5.8</b>	<b>6.2</b>	<b>0.5</b>
Cornell Community IPM	0.6	1.0	0.5
<b>Farmland Protection</b>	<b>18.0</b>	<b>20.0</b>	<b>2.0</b>
Cornell Land Classification and Master Soils List	0.1	0.1	-
Tug Hill Tomorrow	1.0	1.0	-
<b>Biodiversity stewardship</b>	<b>1.4</b>	<b>1.8</b>	<b>0.4</b>
Pollinator Protection	0.5	0.5	-
Cornell pesticide and pollinator research	0.3	0.3	-
Cary Institute of Ecosystem Studies - Catskills	0.1	0.1	-
<b>Hudson River Estuary Management</b>	<b>6.5</b>	<b>6.5</b>	<b>-</b>
Mohawk River	1.0	1.0	-
<b>Finger Lakes - Lake Ontario Watershed Protection Alliance</b>	<b>2.3</b>	<b>2.3</b>	<b>-</b>
<b>Lake Erie Watershed Protection</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2022 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Open Space (continued)</b>	<b>151.1</b>	<b>184.2</b>	<b>33.1</b>
<b>Water Quality Improvement Programs</b>	<b>18.0</b>	<b>25.0</b>	<b>7.0</b>
Suffolk County to address nitrogen	4.5	3.0	(1.5)
Suffolk County sewer improvement projects	1.5	1.5	-
Nassau County Bay Park Outfall Pipe	5.0	5.0	-
Long Island nitrogen action plan	0.3	0.3	-
Source water planning	5.0	5.0	-
City of Long Beach*	0.5	-	(0.5)
Chautauqua Lake Association	0.2	0.2	-
Chautauqua Lake Partnership	0.1	0.1	-
East of Hudson Watershed Corporation*	0.2	-	(0.2)
Stony Brook wastewater pilot projects 1,4 dioxane**	-	2.0	2.0
<b>Ocean and Great Lakes projects</b>	<b>18.5</b>	<b>22.0</b>	<b>3.5</b>
Peconic Bay Estuary Program	0.5	0.2	(0.3)
Great Lakes Commission	0.1	0.1	-
<b>Invasive Species</b>	<b>13.2</b>	<b>17.0</b>	<b>3.8</b>
Lake George	0.5	0.9	0.5
Cornell Plant Certification Program	0.1	0.1	-
Eradication	5.8	5.8	-
Hemlock wooly adelgid	0.5	0.5	-
Southern Pine Beetle	0.5	0.5	-
Pine Barrens Commission	0.3	0.3	-
<b>Soil and Water Conservation Districts</b>	<b>11.0</b>	<b>15.0</b>	<b>4.0</b>
<b>Agricultural Waste Management</b>	<b>1.5</b>	<b>1.5</b>	<b>-</b>
Cornell dairy acceleration program	0.7	0.7	-

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2022 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Parks, Recreation and Historic Preservation</b>	<b>90.1</b>	<b>117.9</b>	<b>27.8</b>
<b>Waterfront revitalization projects</b>	<b>14.2</b>	<b>17.0</b>	<b>2.9</b>
Projects in underserved areas	9.0	9.0	-
Climate change resiliency planning	2.0	2.0	-
Niagara River Greenway	0.2	0.2	-
<b>Municipal parks projects</b>	<b>19.5</b>	<b>26.0</b>	<b>6.5</b>
Projects in underserved areas	10.0	10.0	-
Tivoli Park	0.3	0.3	-
Hudson River Valley Trail Grants	0.5	0.5	-
SUNY ESF	0.1	0.1	-
Paul Smiths College	0.2	0.2	-
Catskill Center for Conservation and Development	0.2	-	(0.2)
East River Esplanade 107th Street Pier*	1.0	-	(1.0)
Scenic Hudson**	-	3.5	3.5
<b>Public access and stewardship</b>	<b>34.5</b>	<b>50.1</b>	<b>15.6</b>
Belleayre	1.0	1.0	-
Parks and Trails Friends Groups	1.0	2.0	1.0
New York Protected Area Database	0.0	0.0	-
Adirondack and Catskills wilderness protection*	1.6	-	(1.6)
Essex County Adirondack Park shuttle	0.8	-	(0.8)
<b>Hudson River Park Trust</b>	<b>4.0</b>	<b>4.8</b>	<b>0.8</b>
<b>Zoos, botanic gardens, and aquaria</b>	<b>16.0</b>	<b>18.0</b>	<b>2.0</b>
<b>Navigation Law programs</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2022 Enacted</b>	<b>SFY 2023 Executive</b>	<b>Change</b>
<b>Solid Waste</b>	<b>39.8</b>	<b>53.4</b>	<b>13.7</b>
<b>Non-hazardous landfill closures</b>	<b>0.8</b>	<b>0.8</b>	<b>-</b>
Essex County	0.3	0.3	-
Hamilton County	0.2	0.2	-
Waste transfer for environmental justice communities*	0.3	-	(0.3)
<b>Municipal recycling projects</b>	<b>15.3</b>	<b>16.8</b>	<b>1.5</b>
Food donation and recycling/organics projects	2.0	2.0	-
<b>Secondary materials regional marketing assistance</b>	<b>0.2</b>	<b>0.7</b>	<b>0.5</b>
<b>Pesticide Program</b>	<b>1.5</b>	<b>1.5</b>	<b>-</b>
Long Island Pesticide Prevention	0.2	0.2	-
<b>Environmental Justice projects</b>	<b>8.0</b>	<b>13.0</b>	<b>5.0</b>
Connect Kids	2.0	3.0	1.0
EJ community impact and jobs training	3.0	4.0	1.0
Non-profit community groups*	0.5	0.5	-
Lead exposure and air quality monitoring*	0.1	0.1	-
Adirondack Diversity Initiative	0.3	0.3	-
<b>Natural resource damages</b>	<b>1.8</b>	<b>1.8</b>	<b>-</b>
<b>Pollution Prevention Institute</b>	<b>4.0</b>	<b>4.0</b>	<b>-</b>
Interstate Chemicals Clearinghouse	0.1	0.1	-
<b>Environmental health assessments</b>	<b>6.5</b>	<b>10.0</b>	<b>3.5</b>
Clean Sweep NY	0.5	0.5	-
Center for Clean Water at Stony Brook	1.0	-	(1.0)
Children's Environmental Health Centers	2.0	2.0	-
Fresh Connect	0.6	2.4	1.7
NYC Airport health impact study*	0.5	-	(0.5)
<b>Brownfield Opportunity Area grants</b>	<b>1.8</b>	<b>5.0</b>	<b>3.3</b>
<b>Environmental Protection Fund Total</b>	<b>300.0</b>	<b>400.0</b>	<b>100.0</b>

\*denotes SFY 22 Legislative add

\*\*denotes SFY 23 Executive add

# Racing, Gaming & Wagering



## Racing, Gaming & Wagering Fact Sheet

### Appropriations

- **Gaming Commission:** The Executive Budget proposes an All Funds appropriation of \$493.8 million, an increase of \$69.5 million, or 16.37 percent from SFY 2021-22.
- **Tribal State Compact:** The Executive Budget recommends an appropriation of \$328 million for payments made pursuant to Tribal State Compacts. This is an increase of \$69 million from SFY 2021-22.

### Article VII

- **Authorize Additional Casino Licenses:** The Executive Budget includes a proposal to authorize three additional casino licenses in the State, with tax rates to be determined by a competitive bidding process. The legislation imposes parameters for application acceptance, such as consultation with local communities and labor agreements.



## Racing, Gaming & Wagering Agency Details

### Appropriations

#### Gaming Commission

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

The SFY 2022-23 Executive Budget proposes an All Funds appropriation of \$493.8 million, an increase of \$69.5 million or 16.4 percent from the amount appropriated in SFY 2021-22. The Executive Budget recommends continuing to appropriate \$100,000 in State Operations for the Racing Fan Advisory Council and proposes \$69.0 million increase in Aid to Localities.

<b>Gaming Commission All Funds Appropriations (\$ in Millions)</b>				
	<b>Available SFY 2021-22</b>	<b>Exec Budget SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
State Operations	\$103.4	\$103.8	\$0.4	0.39%
Aid To Localities	\$321.0	\$390.0	\$69.0	0.63%
<b>Total</b>	<b>\$424.4</b>	<b>\$493.8</b>	<b>\$69.4</b>	<b>16.35%</b>

#### Tribal State Compact

The Executive Budget recommends an appropriation of \$328.0 million for the Tribal State Compact Revenue Program, which represents the local share of the State's estimated revenues from Native American casinos. In addition, the Executive Budget 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 revenues.

Under State Finance Law, in instances where the State receives monies from Native American casino revenues, the State must provide aid to the local host government of the casino and the surrounding counties within the tribe's exclusivity zone. The local host of the casino may receive up to 25 percent of the State's share of compact revenues, while the surrounding non-host counties within the exclusivity zone receive 10 percent of the State's share of compact revenues, distributed on a per-capita basis.

The Executive Budget provides a total of \$6.0 million to Madison and Oneida Counties. Madison County is proposed to receive \$3.5 million in funding as a result of the opening of Point Place, a second casino located in Madison County. Oneida County would receive \$2.5 million for shared host community gaming revenue.

The State has 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 primarily due to the anticipated receipt of outstanding payments owed by the Seneca Nation since 2017. The Seneca Nation has been withholding payments to New York, arguing that the 2002 revenue sharing agreement between the State and the Tribe does not speak to how revenue would be shared after 2016. The United States District Court for the Western District of New York upheld an earlier arbitration panel ruling and ordered the Seneca Nation to pay New York State more than \$255 million.

<b>Tribal State Compact Revenue Account In Gaming Commission - Aid to Localities (\$ in Millions)</b>				
	<b>SFY 2021-22</b>	<b>SFY 2022-23</b>	<b>\$ Change</b>	<b>% Change</b>
<b><i>Host Aid</i></b>				
Seneca Niagara	\$61.00	\$72.00	\$11.00	15.3%
Seneca Allegany	\$27.00	\$45.00	\$18.00	40.0%
Seneca Buffalo Creek	\$38.00	\$34.00	(\$4.00)	-11.8%
Mohawk	\$15.00	\$21.00	\$6.00	28.6%
Oneida	\$32.00	\$52.00	\$20.00	38.5%
<b><i>Regional Aid</i></b>				
Seneca Niagara	\$35.00	\$25.00	(\$10.00)	-40.0%
Seneca Allegany	\$16.00	\$23.00	\$7.00	30.4%
Seneca Buffalo Creek	\$19.00	\$10.00	(\$9.00)	-90.0%
Mohawk	\$6.00	\$35.00	\$29.00	82.9%
Oneida	\$10.00	\$11.00	\$1.00	9.1%
<b>Total</b>	<b>\$259.00</b>	<b>\$328.00</b>	<b>\$69.00</b>	<b>21.0%</b>

### **Racing Reform Program**

Funding for the Racing Reform Program has facilitated and financed activities associated with the establishment of the Non-Profit Racing Association Oversight Board, which made significant reforms to racing and gaming regulations. The SFY 2022-23 Executive Budget recommends a continuation of \$1.6 million in reappropriations to fund reform activities.

## Video Lottery Gaming

The mission of the New York State Division of the Lottery is to raise revenue for education by administering Lottery games. In 2001, the Legislature approved the installation of Video Lottery Terminals (VLTs) in eligible State horse racing facilities, to complement the Lottery's pre-existing games of 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 2020, approximately 13 percent of the education funding contribution from VLT facilities derived from Resorts World and Empire City. The table below shows the current statutory distribution of VLT Net Machine Income (NMI) (after prize payouts). VLT receipts are distributed among education funding, agent commission, and the remaining allowance for administration expenses.

## Gaming Receipts

Gaming Receipts By Component SFY 2022-23 Estimated (\$ in millions)								
Component	Lottery	VLTs	Casinos		Mobile Sports Wagering	IFS**	TSC***	All Funds Total
Distribution	Education	Education	Education	Localities*	Total****	Education	Total	
SFY 2022 (Est.)	\$2,601.50	\$1,002.00	\$135.20	\$33.80	\$249.00	\$7.00	\$668.00	\$4,696.50
SFY 2023 (Proj.)	\$2,547.00	\$990.00	\$128.80	\$32.20	\$108.20	\$6.00	\$219.60	\$4,031.80
Dollar Change	(\$54.50)	(\$12.00)	(\$6.40)	(\$1.60)	(\$140.80)	(\$1.00)	(\$448.40)	(\$664.70)
Percent Change	-2.1%	-1.2%	-4.7%	-4.7%	-56.5%	-14.3%	-67.1%	-14.2%

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

\*\*\*\*Mobile Sports includes Education, Youth Sports, and Problem Gambling

## Article VII

**Authorize Additional Casino Licenses (REV Part CC):** The Executive Budget includes a proposal to authorize three additional casino licenses in the State, with tax rates to be determined by a competitive bidding process. The legislation imposes parameters for considering the application, such as consultation with local communities and labor agreements. Notably, the proposal would remove the restriction that a facility cannot be located in Zone One, the downstate region. If a facility opens prior to the exclusion period for the upstate casinos, such facility will be required to pay a proportionate fee for the respective period remaining. The Gaming Commission would ultimately determine the score weighting during the application process, and would determine tax rates through a competitive bidding process.

*State Fiscal Impact: The Financial Plan does not include any additional revenues attributable to this proposal. Prior estimates have valued these licenses at a minimum of \$500 million per license.*

**Extend Authorized Use of Capital Funds by Certain Off-Track Betting Corporations for One Year (REV Part DD):** The Executive Budget proposes to extend for one additional year the authorized use of capital acquisition funds by the Capital Off-Track Betting (OTB) Corporation. This would allow Capital OTB to use 23 percent of its capital acquisition fund, up to \$440,000, toward payroll, statutory obligations, and expenditures necessary to accept authorized wagers during FY 2023. Last year, the Legislature provided this authorization for Capital OTB and Catskill OTB, but the Executive does not believe that Catskill OTB needs this option this year.

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

**Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year (REV Part EE):** 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 2021-22 budget.

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

# General Government



Staff Analysis of  
the 2022-23 Executive Budget



## General Government Fact Sheet

### Appropriations

- **Adult Cannabis Social Equity Fund:** The Executive Budget provides \$50 million for the State share of a fund designed to provide capital to assist social equity licensees to establish new retail dispensaries. The State expects \$150 million to be provided by private sources, for a total of \$200 million in support.
- **Public Campaign Finance Board:** The Executive Budget proposes a new \$10 million appropriation to the State Board of Elections for candidates participating in the Public Campaign Finance Program.
- **Commuter Van Stabilization Pilot Program:** The Executive Budget proposes \$11 million for a commuter van stabilization pilot program to be developed by the Department of Financial Services.
- **Liberty Defense Fund:** The Executive Budget provides \$12 million for the Liberty Defense Fund, an increase of \$2 million.

### Article VII

- **Term Limits for Statewide Elected Offices:** The Executive Budget proposes a constitutional amendment to establish a two-term limit on statewide elected offices. An individual would not be eligible to be elected or serve in an office if they had previously held that office for two or more consecutive full terms, unless one full term or more had elapsed since that person last held said office.
- **Ten-Day Voter Registration Deadline:** The Executive Budget reduces the deadline to register to vote to ten days before that election from the current 20 days. The proposal also reduces the required postmarked date on a registration form from 25 to 15 days.
- **Polling Places on College Campuses:** The Executive Budget requires polling places to be located on a college or university's campus or an adjacent property if there are 300 or more people registered to vote on a contiguous property. The Budget also prohibits splitting college/universities between election districts.
- **Record Sharing to Automate Public Service Loan Forgiveness:** The Executive Budget allows State agencies to share records with the federal government in order to facilitate automating student loan forgiveness for State employees.

- **Licensing Requirements for Salon Assistants:** The Executive Budget changes the definition of beauty enhancement licensee to include salon assistants but to exempt various natural hair braiders from needing to obtain licenses. The proposal also establishes a new salon assistant traineeship license.

## GENERAL GOVERNMENT AGENCY DETAILS

<b>General Government All Funds Appropriations (\$ in millions)</b>				
	<b>SFY 2022 Available</b>	<b>SFY 2023 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
Division of Alcoholic Beverage Control	\$59.31	\$111.71	\$52.40	88.3%
Department of Audit and Control	\$474.06	\$518.53	\$44.48	9.4%
Division of the Budget	\$49.72	\$50.18	\$0.46	0.9%
State Board of Elections	\$44.90	\$30.41	(\$14.49)	-32.3%
Executive Chamber	\$17.85	\$17.85	\$0.00	0.0%
Office of the Lieutenant Governor	\$0.63	\$0.75	\$0.12	18.4%
Department of Financial Services	\$448.87	\$480.86	\$31.99	7.1%
Office of General Services	\$1,255.16	\$1,486.74	\$231.58	18.5%
Office of Information Technology Services	\$861.45	\$932.95	\$71.50	8.3%
Office of the Inspector General	\$7.83	\$8.49	\$0.66	8.4%
Joint Commission on Public Ethics	\$5.59	\$0.00	(\$5.59)	-100.0%
Independent State Commission on Ethics and Lobbying	\$0.00	\$5.59	\$5.59	100.0%
Department of State	\$466.18	\$498.37	\$32.19	6.9%
Statewide Financial System	\$31.16	\$31.94	\$0.78	2.5%
Insurance and Securities Fund Reserve	\$1,605.00	\$1,605.00	\$0.00	0.0%
<b>Total General Government</b>	<b>\$5,327.72</b>	<b>\$5,779.39</b>	<b>\$451.67</b>	<b>8.5%</b>

### Overview

The Executive Budget proposes \$5.8 billion in All Funds appropriations for SFY 2022-23, an increase of \$451.7 million or 8.5 percent from SFY 2021-22, for the agencies within the General Government functional area. This increase is largely attributable to increases of \$231.6 million for the Office of General Services for State government facility infrastructure projects, \$50 million for the Division of Alcoholic Beverage Control for the Adult Cannabis Social Equity Fund, \$30 million for the Department of Audit to provide information technology infrastructure upgrades, and a \$32 million increase to the Division of Financial Services for a Commuter Van Stabilization Pilot Program and for general salary increases.

### Alcoholic Beverage Control

The Executive Budget proposes \$111.7 million in All Funds appropriations for the Division of Alcoholic Beverage Control, an increase of \$52.4 million or 88 percent from SFY 2021-22. This increase is due to a new appropriation of \$50 million for the Adult Cannabis Social Equity Fund within the Office of Cannabis Management and \$2 million to expedite the Alcoholic Beverage licensing review process by hiring 39 new employees, as well as for general salary increases. The legislation establishing the Adult Cannabis Social Equity Fund is further detailed in the Economic Development section.



### Department of Audit and Control

The Executive Budget proposes \$518.5 million in All Funds appropriations for the Department of Audit and Control, an increase of \$44.5 million or 9 percent from SFY 2021-22. This increase is primarily the result of providing \$14.3 million to the Chief Information Office and \$30 million in capital for information technology infrastructure upgrades and modernization of the justice court system.

### Division of the Budget

The Executive Budget proposes \$50.2 million in All Funds appropriations for the Division of the Budget, an increase of \$463,000 or 1 percent from SFY 2021-22. This increase is primarily the result of new funding of \$900,000 for personal services and \$100,000 for contractual services to support the expanded roles and functions of the Division for performance management of State agencies and grants management. Those increases are offset by the elimination of \$537,000 for membership dues for Council of State Governments, National Council of State Legislators, and the National Council of Insurance Legislators.

### State Board of Elections

The Executive Budget proposes \$30.4 million in All Funds appropriations for the State Board of Elections, a decrease of \$14.5 million or 32 percent from SFY 2021-22. This decrease is primarily the result of the elimination of \$25 million for software and technology upgrades and \$2 million from investments in early voting expansion. It is offset by providing \$10 million for matching funds to the Public Campaign Finance Board, \$3.3 million for 14 new Public Campaign Finance Unit employees, and \$2.5 million in information technology costs associated with servers, ticketing systems, and software.

### Executive Chamber

The Executive Budget maintains \$17.8 million in All Funds appropriations for the Executive Chamber, unchanged from SFY 2021-22.

### Office of the Lieutenant Governor

The Executive Budget proposes \$746,000 in All Funds appropriations for the Office of the Lieutenant Governor, an increase of \$116,000 or 18 percent from SFY 2021-22. The increase in funds accounts for a statutory wage increase of \$60,000 that occurred in the last year, as well as a 2 percent general salary increase for 7 FTEs.

### Department of Financial Services

The Executive Budget proposes \$480.9 million in All Funds appropriations for the Department of Financial Services, an increase of \$32 million or 7 percent from SFY 2021-22. This increase is primarily the result of the inclusion of \$11 million for a Commuter Van Stabilization Pilot

Program, \$11.5 million for the Insurance Program, and an \$18 million increase in personal services across various programs to accommodate general salary increases for 1,391 FTEs. The Executive Budget also provides \$3 million for the Education Debt Consumer Assistance Program, \$900,000 to the Healthy NY program, \$750,000 for the prevention of older adult abuse, and \$392,000 for a pilot program to assist eligible entertainment industry employees in maintaining health insurance during episodic employment.

The Commuter Van Stabilization Pilot Program would stabilize the insurance market for commuter vans to make affordable coverage options more accessible and provide safety modernizations to vehicles. The increase to the Insurance Program includes \$5 million for the Pharmacy Benefits Bureau, which would increase transparency of the price negotiations that occur between insurance and pharmaceutical companies by establishing new license and registration requirements for pharmacy benefit managers, who negotiate down the costs of drugs from manufacturers and pharmacies on behalf of insurance providers.

#### Office of General Services

The Executive Budget proposes \$1.5 billion in All Funds appropriations for the Office of General Services, an increase of \$231.6 million or 18 percent from SFY 2021-22. This increase is primarily the result of \$17 million to electrify the State fleet and \$206.8 million in capital funding. Capital funding will provide \$176 million for various Empire State Plaza infrastructure projects to address recurring challenges due to natural deterioration, \$41 million for the renovation of the Capitol Eastern Approach Staircase, and \$25 million for recurring deferred maintenance funding to address the backlog of projects across the State. The Executive also includes \$1 million to establish a new Office of Language Access, and \$6.5 million for general salary increases for 1,856 FTEs.

#### Office of Information Technology Services

The Executive Budget proposes \$933 million in All Funds appropriations for the Office of Information Technology Services, an increase of \$71.5 million or 8 percent from SFY 2021-22. This increase is primarily associated with personal service costs for 3,569 FTEs, including an increase of 248 employees, and \$30 million to offer shared cybersecurity and data technology services to local governments in partnership with the Division of Homeland Security and Emergency Services. The Executive Budget provides \$9.5 million in cybersecurity investments, particularly to test existing systems for weaknesses and provide the necessary software upgrades. The Executive Budget also increases capital funding by \$20 million to support technology equipment, software, and services.

#### Office of the State Inspector General

The Executive Budget proposes \$8.5 million in All Funds appropriations for the Office of the State Inspector General, an increase of \$661,000 or 8 percent from SFY 2021-22. This increase

is primarily for general salary increases, increased lease costs, and to account for inflation for goods and services.

#### Independent Commission on Ethics and Lobbying

The Executive Budget proposes replacing the Joint Commission on Public Ethics (JCOPE) with an Independent Commission on Ethics and Lobbying. The Executive Budget proposes All Funds appropriations of \$5.6 million to support a workforce of 47 FTEs, unchanged compared to SFY 2021-22 funding provided to JCOPE.

#### Department of State

The Executive Budget proposes \$498.4 million in All Funds appropriations for the Department of State, an increase of \$32.2 million or 7 percent from SFY 2021-22. This increase is primarily due to the addition of \$12 million to the Liberty Defense Fund, \$1.5 million to allow the Office of New Americans to receive gifts, and \$800,000 for the Authorities Budget Office to hire 8 new FTEs. The Executive Budget provides \$200 million for the Downtown Revitalization Initiative, including \$100 million to establish the NY Forward program. These increases are offset by the elimination of \$100 million for the Irish Heritage Center in the Mohawk Valley.

The NY Forward program will support the revitalization of rural and smaller communities in partnership with the Regional Economic Development Councils (REDC) to guide local municipalities through expedited planning processes for shovel-ready projects.

#### Statewide Financial System

The Executive Budget proposes \$31.9 million in All Funds appropriations for the Statewide Financial System, an increase of \$782,900 or 3 percent from SFY 2021-22. This increase is primarily related to higher maintenance and operating costs and restoring the workforce to pre-pandemic levels by hiring nine FTEs, for a total of 146 FTEs. It is offset by increased costs of \$451,000 due to union agreements and retroactive payments made in FY 2021-22.

#### Miscellaneous – Data Analytics

The Executive Budget proposes a new Miscellaneous appropriation of \$25 million to be spread across various State agencies. This fund would focus on pandemic-recovery efforts, including the development of evidence-based risk management systems to improve fiscal operations.

#### Miscellaneous – Insurance Securities Fund Reserve Guarantee

The Executive Budget maintains \$1.6 billion in State Operations appropriations for the Insurance Securities Fund Reserve Guarantee, no change from SFY 2021-22.

## **Article VII**

### **Term Limits for Statewide Elected Officials (Freestanding Constitutional Amendment):**

The Executive Budget proposes a constitutional amendment to establish a two-term limit on the offices of Governor, Lieutenant Governor, Comptroller, and Attorney General. Someone would not be eligible to be elected or serve in an office if they had previously held that office for two or more consecutive full terms unless one full term or more had elapsed since that person held that office.

*Fiscal Impact: This provision will have no fiscal impact on the State.*

### **Department of Financial Services**

#### **Extension of Entertainment Subsidy Assistance Demonstration Program (TEDE Part T):**

The Executive proposes extending for one additional year the Entertainment Demonstration Assistance Project housed within DFS. The Continuation Assistance Demonstration Program for Entertainment Industry Employees is a pilot program that was created to assist eligible entertainment industry employees in maintaining health insurance during episodic employment. Applicants who are accepted into this program can receive assistance equal to 50% of their COBRA/continuation premiums. Applicants cannot receive more than 12 months of premium assistance in a lifetime.

*Fiscal Impact: The Executive Budget provides \$502,500 for the demonstration program.*

### **Division of Alcoholic Beverage Control**

**Allow E-mail Notification to Municipalities (PPGG Part K):** The Executive Budget proposes to allow applicants to provide required notice to municipalities and community boards via email instead of through certified mail or in person, if the relevant body has informed the State Liquor Authority (SLA) that email is an approved method of notification.

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

**Streamline SLA Application Requirements (PPGG Part L):** The Executive Budget proposes to pare down the list of information that must be provided to the SLA in a license application in order to remove lines that do not affect licensing decisions.

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

**Temporary Retail Permits Extender (PPGG Part M):** The Executive Budget proposes to permanently extend the SLA's authority to issue temporary retail permits to applicants waiting for approval of their new retail license applications. This authority is currently set to expire in October 2022.

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

**Allow for the Sale of To-Go Drinks (PPGG Part P):** The Executive Budget proposes to allow on-premises alcohol retailers like restaurants and bars to sell for take-out or delivery any wine and liquor drinks they are allowed to sell on their premises. This authority would be subject to limits imposed via rules and regulations by the SLA.

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

#### Office of General Services (OGS)

**Emergency Construction Contract Extender (PPGG Part J):** The Executive Budget proposes extending OGS's authorization to enter into emergency construction contracts without complying with the otherwise applicable competitive bidding requirements. Under current law, emergency construction contracts are entered into when damage or a malfunction in public buildings or property is caused by an unanticipated, sudden, and unexpected event which creates a pressing necessity for immediate repair, reconstruction, or maintenance. This authorization would be extended to June 30, 2027.

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

**Codify Language Access Policy (ELFA Part GG):** The Executive Budget proposes requiring every State agency which directly provides services to members of the public to create a language access plan to translate all documents critical to offering public services. State agency language access plans would need to offer translation services in the ten most common non-English languages spoken in New York, based on the latest American Community Survey released by the Census Bureau. Each State agency would also be able to translate documents into at least two additional languages.

OGS is required to approve the language access plans proposed by State agencies. OGS would consider the population of limited-English speakers served by the agency, feedback from impacted community or advocacy groups, the geographic region where services are offered, and other relevant data in approving language access plans. OGS would be required to ensure compliance and would publish an annual report online detailing State agency compliance and process with these requirements.

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

#### Joint Commission on Public Ethics (JCOPE)

**Independent Ethics Reform Act of 2022 (PPGG Part Z):** The Executive Budget proposes the creation of a new Independent Commission on Ethics and Lobbying in Government (the

Commission) to replace the current Joint Commission on Public Ethics (JCOPE). The Commission would be responsible for administering, interpreting, and enforcing the State's ethics laws. A selection committee made up of New York State law school deans would be tasked with selecting the five members of the Commission. The first class of Commission members would serve staggered terms and following classes of Commission members would serve four-year terms. The Commission's chair would be selected by the members and would serve for a two-year term. The Commission's Executive Director would be appointed by members regardless of political affiliation to serve for a four-year term.

The Commission would be made up of several units, including an advice and guidance unit, a training unit, a financial disclosure unit, a lobbying unit, and an investigations and enforcement unit. In addition to reviewing annual financial disclosures, issuing advisory opinions and guidance, and conducting ethics-based investigations, the Commission would be responsible for developing and administering a live-online ethics training course for statewide elected officials, members of the legislature, and employees of the legislature to complete within 90 days of employment or appointment, and every two years after.

*Fiscal Impact: The Executive Budget proposes All Funds appropriations of \$5.6 million for the Independent Commission on Ethics and Lobbying Government, which is the agency that would replace JCOPE. As a result, the Executive Budget proposal for SFY 2022-23 provides no budget appropriation for JCOPE.*

**Ethics Requirements for Local Officials (PPGG Part Q):** The Executive Budget proposes applying conflict of interest and gift-ban provisions to local municipal officials. Local conflict of interest provisions would be expanded in scope to now cover all family members of municipal officials, specifically including members of the same household, direct descendents and their spouses, and municipal officials' spouses and grandparents. Currently, only spouses, minor children, and dependents of municipal officials are included. Additionally, local municipal officials would be prohibited from accepting any gifts over a nominal value. Currently, municipal officers are only prohibited from accepting gifts if the gift exceeds \$75 in value.

*Fiscal Impact: The Executive estimates that this proposal will have no fiscal impact.*

#### Department of State

**Changing Licensing Requirements for Salon Assistants (TEDE Part W):** The Executive Budget changes the "licensee" definition to remove the licensing requirement for individuals who perform "natural hair styling" and instead include individuals working as salon assistants in the population of individuals required to obtain a license to practice in appearance enhancement. Salon assistants are defined as those who shampoo or blow dry hair or use curling irons and

straighteners, but not those who twist, wrap, weave, extend, lock, braid, dye, cut, shave, or trim hair except when those services are incidental to their work as salon assistants. The new licensee definition also adds those who perform waxing services.

The proposal still requires businesses to maintain appearance enhancement business licenses when they offer the following services on human hair: shampooing, arranging, dressing, twisting, wrapping, weaving, extending, locking, or braiding the hair or beard by either hand or mechanical appliances. The Executive's intention is to exempt natural hair braiders from licensing requirements while keeping existing licensing requirements for other salon assistants and establishing a new salon assistant traineeship license. Current law only requires traineeship licenses for nail services. The proposal also exempts natural hair stylists from Department of State oversight and thus removes them from the relevant DOS advisory committee that sets the curriculum for licensing. It replaces the natural hair stylist appointments with two additional cosmetologists. Under the proposed language, four representatives on the nine-member board would be cosmetologists.

*Fiscal Impact: The Executive estimates a fiscal impact of \$1 million for required system changes, offset by an estimated \$2.7 million in new revenue during the first year of implementation. This proposal would take effect 180 days after enactment.*

**Strengthening Building Code Enforcement (TEDE Part VV):** The Executive Budget proposes requiring the Secretary of State to administer and enforce the provisions of the State's Uniform Fire Prevention and Building Code and the Energy Conservation Construction Code in every local government which is not already enforcing them. The Secretary of State would be able to appoint an oversight officer to report on municipal compliance with minimum code standards, direct local code enforcement activities, hire third parties to review permit applications and conduct building inspections, issue notices of violations, and take any other actions necessary to ensure compliance.

Individual non-compliance with the requirements in this proposal would be punishable by a fine of not more than \$1,000 per day of violation, and/or imprisonment not exceeding one year. County governments overseeing local municipal compliance with these requirements would be armed with subpoena powers to investigate any alleged violations through investigatory hearings. The Secretary of State would then be empowered to issue a determination of compliance based on county hearings.

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

**State Board of Elections (SBOE)**

**10-Day Voter Registration Deadline (PPGG Part N):** The Executive Budget reduces the deadline to register to vote in an election to ten days before that election from the current 20-day

deadline. The proposal also reduces the required postmarked date on a registration form from 25 to 15 days. Identical legislation, S.2951 (Kavanagh), passed the Senate on January 10, 2022.

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

**Polling Places for College Campuses (PPGG Part O):** The Executive Budget requires polling places to be located on a college or university's campus if there are 300 or more registrants registered to vote on a contiguous property. Alternatively, the Executive Budget allows for these polling places to be at a nearby location recommended by the college or university and agreed to by the Board of Elections. The Budget also prohibits splitting colleges or universities between election districts where there are 300 registrants at an address on contiguous property.

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

**Allowing Record Sharing to Facilitate Automating Student Loan Forgiveness for NYS Employees (TEDE Part S):** The Executive Budget allows State agencies to disclose records or personal information to officers or employees of the United States Department of Education in order to process credit for qualifying employment and loan forgiveness under the public service loan forgiveness (PSLF) program. It clarifies that a written request or consent from the loan payer is not required. The Executive's intention is to facilitate automating student loan debt forgiveness for State employees.

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



# Health and Mental Hygiene



## Health and Mental Hygiene Fact Sheet

### Appropriations

- **Medicaid:** The Executive Budget proposes \$26 billion in State-share Medicaid spending for SFY 2022-23, an increase of \$1.6 billion compared to SFY 2021-22 spending projections.
- **Health Care Facility Transformation Capital Program:** The Executive Budget proposes \$1.6 billion to support grants for capital improvements for health care providers, technology, ambulatory care infrastructure, telehealth, and innovating nursing home models.
- **Financially Distressed Hospitals (FDHs):**The Executive Budget proposal includes \$350 million for FDH, an increase of \$100 million compared to SFY 2021-22.
- **Opioid Use Disorder Program:** The Executive proposes a \$465 million investment to support an Opioid Use Disorder Program to combat opioid addiction.
- **Reserve for Covid-19 Public Health Response:** The Executive Budget proposes an All Funds miscellaneous appropriation of \$2 billion to support unanticipated expenses associated with response to the COVID-19 pandemic.

### Article VII

- **Medicaid Global Cap:** The Executive proposes changing how the Medicaid Global Cap is calculated by using the five-year rolling average of Medicaid spending annual growth rate projections within the National Health Expenditure Accounts. These projections are produced by the Office of the Actuary in the federal Centers for Medicare and Medicaid Services and would include both price and utilization.
- **Managed Care Reforms:** The Executive proposes procuring Medicaid Managed Care Organizations through a competitively bid process.
- **Telehealth Parity:** The Executive proposes establishing reimbursement parity for services delivered by telehealth.
- **Health Care Worker Bonuses:** The Executive Budget proposes \$3 billion in one-time bonuses for front-line health care and mental hygiene workers earning up to \$100,000 a

year during a vested period. The bonuses can be up to \$3,000 per worker, prorated for those working fewer hours.

- **Nursing Home Reforms:** The Executive proposes to redefine revenue in the minimum direct care spending statute. The proposed changes would exclude provider assessment revenue and capital per diem portions of reimbursement rates for nursing homes. This would effectively reduce the cost to nursing homes to adhere to minimum staffing requirements. The Executive also proposes to allow more funding methods for the Nursing Home Quality Pool and include more entities in the financially distressed list.
- **Health Care Transformation IV:** This proposal offers a fourth round of grants for the Statewide Health Care Facility Transformation Program. This round targets projects designed to transform, redesign, and strengthen quality care services in alignment with needs and in the ongoing pandemic response.
- **Mandated Abortion Coverage:** The proposal requires all health plans to provide abortion coverage without copayments, coinsurance, or annual deductibles unless coverage is offered under a high deductible plan or the plan provider is a religious entity.
- **Elimination of Medicaid Resource Test:** The Executive Budget proposes eliminating the Medicaid resource test for eligibility and raising the income level eligibility for adults age 65 and older and individuals with intellectual and developmental disabilities to 138 percent of the Federal Poverty Level.
- **Implementation of 9-8-8:** The Executive proposes establishing a 9-8-8 suicide prevention and behavioral health crisis hotline system under OMH in collaboration with OASAS, which will connect individuals experiencing a behavioral health crisis to suicide prevention and behavioral health crisis resources.

## HEALTH AGENCY DETAILS

<b>Health &amp; Mental Hygiene Agency All Funds Appropriations</b> (\$ in millions)				
<b>Agency</b>	<b>SFY 2022 Available</b>	<b>SFY 2023 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
Department of Health	\$193,864	\$204,353	\$10,488	5.4%
Office for People With Development Disabilities	\$5,045	\$7,229	\$2,184	43%
Office of Mental Health	\$4,488	\$5,118	\$631	14%
Office of Addiction Services and Supports	\$976	\$1,519	\$543	56%
Department of Mental Hygiene	\$600	\$600	\$0	0%
State Office for the Aging	\$292	\$296	\$4	1.4%
Justice Center for the Protection of People with Special Needs	\$60	\$61	\$1	1.3%
Office of Medicaid Inspector General	\$55	\$57	\$2	4%
Developmental Disabilities Planning Council	\$5	\$5	\$0	0%
<b>Health &amp; Mental Hygiene Total</b>	<b>\$205,386</b>	<b>\$219,238</b>	<b>\$13,853</b>	<b>6.74%</b>

### Overview

The Executive Budget proposes All Funds appropriations of \$219.2 billion, an increase of \$13.9 billion or 6.8 percent compared to SFY 2021-22. The increase is mainly attributed to a \$10.5 billion increase for the Department of Health and a \$2.2 billion increase for the Office for People with Developmental Disabilities.

### Department of Health (DOH)

The Executive Budget proposes All Funds appropriations of \$204.4 billion, an increase of \$10.5 billion or 5.4 percent compared to SFY 2021-22. The All Funds appropriations include \$4 billion for State Operations, \$198.3 billion for Aid to Localities, and \$2 billion for Capital Projects. The \$198.3 billion Aid to Localities appropriation includes a two-year \$188.4 billion Medicaid appropriation. The Executive Budget proposal supports a workforce of 5,980 FTEs, an increase of 560 FTEs compared to SFY 2021-22. The \$10.5 billion increase includes a \$640 million increase in State Operations, \$8 billion increase in Aid to Localities support, and \$1.9 billion increase in Capital Projects funding. The Executive's proposal supports a workforce of 5,980 FTEs, an increase of 560 FTEs compared to SFY 2021-22.

### *Medicaid*

The Executive Budget proposes \$26 billion in State-share Medicaid spending for SFY 2022-23, an increase of \$1.6 billion compared to SFY 2021-22 spending projections. The Executive Budget proposal includes an Across-the-Board (ATB) Medicaid Rate increase of 1.5 percent or a \$141 million restoration from SFY 2020-21 reductions and a 1 percent or \$318 million ATB rate increase for all providers. This ATB rate increase will provide \$459 million in SFY 2022-23.

### *Medicaid Global Cap*

The Medicaid Global Cap is determined using a 10-year average of the medical component of the Consumer Price Index. The Executive proposal modifies the metric used to calculate the Medicaid Global Spending Cap. The Executive proposes a Global Cap Centers for Medicare and Medicaid Services (CMS) Metric to determine the appropriate growth rate. The Executive Budget proposal includes a methodology based on the State fiscal year rather than the calendar year. It also utilizes a five-year rolling average. Under this proposal, the Global Cap will increase an additional \$366 million in SFY 2022-23 and \$900 million in SFY 2023-24.

### *Local Growth Takeover*

The Executive proposes continuing the State takeover of local costs related to Medicaid expenditure growth. In SFY 2022-23, the State will provide \$5.2 billion in relief to local districts.

### *Health Care Reform Act (HCRA)*

The Executive Budget proposal projects \$6.5 billion in Health Care Reform Act (HCRA) spending in SFY 2022-23. HCRA funding will be used to support several health programs, including a significant portion of the Medicaid program. Funding will support the following programs:

- \$9.3 million increase to support Across New York programs, which provides \$6.8 million loan forgiveness for doctors and nurses who work in underserved areas for a period of three years. This includes \$6.8 million for Doctors Across New York Program (DANY) and \$2.5 million for Nurses Across New York Program (NANY).
- \$1 million for the Diversity in Medicine Program to support, recruit, and train a diverse workforce that reflects the demographic of the underserved communities to ensure health equity across all populations.

### *Health Capital Funds*

The Executive Budget Proposal provides \$2.6 billion, an increase of \$1.8 billion compared to SFY 2021-22. This includes funding to support the following programs:

- \$1.6 billion for Capital Finance for Essential Health Care Providers, to support grants for capital improvements for health care providers, technology, ambulatory care infrastructure, telehealth and innovating nursing home models.
- \$750 million for the Life Science Laboratory Public Health Initiative to support life science research.
- \$300 million to support Drinking Water State Revolving Fund (DWSRF) Federal Investment to support improvement to public water systems.

#### *Financially Distressed Hospital Support*

The Executive Budget proposal includes \$350 million for Financially Distressed Hospitals (FDHs), an increase of \$100 million compared to SFY 2021-22. The Executive Budget proposes making the local tax intercept fund permanent to provide revenue to support this program.

#### *Public Health*

The Executive Budget proposal includes \$92 million to support various Public Health Programs. This includes funding to support the following major programs:

- \$50 million for Nourish New York Initiative, which includes \$22 million for Food Banks in New York City, \$9 million for Northeastern New York, \$4.4 million for Central New York, \$4.3 million for Western New York, \$3.1 million for Long Island \$2 million for Southern Tier and \$2 million for Westchester.
- \$25.7 million for the General Public Health Work (GPHW) program, providing reimbursement to local governments for core public health services including Family Health, Communicable Disease Control, Chronic Disease Prevention, Community Health Assessment, Emergency Preparedness, and Environmental Health.
- \$7 million for LGBTQIA+ Health Services to support community health services and cultural competency education training.
- \$500,000 to establish the Office of Gun Violence Prevention within the Department of Health.

#### *Medicaid Managed Care*

The Executive Budget proposal restores \$77 million in the Mainstream and Long-Term Care Quality pools. The Executive proposes an additional investment of \$34.7 million for the Medicaid Managed Long-Term Care program and HIV Special Needs Plans.

#### *Maternal Health*

The Executive Budget proposes \$20 million to support maternal health improvements and expansion of prenatal and postnatal care.

#### Office of Medicaid Inspector General (OMIG)

The Executive Budget proposes All Funds appropriations of \$55.5 million, an increase of \$2.2 million or four percent compared to SFY 2021-22. The Executive's proposal supports a

workforce of 515 FTEs, unchanged compared to SFY 2021-22. The primary role of the OMIG is to prevent and detect Medicaid waste, abuse or fraud.

### State Office for the Aging

The Executive Budget proposes All Funds appropriations of \$296.2 million, a net increase of \$4.2 million or 1.4 percent compared to SFY 2021-22. The All Funds appropriations includes \$12.8 million for State Operations and \$283.4 million for Aid to Localities. The Executive's proposal supports a workforce of 128 FTEs, an increase of 31 FTEs compared to SFY 2021-22. The increase is mainly attributed to a \$5.9 million increase to support a 5.4 percent Cost-Of-Living-Adjustment (COLA), which is offset by a reduction due to the elimination of Legislative grants.

### Reserve for Covid-19 Public Health Response - Miscellaneous Appropriation

The Executive Budget proposes an All Funds miscellaneous appropriation of \$2 billion to support unanticipated expenses associated with response to the Covid-19 pandemic.

## **Article VII**

### Department of Health

**Nurses Across New York Program (NANY) (HMH Part A)**: The Executive proposes a nurse student loan repayment program. This program would be available to registered nurses who practice in a facility or office within an underserved community for a period of three consecutive years. Funding will be allocated regionally, with one-third of the funds going to New York City, while the remaining two-thirds appropriated to the rest of the State. These awards are not to exceed the total amount of outstanding debt and can be used to repay debt related to tuition and other education-related expenses. Nurses who fulfill their commitment to this program will receive 30 percent of their outstanding loan each year, for the first two years. In the final year, they will receive the remaining balance of their student debt. Any nurse who does not complete the required three years is responsible to repay any monies distributed back to the State. A workgroup shall be appointed by DOH in order to develop a streamlined process for the application to this program.

*Fiscal Impact: This proposal will have a fiscal impact to the State of \$2.5 million in SFY 2022-23 and \$3.0 million in SFY 2023-24.*

**Interstate Medical Licensure Compact (HMH Part B)**: The Executive proposes to join an interstate commission to facilitate the licensing of physicians and nurses in other member states to practice in New York. Eligible physicians and nurses must go through a licensing and registration process. The interstate commission will create a coordinated information system to

share information with member states on the physicians and nurses. The commission can develop rules, collect fees, investigate professionals, and issue disciplinary actions against those who hold a license through this program, and issue advisory opinions. The commission will consist of members of licensing boards in each member state. The commission will be able to enforce the compact against member states. Member states can withdraw from the compact by repealing the enacting law.

*Fiscal Impact: This proposal would not have a fiscal impact in SFY 2022-2023, as any costs should be absorbed within existing resources.*

**Scope of Practice (HMH Part C)**: The Executive proposes an expansion of the scope of practice for licensed pharmacists by authorizing them to be designated as qualified healthcare professionals for the purpose of directing a limited-service laboratory for point-of-care testing. The proposal also allows Nurse Practitioners with 3,600 hours of experience to practice without a collaborative agreement with physicians and hospitals. This proposal would also expand nursing scope of practice to include administering medication in skilled nursing facilities and allowing nurses to order and administer tests for COVID-19, influenza, or respiratory syncytial virus. The proposal seeks to make permanent the Nurse Modernization Act which allows certain nurse practitioners to diagnose and practice medicine without collaboration of a licensed physician.

*Fiscal Impact: This proposal would not have a fiscal impact to the State. Any costs should be absorbed within existing resources.*

**Health Care Workforce Bonuses (HMH Part D)**: The Executive Budget proposes \$3 billion in one-time bonuses for front-line health care and mental hygiene workers earning up to \$100,000 a year during a vested period. The bonuses can be up to \$3,000 per worker, and prorated for those working fewer hours. Employers will be responsible for identifying the workers, the hours and areas worked, and paying the bonus. Employers should rely on payroll records from 2021. There will be two vesting periods, and each cannot exceed one year and cannot begin after March 31, 2023. Employees that worked:

- 20-30 hours per week in a vesting period would receive a \$500 bonus for the period;
- 30-40 hours per week in a vesting period would receive a \$1,000 bonus for the period;
- and
- 40 hours per week in a vesting period would receive a \$1,500 bonus for the period.

Employers must pay the bonus within 30 days of receiving the money. Bonuses will not reduce the compensation owed to the employee. Facilities will be audited and fined for failure to identify individuals, pay the bonuses, or overpay. All the bonuses paid pursuant to this part will not be subject to State or local tax.



State employees working in certain health care facilities will be eligible for the bonus as well. Employees that worked:

- 20-30 hours per week in a vesting period would receive a \$500 bonus for the period;
- 30-37.5 hours per week in a vesting period would receive a \$1,000 bonus for the period; and
- 37.5 hours per week in a vesting period would receive a \$1,500 bonus for the period.

*Fiscal Impact: This proposal would have an impact of \$1.2 billion in SFY 2022-23. The Executive projects that \$1.07 billion will support bonuses for non-State employees and \$120 million for State employees.*

**General Public Health Work County Support (HMH Part E):** The Executive Budget proposes to allow DOH to increase annual base grant funding for Local Health Departments (LHDs). Full-service LHDs would be eligible for up to \$750,000, while partial service LHDs would receive up to \$500,000. The proposal would also allow LHDs to claim up to 50 percent of personnel costs, since certain fringe benefits are not eligible for State Aid reimbursements.

*Fiscal Impact: This proposal has a \$25.7 million impact for SFY 2022-23, growing to \$51.5 million in SFY 2023-24 and annually thereafter.*

**Modernization of Emergency Medical Services (HMH Part F):** The Executive Budget proposes several amendments related to Emergency Medical Services (EMS), including:

- Giving the State Emergency Medical Services Council the authority to advise the Commissioner of the DOH on certain issues related to EMS.
- Giving each Regional Emergency Medical Services Council the authority to advise the State Emergency Services Council and DOH on issues related to EMS.
- Giving DOH the discretion to establish an Emergency Medical Services Quality and Sustainability Assurance Program to ensure that EMS agencies regularly monitor clinical standards, quality and sustainability metrics, safety standards, and other quality assurance standards.
- Directing DOH, in collaboration with the State Emergency Medical Advisory Committee, to develop a Statewide Comprehensive Emergency Medical System Plan, updated and published every five years, to provide for a coordinated emergency medical system.
- Directing DOH to create an Emergency Medical Systems Training Program, which would include, among other things, establishing minimum education standards, a recruitment public service campaign, and an Emergency Medical System Mental Health and Wellness Program to EMS providers.
- Updating the definition for emergency medical service, which was last amended in 1992.

*Fiscal Impact: This proposal has a one-time State impact of \$5 million in SFY 2022-23.*

**Transfer of Oversight for Licensed Health Care Professionals (HMH Part G):** The Executive Budget proposes to transfer governance and oversight of the healthcare professions from the State Education Department (SED) to the Department of Health (DOH). This would require a repeal of 29 articles under Title 8 of the Education Law, which is inclusive of 28 healthcare professions, to be assigned to the Public Health Law as new articles. All powers, duties, records and business would shift to DOH. All regulations and related guidance of SED will remain after transfer, within DOH. The transfer of governance shall not impact any pending proceedings initiated or defended by SED, but DOH can substitute SED to pursue such actions.

*Fiscal Impact: This proposal will have a minimal fiscal impact to the State which can be absorbed within existing resources.*

**Medicaid Global Cap Metric Modification and Extension (HMH Part H):** The current Medicaid Global Cap limits State-funded Medicaid spending to the average of the past 10 years of the medical component of the Consumer Price Index. The Executive proposes changing how the Medicaid Global Cap is calculated by using the five-year rolling average of Medicaid spending annual growth rate projections within the National Health Expenditure Accounts. These projections are produced by the Office of the Actuary in the federal Centers for Medicare and Medicaid Services and would include both price and utilization. The National Health Expenditure Accounts are the official estimates of total health care spending in the United States, and measure the annual U.S. expenditures for health care goods and services, public health activities, government administration, the net cost of health insurance, and investment related to health care. The Executive also proposes extending the Medicaid Global Cap to SFY 2024-25.

*Fiscal Impact: This proposal will yield an additional \$366.0 million, or 1.8 percent increase, above the current Global Cap level in SFY 2022-23, growing to \$899.4 million in SFY 2023-24.*

**Increase Medicaid Trend Factor by One Percent (HMH Part I)**

The Executive proposes a uniform rate increase of 1 percent to address rising costs. The rate increase would apply to all categories of service and is estimated to be \$318 million State-share, \$636 million gross. The rate increase would apply to both Fee-For-Service and managed care. Exemptions to the 1 percent rate increase include payments that would violate federal law such as hospital supplemental payments, payments made by other state agencies, payments the State is obligated to make pursuant to court orders or judgments, payments for which the non-federal share does not reflect any State funding, and payments that would result in a lower federal Medicaid match.

*Fiscal Impact: This proposal will have a fiscal impact to the State of \$318.4 million in SFY 2022-23 and SFY 2023-24.*

**Hospital-Related Recommendations (HMH Part J)**: The Executive proposes to delay the rebasing and reweighting of acute hospital rates until no earlier than January 1, 2024. The Executive believes this provision is necessary to prevent negative impacts to hospitals based on the current cost database reflecting pandemic effects.

As a cost-containment measure, DOH determines Medicaid hospital reimbursement rates through an assessment. The assessment takes into account hospital data such as hospital costs. The Executive explained that the extension is necessary to avoid basing the rate on data that could be skewed by the ongoing pandemic.

*Fiscal Impact: Costs will be achieved within the overall capped Medicaid spending as indexed to the five-year rolling average for Medicaid spending projections.*

**Statewide Health Care Facility Transformation Program IV (HMH Part K)**: The Executive proposes authorizing language for a fourth round of grants for the Statewide Health Care Facility Transformation Program. First enacted in 2016, the last three programs have made funds available to a wide-range of health care facilities to provide financial support for projects designed to improve facility infrastructure and patient care. This round targets projects designed to transform, redesign, and strengthen quality care services in alignment with need and in the ongoing pandemic response. The Executive proposes set asides from the \$1.6 billion total appropriation to make the following funding available:

- \$450 million for unfunded projects from the third round of funding provided that awards be made no later than December 31, 2022. Of these funds, \$25 million is awarded to a community-based health care providers, \$25 million is awarded to a mental health clinic, a substance use disorder treatment clinic, independent practice association or organizations, a clinic licensed under Article 16 the Mental Hygiene Law, home care provider, or licensed hospice, and \$25 million is for residential or adult care facilities.
- \$200 million to health care providers for the purposes of modernizing an emergency department of regional significance.
- \$750 million to health care providers for capital projects.
- \$150 million for technological and telehealth transformation projects.
- \$50 million to residential and community-based alternatives to the traditional model of nursing home care.

Funds may be awarded to health care facilities including hospitals, residential health care facilities, adult care facilities, diagnostic and treatment centers, clinics, children's residential treatment facilities, assisted living programs, behavioral health facilities, and independent practice associations or organizations. Funds will be awarded through a process developed by DOH.

*Fiscal Impact: This Executive proposal would have a \$1.6 billion multi-year State fiscal impact. The Executive anticipates the following annual allocations: \$35 million in SFY 2022-23, \$75 million in SFY 2023-24, \$205 million in SFY 2024-25, \$270 million in SFY 2025-26, \$265 million in SFY 2026-27 and \$750 million in the subsequent years.*

**Notices for Changes in Ownership of Licensed Entities (HMH Part L):** The Executive proposes amendments to the change of ownership laws for hospitals, home care services, and hospice services.

- **Hospitals.** The proposal expands the list of persons the Public Health and Health Planning Council (PHHPC) must check as part of a hospital change of ownership. It also expands the facilities and list of transactions that individuals must disclose to PHHPC when it is deciding whether to approve an application. It reduces the lookback period from ten to seven years for these items, and limits the approval to the person or entity acquiring the interest that triggers the application.
- **Home care services.** The proposal expands the list of transactions that individuals must disclose to PHHPC when approving or not approving the application. For home health agencies, the proposal eliminates the public needs assessment. For licensed home care services, DOH will determine if a change of ownership requires a public needs assessment. The proposal also limits the approval to the person or entity acquiring the interest that triggers the application.
- **Hospices.** The proposal expands the list of transactions that individuals must disclose to PHHPC when it is deciding whether or not to approve the application. It limits the approval to the person or entity acquiring the interest that triggers the application, and eliminates the public needs assessment.

For all entities, when PHHPC has already approved the individual or entity triggering the application, PHHPC will not require disclosure of the change or disposition. However, the change or disposition will be effective 90 days after notice of filing and after PHHPC has time to review. PHHPC will retain the ability to disallow the change or disposition for certain reasons.

For non-approved PHHPC individuals or entities, disclosure will not be required when the change or disposition results in a control of less than 10 percent. The change or disposition will be effective 90 days after notice of filing and after PHHPC has time to review. PHHPC will retain the ability to disallow the change or disposition for certain reasons. When the change or disposition results in a control of 10 percent or more, the individual or entity will require PHHPC approval.

*Fiscal Impact: This proposal will have a minimal fiscal impact to the State which can be absorbed within existing resources.*

**Nursing Home Reforms (HMH Part M)**: The Executive proposes to redefine revenue in the minimum direct care spending statute enacted last year to exclude provider assessment revenue and capital per diem portions of reimbursement rates for nursing homes with an overall CMS star rating of four or five stars. If a facility has an overall three star rating, DOH can exclude the capital per diem portion of the reimbursement rates on a case-by-case basis. The Executive explains this would reduce the cost to nursing homes to adhere to minimum staffing requirements. The Executive also proposes to allow more funding methods, such as appropriations or rate adjustments, for the Nursing Home Quality Pool and include more entities in the financially distressed list so they can receive a lump sum in accordance with DOH policies. The additional entities would be nursing homes, adult care facilities, and independent practice organizations for accountable care organizations that have those eligible types of providers in their network.

*Fiscal Impact: This proposal would result in an investment of \$161.5 million State share in FY 2023 and FY 2024.*

**Promote Health Equity and Continuity of Coverage for Vulnerable Seniors and Individuals with Disabilities (HMH Part N)**: In order to qualify for Medicaid, an applicant must meet certain income and resource thresholds (a “resource” is an asset, such as a bank account or stocks). The Medicaid resource test counts the assets that a Medicaid applicant may have beyond their income. Depending on the requirements of the program and the amount of resources the applicant has, they may not qualify for the Medicaid program unless they can qualify through an exception. The Executive Budget proposes eliminating this Medicaid resource test for eligibility and raising the income level for adults age 65+ and individuals with intellectual and developmental disabilities to 138% of the Federal Poverty Level. This would allow individuals to retain their Medicaid eligibility even after they also qualify for Medicare.

*Fiscal Impact: The Executive proposes a \$5 million State share investment in SFY 2022-2023, growing to \$20 million in SFY 2023-2024 to support this change.*

**Medicaid Long Term Care Program Reforms (HMH Part O)**: When medically fragile children turn 23-years old, the reimbursement level for the same services they received as a child with the same private duty nurse is reduced by as much as 30 percent. The Executive proposes increasing the reimbursement rate for private duty nursing for medically fragile adults to the same level as the reimbursement rate for private duty nursing for medically fragile children.

As part of the Medicaid Redesign Team II, the Department of Health was authorized to develop a uniform tasking tool to assess the needs of an MLTC enrollee to determine how many hours of care and the kinds of care they qualify for. Plans and counties currently use their own tools to

assess individuals, which creates discrepancies between plans and counties. The Executive has proposed to develop a uniform set of guidelines and standards of care for the use of tasking tools, instead of the uniform task-based assessment tool that was originally planned. Plans and counties would be able to implement these guidelines to determine the number of personal care services and Consumer Directed Personal Assistance hours of care an individual would need per day.

Programs of All-Inclusive Care for the Elderly (PACE) provide a range of integrated preventative, acute care, and long-term care services for individuals 55 years and older, who require nursing home level of care, but are able to live safely in a community setting at the time of enrollment. An interdisciplinary team of health professionals provides PACE participants with coordinated care. The Executive proposes creating a streamlined licensure and application process in order to encourage more organizations to provide PACE in New York State. There are currently only 8-9 PACE organizations in the State, and the Executive has identified the complicated licensure process as one of the key barriers preventing the expansion of PACE in New York State.

*Fiscal Impact: Costs should be achieved within the overall capped Medicaid spending levels which are aligned with the five-year rolling average of Medicaid spending projections.*

**Managed Care Reforms (HMH Part P):** The Executive proposes procuring Medicaid's managed care program through a competitively bid process. The procurement would include mainstream managed care organizations and Managed Long Term Care organizations, but exclude HIV special needs plans, PACE, and FIDA-IDD. As a part of the Executive's proposal, a moratorium on any new applications to become a managed care provider will be put in place on April 1, 2022 and will last until the Request for Proposals is published by the Department of Health. Exemptions to the moratorium will be made such as if an existing managed care provider is seeking authorization to expand their approved service area or if there is a demonstrated need due to lack of adequate access in a geographic area.

The Executive expects the new awards to be executed by October 1, 2023, which will be for five years. At least two managed care providers will be awarded in each county, with a maximum of five awards per county. The competitively bid process will focus on a number of criteria including accessibility and geographic distribution of network providers, cultural and language competencies specific to the population of participants, the ability of a bidder to offer plans in multiple region, the bidders' commitment to quality improvement, and the bidder's commitment to community reinvestment spending.

The Executive also proposes that managed care providers provide access and coverage of services provided by any National Cancer Institute-designated cancer center licensed by DOH within the managed care provider's service area. The NCI-designated cancer center must be

willing to accept reimbursement that is no less than the Fee-For-Service Medicaid rate for the center's inpatient and outpatient services. There are currently seven NCI-designated cancer centers in New York State.

*Fiscal Impact: This proposal is fiscally neutral in SFY 2022-23, but creates a State savings of \$100 million in SFY 2023-34 and \$200 million in SFY 2024-25.*

**Essential Plan Reforms (HMH Part Q)**: Subject to federal approval through a waiver, the Executive proposes to expand coverage offered through the Essential Plan by:

- Raising the Federal Poverty Limit (FPL) cap from 200 percent to 250 percent.
- Expanding coverage for non-citizens lawfully present in the United States with incomes at or below 233 percent FPL if they would be ineligible for Medicaid because of their immigration status.
- Covering pregnant people for one year after the end of pregnancy without regard to changes in income.
- Enabling automatic eligibility to Medicaid for infants from mothers already enrolled in the Plan.
- Covering individuals with functional limitations or chronic illnesses through a phase-in program that would cover all enrollees by 2025.

*Fiscal Impact: This proposal will utilize an additional \$411.5 million in Federal resources from the Essential Plan Trust Fund annually.*

**Reproductive Access for All (HMH Part R)**: The Executive proposes all individual, group or blanket, and non-profit medical and dental indemnity or health and hospital service corporation plans to provide coverage for an abortion without copayments, coinsurance, or annual deductibles unless coverage is offered under a high deductible plan or the plan provider is a religious entity.

*Fiscal Impact: This proposal has no fiscal impact to the State.*

**Maternal Health Reforms (HMH Part S)**: The Executive proposes including coverage of pre-natal and post-partum care and services recommended by a physician or other licensed practitioner as “standard coverage” in the State’s Medicaid program, meaning the services provided by the recommended practitioner will be covered. The Executive also proposes extending Medicaid eligibility criteria to one year following the last day of pregnancy even if income status changes during the coverage period.

**Third Trimester Syphilis Testing (HMH Part T)**: Current law requires physicians to run a blood test for syphilis for all pregnant women at the time of the woman’s first appointment. The

Executive proposes expanding this requirement such that all other authorized practitioners attending to pregnant patients may perform this test and to require an additional test be run during the third trimester of pregnancy pursuant to guidance and regulations issued by the Department.

*Fiscal Impact: This proposal will have a minimal fiscal impact to the State which can be absorbed within existing resources.*

**Child Health Plus Reforms (HMH Part U)**: The Executive proposes to expand the Child Health Insurance Plan (CHP) services to include children and family treatment and support services, medical supplies, ambulance services, expanded orthodontia, children's home and community-based services, assertive community treatment services and residential rehabilitation for youth, and health-related services provided by voluntary foster care agency health facilities. The proposal also removes the requirement to consult with DFS on covered health care services. Further, starting October 1, 2022, the Executive proposes the following premiums:

- No payments when income is less than 223 percent of the Federal Poverty Level (FPL) (for American Indians or Alaskan Natives is less than 251 percent FPL)
- \$15 per month for 223-250 percent FPL (but no more than \$45 per month per family)
- \$30 per month for 251-300 percent FPL (but no more than \$90 per month per family)
- \$45 per month for 301-350 percent FPL (but no more than \$135 per month per family)
- \$60 per month for 351-400 percent FPL (but no more than \$180 per month per family)

DOH will develop reimbursement methodologies to determine subsidy payments to approved organizations for the cost of health care services covered under CHP and made after January 1, 2024. The proposal also transfers the subsidy payment rate setting for CHP from DFS to DOH, and allows DOH to review reimbursement methodologies and to modify rate setting policies in conjunction with DFS.

According to the Executive, approximately 146,000 children in the current \$9 premium category would have their premium reduced under this proposal.

*Fiscal Impact: This proposal has a State share impact of \$10.9 million in SFY 2022-23, growing to \$48.8 million in SFY 2023-24.*

**Establish Telehealth Reimbursement Parity (HMH Part V)**: The Executive proposes establishing reimbursement parity for services delivered by telehealth. Services will be reimbursed on the same basis, at the same rate, as if the services were delivered in-person. The reimbursement parity would include services provided under Medicaid, as well as services provided under commercial insurance. Facility fees or costs will not be reimbursed if neither the provider nor the recipient were within a facility or other clinic setting. Services provided under



the Office of Mental Health, the Office for People with Developmental Disabilities, or the Office of Addiction Services and Supports, will also be reimbursed at the in-person rate if deemed appropriate by their respective commissioner.

*Fiscal Impact: This proposal will have a minimal fiscal impact to the State which can be absorbed within existing resources.*

**Eliminate Unnecessary Requirements from the Utilization Threshold (UT) Program (HMH Part W):** The Executive proposes streamlining the utilization review process by transferring utilization thresholds to the post-payment review process. The Executive anticipates the removal of utilization thresholds in the beginning of the review process will reduce administrative costs associated with the mailing and processing of notifications and overrides.

*Fiscal Impact: This proposal will generate \$230,000 in savings in SFY 2022-23 and beyond.*

**Rename the Office of Minority Health (HMH Part X):** The Executive proposes changing the name of the Department's Office of Minority Health to the Office of Health Equity and redefining the mission of the Office to align with the new name. Under current law, the Office of Minority Health serves more as a vehicle for securing grants and funding that would support minority health-focused initiatives. The Executive proposes redefining the responsibilities of the Office under its new name to direct the Office to work collaboratively with stakeholders to set priorities, collect and disseminate data, and align resources necessary to conduct health promotional and educational outreach, and implement interventions aimed at achieving health equity. Under current law, the Office of Minority Health must issue a report on a biennial basis; the Executive proposes maintaining the requirement of the issuance of a biennial report but adds a reporting element to analyze the health status of underserved populations and the status of service delivery in those communities.

*Fiscal Impact: This proposal would have a minimal fiscal impact to the State that can be covered within existing resources.*

**Marriage Certificates (HMH Part Y):** The Executive proposes changes to the law to allow amendments to marriage certificates to reflect changes of names or gender designation. This would cost \$10 per amendment. The proposal also allows DOH to report to the Attorney General (AG) any town or city clerk that fails to issue a new certificate so the AG can pursue the appropriate remedies so the town or clerk issues the revised marriage certificate. Localities will be required to annotate changes and keep private records of original licenses. To the extent required, they will also share revised marriage certificates with DOH.

*Fiscal Impact: This proposal will have a minimal fiscal impact to the State which can be absorbed within existing resources.*

**Restructures and Extends the Physicians Excess Medical Malpractice Program (HMH Part Z)**: The Executive proposes to change the physician’s excess medical malpractice payments from one annual payment to two installments - split in two years. In addition, for any policy period beginning on or after July 1, 2021, physicians and dentists will purchase excess coverage directly from a provider of excess insurance coverage. The proposal would also prohibit excess insurance coverage providers from issuing excess coverage unless the physician or dentist meets the eligibility requirements. In the same manner, it would preclude DFS and DOH from making any payment if the physician or dentist does not meet eligibility requirements. The Executive also proposes to extend the provisions of the hospital excess liability pool to June 30, 2023.

*Fiscal Impact: This proposal will generate a total savings of \$51.1 million in SFY 2022-23.*

**Clarifying Provisions Regarding Emergency Medical Services and Surprise Bills (HMH Part AA)**: The Executive proposes several changes to the state’s surprise billing laws to conform to the federal No Surprises Act (NSA) and related regulations.

- Subpart A:
  - Expands the definition to include more providers under surprise billing laws.
  - Removes language that would require assignment of benefits.
  - Eliminates language exempting safety net hospitals from surprise billing laws.
  - Requires insurers to ensure that the insured does not incur greater out-of-pocket costs for the surprise bill than they would have incurred with a participating provider.
  - Adds a factor to determine a reasonable fee in the dispute resolution process (the plan’s median regional in-network rate).
  - Expands the days for the independent review entity to issue a determination;
  - Allows external appeals of final adverse determinations from a health plan to be grounded on the NSA.
  - Provides for a period to dispute claims (three years from the date the plan made the original payment on the claim that is subject of the dispute).
- Subpart B:
  - Adds violations of federal laws and regulations as grounds to penalize insurers and related entities regulated by DFS.
  - Requires disclosure of certain digital information by a health plan.
  - Requires providers to ensure timely delivery of provider directory information to the insurer, and should they fail to timely deliver the information, they must reimburse the insured for excess amounts in payments.
  - Adds that certain health care providers must share information about the NSA and surprise billing with individuals, and that for certain contracts, insurers must

provide a notice to the insured of the provider's disaffiliation and must cover services for either 90 days from the notice or effective date of the provider's disaffiliation from the insurer's network (whichever is later).

- Requires insurers to cover pregnant persons for the duration of the pregnancy and post-partum care if their provider is disaffiliated during the pregnancy, and that during that transitional period they must continue to accept the in-network cost-sharing from the insured.
- Subpart C:
  - Requires non-managed care insurers that offer insurance to follow managed care requirements to provide facilities with a list of requirements to be considered in-network providers.
  - Requires managed care insurers to give facilities a list of requirements to be considered in-network, consult with facilities when developing the qualifications, and notify them of the determination to accept the facility as in-network within 60 days of submission.
  - Precludes health maintenance organizations from collecting more than the necessary information to make concurrent and retrospective determinations.

*Fiscal Impact: This proposal has no fiscal impact to the State.*

**Pharmaceutical Related Recommendations (HMH Part BB):** Eliminates “prescriber prevails” provisions from Medicaid managed care and fee-for-service.

*Fiscal Impact: This proposal results in a net savings of \$41.2 million in SFY 2022-23, growing to \$49.45 million in SFY 2023-24.*

**Extenders (HMH Part CC):** The Executive Budget extends:

- The start date for a provision of the Assisted Living Program (ALP) that allows program participants to seek approval of additional assisted living program beds on a case-by-case basis pursuant to public need. The extension will result in a delay of implementation of this approval process from April 1, 2023 to April 1, 2025.
- The Statewide Patient Centered Medical Home Program, a Medicaid incentive model of care where a physician and care team work collaboratively to manage a patient's care, through April 1, 2025.
- The authority of the Department of Health to issue DSH/IGT Payments for Hospitals outside NYC through March 31, 2025.
- The Statewide Medicaid Integrity and Efficiency Initiative through March 31, 2024
- The due dates for the following working groups and task force reports:
  - The Lyme & Tick-Borne Diseases and Blood-Borne Pathogen Working Group Study to May 1, 2023;

- Lyme & Tick-Borne Diseases and Blood-Borne Pathogen Impact Study due date to October 1, 2022;
- The Rare Disease Workgroup report and the subsequent repeal of the working group, to December 20, 2022 and December 20, 2023 respectively; and
- Radon Task Force Report extension to November 1, 2021 and subsequent repeal of the task force to December 31, 2022.

Finally, the Executive proposes making the following programs and policies permanent:

- The authority of the Department of Health to appoint a temporary operator of an adult care facility, assisted living residence, hospital or diagnostic/treatment center under financial stress or in a condition that endangers the life, health, or safety of residents or patients.
- The Collaborative Drug Therapy Management program, which allows qualified pharmacists practicing in an Article 28-regulated facility to enter into a collaborative practice arrangement with a physician. Under this arrangement, pharmacists may adjust or manage a drug regimen for a patient's specific disease.
- The Distressed Provider Assistance Program, which requires the State Comptroller to withhold sales tax collections and divert them to a fund that supports financially distressed hospitals and nursing homes throughout the state.

*Fiscal Impact: Costs would be managed within the existing capped Medicaid spending.*

**Winter World Games Out of State Practitioner Medical Services (TEDE Part X):** The Executive proposes allowing out-of-state medical practitioners to practice and serve athletes at the upcoming Winter World University Games in January, 2023. Such authorization would be limited in scope between January 5, 2023 and January 25, 2023.

*Fiscal Impact: This proposal would provide minimal fiscal impact to the State in SFY 2022-2023.*

## MENTAL HYGIENE AGENCY DETAILS

### Office of Mental Health (OMH)

The Executive Budget proposes All Funds appropriations of \$5.1 billion, an increase of \$630.5 million or 14 percent compared to SFY 2021-22. This includes \$2.2 billion for State Operations, \$2.5 billion for Aid to Localities and \$434 million for Capital Projects. The Executive Budget proposal supports a workforce of 13,875 FTEs, an increase of 6 FTEs compared to SFY 2021-22. The net increase is attributable to the following major changes:

- \$95 million increase to support a 5.4 percent Cost-of-Living-Adjustment (COLA) for human services workers.
- \$74 million increase to support behavioral health services to address mental illness and substance use disorder.
- \$65 million increase for Enhanced Support for Residential Programs.
- \$53 million increase to support children's and youth community-based services.
- \$49 million increase to support various crisis intervention services (\$35 million increase for the 9-8-8 Crisis Hotline, \$11.2 million increase for Critical Time Intervention and \$3.2 million increase for the Joseph P. Dwyer Program).
- \$44 million increase to support healthcare workforce retention, which includes \$38.6 million increase for healthcare worker bonuses and \$5.4 million for a minimum wage increase for human services workers.

### Office for People with Developmental Disabilities (OPWDD)

The Executive Budget proposes All Funds appropriations of \$7.2 billion, an increase of \$2.2 billion or 43 percent compared to SFY 2021-22. The All Funds appropriations includes \$2.3 billion for State Operations, \$4.8 billion for Aid to Localities and \$113 million for Capital Projects. The Executive Budget proposal supports a workforce of 18,942 FTEs, an increase of six FTEs compared to SFY 2021-22. The net increase is attributable to the following major changes:

- \$1.8 billion increase to support the Mental Hygiene Stabilization Fund and local share adjustment. Adjustments in SFY 2023 reflect OPWDD-related local share expenses that will be funded outside the Department of Health (DOH) Global Cap through additional Financial Plan resources.
- \$166 million increase to support healthcare workforce retention, which includes \$133 million for worker bonuses and \$33 million for minimum wage increases for human services workers.
- \$149 million increase to support the 5.4 percent Cost-of-Living-Adjustment (COLA) for human services workers.
- \$13 million increase to support housing subsidy enhancements.

### Office of Addiction Services and Supports (OASAS)

The Executive Budget proposes All Funds appropriations of \$1.5 billion, a net increase of \$542 million or 56 percent compared to SFY 2021-22. The All Funds appropriations includes \$163 million for State Operations, \$1.2 billion for Aid to Localities and \$102 million for Capital Projects. The Executive Budget proposal supports a workforce of 768 FTEs, an increase of 31 FTEs compared to SFY 2021-22. The net increase is attributable to the following major changes:

- \$465 million increase to support Opioid Use Disorder Program to combat opioid addiction.
- \$39 million increase to support healthcare workforce retention, which includes \$37 million for worker bonuses and \$2 million for a minimum wage increase for human services workers.
- \$37 million increase to support behavioral health services to address mental illness and substance use disorder.
- \$33 million increase to support 5.4 percent Cost-of-Living-Adjustment (COLA) for human services workers.
- \$32 million decrease due to the elimination of one-time appropriation to support funding received from the McKinsey Opioid Settlement in SFY 2021-22.
- \$4.5 million decrease due to elimination of Legislative grants.

### Department of Mental Hygiene

The Executive Budget proposes All Funds appropriation of \$600 million, unchanged compared to SFY 2021-22. The Department of Mental Hygiene currently operates through three independent agencies, Office of Mental Health, the Office for People With Developmental Disabilities and the Office of Addiction Services and Supports, which provide services directly to clients.

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

The Executive Budget proposes All Funds appropriations of \$60.9 million, an increase of \$804,000 or one percent compared to SFY 2021-22. The All Funds appropriations includes \$60 million for State Operations and \$800 for Aid to Localities. The Executive Budget proposal supports a workforce of 460 FTEs, an increase of seven FTEs compared to SFY 2021-22. The increase is mainly attributed to general salary increases.

### Developmental Disabilities Planning Council (DDPC)

The Executive Budget proposes All Funds appropriations of \$4.8 million, unchanged compared to SFY 2021-22. The All Funds appropriations includes \$13 million for State Operations, supporting a workforce of 18 FTEs, unchanged compared to SFY 2021-22.

**Article VII**

**Human Services Cost-of-Living Adjustment (HMH Part DD):** In order to address the effects of inflation, the Executive proposes a 5.4 percent Cost-of-Living Adjustment (COLA) for eligible programs and services under OMH, OPWDD, OASAS, OTDA, OCFS, and NYSOFA. The COLA will be effective April 1, 2022 and ending March 31, 2023.

*Fiscal Impact: This bill would provide a one-time 5.4 percent Cost-of-Living Adjustment (COLA) in SFY 2023 for certain human services programs. The COLA would cost a total of \$411 million.*

**9-8-8 Suicide Prevention and Behavioral Health Crisis Hotline Act (HMH Part EE):** The Executive proposes establishing a 9-8-8 suicide prevention and behavioral health crisis hotline system under OMH in collaboration with OASAS, which will connect individuals experiencing a behavioral health crisis to suicide prevention and behavioral health crisis resources. The proposal sets the due date for 9-8-8 on or before July 16, 2022, to align with federal requirements. It also requires OMH and OASAS to establish reporting metrics and submit an annual report beginning on December 31, 2023.

The proposal sets requirements for 9-8-8 crisis hotline centers which would include all of the following:

- Maintaining an active agreement with the National Suicide Prevention Lifeline (NSPL);
- Adhering to NSPL requirements and best practices;
- Utilizing technology such as chat and text;
- Accepting 9-1-1 transfer calls related to a behavioral health crisis;
- Coordinating with behavioral health crisis resources;
- Deploying crisis intervention services and coordinating access to crisis stabilization centers;
- Meeting NSPL requirements for serving high risk and specialized populations;
- Providing follow-up services as needed; and
- Providing data and reports, and participating in quality improvement activities as required by OMH and OASAS.

*Fiscal Impact: The Executive proposes \$35 million to implement the Crisis Hotline System.*

**Require Reinvestment of Underspent Managed Care Funding for Behavioral Health (HMH Part FF):** The Executive proposes a recovery of premiums from managed care providers if they have not met established premium targets for behavioral health services and the medical loss ratio. The methodology of the reinvestment of the behavioral health funding is still to be determined.

*Fiscal Impact: The SFY 2022-2023 Executive Budget plans for the full reinvestment of the \$111 Million State share of SFY 2021-22 actual and FY 2022-23 projected recoveries, appropriated between OMH and OASAS.*

**Extend Delivery System Reform Incentive Payment Practices (HMH Part GG):** Under the Delivery System Reform Incentive Payment (DSRIP) program, some regulations were waived in order to streamline licensure requirements. These waivers are currently scheduled to expire on April 1, 2022. The Executive proposes extending the waiver of those regulations to April 1, 2025.

*Fiscal Impact: Enactment of this proposal is necessary to implement the SFY 2022-23 Executive Budget and the State Financial Plan by keeping overall Medicaid spending within capped levels.*

**Minimum Stock of Naloxone & Buprenorphine in Pharmacies (HMH Part HH):** The Executive proposes requiring pharmacies that stock and directly dispense controlled substance medications to maintain at least a 30-day supply of both an opioid antagonist such as Naloxone, and a partial opioid agonist used to treat opioid use disorder such as Buprenorphine. The 30-day supply can be met using any combination of dosages sufficient to fill a prescription of 16 mg/day for 30-days. In situations where more than one therapeutic with FDA approval exists, the pharmacy need only maintain a stock of at least one of the approved therapeutics.

*Fiscal Impact: This proposal does not have a fiscal impact.*

**Establish Certification for Recovery Residences (HMH Part II):** The Executive proposes building on an existing regulatory structure for the operation of residential treatment programs for addiction disorders to establish a certification process for recovery residences. At these residences, individuals in recovery from a substance use disorder will live in a shared living environment free from alcohol and illicit drug use and have connections to peer support and services that promote sustained recovery. Under this proposal, OASAS is charged with developing standards for the operation of these residences, as well as a process of voluntary certification and ongoing monitoring of the programs.

*Fiscal Impact: This Executive proposes \$850,000 for seven additional OASAS staff.*



**Update and Expand Alcohol Awareness Program (HMH Part JJ):** The Executive proposes renaming the Office’s Alcohol Awareness Program to the Substance Use Awareness Program and expanding it to include information on the health effects and social costs of recreational cannabis use. Individuals most often participate in this program for offenses related to underage drinking or by order of a Family Court, but there are circumstances where individuals are attending if there is, for example, a school issue or a parent wants their child to attend.

*Fiscal Impact: This proposal includes \$750,000 for the development of evidence-based practices to address addiction by expanding the existing Alcohol Awareness Program.*

**OASAS Capital Program Reforms (HMH Part KK):** The Executive proposes granting the Dormitory Authority of the State of New York the authorization to, on behalf of the Office of Addiction Services and Supports, acquire property via lease, purchase, condemnation, gift, or other means to use as a mental hygiene facility dedicated to providing addiction programs and services. Acquired properties could subsequently be made available by lease, sublease, or permit to a voluntary service provider under conditions determined by OASAS.

*Fiscal Impact: This proposal is necessary to implement capital project investments included in the Executive Budget, but the Executive has not provided a specific fiscal impact.*

**Ambulatory Patient Group Rate Methodology Extension (HMH Part LL):** Ambulatory patient groups (APGs) are a reimbursement classification system used for Medicaid payment for outpatient services in Article 28 (DOH), Article 32 (OASAS), Article 32 (OMH), and Article 16 (OPWDD) facilities. The Executive proposes extending APGs through March 31, 2027.

*Fiscal Impact: This Executive projects that this provision would assist in maintaining spending levels assumed under the Financial Plan. However, no specific fiscal impact has been provided.*

**Kendra’s Law - Assisted Outpatient Treatment Programs (HMH Part MM):** Kendra’s Law allows a court to order Assisted Outpatient Treatment (AOT) for certain people with a mental illness who, in light of their treatment history and present circumstances, are unlikely to survive safely in the community without supervision.

The Executive Budget proposes extending Kendra’s Law to June 30, 2027, which is currently set to expire on June 30, 2022. The proposal also includes amending several provisions of the existing law. First, it would amend the criteria that allows a court to order AOT for a patient. The new proposal would allow a director to petition a court to continue AOT as long as they can prove the patient was on an AOT order that has expired within the last six months. There must also be a showing that the patient has experienced a substantial increase in symptoms of mental illness.

Furthermore, the Executive proposes updating the due process provisions to allow the physician who recommended AOT to testify by video conference. It would also allow a director of community services to require an OMH provider to provide certain information regarding the patient receiving AOT when they deem it necessary and where the provider is required to disclose the information.

*Fiscal Impact: Enactment of this bill will generate approximately \$100,000 in annual savings to the Financial Plan.*

**Allows OMH to Reimburse Supportive Housing Programs (HMH Part NN):** The Executive proposes extending property pass-through laws to supportive housing programs, which would allow OMH to reimburse these programs for property costs such as rental cost, mortgage payment, principal, and interest payment on a loan.

*Fiscal Impact: This proposal would have no fiscal impact to the State in SFY 2022-2023.*

**Permanent Authority for OMH/OPWDD to Appoint Temporary Operators (HMH Part OO):** The Executive proposes removing the sunset date (March 31, 2022) that gives OMH and OPWDD the authority to appoint temporary operators for established programs providing services to individuals with serious mental illness, developmental disabilities, or chemical dependence, making this authority permanent.

*Fiscal Impact: This proposal would have no fiscal impact to the State in SFY 2022-2023.*

# Human Services and Housing



## Human Services and Housing Fact Sheet

### Appropriations

- **Child Care Programs:** The Executive Budget proposes \$894.6 million in local assistance funding for child care subsidies to 132,000 children under 13. The Executive also utilizes \$75 million from SFY 2021-22 Child Care Stabilization funds to support child care worker wages.
- **Human Services Cost of Living Adjustment (COLA):** The Executive Budget proposes \$10.4 million for a 5.4 percent COLA to workers of various Office of Children and Family Services programs.
- **Hate and Bias Prevention Unit:** The Executive Budget proposes \$3.7 million to establish a Hate and Bias Prevention Unit within the Division of Human Rights.
- **Foster Care:** The Executive Budget proposes \$42.5 million to support a change in the methodology for determining foster care payments. This new methodology will use data from the United State Department of Agriculture (USDA) and will provide increased subsidies to approximately 25,000 families.
- **Five-Year Housing Plan:** The Executive Budget proposes \$4.5 billion for a new five-year housing plan, an increase of \$2 billion over the previous 5-year housing plan that began in SFY 2016-17.
- **Homeowner Assistance Fund (HAF):** The Executive Budget proposes a decrease of \$600 million due to the expected exhaustion of federal assistance for the Homeowner Assistance Fund.
- **Eviction Legal Representation:** The Executive Budget proposes \$35 million in new funding for legal representation for eviction cases outside of New York City.

### Article VII

- **Child Care Subsidies:** The Executive Budget proposal increases the income eligibility limit for child care subsidies from 200 percent of the Federal Poverty Level (\$53,000) to 300 percent of the Federal Poverty Level (\$79,500) over three years.
- **Modernize Maximum State Aid Rates for Voluntary Agencies :** The Executive Budget proposal requires the social service districts that were paying at least 100 percent of the

Maximum State Aid Rates (MSAR) for foster care as of July 1, 2022 to continue to do so, and requires remaining SSDs to increase their rates of payment to 100 percent of the MSAR over a two-year phase-in period.

- **Requires That Arrestees Under the Age of 21 Be Held in Separate Facilities:** The Executive proposes legislation to require law enforcement to hold arrestees under the age of 21 in separate facilities from arrestees over the age of 21.
- **Expanding Public Assistance Access:** The Executive Budget proposal expands the number of people eligible for public benefits such as Family Assistance and Temporary Assistance for Needy Families, increases access to safety net programs, and reduces the wait time before applicants can receive their funds.
- **Accessory Dwelling Units:** The Executive Budget proposes to allow Accessory Dwelling Units (smaller dwelling units built on the same lot as a standalone home) and limit local governments' ability to restrict them. The Executive proposes a new loan program to help low- and moderate-income homeowners create ADUs.
- **Creating Housing Opportunities Through Building Conversion Act:** The Executive Budget proposes to allow hotels to be converted for residential use if some part of the building is located within a district zoned for residential use. It also allows commercial buildings built after 1979 located in some parts of New York City to be converted to residential stock.
- **Mortgage Insurance Fund (MIF) Utilization:** The Executive Budget proposes using the MIF to provide the Neighborhood Preservation Program with \$12.8 million, the Rural Preservation Program with \$5.36 million, and Rural Rental Assistance with \$21.6 million.
- **Transit-Oriented Development of Housing:** The Executive Budget requires localities to permit the construction and occupation of buildings with at least 25 dwelling units per acre, on any land on which residential construction is permitted, and within 1/2 mile of specified train stations, bus stops, park and ride locations.
- **Affordable Neighborhoods for New Yorkers Tax Incentive (ANNY):** ANNY is the Executive's proposed replacement for the 421-a tax incentive. The Executive proposes two affordability schemes for rental projects based on project size, with stronger, permanent affordability requirements than the current program. The program also includes minimum hourly wage requirements for most projects. Furthermore, there is an

additional option that only applies to homeownership projects for low- and middle-income buyers with a 40-year affordability period.

- **Investments for Veteran Services:** The Executive proposes increasing the amount of reimbursement the Division of Veteran Affairs must provide to local veterans' service agencies for the cost of maintaining and operating such agencies.
- **Anti-Discrimination:** The Executive Budget includes an initiative to prohibit discrimination based on domestic violence victim status in public accommodations, private and publicly-assisted housing, education, and credit. In addition, the Executive Budget proposes to add discrimination based on citizenship and immigration status as an unlawful discriminatory practice under the Human Rights Law.

## Human Services Agency Details

Human Services and Housing Agency Funds Appropriations (\$ in millions)				
	SFY 2021-22 Available	SFY 2022-23 Executive Recommendation	\$ Change	% Change
Office of Children and Family Services	\$6,585.73	\$4,177.77	(\$2,407.96)	-36.56%
Raise the Age	\$250.00	\$250.00	\$0.00	0.00%
Office of Temporary and Disability Assistance	\$9,819.43	\$6,306.11	(\$3,513.31)	-35.78%
Division of Housing and Community Renewal	\$1,697.63	\$5,209.62	\$3,511.99	206.88%
State of New York Mortgage Agency	\$232.80	\$232.11	(\$0.69)	-0.30%
Division of Veterans' Services	\$24.28	\$27.01	\$2.73	11.25%
Division of Human Rights	\$19.10	\$20.73	\$1.63	8.55%
Office of Welfare Inspector General	\$1.31	\$1.31	\$0.00	0.00%
National and Community Service	\$30.9	\$30.19	(\$0.69)	-2.23%
Nonprofit Infrastructure Capital Investment Program	\$0.0	\$50.00	\$50.00	100.00%
<b>Total Human Services and Housing</b>	<b>\$18,661.15</b>	<b>\$16,304.86</b>	<b>(\$2,356.29)</b>	<b>-12.63%</b>

## Overview

The SFY 2022-23 Executive Budget recommends \$16.3 billion in All Funds support for the agencies comprising the Human Services and Housing functional areas. This reflects a decrease of \$2.4 billion or 12.6 percent from SFY 2021-22 Enacted Budget levels, which can be primarily attributed to the elimination of one-time Federal pandemic assistance. These decreases are partially offset by an increase of \$3.5 billion in funding for the Division of Housing and Community Renewal.

### Office of Children and Family Services (OCFS)

The SFY 2022-23 Executive Budget includes \$4.2 billion in All Funds appropriations, which reflects a decrease of \$2.4 billion or 36.6 percent from SFY 2021-22. This decrease is primarily related to the discontinuance of \$2.4 billion in Federal pandemic support for the Child Care Block Grant (CCBG). However, these funds have been reappropriated to allow the State to continue to fund multi-year child care initiatives.

### Child Care Subsidies

The Executive Budget provides \$894.6 million in local assistance funding for child care subsidies, an increase of \$50.1 million in General Fund support. This \$894 million investment in child care includes \$301 million in OCFS for child care, \$311.5 million in CCBG, and \$282 million in TANF support. This level of funding would provide child care subsidies for 132,000 children under the age of 13.

The Executive proposes to expand the family income limit for child care subsidies from 200 percent of the Federal Poverty Level (FPL) (roughly \$53,000 for a family of four) to 300 percent of FPL (approximately \$79,500). This will be phased in over three years, increasing the limit to 220 percent of FPL in SFY 2022-23, 260 percent in SFY 2023-24 and 300 percent in SFY

2024-25. The Executive has estimated that 100,000 children will become newly eligible in the first year and approximately 394,000 children will be eligible when fully phased in.

The Executive proposes to use \$75 million to support increases in child care worker wages from underutilized stabilization grants funds, which is included in reappropriated CCBG funding. These funds would be allocated to providers for bonus type payments to their workers.

#### Youth Facility Program

The Executive Budget recommends \$162.6 million for the operation of youth facilities statewide, an increase of \$7.5 million from SFY 2021-22. This increase is primarily the result of an increase of \$11.4 million to hire additional youth division aides and youth counselors, as well as aligning salaries with the direct care staff within other State agencies. This increase is offset by a decrease of \$3.8 million associated with the closure of two youth facilities that occurred in October 2021.

#### Eliminating the State Share of Committee on Special Education Residential Placement Costs

The Executive Budget maintains the elimination of \$22 million representing the State share of 18.4 percent of the room and board costs associated with the placement of children with severe disabilities by the Committee on Special Education (CSE). For the past two years, the State has received one-time authorization to combine the State share into the school district's share (56.8 percent). Outside New York City, prior to the elimination of the State share, costs were shared between local social service districts (43.2 percent), the school district (38.4 percent), and the State (18.4 percent). The Executive estimates \$28.6 million in savings attributable to the permanent realignment of fiscal responsibility for the CSE.

#### New York State Commission for the Blind Business Enterprise Program

The Executive Budget recommends \$37.5 million in All Funds support, which reflects an increase of \$251,000 from SFY 2021-22. The Executive provides \$500,000 within the Business Enterprise Program (BEP) to expand employment opportunities for individuals with disabilities. In addition, the Executive proposes to use funds to accommodate the BEP through a memorandum of understanding (MOU) with the State University of New York (SUNY) related to vending stand services on SUNY campuses. SUNY will pay \$850,000 to the State vending fund in SFY 2022-23 and SFY 2023-24.

#### Home Visiting

The Executive Budget provides \$22.8 million for the Adoption De-Linking program, an increase of \$11 million. This increase will be used to support expansion of the Home Visiting Program, which provides new and expectant parents with information, support, and referrals to community resources and services to promote good maternal and child health, home safety, food security, and positive parenting. This increase will allow the program to serve an additional 1,600 families.



### Runaway Homeless Youth

The Executive Budget provides \$6.48 million in funding for this program, an increase of \$2 million over SFY 2022-23. This increase in funding would support the expansion of crisis and transitional living beds for youths.

### Article VII

**Expand Income Eligibility for Child Care Subsidies (ELFA Part L):** The Executive proposes language that would increase the income eligibility limit for child care subsidies from 200 percent of the Federal Poverty Level (FPL) to 300 percent over the next three years, provided such families income does not exceed 85 percent of the state median income.

Currently, local social service districts (LSSD) are authorized to provide a subsidy to families with incomes up to 200 percent of the FPL as the basis to be eligible to receive a child care subsidy through the New York State Child Care Block Grant (NYSCCBG). Families that are eligible to receive a subsidy fall into the following categories:

- Families receiving public assistance.
- Families with incomes up to 200 percent of the state income standard.
- Families with incomes up to 200 percent of the state income standard and which are determined (per regulations) to be at risk of becoming dependent on family assistance.
- Families with incomes up to 200 percent of the state income standard and when the head of the household is attending a postsecondary educational program and working at least 17.5 hours per week.
- Other families with incomes up to 200 percent of the state income standard and which are designated in the social service district's Consolidated Service Plan as eligible for child care assistance, in accordance with criteria established by the Office of Children Family Services.

The Executive also proposes language that would allow any portion of the social services district's block grant allocation which is left unclaimed in a particular federal fiscal year to be added to that social services district's block grant allocation for the next federal fiscal year.

*Fiscal Impact: This proposal will have no new fiscal implications to the State, as the increase in eligibility is up to the County and any additional expenses will be drawn down from the existing Child Care Block Grant Funding.*

**Extending the Financing Structure for Residential Placements of Children with Special Needs (ELFA Part M):** The Executive proposes eliminating the sunset provision for the restructuring of financing for residential school placements and therefore make the provisions permanent. Currently, the reimbursement formula is as follows; for a child placed by a school

district into a privately operated residential school or special act school district, local school districts pay 56.8 percent and local social service districts pay 43 percent. For a child admitted to a state operated school for the deaf and blind school districts pay 50 percent, and local social service districts pay 50 percent. In SFY 2020-2021, the State eliminated its share by shifting the responsibility to the local school district.

*Fiscal Impact: This proposal will have a \$28.6 million fiscal impact on the State.*

**Extend the Current Structure of Child Welfare Financing (ELFA PART N):** The Executive proposes language that would reauthorize a five-year extension of the current Child Welfare Financing Reform Act, which has helped to incentivize reductions in the foster care population by providing a 62 percent open-ended reimbursement to the local social service districts for preventative services that offer a greater chance of keeping families intact. These services include child protective and preventive services, aftercare, and independent living and adoption administration costs. The reauthorization extends the current structure through the year of 2027.

*Fiscal Impact: The SFY 2022-23 Executive Budget does not have any fiscal implications from this proposal.*

**Increases Maximum State Aid Rates for Voluntary Agencies (ELFA Part O):** Currently, some social service districts pay at least 100 percent of the Maximum State Aid Rates (MSAR) for care provided to foster children in regular, therapeutic, special needs, and emergency foster boarding homes, while others have been paying less than 100 percent of MSAR. The Executive Budget proposes to require that districts paying at least 100 percent of MSAR as of July 1, 2022 continue to do so, and to require those districts which were paying less than 100 percent of MSAR to increase their rates of payment to pay the full 100 percent of the established rates with a two-year phase-in. Districts will be required to phase in half their required increase in rate year 2022-2023.

*Fiscal Impact: The SFY 2022-23 Executive Budget does not have any fiscal implications from this proposal..*

**Homeless Youth Health Care Consent (ELFA Part P):** The Executive proposes to authorize homeless youths to give effective consent for medical, dental, health, and hospital services for themselves, without the need of consent from another person. A homeless youth for this purpose is (a) a person who is under the age of 18, in need of services, and without a place of shelter where supervision and care are available, or (b) a person who is under the age of 21 but is at least age 18, in need of services, and without a place of shelter.

Current law requires the parent or legal guardian of a minor to consent to most health care services on behalf of the minor.

*Fiscal Impact: The Executive Budget does not estimate this bill will have any fiscal implications.*

**Juvenile Justice Delinquency Prevention Act Compliance (ELFA Part Q)**: The Executive proposes language incorporating the Juvenile Justice Delinquency Prevention Act (JJDP) into the current executive law and criminal procedure of New York State, in relation to the detention of juveniles. These statutory requirements under JJDP would prohibit the use of New York State's current administrative process for approving alternate jail placement for youth under the age of 21 in detention and the transfer of juvenile offenders and adolescent offenders to the Department of Corrections and Community Supervision prior to age 21.

The proposal requires a court hearing to find that keeping a juvenile in a local correctional facility is in the interest of justice. In order to determine this, a court must weigh the following factors: the person's age; their physical and mental maturity; their present mental state, including whether they present an imminent risk of self-harm; the nature and circumstances of the charges; the youth's history of delinquency; the relative ability of the available adult and juvenile facilities to meet the needs of the individual and to protect the public and other youth in their custody; and other relevant factors.

If the court concludes that the balance of these factors points in favor of detaining the juvenile or adolescent offender in a local correctional facility, it must issue a written order to that effect and direct the transfer of the juvenile or adolescent to a local correctional facility. Following the transfer to a local correctional facility, the court must hold a hearing at least once every 30 days to review whether the placement in a local correctional facility is still in the interest of justice. Even when it is in the interest of justice, the juvenile or adolescent offender must not be held in a local correctional facility for more than 180 days total, unless the court finds good cause for an extension, or the youth waives the 180-day maximum. Juvenile or adolescent offenders who are held in local correctional facilities must not have sound or sight contact with adult inmates.

*Fiscal Impact: The Executive Budget does not estimate this bill will have any fiscal implications.*

#### **Office of Temporary and Disability Assistance (OTDA)**

The SFY 2022-23 Executive Budget provides \$6.3 billion in All Funds appropriations, a decrease of \$3.5 billion or 35.8 percent from SFY 2021-22. The decrease in funding is primarily related to the elimination of \$3.5 billion in one-time Federal COVID assistance, including \$2.4 billion for the Emergency Rental Assistance Program (ERAP), \$200 million in the Pandemic Emergency Assistance Program, \$120 million from the Water Assistance Program, and a \$450 million reduction in HEAP.

Temporary Assistance for Needy Families (TANF)

Summary of SFY 2022-23 Executive Budget TANF Program (\$ in millions)				
Program	SFY 2021-23 Enacted	SFY 2022-23 Executive	\$ Change	% Percent
<b>TANF Base Total</b>	<b>\$1,325.63</b>	<b>\$1,328.67</b>	<b>\$3.04</b>	<b>0.23%</b>
Public Assistance (PA) Benefits	\$1,112.40	\$1,109.60	(\$2.80)	-0.25%
Emergency Assistance to Needy Families (EAF)	\$175.03	\$175.03	\$0.00	0.00%
NYC EAF Share Shift (15%)	(\$23.42)	(\$23.42)	\$0.00	0.00%
NYC FA Share Shift (15%)	(\$138.39)	(\$138.80)	(\$0.41)	0.30%
PA Benefits Cliff Changes		\$6.26	\$6.26	100.00%
Caseload/EAF Contingency	\$200.00	\$200.00	\$0.00	0.00%
<b>TANF Initiative Total</b>	<b>\$1,254.98</b>	<b>\$1,322.08</b>	<b>\$67.09</b>	<b>5.35%</b>
ACCESS - Welfare to Careers	\$0.80	\$0.00	(\$0.80)	-100.00%
Advanced Technology Training (ATTAIN)	\$4.00	\$0.00	(\$4.00)	-100.00%
Advantage After Schools	\$33.04	\$28.04	(\$5.00)	-15.13%
Career Pathways	\$1.43	\$0.00	(\$1.43)	-100.00%
Centro of Oneida	\$0.03	\$0.00	(\$0.03)	-100.00%
Child Care CUNY	\$0.14	\$0.00	(\$0.14)	-100.00%
Child Care Demonstration Projects	\$8.49	\$0.00	(\$8.49)	-100.00%
Child Care Subsidies	\$192.99	\$282.03	\$89.05	46.14%
Child Care SUNY	\$0.19	\$0.00	(\$0.19)	-100.00%
Flexible Fund for Family Services	\$964.00	\$964.00	\$0.00	0.00%
Non-Residential Domestic Violence Screening	\$3.00	\$3.00	\$0.00	0.00%
Additional Non-Residential Domestic Violence Screening	\$0.20	\$0.00	(\$0.20)	-100.00%
Jewish Child Care Association	\$0.20	\$0.00	(\$0.20)	-100.00%
Preventive Services	\$0.79	\$0.00	(\$0.79)	-100.00%
Rochester-Genesee Regional Transportation Authority	\$0.08	\$0.00	(\$0.08)	-100.00%
Summer Youth Employment	\$45.00	\$45.00	\$0.00	0.00%
Wage Subsidy Program	\$0.48	\$0.00	(\$0.48)	-100.00%
Wheels for Work	\$0.14	\$0.00	(\$0.14)	-100.00%
<b>Total TANF Commitment</b>	<b>\$2,580.61</b>	<b>\$2,650.75</b>	<b>\$70.13</b>	<b>2.72%</b>

The Executive Budget includes approximately \$2.7 billion in support for TANF, an increase of \$70.1 million over SFY 2021-22. This increase includes \$6.3 million to address changes to the public assistance program that will increase eligibility for families and assist with alleviating the “benefits cliff.” The Executive increased funding for the Summer Youth Program by \$1 million in support of minimum wage increases and proposes to employ approximately 16,700 youths. The Executive Budget provides \$28 million for the Advantage After School program.

Public Assistance

The SFY 2022-23 Executive Budget projects total gross costs of \$3.0 billion for a public assistance caseload of 472,440. This represents a year-to-year increase of 2,516 recipients or 0.5 percent. Safety Net spending is projected at \$1.9 billion, an increase of \$25.9 million due to an increase in the Safety net population of 3,742. The Executive anticipates federal TANF spending at \$1.1 billion for a caseload of 162,124 families, a decrease of \$2.8 million due to a reduction of 1,022 TANF families.

The Executive provides \$6.3 million to address changes to the public assistance program that will increase eligibility for families by encouraging increased earnings. In addition, the Executive Budget waives the 45 day waiting period for prospective Safety Net Assistance recipients before they receive program benefits.

#### Disability Assistance Program

The Executive Budget provides \$5.3 million, an increase of \$2.7 million or 100 percent over SFY 2021-22, for legal representation of disabled individuals seeking Federal disability benefits under SSI or SSDI.

#### Refugee Resettlement Program

The Executive Budget proposes \$2 million for refugee resettlement programs, a decrease of \$1 million from SFY 2021-22. This program was previously supported through legislative addition.

### **Article VII**

#### **Pass-Through Authorization of Any Federal SSA and COLA Increases (ELFA Part S)**

The Executive proposes to statutorily raise the Personal Needs Allowance (PNA) and the standard of monthly need for determining eligibility for and the number of additional state payments. This is an annual budgetary occurrence and will take effect on December 31, 2022.

This language raises the PNA limits by \$9 for each individual receiving family care, by \$10 for each individual receiving residential care, and \$11 for each individual receiving enhanced residential care, all for each month beginning on or after January 1, 2022.

The standard monthly need is raised by \$47 for individuals living alone, individuals living with others with or without in-kind income, individuals receiving enhanced residential care. The standard monthly need is raised by \$70 for couples living alone, couples living with others with or without in-kind income. Individuals receiving family care, individuals receiving residential care, and individuals receiving enhanced residential care across all counties also have their standard need raised by \$47. Couples in these situations will have their standard need raised by twice this amount (\$94).

*Fiscal Impact: The Executive Budget does not have any fiscal implications from this proposal. This proposal would allow the State to provide the COLA increase on behalf of the Federal Government.*

**Temporary Operator for Shelter (ELFA Part T):** The Executive proposes to extend the ability of OTDA to appoint temporary operators for emergency homeless shelters to March 31, 2025. This provision was included in the FY 2019 Enacted Budget and is set to expire March 31, 2022.

*Fiscal Impact: The Executive Budget does not estimate this bill will have any fiscal implications.*

**Expands Access to Public Assistance (ELFA Part U):** The Executive proposes increasing the limit of the total value of assets a person applying for public assistance may have before they are deemed ineligible. The Executive also proposes streamlining the application process through the following measures:

- Reducing the wait time for a determination for safety-net assistance from 45 days to 30 days from when the application is submitted.
- Adding a new 50 percent of monthly earned income exemption for all current recipients for continued eligibility.
- Eliminating the 42 percent exemption in current law that is only available to households with dependent children.
- Increasing the earned income exclusion from \$90 to \$150 of an applicant on the month of their application in the calculation of the value of public assistance; and broadening the sources of the earned income that may qualify to be exempted for purposes of assistance eligibility to include earned income from anyone in the household, as opposed to only exempting a child's earned income.
- Allowing families who have a total income that exceeds 185 percent of the standard need for a family of the same composition to be eligible for public assistance.

The Executive proposes to increase the total value of exempt cash, liquid, or non-liquid resources or assets from \$2,000 up to \$2,500 when calculating the cash benefit eligibility for public assistance applicants. The exempt value would be raised from \$3,000 up to \$3,750 for applicants whose households include a member who is disabled or at least 60 years of age. For recipients already receiving public assistance, the Executive proposes to exempt up to \$10,000 in savings before a recipient becomes disqualified for assistance.

*Fiscal Impact: The Executive Budget includes \$6.3 million in TANF Funds for this proposal.*

## Housing Agency Details

### Division of Housing and Community Renewal

The Executive Budget proposes \$5.2 billion in All Funds appropriations for the Division of Housing and Community Renewal (DHCR) for SFY 2022-23, which is an increase of \$3.5 billion, or 206.9 percent from SFY 2021-22 levels. This increase is connected to the following Executive proposals:

- Creation of a new \$4.5 billion Five-Year Housing Plan to support the creation and preservation of 100,000 units of low-income housing and the creation of 10,000 units of supportive housing. The Executive Budget also includes \$1.1 billion in reappropriations to continue the previous Five-Year Plan.
- An increase of \$250 million in funding for Low Income Weatherization Grants.
- A new appropriation of \$35 million for legal services and representation for eviction cases outside of the City of New York.
- An increase of \$20 million for the Homeowner Protection Program (HOPP).
- A new appropriation of \$2 million in funding for fair housing testing.

These increases are partially offset by:

- A discontinuation of \$600 million due to the anticipated exhaustion of Federal funds for the Homeowner Assistance Fund (HAF).
- A removal of \$200 million in capital funding for New York City Housing Authority (NYCHA), which is no longer lined out in the Executive Budget.

In addition to these decreases, dedicated appropriations were not continued in the Executive Budget for supportive housing, Public Housing Agencies (PHAs) outside of the City of New York, and Adaptive Reuse Affordable Housing Program. However, the new Five-Year Housing Plan is intended to provide funds for these purposes.

The SFY 2022-23 Executive Budget proposes decreases of:

- \$25 million attributable to the Vacant Property Program for the renovation of vacant and blighted homes.
- \$21.6 million due to the Rural Rental Assistance Program being funded through the Mortgage Insurance Fund (MIF) rather than through DHCR.
- \$21 million attributable to reduced utilization of the Governor's Office for Storm Recovery.

The Executive Budget also proposes to continue funding the Tenant Protection Unit (TPU) at an appropriation level of \$5.5 million and recommends a staffing level of 625 FTEs for DHCR, which would remain consistent with SFY 2021-22 levels.

### **State of New York Mortgage Agency**

The Executive Budget proposes \$232.1 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing a decrease of \$689,335 or 0.3 percent from SFY 2021-22 levels. There are no FTEs associated with SONYMA.

### **Article VII**

**Authorizes the Utilization of Excess Funds in the Mortgage Insurance Fund (MIF) (ELFA Part Z):** 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 to be returned to the State. In past years, MIF funds were utilized for community development and other programs. This year, MIF is projected to generate \$39.8 million in excess revenues and reserves. These funds would be used to support the following programs:

- **Rural Rental Assistance Program (RRAP):** The Executive proposes funding RRAP at \$21.6 million in SFY 2022-23 through MIF reserves rather than through DHCR. This amount is unchanged from SFY 2021-22.
- **Neighborhood Preservation Program (NPP):** The Executive proposes funding the Neighborhood Preservation Program at \$12.8 million in SFY 2022-23, which is unchanged from SFY 2021-22.
- **Rural Preservation Program (RPP):** The Executive proposes funding the Rural Preservation Program at \$5.4 million in SFY 2022-23, which is unchanged from SFY 2021-22.

**Permits the Creation of Accessory Dwelling Units (ELFA Part AA):** The Executive proposes legislation that would permit the development of Accessory Dwelling Units (ADU). The legislation limits local governments' ability to restrict their creation, and details how they may be built, regulated, used, and sold.

Local governments must designate areas where ADUs may be built. In addition to any designated areas, however, the legislation mandates that all areas zoned for single-family or multifamily residential use, and all lots with an existing residential use, will be considered designated areas. Local governments must authorize the creation of at least one ADU per lot. Local governments may develop reasonable standards regarding how ADUs are built, so long as those standards do not unreasonably restrict their creation. However, the bill allows local governments to demonstrate that particular restrictions are necessary for the preservation of



health and safety. The proposal would void and nullify existing local laws that contradict or fail to meet its requirements.

ADUs may be rented separately from the primary residence for a period of no less than 30 days, but may not be sold separately from the primary residence. ADUs built on the lot attached to a pre-existing primary residence may not have a floor area of more than 50 percent of the primary residence, unless this restriction would prevent the creation of an ADU that is less than 600 square feet in size. Local governments cannot require nonconforming ADUs in violation of zoning conditions and minor violations to be corrected as a condition for approval of a permit. New York City must create a program to address ADUs that existed prior to the effective date of this legislation, including amnesty for ADU owners.

The Executive establishes a minimum and maximum square footage of 200 square feet and 1,500 square feet for New York City, and 500 square feet and 1,500 square feet for all other localities. The proposal includes construction limits regarding dimensions and build. No parking requirements may be imposed unless there is no immediate adjacent public street parking and the ADU is more than half a mile from public transportation. Additionally, off-street parking is not required if the ADU replaced or caused the demolition of garages, or other parking structures. ADUs may not be counted toward residential density.

Local governments may charge up to \$1,000 for ADU permits, but cannot require additional or amended certificates of occupancy. Property owners may appeal denied permits. Applications for permits must include a certification indicating the intention to rent out the ADU and include the rent to be charged.

Tenants in danger of eviction or removal prior to permitting approval will have the right of first refusal to return to the unit as its first occupant. Denial of this right is actionable in court.

The bill establishes a loan program to provide funding to low- and moderate-income homeowners for the creation of ADUs. The appropriate local authority shall establish the regulations and guidelines of this program and release annual reports regarding the program. An additional program to provide technical assistance to homeowners must be established.

*Fiscal Impact: The Executive does not attach a specific fiscal to this proposal. However, the proposed new Five-Year Housing Plan provides \$85 million for the purpose of creating and upgrading ADUs across the State.*

**Housing for People with Prior Conviction Records (ELFA Part BB):** The Executive proposes to prohibit property owners or agents of owners from denying the sale, rental, or lease of housing accommodations or discriminating against individuals within the terms and conditions of a sale,

rental, or lease based on previous convictions of one or more criminal offenses. The proposal exempts situations where the conviction resulted from one or more violent crimes to people or property or when the conviction had an adverse effect on the health, safety, and welfare of people or property.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this proposal.*

**Floor Area Ratio Plan (ELFA Part CC):** The Executive proposes allowing New York City zoning law, ordinance, or resolution to override the current State residential floor area ratio (FAR) limit. FAR determines the maximum square footage of a building on a given site. The current residential FAR cap is 12.0. This is intended to give the City more autonomy to allow for higher, denser residential development. In some areas, allowing the City to build beyond the FAR cap may also trigger the City’s Mandatory Inclusionary Housing (MIH) zoning requirements. MIH requires developers benefiting from upzoning to make a percentage of units permanently affordable to families of specified income levels.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this proposal.*

**Creating Housing Opportunities Through Building Conversion Act (ELFA Part DD):**

The Executive proposes legislation to allow certified Class B hotels to be automatically authorized to serve as a dwelling for permanent residence. The dwellings must be regulated under the Division of Housing and Community Renewal or another appropriate local government housing agency and some or all of the dwelling must be located in a district zoned for residential use or within 800 feet of such a district. A qualifying hotel may not be located in an industrial business zone. This law would supersede any local law that prohibits occupancy in this kind of dwelling, requires a change or alteration to the dwelling, or requires a new or amended certificate of occupation.

When a property has a workforce that is represented by a collective bargaining representative, then prior to entering a regulatory agreement, the representative must be given written notice of the proposed conversion. The property owner must certify to the appropriate housing agency that they reached an agreement with the representative to move forward with the conversion. The agreement must be in writing.

The Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974 will apply to these converted dwellings only when there is a declared public emergency requiring the regulation of rents.

The legislation separately allows for the conversion to Class A multiple dwellings of commercial buildings and buildings that have a valid temporary or permanent certificate of occupancy but were allowed to be operated as commercial offices in specified areas of New York City. These dwellings will be subject to a regulatory agreement for affordable or supportive housing with the appropriate housing agency. This legislation will supersede any contradicting State or City law. This provision only applies to buildings built after 1979.

The legislation sets out dwelling standards, including compliance with fire codes, building codes, and city administrative codes. However, the legislation exempts some applicable codes as they relate to these dwellings, specifically those pertaining to the distance between windows opening onto rear yards and the walls opposite such windows, and yards and courts.

Applications for commercial conversions must be completed on or before December 31, 2027. All local laws enacted after the effective date of this legislation would be required to comply with the mandates of this legislation and its intent.

*Fiscal Impact: The Executive does not attach a specific fiscal to this proposal. However, the proposed new Five-Year Housing Plan provides \$1 billion for the new construction or adaptive reuse of rental housing.*

**Transit-Oriented Development of Housing (ELFA Part EE):** The Executive proposes amendments to several sections of law to mandate cities, towns, and villages permit the construction of at least 25 dwelling units per acre on any land where residential construction is permitted within a half mile of covered transportation facilities. Transportation facilities include but are not limited to stations owned and operated by the MTA, New Jersey Transit, Long Island Railroad (LIRR) and the Port Authority of New York and New Jersey.

Stations owned and operated by the LIRR that are not operated on a seasonal basis and are located between one half mile and 60 miles, measured in a straight line, from the nearest border of New York City are exempted from the definition of covered facilities. Additionally, LIRR stations within New York City are not covered. However, park and ride locations at any bus stops or stations located between one half mile and 60 miles, measured in a straight line, from the nearest New York City border are covered.

The legislation prohibits cities, towns, and villages from imposing restrictions that would effectively prevent the construction of transit-oriented housing, including setbacks, floor area ratios, or parking requirements. However, this legislation does not override any regulations set by the State Environmental Quality Review Act, or the Uniform Fire Prevention and Building Code. This legislation will additionally not require the alteration or demolition of any site designated a historical site as of the day of the enactment of this bill.

Cities, towns, and villages must amend their zoning, permit, site plan review, and subdivision regulations, in addition to any planning or other land use, home rule, or any other relevant law to conform to this legislation.

If a local government fails to act on construction or occupancy applications or denies any applications in a manner that would violate the rules of this legislation, any aggrieved party may commence a special court proceeding against the local government and the officer responsible to compel compliance. There shall be no damages against the local government and the responsible officer unless there is a finding of gross negligence, bad faith, or malice.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this proposal.*

### **Reform the Use of Credit Checks in Tenant Screening for Housing (ELFA Part FF)**

The Executive proposes making it unlawful for owners or agents of owners to deny the sale, rental, or lease of housing accommodations based on the tenant's consumer credit history, credit score, or lack thereof if the tenant meets certain conditions.

- If the tenant is a recipient or beneficiary of government assistance where the landlord is paid directly from the government, or the tenant has delinquencies, collections, money judgment, liens or other detriments solely due to medical, student loan debt or as a direct result of domestic violence, dating violence, sexual assault or stalking.
- If the tenant has made full rent payments within five days of the rent due date for the last 12 months. However, this condition does not apply to rent applications submitted before June 2022 and missed or late payments accrued between March 2020 to June 2021. This is to account for hardships incurred due to the COVID-19 pandemic. In these cases, the tenant may use proof of timely payments made prior to March 2020.

If tenants demonstrated any of the above and are still denied, there is a rebuttable presumption that the property owner is in violation of this law and is subject to investigation and action by the attorney general, which may result in a civil penalty between \$500 to \$1,000 per violation.

Property owners or agents of property owners who deny tenants accommodation on a credit history basis must inform the tenant in writing, and explain the reasons within five days of the rejection. The tenant must be granted an opportunity to appeal the denial.

*Fiscal impact: The Executive estimates that there would be no fiscal impact as a result of this proposal.*

**Affordable Neighborhoods for New Yorkers Tax Incentive (ANNY) (ELFA Part II):** ANNY is a proposed replacement for the 421-a tax incentive. The Executive proposes two affordability schemes, option A and option B. Rental projects that meet the requirements of the options will receive a 100 percent tax exemption for the first 25 years of a 35-year benefit, and a tax exemption equal to the affordability percentage in the last 10 years.

Option A applies to developments considered large rental projects, that is buildings with 30 or more units. To be eligible the dwelling must have a minimum of 10 percent of units at 40 percent of AMI, 10 percent at 60 percent of AMI, and 5 percent at 80 percent of AMI. Affordability restrictions are permanent.

Option B applies to a small rental project, that is less than 30 units. To be eligible the dwelling must have a minimum of 20 percent of units at 90 percent of AMI. Affordability restrictions must be upheld for 35 years following construction completion.

There is an additional option C which only applies to homeownership projects. These units must be intended to be sold, not rented. 100 percent of these units must be to the purchaser with a household income of no more than 130 percent of AMI. This applies to subsequent sales over the 40 year affordability period, with a mandate that the purchaser maintains the property for at least 5 years. Homeownership projects that meet all the requirements will receive a 100 percent tax exemption for 40 years.

Construction workers will be paid a minimum wage of \$63–\$47.25 depending on the borough the workers work in. However, an alternative construction wage standard may be set by the Commissioner of Labor, at the commissioner's discretion. One year from the effective date, and every three years thereafter, the minimum wage must be raised 5 percent. When buildings commence their construction, workers must be paid that year's designated minimum wage. An independent monitor will submit a project-wide certified payroll report to the City Comptroller's office. Late reports will be subject to a fine. A third-party administrator will distribute payments to the construction workers. In the event of a payment deficiency, the officer may give the developer time to cure the deficiency. If the developer fails to cure, they will be subject to fines of up to \$1,000.

The expiring 421-a tax incentive has options ranging from A to G, with the applicable AMI for affordability ranging from 10 percent to 130 percent depending on the project and the option chosen. The hourly wage requirements for construction worker pay were \$60 per hour in Manhattan and \$45 in Brooklyn and Queens. Developers who received the enhanced 35 year benefit were provided a tax exemption of up to 100 percent for 35 years. Currently, 200,000 units in the City fall under the 421-a umbrella. 421-a is set to expire on June 15, 2022.

*Fiscal impact: The Executive estimates that there would be no fiscal impact as a result of this proposal.*

### Division of Veterans' Services

The SFY 2022-23 Executive Budget provides \$27.0 million in All Funds appropriations, an increase of \$2.7 million or 11.3 percent from SFY 2021-22. This increase is primarily related to an addition of \$4.9 million for the State's first veterans' cemetery, \$1 million for the Veterans' Service Agencies, \$1 million for 17 new employees in the Veterans' Benefit Advising Program, and \$50,000 for the Veterans' Kiosk pilot program. It is offset by the elimination of \$4.2 million in Legislative additions.

### State Veterans Cemetery

The Executive provides \$4.9 million for the State's first veterans' cemetery to support the establishment and maintenance of the State's first veterans' cemetery located in Seneca County. This cemetery still is awaiting federal approval. The Executive includes \$4 million in capital authority, \$2 million in State and \$2 million in Federal funding. These two appropriations would be available once it receives Federal approval for the establishment of the cemetery.

### Veterans' Service Agencies

The Executive provides \$1 million for veterans' service agencies (VSAs). Current State law requires New York to provide every county and city VSA with \$10,000 per year and an additional \$5,000 for every 100,000 people living in the county or city. The Executive recommends increasing the minimum annual funding from \$10,000 to \$25,000. This increase in funding would bring the total level of funding for VSAs to \$2.4 million.

### Veterans' Kiosk Pilot Program

The Executive proposes \$50,000 to establish a Veterans' Kiosk pilot program. These kiosks will provide veterans with information on how to access various veterans benefits and will be available at NYS Welcome centers on the Thruway.

## **Article VII**

**Investments in Veterans' Services (ELFA Part R):** The Executive proposes increasing the amount of reimbursement the Division of Veterans' Services must provide to local VSAs for the cost of maintaining and operating such agencies.

Currently all local county and city VSAs receive a \$10,000 State allocation for expenditures, and local county and city VSAs whose jurisdictions have a population over 100,000 receive an additional \$5,000 for each additional 100,000 residents.

This proposal would increase the current \$10,000 base allocation for each VSA to \$25,000, while maintaining the additional allocation of \$5,000 per 100,000 additional population for VSAs serving jurisdictions larger than 100,000.

*Fiscal Impact: The Executive Budget includes \$1 million for this proposal.*

### **Division of Human Rights**

The SFY 2022-23 Executive Budget provides \$20.7 million in All Funds support, which is an appropriation increase of \$2.6 million or 8.5 percent over SFY 2021-22 Enacted levels. This level of funding supports 170 FTEs, an increase of 21 FTEs over SFY 2021-22, which includes 16 FTEs for the new Hate and Bias Prevention Unit and 5 FTEs to return the workforce to pre-pandemic levels.

The Executive Budget recommends investing \$3.7 million to establish the Hate and Bias Prevention Unit within the Division on Human Rights, to provide coordinated, rapid, and community-focused responses to hate and bias incidents. This unit will also support the agency's efforts in protecting New Yorkers from unlawful discrimination based on their protected class.

## **Article VII**

**Prohibits Discrimination Against Victims of Domestic Violence (ELFA Part X):** The Executive Budget proposes to expand anti-discrimination protections in the Human Rights Law to now include domestic violence victim status as a protected class in public and private housing, public accommodations, credit, and in education. Currently, the Human Rights Law only considers discrimination against domestic violence victims as unlawful discrimination if it occurs in the context of employment.

*Fiscal Impact: The Executive Budget does not estimate this bill will have any fiscal implications.*

**Clarifies Discrimination Based on Citizenship and Immigration Status is Unlawful (ELFA Part Y):** The Executive Budget proposes to clarify in the Human Rights Law that discrimination on the basis of citizenship or immigration status is unlawful discrimination. Under the current

Human Rights Law, discrimination on the basis of national origin, which is defined as ancestry, is considered unlawful discrimination and in current practice the Division of Human Rights investigates instances of discrimination based on citizenship as under the purview of national origin. However, this proposal would add the term citizenship and immigration status as a protected class under the Human Rights Law and specifically provides that individuals who are not a citizen of the United States are afforded anti-discrimination protections.

*Fiscal Impact: The Executive Budget does not estimate this proposal will have any fiscal implications.*

### **Nonbinary Demographic Data at State Agencies (TEDE Part R):**

The Executive Budget proposes requiring any State agency that collects demographic information about a person's gender to allow the person to describe their gender as "x" instead of male or female. The Executive proposal requires State agencies to update user forms and data systems to facilitate this change by 2023 or 2024, depending on the agency.

*Fiscal Impact: The Executive Budget does not estimate this proposal will have any fiscal implications.*

### **Miscellaneous Agencies**

#### **Office of the Welfare Inspector General**

The SFY 2022-23 Executive Budget recommends \$1.3 million in All Funds support, unchanged from SFY 2021-22. The OWIG was established to prevent, investigate and prosecute welfare fraud, waste and abuse and illegal acts involving social services programs at both the State and local levels.

#### **National and Community Service**

The SFY 2022-23 Executive Budget recommends \$30.9 million in All Funds support, an increase of \$1,586 or .01 percent over SFY 2021-22. This level of funding supports ten FTEs, unchanged from SFY 2021-22. The Office of National and Community Services provides support to the New York State Commission on National and Community Service, which enables the State to qualify for federal community service grants for local nonprofit agencies. These grants support programs such as providing youth education, assistance to individuals with disabilities, public health services and disaster preparedness.

#### **Raise the Age**

The SFY 2022-23 Executive Budget provides \$250 million in All Funds support for the continued implementation of Raise the Age, unchanged from SFY 2021-22. New York State's Raise the Age law went into effect on October 1, 2018 at which time the age of criminal



responsibility increased from 16-17 year of age. On October 1, 2019, the second phase of Raise the Age became effective, and the age of criminal responsibility increased from 17-18 years of age. Since the inception of Raise the Age, the State has disbursed \$195 million in grants to counties.

### Pay for Success

The SFY2022-23 Executive Budget proposes no new funding for the Pay for Success Contingency Reserve, which is consistent with SFY 2021-22. The Executive Budget recommends \$69 million in All Funds reappropriation authority for SFY 2022-23. 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 the agreed-upon outcomes, as verified by an independent validator, and if the public sector savings exceed the costs.

# Labor and Workforce



## Labor and Workforce Fact Sheet

### Appropriations

- **Unemployment Insurance:** The Executive Budget proposes a decrease of \$50 billion in appropriations for the Unemployment Insurance Fund in anticipation of reduced unemployment claims as a result of the State's economic recovery. The Executive also proposes \$250 million for Unemployment Insurance interest payments to the Federal government, an increase of \$120 million over SFY 2021-22. Interest is due as the State begins paying down the \$9 billion loan from the Federal government, incurred as a result of the insolvency of the Unemployment Insurance Fund due to the influx in claims resulting from the pandemic economic downturn.

### Article VII

- **Ban Non-Compete and No-Poach Agreements:** The Executive proposes to ban non-compete agreements for employees earning under the median wage and limits these agreements for all other employees in New York State.
- **Increase Criminal Penalties for Wage Theft:** The Executive proposes to increase the severity of penalties for wage theft depending on whether one employee or multiple employees is affected and the amount of wages withheld.
- **Waive the Income Cap for Retired Teachers and School Workers:** The Executive proposes to temporarily waive the income cap on retired teachers and school workers who return to work so as to alleviate the shortage of school workers during the pandemic.
- **Expansion of the Statutory Shift Pay Differential:** The Executive proposes to authorize the Director of Classification and Compensation to approve a pay differential for any hard-to-fill work shift.

## Labor and Workforce Agency Details

Labor and Workforce Agency All Funds Appropriations (\$ in millions)				
Agency	SFY 2022 Available	SFY 2023 Executive Recommendation	\$ Change	% Change
Department of Labor	\$64,167.73	\$11,351.08	(\$52,816.65)	-82.31%
Labor Management Committees	\$27.86	\$25.49	(\$2.37)	-8.51%
General State Charges	\$7,078.35	\$7,342.71	\$264.37	3.73%
Department of Civil Service	\$59.54	\$68.98	\$9.44	15.85%
Workers' Compensation Board	\$206.19	\$206.19	\$0.00	0.00%
Workers' Compensation Reserve	\$9.59	\$9.59	\$0.00	0.00%
Office of Employee Relations	\$8.68	\$11.76	\$3.07	35.38%
Deferred Compensation Board	\$0.89	\$0.92	\$0.03	3.14%
Public Employment Relations Board	\$4.06	\$4.34	\$0.28	6.95%
<b>Total Labor and Workforce</b>	<b>\$71,562.88</b>	<b>\$19,021.05</b>	<b>(\$52,541.83)</b>	<b>-73.42%</b>

### Overview

The SFY 2022-23 Executive Budget recommends \$19 billion in All Funds support for the agencies comprising the Labor and Workforce functional areas. This reflects a net decrease of \$52.5 billion or 73.4 percent from SFY 2021-22. The change is primarily attributed to a \$52.8 billion decrease in the Department of Labor as a result of a \$50 billion decrease in appropriation authority for Unemployment Insurance (UI), as the Executive expects to receive fewer unemployment claims as the economy recovers from the effects of COVID-19. The Executive Budget does not continue funding for the \$2.1 billion Excluded Workers Fund.

### Department of Labor

The Executive Budget proposes \$11.4 billion in All Funds appropriations for the Department of Labor (DOL), a decrease of approximately \$52.8 billion, or 82.3 percent, from SFY 2021-22 levels. This decrease is driven primarily by a \$50 billion reduction in Unemployment Insurance as a result of an overall reduction in UI claims as well as the expiration of federal UI benefits in September of 2021. In addition to UI related reductions, the DOL budget decreases year-over-year due to the discontinuation of the appropriations for the one-time \$2.1 billion Excluded Workers Fund and the \$50 million COVID-19 Recovery Workforce Initiative. These reductions are offset by an increase of \$120 million for the payment of interest related to UI Trust Fund loans from the federal government due to the insolvency of the State's UI Trust Fund. New York has borrowed over \$9 billion in federal UI loans since Spring of 2020. None of the approximately \$15.8 million in legislative additions for various employment and training programs are included in the Executive Budget. DOL's workforce is estimated to remain constant at 2,778 FTEs.

### **Department of Civil Service**

The Executive Budget proposes \$69 million in All Funds appropriations for the Department of Civil Service, an increase of \$9.4 million, or 15.9 percent, from SFY 2021-22 levels. This increase is due to the creation of the new Office of Diversity and Inclusion Management and for a new Test Evaluation Unit which would work to promote diversity in the public workforce and ensure high standards of exam quality. The Executive Budget continues to reimburse costs related to providing sick leave for employees with a qualifying World Trade Center condition, and provides \$2 million for this purpose. The Department of Civil Service's workforce is estimated to be 357 FTEs, an increase of 11 over SFY 2021-22.

### **General State Charges**

The Executive Budget proposes \$7.3 billion in All Funds appropriations for General State Charges, an increase of \$264.4 million, or 3.7 percent, from SFY 2021-22 levels. This increase is primarily driven by increases for the State's obligations for employee and retiree health insurance (\$709.2 million) and workers' compensation obligations (\$88.3 million). These increases are offset by a reduction in the State's pension obligation (\$443 million) as a result of higher than anticipated pension fund investment returns. There are no FTEs associated with General State Charges.

### **Labor Management Committees**

The Executive Budget proposes \$25.5 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted. This represents a \$2.4 million, or 8.5 percent decrease, from SFY 2021-22 levels due to the current status of these CBAs. Any costs of new CBAs will be incorporated within separate legislation. The Labor Management Workforce Committees' workforce is estimated to remain constant at 71 FTEs.

### **Office of Employee Relations**

The Executive proposes \$11.8 million in All Funds appropriations for the Office of Employee Relations, an increase of \$3.1 million, or 35.4 percent, from SFY 2021-22 levels. This increase is attributable to the hiring of additional anti-discrimination staff and for a model State agency training initiative. The Office of Employee Relations' workforce is estimated to be 93, an increase of 30 over SFY 2021-22.

## Workforce Impact Summary

All Funds								
SFY 2021 Through SFY 2023								
	SFY 2021 Actuals (03/31/21)	Starting Estimate (03/31/22)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/23)
<b>Minor Agencies</b>								
Addiction Services and Supports, Office of	702	737	(93)	124	0	0	31	768
Adirondack Park Agency	47	50	(1)	5	0	0	4	54
Aging, Office for the	83	95	(11)	42	0	0	31	126
Agriculture and Markets, Department of	454	486	(18)	49	0	0	31	517
Alcoholic Beverage Control, Division of	113	322	(24)	63	0	0	39	361
Arts, Council on the	26	27	(3)	5	0	0	2	29
Budget, Division of the	261	292	(31)	31	0	0	0	292
Civil Service, Department of	330	346	(23)	34	0	0	11	357
Correction, Commission of	35	39	(3)	8	0	0	5	44
Criminal Justice Services, Division of	392	408	(31)	38	0	0	7	415
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	129	139	(11)	37	0	0	26	165
Elections, State Board of	73	102	(9)	55	0	0	46	148
Employee Relations, Office of	59	63	(4)	34	0	0	30	93
Ethics and Lobbying, Independent Commission on	47	47	(4)	4	0	0	0	47
Executive Chamber	109	136	(25)	25	0	0	0	136
Financial Control Board, New York State	8	12	(1)	1	0	0	0	12
Gaming Commission, New York State	347	391	(19)	19	0	0	0	391
Higher Education Services Corporation, New York State	125	128	(13)	13	0	0	0	128
Homeland Security and Emergency Services, Division of	582	576	(29)	29	0	0	0	576
Housing and Community Renewal, Division of	604	625	(18)	18	0	0	0	625
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	143	154	(6)	22	0	0	16	170
Indigent Legal Services, Office of	29	30	(3)	5	0	0	2	32
Inspector General, Office of the	75	80	(5)	5	0	0	0	80
Interest on Lawyer Account	9	9	0	0	0	0	0	9
Judicial Conduct, Commission on	38	42	(2)	4	0	0	2	44
Justice Center for the Protection of People with Special Needs	409	453	(36)	43	0	0	7	460
Labor Management Committees	67	71	(6)	6	0	0	0	71
Lieutenant Governor, Office of the	5	7	(1)	1	0	0	0	7
Medicaid Inspector General, Office of the	391	515	(13)	13	0	0	0	515
Military and Naval Affairs, Division of	358	386	(43)	49	0	0	6	392
Prevention of Domestic Violence, Office for	20	29	(3)	6	0	0	3	32
Prosecutorial Conduct, Commission on	0	0	0	19	0	0	19	19
Public Employment Relations Board	31	31	(3)	4	0	0	1	32
Public Service Department	465	491	(44)	81	0	0	37	528
State, Department of	519	572	(88)	128	0	0	40	612
Statewide Financial System	131	137	(5)	14	0	0	9	146
Tax Appeals, Division of	23	25	(1)	2	0	0	1	26
Veterans' Affairs, Division of	85	93	(15)	32	0	0	17	110
Victim Services, Office of	88	89	(8)	15	0	0	7	96
Welfare Inspector General, Office of	6	6	(1)	1	0	0	0	6
<b>Subtotal - Minor Agencies</b>	<b>7,422</b>	<b>8,246</b>	<b>(654)</b>	<b>1,084</b>	<b>0</b>	<b>0</b>	<b>430</b>	<b>8,676</b>

# Workforce Impact Summary

## All Funds

### SFY 2021 Through SFY 2023

	SFY 2021 Actuals (03/31/21)	Starting Estimate (03/31/22)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/23)
<b>Major Agencies</b>								
Children and Family Services, Office of	2,647	2,886	(472)	472	0	0	0	2,886
Corrections and Community Supervision, Department of	26,694	27,519	(3,743)	2,647	0	0	(1,096)	26,423
Education Department, State	2,555	2,687	(268)	457	0	0	189	2,876
Environmental Conservation, Department of	2,853	3,014	(180)	274	0	0	94	3,108
Financial Services, Department of	1,289	1,334	(100)	157	0	0	57	1,391
General Services, Office of	1,741	1,848	(119)	127	0	0	8	1,856
Health, Department of	4,567	5,420	(405)	965	0	0	560	5,980
Information Technology Services, Office of	3,200	3,321	(121)	369	0	0	248	3,569
Labor, Department of	2,616	2,778	(89)	89	0	0	0	2,778
Mental Health, Office of	13,332	13,869	(1,756)	1,762	0	0	6	13,875
Motor Vehicles, Department of	2,663	3,028	(292)	292	0	0	0	3,028
Parks, Recreation and Historic Preservation, Office of	1,947	2,034	(152)	205	0	0	53	2,087
People with Developmental Disabilities, Office for	17,749	18,954	(2,224)	2,230	0	0	6	18,960
State Police, Division of	5,450	5,775	(178)	282	0	0	104	5,879
Taxation and Finance, Department of	3,589	3,785	(86)	86	0	0	0	3,785
Temporary and Disability Assistance, Office of	1,791	1,922	(249)	249	0	0	0	1,922
Transportation, Department of	8,107	8,147	(338)	676	0	0	338	8,485
Workers' Compensation Board	1,018	1,081	(56)	56	0	0	0	1,081
<b>Subtotal - Major Agencies</b>	<b>103,808</b>	<b>109,402</b>	<b>(10,828)</b>	<b>11,395</b>	<b>0</b>	<b>0</b>	<b>567</b>	<b>109,969</b>

<b>Workforce Impact Summary</b>								
<b>All Funds</b>								
<b>SFY 2021 Through SFY 2023</b>								
	<b>SFY 2021 Actuals (03/31/21)</b>	<b>Starting Estimate (03/31/22)</b>	<b>Attritions</b>	<b>New Fills</b>	<b>Fund Shifts</b>	<b>Mergers</b>	<b>Net Change</b>	<b>Ending Estimate (03/31/23)</b>
<b>Subtotal - Major Agencies</b>	103,808	109,402	(10,828)	11,395	0	0	567	109,969
<b>Subtotal - Minor Agencies</b>	7,422	8,246	(654)	1,084	0	0	430	8,676
<b>Subtotal - Subject to Direct Executive Control</b>	111,230	117,648	(11,482)	12,479	0	0	997	118,645
<b>University Systems</b>								
City University of New York	13,350	13,476	(1,347)	1,887	0	0	540	14,016
State University Construction Fund	130	136	(14)	23	0	0	9	145
State University of New York	46,373	46,431	(4,643)	4,983	0	0	340	46,771
<b>Subtotal - University Systems</b>	<b>59,853</b>	<b>60,043</b>	<b>(6,004)</b>	<b>6,893</b>	<b>0</b>	<b>0</b>	<b>889</b>	<b>60,932</b>
<b>Independently Elected Agencies</b>								
Audit and Control, Department of	2,721	2,719	(134)	185	0	0	51	2,770
Law, Department of	1,755	1,820	(156)	156	0	0	0	1,820
<b>Subtotal - Independently Elected Agencies</b>	<b>4,476</b>	<b>4,539</b>	<b>(290)</b>	<b>341</b>	<b>0</b>	<b>0</b>	<b>51</b>	<b>4,590</b>
<b>Agency Total</b>	<b>175,559</b>	<b>182,230</b>	<b>(17,776)</b>	<b>19,713</b>	<b>0</b>	<b>0</b>	<b>1,937</b>	<b>184,167</b>

### **Public Employment Relations Board**

The Executive Budget proposes \$4.3 million in All Funds appropriations for the Public Employment Relations Board, which is an increase of \$282,000, or 7 percent, from SFY 2021-22 levels. This increase is attributable to general salary increases and increases in workforce. The Public Employment Relations Board's workforce is estimated to be 32 FTEs, an increase of one over SFY 2021-22.

### **Workers' Compensation Board**

The Executive Budget proposes \$206.2 million in All Funds appropriations for the Workers' Compensation Board, which would remain flat when compared to SFY 2021-22 levels. The Workers' Compensation Board's workforce is estimated to remain constant at 1,081 FTEs.

### **Workers' Compensation Reserve**

The Executive budget proposes \$9.6 million in All Funds appropriations for the Workers' Compensation Reserve, unchanged from SFY 2021-22 levels. There are no FTEs associated with the Workers' Compensation Reserve.



## **Deferred Compensation Board**

The Executive budget proposes \$920,000 in All Funds appropriations for the Deferred Compensation Board (DCB), an increase of \$28,000, or 3.1 percent, from SFY 2021-22 levels. This increase is attributable to a general salary increase. The Deferred Compensation Board's workforce is estimated to remain constant at four FTEs.

## **Article VII**

**Ban Non-Compete and No-Poach Agreements (ELFA Part V):** The Executive proposes a ban on all non-compete agreements for employment in a job where the employee or prospective employee earns less than the State median wage. In addition, the proposal sets out limitations on non-compete agreements that apply to all other employees. The non-compete agreement must:

- Be strictly limited to no more than required to protect the employer's legitimate interest
- Not impose undue hardship on the employee
- Not be injurious to the public
- Be disclosed in a written offer of employment or promotion at least ten days before the offer or promotion is effective
- Be written in the primary language identified by the employee
- Be written at a reading comprehension level not exceeding that of the employee
- Not contain a term of more than one year after the employment concludes
- Not require adjudication of claims outside of New York State
- Be maintained by the employer for at least six years from the agreement
- Be voidable at the employee's option if the employer cannot demonstrate a continued willingness to employ the employee
- Not deprive an employee of protections arising from New York law.

Employers who violate the proposed law would be civilly liable for damages, attorney's fees, and costs. The proposal excludes contract provisions which prohibit the disclosure of trade secrets, broadcast network employees that are already covered by a similar provision of law, and agreements between business owners or partners. The proposal would also ban agreements restricting any employer's ability to solicit or hire another employer's current or former employees.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

**Increase Criminal Penalties for Wage Theft (ELFA Part W):** The Executive proposes to increase the criminal penalties for wage theft. Under current law, wage theft is a misdemeanor for the first offense, regardless of the number of employees affected or the amount of payment withheld. This proposal creates a new structure that increases the severity of the penalty

depending on whether one or more employees is affected and the amount of payment withheld, as follows:

- Class A misdemeanor (punishable by up to 364 days in local jail): Failure to pay a single employee less than \$1,000, or more than one employee less than \$25,000
- Class E felony (punishable by up to four years in prison): Failure to pay a single employee more than \$1,000, or more than one employee greater than \$25,000
- Class D felony (punishable by up to seven years in prison): Failure to pay a single employee more than \$3,000, or more than one employee greater than \$100,000
- Class C felony (punishable by up to 15 years in prison): Failure to pay a single employee more than \$50,000, or more than one employee greater than \$500,000 .

Any person guilty of subsequent offenses committed within six years of the date of conviction of the prior offense would be guilty of a Class E felony.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

**Waive the Income Cap for Retired Teachers and School Workers (ELFA Part HH):** The Executive proposes to waive the income cap on retired teachers and school workers until June 30, 2024. Under current law, teachers and school workers are at risk of either losing their pension status as retired or having their retirement allowance diminished or suspended if they return to work and earn more than \$35,000. This proposal removes this income cap and allows retired teachers and other public school employees to return to work while maintaining their current retirement allowance.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

**Permit the Use of Continuous Recruitment Testing (PPGG Part R):** The Executive proposes to allow the Department of Civil Service or municipal commissions to establish continuing eligible lists for any class of positions. Under current law, a continuing list is only permitted when there are inadequate numbers of well-qualified candidates.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

**Open-Competitive/Promotional Exams (PPGG Part S):** The Executive proposes to remove the requirement that open-competitive examinations be held at the same time as promotional examinations in order for non-competitive employees to be promoted into a competitive-class position. Under current law, employees who have held a non-competitive class position for at

least two years may take a promotion examination so long as the non-competitive class service is determined to be appropriate preparation. However, this is only permitted if the promotional exams are held at the same time as open competitive examinations. This proposal would remove that requirement.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

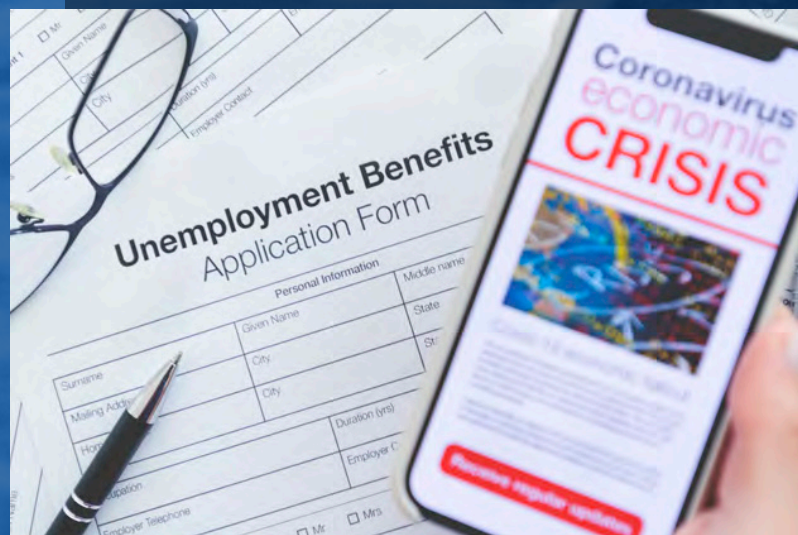
**Allow the Transfer of Noncompetitive Employees Appointed Through the State's 55-B and 55-C Programs Into the Competitive Class (PPGG Part T):** The Executive proposes to allow employees in the Civil Service 55-B and 55-C programs to transfer from non-competitive-class positions to competitive-class positions if they meet all necessary requirements. Civil Service Law 55-B and 55-C encourage the hiring of people with disabilities and veterans with disabilities, respectively, but only for positions in the non-competitive class.

*Fiscal Impact: The Executive estimates that there would be no fiscal impact as a result of this bill.*

**Expansion of the Statutory Shift Pay Differential (PPGG Part U):** The Executive proposes to authorize a pay differential for any work shift as determined by the Director of Classification and Compensation. Under current law, shift pay differential is additional compensation for work performed outside of the traditional day shift. This proposal allows shift pay differentials to be approved for other types of shifts such as weekend day shifts.

*Fiscal Impact: The Executive estimates that this bill would result in negligible costs, and manageable future costs. There is no associated appropriation increase related to this bill.*

# Local Government Assistance



## Local Government Assistance Fact Sheet

### Appropriations

- **Aid and Incentives for Municipalities (AIM):** The Executive Budget proposes \$715.2 million in unrestricted aid for local governments. This includes a restoration of AIM payments for towns and villages to 2018 levels, representing an increase of \$59.1 million from SFY 2021-22.
- **Miscellaneous Financial Assistance:** The Executive Budget proposes \$18.8 million in miscellaneous financial assistance, representing an increase of \$845,000 from SFY 2021-22. This includes \$15.0 million to the City of Albany, and \$3.8 million to Madison County.

### Article VII

- **Changes to the County-Wide Shared Services Initiative:** The Executive Budget includes a proposal to allow projects that were included in a previous plan but left unimplemented to be included in a future plan and still be eligible for State matching funds; currently, these projects are excluded from matching funds. The proposal also requires Shared Services panels to submit applications for State matching funds by December 31 of the second year following Plan adoption.
- **Resume General Fund AIM for Towns and Villages:** The Executive Budget includes a proposal to restore Aid and Incentives for Municipalities (AIM) to 846 towns and 479 villages.

## Local Government Assistance Details

### Overview

The Executive Budget for SFY 2022-23 proposes \$46.2 billion in State support to local governments through major local aid programs and savings initiatives. The Executive Budget Financial Plan estimates a positive net impact to local governments of approximately \$2.5 billion for municipalities and school districts in Local Fiscal Year 2022-23.

<b>Executive Budget Impact for Local Fiscal Year 2022-23 (\$ in millions)</b>		
<b>Major Local Aid Programs</b>	<b>LFY 2022-23 Local Aid</b>	<b>Net Impact on LFY 2022- 23</b>
School Aid and Other Education	\$31,280.10	\$2,066.00
Special Education	\$1,423.60	\$0.00
Medicaid	\$5,179.30	\$0.00
Human Services	\$4,307.70	\$49.10
Health	\$483.60	(\$205.40)
Mental Hygiene	\$84.80	\$7.70
Transportation	\$1,409.90	\$499.00
Municipal Aid	\$774.60	\$1.80
Public Protection	\$515.20	\$13.80
Environment	\$430.00	\$0.00
Other Local Aid Programs	\$318.20	\$0.00
Revenue Impacts	\$0.00	\$17.30
<b>Total Executive Budget Impacts</b>	<b>\$46,207.00</b>	<b>\$2,449.30</b>

<b>SFY 2022-23 Executive Budget Impact on Local Governments (\$ in millions)</b>	
New York City (includes school district)	\$503.00
School Districts	\$1,504.20
Counties	\$207.30
All Other Cities (excludes school districts)	\$100.00
Towns and Villages	\$130.80

The Executive Budget proposes \$832.0 million in All Funds appropriations in Aid to Localities for Local Government Assistance programs, an increase of \$61.9 million from SFY 2021-22.

SFY 2022-23 Executive Budget Appropriations - Aid to Localities (\$ in millions)				
Funding Source	Enacted SFY 2021-22	Executive Budget SFY 2022-23	Change (\$)	Change (%)
<b>General Fund</b>				
AIM (Unrestricted)	\$656.07	\$715.17	\$59.10	8.3%
CREG/ CETC	\$33.25	\$35.00	\$1.75	5.0%
LGEG	\$3.80	\$4.00	\$0.20	5.0%
VLT	\$28.89	\$28.89	\$0.00	0.0%
Miscellaneous Assistance	\$17.91	\$18.75	\$0.84	4.5%
Small Government Assistance	\$0.22	\$0.22	\$0.00	0.0%
<b>General Fund Total</b>	<b>\$740.14</b>	<b>\$802.03</b>	<b>\$61.89</b>	<b>8.4%</b>
<b>Fiduciary Fund Total</b>	<b>\$30.00</b>	<b>\$30.00</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>All Funds Total</b>	<b>\$770.14</b>	<b>\$832.03</b>	<b>\$61.89</b>	<b>8.0%</b>

### **Aid and Incentives for Municipalities (AIM)**

The AIM program provides funding to all cities, towns, and villages, except for New York City. The Executive Budget proposes \$754.2 million in unrestricted aid to municipalities, an increase of \$59.1 million from the SFY 2021-22 Enacted Budget. In SFY 2019-20, the Enacted Budget eliminated \$59.1 million in AIM payments to most towns and villages across the state. These AIM payments were replaced by AIM-related payments, which provided the same amount of funding for each town and village by diverting a portion of county sales tax receipts. The Executive Budget would shift the cost back to the State.

### **Citizens Reorganization Empowerment Grants (CREG) & Citizens Empowerment Tax Credits (CETC)**

Citizens Reorganization Empowerment Grants (CREG) provide up to \$100,000 for local governments to plan or implement consolidations or dissolutions. Citizens Empowerment Tax Credits (CETC) provide annual State aid to cities, towns, and villages that consolidate or dissolve. These tax credits are equal to 15 percent of the consolidated local government's combined tax levy. At least 70 percent of each tax credit must be used for direct property tax relief.

The Executive Budget proposes \$35 million for these programs, an increase of \$1.8 million from SFY 2021-22. Historically, these initiatives received a \$35 million appropriation annually, but the SFY 2021-22 Enacted Budget reduced these programs by 5 percent.

**Local Government Efficiency Grants (LGEG)**

Local Government Efficiency Grants (LGEG) are competitive grants that assist local governments with the costs of efficiency projects, such as shared services or consolidations. The Executive Budget proposes \$4 million for this program, which is an increase of \$200,000 from SFY 2021-22. Historically, this program has received \$4 million annually, but the SFY 2021-22 Enacted Budget reduced it by 5 percent.

**Video Lottery Terminal Aid (VLT)**

The Executive Budget proposes \$28.9 million for Video Lottery Terminal (VLT) Aid. This appropriation remains unchanged from SFY 2021-22. This funding supports municipalities where a video lottery gaming facility is located, to offset increases in local costs related to hosting the VLTs. VLT Aid is only provided to eligible municipalities with video lottery gaming facilities. The following table shows the amount of annual aid received by each eligible municipality.

<b>VLT Aid by Eligible Municipality (\$ in thousands)</b>		
<b>VLT Facility</b>	<b>Municipality</b>	<b>SFY 2022-23</b>
Empire City	City of Yonkers	\$19,600
	City of Batavia	\$441
Batavia Downs	Town of Batavia	\$160
	Genesee County	\$200
	Town of Hamburg	\$866
Fairgrounds (Hamburg)	Erie County	\$289
	Town of Farmington	\$1,778
Finger Lakes	Ontario County	\$591
	Village of Monticello	\$291
Monticello	Town of Thompson	\$635
	Sullivan County	\$309
	City of Saratoga Springs	\$2,326
Saratoga Springs	Saratoga County	\$775
	Village of Vernon	\$137
Vernon Downs	Town of Vernon	\$232
	Oneida County	\$257
	<b>Total VLT Aid</b>	<b>\$28,887</b>



### **Miscellaneous Financial Assistance**

The Executive Budget proposes \$18.8 million for Miscellaneous Financial Assistance, an increase of \$845,000 from the prior year. The Executive Budget provides the City of Albany with \$15 million in unrestricted aid, an increase of \$3 million from SFY 2021-22, and Madison County with \$3.8 million, unchanged from SFY 2021-22. The Executive Budget proposal eliminates \$2.2 million in funding for legislative adds.

### **Small Government Assistance**

The Executive Budget proposes \$217,000 in Small Government Assistance to provide relief to local governments affected by State forest property tax exemptions, including \$124,000 for Essex County, \$72,000 for Franklin County, and \$21,300 for Hamilton County.

### **Article VII**

**Changes to the County-Wide Shared Services Initiative (CWSSI) (PPGG Part W):** The Executive Budget includes a proposal to make three significant changes to the County-Wide Shared Services Initiative. The proposal would:

- Allow shared services projects that were included in a previously submitted plan for match funding consideration, but that were not implemented, to be reused in a future plan submission and still be eligible for State matching funds. Currently, these projects are excluded from matching funds.
- Require each county and all local governments within the county that are a part of the Shared Services project to submit one combined application for each plan, making administration of the program more efficient.
- Require that, upon implementation of a plan, the subsequent application for State matching funds be submitted by December 31 of the second year following Plan adoption. Currently, there are no restrictions on when an application for matching funds must be submitted after implementation.

*Fiscal Impact: The SFY 2022-23 Executive Budget reappropriates \$210.9 million for the CWSSI, and changes made in this proposal are intended to encourage more participation in the program.*

**Resume General Fund AIM for Towns and Villages (PPGG Part X):** The Executive Budget includes a proposal to restore Aid and Incentives for Municipalities (AIM) to 846 towns and 479 villages that currently receive \$59.1 million in AIM-Related payments that are funded by local sales tax, shifting the funding source to the State. The SFY 2019-20 Enacted Budget reduced AIM funding by \$59 million, eliminating aid for many villages and towns that were determined to be less reliant on AIM. After the elimination, the State established “AIM-Related payments”

that continued the funding for these impacted villages and towns at the same levels AIM was previously funded at. However, the funding source for these payments shifted to counties, with the State Comptroller withholding a portion of county sales tax to fund the AIM-related payments. Effectively, this proposal will reverse the changes in the 2019-20 State Budget and shift the funding source back to the State, alleviating the sales tax burden on counties.

*Fiscal Impact: This proposal would allow the Office of the State Comptroller (OSC) to provide the final round of AIM-related payments to municipalities that receive an AIM-related payment in May 2022. Shifting the cost of these AIM payments to the State would have a \$59.1 million impact to the State Financial Plan, and would eliminate the \$59.1 million cost of AIM-related payments on counties beginning in Local Fiscal Year 2023.*

# Public Protection



Staff Analysis of  
the 2022-23 Executive Budget

## Public Protection Fact Sheet

### Appropriations

- **Department of Corrections and Community Supervision:** The Executive proposes an All Funds appropriation of \$3.5 billion, a net increase of \$40.4 million or 1.2 percent compared to SFY 2021-22.
- **Division of Homeland Security and Emergency Services:** The Executive proposes an All Funds appropriation of \$4.9 billion, a net decrease of \$734,000 or less than one percent compared to SFY 2021-22.
- **Division of State Police:** The Executive Budget proposes All Funds appropriations of \$1 billion, an increase of \$25 million or 2.4 percent compared to SFY 2021-22.
- **Division of Criminal Justice Services:** The Executive Budget proposes All Funds appropriations of \$484 million, a net increase of \$100 million or 26 percent compared to SFY 2021-22. The increase supports programs to combat gun violence.

### Article VII

- **Clean Slate:** The Executive proposal includes automatic sealing for some criminal convictions after a three-year waiting period for misdemeanors and a seven-year waiting period for felonies.
- **Gender Affirming Treatment of Incarcerated Individuals:** The Executive proposes the codification of gender-affirming treatment of incarcerated people in State prisons and local jails.
- **Private Sector Employment for Incarcerated Persons:** The Executive proposes statutory language and a constitutional amendment to permit incarcerated people to obtain employment with private-sector businesses.

## PUBLIC PROTECTION AGENCY DETAILS

Public Protection Agency All Funds Appropriations ( \$ in millions )				
Agency	SFY 2022 Available	SFY 2023 Executive Recommendation	\$ Change	% Change
Department of Corrections and Community Supervision	\$3,436	\$3,476	\$40.38	1.2%
Division of Homeland Security and Emergency Services	\$4,973	\$4,973	(\$0.73)	-0.01%
Division of State Police	\$1,024	\$1,049	\$24.67	2.4%
Division of Criminal Justice Services	\$384	\$484	\$100.29	26.1%
Office of Indigent Legal Services	\$314	\$364	\$50.49	16.1%
Department of Law	\$273	\$305	\$31.67	11.6%
Office of Victim Services	\$217	\$217	\$0.89	0.4%
Division of Military and Naval Affairs	\$146	\$214	\$68.10	46.6%
Interest on Lawyers Account	\$47	\$47	\$0.06	0.1%
Office for the Prevention of Domestic Violence	\$11	\$11	\$0.19	1.7%
Judicial Commissions	\$6	\$7	\$0.83	13.0%
State Commission of Correction	\$3	\$3	\$0.19	6.3%
State Commission on Prosecutorial Conduct	\$0	\$2	\$2	100%
<b>Public Protection Total</b>	<b>\$10,834</b>	<b>\$11,153</b>	<b>\$319</b>	<b>2.9%</b>

### Overview

The Executive Budget recommends All Funds appropriations of \$11 billion for all Public Protection agencies. This amount represents an overall increase of \$318 million or 3 percent compared to SFY 2021-22. The \$11 billion includes \$4.5 billion for State Operations, \$5.8 billion for Aid to Localities, and \$800 million for Capital Projects.

### Department of Correction and Community Supervision (DOCCS)

The Executive Budget proposes All Funds appropriations of \$3.5 billion, a net increase of \$40.4 million or 1.2 percent compared to SFY 2021-22. The net increase derives from a \$106 million increase to support General Salary Increases and a \$42 million increase to support facility maintenance and renovation, which are offset by a \$112 million reduction in State Operations costs resulting from SFY 2021-22 correctional facility closures.

The All Funds appropriation includes \$2.9 billion for State Operations, \$37 million for Aid to Localities, and \$479 million for Capital Projects. The Executive Budget proposal supports costs related to personnel services, parole board operations, programs and health services, and community supervision. The Executive Budget proposal supports a workforce of 26,423 FTEs, a decrease of 1,096 FTEs compared to SFY 2021-22. The Executive Budget proposal provides

funding for the following major programs:

- \$45 million to support implementation of the Humane Alternatives to Long-Term (HALT) Solitary Confinement Act.
- \$11 million to support implementation of Medication Assisted Treatment (MAT) in State correctional facilities.
- \$8.1 million to support Parole Board operations, an increase of \$1 million to support a fully staffed Board.
- \$2.5 million to support the new Transitional Housing program for individuals released to community supervision. The program would place individuals in residential treatment facilities for 90 days after release from a correctional facility and provide a stipend to cover housing costs for an additional 84 days (12 weeks).

#### Division of Homeland Security and Emergency Services (DHSES)

The Executive Budget proposes All Funds appropriations of \$4.9 billion, a net decrease of \$734,000 or less than one percent compared to SFY 2021-22. The All Funds appropriations includes \$87.7 million for State Operations, \$4.8 billion for Aid to Localities, and \$31 million for Capital Projects. The Executive Budget proposal supports a workforce of 570 FTEs, unchanged compared to SFY 2021-22. The Executive Budget proposal provides funding for the following major programs:

- \$4.5 million to support expansion of the Cyber Incident Response Program.
- \$3.3 million to support American Red Cross Emergency Response, a decrease of \$1 million due to the elimination of Legislative grants.
- \$3 million in Capital Project funding to support upgrades to the State Preparedness Training Center in Oriskany (Oneida County).

#### Division of State Police (DSP)

The Executive Budget proposes All Funds appropriations of \$1 billion, an increase of \$25 million or 2.4 percent compared to SFY 2021-22. The All Funds appropriations includes \$916.5 million for State Operations and \$132.6 million for Capital Projects. The Executive Budget proposal supports a workforce of 5,879 FTEs, an increase of 104 FTEs compared to SFY 2021-22. The increase is attributed to the following major changes:

- \$13 million increase to support expansion of Community Stabilization Units (CSU), which provide crisis stabilization services to people needing urgent care.
- \$6.2 million increase to support expansion of the gun tracing teams, social media analysts, the expansion of the Computer Crime Unit and new software.
- \$4 million increase in Capital Project funding to support maintenance and operations.

### Division of Criminal Justice Services (DCJS)

The Executive Budget proposes All Funds appropriations of \$484 million, a net increase of \$100 million or 26 percent compared to SFY 2021-22. The All Funds appropriations includes \$87 million for State Operations, \$322 million for Aid to Localities, and \$75 million for Capital Projects. The Executive Budget proposal supports a workforce of 415 FTEs, an increase of seven FTEs compared to SFY 2021-22. The net increase is mainly attributed to a \$122 million increase to support gun violence programs, offset by a decrease due to the elimination of Legislative grants. The increase is attributed to the following major changes:

- \$50 million in new funding to support gun violence capital grants to reduce crime.
- \$20 million in new funding to support community intervention programs that respond to gun violence.
- \$18 million increase to support Street Outreach and Youth Justice programs.
- \$16 million increase to support Operation SNUG.
- \$15 million increase to support the Crime Analysis Center.
- \$10 million in new funding to support Pretrial Service grants.

### Office of Indigent Legal Services (ILS)

The Executive Budget proposes All Funds appropriations of \$364 million, an increase of \$50.5 million or 16 percent compared to SFY 2021-22. The All Funds appropriations includes \$7 million for State Operations and \$357 million for Aid to Localities. The Executive Budget proposal supports a workforce of 32 FTEs, an increase of two FTEs compared to SFY 2021-22. The net increase is attributed to the following major changes:

- \$50 million increase to support on-going statewide implementation of the Hurrell-Harring (HHS) Settlement, which includes counsel at arraignment and caseload standards.
- \$2.5 million decrease due to the elimination of legislative grant funding to support improvements to parental representation in family court cases.

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

The Executive Budget proposes All Funds appropriations of \$305 million, an increase of \$32 million or 11.6 percent compared to SFY 2021-22. The All Funds appropriations includes \$298 million for State Operations and \$6.5 million for Capital Projects. The Executive Budget proposal supports a workforce of 1,820 FTEs, unchanged compared to SFY 2021-22. The increase is attributed to the following changes:

- \$23 million increase to support General Salary Increases.
- \$6.5 million increase to support IT system and equipment upgrades.

- \$3 million increase to support the Oil Spill program.

#### Office of Victim Services (OVS)

The Executive Budget proposes All Funds appropriations of \$217.5 million, a net increase of \$888,000 or less than one percent compared to SFY 2021-22. The All Funds appropriation includes \$17.6 million for State Operations, \$198 million for Aid to Localities funding, and \$1.2 million for Capital Projects. The Executive Budget proposal supports a workforce of 96 FTEs, an increase of seven FTEs compared to SFY 2021-22. The net increase is attributed to the following:

- \$35.5 million to support the victim compensation program, which provides aid to survivors of crimes and their families. This includes an increase of \$560,000 to support an increase in the maximum award provided to eligible survivors and their families.
- \$3.7 million to support operational expenses related to storage of sexual assault evidence kits. This includes a net decrease of \$570,000 related to reduced capital costs.
- \$900,000 increase to support personal services and nonpersonal services adjustments.

#### Division of Military and Naval Affairs (DMNA)

The Executive Budget proposes All Funds appropriations of \$214 million, an increase of \$68 million or 47 percent compared to SFY 2021-22. The All Funds appropriations includes \$137 million for State Operations, \$1 million for Aid to Localities, and \$76 million for Capital Projects. The Executive Budget proposal supports a workforce of 392 FTEs, an increase of six FTEs compared to SFY 2021-22. The net increase is attributed to the following changes:

- \$57 million increase to support operations of the Joint Task Force Empire Shield, which is designed to prevent and respond to natural disasters and terrorist operations.
- \$10.6 million increase to support armory maintenance and information system upgrades.

#### Interest on Lawyer Account (IOLA)

The Executive Budget proposes All Funds appropriations of \$47.2 million, an increase of \$62,000 or less than one percent compared to SFY 2021-22. The All Funds appropriations includes \$2.1 million for State Operations and \$45 million for Aid to Localities. The Executive Budget proposal supports a workforce of nine FTEs, unchanged compared to SFY 2021-22.

#### Office for the Prevention of Domestic Violence (OPDV)

The Executive Budget proposes All Funds appropriations of \$10.9 million, a net increase of \$185,000 or 1.7 percent compared to SFY 2021-22. The Executive Budget proposal supports a



workforce of 32 FTEs, an increase of three FTEs compared to SFY 2021-22. The net increase is attributed to a \$268,000 increase in cost to support the establishment of the New York State Gender-Based Violence Training Institute. The institute will work in collaboration with advocacy organizations to create a training certificate program for domestic and gender-based violence survivor advocates. The increase is offset by a reduction of \$80,000 mainly due to the elimination of Legislative grants.

### Judicial Commissions

The Executive Budget proposes All Funds appropriations of the following amounts for the three State judicial commissions:

- Commission on Judicial Conduct: \$7.2 million, an increase of \$833,000 for general salary increases, staffing increases, a new case management system, and lease costs.
- Judicial Screening Committee: \$38,000, unchanged from SFY 2021-22.
- Commission on Judicial Nomination: \$30,000, unchanged from SFY 2021-22.

### State Commission of Correction (SCOC)

The Executive Budget proposes All Funds appropriations of \$3.3 million, an increase of \$187,000 or 5.7 percent compared to SFY 2021-22. The Executive Budget proposal supports a workforce of 44 FTEs, an increase of five FTEs compared to SFY 2021-22, who will ensure compliance with implementation of the Humane Alternatives to Long-Term (HALT) Solitary Confinement Act and Medication Assisted Treatment (MAT) in local correctional facilities.

### State Commission on Prosecutorial Conduct

The Executive Budget proposes All Funds appropriation of \$1.8 million to support 19 FTEs within this new office. The Executive Budget includes \$1.4 million to support personal services associated with hiring staff and \$400,000 to support nonpersonal services (contractual, equipment, supplies, materials, and travel). The office was established under legislation enacted in 2021, which provides the 11-member commission the authority to review and investigate conduct of prosecutors.

### Public Protection Miscellaneous Appropriations

The Executive Budget proposes an All Funds miscellaneous appropriation of \$27.3 billion to support emergency response related to unanticipated expenses which derive from a man-made or natural disaster:

- \$25 billion for Special Federal Emergency, a decrease of \$10 million compared to SFY 2021-22.
- \$2 billion for Special Emergency, unchanged compared to SFY 2021-22.
- \$300 million for Public Security and Emergency Response, unchanged compared to SFY 2021-22.

## **Article VII**

### **Department of Correction and Community Supervision**

**Gender-Affirming Treatment of Incarcerated Individuals (PPGG Part B):** The Executive proposes codifying gender-affirming treatment of incarcerated individuals in prisons and local jails. Under this proposal, incarcerated individuals who have a gender identity that differs from the sex that they are assigned at birth, have a diagnosis of gender dysphoria, who identify as transgender, who are nonconforming or nonbinary, or who are intersex, may request to be housed at a correctional facility that aligns with their gender identity. There must be documentation of the individual’s gender identity and their gender-related housing request included when the individual is received by a correctional facility.

DOCCS must establish rules and regulations to facilitate this policy and will have discretion to determine whether to ultimately place the individual in a facility that aligns with their gender identity. DOCCS may deny an individual’s gender-related housing request or may transfer an individual placed in a correctional facility that aligns with their gender identity for safety, security, or health concerns. Incarcerated individuals who have a gender identity that differs from the sex that they are assigned at birth must be given department-issued undergarments, clothing, and provided medical/mental health treatment consistent with the gender with which they identify.

*Fiscal Impact: This Executive proposal would have no fiscal impact on the State and no fiscal impact on local governments.*

**Expands Educational Release and Furlough Eligibility and Expands Eligibility Criteria for Limited Credit Time Allowance (PPGG Part C):** The Executive proposes expanding Educational Release and Furlough. The Executive proposes to expand eligibility for Furlough by allowing those currently serving a sentence for certain violent felony offenses to apply if they have participated in college programming for one year while incarcerated and are currently participating in college programming through Educational Release. The Executive proposes to expand eligibility for Educational Release by allowing those currently serving a sentence for a violent felony offense to apply as long as they also have participated in college programming for one year while incarcerated.

This proposal also expands one of the eligibility criteria for the Limited Credit Time Allowance benefit by reducing the college programming requirement from two years to one year and requiring at least six months participation in college programming through Educational Release.

*Fiscal Impact: This Executive proposal would have no fiscal impact on the State and no fiscal impact on local governments.*

**Eliminates DOCCS Supervision Fees (PPGG Part D):** The Executive proposes eliminating the \$30 per month supervision fee that individuals on parole and post-release supervision are required to pay after they are released from prison. Under current law, DOCCS may waive all or part of the supervision fee due to hardship.

*Fiscal Impact: This Executive proposal would have a minimal fiscal impact on the State due to reduced State revenue. The proposal would have no fiscal impact on local government.*

**Facilitates Access to ID Cards and Other Vital Records to Enhance Opportunities for Released Individuals (PPGG Part E):** The Executive proposes granting DOCCS the authority to request and obtain the certified birth certificate or transcript of birth of incarcerated individuals to make it easier for incarcerated people to obtain State identification cards prior to release. This proposal would allow an individual's sentence and commitment to a DOCCS facility or a certificate of conviction to be sufficient for DOCCS to submit a request for a certified birth certificate or transcript of birth on behalf of the incarcerated individual.

*Fiscal Impact: This Executive proposal would have no fiscal impact on the State and no fiscal impact on local governments.*

**Prohibits Outside Employment for Parole Board Members (PPGG Part F):**

The Executive proposes prohibiting Parole Board Members from obtaining outside employment while they are serving as Parole Board Members.

*Fiscal Impact: This Executive proposal would have no fiscal impact on the State and no fiscal impact on local governments.*

**Private Sector Employment for Incarcerated Persons (PPGG Part BB):** The Executive proposes amending the state Constitution to allow incarcerated individuals the opportunity to be employed by private companies willing to participate in employment certification programs within correctional facilities and prison work-release programs. The proposal also authorizes DOCCS to create a prison industries certification program and establish rules and regulations to implement the program. Under this proposal, incarcerated individuals participating in private sector employment would be paid a fair wage based on the wage paid for work of a similar nature in the locality in which the work was performed. This proposal is accompanied by a

concurrent resolution to amend the State Constitution to permit private employment of incarcerated people.

*Fiscal Impact: This Executive proposal would have no fiscal impact on the State and no fiscal impact on local governments.*

#### Division of Homeland Security and Emergency Services (DHSES)

**Suspend Subsidy to Revolving Loan Fund from Cell Surcharge Investments for Veteran Services (PPGG Part G):** The Executive proposes to extend the existing suspension of the annual transfer of \$1.5 million from the Public Safety Communications Account to the Emergency Services Revolving Loan Fund (ESRLF) for SFY 2022-23 and 2023-24. The Public Safety Communications Account is used to fund purposes such as interoperable communication grants to counties. The ESLRF assists various localities in financing emergency response equipment and construction costs related to the housing of such equipment. Since the fund is structured as a revolving loan fund, the Executive states that, presently, it has a sufficient balance, so eliminating the annual transfer from the account should not diminish the ability of the Fund’s administrators to make new loans. This transfer has been suspended since SFY 2011-12.

*Fiscal Impact: This Executive Budget proposal would have a \$1.5 million annual State fiscal impact. This Executive proposal would continue the existing suspension of revenue transferred from the Public Safety Communications Account to the Emergency Service Revolving Loan Fund for an additional two fiscal years.*

#### Division of Criminal Justice Services

**Establishes Permanent Funding for Implementation of Discovery Reform (PPGG Part A):** The Executive proposes removing the sunset date for the program directing funds from the Manhattan District Attorney’s Office for the purpose of funding statewide implementation of Discovery Reform. This would establish a permanent stream of funding to support digital evidence sharing as part of the reforms implemented in SFYs 2020 and 2021.

*Fiscal Impact: This Executive proposal would have a fiscal impact on the State and fiscal impact on local governments. The Executive proposal would continue to reduce revenue for New York City and provide \$40 million to the DCJS to provide local assistance grants to counties to cover costs associated with Discovery Reform.*

**Automatic Sealing of Criminal Records (“Clean Slate”) (PPGG Part AA):** The Executive proposes implementing automatic sealing of criminal records, often referred to as “Clean Slate.” Records would be automatically sealed, with no action needed on the part of the subject of the record, three years after the expiration of the person’s sentence for misdemeanors and the violation of Driving While Ability Impaired and seven years after the expiration of the person’s

sentence for felonies. These time periods do not contemplate the actual sentence served but are based on the maximum sentence handed down by the court at the time of sentencing and without reductions for merit time, furloughs, and other early release programs.

*Fiscal Impact: This Executive proposal would have no State or local fiscal impact in SFY 2022-23.*

#### Office for the Prevention of Domestic Violence

##### **Establishes a Gender Based Violence Training Institute/Domestic Violence Advocate**

**Training (PPGG Part H):** The Executive proposes creating a Gender Based Violence Training Institute (GBVTI) within the Office for the Prevention Of Domestic Violence. The purpose of the institute is to provide guidance and technical assistance to domestic and gender-based violence programs within OPDV to standardize domestic violence training among service providers. OPDV, in coordination with the Office of Children and Families, the Office of Victim Services, and other community-based domestic violence organizations, would be required to create mandatory minimum training standards that must include a minimum of 40 hours of training a year for domestic violence advocates. Completion of the mandatory training would result in certification.

*Fiscal Impact: The Executive Budget proposal provides an increase of \$268,000 to support the establishment of the Gender-Based Violence Training Institute.*

#### Office of Victim Services

##### **Expands Benefits for Victims of Hate Crimes and Other Acts of Violence (PPGG Part I):**

The Executive proposes raising the monetary cap on how much may be paid to repair or replace the essential personal property of victims from \$500 to \$2,500. The Executive's proposal also narrows the types of personal property that will be reimbursed by amending the definition of "essential personal property." Only personal property necessary and essential to the health and safety of the victim will be covered. Personal property essential to the victim's welfare will not be covered.

*Fiscal Impact: This Executive Budget proposal would have a State fiscal impact on the Victim Compensation program, which is administered by the Victim Office of Victim Services (OVS). The Executive Budget proposes \$35.5 million, an increase of \$560,000 for Victim Compensation program grants.*

## **Judiciary Fact Sheet**

### **Appropriations**

- **Attorney for the Child Program Investment:** The OCA Budget proposes \$132 million for the Attorney for the Child (AFC) program, which provides legal representation to children in Family Court matters. The OCA Budget proposes an \$1.7 million increase for the AFC program.
- **Judiciary Civil Legal Services Grants Investment:** The OCA Budget proposes \$113 million for Judiciary Civil Legal Services, an increase of \$12.6 million.
- **Court Facilities Incentive Aid Program Investment:** The OCA Budget proposes \$115 million for the Court Facilities Incentive Aid Program, provides grants to local governments for the construction and maintenance of court facilities.

### **Article VII**

- **Market-Based Interest Rate on Court Judgments:** The Executive Budget includes a proposal to apply a variable, market-based interest rate on court judgments.

**OFFICE OF COURT ADMINISTRATION AGENCY DETAILS**

<b>Office of Court Administration Total Appropriations</b>				
<b>(\$ in millions)</b>				
	<b>SFY 2022 Available</b>	<b>SFY 2023 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
OCA All Funds	\$2,417	\$2,467	\$50	2%
General State Charges	\$888	\$828	(\$60)	-6.8%
<b>OCA Total</b>	<b>\$3,305</b>	<b>\$3,295</b>	<b>(\$10)</b>	<b>-0.3%</b>

**Overview**

The Judiciary is 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. The State is responsible for funding all courts except Town and Village Courts. The New York State Office of Court Administration (OCA) is the administrative agency of the Judicial Branch. OCA Budget proposes total appropriations of \$3.3 billion, a net decrease of \$10 million or less than one percent compared to SFY 2021-22. This request includes \$2.5 billion in All Funds appropriations and \$828 million in General State Charges (GSC). The Judiciary proposes \$3.25 billion in total All Funds cash disbursements. The OCA Budget proposal supports a workforce consisting of over 16,200 employees, which includes 1,200 judges and 15,000 nonjudicial staff.

**Office of Court Administration (OCA)**

The OCA Budget’s proposed All Funds appropriations consist of \$2.5 billion, which includes \$2.2 billion for State Operations, \$280 million for Aid to Localities and \$25 million in Capital Projects funding. The All Funds appropriations increased by \$50 million or two percent compared to the SFY 2021-22.

*State Operations:* The \$2.2 billion appropriation for State Operations, an increase of \$15 million or 1.7 percent, would support hiring of additional staff, including 500 court officers and staff to support the 14 new judgeships that were created in 2021.

*Aid to Localities:* The \$278 million appropriation for Aid to Localities, an increase of \$15 million or 5.6 percent, would support a \$13 million increase in funding to cover inflation costs for the JCLS program, which has not increased in six years.

*Capital Projects:* The \$25 million appropriation for Capital Projects is unchanged from SFY 2021-22. This funding supports improvements to court technology infrastructure to enhance the Judiciary's security, computer network, and records management systems.

*General State Charges:* The \$828 million appropriation for GSC is a net decrease of \$60 million or 6.8 percent compared to SFY 2021-22. These appropriations are required for pension contributions, Social Security and Medicare, health insurance premiums, dental, vision and life insurance, and employee benefit funds. This net decrease is mainly attributed to fulfillment of pension payments from SFY 2021-22 and growth in the number of employees in Tier VI of the Retirement System, which decreases the employer payroll retirement contributions rate from 16.2 percent to 11.6 percent. The OCA GSC proposal provides support for the following obligations:

- \$433 million for Health, Dental, Vision and Life Insurance, an increase of \$30 million compared to SFY 2021-22;
- \$249 million for Pension Contributions, a decrease of \$86 million compared to SFY 2021-22;
- \$119 million for Social Security and Medicare costs, a decrease of \$4 million compared to SFY 2021-22; and
- \$28 million for Employee Benefit Fund costs, a decrease of \$100,000 compared to SFY 2021-22.

## **Article VII**

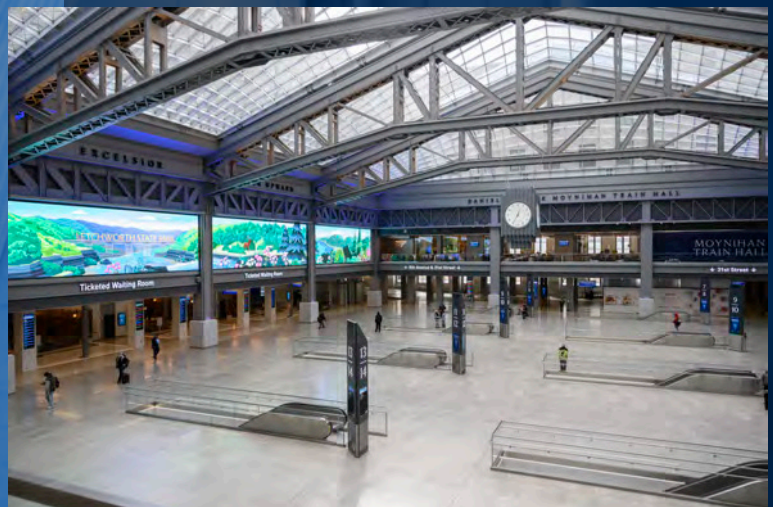
### **Office of Court Administration (OCA)**

**Market-Based Interest Rate on Court Judgments (PPGG Part V):** The Executive Budget includes a proposal to apply a variable, market-based interest rate on court judgments. The Executive proposal applies this new interest rate to all court judgments, including judgments against the State, except for consumer debt judgments and some judgments under the Tax Law. Under current law, the interest rate for most court judgments is 9 percent.

*Fiscal Impact:* This Executive proposal would have a positive State fiscal impact of \$6 million annually and an indeterminable positive fiscal impact to local governments. The fiscal impact associated with the proposal does not impact the Office for Court Administration's budget.



# Transportation



## Transportation Fact Sheet

### Appropriations

- **Funding for Five-Year DOT Capital Plan:** The Executive proposes \$6.7 billion for the first year of a new five-year Department of Transportation (DOT) capital plan, which will total \$32.8 billion over the five years.
- **Statewide Mass Transportation Operating Assistance (STOA) Increases:** The Executive proposal increases non-MTA downstate aid by 33.6 percent and upstate aid by 13.0 percent.
- **Consolidated Highway Improvement Program (CHIPs) and Marchiselli:** The Executive Budget continues a legislative addition of \$100 million for extreme winter recovery, but leaves base funding for these programs flat at \$578 million.
- **Touring Route Funding:** The Executive Budget continues a legislative addition of \$100 million in funding for the City Touring Routes program.

### Article VII

- **Expanded Camera Enforcement in NYC:** The Executive Budget authorizes the City of New York to use camera enforcement for a variety of City traffic regulations, including double parking, obstructing traffic, and stopping/standing in intersections, crosswalks, bus lanes, and bus stops. It also permanently extends the City's current bus rapid transit lane camera enforcement pilot program.
- **Incarcerated Individual Non-Driver IDs:** The Executive Budget authorizes DMV to waive the fee for non-driver identifications for incarcerated individuals who are inmates of an institution under the jurisdiction of a state department or agency.
- **MTA Procurement Modifications:** The Executive Budget proposes to expand MTA's procurement powers by:
  - Permitting MTA to use discretionary bidding for more contracts by increasing the discretionary bidding threshold for MWBEs, small businesses, recycled technology, and service-disabled veteran-owned businesses from \$1 million to \$1.5 million.
  - Modifying the threshold for when MTA must use design-build contracting from \$25 million for all projects to a two-tiered threshold of \$200 million for new

construction projects and \$400 million for rehabilitating or replacing existing assets.

- Reducing various procurement-related reporting requirements or timelines.
- **Design-Build:** The Executive Budget extends New York State’s and New York City’s respective authorizations to enter into design-build and best value contracting until 2027.
- **ConnectALL DOT Right of Way Fee Exemption:** The Executive Budget exempts any recipient of a New NY Broadband Office grant and any recipient of a successor program that includes a new ConnectALL initiative from DOT’s fee on the use of right-of-way for fiber optic cable for the entirety of the recipient’s network. Relatedly, the Executive is launching a \$1 billion ConnectALL initiative to provide affordable broadband grants and subsidies to expand access for additional New Yorkers, improve mapping, and expedite permitting processes.
- **Toll Violations:** The Executive Budget increases penalties related to individuals who conceal their license plates or otherwise attempt to use tolled roads without paying, authorizes and increases license and registration suspensions and penalties for failing to pay tolls, and imposes criminal penalties for individuals who fraudulently hold themselves out as qualified vehicles for transporting individuals with disabilities for purposes of receiving a central business district tolling exemption.
- **Gateway Project Match Funding:** The Executive Budget authorizes the Division of Budget to enter into contracts with the Gateway Development Commission to cover New York’s share of up to \$2.35 billion in capital commitments for the Hudson River Tunnels or “Gateway” Project.

## TRANSPORTATION AGENCY DETAILS

Transportation Agency All Funds Appropriations (millions)				
	SFY 2022 Available	SFY 2023 Executive Recommendation	\$ Change	% Change
Department of Transportation	\$11,276.69	\$13,366.86	\$2,090.17	18.5%
Department of Motor Vehicles	\$455.99	\$567.43	\$111.44	24.4%
Metropolitan Transportation Authority	\$860.81	\$901.77	\$40.96	4.8%
<b>Total Transportation</b>	<b>\$12,593.49</b>	<b>\$14,836.06</b>	<b>\$2,242.57</b>	<b>17.8%</b>

### Overview

The Executive Budget proposes \$14.8 billion in All Funds appropriations for SFY 2022-23, a \$2.2 billion increase or 17.8 percent from SFY 2021-22. This increase largely results from an anticipated increase of \$1 billion for federal transportation capital funds as well as a \$106 million increase to the Department of Motor Vehicles operations. The Executive continues a reappropriation of \$3 billion to support the Metropolitan Transportation Authority's (MTA) 2020-2024 Capital Plan.

### Department of Transportation

The Executive Budget proposes \$13.4 billion in All Funds appropriations for DOT, an increase of \$2.1 billion or 18.5 percent from SFY 2021-22. This increase reflects increased capital funding and greater appropriations for Statewide Mass Transportation Operating Assistance (STOA). STOA provides operating assistance funds to mass transit systems throughout the State.

The Executive Budget maintains Legislative additions of \$100 million each in capital funding for Extreme Winter Recovery assistance and the City Touring Routes program. The Extreme Winter Recovery funding helps municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather. The City Touring Routes program provides support to localities that maintain touring routes on behalf of the State.

The Executive increases non-MTA STOA appropriations by 25.6 percent. Specifically, it increases upstate transit aid by 13.0 percent or \$30.02 million and downstate non-MTA transit aid by 33.6 percent or \$121.36 million. These increases in STOA appropriations are made relative to SFY 2021-22 Enacted Budget appropriation levels and reflect greater levels of transfers from the General Fund to public transit entities, as well as increased revenue from dedicated revenue streams.

SFY 2023 Statewide Mass Transportation Operating Assistance (STOA) Appropriations (millions)				
	SFY 2022 Available	SFY 2023 Executive Recommendation	\$ Change	% Change
<b>MTA Total</b>	<b>\$3,127.48</b>	<b>\$3,884.28</b>	<b>\$756.80</b>	<b>24.2%</b>
Nassau	\$75.79	\$103.39	\$27.60	36.4%
Rockland	\$3.83	\$5.22	\$1.39	36.4%
Staten Island Ferry	\$37.33	\$50.93	\$13.60	36.4%
Suffolk	\$29.48	\$40.22	\$10.74	36.4%
Westchester	\$62.66	\$85.49	\$22.83	36.4%
NYC DOT	\$99.77	\$136.11	\$36.34	36.4%
Suffolk Shuttle	\$0.50	\$0.50	\$0.00	0.0%
Lower Hudson Transit Link	\$11.00	\$11.00	\$0.00	0.0%
Formulas	\$40.50	\$49.37	\$8.87	21.9%
<b>Non-MTA Downstate Total</b>	<b>\$360.87</b>	<b>\$482.23</b>	<b>\$121.36</b>	<b>33.6%</b>
CDTA	\$41.11	\$48.74	\$7.63	18.6%
CNYRTA	\$37.52	\$42.40	\$4.88	13.0%
NFTA	\$59.19	\$66.87	\$7.68	13.0%
RGRTA	\$45.56	\$51.48	\$5.92	13.0%
Formulas	\$47.21	\$51.12	\$3.91	8.3%
<b>Upstate Total</b>	<b>\$230.59</b>	<b>\$260.61</b>	<b>\$30.02</b>	<b>13.0%</b>
MTA Total	\$3,127.48	\$3,884.28	\$756.80	24.2%
Non-MTA Total	\$591.46	\$742.84	\$151.38	25.6%
<b>STOA Total</b>	<b>\$3,718.93</b>	<b>\$4,627.12</b>	<b>\$908.19</b>	<b>24.4%</b>

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

The Executive Budget provides \$6.7 billion for the first year of a new five-year DOT capital plan. This includes a total of \$1 billion for BRIDGE NY and \$750 million for PAVE NY over the five-year plan. The Consolidated Highway Improvement Program (CHIPS) and Marchiselli program funding remain flat at \$538.1 million and \$39.7 million respectively. CHIPS provides funds to municipalities to support construction and repair of highways, bridges, highway-railroad crossings, and other facilities that are not part of the State highway system. Marchiselli program funding offsets a portion of the non-federal share of project costs.

The DOT Capital Plan proposes \$1 billion over the five-year plan for Operation Pave Our Potholes (POP), a new pothole repair program. The Capital Plan also includes \$550 million for reconstruction of the Bruckner-Sheridan Interchange at Hunts Point and \$1.1 billion for projects on I-81 in Syracuse. The Executive provides an unspecified amount of funding for various projects across the state, including but not limited to the Kensington Expressway in Buffalo, the Livingston Avenue Rail Bridge in Albany, the Cross Bronx Expressway, Oakdale Merge in Suffolk County, and the conversion of Route 17 to I-86 in Orange County. Some of this funding may support studies associated with these projects.

The Executive Budget continues \$20 million in support for the third year of a five-year \$100 million initiative to help electrify mass transit bus fleets with a goal of electrifying 25 percent of these fleets by 2025 and 100 percent by 2035. The transit systems that qualify for this funding are the Capital District Transportation Authority, Niagara Frontier Transportation Authority,

Rochester-Genesee Regional Transportation Authority, Suffolk County Transit, and Westchester Bee-Line.

The Executive provides \$500 million for the federal share of intercity passenger rail corridors, congestion relief, and high-speed rail corridor development. The Executive also includes \$150 million for capital projects at public-use airports located outside of New York City.

#### Metropolitan Transportation Authority

The Executive Budget proposes to set MTA operating aid at \$3.9 billion, an increase of \$756.8 million. Janno Lieber, the newly confirmed Chair and CEO of the MTA, stated recently that this funding will be sufficient to postpone fare increases for the rest of calendar year 2022. The Executive Budget maintains the Verrazzano Bridge residential and commercial toll rebate program at \$19.0 million and maintains \$25.3 million for reduced fares for schoolchildren.

#### Department of Motor Vehicles

The Executive Budget proposes \$567.4 million in All Funds appropriations for the DMV, an increase of \$111.4 million or 24.4 percent from SFY 2021-22. This increase would support non-personnel expenses associated with IT and consultancy costs to continue to update DMV's systems post-Covid.

### **Article VII**

#### Department of Transportation

**Increased Penalties for Oversized/Unauthorized Vehicles/Parkway Overhead Strikes and Menacing or Assaulting Transportation Officials (TEDE Part A):** The Executive Budget proposes legislation increasing penalties for various transportation-related offenses, including:

**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.
3. Establishing a Class B misdemeanor for intrusion into a highway work zone.

The employee classes added by this legislation receiving enhanced criminal law protections include highway workers, motor vehicle inspectors, and motor carrier investigators, including county clerks acting as agents of DMV for these purposes.

**Subpart B:** 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 currently to up to \$1,000 and/or 15 days.
- From up to \$750 and/or 15 days currently to up to \$1,500 and/or 15 days for serious physical injuries.
- From up to \$1,000 currently 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 C:** This provision adds “quick clearance” language allowing motorists involved in non-injury crashes to adjust the positioning of their vehicles from the exact crash location without the threat of liability for 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 D:** This provision establishes a work zone safety and outreach public education program.

**Subpart E:** This provision increases 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 currently to up to \$1,000 and/or 15 days for the first conviction.
- From up to \$700 and/or 45 days imprisonment currently 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 currently 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 as follows:

- From up to \$700 and/or 15 days currently to up to \$5,000 and/or 15 days for the first conviction.
- From up to \$1,000 and/or 45 days currently 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 currently to up to \$10,000 and/or 90 days for a third conviction within 18 months, as well as authorizing 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 for Subpart E were established in the SFY 2020-21 Enacted Budget.

Additionally, the Executive Budget proposes to expand the commercial navigation system (GPS) requirement adopted 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.

**Subpart F:** The Executive Budget increases the penalties for entities that violate DOT regulations regarding receiving permits for purposes of accessing DOT’s right of way from a fine ranging from \$25 to \$1,000 per day currently up to a fine not to exceed \$25,000 per day.

*Fiscal Impact: The Executive did not provide a fiscal estimate for TEDE Part A.*

**CHIPS Bidding Threshold (TEDE Part B):** The Executive Budget proposes legislation authorizing local governments to use in-house labor instead of competitively bid private labor on projects up to \$750,000 that are funded by the Consolidated Local Street and Highway Improvement Program (CHIPS). Under current law, municipalities must use private labor if a CHIPS-funded project is \$350,000 or more. This threshold was last increased from \$250,000 to \$350,000 in 2020.

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

**Increasing the Maximum Grant Award for Airport Improvement and Revitalization Program (TEDE Part C):** The Executive Budget increases the threshold for the maximum grant award under the Airport Improvement and Revitalization Program for public use airports from



\$2.5 million to \$5 million. It also clarifies that the language pertains to grants provided by the Federal Aviation Administration, rather than loans, and eliminates provisions authorizing use of grant funds for technical assistance. This threshold was increased by 67 percent in 2021, from \$1.5 million to \$2.5 million.

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

**DOT Right of Entry onto Private Property (TEDE Part D)**: The Executive Budget proposes legislation authorizing DOT to enter private property abutting DOT rights of way on a temporary basis to perform emergency repairs when highway and bridge functionality is impacted by storm damage, landslide, or retaining wall or drainage failure.

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

**Adds Montgomery County to CDTA Network (TEDE Part E)**: The Executive Budget amends the legislative transit aid formula to add Montgomery County into the Capital District Transportation Authority (CDTA) network and require the county to provide a local match. It correspondingly reduces the other CDTA counties' match requirements to reflect Montgomery's contribution. All of the counties in the CDTA network are required to contribute a local match.

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

**Design-Build Extension (TEDE Part AA)**: The Executive Budget extends New York State's and New York City's respective authorizations to enter into design-build and best value contracting until 2027. New York State's authorization was expanded to include the Dormitory Authority (DASNY), Urban Development Corporation/Empire State Development Corporation (ESDC), Office of General Services (OGS), Olympic Regional Development Authority (ORDA), SUNY Construction Fund, and Battery Park City Authority in 2020. New York City received its initial authorization for a variety of agencies in December 2019.

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

**ConnectALL DOT Right of Way Fee Exemption (TEDE Part JJ)**: The Executive Budget exempts any recipient of a New NY Broadband Office grant, or a successor program that includes the new ConnectALL initiative, from DOT's fee on the use of right of way for fiber optic cable for the entirety of the recipient's network. The Executive is relatedly launching a \$1 billion ConnectALL initiative to provide affordable broadband grants and subsidies to expand access for additional New Yorkers, improve mapping, and expedite permitting processes.

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

## Metropolitan Transportation Authority

**Modifies MTA Design-Build Mandate (TEDE Part H):** The Executive Budget modifies the threshold for when MTA has to use design-build contracting from \$25 million for all projects to a two-tiered more specific threshold of \$200 million for new construction projects and \$400 million for projects predominantly rehabilitating or replacing existing assets.

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

**NYCTA/MTA Procurement Modifications (TEDE Part I):** The Executive Budget proposes to expand the MTA's and New York City Transit Authority's (NYCTA's) procurement powers to permit the MTA to increase its discretionary bidding threshold for MWBEs, small businesses, recycled technology purchases, and Service-Disabled Veteran-Owned Businesses from \$1 to \$1.5 million. It also reduces the timeline between when MTA/NYCTA has to advertise a contract bid publicly from 15 business days to 10 business days, but retains the 15-day time period for public works contracts. The proposal also allows MTA/NYCTA to "piggyback" off existing contracts from other government agencies across the country (replacing its existing authorization to use State and City contracts), provided that it must document its rationale for using such a contract instead of using existing centralized contract models. It empowers MTA and NYCTA to update their qualified products lists once per year, instead of the currently required two annual updates.

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

**MTA Tax Increment Financing Extender (TEDE Part J):** The Executive Budget proposes legislation extending the MTA's authority to use alternative funding arrangements such as tax increment financing, special transportation districts, and other value capture arrangements that were adopted in the 2016-17 Enacted Budget in conjunction with agreement to fund the MTA's 2015-19 Capital Program. Local approval is needed to authorize these arrangements. The law was extended by one year to 2022 in the SFY 2020-21 Adopted Budget. The Executive Budget proposes to extend it for ten years until April 1, 2032.

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

**MTA Utility Relocation (TEDE Part K):** The Executive Budget proposes legislation requiring the MTA and public service corporations (public utility companies) to collaborate with respect to relocating pipes, mains, conduits and other infrastructure for purposes of advancing MTA capital projects. The legislation provides that a utility is entitled to review and approve any MTA relocation designs, but that it cannot unreasonably withhold approval of the design or construction work. It also prohibits utilities from requiring MTA to accommodate anticipated future service increases or other betterments aside from complying with current standards to ensure reliability. The utility is also empowered to perform the work itself under the bill language, pursuant to a schedule agreed upon with the MTA.

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

**Increase Criminal Penalties for Transit Worker Assault and Aggravated Harassment**

**(TEDE Part L):** 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. Second Degree Assault is punishable by 2-7 years in prison.

The Executive Budget expands second degree aggravated harassment offenses, which are punishable as Class A misdemeanors, 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.

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

**Expand Camera Enforcement in New York City to Include Various Traffic Regulations**

**(TEDE Part M):** The Executive Budget permanently extends New York City's bus rapid transit lane camera enforcement pilot program, as well as authorizing the City of New York to use camera enforcement for a variety of City traffic regulations, including:

- Stopping/standing in a bus lane;
- Stopping/standing at a bus stop;
- Double parking;
- CMV illegal standing;
- Illegal turns and u-turns;
- Obstructing traffic at major roadway to change a tire;
- Standing/stopping at intersection; and
- Standing/stopping at crosswalk.

The Executive's stated intention is for this new authorization to be used in the context of improving bus operations. There would be a 60-day grace period for motorists under the new program. The penalty scheme would be \$125 for the first offense, \$150 for the second offense within a year, \$200 for a third offense within a year, \$250 for a fourth offense within a year, and \$350 for each offense after that.

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

## Department of Motor Vehicles

**Toll Enforcement (TEDE Part N):** The Executive Budget proposes legislation increasing penalties and classifying intentional use of toll roads without paying as “theft of services” violations punishable as a misdemeanor. The proposal also increases penalties involving obscuring a license plate on a tolled road to be punishable by fines of \$100-\$500. New language is added relative to similar proposals in recent Executive Budgets authorizing DMV to prevent vehicle registrations from being reregistered if a tolling authority seeks to suspend a vehicle for unpaid tolls or fees, pending the authority’s notice that the tolls or fees have been paid. The additional language also authorizes DMV to suspend driver’s licenses for tolling violations, and reduces the number of failure to pay violations from five to three notices of liability; additionally, it increases the lookback for considering prior violations from 18 months to five years.

Finally, the legislation adds a penalty range for falsifying records to obtain a congestion pricing exemption related to operating a vehicle for purposes of transporting a person with disabilities: any violation would be punishable by a civil fine up to \$5,000 and a misdemeanor, while a fraud in which a person unlawfully obtains \$1,000 or more would be subject to a Class E felony, and fraud in which a person unlawfully obtains \$5,000 or more would be subject to a Class D felony.

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

**Online Defensive Driving Course Extender (TEDE Part O):** The Executive Budget proposes legislation extending the Internet Point and Insurance Reduction Program (IPIRP), which allows car insurance policyholders to take defensive driving courses online, until April 1, 2022. The program was previously extended by two years until 2022. The IPIRP pilot program was first authorized in 2005.

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

**PTOA/Motor Vehicle Revenue Extender (TEDE PART P):** The Executive Budget proposes legislation extending the distribution of Transportation and Transmission Tax revenues between upstate (PTOA) and downstate transit operating systems (MMTOA) until 2024. These revenues were originally directed solely to the downstate transit fund; the revenue sharing was established in 2013 and is set to expire in 2022. The Executive Budget also extends the section authorizing use of Dedicated Highway and Bridge Trust Fund (DHBTF) revenues for DMV operations until 2024. Both of these were last extended in 2020, for two years.

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

**Incarcerated Individual Non-Driver IDs (TEDE Part Q)** The Executive Budget proposes legislation authorizing DMV to waive the fee for non-driver identifications for incarcerated individuals who are inmates of an institution under the jurisdiction of a state department or

agency. The fee is generally \$9 for four years and \$13 for eight years for a non-driver identification card that is not compliant with Federal REAL ID laws. An “enhanced” non-driver identification card that allows an individual to cross some international borders generally costs \$39 for a four-year sunset and \$43 for an eight-year sunset. Costs are reduced for individuals over 62 years of age and for individuals receiving Supplemental Security Income. DMV can currently waive the required payment for crime victims who lost their non-driver identification cards or had it destroyed as a result of the crime. DMV can also currently waive the required payment for incarcerated individuals with respect to driver’s licenses.

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

### Thruway Authority

**Thruway Electronic Bidding (TEDE Part F):** The Executive Budget proposes legislation amending 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.

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

**Thruway Bidding Thresholds (TEDE Part G):** The Executive Budget proposes legislation increasing the Thruway Authority’s threshold from \$15,000 up to \$50,000 to exempt goods and services contracts from being subject to Board procurement guidelines and annual reporting. The Executive Budget also adds language authorizing the Thruway Authority to “piggyback” off contracts used by any government body or political subdivision within the United States, provided that the Authority documents its rationale for using the other entity’s contract specifications, including why using OGS centralized contracts is not the preferred approach.

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





