

New York State Senate Democratic Majority

STAFF ANALYSIS OF the 2024-25 Executive Budget



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Staff Analysis of the SFY 2024-25 Executive Budget

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RULES
BUDGET & REVENUE

January 22, 2024

Dear Colleagues:

On Tuesday, January 16, Governor Kathy Hochul presented the Executive Budget for the State Fiscal Year (SFY) 2024-25. The proposed budget encompasses All Funds expenditures totaling \$232.7 billion, State Operating Funds expenditures of \$129.3 billion, and General Fund expenditures of \$107.6 billion.

The Executive now projects that receipts for SFY 2023-24 will surpass previous estimates by \$4.7 billion. The plan is to use nearly all of this additional revenue to advance payments for SFY 2024-25 pension expenses and to reserve funds to help New York City with asylum seeker costs in SFY 2025-26.

The Executive Budget proposal anticipates a baseline budget shortfall of \$4.3 billion. It includes \$2.7 billion in spending reductions relative to earlier projections, acknowledges \$346 million in savings on debt service from previous prepayments, and allocates \$1.7 billion for advance pension expenses for SFY 2024-25. Projected future budget gaps are reduced to \$5 billion for SFY 2025-26, \$5.2 billion for SFY 2026-27, and \$9.9 billion for SFY 2027-28.

Additionally, the Executive Budget includes several significant policy proposals that require thorough evaluation. These include extending mayoral control in New York City, changes to the Foundation Aid formula, creating the Healthcare Safety Net Transformation program, addressing unlicensed cannabis sales and changing the cannabis tax, implementing tax incentives for converting commercial properties into affordable housing, introducing a replacement 421-a program, and introducing a series of reforms to tackle retail theft.

This analysis, prepared by the Senate Finance Committee and Counsel's Office staff, will aid our detailed examination of the Executive Budget. I am looking forward to collaborating with you to develop a State Budget that meets the needs of all New Yorkers and responsibly manages public funds.

Sincerely,

A handwritten signature in black ink that reads "Liz Krueger".

Liz Krueger
Chair
Senate Finance Committee

2024 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

Date	Day	Time	Hearing
January 23	Tuesday	9:30 a.m.	Health
January 24	Wednesday	9:30 a.m.	Transportation
January 25	Thursday	9:30 a.m.	Public Protection
January 30	Tuesday	9:30 a.m.	Economic Dev./Arts
		2:00 p.m.	Workforce Dev./Labor
January 31	Wednesday	9:30 a.m.	Human Services
February 1	Thursday	9:30 a.m.	Elementary/Secondary Education
February 6	Tuesday	9:30 a.m.	Local/General Gov
February 7	Wednesday	9:30 a.m.	Environmental Conservation
February 8	Thursday	9:30 a.m.	Higher Education
February 13	Tuesday	9:30 a.m.	Mental Hygiene
February 14	Wednesday	9:30 a.m.	Taxes
		12:00 p.m.	Housing

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FINANCIAL PLAN AND REVENUE



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

The SFY 2024-25 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. It also requires estimates of revenues and cash receipts expected to be available to support these expenditures and disbursements for the forthcoming fiscal year. Finally, 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 2024-25 Executive Budget includes new language that allows for the unlimited transfer of appropriation authority and makes certain agency appropriations within the State Operations budget contingent on the passage of the Aid to Localities budget.

Changes in Spending from SFY 2023-24

SFY 2024-25 Change in Spending (\$ millions)				
	SFY 2023-24 Current	SFY 2024-25 Proposed	Change	Percent Change
General Fund (Including Transfers)	\$103,489	\$107,586	\$4,097	4.0%
State Operating Funds	\$126,610	\$129,268	\$2,658	2.1%
State Funds	\$142,280	\$148,066	\$5,786	4.1%
All Funds	\$231,604	\$232,652	\$1,048	0.5%

On an All Funds basis, the SFY 2024-25 Executive Budget projects total spending of \$232.7 billion, which is an increase of \$1.0 billion or 0.5 percent from the current estimate for SFY 2023-24.

The SFY 2024-25 Executive Budget proposal projects an increase in State Operating Funds spending of \$2.7 billion or 2.1 percent from SFY 2023-24, for a total of \$129.3 billion. The SFY 2024-25 Executive Budget also updates projections for the remainder of SFY 2023-24 and now estimates that State Operating Funds disbursements for the current year will increase 2.3 percent over SFY 2022-23.

The Executive Budget provides a modified measure of State Operating Funds disbursements to more accurately track spending growth. Adjusted State Operating Funds disbursements excludes

large planned prepayments, timing-related transactions, and reimbursements, as well as extraordinary spending and Federal offsets related to the COVID-19 pandemic. Specifically, Adjusted State Operating Funds excludes:

- \$3.7 billion of prior year debt service prepayments
- \$1.7 billion for Planned Pension prepayments
- \$1.7 billion for Temporary eFMAP
- \$1.1 billion for Medicaid DPT Recoupment
- \$1.1 billion for FEMA Reimbursement

Budget Surplus / (Gap)

Executive Budget General Fund Surplus / (Gap) Estimate				
	(\$ millions)			
	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28
Mid-Year Update Base	(\$9,055)	(\$13,873)	(\$13,438)	N/A
Mid-Year Update Revision	(\$4,326)	(\$9,526)	(\$7,722)	(\$16,475)
Executive Budget after Policy Action	\$0	(\$4,974)	(\$5,229)	(\$9,943)

The Mid-Year Update released in November by the Division of Budget (DOB) began with a \$9.1 billion General Fund budget gap in SFY 2024-25. Before any re-estimates, the budget gap was estimated at \$13.9 billion and \$13.4 billion in SFY 2025-26 and SFY 2026-27, respectively. Following revisions to tax receipts and disbursements, the Mid-Year Update anticipated budget gaps of \$4.3 billion in SFY 2024-25, \$9.5 billion in SFY 2025-26 and \$7.7 billion in SFY 2026-27.

Since the release of the Mid-Year Update, tax collections through December 2023 have surpassed Mid-Year projections. The updated revenue and disbursement estimates have resulted in a budget surplus of \$2.2 billion in the current fiscal year. The Executive proposes to use the current year’s surplus to prepay SFY 2024-25 pension expenses (\$1.7 billion) and to assist New York City with costs related to asylum seekers in SFY 2025-26 (\$500 million).

The Executive Budget Financial Plan closes the \$4.3 billion budget gap for SFY 2024-25, from the Mid-Year Update, through increased revenue projections and proposed spending savings. Specifically, the Executive Budget Financial Plan includes:

- \$1.1 billion in additional tax receipts, excluding the Pass-Through Entity Tax (PTET), over the Mid-Year Update forecast.
- \$1.7 billion downward revision in Agency Operations spending.
- \$1.2 billion in Medicaid Savings Proposals, this is partially offset by increased spending due to increased enrollment and State match for 1115 Waivers.
- \$692 million in School Aid savings.

The Executive Budget reduced the cumulative outyear budget gaps from \$33.7 billion to \$20.1 billion, a decrease of 40.2 percent compared to the Mid-Year Update. The outyear gaps are a result of increased spending relative to available resources. The gaps include Medicaid spending projected to exceed the Global Cap beginning in SFY 2025-26, partially due \$1.7 billion for the State match for 1115 Waivers. The SFY 2026-27 gap includes a one-time acceleration of Personal Income Tax (PIT) receipts due to the scheduled expiration of the Federal SALT Cap. Finally, the SFY 2027-28 gap reflects decreased revenue from the sunset of higher PIT rates for high income filers.

Revenues

SFY 2024-25 Receipts (\$ millions)				
Funding Source	SFY 2023-24 Current	SFY 2024-25 Proposed	Change	Percent
General Fund	\$104,864	\$107,524	\$2,660	2.5%
State Operating Funds	\$128,742	\$129,251	\$509	0.4%
All Funds	\$231,787	\$227,212	(\$4,575)	-2.0%

The Executive Budget projects that All Funds receipts will total \$227.2 billion in SFY 2024-25, a decrease of 2 percent compared to the current year estimate of \$231.8 billion. The All Funds amount includes federal resources, both operating and capital, which are projected to be almost \$4.7 billion lower in the SFY 2024-25 Executive Budget, relative to the current fiscal year.

Reserves

SFY 2024-25 Executive Budget Deposits/(Uses) of Reserves (\$ millions)				
	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26
Planned Deposits	\$10,399	\$1,519	(\$1,106)	(\$5,432)
Rainy Day Reserves	\$2,937	\$0	\$0	\$0
Economic Uncertainty	\$7,617	\$500	\$0	(\$500)
Extraordinary Monetary Settlements	(\$267)	(\$452)	(\$517)	(\$285)
Labor Settlements/Agency Operations	\$490	\$1,000	\$1,450	\$0
Timing of PTET/PIT Credits	(\$2,072)	(\$485)	\$456	(\$2,240)
All Other	\$1,694	\$956	(\$2,495)	(\$2,407)

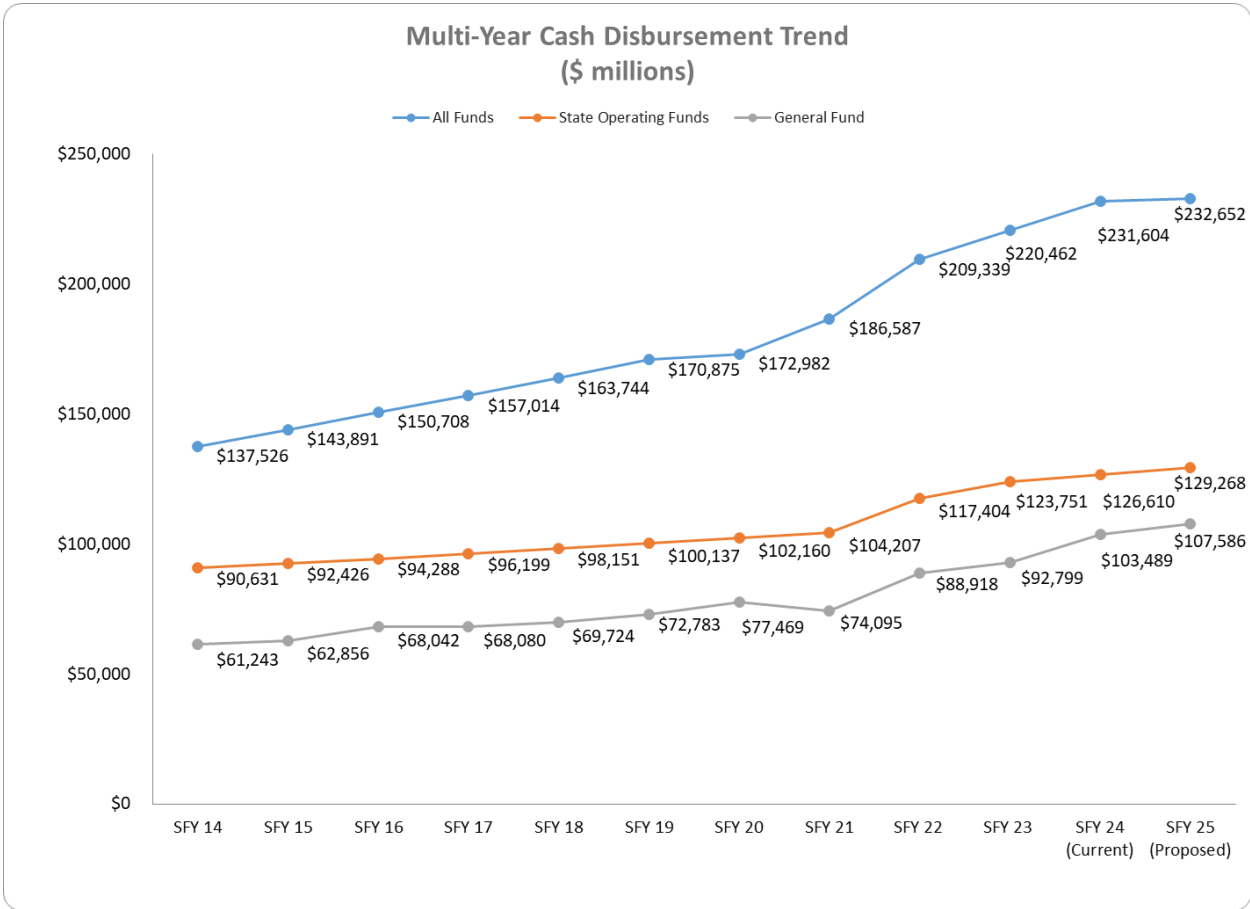
SFY 2024-25 Executive Budget Reserves Balance (\$ millions)				
	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26
Balance at Year-End	\$19,538	\$20,038	\$20,038	\$19,538
Rainy Day Reserves	\$6,256	\$6,256	\$6,256	\$6,256
Economic Uncertainty	\$13,282	\$13,782	\$13,782	\$13,282
Balance of Other General Fund Reserves	\$23,913	\$24,930	\$23,824	\$18,892
Timing of PTET/PIT Credits	\$14,358	\$13,873	\$14,329	\$12,089
All Other	\$9,555	\$11,057	\$9,495	\$6,803
General Fund Cash Balance	\$43,451	\$44,968	\$43,862	\$38,430
Estimated State Operating Fund Spending	123,751	126,610	129,268	140,181
Reserves as % of SOF	15.8%	15.8%	15.5%	13.9%

The SFY 2022-23 Enacted Budget included language to amend the Rainy Day Reserve statute, allowing for increased deposits and balance requirements with the goal of reaching 15 percent of State Operating Fund spending in SFY 2024-25. This was achieved through annual deposits in the State’s two statutory funds, the Tax Stabilization Reserve and the Rainy Day Reserve. Additionally, funds are reserved for economic uncertainty, an informal set aside of General Fund resources that does not have statutory limitations or requirements.

The Executive Budget proposal maintains the higher level of reserves in SFY 2024-25 and onward. For SFY 2024-25 Rainy Day Reserves and funds reserved for economic uncertainty total \$20 billion, or 15.5 percent of State Operating Fund spending. Reserves as a percent of State Operating Fund spending is projected to drop to 13.9 percent due to increased spending in SFY 2025-26. The Executive Budget does not utilize any reserves to close the budget gaps.

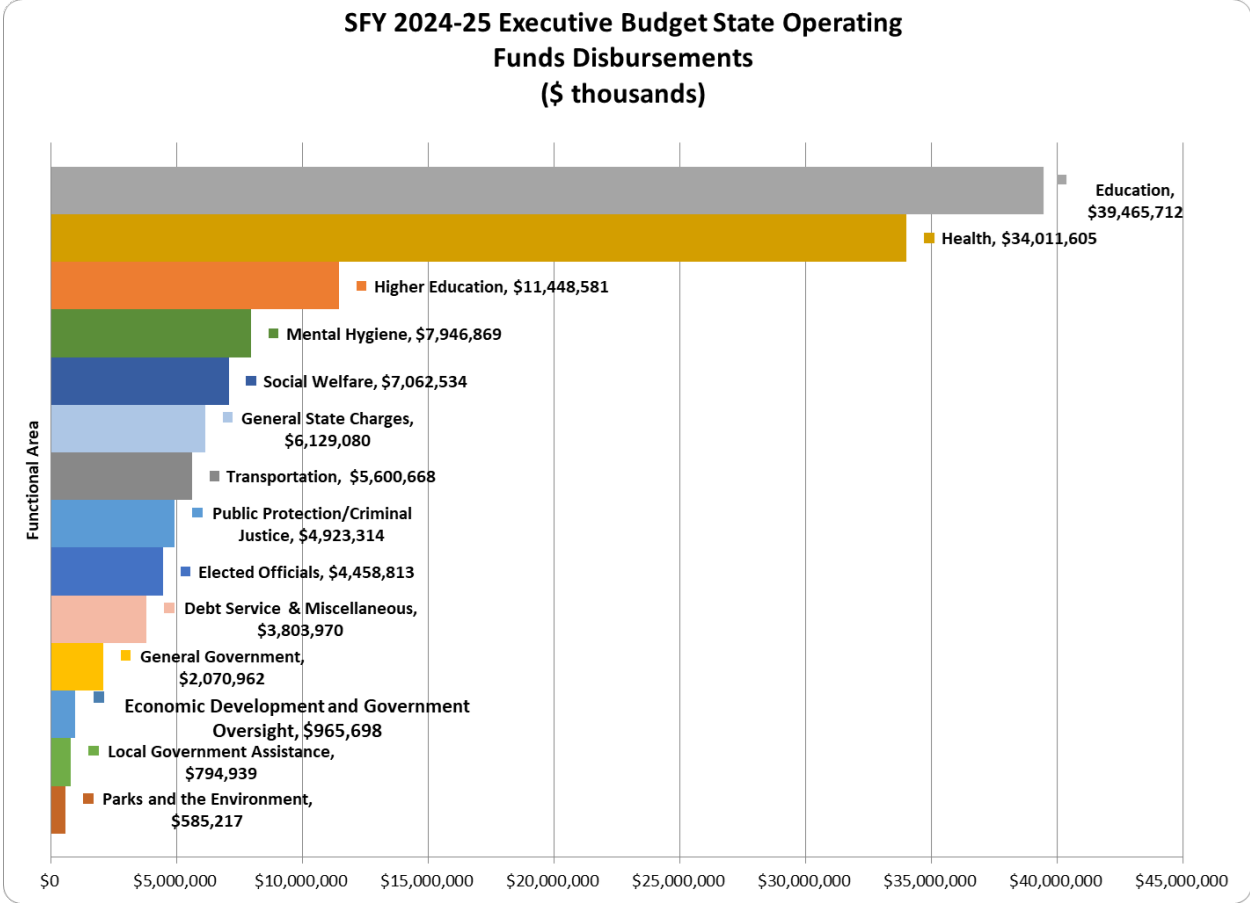
The Executive Budget plans to utilize the current year’s surplus to offset the SFY 2024-25 budget gap and to provide assistance for New York City with costs related to asylum seekers. Specifically, \$500 million is being reserved in Economic Uncertainty from SFY 2023-24 to be used in SFY 2025-26 for costs related to asylum seekers.

Spending

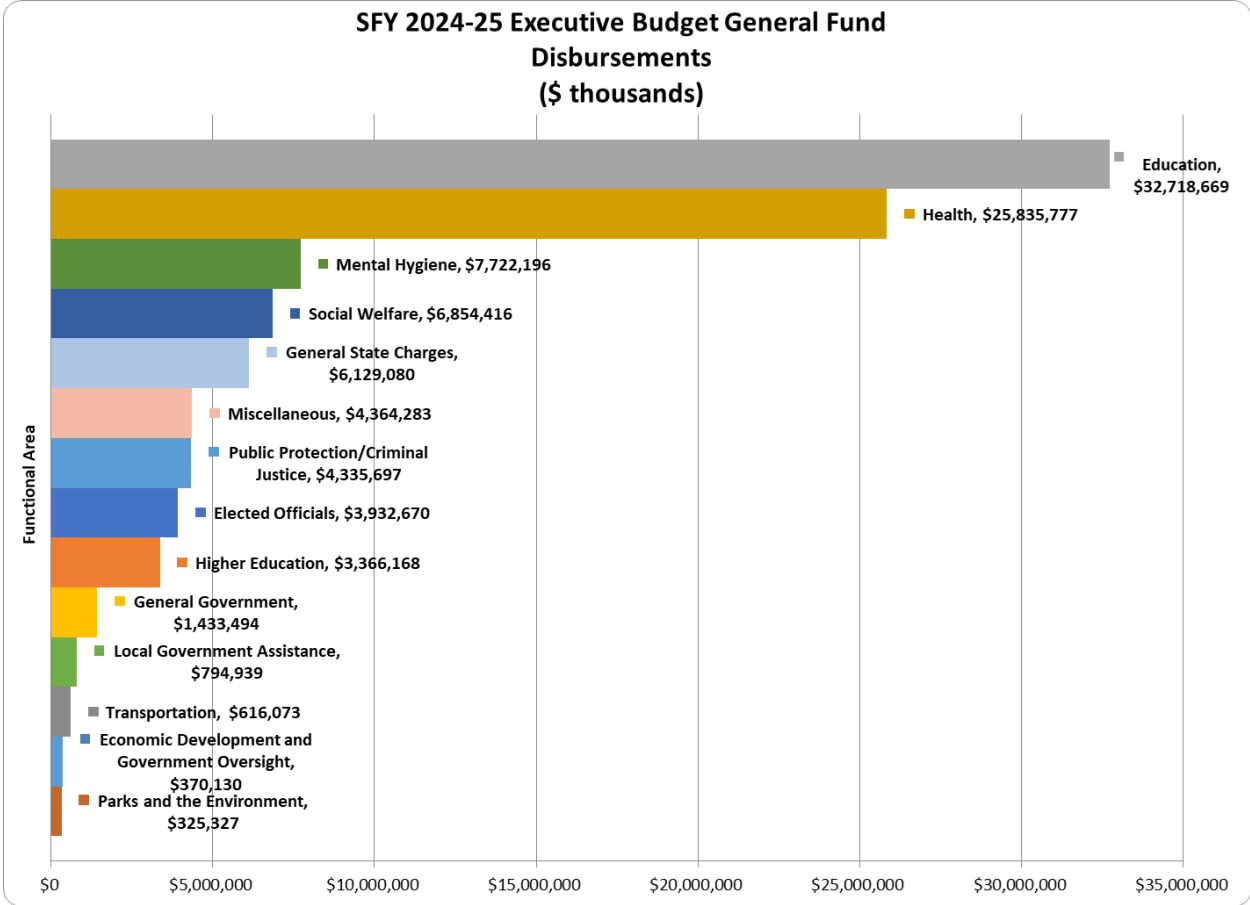


All Funds disbursements in SFY 2024-25 are projected to total \$232.7 billion, which is an increase of \$1.1 billion or 0.5 percent over the current estimate for SFY 2023-24.

State Operating Funds disbursements in SFY 2024-25 are projected to total \$129.3 billion which is an increase of \$2.7 billion or 2.1 percent. Below is a breakdown of how the State Operating Funds disbursement is proposed in the Executive Budget.



General Fund disbursements, excluding transfers, in SFY 2024-25 are projected to total \$98.8 billion which is an increase of \$2.5 billion or 2.6 percent over the current estimate for SFY 2023-24. Below is a breakdown of how the General Fund disbursement is proposed in the Executive Budget.



All Funds Cash Financial Plan SFY 2022-23 through SFY 2024-25 (\$ millions)							
	SFY 2022-23	SFY 2023-24			SFY 2024-25		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	\$53,549	\$65,955	\$12,406	23.2%	\$65,966	\$11	0.0%
Receipts							
Taxes	\$111,657	\$104,379	(\$7,278)	-6.5%	\$107,980	\$3,601	3.4%
Miscellaneous Receipts	\$31,842	\$31,000	(\$842)	-2.6%	\$27,894	(\$3,106)	-10.0%
Federal Receipts	\$89,563	\$95,923	\$6,360	7.1%	\$91,794	(\$2,129)	-2.2%
Total Receipts	\$233,062	\$231,302	(\$1,760)	-0.8%	\$227,668	(\$3,634)	-1.6%
Disbursements							
Local Assistance	\$167,656	\$181,970	\$14,314	8.5%	\$182,695	\$725	0.4%
State Operations					\$0	\$0	0.0%
Personal Service	\$15,544	\$16,698	\$1,154	7.4%	\$17,373	\$675	4.0%
Non-Personal Service	\$7,981	\$8,474	\$493	6.2%	\$8,553	\$79	0.9%
General State Charges	\$10,588	\$10,981	\$393	3.7%	\$8,708	(\$2,273)	-20.7%
Debt Service	\$10,481	\$2,607	(\$7,874)	-75.1%	\$3,022	\$415	15.9%
Capital Projects	\$8,212	\$10,874	\$2,662	32.4%	\$12,301	\$1,427	13.1%
Total Disbursements	\$220,462	\$231,604	\$11,142	5.1%	\$232,652	\$1,048	0.5%
Other Financing Sources (Uses)							
Transfer from Other Funds	\$52,323	\$54,544	\$2,221	4.2%	\$55,480	\$936	1.7%
Transfer to Other Funds	(\$52,517)	(\$54,795)	(\$2,278)	4.3%	(\$55,732)	(\$937)	1.7%
Bond and Note Proceeds	\$0	\$564	\$564	0.0%	\$359	\$359	0.0%
Net Other Financing Sources (Uses)	(\$194)	\$313	\$507	261.3%	\$107	(\$206)	-65.8%
Excess (Deficiency) of Receipts over Disbursements and Reserves	\$12,406	\$11	(\$12,395)	99.9%	(\$4,877)	(\$4,888)	-44436.4%
Closing Fund Balance	\$65,955	\$65,966	\$11	0.0%	\$61,089	(\$4,877)	-7.4%

State Operating Funds Cash Financial Plan SFY 2022-23 through SFY 2024-25 (\$ millions)							
	SFY 2022-23	SFY 2023-24			SFY 2024-25		
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	\$40,767	\$52,723	\$11,956	29.3%	\$53,988	\$1,265	2.4%
Receipts							
Taxes	\$110,398	\$102,853	(\$7,545)	-6.8%	\$106,494	\$3,641	3.5%
Miscellaneous Receipts	\$24,902	\$23,589	(\$1,313)	-5.3%	\$19,067	(\$4,522)	-19.2%
Federal Receipts	\$2,420	\$2,300	(\$120)	-5.0%	\$3,690	\$1,390	60.4%
Total Receipts	\$137,720	\$128,742	(\$8,978)	-6.5%	\$129,251	\$509	0.4%
Disbursements							
Local Assistance	\$81,877	\$91,617	\$9,740	11.9%	\$94,772	\$3,155	3.4%
State Operations							
Personal Service	\$14,840	\$15,996	\$1,156	7.8%	\$16,673	\$677	4.2%
Non-Personal Service	\$6,350	\$5,800	(\$550)	-8.7%	\$6,486	\$686	11.8%
General State Charges	\$10,203	\$10,590	\$387	3.8%	\$8,315	(\$2,275)	-21.5%
Debt Service	\$10,481	\$2,607	(\$7,874)	-75.1%	\$3,022	\$415	15.9%
Capital Projects	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Total Disbursements	\$123,751	\$126,610	\$2,859	2.3%	\$129,268	\$2,658	2.1%
Other Financing Sources (Uses)							
Transfer from Other Funds	\$47,261	\$50,441	\$3,180	6.7%	\$50,044	(\$397)	-0.8%
Transfer to Other Funds	(\$49,274)	(\$51,308)	(\$2,034)	4.1%	(\$52,764)	(\$1,456)	2.8%
Bond and Note Proceeds	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Net Other Financing Sources (Uses)	(\$2,013)	(\$867)	\$1,146	56.9%	(\$2,720)	(\$1,853)	213.7%
Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursements	\$11,956	\$1,265	(\$10,691)	-89.4%	(\$2,737)	(\$4,002)	-316.4%
Closing Fund Balance	\$52,723	\$53,988	\$1,265	2.4%	\$51,251	(\$2,737)	-5.1%

General Fund Cash Financial Plan							
SFY 2022-23 through SFY 2024-25							
(\$ millions)							
	SFY 2022-23		SFY 2023-24			SFY 2024-25	
	Results	Current	Change	Percent	Proposed	Change	Percent
Opening Fund Balance	\$33,053	\$43,451	\$10,398	31.5%	\$44,968	\$1,517	3.5%
Receipts							
Taxes							
Personal Income Tax	\$27,607	\$24,483	(\$3,124)	-11.3%	\$26,177	\$1,694	6.9%
Consumption/Use Tax	\$7,239	\$9,885	\$2,646	36.6%	\$10,094	\$209	2.1%
Business Taxes	\$17,856	\$17,039	(\$817)	-4.6%	\$17,061	\$22	0.1%
Other Taxes	\$2,204	\$1,903	(\$301)	-13.7%	\$1,347	(\$556)	-29.2%
Miscellaneous Receipts	\$3,609	\$4,295	\$686	19.0%	\$3,534	(\$761)	-17.7%
Federal Receipts	\$2,351	\$2,250	\$0	0.0%	\$3,645	\$1,395	0.0%
Transfers from Other Funds							
PIT in Excess of Revenue Bond Debt Service	\$20,899	\$24,455	\$3,556	17.0%	\$25,950	\$1,495	6.1%
PTET in Excess of Revenue Bond Debt Service	\$7,472	\$6,941	(\$531)	0.0%	\$7,240	\$299	4.3%
ECEP in Excess of Revenue Bond Debt Service	\$0	\$7	\$7	0.0%	\$8	\$1	14.3%
Sales Tax in Excess of LGAC Bond Debt Service	\$2,198	\$0	(\$2,198)	-100.0%	\$0	\$0	-
Sales Tax in Excess of Revenue Bond Debt	\$7,291	\$8,711	\$1,420	19.5%	\$8,696	(\$15)	-0.2%
Real Estate Taxes in Excess of CW/CA Debt	\$1,180	\$878	(\$302)	-25.6%	\$857	(\$21)	-2.4%
All Other	\$3,291	\$4,159	\$868	26.4%	\$1,871	(\$2,288)	-55.0%
Total Receipts	\$103,197	\$105,006	\$1,809	1.8%	\$106,480	\$1,474	1.4%
Disbursements							
Local Assistance	\$62,852	\$74,048	\$11,196	17.8%	\$77,425	\$3,377	4.6%
State Operations							
Personal Service	\$9,464	\$10,552	\$1,088	11.5%	\$11,163	\$611	5.8%
Non-Personal Service	\$3,043	\$2,332	(\$711)	-23.4%	\$3,151	\$819	35.1%
General State Charges	\$9,115	\$9,379	\$264	2.9%	\$7,059	(\$2,320)	-24.7%
Transfers to Other Funds							
Debt Service	\$298	\$227	(\$71)	-23.8%	\$263	\$36	15.9%
Capital Projects	\$4,649	\$3,703	(\$946)	-20.3%	\$5,033	\$1,330	35.9%
SUNY Operations	\$1,491	\$1,616	\$125	8.4%	\$1,709	\$93	5.8%
Other Purposes	\$1,887	\$1,632	(\$255)	-13.5%	\$1,783	\$151	9.3%
Total Disbursements	\$92,799	\$103,489	\$10,690	11.5%	\$107,586	\$4,097	4.0%
Excess (Deficiency) of Receipts and Use							
(Reservation) of Fund Balances Over Disbursements	\$10,398	\$1,517	(\$8,881)	85.4%	(\$1,106)	(\$2,623)	172.9%
Closing Fund Balance	\$43,451	\$44,968	\$1,517	3.5%	\$43,862	(\$1,106)	-2.5%

State Receipts Table

All Funds Receipts (millions of dollars)				
	Estimated SFY 2023-24	Forecast SFY 2024-25	\$ Change	% Change
Personal Income Tax				
Withholding	\$53,808	\$56,386	\$2,578	4.8%
Estimated Payments	\$10,264	\$11,157	\$893	8.7%
Final Returns	\$3,630	\$3,781	\$151	4.2%
Other Payments	\$1,860	\$1,914	\$54	2.9%
Gross Collections	\$69,562	\$73,238	\$3,676	5.3%
Refunds/Offsets	(\$17,362)	(\$17,734)	(\$372)	2.1%
Revenue Bond Tax Fund	\$0	\$0	\$0	0.0%
Net Collections	\$52,200	\$55,504	\$3,304	6.3%
User Taxes and Fees				
Sales and Use	\$19,931	\$20,380	\$449	2.3%
Cigarette/Tobacco	\$836	\$798	(\$38)	-4.5%
Vapor Excise Tax	\$25	\$25	\$0	0.0%
Motor Fuel Tax	\$491	\$491	\$0	0.0%
Highway Use Tax	\$276	\$278	\$2	0.7%
Alcoholic Beverage	\$23	\$23	\$0	0.0%
Opioid Excise Tax	\$9	\$9	\$0	0.0%
Medical Cannabis Excise Tax	\$70	\$158	\$88	125.7%
Adult-Use Cannabis Tax	\$144	\$143	(\$1)	-0.7%
Auto Rental Tax	\$131	\$124	(\$7)	-5.3%
Peer to Peer Car Sharing Tax	\$0	\$2	\$2	-
Total	\$21,936	\$22,431	\$495	2.3%
Business Taxes				
Corporation Franchise	\$8,951	\$8,535	(\$416)	-4.6%
Corporation and Utilities	\$518	\$539	\$21	4.1%
Insurance	\$2,710	\$2,710	\$0	0.0%
Bank	(\$9)	\$212	\$221	-2455.6%
Pass Through Entity Tax	\$13,882	\$14,480	\$598	4.3%
Petroleum Business Tax	\$1,115	\$1,068	(\$47)	-4.2%
Total	\$27,167	\$27,544	\$377	1.4%
Other Taxes				
Estate	\$1,882	\$1,325	(\$557)	-29.6%
Real Estate Transfer Tax	\$1,166	\$1,147	(\$19)	-1.6%
Emp. Comp. Expense Program	\$14	\$15	\$1	7.1%
Pari-Mutuel	\$12	\$12	\$0	0.0%
Other	\$2	\$2	\$0	-
Total	\$3,076	\$2,501	(\$575)	-18.7%
Total Tax Collections	\$104,379	\$107,980	\$3,601	3.4%
Miscellaneous Receipts	\$31,000	\$27,894	(\$3,106)	-10.0%
Federal Grants	\$95,923	\$91,794	(\$4,129)	-4.3%
Total Receipts	\$231,302	\$227,668	(\$3,634)	-1.6%

General Fund Receipts (millions of dollars)				
	Estimated SFY 2023-24	Forecast SFY 2024-25	\$ Change	% Change
Personal Income Tax				
Withholding	\$53,808	\$56,386	\$2,578	4.8%
Estimated Payments	\$10,264	\$11,157	\$893	8.7%
Final Returns	\$3,630	\$3,781	\$151	4.2%
Other Payments	\$1,860	\$1,914	\$54	2.9%
Gross Collections	\$69,562	\$73,238	\$3,676	5.3%
Refunds/Offsets	(\$17,362)	(\$17,734)	(\$372)	2.1%
Reported Tax Collections	\$52,200	\$55,504	\$3,304	6.3%
STAR (Dedicated Deposits)	(\$1,617)	(\$1,575)	\$42	-2.6%
RBTF (Dedicated Transfers)	(\$26,100)	(\$27,752)	(\$1,652)	6.3%
Net Collections	\$24,483	\$26,177	\$1,694	6.9%
User Taxes and Fees				
Sales and Use	\$18,652	\$19,077	\$425	2.3%
Cigarette/Tobacco	\$260	\$253	(\$7)	-2.7%
Alcoholic Beverage	\$276	\$278	\$2	0.7%
Opioid Excise Tax	\$23	\$23	\$0	0.0%
Peer to Peer Car Sharing	\$0	\$2	\$2	-
Gross Tax Collections	\$19,211	\$19,633	\$422	2.2%
LGAC/STBF (Dedicated Transfers)	(\$9,326)	(\$9,539)	(\$213)	2.3%
Total	\$9,885	\$10,094	\$209	2.1%
Business Taxes				
Corporation Franchise	\$7,291	\$6,791	(\$500)	-6.9%
Corporation and Utilities	\$386	\$414	\$28	7.3%
Insurance	\$2,428	\$2,436	\$8	0.3%
Pass Through Entity Tax	\$13,882	\$14,480	\$598	4.3%
Business Tax Revenue Bond	(\$6,941)	(\$7,240)	(\$299)	4.3%
Bank	(\$7)	\$180	\$187	-2671.4%
Total	\$17,039	\$17,061	\$22	-26.6%
Other Taxes				
Estate	\$1,882	\$1,325	(\$557)	-29.6%
Real Estate Transfer Tax	\$1,166	\$1,147	(\$19)	-1.6%
Employer Compensation Expense Program	\$14	\$15	\$1	7.1%
Pari-Mutuel	\$12	\$12	\$0	0.0%
Other	\$2	\$2	\$0	0.0%
Gross Other Taxes	\$3,076	\$2,501	(\$575)	-18.7%
Real Estate Transfer Tax (Dedicated)	(\$1,166)	(\$1,147)	\$19	-1.6%
RBTF (Dedicated Transfers)	(\$7)	(\$7)	\$0	0.0%
Total	\$1,903	\$1,347	(\$556)	-29.2%
Total Tax Collections	\$53,310	\$54,679	\$1,369	2.6%
Miscellaneous Receipts	\$4,295	\$3,534	(\$761)	-17.7%
Federal Receipts	\$2,250	\$3,645	\$0	0.0%
Total Receipts	\$59,855	\$61,858	\$2,003	3.3%

Capital Fact Sheet

Monetary Settlements

Beginning in SFY 2014-15, the State began receiving and recording Extraordinary Monetary Settlements. To date the State has received nearly \$13.6 billion in Extraordinary Monetary Settlements. Approximately \$8 billion in Extraordinary Monetary Settlements has been appropriated for capital projects to date. The SFY 2024-25 Executive Budget does not include any new use of settlement money for capital purposes.

Appropriated Monetary Settlement Funds (\$ thousands)							
	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021-SFY2025	Total
Thruway Stabilization Program	\$1,285,000	\$700,000	\$0	\$0	\$0	\$0	\$1,985,000
Upstate Revitalization Initiative	\$1,500,000	\$170,000	\$0	\$0	\$0	\$0	\$1,670,000
Health Care	\$355,000	\$0	\$100,000	\$125,000	\$0	\$0	\$580,000
Affordable and Homeless Housing	\$0	\$640,000	\$0	\$0	\$0	\$0	\$640,000
Broadband Initiative	\$500,000	\$0	\$0	\$0	\$0	\$0	\$500,000
Buffalo Billion, Phase II	\$0	\$0	\$400,000	\$0	\$0	\$0	\$400,000
Life Sciences Initiative	\$0	\$0	\$320,000	\$0	\$0	\$0	\$320,000
MTA Capital Plan	\$250,000	\$0	\$65,000	\$0	\$0	\$0	\$315,000
Municipal Restructuring/Downtown Revitalization	\$150,000	\$20,000	\$100,000	\$0	\$0	\$0	\$270,000
Security and Emergency Response	\$150,000	\$0	\$100,000	\$0	\$0	\$0	\$250,000
Clean Water Infrastructure	\$0	\$0	\$0	\$0	\$250,000	\$0	\$250,000
DOT Capital Plan Contribution	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
Long Island Transformative Projects	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000
Environmental Protection Fund	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000
Upstate Infrastructure and State Fair	\$115,000	\$0	\$0	\$0	\$0	\$0	\$115,000
Other Economic Development Projects	\$0	\$85,000	\$0	\$0	\$0	\$0	\$85,000
Southern Tier & Hudson Valley Farmland	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
Empire State Poverty Reduction Initiative	\$0	\$25,000	\$0	\$0	\$0	\$0	\$25,000
Non-MTA Transit	\$0	\$0	\$20,000	\$0	\$0	\$0	\$20,000
Community Health Care Revolving Loans	\$19,500	\$0	\$0	\$0	\$0	\$0	\$19,500
Roswell Park Cancer Institute	\$15,500	\$0	\$0	\$0	\$0	\$0	\$15,500
Behavioral Health Care Grants	\$10,000	\$0	\$0	\$0	\$0	\$0	\$10,000
Total	\$4,550,000	\$1,960,000	\$1,105,000	\$125,000	\$250,000	\$0	\$7,990,000

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

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

New York State Infrastructure Plan

The Executive Budget includes new capital appropriations totaling \$21.7 billion in SFY 2024-25, 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.

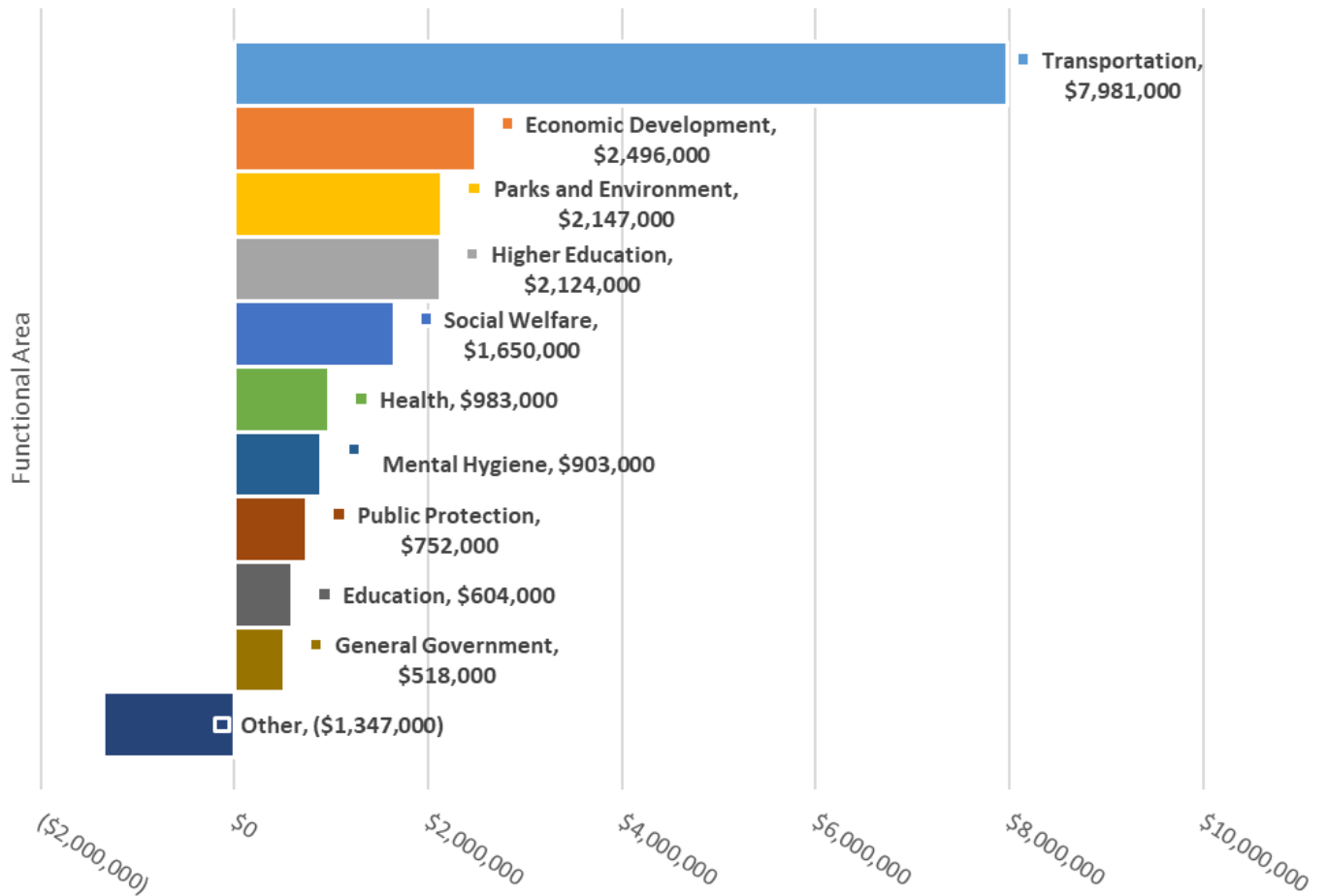
Appropriations in major functional areas include:

- \$7.6 billion for the third year of the five-year Department of Transportation (DOT) Capital Plan
- \$4.5 billion in total for other capital initiatives
- \$2 billion for economic development
- \$1.4 billion for public protection and general government
- \$1.4 billion for education and higher education
- \$1.3 billion for parks, the environment, agriculture and markets
- \$893 million for health and mental hygiene, including \$828 million for mental hygiene programs
- \$592 million for social welfare, including \$242 million for ongoing housing programs

SFY 2024-25 Capital Spending

New York State capital spending is projected to total \$18.8 billion in SFY 2024-25. The Executive Budget proposal includes \$18.8 billion in spending that appears in the Financial Plan and \$13 million in off-budget spending that is currently being financed directly from bond proceeds. Financing for capital spending in SFY 2024-25 is supported with State debt (\$6.9 billion or 37 percent), State cash resources (\$8.1 billion or 43 percent), and Federal aid (\$3.8 billion or 20 percent). State capital spending over the next five years is expected to average approximately \$18.9 billion annually. In SFY 2024-25, capital spending is projected to increase by 20 percent as compared to SFY 2023-24. The increase is mostly attributable to the third year of the five-year capital plan for transportation, increased spending in economic development, increased funding for parks and environment and new spending included in the SFY 2024-25 Executive Budget. The graph below summarizes SFY 2024-25 spending. The negative “All Other” category is related to potential underspending due to the timing of capital project delivery.

**SFY 2024-25
Capital Spending by Function
(thousands of dollars)**



SFY 2024-25 DEBT SUMMARY

Current State-related debt outstanding is projected at \$64.4 billion for SFY 2024-25. This is an increase of \$8.5 billion or 15.1 percent, over the previous year. The Executive Budget expects debt issuances of \$8 billion and debt retirements of \$893 million. From SFY 2024-25 through SFY 2028-29, State-related debt is projected to increase an average of 10 percent annually, reaching \$90.8 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt, subject to the debt cap, to reach 2.88 percent of personal income in SFY 2024-25. 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 2024-25. 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 proposed allowing DOB to access liquidity financing of \$4 billion in emergency PIT notes but has stated that it does not plan on using these authorizations.

Revenue Fact Sheet

- **Repealing the Cannabis Potency Tax:** The Executive Budget proposes to repeal the current wholesale THC potency tax, which varies by adult-use cannabis product types and is based on their tested THC levels, and replaces it with a nine percent wholesale excise tax.
- **Permanently Extend the Itemized Deduction Limit on High Income Filers:** The Executive Budget proposes to permanently extend the limitation on taxpayers with an adjusted gross income of more than \$10 million that allows them to claim no more than 25 percent of any allowed federal charitable contribution for State and New York City personal income tax purposes.
- **Return Tax Foreclosure Surplus to Property Owner:** The Executive Budget proposes that when tax-delinquent property is sold to pay off unpaid property taxes, any excess must be used to pay off liens and any remaining proceeds be returned to the former owners, instead of the current practice where excess funds go to localities. The Supreme Court recently ruled in *Tyler v. Hennepin* that systems where localities keep the excess are unconstitutional.
- **Modernize Tax Law to Include the Vacation Rental Industry:** The Executive Budget proposes to subject all vacation rentals to state and local sales taxes as well as to the New York City Convention Center hotel fee of \$1.50 per unit to those rentals in the City. Vacation rental marketplaces would have the responsibility for collecting and remitting these taxes on any rentals they facilitated.
- **Establish the Commercial Security Tax Credit:** The Executive Budget proposes to establish a new tax credit administered by the Division of Criminal Justice Services that would allow small businesses that spend more than \$12,000 per store on security expenses to claim a credit of \$3,000 per store. This credit program would be capped at \$5 million per year and would be available for Tax Years 2024 and 2025.

Department of Taxation and Finance (DTF)

All Funds Appropriations - Department of Taxation and Finance				
(\$ in Millions)				
	SFY 2023-24 Available	SFY 2024-25 Executive Recommendation	\$ Change	% Change
State Operations	\$471.9	\$499.1	\$27.2	5.46%
Aid To Localities	\$7.9	\$7.9	\$0.0	0.00%
Total	\$479.8	\$507.1	\$27.2	5.37%

The Executive Budget recommends an All Funds appropriation of \$507.1 million for the Department of Taxation and Finance, which is an increase of \$27.2 million or 5.4 percent from SFY 2023-2024. The Executive Budget recommends a workforce of 3,828 FTEs, which is an increase of 43 FTEs over SFY 2023-24 levels.

Division of Tax Appeals (DTA)

The Executive Budget recommends an All Funds appropriation of \$4.0 million for the Division of Tax Appeals in State Operations funds, which is an increase of \$669,600 or 16.6 percent from SFY 2023-2024. The Executive Budget recommends a workforce of 29 FTEs, which is an increase of three FTEs over SFY 2023-24 levels.

Article VII

Permanently Extend the Itemized Deduction Limit on High Income Filers (REV Part A):

The Executive Budget proposes to permanently extend the limitations on charitable deductions under the State and City income tax codes. Individuals with taxable income above \$10 million can only claim 25 percent of the value of their charitable deduction at the federal level on their state taxes, and those with incomes between \$1 million and \$10 million can claim 50 percent of the value of their federally claimed charitable deductions. If the limit is allowed to expire, those making over \$10 million would be able to claim 50 percent of their federal charitable deductions. This limitation was last extended for five years in 2019 and is set to expire this year.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2024-25 and would increase State revenue by \$175 million in SFY 2025-26, and by \$350 million in SFY 2026-27 and SFY 2027-28.

Permanently Extend the Tax Shelter Provisions (REV Part B): The Executive Budget proposes to permanently extend the current tax shelter penalty and reporting requirements. The tax shelter provisions were established in 2005 and were modeled on federal rules that require taxpayers to report on transactions that could be used for tax avoidance and which impose

penalties for the failure to report. These provisions were last extended in 2019 for five years and are set to expire this year.

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

Make Technical Corrections to the Metropolitan Commuter Transportation Mobility Tax

(REV Part C): The Executive Budget proposes to clarify that the Metropolitan Commuter Transportation Mobility Tax (“MCTMT”) rate of 0.34 percent will remain the same for the self-employed individuals of the suburban counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. In the FY 2023-24 budget, the rate for self-employed individuals residing in New York City was raised to 0.47 percent for Tax Year 2023 and to 0.60 percent starting in Tax Year 2024. Due to a mistake, the proposal as written last year would apply this new top rate of 0.60 percent to all self-employed individuals even though this was not the intent. This proposal fixes this drafting mistake.

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

Close the Amended Return Loophole for Personal Income and Corporation Franchise

Taxes (REV Part D): The Executive Budget proposes to change the limitation on petition filed to the Division of Tax Appeals (DTA) to allow the Department of Tax and Finance (DTF) to take action on amended tax returns that were filed during or after the appeal process. Currently, if a taxpayer files a petition with the Division of Tax Appeals challenging a refund determination or a deficiency notice, then the Department of Tax and Finance is unable to issue any new notices of deficiency for any returns filed by that taxpayer for the same Tax Year unless they can show fraud. If a taxpayer were to submit an amended return claiming a large refund for the same Tax Year as a previous return that had a petition file; then DTF would not be able to issue a notice of deficiency to deny that refund even if upon audit they found it improper. This proposal would change this to limit the ability of DTF to issue additional notices of deficiency for the specific tax return that a taxpayer filed a petition with DTA, not for all returns for that Tax Year. As a concurring change, the limitation on taxpayers filing additional petitions with DTA for a Tax Year they have already filed a petition on would be changed to allow them to file new petitions if they receive a notice of deficiency on an amended return.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact on the State in SFY 2024-25 and would increase State revenue by \$20 million in SFY 2025-26, SFY 2026-27 and SFY 2027-28.

Establish the Commercial Security Tax Credit (REV Part E): The Executive Budget proposes to establish a new tax credit administered by the Division of Criminal Justice Services (DCJS) designed to cover part of any qualified retail theft prevention measures taken by small

businesses. Businesses with 100 or fewer employees operating at least one retail location in the state would be able to file for a certificate of credit to DCJS, if they spent at least \$12,000 annually per New York store on qualified retail theft prevention measures in Tax Years 2024 and 2025 if they file under the Corporate, Corporate Franchise, or Personal Income Tax. Qualified retail theft prevention measures include costs such as hiring security officers, installing cameras, additional lighting, alarm systems, new locks, or other such anti-theft measures. DCJS would be responsible for examining the books of the stores to determine whether the expenses incurred meet the criteria, and if they do, then the taxpayer would be issued a certificate for a \$3,000 refundable credit per store. The cost of the whole program is capped at \$5 million per Tax Year, with credits being assigned on a first come first serve basis.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2024-25, would decrease revenue by \$5 million in SFY 2025-26 and in SFY 2026-27 and would have no fiscal impact in SFY 2027-28.

Permanently Extend the Mandatory Electronic Filing and Payment Requirements (REV Part F): The Executive Budget proposes to make permanent the e-filing mandate created in 2011, which requires tax preparers and taxpayers who utilize tax preparation software file their returns electronically with DTF. This requirement was last extended for five years in 2019 and is set to expire this year.

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

Permanently Extend Authorization to Manage Delinquent Sales Tax Vendors (REV Part G): The Executive Budget proposes to make permanent certain provisions concerning the segregated sales tax account program. The State allows DTF to require a sales tax vendor that has been found failing to correctly remit sales taxes to set up a segregated account into which they will be required to deposit all collected sales taxes, and if the vendor fails to set up such an account, to post a bond. The purpose of these actions is to ensure that the State is receiving the correct sales tax revenue. Failure to comply can lead to the revocation of a certificate of authority to collect sales taxes. This provision was last extended in 2019 for five years and is set to expire this year.

Fiscal impact: The Executive proposal estimates this would have no fiscal impact on the State or its localities

Provide for the Filing of Amended Sales Tax Returns (REV Part H): The Executive Budget proposes to clarify the provisions regarding the filing of amended sales tax returns. DTF has allowed sales tax vendors to submit amended returns even though the Tax Law does not have provisions for amended sales tax returns, in recognition that mistakes are sometimes made on returns. This proposal would codify into law rules for when amended sales tax returns can be

filed. The proposal would not allow a sales tax vendor to file a return that would reduce or eliminate a fixed and final tax debt. Sales tax vendors would have up to three years to submit an amended return after the original return was issued or up to two years after payment was submitted, and DTF would have up to three years to audit such returns. In cases in which a return could affect a determination of a possible fixed and final debt, the time to issue an amended return would be shortened. If a debt might arise from a return that erroneously overstated the amount due, the vendor would have 180 days from the original filing date to file the amendment. If the debt could arise from the failure to file a return on time, a vendor would have 180 days from the date they received notice of the failure to file to submit an amended return. Submitting a return with false information for the purposes of reducing the amount due would be punished with a \$1,000 fine. The Commissioner of Tax and Finance is required to inform sales tax vendors of these new rules by September 1 of this year.

Fiscal Impact: The Executive proposal estimates this would increase State revenue by \$3 million in SFY 2024-25 and by \$10 million in SFY 2025-26, SFY 2026-27 and SFY 2027-28.

Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years (REV Part I):

The Executive Budget proposes to extend for three years the tax exemption for services provided by companies previously connected prior to Dodd-Frank. The Dodd-Frank Wall Street Reform and Consumer Protection Act required financial services firms to transfer portions of their back office operations into separate legal entities. This separation of “front” and “back” office functions was aimed at ensuring a firm’s operational continuity. As a result, operations that were previously conducted internally within the same legal entity became services liable for sales tax. In 2015, the provision of these back office services such as payroll provided by previously joint entities were exempted from the sales tax. This sales tax exemption was last extended for three years in 2021.

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

Extend the Sales Tax Vending Machine Exemption for One Year (Rev Part J):

The Executive Budget proposes a one year extension of the sales tax exemption for food and drinks obtained from vending machines priced at less than \$1.50 when paying by cash or coins, and priced less than \$2 when paying by cashless means. This exemption was last extended by one year last year.

Fiscal Impact: The Executive proposal estimates this would decrease State receipts by \$8 million in SFY 2024-25, \$2 million in SFY 2025-26 and would have no fiscal impact in SFY 2026-27 and SFY 2027-28.

Modernize Tax Law to Include the Vacation Rental Industry (REV Part K): The Executive Budget proposes legislation making vacation rentals subject to State and local sales taxes as well

as the \$1.50 New York City hotel unit fee. Vacation rentals mean any rental of a room in a residential structure, for the purposes of lodging a guest. Individuals making such rentals would be responsible for collecting and remitting these taxes. Vacation rental marketplace providers, or entities that provide a forum to facilitate vacation rentals, including by collecting the rent, would be responsible for collecting and remitting these taxes for any transactions they facilitated. The owners of the properties would be exempted from the responsibility to collect and remit the tax if they use a vacation rental marketplace and receive in good faith certification from the marketplace providers that they will be collecting and remitting these taxes.

Fiscal Impact: The Executive proposal estimates this would increase State revenue by \$8 million in SFY 2024-25 and by \$16 million in SFY 2025-26, SFY 2026-27 and SFY 2027-28.

Repeal and Replace the Cannabis Potency Tax (REV Part L): The Executive Budget proposes to repeal the current wholesale THC potency tax which varies by adult-use cannabis product types and is based on their THC levels according to their label, and replaces it with a nine percent excise tax on the wholesale price charged to retailers. Licensees capable of both distribution and retail, such as Registered Organizations and microbusinesses, would have to charge the nine percent excise tax on 75 percent of the price of the product when sold to a retail customer. In addition, this proposal would change the administrative provisions governing this tax from the administrative provisions for corporate taxes to the administrative provisions governing the sales tax.

Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State and would increase revenue to local governments by \$2.9 million in LFY 2024 and by \$15.8 million in LFY 2025.

Clarify the Telecommunications Assessment Ceiling Program (REV Part M): The Executive Budget proposes to amend the definition of what telecommunication property is tax exempt. If used for transmitting news, entertainment, radio, television or cable signals then the property is tax exempt only if it is used “primarily and exclusively” for such transmissions.

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

Return Tax Foreclosure Surplus to Property Owner (REV Part N): The Executive Budget proposes that when tax-delinquent property is sold to pay off unpaid property taxes, any excess must be used to pay off liens and any remaining proceeds be returned to the former owners; instead of the current practice where excess funds go to localities. The Supreme Court recently ruled (in *Tyler v. Hennepin*) that systems where localities keep the excess are unconstitutional in violation of the Takings Clause. Prior to the Supreme Court ruling, the ultimate recourse for a municipality to recoup delinquent property taxes was for it to foreclose the property and sell it.

In contrast, the 2023 Supreme Court ruling provided prior owners entitlement to surplus in the case of official proceeding.

In addition, this section includes the following proposals:

- Clarifies the scope of who is entitled to tax foreclosure surplus by authorizing the enforcing officer to submit a report to the court including a determination of whether a surplus was attributable to the sale and how the amount of the surplus was determined. The Executive proposes that any surplus would be paid to the court, with a notification to the former owner with a claims process administered and adjudicated in the same manner as an action to foreclose a mortgage where other interested parties could make a claim for a share of the surplus.
- Clarifies that municipalities are entitled to taxes due plus interest, penalties, and other charges when determining the existence and amount of surplus by subtracting such sum either from the amount paid for the property through (1) a public sale, or (2) the full value of the property based on the most recent tax roll, or alternatively, an estimate by the enforcing officer.
- Provides for a claimant to make a motion to recalculate a surplus on the basis that the property's full value was substantially higher than the value used to measure the surplus determined by the enforcing officer, and if the court finds that a preponderance of the evidence supports the claimant's position, the court may direct the enforcing officer to pay the difference.
- In the event that there are surplus funds unclaimed, they are deemed abandoned and paid to the tax district, rather than the State Comptroller, and must be used by the tax district to reduce its tax levy.

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

Sweeps and Transfers (PPGG Part X): 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:

- Codify in statute the scope of the Office of State Comptroller (OSC) "terms and conditions" approval of Personal Income Tax and Sales Tax Revenue Bonds sales issued on a negotiated basis.
- Make permanent the authority to issue up to \$4 billion in short-term personal income tax bonds with a maturity no later than one year after the date of issuance, for use in instances when the State may face an unexpected budget shortfall.

ECONOMIC DEVELOPMENT



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Economic Development Fact Sheet

Appropriations

- **Launch NY AI Consortium:** The Executive Budget proposes \$250 million for establishment of an Launch NY AI Initiative.
- **NY Redevelopment of Underutilized Sites for Housing (NY RUSH):** The Executive Budget proposes \$250 million in capital funding for the implementation of the Redevelopment of Underutilized Sites for Housing.
- **One Network for Regional Advanced Manufacturing Partnerships(ON-RAMP):** The Executive proposes \$80 million in new and existing capital to launch the ON-RAMP workforce centers that will focus on providing credentials and training related to advanced manufacturing.
- **New York Works Economic Development Fund (EDF):** The Executive Budget maintains \$400 million in capital funding, which is unchanged from SFY 2023-24 enacted levels. The New Works EDF provides capital grants to support projects that facilitate an employer's ability to create new, or retain existing, jobs, or to fund infrastructure investments to attract new businesses or expand existing businesses.

Article VIIs

- **Article 15-A Extender:** The Executive Budget proposes a five-year extension of the MWBE program from December 31, 2024 until December 31, 2029.

ECONOMIC DEVELOPMENT AGENCY DETAILS

Economic Development Agency All Funds Appropriations (\$ in millions)				
	Available SFY 2024	SFY 2025 Executive Recommendations	\$ Change	% Change
Department of Economic Development	\$ 107.34	\$ 100.39	\$ (6.96)	-6%
Empire State Development Corporation	\$ 1,583.91	\$ 2,258.24	\$ 674.33	43%
Total Economic Development	\$ 1,691.25	\$ 2,358.63	\$ 667.37	39%

Overview

The Executive Budget proposes \$2.4 billion in All Funds appropriations for SFY 2024-25, an increase of \$667.4 million or 39 percent from SFY 2023-24. This increase largely results from various new capital projects, including \$500 million for the Albany Nanotech Ultraviolet Lithography Center, \$250 million for the Launch NY AI Consortium Initiative, \$250 million for NY Redevelopment of Underutilized Sites for Housing, and \$100 million for FAST NY Shovel Ready program.

Department of Economic Development

The Executive Budget proposes \$100.4 million in All Funds appropriations for the Department of Economic Development (DED), a decrease of \$6.9 million or 6 percent from SFY 2023-24. This decrease largely results from the elimination of \$4.4 million in legislative additions for the Centers for Advanced Technology (CAT), Centers of Excellence (COE), and Tourism Promotion Matching Grants. The Executive Budget recommends a DED workforce of 165 FTEs for SFY 2024-25, unchanged from SFY 2023-24.

The Executive Budget proposes \$13.6 million for the Centers for Advanced Technologies (CAT) and \$12 million for the Centers of Excellence (COE), a decrease of \$3.4 million in legislative additions from SFY 2023-24. The Executive provides \$2.45 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 for the Innovation Hot Spots and Incubators Program.

High Technology Matching Grants Program

The Executive maintains \$12 million for the High Technology Matching Grants Program. The High Technology Matching Grant Program provides matching grants to small businesses who have been awarded grants under the federal Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (SBTT) programs.

Empire State Development Corporation (ESD)

The Executive Budget proposes \$2.3 billion in All Funds appropriations for ESD, an increase of \$674.3 million or 43 percent from SFY 2023-24. The increase reflects the addition of \$1.3 billion in various new capital projects and an increase of \$28 million for Workforce Development initiatives. These increases are offset by the Executive elimination of a total of \$803 million in one-time support for various capital projects, including Belmont Race track (\$455 million), Hunts Points (\$130 million), University of Albany Absorption Chiller (\$30 million), Feedmore Western NY (\$24 million), Troy Monument Square (\$19 million), Victory Mills (\$130 million), Dominican Cultural Center (\$7.5 million), and LGBTQ+ Museum (\$7.5 million).

The Executive maintains support of \$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.

Market New York

The Executive maintains support of \$8 million in capital funding for Market NY, however, the Executive included new eligibility language requiring municipalities to be certified as a pro-housing community by the Division of Housing and Community Renewal for eligibility to receive Market NY awards. This grant program supports regionally themed marketing projects that promote tourism destinations, attractions and special events, as well as tourism facility capital improvement projects. The Executive also maintains \$7 million in operating support for this program, but only the capital program has the pro-housing certification requirement.

Regional Economic Development Councils (REDCs)

The Executive Budget maintains \$150 million in capital funding for the 13th round of REDCs initiative. The Executive included new eligibility language requiring municipalities to be certified as a pro-housing community by the Division of Housing and Community Renewal for eligibility to receive REDC awards.

RESTORE NY Communities Program

The Executive Budget includes \$50 million for the RESTORE NY Communities Program, which is unchanged from SFY 2023-24 levels. This program was established in SFY 2006-07 and provides municipalities with financial assistance for the revitalization of commercial and residential properties.

Focused Attraction of Shovel-Ready Tracts New York (FAST NY) Grant Program

The Executive Budget proposes \$100 million for a third round of the FAST NY Grant Program that provides grants to prepare and develop sites statewide to attract large high-tech manufacturing employers, including semiconductors manufacturing, interstate distribution, and logistics businesses. The FAST NY grant program was established in SFY 2022-23 providing \$200 million over two years. To date the program has awarded 13 grants totaling \$130 million over two rounds.

Albany Nanotech Ultraviolet Lithography Center

The Executive Budget provides \$500 million in capital to support its previously announced \$1 billion commitment to expand the Albany Nanotech Complex. The State's \$1 billion investment will include the purchase of a High Numerical Aperture Extreme Ultraviolet (High-NA EUV) lithography device and the construction of a High-NA EUV lithography center on the Nanotech campus. According to the Executive, the remaining \$500 million investment will come from existing resources.

The High-NA EUV tool and center will support the research and development of semiconductors and continue to support and develop talent through partnerships with SUNY. The Executive estimates that this project will generate \$9 billion in private funding over the next eight years, with the State's \$1 billion investment being spent over the next four years.

New York Redevelopment of Underutilized Sites for Housing (NY RUSH)

The Executive Budget recommends \$250 million in capital for the NY RUSH Initiative, which supports Article VII ELFA Part P proposal. NY RUSH will assist State agencies, including SUNY and DOT in repurposing existing State sites on campuses and properties for the use of housing and local amenities. NY RUSH will provide \$500 million over two years.

County Partnership Programs

The Executive Budget proposes a total of \$135 million in capital for grants to counties outside of New York City for public safety or infrastructure projects.

The County Partnership-Public Safety Grants program will provide \$85 million in grants to counties for the development, construction, installation, consolidation, or operation of public safety communications systems or networks designed to support public safety answering points. The program will be administered by the Division of Homeland Security and Emergency Services. The County Partnership-Grants Program, administered by ESD, will provide \$50 million in grants to counties for infrastructure projects. Funds can be used for site development, including construction, reconstruction, renovation, site preparation, demolition, real property acquisition, or preparation of plans and design. The maximum grant will be \$1 million.

One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP)

The Executive proposes a total of \$200 million in new and existing funding for the ON-RAMP program, which will provide training and credentials in advanced manufacturing. The SFY 2024-25 Executive budget provides ON-RAMP with \$80 million in new capital funding as well as \$13 million in operating support through the Workforce Development initiative. The remaining funding for the program will be supported through existing resources. This network will feature four workforce development centers across upstate New York, with the flagship center located in Syracuse and the location of the remaining three centers selected through a competitive process. The workforce centers will focus on skill-building for the local labor force, connecting employers to skill workers and fostering economic opportunities for disadvantaged populations.

Launch NY AI Consortium Program

The Executive Budget provides \$250 million in capital for the establishment of the Launch NY AI program. Launch NY AI program will provide \$400 million in total. The Executive will provide \$275 million investment through capital grants, including \$25 million from other funding sources over a 10-year period, as well as \$125 million from private partners. The Launch NY AI consortium will consist of Columbia University, Cornell University, NYU, RPI, SUNY, CUNY and the Flatiron Institute. The consortium will establish a state of the art AI computing center that aims to advance research, job creation, and AI opportunities.

Grown and Certified program

The Executive provides \$20 million in capital for the Grown and Certified program, a voluntary program providing food producers resources to adopt food safety standards and enroll in an environmental management program, to meet consumers demands for high quality food and agricultural products.

Entrepreneurial Assistance Program (EAP)

The Executive Budget provides \$4.5 million in operating support for the Entrepreneurial Assistance Program, an increase of \$2.7 million from SFY 2023-24. This increase in funding accounts for the increase in the maximum grants to Entrepreneurial Assistance Centers (EAC) from \$175,000 to \$250,000. EAP establishes EACs in local communities to provide instruction, training, technical assistance and support services to individuals who have recently started their own businesses or have an interest in starting a business.

Global Entrepreneur in Residence Program

The Executive Budget includes \$4 million in operating support for the Global Entrepreneur in Residence program, which offers competitive grants to research universities and colleges to retain Global entrepreneurs. This program will allow international graduate and doctoral students to obtain university-sponsored visas to continue their research and commercialization efforts.

The Workforce and Economic Development Initiatives

The Executive provides \$208 million in continued support for Workforce Development initiatives and the Office of Workforce and Economic Development, an increase of \$28 million from SFY 2023-24. The workforce initiatives include workforce investments for teachers, healthcare and mental health professionals, caregivers and apprenticeships and internships for SUNY and CUNY, including a new workforce initiative to support One Network for Regional Advanced Partnerships. Funding for these initiatives are administered by various agencies based on their areas of expertise, with only the Office of Strategic Workforce Development, the Capital grant and Pay for Performance grant programs being administered by ESD.

Workforce Development Project Schedule (\$ in millions)			
	Enacted 2022-23	Enacted 2023-24	Executive 2024-25
The Office of Strategic Workforce Development*	\$ 20.80	\$ -	\$ -
Capital Grant Program*	\$ 35.00	\$ -	\$ -
Pay for Performance Grant Program*	\$ 115.00	\$ -	\$ -
Teacher Residency Program	\$ 30.00	\$ 30.00	\$ 30.00
SUNY and CUNY Internships	\$ 10.00	\$ 10.00	\$ 10.00
SUNY and CUNY Apprenticeships	\$ 5.00	\$ 5.00	\$ 5.00
Expansion of Alternative Certifications	\$ 10.00	\$ 10.00	\$ 10.00
Upskilling School Paraprofessionals	\$ 8.00	\$ 8.00	\$ 8.00
Expansion of Psychiatric Rehabilitation Services at OMH	\$ 2.80	\$ 5.30	\$ 10.30
Office for People with Developmental Disabilities	\$ 2.60	\$ 0.16	\$ 10.16
Diversity in Medicine	\$ 1.20	\$ 2.40	\$ 2.40
Expansion of SUNY Pre-Medical Opportunities Program	\$ 1.00	\$ 1.00	\$ 1.00
Caregiver Flexibility for Direct Care Workers	\$ 39.00	\$ 39.00	\$ 39.00
Financial Burden Relief for Healthcare Workers	\$ 47.00	\$ 47.00	\$ 47.00
Training Capacity Expansion for Statewide Institutions	\$ 22.50	\$ 22.50	\$ 22.50
One Network for Regional Advanced Manufacturing Partnerships **	\$ -	\$ -	\$ 13.00
	\$ 349.90	\$ 180.36	\$ 208.36

*Administered by ESD and funds disbursed over 5 years.

** Administered by ESD

Article VII

Empire State Development Corporation (ESDC)

Increase the Cap on Grants to Entrepreneurial Assistance Centers (TEDE Part X): The Executive Budget proposes to increase the cap for grants to Entrepreneurial Assistance Centers (EACs) from \$175,000 to \$250,000. EACs are located in communities throughout the State that provide instruction, training, technical assistance, and support services to individuals who are interested in starting or recently started their own business, or entrepreneurs seeking to expand or strengthen their early-stage business. Only certain organizations are eligible to become an EAC including a community college, BOCES, a not-for-profit corporation operated by a board of directors representing community leaders in business, education, finance, and government, or joint ventures between community-based organizations, local governments, private and public lenders, or other service providers in the region.

EACs provide instruction, training, and one-on-one counseling in various languages to help aspiring entrepreneurs, first-time and existing business owners to develop business, problem-solving and management skills. EACs offer a wide range of technical assistance services, including: evaluating the feasibility of starting a new business; refining a business concept and business plan; business registration assistance; skills building; a 60-hour business plan training course; financial management; website development and the design of ecommerce platforms; counseling and guidance in identifying and accessing capital and credit services; assistance with state procurement programs; and certification assistance to MWBEs.

Fiscal Impact: The Executive includes \$4.5 million for the program underlying this proposal.

Five-Year Article 15-A Extender (TEDE Part Y): The Executive Budget proposes a five-year extension of the Minority and Women-Owned Business Enterprise (MWBE) program operated by the Division of Minority and Women’s Business Development. The program is set to expire on December 31, 2024, and this proposal would extend it until December 31, 2029.

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

Extend the Authorization of UDC to Administer the Empire State Economic Development

Fund (TEDE Z): The Executive Budget proposes the extension of the authorization of the Urban Development Corporation (UDC) to administer the Empire State Development Fund (EDF) for an additional three years until July 1, 2027. This authorization was previously extended for one year and is currently set to expire on July 1, 2024. The EDF offers financial assistance for projects that promote New York State’s economic health by facilitating job creation and/or retention, or increased business activity in the State. EDF funds can assist with construction, expansion and rehabilitation of facilities, acquisition of machinery and equipment, working capital, and training full-time permanent employees.

Fiscal Impact: The Executive includes \$26.2 million for the program underlying this proposal.

Extend the General Loan Powers of the New York State UDC (TEDE AA): The Executive Budget proposes the extension of the general loan powers of UDC to make loans in connection with a broad range of economic development programs for an additional three years until July 1, 2027. These powers were previously extended for one year and are set to expire on July 1, 2024.

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

Dormitory Authority of New York (DASNY)

Omnibus State & Municipal Authorization for Certain Projects (TEDE Part U): The Executive Budget proposes authorizing DASNY to provide its planning, design, procurement and construction assistance services to state agencies, counties, cities, towns, and villages receiving federal grants or loans under the American Rescue Plan Act, Infrastructure Investment and Jobs Act, and Inflation Reduction Act, or state assistance under the Environmental Bond Act, or DOS’s Downtown Revitalization and NY Forward programs.

The Executive also proposes a definition change in DASNY’s Facilities Development Corporation statute, which authorizes construction and improvement of mental health facilities to expand the definition of municipal building. The expanded definition would also allow DASNY construction and financing for any structure or improvement done in conjunction with the project, eliminating the current limitation eligible municipal buildings are principally used for administrative office purposes or maintenance equipment storage/repairs.

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

Extend DASNY Subsidiary Authorization (TEDE Part V): The Executive Budget proposes to extend DASNY’s authority to establish subsidiaries to take title to hospitals and residential health facilities that have defaulted on loan agreements or mortgages with DASNY for three years. It was last extended for two years in 2022 where DASNY cited uncertain financial instability for hospitals in the aftermath of the pandemic.

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

Miscellaneous

Increase Battery Park City Authority (BPCA) Bond Capacity (TEDE Part W): The Executive Budget proposes to raise BPCA’s non-renewable bonding cap from \$1.5 billion to \$2.5 billion, which they say is for additional critical infrastructure maintenance and resilience-related work. Last year’s budget raised this bond cap from \$500 million to \$1.5 billion.

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

EDUCATION



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Education Fact Sheet

Appropriations

- **School Aid Total:** The Executive Budget provides a School Aid increase of \$825 million or 2.4 percent, for a total of \$35.3 billion in the 2024-25 school year, including a \$507 million or 2.1 percent increase in Foundation Aid.
 - Foundation Aid Components
 - The Executive Budget redefines the inflationary factor in Foundation Aid, resulting in a lower calculation of 2.4 percent. The November Database reflected a higher growth rate of 3.8 percent.
 - The Executive Budget eliminates the Hold Harmless provision, but proposes a “Transition Adjustment” provision of \$207 million, adjusted for district wealth, to lessen the impact of the proposed cuts. Absent making any other changes to the Executive proposal, restoring all school districts Foundation Aid to prior year levels would cost an additional \$168 million.
 - Redefines the State Sharing Ratio, increasing the ceiling on Foundation Aid calculations for lowest wealth schools.
 - The Executive maintains the \$250 million set-aside within Foundation Aid for Community Schools.
 - The Executive Budget also proposes full funding of formula-driven expense-based aids, including building aid and transportation aid. The Executive projects these categories to increase by \$318 million (3.2 percent).
 - The Executive Budget also proposes a new \$100 million appropriation outside of school aid runs for Supplemental Assistance Grants, to be allocated to schools via formula.

- **Library Funding:** The Executive Budget increases operating assistance for libraries by \$2.5 million, for a total of \$102.1 million. The proposal keeps flat new capital funding for libraries at \$34 million.

- **Charter Schools:** The Executive decreases reimbursement of Supplemental Basic Tuition for charter schools by \$35 million (18.9 percent) for a total of \$150 million. This is reflected in a decrease in aid for New York City public schools. However, the Executive intends this to force New York City to use its pandemic stimulus funds to supplant this reduction. The proposal increases reimbursement of Charter School Facilities Aid for New York City public schools by \$20 million, for a total of \$120 million.

- **School Food Programs:** The Executive increases funding for school meals by \$11 million (6.5 percent) for a total of \$180 million. The Executive proposal continues the incentive for schools to participate in the Federal Community Eligibility Provision program.
- **Back-to-Basics Reading:** The Executive proposes a new \$10 million to support training 20,000 teachers in the science of reading, through New York State United Teachers (NYSUT) Education and Learning Trust. As part of this investment, SED will require school districts to certify their reading curriculum aligns with best practices.
- **Special Education Rate-Setting Reform:** The Executive Budget provides an additional \$1.4 million for SED to study and design a new methodology to fund preschool and school-age special education, bringing total funding for the study to \$3.9 million. The Executive extends the deadline for SED to report its recommendations from 2025 to 2027.
- **Nonpublic Schools:** The Executive provides \$239 million million in Mandated Services Aid for nonpublic schools, an increase of \$44 million (23 percent). This funding will fully fund upcoming aid and address shortfalls in prior year aid. The Budget remains flat at \$73 million for STEM programs and eliminates a Legislative Add of \$1 million for vaccination recordkeeping.
- **Capital Projects:** The Executive Budget continues funding for Nonpublic School Health and Safety projects at \$45 million. It also provides \$4.5 million in capital funding for the State School for the Blind and \$3.0 million for the State School for the Deaf, as well as \$20.1 million for schools on Native American reservations.
- **State Operations:** The Executive Budget proposes an increase in SED State Operations of \$17.2 million, or 2.6 percent, for a total of \$688.5 million. Proposed funding levels would increase SED's workforce by 24 to a total of 2,900. Of the increase, 16 FTEs are proposed for General Management Services and 8 FTEs are proposed for the Office of Pre-K - 12th Grade Education.

Article VII

- **Extends New York City Mayoral Control:** The Executive Budget proposes to extend the school governance and mayoral control of New York City schools for four years, to sunset on June 30, 2028.

- **Statewide Evidence and Science Based Reading Instruction:** The Executive Budget proposes to require the Commissioner of Education to establish evidence and science based reading instruction best practices for students in prekindergarten to third grade. All school districts must annually review their curriculum and instruction practices to ensure they align with the Commissioner’s reading instruction best practices.
- **FAFSA and José Peralta New York State DREAM Act Application Completion:** The Executive Budget proposes to require school districts to collect documents from parents, guardians, emancipated, or adult students certifying that they have completed the FAFSA application or the NYS DREAM Act application, or a waiver stating the student chose not to apply for FAFSA. This proposal would further require school districts to annually report to the State Education Department, the numbers of students who certified or submitted a waiver, and the total number of seniors enrolled.
- **Funding Access for Universal Prekindergarten Programs:** The Executive proposes to remove State funds from the Universal Prekindergarten “supplement not supplant” provision, which provides that funding allocated or awarded must only be used in addition to and not in place of federal, state, and local expenditures. This proposal allows school districts to be awarded grant funding prior to exhausting previously dispersed Universal Pre-K allocations.

Education Agency Details

State Education Department All Funds Appropriations				
Agency	Available SFY 2023-2024	Executive Recommendation SFY 2024-2025	\$ Change	% Change
State Education Department	\$44,312,649,822	\$45,773,597,350	\$1,460,947,528	3.3%

Overview

The Executive Budget proposes \$45.8 billion in All Funds appropriations for the State Education Department (SED) in SFY 2024-25. This is an increase of \$1.5 billion, or 3.3 percent, over SFY 2023-24 levels and reflects continued increases in Foundation Aid. The Executive Budget also recommends a workforce of 2,900 FTEs for SED, reflecting an increase of 24 FTEs from the current fiscal year.

State Operations

The SFY 2023-24 Enacted Budget provided \$653.9 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$671.4 million.

The Executive Budget proposes \$688.5 million in State Operations appropriations for SED in SFY 2024-25. This is an increase of \$17.2 million, or 2.6 percent, over SFY 2023-24 levels. The Executive Budget also recommends a workforce of 2,900 FTEs for SED, reflecting an increase of 24 FTEs from the current fiscal year. According to the Executive, the additional FTEs are expected to be assigned as follows:

- 11 FTEs for IT
 - 4 FTEs for the new Low-Code Development Unit
 - 4 FTEs for Cybersecurity Operations Unit
 - 2 FTEs for a Website Team
 - 1 FTE as an Enterprise Technical Architect
- 5 FTEs for State Longitudinal Data System
- 4 FTEs as Literacy Associates
- 3 FTEs for Zero-Emission Buses
 - 1 FTE as a Professional Engineer
 - 1 FTE as a Code Compliance Specialist
 - 1 FTE as an Associate Administrative Analyst
- 1 FTE as a Health Associate

Rochester Fiscal Monitor: The Executive eliminates the legislative addition of \$150,000 for the Rochester Fiscal Monitor.

Special Education Rate-Setting Reform: The Executive Budget provides an additional \$1.4 million for SED to study and design a new methodology to fund preschool and school-age special education, bringing total funding for the study to \$3.9 million. The Executive extends the deadline for SED to report its recommendations from 2025 to 2027.

P-12 Education

The Executive Budget provides \$34.8 billion in total School Aid on the run, an increase of \$825 million, or 2.4 percent, over SFY 2023-24. The increase consists of a \$507 million, or 2.1 percent, increase in Foundation Aid, and a \$318 million, or 3.2 percent, increase in expense-based aids (see table below titled “2024-25 Executive Budget School Aid Detail”).

The Executive Budget proposal makes several changes to the Foundation Aid formula. The Executive redefines the inflationary factor in Foundation Aid, eliminates the Hold Harmless provision, and adds a “Transition Adjustment” factor.

The Executive also proposes an additional sum of \$100 million for school aid outside of the school aid formula. The Executive has not provided the allocation for this \$100 million.

In sum, the Executive Budget proposes a School Aid total of \$35.3 billion, an increase of \$825 million, or 2.4 percent, over Academic Year 2023-24. This total comprises \$34.7 billion in total school aid on the run, \$309 million in categorical aid, and \$196 million in competitive grants.

2024-25 Executive Budget - School Aid Increase Components				
(\$ in Millions)				
	SY 2023-24	SY 2024-25	\$ Increase	% Increase
Foundation Aid	\$23,999	\$24,506	\$507	2.1%
Expense-Based Aids	\$9,928	\$10,245	\$318	3.2%
School Aid on The Run Total	\$33,927	\$34,751	\$825	2.4%
Competitive Grants	\$309	\$309	\$0	0.1%
Categorical Aids	\$196	\$196	\$0	N/A
SUFPK Expansion	\$50	\$50	\$0	N/A
Total School Aid	\$34,481	\$35,306	\$825	2.4%

Foundation Aid: The Executive Budget increases funding for Foundation Aid, totaling \$507 million, or 2.1 percent, for SY 2024-25.

As mentioned, the Executive Budget proposal makes several changes to the Foundation Aid formula. The proposal redefines the inflationary factor in Foundation Aid, resulting in a lower calculation of 2.4 percent. Previous calculations of inflation utilized the Consumer Price Index for the prior twelve months. The Executive Budget uses the average of the past ten years, and excludes the lowest and highest figures. The November Database reflected a higher growth rate of 3.8 percent. The effect of this change reduces the growth of Foundation Aid for all school districts.

The Executive proposal also eliminates the Hold Harmless provision, which has historically prevented districts from suffering a year-to-year decrease in Foundation Aid. To lessen the impact of these cuts, the Executive proposes a “Transition Adjustment” factor within Foundation Aid of \$207 million. The Transition Adjustment factor is determined based on a district’s wealth, with lower-income districts receiving 91 percent of their decrease as a result of Hold Harmless,

with the highest income districts receiving a minimum of 50 percent of their resulting decrease. This will provide some relief to districts impacted by the elimination of the Hold-Harmless provision.

The net impacts of the Executive Budget Foundation Aid proposal results in approximately \$420 million less to school districts, resulting in a savings to the State of \$420 million, than was originally projected in the November Database. SED is expected to release further database updates in February.

Absent making any other changes to the Executive proposal, restoring all school districts Foundation Aid to prior year levels would cost an additional \$168 million.

Foundation Aid Set-Aside: The Community Schools Set-Aside within Foundation Aid is 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 \$318 million increase, or 3.2 percent, in funding for expense-based aids for SY 2024-25, 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.

Universal Pre-K: The Executive Budget continues funding for UPK, consistent with funding provided in the SFY 23-24 Enacted Budget. An additional \$100 million is provided for disbursement through the School Aid formula and allows all districts to receive funding to serve at least 90 percent of eligible four-year-olds. Per pupil allocations will be based on the Selected Foundation Aid, with a minimum of \$5,400 per pupil. The Executive combines previous competitive allocations into a single allocation at \$88.4 million. The Executive indicates this reflects actual disbursement of awards by SED. Total annual UPK support in the Executive Budget is \$1.3 billion.

2024-25 Executive Budget - Total School Aid Detail (\$ in Millions)				
Aid Category	SY 2023-24	SY 2024-25	\$ Increase	% Increase
Foundation Aid	\$23,999	\$24,506	\$507	2.1%
<i>Community Schools Set-Aside</i>	\$250	\$250	\$0	0.0%
Reorganization Operating Aid	\$3	\$2	(\$1)	-33.3%
Texbooks (Incl. Lottery)	\$162	\$162	\$0	0.0%
Computer Hardware	\$34	\$34	\$0	0.0%
Computer Software	\$42	\$42	\$0	0.0%
Library Materials	\$17	\$17	\$0	0.0%
BOCES	\$1,257	\$1,275	\$18	1.4%
Special Services	\$222	\$224	\$2	0.9%
Transportation (Including Summer)	\$2,395	\$2,543	\$148	6.2%
High Tax	\$223	\$223	\$0	0.0%
Universal Prekindergarten Aid	\$1,078	\$1,177	\$99	9.2%
Academic Achievement Grant	\$1	\$1	\$0	0.0%
Supplemental Educational Improvement Grant	\$18	\$18	\$1	2.9%
Excess Cost Aid - High Cost	\$575	\$650	\$75	13.0%
Excess Cost Aid - Private	\$438	\$456	\$18	4.1%
Supplemental Public Excess Cost	\$4	\$4	\$0	0.0%
Building Aid/Reorganization Building	\$3,397	\$3,349	(\$48)	-1.4%
Charter School Transitional Aid	\$53	\$58	\$5	9.4%
Academic Enhancement Aid	\$10	\$10	\$0	0.0%
Full-Day Kindergarten Conversion Aid	\$0	\$0	\$0	0.0%
Total Formula-Based Aids on the Run	\$33,928	\$34,751	\$825	2.4%

Executive Initiatives: The Executive Budget funds \$197 million in awards from past competitive grants. Notable programs include:

- \$57 million for Early College High Schools (ECHS) and NYS Pathways in Technology ECHS (P-TECH) programs.
- \$22.5 million for Master Teacher awards (no change).
- \$10 million for student mental health support grants (no change).
- \$5.8 million to subsidize the costs of Advanced Placement and International Baccalaureate exams for low-income students (no change).
- \$1.5 million for Refugee and Immigrant Students Welcome grants is transferred to the Office of Temporary and Disability Assistance.

Additionally, \$100 million for the Recover from COVID School program (RECOVS) in the SFY 2022-23 budget is reappropriated and extended for the 2025-26 School Year.

Back-to-Basics Reading: The Executive proposes \$10 million, in new funding, to support training 20,000 teachers in the science of reading, through New York State United Teachers (NYSUT) Education and Learning Trust. As part of this investment, SED will require school districts to certify their reading curriculum aligns with best practices.

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2024-25:

- \$239.2 million, an increase of \$44.2 million or 22.7 percent, in Mandated Services Aid and Comprehensive Attendance Policy to reimburse the actual expenditures of nonpublic schools for specified State testing and data collection activities. This includes \$23 million to reimburse costs from the 2021-22 and 2022-23 school year, which previous budgets did not fully cover.
- \$73 million, or flat funding, for STEM instruction.
- \$45 million, or flat funding, in capital funding for nonpublic school purchases of health and safety equipment.
- \$922,000, or flat funding, to support Academic Intervention Services (AIS); and
- The Executive discontinues \$1 million in funding for nonpublic immunization recordkeeping.

Charter Schools:

- Supplemental Basic Tuition Payments to School Districts: The Executive decreases funding for Supplemental Basic Tuition Payments to school districts from \$185 million to \$150 million. This reflects a decrease of \$35 million for New York City, which is intended to be supplanted with federal funds from the American Rescue Plan (charter tuition payments values do not change). These payments average \$1,000 per pupil and provide additional funding to districts to offset charter tuition payments.
- New York City Charter Facilities Aid: The Executive Budget increases Charter School Facilities Aid to New York City at \$120 million, an increase of \$20 million, or 20 percent. The New York City Department of Education currently receives a 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 2024-25:

- \$1.04 billion for preschool special education (state aid covers 59.5 percent of the overall costs associated, with counties paying the remaining 40.5 percent), reflecting no change.
- \$649.8 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, an increase of \$75 million.

- \$455.6 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, an increase of \$17.4 million.
- \$404 million, an increase of \$36.5, for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law.
- \$111.9 million for private schools for the blind and deaf, an increase of \$6 million, reflecting the continuation of a Legislative addition for all schools. However, the Executive eliminates \$3.1 million in Legislative additions for targeted schools.

Teacher Resource and Computer Training Centers: The Executive Budget provides \$6.4 million in total to operate the Teacher Resources and Computer Training Centers program for the remainder of SY 2023-24, reflecting a decrease of \$15 million.

Rehabilitation of Nation Schools: The Executive Budget provides \$20.1 million, or flat funding, in capital to rehabilitate three Nation Schools: the St. Regis Mohawk School (\$2.3 million), the Tuscarora School (\$6.6 million), and the Onondaga School (\$11.2 million).

State Schools for Blind and Deaf: The Executive Budget provides \$4.5 million in capital funding for Batavia School for the Blind and \$3 million in capital funding for Rome School for the Deaf. This reflects no change from the SFY 23-24 Enacted Budget.

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

- \$180 million for the School Lunch/Breakfast Program, an increase of \$11 million.
- \$48.8 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.
- \$32 million for education of homeless children and youth, an increase of \$0.3 million.
- \$25 million for Teachers of Tomorrow.
- \$18.5 million for Bilingual Education Grants.
- \$18 million for the My Brother's Keeper initiative.
- \$9.7 million for school health services in the Big Four school districts.
- \$12 million for the Roosevelt School District.
- \$10 million for locally sourced food reimbursement.
- \$8.9 million for districts participating in the Urban-Suburban Transfer Program.
- \$6 million for the education of youth detained in local correctional facilities.
- \$3.3 million in Learning Technology Grants.
- \$2 million for the Teacher-Mentor Intern program.
- \$1.2 million for Community Schools Regional Technical Assistance Centers.
- \$400,000 for Bus Driver Safety training.

Other Notable Programmatic Support Eliminated: The Executive Budget discontinues or reduces funding for several prior Legislative Adds not previously mentioned:

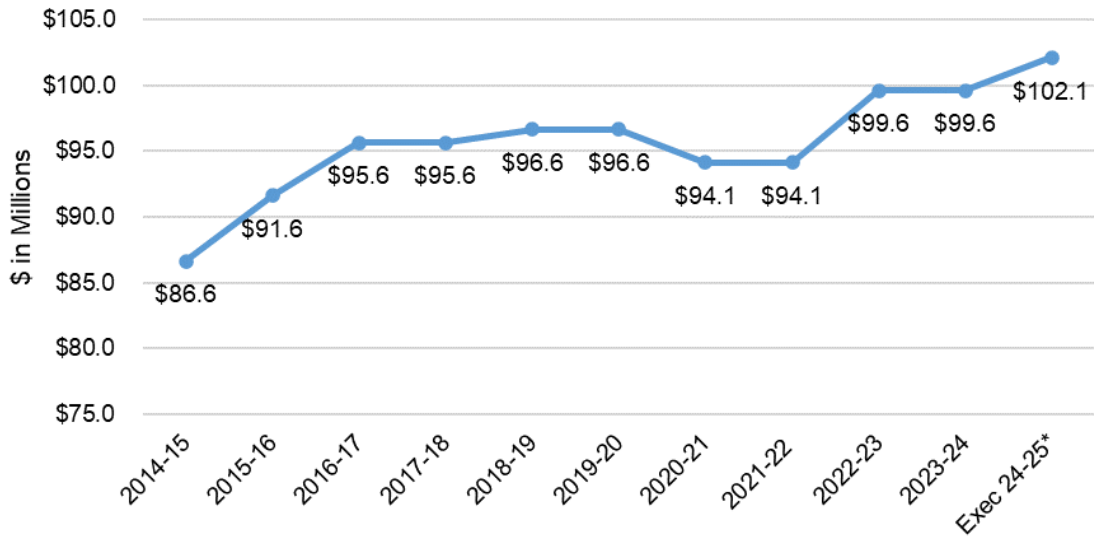
- \$1.5 million reduction for the Employment Preparation Education program (EPE), for a total of \$11.5 million.
- \$12 million elimination of Yonkers City School District subsidy.
- \$2 million for school districts facing significant financial hardship due to changes in taxable valuation or liability.
- \$1.1 million elimination for Many Threads Implicit Bias Training.
- \$974,500 elimination for Executive Leadership Institute.
- \$750,000 elimination for Long Island Pre-K initiative.
- \$500,000 reduction for the Center for Autism and Related Disabilities at SUNY Albany, for a total of \$1.2 million.
- \$650,000 elimination for NYC Kids Rise.
- \$500,000 elimination for teacher diversity pipeline for Buffalo City School District.
- \$475,000 elimination for Magellan Foundation, Inc.
- \$450,000 elimination for United Community Schools.
- \$400,000 elimination for BioBus.

Cultural Education

Cultural Education Funding: The Executive Budget increases support for libraries by \$2.5 million, or 2.5 percent, for a total of \$102.1 million. New capital funds for library construction is continued at \$34 million, with no change from SFY 2023-24. The Executive also continues Legislative additions of:

- \$350,000 for Schomburg Center.
- \$112,500 for Langston Hughes Community Library.

Aid to Public Libraries



Adult Career and Continuing Education Services (ACCES)

The Executive Budget provides flat funding of \$16 million for Independent Living Centers, and adult literacy programs at \$9.3 million. This reflects the continuation of a Legislative addition of \$1.5 million.

Article VII

Contracts for Excellence (ELFA Part A): The Executive Budget proposes to extend Contracts for Excellence for SY 2024-25 for those districts that are currently required to submit a Contract for Excellence, unless all schools within the district are identified as in good standing. Currently, certain districts are required to submit a Contract for Excellence concerning schools within the district in need of academic improvement. Contracts for Excellence require these districts to set aside a portion of Foundation Aid to specific program initiatives aimed at raising student achievement.

Fiscal Impact: There are no costs to the State associated with this proposal.

Replaces Foundation Aid Formula Inflationary Factor (ELFA Part A): The Executive Budget proposes to change the Foundation Aid formula's consideration of inflation by averaging the Consumer Price Index over the last 10 calendar years excluding the highest and lowest years, making the Executive Budget's inflation 2.4 percent, rather than looking to the inflationary factor provided by the November Database as done in previous years. This year's inflationary factor from the November Database is 3.8 percent.

Fiscal Impact: The Executive's proposed changes to Foundation Aid would result in approximately \$420 million less aid to school districts, resulting in a savings to the State of \$420 million, pending SED's expected data updates in February. Due to the interacting nature of the formula changes, the Executive has not identified the fiscal impact of each specific change.

Eliminates and Replaces Foundation Aid Formula Hold Harmless Provision (ELFA Part A): The Hold Harmless provision of the Foundation Aid formula ensures school districts do not see a year-to-year decrease in Foundation Aid in order to maintain current programs and services. The Executive Budget proposes to eliminate the Hold Harmless provision and utilize a Transition Adjustment provision that would consider a district's wealth ratio as a means to reduce the impact of strictly applying the Foundation Aid formula based on actual student enrollment.

Fiscal Impact: The Executive's proposed changes to Foundation Aid would result in approximately \$420 million less to school districts, resulting in a savings to the State of \$420 million, pending SED's expected data updates in February. Due to the interacting nature of the formula changes, the Executive has not identified the fiscal impact of each specific change.

Funding Access for Universal Prekindergarten Programs (ELFA Part A): The Executive proposes to remove State funds from the Universal Prekindergarten “supplement not supplant” provision, which provides that funding allocated or awarded must only be used in addition to, and not in place of federal, state, and local expenditures. This proposal allows school districts to be awarded grant funding prior to exhausting previously dispersed Universal Pre-K allocations.

Fiscal Impact: There is no new fiscal impact to the State. This proposal allows twenty-four school districts to access \$6.6 million in previously allocated UPK funds.

Environmental Bond Act and Transportation Aid for Zero Emission Bus Conversion (ELFA Part A): The Executive Budget proposes to exclude any funding from Clean Water, Clean Air and Green Jobs Environmental Bond Act for the conversion to zero emission buses from being considered revenue, to preserve districts' Transportation Aid that may have otherwise been reduced if Bond Act funds were considered revenue.

Fiscal Impact: The Environmental Bond Act included \$500 million for electric school buses and related charging infrastructure. Of this, \$100 million has been made available. This proposal would result in the prevention of reduced Transportation Aid. The total fiscal impact is unknown.

Removes Smart School Review Board from Smart Schools Investment Plan Approval

(ELFA Part A): The Smart Schools Bond Act, passed in the 2014-15 Enacted Budget, authorized the issuance of \$2 billion in general obligation bonds to finance improved educational technology and infrastructure in order to improve learning and opportunity for students throughout the State. Schools must submit Smart School Investment Plans for approval, in order to utilize Smart Schools Funds. The Executive Budget proposal eliminates the Smart School Review Board and removes the Board from the Smart Schools Investment Plan approval process. In doing so, the Executive proposes to require the Commissioner, subject to the approval of the Director of Budget, to issue guidelines that sets forth the required components of Smart Schools Investment Plans. This proposal further provides that submission of the investment plan be sent directly to SED for review and approval by the Commissioner. Currently, the Smart Schools Review Board establishes the guidelines and approves investment plans. The Smart Schools Review Board is composed of the Chancellor of the State University of New York, the Director of the Budget, and the Commissioner of the State Education Department, or their representatives, and must archive its quarterly meetings online for public viewing.

Fiscal Impact: There is no fiscal impact expected from this proposal.

Extends New York City Mayoral Control (ELFA Part A): The Mayor of New York City has the authority to select the Chancellor of the New York City Department of Education, and has appointing authority for a majority of members on the Panel for Educational Policy. In 2022, mayoral control was extended for two years, which is set to expire on June 30, 2024. The Executive Budget proposes to extend the school governance and mayoral control of New York City schools for four years, to sunset on June 30, 2028.

Fiscal Impact: There is no fiscal impact expected from this proposal.

Extends Due Date of Study of Alternative Tuition Rate-Setting Methodology (ELFA Part A): The 2023-24 Enacted Budget directed SED to conduct a comprehensive study of alternative tuition rate setting methodologies for special education programs, and submit its recommended alternative methodologies to DOB by July 1, 2025. The Executive Budget proposes to extend the due date to July 1, 2027, to allow SED the time to find a vendor capable of completing the study.

Fiscal Impact: There is an appropriation of \$1.4 million attached to this proposal. Total funds allocated for this study is \$3.9 million.

Statewide Evidence and Science Based Reading Instruction (ELFA Part B): The Executive Budget proposes to require the Commissioner of Education to establish evidence-and science-based reading instruction best practices for students in prekindergarten to third grade. All school districts must annually review their curriculum and instruction practices to ensure they align with the Commissioner’s reading instruction best practices. This proposal further provides that the reading instruction best practices must focus on reading competency in phonemic awareness, phonics, vocabulary development, reading fluency, comprehension, writing, and oral skills development.

Fiscal Impact: There is an appropriation of \$10 million attached to this proposal. The \$10 million would be appropriated to New York State United Teachers (NYSUT) Education and Learning Trust, and would support the training of 20,000 teachers in the science of reading.

FAFSA and José Peralta New York State DREAM Act Application Completion (ELFA Part C): The Executive Budget proposes to require school districts to collect documents from parents, guardians, emancipated students, or adult students certifying that they have completed the FAFSA application or the NYS DREAM Act application, or a waiver stating the student chose not to apply for FAFSA. This proposal further requires school districts to annually report to SED the numbers of students who certified or submitted a waiver, and the total number of seniors enrolled. School districts would also be required to give notice at least four times a year to students on financial aid options.

Fiscal Impact: The proposal implements a change in policy which has no State fiscal implications.

Higher Education & the Arts Highlights

Appropriations

- **State Support at SUNY & CUNY:** The Executive Budget provides a \$92 million increase in State support for four-year campuses, a \$112 million increase at CUNY offset by a \$20 million reduction at SUNY (excluding the \$500 million endowment match in the current SUNY budget). This includes \$106 million in increased funding for university employee fringe benefits (\$36 million for SUNY and \$69 million for CUNY) and \$11 million for various new initiatives.
- **Community College Funding Floor at SUNY & CUNY:** The Executive Budget will maintain a funding floor for community colleges at 100 percent of prior year funding. Without a funding floor, community colleges would face a \$143 million, or 23 percent, loss in formula aid due to enrollment declines (\$60 million, or 27 percent, at CUNY, and \$83 million, or 20 percent, at SUNY).
- **SUNY & CUNY Capital Funding:** The Executive Budget provides \$1.2 billion in new funding for capital projects to SUNY and CUNY campus facilities. This provides SUNY with \$1.1B for senior colleges and \$138 million for community colleges. CUNY would receive \$426 million for senior colleges and \$16 million for community colleges.
- **Aid to Private Colleges:** The Executive proposes \$21.8 million for BUNDY Aid, a decrease of \$13.3 million, from \$35.1 million last year. This reduction reflects the Executive proposal to limit eligibility for BUNDY Aid to institutions with endowment assets of less than \$750 million. The Executive Budget fails to include an appropriation funding new HECap projects.
- **Council on the Arts:** The Executive Budget provides \$100M in total funding for the Council on the Arts, which includes a \$48 million reduction in local assistance and a \$30 million in increase in capital funding.

Article VII

- **Amend Requirements for BUNDY Aid Apportionment:** The Executive Budget proposes to limit eligibility for state aid to independent colleges and universities, known as BUNDY aid, based on endowment assets.
- **Ensuring Informational Coordination Between State Educational Agencies:** The Executive proposes to authorize the sharing of student data between SED, the Higher Education Services Corporation (HESC), SUNY, and CUNY.

HIGHER EDUCATION AGENCY DETAILS

Higher Education Agencies All Funds Appropriations (In Millions)				
Agency	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
State University of New York	\$14,107	\$13,264	(\$844)	-6%
City University of New York	\$6,329	\$5,800	(\$529)	-8%
Higher Education Services Corporation	\$1,210	\$1,024	(\$185)	-15%
Council on the Arts	\$125	\$100	(\$25)	-20%
HECap	\$40	\$0	(\$40)	-100%
Total Higher Education	\$21,811	\$20,188	(\$1,623)	-7%

Overview

The Executive Budget proposes All Funds appropriations of \$20.2 billion in funding for higher education and the arts in New York State, which represents a \$1.6 billion decrease, or 7 percent, from SFY 2023-24.

City University of New York (CUNY)

CUNY Senior College State Operating Support (In Millions)				
Category	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
Fringe Benefits	\$972	\$1,041	\$69	7%
State Operating Support	\$1,797	\$1,840	\$43	2%
Total	\$2,769	\$2,881	\$112	4%

CUNY Senior Colleges: The Executive Budget proposal would provide CUNY senior colleges with \$2.9 billion, a \$112 million increase, or four percent, from SFY 2023-24. This includes a \$36 million increase in general operating support as well as maintaining \$53 million for the hiring of new staff. The Executive budget reduces TAP gap expenditures by \$4 million, as a result of declining enrollment, as well as eliminating \$50 million for one-time strategic investments, \$1 million for nursing programs, and \$1 million for mental health services. Fringe benefits are increased by \$69 million, or seven percent, for a total of \$1.4 billion.

CUNY Community Colleges: The Executive Budget maintains a funding floor for community colleges at 100 percent of prior year funding. Without this floor, CUNY community colleges would face a \$60 million, or 27 percent loss in formula aid due to enrollment declines.

CUNY Capital: The Executive Budget proposes \$441 million in new appropriations for capital projects, which is a decrease of \$637 million, or fifty nine percent, from SFY 2023-24. Senior college support would decrease \$535 million, from \$919 million to \$384 million. Community

college capital would decrease \$104 million, from \$120 million to \$16 million. Funded community college capital projects have received a guaranteed 50 percent match from their local government sponsor, New York City.

State University of New York (SUNY)

SUNY State-Operated Colleges:

SUNY Senior College State Operating Support (In Millions)				
Category	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
Fringe Benefits	\$1,955	\$1,991	\$36	2%
State Operating Support	\$1,884	\$1,368	(\$516)	-27%
Total	\$3,839	\$3,359	(\$480)	-13%

The Executive Budget provides \$3.4 billion for SUNY in State operating support (a decrease of \$480 million, or 13 percent from SFY 2023-24). This decrease is primarily driven by the discontinuation of the one-time \$500 million for State matching endowment contributions and \$75 million for non-recurring expenditures for transformational projects. The Executive would also eliminate Legislative additions of \$1 million for nursing programs and \$1 million for mental health services. Partially offsetting these reductions is a \$54 million increase of general operational support and \$9.3 million in new Executive initiatives. The Executive Budget maintains the level of FTEs at 13,511.

New Executive Initiatives:

- \$2.5 million for the Empire AI Consortium
- \$2.75 million for the Empire State Service Corps Program
- \$2 million in NY SWIMS
- \$1.5 million for the State Weather Risk Communication Center at UAlbany
- \$1 million for a Micro-Credential program at SUNY New Paltz

SUNY Community Colleges:

SUNY Community College State Operating Support (In Millions)				
Category	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
Community College Aid	\$441	\$441	(\$0)	0%
All Other State Operating Support	\$6	\$4	(\$2)	-33%
Total	\$447	\$445	(\$2)	-1%

The Executive Budget provides \$445 million for SUNY community colleges, a decrease of \$2 million, or 1 percent. This decrease reflects the elimination of Legislative initiatives. The Executive Budget will also maintain a funding floor for SUNY community colleges at 100 percent of prior year funding. Without a funding floor, SUNY community colleges would face an \$83 million, or 20 percent loss in formula aid due to enrollment declines.

SUNY Capital

The Executive Budget proposes an All-Funds appropriation of \$1.2 billion for Capital projects, which is a decrease of \$679 million, or 36 percent, from SFY 2023-24. This decrease in funding includes:

- General support for senior college projects declines from \$1.5 billion to \$650 million.
- \$100 million for the University at Buffalo and \$100 million for Stony Brook University for new research facilities are not continued.
- \$150 million for the SUNY Hospitals (\$50 million each for Downstate, Stony Brook, and Upstate) is not continued.

Community college project capital would increase by \$32 million, from \$106 million to \$138 million. Funded community college capital projects have received a guaranteed 50 percent match from their local county/government sponsor.

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

Office of Higher Education and the Professions (In Millions)				
Category	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
Aid to Localities	\$166	\$146	(\$20)	-12%
State Operations	\$83	\$86	\$3	4%
Total	\$249	\$232	(\$17)	-7%

The Executive Budget proposes \$232 million in total support for SED’s office of Higher Education and the Professions, a decrease of \$17 million, or seven percent. This reflects a decrease in funding for Aid to Independent Colleges and Universities (BUNDY Aid) of \$13.3, from \$35.1 million to \$21.8 million. This reduction is due to the Executive proposal to limit eligibility for BUNDY Aid to institutions with endowment assets of less than \$750 million. This would mean a loss of BUNDY Aid for 18 New York State private colleges. The Executive Budget also proposes to cut Legislative additions for opportunity programs, as reflected below.

Opportunity Program Funding Levels (In Millions)				
Program	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
SUNY Educational Opportunity Centers (EOC)	\$73	\$73	\$0	0%
SUNY Educational Opportunity Program (EOP)	\$44	\$42	(\$1)	-3%
CUNY Search for Education, Elevation, and Knowledge (SEEK)	\$38	\$37	(\$1)	-3%
CUNY LEADS	\$2	\$2	\$0	0%
CUNY AOE Opportunity	\$2	\$2	(\$0)	-3%
SED Higher Education Opportunity Programs (HEOP)	\$48	\$47	(\$1)	-3%
SED Liberty Partnership Program	\$25	\$24	(\$1)	-3%
SED Science and Technology Program (STEP)	\$22	\$21	(\$1)	-3%
SED Collegiate Science and Technology Program (CSTEP)	\$16	\$16	(\$0)	-3%
SED Foster Youth Initiative	\$8	\$8	(\$0)	-3%
Total Higher Education	\$277	\$271	(\$6)	-2%

ARTS AGENCY DETAILS

Council on the Arts

Council On The Arts All Funds Appropriations (In Millions)				
Category	Available FY 2024	Appropriations Recommended FY 2025	Change From FY 2024	% Change
State Operations	\$5	\$6	\$1	13%
Aid To Localities	\$100	\$44	(\$56)	-56%
Capital Projects	\$20	\$50	\$30	150%
Total	\$125	\$100	(\$25)	-20%

The Executive Budget provides \$100 million in All Funds appropriations for the Council on the Arts, a \$25 million decrease, or 20 percent. Local assistance funding decreases by \$48 million, or fifty two percent, from \$92 million. The Executive also includes \$50 million in Capital funding, an increase of \$30 million over the current year. The Executive Budget provides an increase of \$1 million for Agency operations, for a total of \$6 million, which reflects the impact of last year’s pay bill on the Council’s 31 FTEs, a level which remains flat. There are two new Executive Initiatives, \$1 million for the CHARM NY mural program and \$500,000 for a new fellowship program to embed artists within different State agencies.

Higher Education Capital Matching Grant Program (HECap)

The Executive does not provide any new capital funding for the HECap program for independent colleges. HECap received \$40 million in SFY 2023-24.

Higher Education Services Corporation (HESC)

The FY 2025 Executive Budget recommends \$1.02 billion in total appropriations for HESC and a workforce of 103 FTEs. This represents a decrease of \$185 million, or 15.3 percent, from SFY 2023-24. These decreases are driven by a \$162 million reduction for Tuition Assistance Program (TAP) awards, a \$15.3 million reduction for miscellaneous scholarship awards including the NYS Math and Science Teaching Initiative Scholarship, eliminating \$2.5 million for Say Yes Buffalo Scholarship, and \$1 million for the Senator Patricia K. McGee Nursing Faculty Scholarship Program. Reductions in financial aid reflect continued enrollment declines in colleges and universities throughout the State.

Article VII

Amend Requirements for BUNDY Aid Apportionment (ELFA Part D): The Executive Budget proposes to limit eligibility for state aid to independent colleges and universities, known as BUNDY aid. The limit requires that, for these institutions to be eligible for BUNDY Aid each year, they must have less than \$750 million in total endowment assets in the most recent academic year, as reported in the Federal Integrated Postsecondary Education Data System. BUNDY aid will be funded at the same \$15.8 million level as previous years.

Fiscal Impact: The Executive proposed that with limiting the eligibility for this aid, it would save the State \$13.6 million in FY 2025 and \$19.4 million each year thereafter.

Ensuring Informational Coordination Between State Educational Agencies (ELFA Part E): The Executive Budget proposes to authorize the sharing of personally identifiable student data with SED, HESC, SUNY, and CUNY. Under current Federal and State law, personally identifiable student data includes the student's name; the names of the student's family members; address; date and place of birth; and personal identifiers and indirect identifiers, such as social security number, that is linked to a specific student. Under the Executive Budget proposal, this information may be streamlined and shared between SED, HESC, SUNY, and CUNY.

Currently, Education Law limits the sharing of student data from their education records by requiring the least intrusive data collection policies practicable to advance the goals of academic achievement to minimize the collection and transfer of personally identifiable information. Under the Executive Budget proposal, the sharing of student educational information between state education agencies shall be to the extent necessary, as determined by the President of HESC, for purposes of financial aid program evaluation and must be consistent with the Federal Family Education Rights and Privacy Act (FERPA).

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

Permanently Extends the Tuition Assistance Program (TAP) Tuition Credit (ELFA Part

F): The Executive proposes to make permanent the provisions of the NY-SUNY 2020 Challenge Grant Program Act which covers full reimbursement of the TAP tuition credit to SUNY and CUNY schools. This would otherwise expire July 1, 2024.

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



ENVIRONMENT, ENERGY, AGRICULTURE AND PARKS



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Environment, Agriculture, Parks, and Energy Fact Sheet

Appropriations

- **Clean Water Infrastructure:** The Executive proposes \$250 million for clean water infrastructure funding, which reflects a decrease of \$250 million from SFY 2023-2024.
- **Environmental Protection Fund:** The Executive proposes \$400 million for the Environmental Protection Fund. The Executive would shift allocations within the Fund, allowing \$13.5 million to pay for personnel expenses and reserving \$11.5 million in unallocated funds. The total amount is maintained at SFY 2023-24 level funding.
- **Environmental Resources:** The Executive includes \$15 million to plant 25 million trees by 2033 to achieve Climate Act goals.
- **Energy Affordability:** The Executive proposes \$50 million for customers enrolled in the NYSEDA EmPower+ Program who electrify their homes. The proposal would provide subsidies to guarantee such customers do not spend more than six percent of their income on their electric bill.
- **State Parks:** The Executive proposes \$450 million in new capital for the State Parks System. The Executive includes \$300 million for enhancing and improving parks statewide, including up to \$100 million for the Jones Beach East Bathhouse project. Additionally, \$150 million is proposed for the New York Statewide Investment in More Swimming (NYSWIMS) program.
- **Canal Infrastructure:** The Executive proposes \$50 million for canal system improvements such as dam and lock repair, flood mitigation, and canal system resiliency.
- **Dairy Industry:** The Executive proposes \$24 million for dairy processing and efficiency grants through on-farm milk storage and transportation infrastructure.

Article VII

- **Renewable Action through Project Interconnection and Deployment (RAPID) Act:** The Executive Budget proposes to move the Office of Renewable Energy Siting (ORES) from the Department of State (DOS) to the Department of Public Service (DPS), and expands ORES's authorities to include development of electricity transmission in addition to its current authorization to expedite renewable generation development.

- **Affordable Gas Transition Act: The Executive Budget proposes to align Public Service Commission (PSC) mandates with Climate Leadership and Community Protection Act (CLCPA) goals by adding achievement of climate justice and emission reduction mandates to PSC duties, as well as eliminating the 100-foot rule and curtailing or discontinuing gas infrastructure and new build-outs if they are unnecessary.**
- **Air Pollution Facility Fees Restructuring:** The Executive Budget proposes restructuring permit and emission fees for stationary sources of air pollution. Additionally, the proposal authorizes the Department of Environmental Conservation to implement new stationary source air pollution fee programs and make other revisions to existing stationary source air pollution fees.

Environment, Energy, Agriculture, and Parks Agency Details

Environment, Agriculture, Parks, and Energy All Funds Appropriations (\$ in Millions)				
Agency	SFY 2023-24 Enacted Budget	SFY 2024-25 Executive Recommendation	Change (\$)	Change (%)
Adirondack Park Agency	6.6	6.6	0.1	1.1%
Agriculture and Markets, Department of	308.2	324.6	16.4	5.3%
Energy Research and Development Authority	225.8	25.8	(200.0)	-88.6%
Environmental Conservation, Department of	2587.6	2215.7	(371.9)	-14.4%
Green Thumb Program	5.3	5.7	0.5	9.3%
Greenway Heritage Conservancy	0.3	0.3	0.0	6.4%
Hudson River Valley Greenway Communities Council	0.5	0.5	0.0	0.0%
Olympic Regional Development Authority	104.1	96.6	(7.5)	-7.2%
Parks, Recreation and Historic Preservation, Office of	732.3	1035.4	303.1	41.4%
Power Authority	7.5	54.0	46.5	620.0%
Public Service, Department of	317.5	197.4	(120.1)	-37.8%
Total	4,295.50	3,962.60	(332.9)	-7.7%

Overview

The SFY 2024-25 Executive Budget proposes \$4 billion in All Funds appropriations for State agencies within the Environmental Conservation functional area, a decrease of \$333 million, or 7.7 percent, from SFY 2023-24 Budget levels. This decrease is primarily due to removing the \$200 million EmPower+ Program from the Energy Research Development Authority and reducing clean water infrastructure funding by \$250 million from the Department of Environmental Conservation.

Adirondack Park Agency

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$6.6 million for the Adirondack Park Agency, an increase of \$71,722 or 1.1 percent from the current fiscal year. This increase is solely attributed to general salary increases. The SFY 2023-24 Enacted Budget provided \$6.3 million for State Operations costs. Subsequent pay bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$6.6 million.

Department of Agriculture and Markets

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$324.6 million for the Department of Agriculture and Markets, an increase of \$16.4 million or 5.3 percent from the current fiscal year. This increase reflects \$34 million in new capital funding, partially offset by eliminating \$8.6 million in legislative additions. New funding includes \$24 million for dairy farm efficiency grants that expand on-farm milk storage capacity and transportation infrastructure, \$5 million for hemp processing, and \$5 million to bolster the seafood industry with equipment such as refrigeration, freezers, hoists, and docks. The Executive also proposes \$3.1 million in new local assistance programming:

- \$2.3 million for integrated pest management on farms (IPM)
- \$500,000 for the Agricultural Workforce One-Stop Shop for farmer support
- \$250,000 for the Agricultural Youth Leadership Conference
- \$75,000 for the Long Island Seafood Cuisine Trail

The SFY 2023-24 Enacted Budget provided \$182.4 million for State Operations costs. Subsequent pay bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$185 million.

Energy Research and Development Authority

The SFY 2024-25 Executive Budget proposes All Funds appropriations of \$25.8 million for the New York State Energy Research and Development Authority (NYSERDA), a decrease of \$200 million, or 88.6 percent, below the current fiscal year. This decrease results from discontinuing the one-time \$200 million EmPower+ program, which provided low-income residents with no-cost energy efficiency upgrades.

Department of Environmental Conservation

The SFY 2024-25 Executive Budget proposes All Funds appropriations of \$2.2 billion for the Department of Environmental Conservation, a decrease of \$372 million, or 14.4 percent compared to the current fiscal year. This decrease is primarily due to reducing clean water infrastructure funding from \$500 million to \$250 million. This program has been maintained at \$500 million since 2019. The Executive also discontinues \$74 million for Staten Island coastal erosion projects, \$26 million in funding for restoration projects that were harmed by natural resource damages, and \$17.5 million for the Mamaroneck & Sheldrake Flood Risk Management project. The Executive includes \$15 million for tree planting grants, with the intention to plant 25 million trees by 2033 to achieve Climate Act goals.

The Executive maintains funding for the Environmental Protection Fund (EPF) at \$400 million, the same level as SFY 2023-24. The Executive has recommended changes in the disbursement of EPF funds as follows:

- \$41.4 million, a decrease of \$1.9 million, for climate change programs
- \$179.1 million, a decrease of \$7.8 million, for open space programs
- \$106.5 million, a decrease of \$7.8 million, for parks and recreation programs
- \$48.1 million, a decrease of \$7.5 million, for solid waste programs
- \$25 million in new money for miscellaneous funding
 - \$13.5 million for personnel expenses
 - \$11.5 million in unallocated funds

The SFY 2023-24 Enacted Budget provided \$551.7 million for State Operations costs. Subsequent pay bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$567 million.

Green Thumb

The SFY 2024-25 Executive Budget proposes All Funds appropriations of \$5.7 million for Green Thumb, an increase of \$486,000, or 9.2 percent, over the current fiscal year. This increase is the result of a minimum wage adjustment and expansion of participants.

Greenway Heritage Conservancy of the Hudson River Valley

The SFY 2024-25 Executive Budget proposes All Funds appropriations of \$266,000 for the Greenway Heritage Conservancy of the Hudson River Valley, an increase of \$16,000 or 6.4 percent over the current fiscal year. This increase is attributed to increased salary costs.

Hudson River Valley Greenway Communities Council

The SFY 2024-25 Executive Budget maintains All Funds appropriations of \$495,000 for the Hudson River Valley Greenway Communities Council.

Olympic Regional Development Authority

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$96.6 million for the Olympic Regional Development Authority (ORDA), a decrease of \$7.5 million, or 7.2 percent, from the current fiscal year. This decrease reflects a \$10 million reduction in renovation funding for ORDA's facilities/venues, offset by a \$2.5 million transfer for projects previously overseen by the Office of Parks, Recreation and Historic Preservation.

The SFY 2024-25 Executive Budget also includes \$2.5 million for the maintenance of the Belleayre Mountain Ski Center.

Office of Parks, Recreation and Historic Preservation (OPRHP)

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$1 billion for the Office of Parks, Recreation, and Historic Preservation, an increase of \$303.1 million, or 41.4 percent, from the current fiscal year. This increase reflects \$450 million in new capital projects, increasing total capital by \$261.4 million over the current fiscal year. The Executive proposes \$200 million for enhancing and improving parks statewide and \$100 million to support the Jones Beach East Bathhouse project. Furthermore, there is a new \$150 million appropriation for New York Statewide Investment in More Swimming (NYSWIMS). Through NYWIMS, \$60 million will be used to construct ten new pools in underserved communities, \$60 million will be for floating pools, and \$30 million for implementing pop-up pools that can be deployed at festivals and other events.

The SFY 2024-25 Executive Budget also proposes 79 new FTES, for \$27 million. The new hires will include 30 park police, 24 scalers and ADA compliance staff, 13 employees for Sojourner Truth Park, a new park in Ulster County, and 12 employees for federally funded grant programs.

Additionally, the SFY 2023-24 Enacted Budget provided \$353.7 million for State Operations costs. Subsequent pay bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$359.7 million.

New York Power Authority

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$54 million for the New York Power Authority (NYPA), an increase of \$46.5 million, or 620 percent, from the current fiscal year. This increase reflects a new \$50 million capital appropriation for the New York State canal system's maintenance, repair, and preservation, primarily to reduce flooding hazards.

The SFY 2024-25 Executive Budget also proposes a new \$1.5 million appropriation for the Canal Corporation to create watershed modeling for the Mohawk and Oswego River Basins, per the recommendation of the Update Flood Mitigation Task Force.

Department of Public Service (DPS)

The SFY 2024-25 Executive Budget recommends All Funds appropriations of \$197.4 million for the Department of Public Service, a decrease of \$120 million, or 37.8 percent, from the current fiscal year. This decrease reflects the discontinuation of the \$200 million energy affordability program, partially offset by the creation of a new \$50 million appropriation for an energy affordability guarantee. This program supports low-income residential customers who fully electrify their homes and participate in the NYSERDA EmPower+ Program by ensuring they will not spend more than six percent of their annual income on electric bills.

The Executive Budget also recommends a staffing increase of 50 FTEs, for a total of 578. This change is due to DPS being tasked with reviewing and permitting renewable energy generation, which was previously the responsibility of the Office of Renewable Energy Siting (ORES) under the Department of State (DPS). Additionally, the Executive seeks to expand expedited siting processes performed by ORES to transmission lines, as reflected in Part O of the TEDE Article VII bill.

Environmental Protection Fund Table:

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2024	SFY 2025	Change
Climate Change Mitigation and Adaptation	43.3	41.4	(1.9)
Greenhouse Gas Management	2.9	2.4	(0.5)
Regenerate NY	0.5	0.5	-
Refrigeration Council Pilot Program	0.5	0.5	-
Municipal Community Forests	1.0	0.5	(0.5)
Climate Resiliency Plans	7.9	6.5	(1.4)
Wood Products Development Council	0.2	0.2	-
Climate Coordinators*	2.0	2.0	-
Timbuctoo	2.1	0.0	(2.1)
Resiliency Planting Program	0.5	0.5	-
Nature Conservancy Staying Connected Program	0.0	0.0	-
PBS for Climate Teaching Tools	0.5	0.0	(0.5)
Cornell CALS & ESF Climate and Applied Forestry Inst	1.0	1.0	-
Smart Growth Grant Program	3.7	4.0	0.3
Climate Resilient Farms Program	15.3	15.3	-
Cornell Soil Health	0.5	0.5	-
Ag and Forestry	0.5	0.0	(0.5)
Climate Smart Communities	13.5	12.5	(1.0)
Municipal EV Fast Chargers	1.0	0.0	(1.0)
Farmers Market Resiliency Grant Program	0.0	0.7	0.7
Parks, Recreation and Historic Preservation	114.3	106.7	(7.6)
Waterfront revitalization projects	14.3	13	(1.3)
Projects in Underserved Areas	11.0	11.0	-
Climate Change Resiliency Planning	2.0	2.0	-
Niagara River Greenway	0.3	0.3	-
Municipal Parks Projects	26.0	23.0	(3.0)
Projects in Underserved Areas	13.0	13.0	-
Tivoli Park	0.3	0.3	-
Hudson River Valley Trail Grants	0.5	0.5	-
SUNY ESF	0.3	0.3	-
Paul Smiths College	0.3	0.3	-
Catskill Center for Conservation and Development	0.2	0.2	-
Western New York Land Conservancy*	0.2	0.0	(0.2)
Town of Amherst Splash Pad	0.3	0.0	(0.3)
Public Access and Stewardship	48.0	47.0	(1.0)
Belleayre	1.0	1.0	-
Parks and Trails Friends Groups	2.0	2.0	-
New York Protected Area Database	0.0	0.0	-
Adirondack and Catskills Wilderness Protection*	8.0	8.0	-
Camp Santononi Historic Area*	0.5	0.0	(0.5)
High Peaks Information Center*	0.1	0.0	(0.1)
SCALE / ADK Lake Monitoring*	2.0	0.0	(2.0)
North Elba Loj Road Resurfacing	0.0	1.3	1.3
Hudson River Park Trust	4.2	4.4	0.2
Zoos, Botanic Gardens, and Aquaria	20.0	17.0	(3.0)
Navigation Law Programs	2.3	2.3	-

Open Space	188.5	179.8	(8.7)
Land Acquisition	38.9	34.5	(4.4)
Urban Forestry	3.2	3.2	-
Land Trust Alliance	3.0	3.0	-
Regions 1, 2, and 3	4.0	4.0	-
Conservation Easements for Land Trusts	1.5	1.5	-
Village of Lake Placid Adirondack Rail Trail Parking	0.3	0.0	(0.3)
Snake Hill for Saratoga PLAN*	1.0	0.0	(1.0)
Albany Pine Bush Preserve	3.0	3.0	-
Long Island Central Pine Barrens	2.5	2.5	-
Long Island South Shore Estuary	2.0	2.0	-
Agricultural Non-Point Source Pollution Abatement	19.5	19.0	(0.5)
Cornell IPM	2.0	2.0	-
CCE Suffolk County	0.5	0.5	-
Cornell Pesticide Management Education Program	0.3	0.3	-
Non-Agricultural Non-Point Source Pollution Abatement	6.2	6.0	(0.2)
Cornell Community IPM	1.0	1.0	-
Farmland Protection	21.0	18.3	(2.7)
Tug Hill Tomorrow Landscape	1.0	0.5	(0.5)
Cornell Land Classification and Master Soils List	0.1	0.1	-
Biodiversity Stewardship	1.9	1.9	-
Pollinator Protection	0.5	0.5	-
Cary Institute of Ecosystem Studies - Catskills	0.1	0.1	-
Hudson River Estuary Management	7.5	7.3	(0.2)
Mohawk River	1.0	1.0	-
Finger Lakes - Lake Ontario Watershed Protection All	2.8	2.8	-
Lake Erie Watershed Protection	0.3	0.3	-
Water Quality Improvement Programs	22.0	21.0	(1.0)
Suffolk County Nitrogen Reduction	3.0	3.0	-
Suffolk County Nitrogen Reduction	1.5	1.5	-
Nassau County Bay Park Outfall Pipe	5.0	5.0	-
Source Water Planning	5.0	5.0	-
Chautauqua Lake Association	0.2	0.2	-
Chautauqua Lake Partnership	0.1	0.1	-
Stony Brook Center for Clean Water	1.0	1.0	-
Ossi Sports Club for Laki Ossi*	0.0	0.0	(0.0)
Great South Bay*	0.5	0.0	(0.5)
Peach Lake Brook*	0.1	0.0	(0.1)
Eastern Finger Lake Coalition**	0.0	1.2	1.2
Lake Erie-Niagara River Basin**	0.0	1.0	1.0
Allegheny River Watershed Program**	0.0	1.0	1.0

Ocean and Great Lakes Projects	23.0	21.0	(2.0)
Peconic Bay Estuary Program	0.6	0.6	-
Billion Oyster Project, Inc.**	0.5	0.0	(0.5)
Invasive Species	19.0	17.0	(2.0)
Cornell Plant Certification Program	0.1	0.1	-
Eradication	6.0	6.0	-
Hemlock Woolly Adelgid	0.5	0.5	-
Southern Pine Beetle	0.5	0.5	-
Soil and Water Conservation Districts	16.0	18.0	2.0
Agricultural Waste Management	2.0	2.0	-
Cornell Dairy Acceleration Program	0.7	0.7	-
Lake George Park Commission	0.9	0.9	-
Urban Farms and Community Garden**	0.0	2.3	2.3
Cornell University	0.0	0.3	0.3
Solid Waste	55.6	48.1	(7.5)
Non-Hazardous Landfill Closures	0.3	0.3	-
Municipal Recycling Projects	19.0	16.0	(3.0)
Food Donation and Recycling/Organics Projects	2.5	2.5	-
Secondary Materials Regional Marketing Assistance	0.6	0.6	-
Pesticide Program	1.5	1.5	-
Long Island Pesticide Prevention	0.2	0.2	-
Environmental Justice Projects	13.0	12.0	(1.0)
Connect Kids	3.0	3.0	-
EJ Air Monitoring	4.0	4.0	-
Center for Native Peoples and the Environment	0.7	1.1	0.4
Natural Resource Damages	1.8	1.8	-
Pollution Prevention Institute	4.6	4.6	-
Interstate Chemicals Clearinghouse	0.3	0.3	-
Environmental Health Assessments	12.8	9.3	(3.5)
Clean Sweep NY	0.5	0.5	-
Children's Environmental Health Centers	4.0	2.0	(2.0)
Fresh Connect	3.1	3.1	-
SNAP EBT	0.8	0.8	-
Center for Clean Water at Stony Brook	1.0	1.0	-
USGS Long Island Ground Water	1.5	0.0	(1.5)
Brownfield Opportunity Area Grants	2.0	2.0	-
Miscellaneous	0.0	25.0	25.0
Personal Service Expenses	0.0	13.5	13.5
Unallocated Funds	0.0	11.5	11.5
Environmental Protection Fund Total	400.0	400.0	-

*Denotes SFY 23 Legislative add

**Denotes SFY 24 Executive add

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Article VII

Department of Agriculture and Markets (DAM)

Weighmaster License Fee (TEDE Part R): The Bureau of Weights and Measures, under DAM, licenses weighmasters to certify the accuracy of shipments of bulk commodities like feed and fertilizer to ensure the fair exchange of commodities in the State. The Executive Budget proposes to change the codified weighmaster license fee of \$15 to be commensurate with costs as determined by the Department of Agriculture and Markets through regulation.

Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this part. However, this change would result in unknown increased fee revenue, allowing the State to reduce General Fund expenses necessary to support State Operations.

Energy Research and Development Authority

New York State Energy Research and Development Authority (NYSERDA) Build-Ready Program Extender (TEDE Part M): The Executive budget proposes to extend NYSERDA's Build-Ready Program, which is set to expire on April 19, 2024, by six years to April 19, 2030. The Build-Ready Program finds viable sites and advances the permitting, design, and interconnection process to get the sites ready for development before transferring them to private renewable energy developers through competitive bidding. The Build-Ready program was originally authorized for three years when it was established in 2021.

Fiscal Impact: This proposal has no State budgetary impact.

NYSERDA Special Assessment Extender (TEDE Part N): The Executive Budget proposes to renew the special assessment of \$28.7 million 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 Energy Policy & Planning Program entails long-term electric system planning by PSC and other relevant agencies, while Fuel NY established the State's strategic fuel reserve to mitigate disruptions to fuel distribution in response to Superstorm Sandy.

Fiscal Impact: This proposal would allow NYSERDA to continue to levy up to \$28.7 million in assessments, with \$4 million being transferred to the State General Fund to support climate change services.

Department of Environmental Conservation

Climate Smart Communities Grants - State Share Increase (TEDE Part S): The Climate Smart Communities Program provides municipal grants to develop greenhouse gas reduction and climate resiliency projects, which are currently capped at the lesser of \$2 million or 50 percent of project cost. The Executive Budget proposes to increase the maximum state share for Climate Smart Communities projects in disadvantaged communities or other communities experiencing financial hardship from 50 percent to 80 percent.

Fiscal Impact: This proposal has no State fiscal impact.

Air Pollution Facility Fees Restructuring (TEDE Part T): The Executive Budget proposes to replace the variable permit fee structure for medium-and-smaller-scale stationary air pollution sources with flat fees of \$5,000 and \$500, respectively, on a per facility basis. The proposal would increase the annual fee component from \$2,500 to \$10,000 for major sources of air pollution requiring Clean Air Act Title V permits. With respect to the per-ton fee component for Title V permits, the Executive Budget proposes to replace the variable per-ton fee with a flat per-ton base fee of up to \$245 per ton; remove provisions setting fee caps; and repeal the option for a facility to elect to base its fee amounts on emissions allowable under the facility's permit. In addition, the Executive Budget proposes to broadly authorize the Department of Environmental Conservation to assess new per-ton air pollution fees, and to revise existing air pollution fee programs.

Fiscal Impact: The Executive proposal does not provide a fiscal estimate for this part. However, this change would result in unknown increased fee revenue, allowing the State to reduce General Fund expenses necessary to support State Operations.

Department of Public Service (DPS)

Renewable Action Through Project Interconnection and Deployment (RAPID) Act (TEDE Part O): The Executive Budget proposes to move the Office of Renewable Energy Siting (ORES) from the Department of State (DOS) to the Department of Public Service (DPS). ORES was created in 2020 to expedite the review and permitting of renewable energy facilities by consolidating local, public health and safety, environmental, social, and economic reviews under a single statewide entity. The Executive proposal also expands ORES mandate to include siting of bulk and local electric transmission lines.

Fiscal Impact: This proposal has an unknown fiscal impact to the State. The proposal would raise an unknown revenue value from fees, but DPS may need to hire up to 7 additional FTEs to fulfill this mission.

Affordable Gas Transition Act (TEDE Part P): The Executive Budget proposes to align Public Service Commission (PSC) mandates with Climate Leadership and Community Protection Act (CLCPA) goals by adding achievement of the climate justice and emission reduction mandates to the PSC duties. The Executive proposal directs the Commission to ensure continued gas services except where a program ensuring substitute energy source prior to discontinuation is approved. It also changes the rule mandating utilities to provide new gas connections within 100 feet of the mainline by shifting the cost of infrastructure to the customer requesting such service. Additionally, the proposal authorizes the PSC to order curtailment or discontinuance of any wasteful gas infrastructure and to prohibit build-outs in new service territories unless deemed necessary by the Commission.

Fiscal Impact: This proposal has no State fiscal impact.

Assessments on Cable Television Companies and Public Utilities (TEDE Part Q): The Executive Budget proposes to extend the assessments charged to cable television companies and public utilities to cover expenses pertinent to utility regulation and public management of various agencies, including the Department of Public Service, Department of State, Office of Parks, Recreation and Historic Preservation, Department of Environmental Conservation, and Department of Health, by five years to April 1, 2029. This authorization enables agencies that provide services ancillary to PSC regulation of cable and utilities to recover their expenses. It was last extended in 2023 for one year and is set to expire on April 1, 2024.

Fiscal Impact: This proposal would have a positive fiscal impact to the State and allow a transfer of \$4.8 million into the State's General Fund.

RACING, GAMING & WAGERING



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Racing, Gaming & Wagering Fact Sheet

Appropriations

- **Gaming Commission:** The Executive Budget proposes an All Funds appropriation of \$373.4 million, an increase of \$28.6 million, or 7.7 percent from SFY 2023-24. This is primarily driven by the expected receipt of outstanding payments owed by the Mohawk Tribe since the end of FY 2020.
- **Tribal State Compact:** The Executive Budget recommends an appropriation of \$200 million for payments made pursuant to Tribal State Compacts. This is an increase of \$25 million from SFY 2023-24. This is primarily driven by the expected receipt of outstanding payments owed by the Mohawk Tribe since the end of FY 2020.

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, horseracing, and pari-mutuel wagering.

The SFY 2023-24 Executive Budget proposes an All Funds appropriation of \$373.4 million, an increase of \$28.6 million, or 7.7 percent, from the amount appropriated in SFY 2023-24. The Executive Budget recommends continuing to appropriate \$100,000 in State Operations for the Racing Fan Advisory Council, along with a \$1.5 million increase to support a new lease agreement and related costs and proposes a \$25 million increase in Aid to Localities. The Executive Budget also recommends a workforce of 396 FTEs for the Commission, which is an increase of five FTEs over FY 2024 levels.

Gaming Commission All Funds Appropriations (\$ in Millions)				
	Available SFY 2023-24	Exec Budget SFY 2024-25	\$ Change	% Change
State Operations	\$107.8	\$111.4	\$3.6	3.20%
Aid To Localities	\$237.0	\$262.0	\$25.0	9.54%
Total	\$344.8	\$373.4	\$28.6	7.65%

Tribal State Compact

The Executive Budget recommends an appropriation of \$200 million for the Tribal State Compact Revenue Program, which represents the local share of the State's estimated revenues from Native American casinos. This is an increase of \$25 million compared to SFY 2023-24.

In addition, the Executive Budget recommends an appropriation of \$62 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 million to Madison and Oneida Counties. Madison County is proposed to receive \$3.5 million in funding because 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 Saint 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 growth across all Tribe/Nation payments, as well as the Saint Regis Mohawk Tribe continuing to pay the State delinquent slot share payments owed since the end of SFY 2020.

Tribal State Compact Revenue Account In Gaming Commission - Aid to Localities				
(\$ in Millions)				
	SFY 2023-24	SFY 2024-25	\$ Change	% Change
Host Aid				
Seneca Niagara	\$18	\$23	\$5	21.74%
Seneca Allegany	\$9	\$10	\$1	10.00%
Seneca Buffalo Creek	\$15	\$16	\$1	6.25%
Mohawk	\$51	\$61	\$10	16.39%
Oneida	\$41	\$45	\$4	8.89%
Regional Aid				
Seneca Niagara	\$8	\$9	\$1	11.11%
Seneca Allegany	\$4	\$4	\$0	0.00%
Seneca Buffalo Creek	\$6	\$7	\$1	14.29%
Mohawk	\$10	\$10	\$0	0.00%
Oneida	\$13	\$15	\$2	13.33%
Total	\$175	\$200	\$25	12.50%

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 a variety of reforms to racing and gaming regulations. The SFY 2024-25 Executive Budget proposes a continuation of \$1.6 million in re-appropriations 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 2019-20, approximately 13 percent of the education funding contribution from VLT facilities came from Resorts World and Empire City. The table below shows the current statutory distribution of VLT Net Machine Income after prize payouts. VLT receipts are distributed among education funds, agent commission, and the remaining allowance for administration expenses.

VLT Receipts Distribution By Location (After Prize Payout)			
VLT Facility	Education Funding	Agent Comission	Administrative Allowance
Batavia Downs Gaming	39.0%	51.0%	10%
Empire City Casino by MGM Resorts	50.5%	39.5%	10%
Finger Lakes Gaming & Racetrack	46.5%	43.5%	10%
Hamburg Gaming	34.0%	56.0%	10%
Jake's 58 Hotel & Casino	45.0%	45.0%	10%
Nassau Downs OTB	45.0%	45.0%	10%
Resorts World Casino NYC	40.0%	50.0%	10%
Saratoga Casino Hotel	46.5%	43.5%	10%
Resorts World Hudson Valley	41.0%	49.0%	10%
Vernon Downs Casino Hotel	34.0%	56.0%	10%

Gaming Receipts

Gaming Receipts By Component SFY 2024-25 Estimated (\$ in Millions)								
Component	Lottery	VLTs	Casinos		IFS**	TSC***	MSW****	All Funds Total
Distribution	Education	Education	Education	Localities*	Education	Total	Total	
SFY 2024 (Est.)	\$2,630.0	\$1,076.0	\$128.0	\$32.0	\$7.0	\$234.0	\$844.0	\$4,951.0
SFY 2025 (Proj.)	\$2,373.0	\$1,043.0	\$129.6	\$32.4	\$6.0	\$266.0	\$860.0	\$4,710.0
Dollar Change	(\$257.0)	(\$33.0)	\$1.6	\$0.4	(\$1.0)	\$32.0	\$16.0	(\$241.0)
Percent Change	-9.77%	-3.07%	1.25%	1.25%	-14.29%	13.68%	1.90%	-4.87%

Source: NYS Division of Budget, Economic and Reveue Outlook, p. 161

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

Extend Authorized Use of Capital Funds by Certain Off-Track Betting Corporations for

One Year (REV Part O): The Executive Budget proposes to extend the authorized use of capital acquisition funds by the Capital Off-Track Betting (OTB) Corporation for one additional year. This authorization allows Capital OTB to use up to \$1 million toward payroll, statutory obligations, and expenditures necessary to accept authorized wagers during SFY 2024-25. The prior year's authorization was up to \$1 million. The Executive Budget also proposes to modify the date that the OTB must provide its expenditure report to the Commission from October 1, 2023 to the last day of the calendar year for which the funds are requested.

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

Extend Pari-Mutuel Tax Rates and Simulcast Provisions For One Year (REV Part P):

The Executive Budget includes a proposal to 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 2023-24 Budget.

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

GENERAL GOVERNMENT



STAFF ANALYSIS OF THE 2024-25
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General Government Fact Sheet

Appropriations

- **State Board of Elections:** The Executive proposes a \$75 million increase in Aid to Localities funding for the Public Campaign Finance Board.
- **State Board of Elections:** The Executive proposes \$14.7 million in Capital funding to reimburse local Boards of Elections for electronic poll books.
- **Department of State:** The Executive proposes an All Funds increase of \$150 million for the Coastal Zone Management Program.
- **Department of State:** The Executive proposes an All Funds total of \$16 million to create the New York Commission on African American History.
- **Department of Financial Services:** The Executive did not propose funding for the Commuter Van Stabilization Program, though \$10 million in previous reappropriations remain.
- **Department of Financial Services:** The Executive proposes \$60 million in Capital Funding for the Information Technology Modernization Project.
- **Office of General Services:** The Executive proposes \$15 million in Aid to Localities funding for temporary housing for asylum seekers at Floyd Bennett Field. This is part of the overall \$2.4 billion in funding for migrant services.

Article VII

- **Combat Unlicensed Sale of Cannabis:** The Executive Budget proposes to expand the powers of the Cannabis Control Board and the Office of Cannabis Management (OCM). It allows them to bring actions to seal locations involved in selling illicit cannabis within 15 days of a notice of violation, or immediately if the location poses an imminent threat to public health and safety. The proposal allows localities to set up local registries of licensed stores based on OCM information. Localities can establish their own local laws to carry out closure orders against illicit stores not on this registry, seize illicit cannabis, and impose their own civil penalties. The proposal also allows localities to collect civil penalties if they bring an action in court against illicit stores, and it increases civil penalties for the failure to allow OCM inspections, among other changes.

- **ABC Law Commission Recommendations:** The Executive Budget proposes three changes based on the recommendations of the ABC Law Commission report from May 2023: allowing individuals to apply for a license with the State Liquor Authority (SLA) without having to wait 30 days for the municipal notice period to lapse; requiring the SLA to act on changes in membership or other corporate structure to a limited liability company (LLC) within 90 days of receipt of an application; and adding cider, mead, braggot (a hybrid of mead and beer), and liquor as permissible beverages for temporary one-day permits for events. It also makes two changes not recommended by the Commission: allowing wine and liquor store locations not located at ground level, and allowing for outdoor catering permits.
- **Temporary Wholesale Permit & Multiple Wholesale Licenses:** The Executive Budget proposes to authorize the SLA to issue temporary permits to businesses that submitted an application for a wholesale license while they await determination on their application. To be eligible, the applicant must have obtained all permits, licenses, and other documents necessary to operate. The proposal would also allow wholesale licenses for different types of alcohol such as beer, wine, or liquor to be granted to the same location, which is currently not allowed.
- **Non-Contiguous Outdoor Cafes Licensing:** The Executive Budget proposes to codify and make permanent the requirement that, subject to municipal permissions, restaurants and bars apply to the SLA to serve alcohol on municipal spaces that are contiguous and non-contiguous with their licensed location. If the non-contiguous space is divided by either a sidewalk or bicycle lane, they would need to post signage warning customers if a bicycle lane is present.
- **Two Year Videoconferencing Participation in Public Meetings Extender:** The Executive Budget proposes to extend the effectiveness of the section of the Open Meetings Law permitting videoconferencing and remote participation under certain circumstances to July 1, 2026 from its current expiration date of July 1, 2024.
- **Insulin Cost Sharing:** The Executive proposes eliminating cost-sharing of insulin in all commercial health insurance plans.
- **“Opt-In” Approach to Supplemental Spousal Liability Coverage:** The Executive proposes creating an “opt-in” approach to supplemental spousal liability coverage in motor vehicle insurance policies for individuals who have indicated that they are married.
- **Combating Discrimination in Housing:** The Executive proposes prohibiting insurance companies that insure damage to real property containing affordable housing units from inquiring on an application or from canceling, refusing to issue or renew, or increasing a premium of a policy based on certain affordable housing factors.

- **SAFE for Kids Act:** The Executive proposal prohibits social media platforms from providing a social feed that is addictive to a minor without explicit consent. The proposal further prohibits platforms from sending notifications regarding the addictive social feed to the minor’s device from 12 A.M. to 6 A.M. Eastern Time, and it would require platforms to create mechanisms for parental control to allow parents to prevent their child from accessing addictive feeds and limit their child’s access to the platform for a length of time per day. The proposal empowers the Attorney General to bring actions against violators, and it allows a private right of action for affected minors and parents.
- **Child Data Privacy Act:** The Executive Budget proposes the regulation of how the personal data of minors is used, sold, collected and shared. The proposal requires businesses to obtain informed consent from a child who is at least 13 years old to process their personal data, or they otherwise may only process data that is strictly necessary for maintenance, internal business operations, cyberprivacy, and legal compliance. The proposal empowers the Attorney General to bring actions against violators, and it allows a private right of action for affected minors and parents.
- **DFS Regulation of “Buy Now, Pay Later” Loans:** The Executive Budget proposes giving the Department of Financial Services (DFS) the authority to license and regulate buy-now, pay-later lenders operating in New York State. Buy-now, pay-later lenders offer credit directly to consumers in connection with the purchase of goods or services, with the exception of motor vehicles. The proposal also limits fees on loans and use of consumer data, and it stipulates penalties for violating loan regulations.
- **Further Regulating Lithium-Ion Batteries:** The Executive Budget proposes to prohibit sale, distribution, assembly, or refurbishment of lithium-ion batteries or second-hand lithium-ion batteries for use in micromobility devices or electric-assist bicycles unless they have been certified by an accredited testing laboratory. Violations are punishable on a sliding scale from \$200 up to \$1,000 for certain subsequent offenses.
- **Protecting Vulnerable Adults From Financial Exploitation:** The Executive Budget proposes allowing financial institutions to place holds on transactions that they believe to be a result of financial exploitation of a senior or an adult individual with a mental or physical impairment that limits their ability to manage their own resources without assistance. Additionally, this proposal allows financial institutions to notify and provide the relevant financial information to law enforcement.
- **Consumer Protection Act:** The Executive Budget proposes an expansion of the State’s deceptive practices law to include unfair and abusive acts. Unfair acts are practices that cause substantial injury to a consumer, where the injury is not reasonably avoidable and the injury is not outweighed by benefits to the consumer or to competition. Abusive acts are practices

that materially interfere with the ability of an individual to understand the terms and conditions of a product or service, or where a business takes unreasonable advantage of that lack of understanding or a person’s inability to protect their interests. The proposal empowers the Attorney General to bring action against violators, as well as a private right of action to injured individuals.

GENERAL GOVERNMENT AGENCY DETAILS

General Government All Funds Appropriations				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Division of Alcoholic Beverage Control	\$83.21	\$84.66	\$1.45	1.7%
Department of Audit and Control	\$557.56	\$563.48	\$5.92	1.1%
Division of the Budget	\$50.72	\$50.18	(\$0.54)	-1.1%
State Board of Elections	\$82.80	\$158.43	\$75.63	91.3%
Executive Chamber	\$23.30	\$23.30	\$0.00	0.0%
Office of the Lieutenant Governor	\$0.75	\$0.92	\$0.18	23.5%
Department of Financial Services	\$521.57	\$593.95	\$72.38	13.9%
Office of General Services	\$1,339.82	\$1,376.26	\$36.44	2.7%
Office of Information Technology Services	\$994.03	\$1,046.53	\$52.50	5.3%
Office of the State Inspector General	\$9.85	\$11.14	\$1.29	13.1%
Commission on Ethics and Lobbying	\$7.79	\$8.07	\$0.28	3.6%
Department of State	\$579.67	\$683.17	\$103.50	17.9%
Statewide Financial System	\$32.01	\$32.01	\$0.00	0.0%
Insurance and Securities Fund Reserve	\$1,605.00	\$1,605.00	\$0.00	0.0%
Total General Government	\$5,888.08	\$6,237.10	\$349.02	5.9%

Overview

The SFY 2024-25 Executive Budget proposes \$6.24 billion in All Funds appropriations for the agencies within the General Government functional area, an increase of \$349.02 million, or 5.9 percent, from SFY 2023-24. This increase is primarily attributable to a \$103.5 million increase to the Department of State mainly for the Coastal Zone Management Program, a \$75.63 million increase for the State Board of Elections for the Public Campaign Finance Board, and a \$72.38 million increase in the Department of Financial Services for IT Modernization.

Alcoholic Beverage Control

The Executive Budget proposes \$84.66 million in All Funds appropriations for the Division of Alcoholic Beverage Control, an increase of \$1.45 million, or 1.7 percent, from SFY 2023-24. This increase is due to \$320,000 for general salary increases for Alcoholic Beverage Control staff, and \$1.13 million for general salary increases for the Office of Cannabis Management. The Division of Alcoholic Beverage Control’s workforce will remain constant at 398 FTEs.

Department of Audit and Control (Office of the State Comptroller)

The Executive Budget proposes \$563.48 million in All Funds appropriations for the Department of Audit and Control, an increase of \$5.92 million, or 1.1 percent, from SFY 2023-24. This increase is due to an \$8.76 million increase in State Operations appropriations due to general salary increases and an addition of three FTEs bringing the total workforce to 2,890 FTEs. This increase is offset by a \$2.84 million decrease in Capital appropriations for the acquisition and development of technology.

Division of the Budget

The Executive Budget proposes \$50.2 million in All Funds appropriations for the Division of the Budget, a decrease of \$537,000, or 1.1 percent, from SFY 2023-24. This decrease is due to a \$537,000 cut of membership dues for the Council of State Governments, National Conference of Insurance Legislators, and National Conference of State Legislatures. The Division of the Budget workforce remains constant at 292 FTEs.

State Board of Elections

The Executive Budget proposes \$158.43 million in All Funds appropriations for the State Board of Elections, an increase of \$75.63 million, or 91.3 percent, from SFY 2023-24. This increase is the result of a \$75 million increase in Aid to Localities funding for the Public Campaign Finance Board and a \$3.7 million increase to reimburse Local Boards of Elections for postage of absentee ballots and early mail voting applications. The Regulation of Elections Program appropriation increased by \$1.24 million to support a poll worker training institution (Chapter 477 of the Laws of 2023), which includes eight FTEs, in addition to two FTEs to aid local Boards of Elections in maintaining accessibility for people with disabilities. Additionally, the Executive proposes \$2 million for voting machine examinations. There is an increase of \$806,000 to State Operations appropriations to aid the State Board of Elections with the electronic transmission of ballots to military members voting abroad. The State Board of Elections workforce is proposed to increase by 10 FTEs for a total of 220 FTEs in SFY 2024-2025.

These increases are offset by a decrease of \$7 million due to the exhaustion of one-time federal funding to support the Help America Vote Act. Capital appropriations to local Boards of Elections decreased by \$300,000 from SFY 2023-24. The Executive provided no new funding for the SFY 2023-24 \$15 million Capital appropriation for voting equipment and software/technology upgrades for local Boards of Elections, but the Executive proposes a \$14.7 million Capital appropriation to reimburse local Boards of Elections for electronic polling books.

Executive Chamber

The Executive Budget maintains \$23.30 million in All Funds appropriations for the Executive Chamber, unchanged from SFY 2023-24. The Executive Chambers workforce will remain constant at 168 FTEs.

Office of the Lieutenant Governor

The Executive Budget proposes \$921,000 in All Funds appropriations for the Office of the Lieutenant Governor, an increase of \$175,000, or 23.5 percent, from SFY 2023-24. This increase is due to hiring one FTE, the Chief Service Officer who will head the Office of Service and Civic Engagement. The additional FTE brings the total workforce to eight FTEs.

Department of Financial Services

The Executive Budget proposes \$593.95 million in All Funds appropriations for the Department of Financial Services, an increase of \$72.38 million, or 13.9 percent, from SFY 2023-24. This increase is primarily the result of a new \$60 million Capital appropriation to support the agency's IT Modernization effort. The Executive proposal also provides a \$2 million increase in the Entertainment Workers Insurance Subsidy Program and a \$600,000 increase for Healthy NY. Additionally, the proposal includes a \$5.84 million increase to the Insurance Program, a \$3.34 million increase to the Banking Program, and a \$851,000 increase to the Administration program, all of which are predominantly due to general salary increases. The Executive Budget did not propose new funding for the Commuter Van Stabilization Program and eliminated the \$250,000 legislative addition for the Educational Debt Consumer Assistance Program. The Department of Financial Services workforce remains constant at 1,391 FTEs. The SFY 2023-24 Enacted Budget provided \$447.16 million in State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$452.25 million.

Office of General Services

The Executive Budget proposes \$1.38 billion in All Funds appropriations for the Office of General Services, an increase of \$36.44 million, or 2.7 percent, from SFY 2023-24. This increase is primarily due to a new \$15 million appropriation in Aid to Localities to supply temporary housing for asylum seekers at Floyd Bennett Field. Additionally, the Executive proposal includes an \$11.6 million increase for contracted laborers, a \$6.8 million increase for general salary increases, a \$3.8 million increase for priority Chamber initiatives such as setting up contracts with Drupal and LinkedIn, a \$1.2 million increase for green energy initiatives, and a \$575,000 increase for warehouse consolidation in the Capital Region.

The Capital Program saw a net decrease of \$2.59 million due to a \$7.5 million reduction associated with the expiration of one-year capital projects. This decrease is partially offset by a

\$3.75 million increase for the demolition of a community center in Brooklyn, \$758,000 for general salary increases, and a \$400,000 increase for a green energy study for a Long Island office. The Office of General Services workforce is projected to increase by seven FTEs, for a total of 1,853 FTEs. The SFY 2023-24 Enacted budget provided \$1.077 billion in State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$1.083 billion.

Office of Information Technology Services

The Executive Budget proposes \$1.05 billion in All Funds appropriations for the Office of Information Technology Services, an increase of \$52.5 million, or 5.3 percent, from SFY 2023-24. This increase is the result of a \$32.86 million increase in security and quality control services for state applications and data and shared services for local municipalities, which would predominantly go towards Incident Command System (ICS) relief. Additionally, there is a \$22.40 million increase in programs that provide cyber security risk remediation for consumers and expanding the New York State Security Operations Center (NYSOC), a \$6.66 million increase for state data centers, and a \$584,000 increase for a New York State Design System to create a unified design system for agency websites. These increases are partially offset by the removal of a \$10 million appropriation for the digitization of government services. The Office of Information Technology Services workforce is projected to increase by 149 FTEs for a total of 3,757 FTEs. The SFY 2023-24 Enacted Budget provided \$863.33 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$880.22 million.

Office of the State Inspector General

The Executive Budget proposes \$11.14 million in All Funds appropriations for the Office of the State Inspector General, an increase of \$1.29 million or 13.1 percent from SFY 2023-24. This additional funding provides general salary increases and an update to the case management system. The State Inspector General workforce remains constant at 105 FTEs.

Commission on Ethics and Lobbying in Government

The Executive Budget proposes \$8.1 million in All Funds appropriation, an increase of \$279,000 or 3.6 percent compared to SFY 2023-24 to support a workforce of 68 FTEs. The increase is attributed to general salary increases.

Department of State

The Executive Budget proposes \$683.17 million in All Funds appropriations for the Department of State, an increase of \$103.5 million or 17.9 percent from SFY 2023-24. This increase is primarily due to a \$150 million All Funds increase to the Coastal Zone Management Program. Additionally, the Executive Budget also proposes \$16 million in All Funds for the Commission

on African American History to provide local and capital grants. The Executive also proposes \$1.42 million for an Asian American and Pacific Islander (AAPI) State Commission, \$5 million to create the Office of Faith and Nonprofit Development Services, and \$5 million for a grant program for municipalities for lifeguard bonuses, certification, and operating hours expansion.

The Executive maintains \$200 million in capital funding for the Downtown Revitalization Initiative and NY Forward, and added appropriation language that would allow municipalities to receive funding with conditional language that they certify with the Division of Housing and Community Renewal as a pro-housing community. The Executive Budget proposes a net decrease of \$48.8 million to the Office for New Americans (ONA), removing \$20 million in appropriations for additional resources for ONA, and \$30 million appropriation for AAPI crisis intervention initiatives and community based programs combating biased crimes from SFY 2023-24. The Executive proposal recommends a \$25.85 million decrease to the Consumer Protection Program due to the Office of Renewable Energy Siting (ORES) being transferred to the Department of Public Service (DPS). The Department of State workforce is projected to have 602 FTEs for SFY 2024-25, a reduction of 20 FTEs from SFY 2023-24, a decrease primarily attributable to the ORES transfer. The SFY 2023-24 Enacted Budget provided \$140.07 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$141.26 million.

Statewide Financial System

The Executive Budget proposes \$32 million in All Funds appropriations for the Statewide Financial System, no change from SFY 2023-24. The Statewide Financial System workforce remains constant at 147 FTEs.

Miscellaneous – Data Analytics

The Executive Budget proposes a total of \$50 million in All Funds for this purpose through reappropriation authority.

Miscellaneous – Insurance Securities Fund Reserve Guarantee

The Executive Budget maintains \$1.6 billion in State Operations appropriations for the Insurance Securities Fund Reserve Guarantee, unchanged from SFY 2023-24.

Article VII

Department of Financial Services

Extension of the Assistance Demonstration Project for Displaced Workers (TEDE Part BB): The Executive Budget proposes extending the health insurance continuation assistance demonstration project by another year. The demonstration project is an insurance program

designed to ensure that entertainment workers who lose their jobs can maintain their health insurance.

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

Regulate “Buy Now, Pay Later” Loans (TEDE Part CC): The Executive Budget proposes giving the Department of Financial Services (DFS) the authority to license and regulate buy-now, pay-later lenders operating in New York State. Buy-now, pay-later lenders, like Afterpay, Affirm, and Klarna offer credit directly to consumers in connection with the purchase of goods or services, other than motor vehicles.

This proposal requires all buy-now, pay-later lenders operating in the state to be licensed by DFS. DFS may deny or revoke a license if it deems that the applicant does not have the financial responsibility and experience, character, and general fitness to offer buy-now, pay-later loans, or where a licensee has violated regulations. DFS may also temporarily suspend any license without review for a period not exceeding 30 days when a licensee has engaged or is likely to engage in a practice prohibited by the bill or engages in practices that may cause substantial harm to the public. Upon revocation or suspension of a license, the Superintendent must execute a written order that may be reviewed in an Article 78 proceeding. Licenses issued under this proposal may not be transferred or assigned and will remain in effect until surrendered, revoked, or suspended.. Any buy-now, pay-later loans made by unlicensed lenders, unless they are exempted from the proposal, would be considered void.

This proposal caps the interest on buy-now, pay-later loans at the state’s usury rate, currently at 16 percent per year. The proposal bans penalties and fees charged by the lender that DFS considers unfair, abusive, or excessive. The proposal also adds consumer protections for buy-now, pay-later loans, including disclosures, credit reporting, a refunds policy, business record-keeping, and dispute resolution, similar to other lending practices regulated by the DFS.

Violations of licensing requirements, knowingly false statements and omissions, and obstructing DFS investigations will be subject to a misdemeanor and potential \$500 fine, in addition to restitution that DFS can direct.

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

Supplemental Spousal Liability (TEDE Part DD): The Executive proposes creating an “opt-in” approach to supplemental spousal liability coverage in motor vehicle insurance policies for individuals who have indicated that they are married. Supplemental spousal liability insurance provides bodily injury liability coverage under a motor vehicle insurance policy when a person is injured or killed in a motor vehicle accident caused by the negligence of the person’s spouse.

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

Insulin Cost Sharing (TEDE Part EE): The Executive proposes eliminating cost-sharing of insulin in all commercial health plans.

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

Combating Discrimination in Housing (TEDE Part FF): The Executive proposes prohibiting insurance companies that insure damage to real property containing affordable housing units from inquiring on an application or from canceling, refusing to issue or renew, or increasing a premium of a policy based on:

- Level or source of income of non-owners that reside or intend to reside in the property
- Number of affordable housing units
- Number of individuals receiving government housing subsidies, including federal vouchers

The proposal would still allow companies to consider other underwriting factors not specified in the language or otherwise permitted by law.

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

Safe Lithium-Ion Batteries (TEDE Part GG): The Executive Budget proposes a ban on the distribution, assembly, reconditioning, sale or offering for sale of lithium-ion batteries or second-use lithium-ion batteries intended for use in a bicycle with electric assist or a micromobility device, such as an e-scooter, unless they are certified in accordance with nationally recognized standards (such as Underwriters Laboratories).

The proposal establishes a civil penalty of \$200 for the first violation and an additional penalty of up to \$1,000 for any subsequent violations within a two-year period from the first violation. Each separate battery constitutes a separate violation. The district attorney, county attorney, and the corporation counsel will have concurrent authority to seek relief from violations and all civil penalties obtained will be retained by the municipality. The Department of State may establish other rules and regulations related to additional safety standards related to the lithium-ion batteries.

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

Mental Health Parity (TEDE HH): The Executive Budget proposes imposing higher penalties from \$1,000 to \$2,000 on health insurance companies that willfully violate mental health parity laws and regulations.

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

Protecting Vulnerable Adults from Financial Exploitation (TEDE Part II): The Executive Budget proposes allowing transactional holds on financial transactions when a broker-dealer, investment adviser, financial institution or otherwise qualified individual reasonably believes, or is informed by law enforcement or adult protective services that financial exploitation of an eligible adult has happened, has been attempted or is being attempted.

An adult eligible for this protection means an individual who is at least 65 years old, or an individual who is at least 18 years old and has a mental or physical impairment that makes the individual unable to manage their own resources or protect themselves from financial exploitation without assistance from others. Financial exploitation includes improper use of an eligible adult's funds, property, income or assets, or an act or omission by a person to convert or obtain control over the eligible adult's finances through deception, intimidation, threats or undue influence.

When a transaction hold is applied, the financial institution, the dealer or adviser must provide notice of the hold in writing to all parties authorized on the account subject to the hold, as well as any designated third-parties no later than one business day after the hold. The financial institution, dealer or adviser may notify adult protective services and law enforcement of the financial exploitation if they are otherwise unaware. A hold will expire after 15 business days unless an extension is requested by adult protective services or law enforcement. This extension may be up to 25 additional business days. A hold may be removed when the financial institution, dealer or adviser does not have or no longer has a reasonable basis to believe the transaction is related to financial exploitation. Holds may be extended or terminated on the basis of a court order.

At the request of law enforcement or adult protective services, a financial institution, dealer or adviser must provide any information or documents relating to the hold within three business days of the request. Financial institutions, dealers or advisers must provide records relevant to the suspected or attempted exploitation to law enforcement or adult protective services as part of the notification or where necessary or appropriate for public interest and protection of the adult. All records available to law enforcement will be confidential and not publicly available.

The proposal includes immunity provisions for the financial institution, dealer or adviser for good faith actions and determinations to apply or not to apply the transactional hold.

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

Modernization of the Life Insurance Guaranty Credit (TEDE LL): The Executive proposes codifying the methodology of the Assessment Offset Plan to calculate assessments under the Guaranty Fund on not-for-profit member insurers that will be comparable to the net assessments on for-profit insurers. The Executive also proposes simplifying the mechanism to calculate and

implement tax credits for for-profit member insurers to facilitate the implementation of the credit.

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

Division of Alcoholic Beverage Control

Combat Unlicensed Sale of Cannabis (PPGG Part G): The Executive Budget proposes to grant the Cannabis Control Board and the Office of Cannabis Management (OCM) expanded administrative powers that would allow them to execute seal orders against illicit cannabis retailers faster. The Board and OCM would have the authority to serve and post an order to seal any store found selling cannabis illegally which would become effective 15 days after service unless the business requests a hearing within 14 days. An immediate order to seal could be served and posted if the location poses an imminent threat to health and safety or after a second and subsequent inspection is carried out more than ten days after a notice of violation and order to cease unlicensed activity had previously been issued. Factors such as documented sales to minors, proximity to a school or place of worship, documented presence of unlawful firearms, or previous violent behavior during inspection, among others, would be used to determine whether a location posed an imminent threat. An immediate order to seal could not be served or posted on a building in which no part is being used as a resident or if the illicit conduct is only a *de minimis* part of the commercial behavior.

If a location is sealed immediately, a hearing on the issue in front of an Administrative Law Judge (ALJ) must happen within three days and decisions must be issued within four days after that. OCM and the Cannabis Control Board would be able to ask localities to enforce these closure orders. Criminal penalties would attach to attempts to remove the seal orders or destroy padlocks being used to seal the premises. Orders to seal would be in effect for a year or until proof is provided that the illegal activity ended or the illegal shop vacates,

The proposal would allow localities to establish local laws to take action against illicit shops. Any such local law would include the creation of a registry of licensed adult-use cannabis stores based on information provided by OCM. Localities would be able to establish their process to be able to impose civil penalties or closure orders against stores not on the registry. Localities would have to coordinate enforcement with OCM and send monthly reports on their enforcement actions.

The Temporary Restraining and Closing Order process under Cannabis Law 16-A would be amended in a number of ways. Among these changes, localities would be able to collect fines imposed for cases they brought to court, since currently all fines go to OCM. In addition, defendants must provide information that would help identify the respondents in control of the retail location against whom action is being taken. Temporary closing orders could not be issued if the unlicensed activity is only a *de minimis* portion of the business.

The ability of OCM to conduct administrative searches would be expanded to cover storage sites. Fines for failure to allow OCM to carry out an inspection would increase from \$4,000 for the first offense and \$8,000 for subsequent offenses to \$20,000 for the first offense and \$40,000 for subsequent offenses.

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

ABC Law Commission Recommendations (PPGG Part H): The Executive Budget proposes to implement a number of the recommendations made by the Commission to Study Reform of the Alcoholic Beverage Control Law (the Commission) established in the FY 2022-2023 Budget. The Commission met between August and December 2022 and voted on 28 different policy proposals. Of these 28 proposals, 18 garnered a majority of votes in support. The Commission issued its report on May 1, 2023.

The first recommendation included in the Executive Budget allows individuals to apply for a license with the SLA without having to wait 30 days for the municipal notice period to lapse. Currently, applicants for an SLA license must notify a municipality of their intent to apply no earlier than 270 days before and no later than 30 days before the date of application. This proposal allows for notification no earlier than 270 days prior and removes the 30-day minimum prior language.

The second recommendation would allow changes in membership or other corporate structure to a limited liability company (LLC) to take effect within 90 days of receipt of an application unless the SLA took action before that date. The third recommendation would add cider, mead, braggot (a hybrid of mead and beer), and liquor as permissible beverage types for temporary one-day permits for functions or events. Currently only beer and New York wine can be served using these permits.

The Executive proposes two additional changes not recommended by the Commission. The requirement that liquor stores be at street level would be repealed, and catering permits would be allowed for both indoor or outdoor locations. Currently catering permits are only allowed for indoor locations.

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

Temporary Wholesale Permit & Multiple Wholesale Licenses (PPGG Part I): The Executive Budget proposes granting the SLA the authority to issue temporary wholesale permits to applicants whose applications for wholesale licenses are under review, in order to allow them to start doing business faster. This was also a recommendation of the Commission to Study Reform of the Alcoholic Beverage Control Law. A temporary wholesale permit may be granted once an applicant shows they have a pending wholesale license application for the same location and have paid all necessary fees, that they would be likely to receive the license, and that they

have obtained all the necessary permits and licenses to operate a business at the application location. It additionally provides that any current SLA license at the location that is prohibited from operating concurrently with a wholesale business must have been surrendered, placed in safekeeping, or has been deemed abandoned by the SLA. The application fee would be \$125 and the SLA would have to process an application in 45 days. The permit would last six months or until the SLA makes a determination on the license application, whichever is shorter. Three-month extensions of the permit are possible for a \$50 fee.

The Executive Budget also proposes to allow for multiple wholesale licenses to be granted for the same location. Currently, only one wholesale license can be issued to any one location, requiring businesses that wholesale several types of alcoholic beverages under different licenses to use different locations, or to subdivide existing locations by installing walls and having separate entrances.

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

Sole Administrative Authority (PPGG Part J): The Executive Budget proposes to permanently extend the administrative powers granted to the Chair of the SLA. The Chair is currently responsible for the everyday administrative operations of the SLA, including all hiring and firing decisions and spending decisions. These powers were last extended for three years in 2021 and are set to expire this year.

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

Temporary Permit Extender (PPGG Part K):

The Executive Budget proposes to extend the SLA's authorization to issue temporary retail permits to on-premises consumption applicants for an additional year, which is the normal extension period for this program.

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

Non-Contiguous/Outdoor Cafes Licensing (PPGG Part L):

The Executive Budget proposes to codify the ability for on-premises licensees to get authorization to serve alcohol on non-contiguous municipal spaces if they have the authorization of the municipality to utilize that space. The Alcohol Beverage Control (ABC) Law only allowed licensees to sell alcohol in an area that is part of their contiguous approved premises and over which they must have control, but Executive Orders (EOs) issued during the Covid-19 emergency allowed for the outdoor consumption of alcoholic drinks in establishments such as restaurants, including in spaces that a municipality made available for use by the licensee that is adjacent but non-contiguous with the licensees' premises. In 2021 the Legislature passed a

chapter to codify this practice and in 2022 extended the authorization for an additional three years, to 2025.

The Executive Budget proposal repeals the underlying chapter and replaces it with a new section of the ABC Law allowing on-premises licensees to file an alteration of the licensed premises with the SLA to include contiguous and non-contiguous municipal spaces in the areas where they are authorized to serve alcohol, if they have written authorization from the municipality. Any municipal space being used must comply with all other federal, state, or local rules and regulations for such space. Chapter 238 defined non-contiguous space as any such space separated from the licensed premises by no more than a pedestrian thoroughfare and not extending beyond the middle line of an adjacent road. The Executive proposal amends this to also allow spaces separated by a thoroughfare used primarily for bicycles to be included in such alterations, though the licensee would be required in such instances to provide signage to warn customers of the existence of a bicycle lane.

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

Department of State

Two Year Videoconferencing Participation in Public Meetings Extender (TEDE Part KK):

The Executive Budget proposes a two-year extension of current law which authorizes the use of videoconferencing and remote participation by members of a public body. This proposal extends the authorization for members of a public body to participate in public meetings through videoconferencing under certain circumstances while still requiring an in-person quorum. Videoconferencing is permitted in circumstances including disability, illness, caregiving responsibilities, and any other significant or unexpected factor or event which prevents a person’s physical attendance. The current law is set to expire on July 1, 2024, and this proposal would extend this authorization until July 1, 2026.

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

Miscellaneous

Stop Addictive Feeds Exploitation (SAFE) For Kids Act (PPGG Part O):

The Executive Budget proposes a prohibition on addictive social media feeds for minors. The proposal requires operators of an addictive feed to treat a user as a minor if the user’s device communicates that the user is a minor. Addictive feeds are websites, online services or applications that utilize algorithms to analyze user behavior and preferences to deliver personalized feeds. This proposed prohibition will apply when the addictive social media platform that offers users an addictive feed in a manner that is beyond what is needed to provide the service is accessed by a user who is physically located in New York State. The proposal requires such social media platforms to obtain affirmative authorization from a child’s parent or legal guardian to provide an addictive

feed to the user. This proposal further proposes time controls, making it unlawful for a platform to send notifications regarding the addictive feed to a minor between the hours of 12:00 A.M Eastern to 6:00 AM Eastern, unless the platform has received verifiable parental consent to send notifications at those hours.

The proposal gives the Attorney General the authority to bring an action against any social media platform violating this law and to obtain civil penalties up to \$5,000 per violation and further relief as a court may deem proper, and allows class action suits and a private right of action. However, the proposal provides a cure period of 30 days before the users may bring an action.

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

New York Child Data Protection Act (PPGG Part P): The Executive Budget proposes new restrictions on the collection and processing of data of minors by operators of websites, online services and applications that maintain, collect or share personal data. The proposal provides exemptions for data of minors that is permitted by federal law to combat unfair and deceptive practices, or where a user is at least 13 years old and the data is strictly necessary for an activity initiated by the user, or where the user has provided informed consent. The proposal provides that consent be revocable, and if declined or revoked, an operator cannot request consent for the next calendar year or penalize non-consenting users.

This proposal empowers the Attorney General to bring actions against violators and obtain civil penalties up to \$5,000 per violation and any other relief deemed proper by a court. This proposal also provides for a private right of action, after providing at least 30 days' notice of specified violations and giving the operator 30 days to cure the violation.

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

Consumer Protection Act (TEDE Part JJ): The Executive Budget proposes an expansion of the state's deceptive practices act to include unfair and abusive acts and practices. An act or practice will be considered unfair if it causes or is likely to cause substantial injury, the injury is not reasonably avoidable, and the injury is not outweighed by the benefit conferred to the consumer or benefits to market competition. An act or practice will be considered abusive where it materially interferes with a person's ability to understand a term or condition of the product or service, or if it takes unreasonable advantage of a person's lack of understanding of the material risks, costs or conditions of the product or service or the person's ability to protect their own interest in selecting or using the product or service.

The proposal grants the Attorney General authority to bring action against violators, seeking injunctions and restitution for unfair and abusive practices, with a requirement to provide notice and a chance to respond within five business days, except when it is deemed against the public interest.

This proposal allows for a private right of action for any person who has been injured by the unfair, deceptive or abusive act or practice to seek to recover actual damages, or \$1,000, whichever is greater. This is an increase from the current \$50 a person is allowed to seek for deceptive practices. A court must also award reasonable attorney's fees and costs to the prevailing plaintiff. If an injured individual brings action for damages over \$500, then they must notify the alleged violator at least 30 days before the commencement of the action that the person, business or association has committed an unfair, deceptive or abusive act or practice. An action for over \$500 cannot move forward without a 30 day notice and opportunity to cure the violation. The action shall also not move forward if a violator can show that they identified all consumers similarly affected by the violation or made reasonable efforts to, notified those consumers of that the issue may be rectified upon their request, has remedied the issue within a reasonable time frame, and has stopped engaging in the practice or is working to stop within a reasonable time.

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

HEALTH AND MENTAL HYGIENE



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Health and Mental Hygiene Fact Sheet

Appropriations

- **DOH Medicaid Spending:** The Executive Budget provides \$30.9 billion to support DOH State-Share Medicaid spending, an increase of \$3 billion compared to SFY 2023-24. In addition, the Executive Budget proposes one-year Medicaid appropriations, a change from the SFY 2023-2024 Adopted Budget, which provided two-year Medicaid appropriations.
- **Hospital Funding:** The Executive Budget proposes \$1.3 Billion State-Share funding for Hospitals in SFY 2024-25.
- **Cost-Savings Actions:** The Executive Budget assumes \$530 million in savings will be achieved in SFY 2024-25 from various administrative efficiencies and cost reduction initiatives, which includes \$400 million in unspecified savings in Medicaid spending and Long Term Care.
- **Discontinue Wage Parity for Consumer Directed Personal Assistance Program (CDPAP):** The Executive Budget eliminates wage parity for CDPAP in NYC, Long Island, and Westchester counties. This is projected to save \$200 million in SFY 2024-25 and \$400 million in subsequent years.
- **Human Services Cost-of-Living Adjustment:** The Executive Budget provides \$204 million (\$129 million State-Share) to support a 1.5 percent COLA to human services program operators providing services for the following agencies:
 - Office of Mental Health
 - Office for People with Developmental Disabilities
 - Office of Addiction Services and Supports
 - Office of Temporary and Disability Assistance
 - Office of Children and Family Services
 - State Office for the Aging
- **Opioid Settlement Funding:** The Executive Budget provides \$67 million to support programs and services supported by the Opioid Settlement Fund, which is a decrease of \$156 million compared to SFY 2023-24.

Article VII

- **Elimination of the One Percent Rate Increase for Medicaid Managed Care:** The Executive proposes eliminating the 1 percent across-the-board (ATB) rate increase for Medicaid managed care.
- **Establish the Healthcare Safety Net Transformation Program:** The Executive proposes establishing a \$500 million statewide Healthcare Safety Net Transformation Program to support safety net hospitals.
- **Require Commercial Insurance Parity for Behavioral Health Services:** The Executive proposes commercial insurance parity with Medicaid rates for outpatient behavioral treatment services offered by OASAS- and OMH-licensed providers.
- **Continuous Health Insurance Coverage Eligibility for Children:** The Executive proposes continuous eligibility for children up to age six who receive health insurance coverage through Medicaid and Child Health Plus, regardless of any change in family income.
- **Doula Access:** The Executive proposes authorizing the Health Commissioner to issue a non-patient specific standing order for the provision of doula services for perinatal individuals up to 12 months postpartum.
- **Reproductive Health for Minors:** The Executive proposes several reforms to ensure individuals under the age of 18 have access to a full range of reproductive health care services, including contraception and abortion.
- **Managed Care Procurement:** The Executive proposes placing a moratorium on the processing and approval applications of mainstream managed care plans and managed long term care plans until the state starts a procurement process for those services, subject to certain metrics.
- **Expand Scope of Practice:** The Executive Budget proposes to expand scopes of practice for medical professionals such as physician assistants and dentists to increase access to necessary medical care management, primary care, and prevention.
- **Interstate Compacts:** The Executive Budget proposes that the state enter as a participant in the Interstate Licensure Compact and the Nurse Licensure Compact, which create streamlined processes for out-of-state physicians and Registered Professional Nurses to practice in the State.

- **Creation of Interagency Council of Elder Justice:** The Executive proposes establishing an Interagency Elder Justice Coordinating Council to protect older adults from abuse and mistreatment.

HEALTH AGENCY DETAILS

Health Agency All Funds Appropriations (\$ in millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Department of Health	\$218,600	\$120,213	(\$98,387)	-45.0%
Office for the Aging	\$324	\$368	\$44	13.6%
Office of the Medicaid Inspector General	\$58	\$58	\$0	0%
Total Health	\$218,982	\$120,639	(\$98,343)	-44.9%

Overview

The Executive Budget proposes All Funds Appropriations of \$120.6 billion, a decrease of \$98.3 billion, or 45 percent, compared to SFY 2023-24. The decrease is mainly attributable to a one-year rather than a two-year appropriation construct for Medicaid, a change from prior years.

Department of Health (DOH)

The Executive proposes All Funds appropriation of \$120.2 billion, a decrease of \$98.4 billion, or 45 percent, compared to SFY 2023-24. The All Funds appropriations include \$3 billion for State Operations, \$117 billion for Aid to Localities, and \$519 million for Capital Projects. The \$98.3 billion decrease includes a \$1.4 billion decrease in State Operations, a \$95 billion decrease in Aid to Localities, and a \$2 billion decrease in Capital Projects funding. The Executive Budget proposal supports a workforce of 6,209 FTEs, an increase of 152 FTEs compared to SFY 2023-24. The Executive Budget proposal provides support for the following:

Health Care Enrollment

The Executive Budget proposal projects a total enrollment of 8.8 million individuals in a Healthcare program by the end of SFY 2024-25, a decrease of 193,000 enrollees compared to the end of SFY 2023-24. The Executive Budget proposal projects the following enrollment by the end of SFY 2024-25:

- Medicaid: 6.8 million individuals enrolled, a decrease of 327,000 enrollees compared to SFY 2023-24.
- Essential Plan: 1.4 million individuals enrolled, an increase of 84,000 enrollees compared to SFY 2023-24.

- Child Health Plus (CHP): 547,000 individuals enrolled, an increase of 51,000 enrollees Compared to SFY 2023-24.

Medicaid

The Executive Budget proposes \$108 billion in All Funds Medicaid spending for SFY 2024-25, an increase of \$3 billion compared to SFY 2023-24. This includes \$63.6 billion in Federal-Share and \$30.9 billion in DOH State-Share, an increase of \$3 billion, or 9.7 percent, in State-Share compared to SFY 2023-24. The Executive Budget projects All Funds Medicaid spending will grow to \$120 billion by SFY 2027-28.

Medicaid Global Cap

The Medicaid Global Cap is determined using a five-year rolling average of health care spending projections. The Global Cap Index is revised based on updated Centers for Medicare & Medicaid Services (CMS) annual projections of healthcare spending. The Executive Budget proposal estimates spending growth of \$1.6 billion, bringing Global Cap total estimated spending to \$31 billion in SFY 2024-25. The Executive Budget proposal estimates that the Global Cap applies to 80 percent of State-Share DOH Medicaid spending.

Local Growth Takeover

The Executive Budget proposes that the State continue to assume nearly \$7.4 billion in costs in SFY 2024-25 that would have otherwise been borne by localities.

Hospital Funding

The Executive Budget proposes \$1.3 billion in State-Share Hospital Funding, which includes financially distressed hospitals. This represents a decrease of \$310 million compared to SFY 2023-24. The Executive Budget extends the Distressed Provider Assistance Program for an additional three years (until March 31, 2028), allowing the State to collect \$150 million in annual tax revenue from New York City to support financially distressed hospitals.

Budget Actions

The Executive Budget estimates that Medicaid spending will exceed the Global Cap by \$735 million in SFY 2024-25 and \$2.3 billion in SFY 2025-26 before any Budget Actions. The Executive Budget proposes various Budget Actions to bring Medicaid spending within the Global Cap in SFY 2024-25 and SFY 2025-26. The various Budget Actions proposed in SFY 2024-25 will provide a total savings of \$1.2 billion, which includes a reinvestment of \$495 million surplus savings to support additional investments. The Executive Budget estimates these same actions will provide \$1.8 billion of savings in SFY 2025-26. The Executive Budget estimates that Medicaid spending will exceed the Global by \$1 billion in SFY 2025-26 after the \$1.8 billion in savings and \$550 million in investments are made. This includes the following major Budget Actions:

- \$455 million in savings for Long-Term Managed Care: The Executive Budget proposes Long-Term Managed Care changes, with projected State savings reaching \$683 million in SFY 2025-26.
 - This includes \$200 million from discontinuing wage parity for the Consumer Directed Personal Assistance Program (CDPAP).
- \$272 million in savings for Medicaid Managed Care: The Executive Budget proposes Medicaid Managed Care changes, with projected State savings reaching \$427 million in SFY 2025-26. This includes:
 - \$204 million from removing one percent across-the-board increases for health plans.
 - \$60 million from discontinuing the Mainstream Managed Care (MMC) Quality Pool.
- \$300 million in savings to be achieved through unspecified Medicaid savings, procurement savings, audits and procurement efficiencies in SFY 2024-25 and SFY 2025-26.

Health Care Reform Act (HCRA)

The Executive Budget proposes \$7 billion in Health Care Reform Act (HCRA) spending, a decrease of \$260 million compared to SFY 2023-24. HCRA funding will be used to support the following:

- \$4.7 billion in continued support for Medicaid Assistance spending
 - \$150 million for Distressed Providers Assistance
- \$1.1 billion for the Child Health Plus (CHP) Program
- \$630 million for Hospital Indigent Care

Public Health

The Executive Budget proposes \$2.3 Billion to support various Public Health programs, an increase of \$205 million compared to SFY 2023-24. The Executive Budget proposal provides funding for the following major programs:

- \$85 million for the Hunger Prevention Nutrition Assistance Program (HPNAP) and Nourish NY, a decrease of \$22 million due to the elimination of HPNAP legislative grant
- \$25.3 million increase for various Executive investments.
- \$22.5 million increase for State-Operated Health Facility Support.
- \$11 million increase to support the expansion of the American Indian Health Program
- \$10.4 million to support Family Planning Services, a decrease of \$1 million due to the elimination of legislative grants.

Health Capital Funds

The Executive Budget proposes an All Funds appropriations of \$519 million, a net decrease of \$2 billion compared to SFY 2023-24. The net decrease is mainly attributable to the elimination of two large one-time appropriations. Noteworthy changes within Health Capital include:

- \$1 billion decrease due to the elimination of a one-time appropriation for the Statewide Health Care Facility Transformation Program (SHCFTP)
 - The Executive Budget re-appropriated the funding to continue ongoing spending. In addition, the Executive Budget amends appropriation language to reserve up to \$20 million to support grant awards to institutions and facilities that carry out the research and treatment of Amyotrophic Lateral Sclerosis (ALS) and other rare diseases.
- \$967 million decrease due to the elimination of a one-time appropriation for the Wadsworth Center
- \$30 million decrease due to the elimination of a one-time appropriation for Health Care Data Modernization
- \$55 million for Roswell Park Cancer Institute Capital expenses, an increase of \$4 million compared to SFY 2023-24
- \$18.3 million increase for Reproductive Health Centers security grants, to protect against hate crimes

Office of the Medicaid Inspector General (OMIG)

The Executive Budget proposes an All Funds appropriation of \$57.5 million, the same as SFY 2023-24. The Executive's proposal supports a workforce of 515 FTEs, which also remains unchanged. 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 \$368 million, a net increase of \$44 million or 11.9 percent compared to SFY 2023-24. The All Funds appropriations includes \$16.6 million for State Operations and \$351.7 million for Aid to Localities. The net increase is mainly driven by a 1.5 percent COLA and anticipated increases in federal funding, though it also incorporates \$11.5 million in decreases from the elimination of various legislative grants. The Executive's proposal supports a workforce of 126 FTEs, unchanged from SFY2023-24.

Noteworthy changes include:

- \$28.2 million increase in federal funds to support nutrition program activities
- \$23 million increase of Older Americans Act and other Health and Human Services federally funded programs
- \$8.1 million for Naturally Occurring Retirement Communities (NORCs) and Neighborhood Naturally Occurring Retirement Communities (NNORCs), a decrease of \$1 million compared to SFY 2023-24 due to the elimination of legislative grants
- \$6 million increase for Health and Human Services federally funded programs
- \$3.4 million increase to support a 1.5 percent COLA
- \$3.69 million to support the Long-Term Care Ombudsman Program, a decrease of \$2.5 million compared to SFY 2023-24 due to the elimination of legislative grants

- \$1 million for the Holocaust Survivors Initiative, a decrease of \$1.4 million compared to SFY 2023-24 due to the elimination of legislative grants
- \$625,000 decrease due to the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements.

Special Public Health Emergency (SPHE) Appropriation - Miscellaneous Appropriation

The SPHE is used to support unanticipated expenses associated in response to the Covid-19 pandemic and other Public Health Emergencies. The Executive Budget proposes to eliminate this appropriation, resulting in a \$3 billion reduction.

Article VII

Department of Health

Medicaid Global Cap Extension (HMH Part A): The Executive proposes extending the Medicaid Global Cap through FY 2026.

Fiscal Impact: The Executive Budget proposal does not provide an estimate for capping Medicaid Spending as indexed to the five-year rolling average for Medicaid spending projections.

Extenders (HMH Part B): The Executive proposes to extend the following provisions of law:

- Provisions allowing Medicaid coverage for children who are 19 or 20 years old and living with their parents who meet certain criteria, through October 1, 2029
- The authority of the Commissioner of Mental Health, in consultation with the Commissioner of Health, to certify Mental Health Special Needs Plans, through March 31, 2030
- The issuance of certificates of authority for accountable care organizations, through December 31, 2028
- The authority of the Commissioner of Health to issue Certificates of Public Advantage (COPAs) exempting certain hospital mergers and collaborative efforts from antitrust rules, through December 31, 2028
- Provisions requiring payment parity for commercial and Medicaid services provided via telehealth, through April 1, 2025
- Provisions allowing managed care organizations to affiliate with an entity controlled by non-profit organizations to provide care coordination services, through December 31, 2029
- The Opioid Stewardship Act, through June 30, 2027
- The authorization for the Statewide Medicaid Integrity and Efficiency Initiative to achieve audit recoveries from fraud, waste, and abuse, through March 31, 2026

- The authorization for the Commissioner of Health’s audit power to review residential healthcare facilities energy efficiency and disaster preparedness, through July 1, 2027
- The authorization for the Department of Health, Office of Mental Health, Office for People with Developmental Disabilities, and Office of Addiction Services and Supports to waive any regulations pertaining to providers involved in the Delivery System Redesign Incentive Payment (DSRIP) projects, or authorized replication and scaling activities, to avoid duplicative requirements, through April 1, 2026

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Removal of Temporary Allowance of School Psychologists to Render Early Intervention

(EI) Services (HMH Part C): The Executive Budget proposes removing the temporary allowance of certified school psychologists to practice as Early Intervention (EI) providers and to provide EI services. The proposal also extends the authorization of Non-EI services for school psychologists for certain preschool programs, such as special education preschool programs, for an additional two years.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive assumes that any costs resulting from this proposal can be supported within existing resources.

Hospital-Related Recommendations (HMH Part D): The Executive proposes increasing the current 10 percent reduction to the capital rate add-on for hospitals to 20 percent, effective October 1, 2024.

The Executive proposes a three-year extension of the Distressed Provider Assistance Program, which directs the State Comptroller to withhold sales tax collections and divert them to a fund that supports financially distressed hospitals and nursing homes across the State.

The Executive also proposes aligning the Upper Payment Limit statute with calendar years instead of the state fiscal year, effective January 1, 2025.

Fiscal Impact: The Executive Budget estimates this proposal would result in state savings of \$21.2 million in SFY 2024-25 and \$192.5 million annually in SFY 2025-26.

Nursing Home Program Reforms (HMH Part E): The Executive proposes freezing the operating component of nursing home rates to last year’s rates. The Department of Health (DOH) will develop a new methodology that complies with the Centers for Medicare and Medicaid Services (CMS) Patient Driven Payment Model. The rate suspension will remain in

place until full testing, approval, and implementation of the new methodology. The Executive also proposes reducing the capital cost component of nursing home rates by 10 percent.

The Executive also proposes shortening the state residency requirement from one year to six months for admission to a state-run Veterans Home. New York State Veterans Homes are nursing homes owned and operated by DOH for veterans.

Fiscal Impact: The Executive Budget estimates this proposal would have a state savings of \$28.5 million in SFY 2024-25 and SFY 2025-26.

Long-Term Care Facilities (HMH Part F): The Executive proposes changing DOH’s Special Needs Assisted Living Voucher Program for persons with dementia. This program subsidizes the cost of assisted living programs for individuals with Alzheimer’s disease and dementia. The program currently provides up to 200 vouchers and pays between 25 percent and 75 percent of the average private pay rate in the area where the individual resides, depending on the individual’s contribution. Currently, to be considered for the program, an individual with Alzheimer’s and dementia must not be eligible for Medicaid. This proposal adds a new requirement that an individual must also reside in special needs assisted living residences in order to be eligible for the program.

The Executive proposal also requires assisted living residences to report annually to DOH on quality measures which will be determined by DOH, with the first report due on January 31, 2025. Additionally, all assisted living facilities will be required to post the monthly service rate, staffing number, approved admission or residency agreement, and a summary of all service fees on the facility website, as well as in a public space at the facility and, starting January 31, 2025, facilities will also have to provide this information to DOH. After DOH receives information from facilities, it will score the results, and top-ranking facilities will be given an “Advanced Standing” classification. Under this proposal, facilities that achieve an advanced standing classification will only be surveyed every 12-18 months, as opposed to facilities without the classification, which will be surveyed no less than once per year. These provisions do not apply to complaint-based surveys, inspections, or investigations. Beginning January 31, 2025, DOH may post the quality reporting results on its website.

The Executive proposal also permits adult care facilities that obtain accreditation from a nationally recognized accreditation organization approved by DOH to be exempt from DOH inspection for the duration of the time they remain accredited in good standing, at the discretion of DOH. Accreditation agencies must report any data and information related to adult care facilities that seek but do not receive accreditation and adult care facilities that lose previously obtained accreditation. If an adult care facility loses its accreditation, the operator of the facility must report the loss to DOH within 10 days and will no longer be exempt from inspection. DOH must post a list of accredited assisted living residences on its website.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Long-Term Care Facilities (HMH Part G): The Executive proposes eliminating the wage parity requirements for the Consumer Directed Personal Assistance Program (CDPAP) in New York City and Nassau, Suffolk, and Westchester counties by October 1, 2024.

Fiscal Impact: The Executive Budget proposal estimates this will have a fiscal impact of \$200.4 million in State savings in SFY 2024-25 and \$400.8 million in State savings in SFY 2025-26.

Managed Care Proposals (HMH Part H): The Executive proposes excluding Medicaid managed care from the State's independent dispute resolution process to determine out-of-network rates for certain covered services.

The Executive proposes placing a moratorium on the processing and approval of applications to establish new managed care providers. DOH will create a competitive bid procurement process for those services. The moratorium will continue until DOH publishes the competitive bid procurement process, and existing plans will continue to operate until awards are made. The State will award at least two managed care contracts per region, determined by DOH. DOH, along with the Office of Mental Health (OMH) and the Office of Addiction Services and Supports (OASAS), will select a number of special needs managed care plans from the list of awardees to provide services to individuals with significant behavioral health needs.

The Executive also proposes eliminating the one percent across-the-board (ATB) rate increase for Medicaid managed care organizations (MCOs). The rate elimination will not be subject to the 60-day notification period required under current law.

The Executive also proposes authorizing DOH to impose liquidated damages ranging from \$250 to \$25,000 per violation to MCOs that violate state and federal laws and regulations or the Medicaid model contract. Liquidated damages are predetermined amounts of money that contractual parties must pay in the form of damages if they fail to meet certain contract requirements. Currently, the State and the federal government have the ability to levy several sanctions and regulatory and civil monetary penalties against MCOs. Violations will be imposed and paid out from administrative costs, and MCOs will be prohibited from passing the burden to providers or subcontractors. MCOs will have a process to dispute any violations.

Fiscal Impact: The Executive Budget estimates this proposal would have a state savings of \$212 million in SFY 2024-25 and \$367 million in SFY 2025-26.

Pharmacy Related Recommendations (HMH Part I): The Executive proposes allowing DOH to eliminate drugs from the Medicaid list of over-the-counter covered drugs without prior notice. The proposal also includes eliminating prescriber prevails from Medicaid.

The Executive also proposes replacing the Medicaid Drug Cap with the supplemental prescription drug rebate program, allowing the state to better negotiate rebates with drug manufacturers. DOH will examine the State's Medicaid annual spending to identify high-cost and high-expenditure drugs to refer such drugs to the state's Drug Utilization Review Board without the need to exceed the drug spending cap in the Medicaid program.

If DOH cannot enter into a rebate agreement with the drug manufacturer, the manufacturer will have to submit information related to the drug's development cost, research and development expenditures, administrative/marketing/advertising costs, drug utilization, prices domestically and internationally, state-specific purchaser prices, average rebates/discounts per payer type, and the drug's average profit margin over the past five years, along with projected margins. The proposal would also allow DOH to exclude drugs from the state's formulary if the State cannot reach a rebate agreement with the drug manufacturer.

The Executive also proposes requiring pharmacies participating in the Medicaid program to submit annual cost reports related to prescription drug procurement and dispensing. Cost reports will be subject to audits.

The Executive also proposes reducing reimbursement for physician-administered drugs (PAD) from the current actual cost to the practitioner to the lower of other national or federal metrics. 340B providers will continue to be paid for the actual cost of the drug.

Fiscal Impact: The Executive Budget estimates this proposal would have a \$37.4 million State savings in SFY 2024-25 and \$87 million State savings in SFY 2025-26.

Essential Plan Reforms (HMH Part J): The Executive proposes clarifying that the Essential Plan (EP) will be operating under the Basic Health Program (BHP) or under the 1332 State Innovation Program upon waiver approval by the federal government. The proposal includes technical changes to reflect that the EP may operate under federal authority, which can be revoked or repealed at any time, and conforming changes to the New York State of Health Marketplace to allow the EP to be available to consumers through the Marketplace regardless of the operating authority.

The Executive also proposes delaying for one year EP coverage of long term supports and services (LTSS) for all individuals up to 200 percent of the federal poverty level (FPL). The proposal would also extend by one year the State's authority to implement coverage for LTSS

for individuals who are between 0-138 percent of FPL but are not eligible for Medicaid due to their immigration status.

The Executive also proposes authorizing DOH to seek additional 1332 State Innovation Waiver authority for the creation of a subsidy program to assist low-income individuals with their premium payments or cost-sharing obligations using federal pass-through savings. The Executive explained that the intent is to offer subsidies to individuals between 250 to 350 percent of FPL.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive projects this proposal will achieve Medicaid savings for Long Term Services and Supports under the Essential Plan and provide subsidies to individuals in the marketplace using federal passthrough funds from the 1332 waiver.

Physician’s Excess Medical Malpractice (HMH Part K): The Executive proposes extending the Hospital Liability Pool and the Excess Medical Malpractice Insurance Program for a year through June 30, 2025. This program provides eligible physicians with additional medical malpractice insurance coverage above the policy limits their primary malpractice coverage provides.

- For coverage purchased after July 1, 2023, funds from the program will be used to pay for 50 percent of the premium at the conclusion of the policy period, with the other 50 percent being paid a year after the policy ends.
- For coverage purchased after July 1, 2024, physicians will be required to purchase their excess liability policy directly from an insurer and pay for 50 percent of the premium. The insurer will then be paid 25 percent of the premium from the hospital excess liability pool at the end of the policy period and then the remaining 25 percent a year after the policy ends.

Fiscal Impact: The Executive Budget estimates this proposal would have a \$39.3 million State savings in SFY 2024-25 and \$19.6 million in SFY 2025-26.

Miscellaneous Public Health Recommendations (HMH Part L): The Executive Budget proposes discontinuing the following DOH programs:

- The Part 405.4 Hospital Audit Program, which monitors a hospital’s adherence to resident and postgraduate trainees’ working hour restrictions
- The Enhanced Quality of Adult Living (EQUAL) Program, which aims to enhance the quality of care and life experience for certain residents in adult care facilities through funding to improve or expand services or enhance the facility’s physical environment
- The Empire Clinical Research Investigator Program (ECRIP), which provides grants to teaching hospitals to promote training of physicians in clinical research

- The Tick-Borne Disease Institute, which coordinates the State’s policies concerning Lyme disease and other tick-borne diseases
- The Medical Society of the State of New York’s Committee for Physicians Health Program, which refers to services, monitors, and provides peer-to-peer support to physicians suffering from alcoholism, chemical dependency, or mental illness
- The Enriched Housing Operating Assistance Program, which provides operating subsidies for enriched housing operators to improve care for individuals receiving Supplemental Security Income benefits

Fiscal Impact: The Executive Budget estimates this proposal would have a \$12.1 million State savings in SFY 2024-25 and \$12.3 million in SFY 2025-26.

Continuous Health Insurance Coverage Eligibility for Children (HMH Part M): The Executive proposes extending eligibility for the Medicaid and Child Health Plus programs for children up to the age of six. This will eliminate the need to redetermine their eligibility for such programs annually.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal..

Maternal and Reproductive Health Reforms (HMH Part N): The Executive proposes authorizing the Commissioner of Health to issue a statewide, non-patient specific order to provide doula services for any pregnant, birthing, or postpartum individual. The Executive explained that this order applies regardless of pregnancy outcome and is valid for a period of one year postpartum.

The Executive also proposes codifying the right of minors to obtain contraception and all forms of reproductive health care while pregnant, including abortion services. The proposal includes technical changes to existing law to explicitly include pregnant individuals under the age of 18 as being able to consent for medical, dental, health, and hospital services. The proposal also authorizes healthcare providers to prescribe or distribute contraception to any minor whom they determine is physically and medically able to receive it.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Medical Debt Protections (HMH Part O): The Executive proposes a number of changes to how financial assistance is delivered under the Indigent Care Pool (ICP) to include:

- Expanding financial assistance availability to underinsured individuals, defined as having out-of-pocket medical costs that total more than 10 percent of their gross annual income for the preceding twelve months

- Increasing the current income limit for financial assistance from 300 to 400 percent of FPL and adjusting the sliding payment scale for cost-sharing accordingly, allowing for greater discounts
- Capping the interest charged on unpaid balances at two percent and the monthly payment under an installment plan at no more than five percent of a patient's gross monthly income
- Requiring hospitals to inform patients of the availability of financial assistance during intake, registration, and discharge
- Allowing individuals to apply for financial assistance at any point during the collections process
- Prohibiting hospitals from denying patients admission for treatment due to unpaid medical bills
- Prohibiting the sale of medical debt to a third party except when the third party explicitly purchases the debt to relieve the patient's debt
- Prohibiting hospitals from commencing legal action to collect medical debt from any individual under 400 percent of FPL
- Increasing the reporting requirements of hospitals participating in the ICP to include information on the age, race, ethnicity, gender, and insurance status of patients applying for financial assistance
- Prohibiting a hospital or its collection agent from commencing civil action against a patient for nonpayment of debt for at least 180 days after issuing the first post-service bill

The Executive also proposes having all hospitals obtain informed consent for payment from the patient separately from their consent for treatment.

In addition, the Executive proposes placing new restrictions on applications for medical credit cards and other medical financial assistance products, including restricting any entity from pre-filing an application for assistance on behalf of a patient, prohibiting credit card preauthorization, and requiring a credit card be kept on file for future use.

The Executive also proposes requiring healthcare providers to notify patients about the risks of using a standard credit card for the purposes of paying medical debt, including the waiver of certain state and federal protections that would otherwise apply.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Scope of Practice Extender (HMH Part P): The Executive Budget proposes to make permanent the following provisions:

- Authorizing pharmacists to be qualified health care professionals to direct limited-service laboratories to test for COVID-19 and influenza viruses

- Authorizing physicians and certified nurse practitioners to order non-patient specific regimens for registered nurse practitioners to test for COVID-19 and influenza viruses
- Authorizing the Collaborative Drug Therapy Management (CDTM) demonstration program, which allows pharmacists to work in collaborative agreements with physicians to adjust, manage, evaluate, and implement drug therapies for patients in certain settings

The Executive also proposes extending the Nurse Practitioner Modernization Act (NPMA) by an additional two years. The NPMA allows nurse practitioners with 3,600 or more clinical hours to practice without a written practice agreement with a licensed physician.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive Budget assumes any costs will be absorbed within existing resources.

Expand Scope of Practice (HMH Part Q): The Executive Budget proposes expanding the scopes of several medical professions as follows:

- Physician Assistants will be allowed to practice independently from a physician in primary care settings and hospitals if they meet certain experience criteria.
- Certified Medication Aides who have completed specific training will be allowed to perform certain medication-related tasks under the supervision of a Registered Nurse while practicing in residential facilities.
- Dentists will be allowed to administer vaccinations and tests for influenza, COVID-19, HPV, and other viruses related to a declared public health emergency, as well as administering screening or diagnostic tests for HIV, blood sugar levels, and Hepatitis C.
- Dental Hygienists with specific experience will be allowed to administer block anesthesia under the supervision of a dentist, practice certain orthodontics tasks, and administer 2D and 3D imaging. They will also be allowed to enter into collaborative practice agreements to practice certain tasks independently of a dentist.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Join Interstate Compacts (HMH Part R): The Executive Budget proposes to have New York State participate in the Interstate Licensure Compact and the Nurse Licensure Compact, which streamline processes for out-of-state physicians and nurses to practice in the State.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Healthcare Safety Net Transformation Program (HMH Part S): The Executive proposes establishing a \$500 million statewide Healthcare Safety Net Transformation Program to support safety net hospitals through partnerships with other healthcare facilities. The State will use funds from the Statewide Health Care Facility Transformation Program IV and V for this proposal. The

Health Commissioner, with the President of the Dormitory Authority of the State of New York (DASNY) will partner for purposes of distribution and administration of the funds. The funds will be awarded as grants outside of the competitive bid or request for proposal process. Hospitals that serve certain amounts of individuals who are eligible for medical assistance programs will be able to apply for the Program. The Executive explained the definition of safety net hospitals was modeled after the Hospital Vital Access Provider Assurance Program (VAPAP) program, so hospitals receiving VAPAP funds would qualify for this program.

The Health Commissioner can waive any regulations to allow safety net hospitals to implement projects awarded through the Program. The Commissioner will not be able to waive regulations regarding patient safety, rights, and privacy, the scope of practice, licensure, environmental protections, provider reimbursement methodologies, occupational standards, or any regulations that risk patient safety. Safety nets will have to submit a transformation plan that includes a five-year strategic plan, key metrics, and goals. Financial resources can be withheld if metrics and goals are not met.

Fiscal Impact: The Executive Budget did not provide a fiscal estimate for this proposal. The Executive estimates that any costs could be covered within existing resources.

Ending Preventable Epidemics (HMH Part T): The Executive proposes several public health measures:

- Requiring clinical laboratories to report to the Department of Health both positive and negative test results for Human Immunodeficiency Virus (HIV), Hepatitis B (HBV), Syphilis, and Hepatitis C (HCV).
- Clarifying notice requirements and related procedures around HIV tests. The notice must include information stating that HIV testing is voluntary, and the notice must be provided in multiple languages and be made orally, in writing, by prominently displayed signage, electronic means, or other appropriate forms of communication. Any test refusal must be noted in the individual's record. The proposal would also require that a person receive information regarding medications at the time an HIV test result is communicated.
- Allowing registered nurses to test for HBV through a non-patient specific standing order.
- Allowing licensed pharmacists to dispense HIV Pre-exposure Prophylaxis (PrEP) through a non-patient specific order. Before dispensing, the pharmacist must ensure at least annually that the patient is HIV-negative, and provide a self-screening risk assessment questionnaire and a fact sheet regarding PrEP and other preventive care information. The pharmacist will also notify the patient's primary healthcare practitioner unless the patient opts out or does not have a provider.
- Allowing licensed pharmacists to administer the Monkeypox (Mpox) vaccine through a non-patient specific order.
- Decriminalizing sexual activity by an individual who has a venereal disease.

Fiscal Impact: The Executive Budget estimates this proposal would have a State fiscal impact of \$4.6 Million in SFY 2024-25.

Opioids and Overdose Prevention (HMH Part U): The Executive proposes:

- Excepting practitioners from checking the Prescription Monitoring Program or Internet System for Tracking Over-Prescribing (I-STOP) registry before prescribing or ordering a controlled substance for use at a correctional facility, licensed inpatient mental health facility, or nursing home.
- Allowing disclosure of patient identifying information to certain programs within DOH when used for public health research, surveillance, or education with data contained in the Prescription Monitoring Program and not for patient-level outreach. The proposal also allows disclosure of patient identifying information to local health departments for the same purposes, but they cannot retain such information for more than ten years.
- Adding several controlled substances, such as fentanyl derivatives, hallucinogenics, stimulants, depressants, and sedatives, to the State’s Controlled Substances Schedule.
- Allowing providers to dispense a three-day supply of Buprenorphine for the purpose of initiating maintenance treatment, detoxification treatment, or both while arrangements are being made for a referral to an authorized maintenance program.

Fiscal Impact: The Executive Budget estimates this proposal would have a State fiscal impact of \$1.6 million in SFY 2024-25 and \$2 million in SFY 2025-26

EMS and Hospital at Home (HMH V): The Executive proposes renaming the “Hospital-Home Care-Physician Collaboration Program” to the “Health Care Delivery Collaboration Program” and expanding the list of providers that can participate in the program to include hospice, emergency medical services (EMS), and nursing homes. The program aims to facilitate collaboration between hospitals, home care agencies, and physicians in meeting the community’s healthcare needs through innovative integrated models of care.

The Executive also proposes authorizing general hospitals to provide care to patients in their homes. The patient must have a pre-existing clinical relationship with the hospital or the practitioner to qualify for these services and must be unable to leave their home to receive services without unreasonable difficulty due to clinical circumstances. DOH will establish rates for these services, and such services will not be considered nursing, home health, or other therapeutic services provided that at least 51 percent of patient care hours for the hospital are generated from treating patients in the hospital. Hospitals that are able to provide these services will be exempted from obtaining a license as a home care agency, provided they meet all the required criteria.

The Executive proposes extending the Mobile Integrated and Community Paramedicine Program through March 31, 2031, and authorizing an additional 200 new or expanded programs statewide. The Program provides limited healthcare services to individuals who have transportation issues, no primary care practitioners, and live a long distance from the nearest health care agency.

The Executive proposes modernizing the definition of EMS to better reflect the current service delivery model. The Executive also proposes various EMS demonstration programs to facilitate innovation in medical care delivery.

The Executive proposes allowing certified nurse practitioners and licensed physicians to prescribe and order non-patient specific regimens to an EMS practitioner to administer vaccines. The Executive also proposes creating minimum standards for the licensure of EMS practitioners, including emergency medical technicians and advanced emergency medical technicians, and for specialized credentialing of these practitioners.

The Executive also proposes establishing the “Emergency Medical Services Essential Services Act,” designating EMS as an essential service for all counties outside of New York City. This proposal requires:

- All upstate counties to develop and implement an emergency response plan and designate a primary medical emergency response agency.
- Updates to the DOH approval processes for ambulance operating certificates, the creation of special EMS districts, and standards for the provision of services through non-EMS entities.
- Licensure for emergency medical dispatch agencies and certification for employees of these agencies.

The Executive proposes creating the Paramedic Urgent Care Program for rural counties. Under this program, any organization authorized to provide advanced life support services may apply to DOH to operate an urgent care. Paramedic urgent care programs may use telehealth to provide services as appropriate. These urgent cares will be under the direction of a licensed physician and be staffed by qualified medical and health personnel, including physician’s assistants and nurse practitioners, and may use advanced emergency technicians with the appropriate certifications and scope of practice to provide services.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive Budget estimates that any costs could be covered within existing resources in SFY 2024-25 and SFY 2025-26.

Creation of an Interagency Council of Elder Justice (HMH Part W): The Executive proposes establishing an Elder Justice Coordinating Council (Council) within the New York State Office of the Aging. The Council will be comprised of representatives from state agencies whose work involves elder justice with the goal of protecting older individuals from abuse and mistreatment. The proposal directs the Council to develop and implement a state plan on elder justice, develop response plans for state and local government and entities to use when elder abuse is reported, facilitate interagency planning and policy development on elder justice, review and propose elder justice agency initiatives, coordinate activities for world elder abuse awareness day and other events that relate to elder justice, and make recommendations to the Executive to improve elder abuse prevention and intervention efforts. The Council must submit a report on its activities to the Executive and the Legislature by December 31, 2025, and annually thereafter.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive estimates that any costs will be absorbed within existing resources.

MENTAL HYGIENE AGENCY DETAILS

Mental Hygiene Agency All Funds Appropriations (\$ in millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Office for People with Developmental Disabilities	\$7,470	\$7,631	\$161	2.16%
Office of Mental Health	\$6,408	\$5,850	(\$558)	-8.71%
Office of Addiction Services and Supports	\$1,341	\$1,161	(\$180)	-13.42%
Department of Mental Hygiene	\$600	\$600	\$0	0.00%
The Justice Center for People with Special Needs	\$64	\$63	(\$1)	-1.56%
Council on Developmental Disabilities	\$5	\$5	\$0	0.00%
Mental Hygiene Total	\$15,888	\$15,310	(\$578)	-3.64%

Overview

The Executive Budget proposes All Funds appropriations of \$15.3 billion, a decrease of \$578 million or 3.6 percent compared to SFY 2023-24 for Mental Hygiene agencies. This includes \$5.5 billion for State Operations, \$8.96 billion for Aid to Localities, and \$828 million for Capital Projects.

Office of Mental Health (OMH)

The Executive Budget proposes All Funds appropriations of \$5.8 billion, a net decrease of \$603 million or 8.7 percent compared to SFY 2023-24. The All Funds appropriation includes \$2.3 billion for State Operations, \$2.9 billion for Aid to Localities, and \$596 million for Capital Projects. The Executive’s proposal supports a workforce of 15,268 FTEs, an increase of 273 FTEs from SFY 2023-24. Notable changes include:

- \$1 billion decrease in Capital funding, due to the elimination of one-time appropriations which supported expansion of mental health beds, including:
 - \$915 million for the inpatient bed expansion
 - \$60 million for the Comprehensive Emergency Programs expansion
 - \$18 million for OMH supportive housing expansion
 - \$9 million for legislative capital grants

- \$118.6 million increase for Electronic Health Record (EHR) System upgrades, including \$115 million Capital funding for EHR systems and \$3.6 million for operational costs
- \$82 million increase for Annualization of Prior Year Initiatives
- \$75.8 million increase for Crisis Services, which includes improving Public Safety by Addressing Serious Mental Illness and Providing Critical Care to Young People
- \$44.2 million decrease from the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements
- \$43 million for Supported Housing Property Pass-Through
- \$37 million increase in Capital funding for Transition to Home Units
- \$35 million increase to support a 1.5 percent Cost of Living Adjustment
- \$24 million increase for Personal Services and Nonpersonal Services Re-Estimates
- \$22 million increase to support 200 new State Operated Inpatient Beds
- \$8.2 million increase to support Minimum Wage payments
- \$7.6 million decrease due to elimination of various Legislative grants from SFY 2023-24
- \$1.5 million increase for Maternal Mental Health through the Project TEACH program

Office for People with Developmental Disabilities (OPWDD)

The Executive proposes All Funds appropriations of \$7.6 billion, a net increase of \$161.7 million, or 2.1 percent, compared to SFY 2023-24. The All Funds appropriations include \$2.4 billion in State Operations, \$5 billion in Aid to Localities, and \$139 million in Capital Projects. The Executive proposal supports 19,115 FTEs, an increase of 173 FTEs. This includes funding for the following major programs:

- \$46.9 million increase to support a 1.5 percent Cost of Living Adjustment
- \$45.1 million increase to support Minimum Wage payments
- \$39.2 million increase for re-estimates
- \$16 million increase for Intensive Treatment Opportunities (ITO) Expansion which will support 173 new FTEs, as well as \$12 million in Capital funding
- \$8 million increase for personal services re-estimates
- \$6.7 million increase for the Executive's Employment First initiative

These appropriations also include the following decreases:

- \$3.8 million decrease due to aligning Care Coordination Organizations Management with projected costs.
- \$1 million decrease due to the elimination of legislative grants from SFY 2023-24

Office of Addiction Services and Supports (OASAS)

The Executive Budget proposes an All Funds appropriation of \$1.2 billion, a net decrease of \$179.4 million or 13.4 percent compared to SFY 2023-24. The All Funds appropriations includes \$171.4 million for State Operations, \$898 million for Aid to Localities, and \$92 million for

Capital Projects. The Executive Budget proposal supports a workforce of 778 FTEs, unchanged from SFY 2023-24. This includes the following major program changes:

- \$156.3 million decrease in Opioid Settlement Funding
- \$21.3 million decrease due to re-estimates
- \$11.4 million reduction for Problem Gambling, Chemical Dependency Outpatient, and Treatment Support Services
- \$8.9 million increase for a 1.5 percent Cost-of-Living Adjustment
- \$5 million increase for Recovery Centers, including housing
- \$4.2 million decrease due to elimination of Legislative grants from SFY 2023-24

Department of Mental Hygiene

The Executive Budget proposes All Funds appropriations of \$600 million, unchanged from SFY 2023-24. The Department of Mental Hygiene operates through three independent agencies: the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Addiction Services and Supports.

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

The Executive Budget proposes All Funds appropriations of \$63.1 million, a decrease of \$1.1 million, or 1.8 percent, compared to SFY 2023-24. The All Funds appropriations includes \$62.3 for State Operations and \$799,000 for Aid to Localities. The Executive Budget proposal supports a workforce of 490 FTEs, an increase of 19 FTEs compared to SFY 2023-24. Noteworthy changes include:

- \$2.6 million decrease from the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements
- \$1.3 million increase to support 18 FTEs for the Investigation Expansion Unit
- \$50,000 increase to support one FTE for the Interagency Council for the Deaf, Deafblind, or Hard of Hearing within the Office of the Chief Disability Officer

State Council on Developmental Disabilities (CDD)

Formerly known as the Developmental Disabilities Planning Council (DDPC), the agency is now the New York State Council on Developmental Disabilities (CDD). The Executive Budget proposes an All Funds appropriation of \$4.8 million, unchanged compared to SFY 2023-24. The Executive Budget proposal supports a workforce of 18 FTEs, unchanged from SFY 2023-24.

Article VII

Make the Opioid Stewardship Fund Permanent (HMH Part X): The Executive proposes to make the Opioid Stewardship Fund permanent while repealing the sections related to the collection of taxes for the Fund. The Executive explained it no longer needs to collect taxes for the Fund.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal. The Executive Budget assumes that this proposal is necessary to allow OASAS to continue utilizing revenues deposited into this fund to provide opioid treatment, recovery, prevention and education services.

Make the Community Mental Health Support and Workforce Reinvestment Program Permanent (HMH Part Y): The Executive proposes making permanent the Mental Health Support and Workforce Reinvestment Program. The program allows OMH to reinvest savings from the closure of state-operated inpatient facilities for workforce development activities and community mental health services. The program is set to expire on March 31, 2024.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Make Flexibilities for Demonstration Programs Permanent (HMH Part Z): The Executive proposes making permanent the authority of the Commissioners of the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Addiction Services and Supports to utilize time-limited demonstration programs as a method for service development. The authority is set to expire on March 31, 2024.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Require Minimum Commercial Insurance Reimbursement Rates for Behavioral Health Services (HMH AA): The Executive proposes requiring commercial health insurers to reimburse outpatient behavioral and substance use disorder treatment services offered by OASAS and OMH licensed providers at no less than the Medicaid rate.

Fiscal Impact: The Executive Budget estimates that this proposal would have a State fiscal impact of \$1 million on the General State Charges budget.

Make the Comprehensive Psychiatric Emergency Programs Permanent (HMH Part BB):

The Executive proposes making permanent Comprehensive Psychiatric Emergency Programs (CPEPs). CPEPs provide emergency psychiatric services, including triage, observation, evaluation, treatment, and referral to individuals experiencing symptoms of a behavioral health crisis. The authorization for these programs is set to expire on July 1, 2024.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Justice Center Notification to OMIG (HMH CC): The Executive proposes requiring the Justice Center for the Protection of People With Special Needs (Justice Center) to report to the Office of Medicaid Inspector General (OMIG) any substantiated reports of abuse or neglect submitted to the Justice Center when these reports are no longer subject to appeal. Such abuse and neglect may be subject to OMIG sanctions, like possible exclusion from the Medicaid program.

Fiscal Impact: The Executive Budget estimates that this proposal will not result in any fiscal impacts during SFY 2024-25 and SFY 2025-26, any costs would be supported within existing resources.

Make the Representative Payee Authority Permanent (HMH Part DD): The Executive proposes granting mental hygiene facility directors permanent authority to serve as the federally-appointed representative payee for individuals who are patients in facilities operated by OMH or OPWDD. Representative Payees are appointed by the Social Security Administration to manage Social Security or Supplemental Security Income benefits for individuals who cannot direct the management of their funds. This authority is set to expire on June 30, 2024.

Fiscal Impact: The Executive Budget estimates this proposal would have a State fiscal impact of \$71 million, which includes a \$64 million decrease in revenue for the Office for People with Developmental Disabilities and \$7 million decrease in revenue for the Office of Mental Health.

Support Access to More Independent Living Settings (HMH EE): The Executive proposes allowing direct support staff in OPWDD community-based programs to perform certain nursing tasks if particular conditions are met. The support staff cannot hold themselves out as someone who provides nursing care in order to be employed. The services must be rendered under the instruction of the service recipient or their family or household member, and the person making the request must be found by the supervising registered professional nurse to be capable of doing so.

Fiscal Impact: The Executive Budget proposal estimates this would have a \$700,000 State savings in SFY 2024-25.

Human Services Cost-of-Living Adjustment (HMH Part FF): The Executive proposes a 1.5 percent cost-of-living adjustment (COLA) for eligible programs and services under OMH, OASAS, the Office for People With Developmental Disabilities (OPWDD), the Office for Temporary and Disability Assistance, the Office of Children and Family Services, and the New York State Office for the Aging for SFY 2024-25. Care Coordination Organizations are excluded from this proposal as an eligible program under OPWDD. The Executive explained that these services are already reimbursed above cost.

Fiscal Impact: The Executive Budget estimates this proposal would have a fiscal impact of \$204 million (\$129 million State-Share) in SFY 2024-25.

HUMAN SERVICES AND HOUSING



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Human Services and Housing Fact Sheet

Appropriations

- **Child Care Programs:** The Executive Budget proposes \$1.78 billion in total funding for child care subsidies and services. This level of funding would provide subsidies for 119,000 eligible children.
- **Migrant Services:** The Executive Budget includes \$2.4 billion for Migrant Services and Assistance to assist New York City in providing support services and assistance to migrants.
- **After School Program:** The Executive proposes \$100.75 million and consolidates the Empire State After School Program run by SED with the Advantage Afterschool Program run by OCFS.
- **Human Services Cost of Living Adjustment (COLA):** The Executive Budget proposes \$5 million for a 1.5 percent COLA to workers of various Office of Children and Family Services programs. The Executive also includes \$10.05 million for costs associated with the minimum wage increase.
- **Resilient and Ready Program:** The Executive provides \$40 million in funding for permanent retrofits and rapid home repairs to prepare for and respond to natural disasters.
- **Blue Buffers Voluntary Buyout Program:** The Executive provides \$8.75 million in funding to help HCR administer the Blue Buffers Voluntary Buyout Program, a \$250 million targeted, voluntary buyout program that is funded through the 2022 Clean Water, Clean Air, and Green Jobs Bond Act. This will help families move from harm's way, reduce costs associated with repetitive flooding, and create space for shoreline resiliency projects that protect entire communities.
- **Housing Program:** The Executive provides \$20 million in capital funding to support the previously enacted statewide 5-year capital housing program.

Article VII

- **Continue the Current Financing Structure for Residential Placements of Children with Special Needs:** The Executive proposes making the current reimbursement structure for the placement of children with disabilities by school districts permanent. This reimbursement structure has been repeatedly extended via the budget process.
- **Authorize the Pass-Through of any Federal Supplemental Security Income Cost of Living Adjustment:** The Executive proposes raising the Personal Needs Allowance and the standard of monthly need amounts.

- **Implement Mandatory Federal Child Support Changes:** The Executive proposes amending the Family Court Act and Domestic Relations Law to bring New York State into compliance with federal regulations related to child support payments.
- **Authorize Mortgage Insurance Fund (MIF) Utilization:** The Executive Budget provides funding for the Rural Rental Assistance Program, Neighborhood Preservation Program, and Rural Preservation Program.
- **Heirs Property Protection and Deed Theft Prevention Act:** The Executive proposes creating the crimes of Residential and Commercial Deed Theft in the first, second, and third degree, and Aggravated Deed Theft in the first degree.
- **Authorize the Repurposing of Real Property Owned By SUNY and DOT:** The Executive Budget authorizes the conveyance of long-term leases of land owned by SUNY for mixed-use housing and community amenities, as well as authorizing long-term leases of land owned by the Department of Transportation (DOT) in Suffolk County.
- **Authorizes New York City and the New York State Urban Development Corporation to Allow for Denser Residential Development:** The Executive proposal provides New York City and the State Urban Development Corporation with the authority to override the requirement that no residential dwelling on a lot can exceed a floor area ratio of 12.0.
- **Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing:** The Executive proposal provides property tax exemptions for non-residential conversions to rental multiple dwellings in the City of New York to incentivize the inclusion of permanently affordable housing and labor standards for building service workers in those conversions.
- **Legalizing Pre-Existing Basement and Cellar Dwelling Units in New York City:** The Executive proposal allows the City of New York to establish a program to address the legalization and the conversion of basement and cellar dwelling units.
- **Extend the Project Completion Deadline for Vested Projects in Real Property Tax Law 421-a:** The Executive Budget proposes extending the deadline for projects vested in the 421-a tax exemption program to complete construction from June 15, 2026 to June 15, 2031.
- **Affordable Neighborhoods for New Yorkers Tax Incentive:** The Executive proposal establishes a new property tax exemption for newly-constructed multi-family homeownership and rental housing in the City of New York. This proposal requires the city

Department of Housing Preservation and Development (HPD) to set affordability requirements, prevailing wage for building service workers, and the development of construction labor standards through a memorandum of understanding by 2025.

Human Services Agency Details

Human Services and Housing Agency Funds Appropriations (S in Millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendations	\$ Change	% Change
Office of Children and Family Services	\$5,930.10	\$5,537.40	(\$392.70)	-6.62%
Raise the Age	\$250.00	\$250.00	\$0.00	0.00%
Office of Temporary and Disability Assistance	\$8,992.80	\$10,115.00	\$1,122.20	12.48%
Division of Housing and Community Renewal	\$762.06	\$419.25	(\$342.81)	-44.98%
State of New York Mortgage Agency	\$283.82	\$198.45	(\$85.37)	-30.08%
Department of Veterans' Services	\$33.30	\$30.40	(\$2.90)	-8.71%
Division of Human Rights	\$28.89	\$28.90	\$0.01	0.03%
Office of Welfare Inspector General	\$1.34	\$1.40	\$0.06	4.48%
National and Community Service	\$30.91	\$31.00	\$0.09	0.29%
Nonprofit Infrastructure Capital Investment Program	\$0.00	\$0.00	\$0.00	0.00%
Total Human Services and Housing	\$16,313.22	\$16,611.80	\$298.58	1.83%

Overview

The SFY 2024-25 Executive Budget recommends \$16.6 billion in All Funds support for the agencies comprising the Human Services and Housing functional areas. This reflects an increase of \$298.6 million, or 1.8 percent, over SFY 2023-24, which can be primarily attributed to the increase of \$1.1 billion for the Office of Temporary and Disability Assistance offset by a decrease in funding of \$342.8 million for Division of Housing and Community Renewal and a decrease in funding of \$392.7 million for Office of Children and Family Services.

Office of Children and Family Services (OCFS)

The SFY 2024-25 Executive Budget includes \$5.5 billion in All Funds appropriations, which reflects a decrease of \$392.7 million, or 7 percent, from SFY 2023-24. This decrease in funding is primarily attributed to the expiration of \$1 billion in federal one-time funds offset by an increase of \$608 million in funding for child care services.

Child Care

The Executive Budget provides \$1.78 billion in All Funds support for the New York State Child Care Block Grant, which reflects an increase of \$754.4 million over SFY 2023-24. This \$1.78 billion investment in child care includes: \$995.6 million in general fund support; \$312.2 million from the federal Child Care Development Fund; and \$477.2 million in Temporary Assistance for

Needy Families (TANF) support. This level of funding would provide approximately 119,000 subsidies for children in eligible families. Income eligibility for child care assistance remains at 85 percent of State Median Income (SMI), which is currently \$99,250 for a family of four.

As of the November 2023 OCFS monthly statistics, there are 103,093 children in 60,632 families receiving Child Care Assistance, an increase of 26,805 children (16,595 families) or 35.1 percent above November 2022 levels. As of January 2, 2024, Local Social Services Districts (LSSDs) statewide claimed 54 percent of their 2023 child care allocations. New York City has submitted claims for 49 percent and the rest of the state has claimed 60 percent of their allocation for 2023.

The Executive Budget proposes to use \$280 million of unutilized funding from federal pandemic funds to continue the Workforce Retention Grant program. This program would provide payments to child care providers for employees at 14,000 programs statewide. These workforce retention grants could be used for staff recruitment, sign-on bonuses, payroll tax assistance, and other expenses aimed at hiring new staff. The SFY 2023-24 Enacted Budget included \$500 million for the Workforce Retention Grant Program and as of January 11, 2024, \$331.03 million has been disbursed to 13,331 applicants.

The Executive proposes to create an increased differential payment rate for high-quality child care providers who are: accredited by nationally recognized organizations; participate in the New York's Quality Rating and Improvement system; or have completed training and are an active participant in the OCFS Non-patient Epinephrine Auto-injector Initiative. The differential's percentage increase over the normal rate that will be paid to providers is still undetermined.

The Executive includes \$5 million to support and expand the Family Child Care Networks (FCCNs) in various regions across the state. These networks support and increase the capacity of family and group family care providers, which operate small programs out of their homes for children. These providers care for a large portion of children in families that receive child care assistance.

The Executive provides \$1.7 million to increase the number of early Childhood Mental Health Consultations throughout the State. This funding would increase the number of resource centers from seven to fourteen centers, while increasing the number of mental health consultants available to providers across New York State. These consultations currently take place at seven regional Infant and Toddler resource centers as follows:

- Capital District Child Care Coordinating Council Inc – Albany County
- Child Care Coalition of the Niagara Frontier, Inc. – Erie County
- Child Care Council of Suffolk, Inc. – Suffolk County
- Child Care Council of Westchester, Inc. – Westchester County

- Child Care Council, Inc. – Monroe County
- Child Care Solutions, Inc. – Onondaga County
- Child Development Support Corporation – New York City

The Executive Budget includes \$2 million in State Operations funding to provide portable cribs at no cost to families in need throughout New York State.

The Executive provides \$1.75 million for the CSEA Union Quality Grant Program, which is an increase of \$500,000 over SFY 2023-24. This increase in funds would assist in providing professional development and quality grants for child care providers outside of New York City.

After School Program

The Executive Budget continues last year's consolidation initiative by consolidating the Advantage After School and the Empire State After School programs into one program administered by OCFS. Through these efforts, the Executive believes it will better coordinate the after school programs by reducing administrative burdens on providers, capture efficiencies, and standardize the per child reimbursement rate. The SFY 2024-25 Executive Budget includes \$100.75 million in funding, which reflects an increase of \$17.7 million over SFY 2023-24. Of this increase, \$13.7 million would be used to standardize funding and eligibility.

Adult Preventive/Domestic Violence

The Executive Budget provides \$65 million in funding for these services, which reflects an increase of \$21 million over SFY 2023-24. This increase in funding is to provide sufficient appropriation authority to ensure that New York State is able to meet the demands of higher spending trends.

Human Services COLA

The Executive Budget includes \$5.1 million to provide a 1.5% Cost of Living Adjustments for various OCFS programs as follows: \$2.8 million for Foster Care Services; \$2.1 million for Adoption Services; and \$30,000 for New York/New York III Program for supportive housing.

Collective Bargaining - Agency Operations/Minimum Wage Increases

The Executive Budget includes \$2.8 million to align fringe benefits appropriations in the Child Care Program and \$1 million to support negotiated salary increases for the State workforce. The Executive Budget also includes \$10.05 million to provide minimum wage increases for employees under State contracts, which reflects an increase of \$5.65 million over SFY 2023-24.

TANF Child Welfare Services Threshold Increase

The Executive Budget proposes to increase the federal TANF-Flexible Fund for Family Services (FFFS) threshold by \$75 million to \$457 million. Currently, local social services districts are required to spend \$382 million of the \$1.01 billion FFFS grant on child welfare services. The State reimburses local social services districts at 62 percent of eligible expenditures net of federal funding. The Executive estimates this proposal would yield \$46.5 million in savings to the State and \$28.5 million in savings to localities in SFY 2024-25. The Executive Budget provides \$900.04 million in General Fund support for Child Welfare Services.

Supervision and Treatment Services for Juveniles Program.

The Executive provides \$11.38 million, which is an increase of \$3 million over SFY 2023-24. This increased funding provides new intervention services and increases capacity for juveniles that have engaged in violent behavior, or are at risk of being recruited by gangs.

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

The Executive Budget maintains the elimination of the State share of 18.42 percent of the room and board costs associated with the placement of children with severe disabilities by the Committee on Special Education (CSE). The 18.42 percent state share was eliminated for one year in SFY 2020-21, SFY 2021-22, SFY 2022-23 and SFY 2023-24. The Executive estimates \$28.6 million in savings attributable to the permanent realignment of fiscal responsibility for the CSE.

Family First Prevention Services Act (FFPSA)

In 2018, the U.S. Congress passed FFPSA, which added new restrictions on federal financial support for room and board for foster care children placed in group care settings. The Executive Budget includes \$13.7 million in federal funds to allow for the reimbursement of administrative costs by OCFS for FFPSA implementation. New York State's compliance with the FFPSA requirements allow the state to remain eligible to receive federal Title IV-E funding that supports child welfare services.

Youth Facility Program

The Executive Budget provides \$231.73 million in All Funds support for the operation of youth facilities statewide, an increase of \$392,000 from SFY 2023-24. This level of funding includes \$60.19 million in capital funding, which reflects an increase of \$78,000 for the renovation and maintenance of vital infrastructure throughout OCFS Youth Facilities across the state.

Raise the Age

The SFY 2024-25 Executive Budget provides \$250 million in All Funds support for the continued implementation of Raise the Age, unchanged from SFY 2023-24.

Article VII

Continue the Current Financing Structure for Residential Placements of Children with Special Needs Outside of New York (ELFA Part G): The Executive proposes making the current reimbursement structure for the placement of children with disabilities by school district permanent. This reimbursement structure has been extended since going into place in 2020.

Local social services districts (LSSD) are reimbursed for the cost of residential placements for children with disabilities. Prior to 2020, the State was responsible for 18.42 percent of the reimbursement costs to the local districts, with the school district being responsible for 38.43 percent and the LSSD responsible for the remaining 43.15 percent.

Currently, the LSSD and school districts are responsible for the costs related to the residential school based placement of students. Under this reimbursement structure, LSSDs are reimbursed by the student's school district at a rate of approximately 56.85 percent. Additionally, costs for a student attending a state operated school for the deaf or blind are reimbursed at a rate of 50 percent.

Fiscal Impact: The Executive proposal estimates this would generate a savings of \$22 million to the State in SFY 2024-25 and \$28.6 million annually thereafter

Office of Temporary and Disability Assistance (OTDA)

The SFY 2024-25 Executive Budget provides \$10.1 billion in All Funds appropriations, which reflects an increase of \$1.1 billion or 12 percent from SFY 2023-24. This increase in funding is primarily attributed to a \$2 billion increase in funding for specialized services. This increase in funding is offset by a \$933.6 million reduction in the employment and income program and the elimination of a \$15 million legislative addition for legal representation for evictions.

Temporary Assistance for Needy Families (TANF)

Summary of SFY 2024-25 Executive Budget TANF Program				
(\$ in Thousands)				
PROGRAM	SFY 2024 Adopted	SFY 2025 Executive	\$ Change	% Percent
TANFBASE TOTAL	\$1,092,414	\$1,108,515	\$16,101	1.47%
Public Assistance (PA) Benefits	\$1,032,650	\$1,051,586	\$18,936	1.83%
Emergency Assistance to Needy Families (EAF)	\$199,156	\$199,156	\$0	0.00%
NYC EAF Share Shift (15%)	(\$25,094)	(\$25,094)	\$0	0.00%
NYC FA Share Shift (15%)	(\$120,555)	(\$123,390)	(\$2,835)	2.35%
PA Benefits Cliff Changes	\$6,257	\$6,257	\$0	0.00%
Caseload/EAF Contingency	-	-	\$0	0.00%
TANF INITIATIVE TOTAL	\$1,276,500	1,650,200.00	373,700.00	29.28%
ACCESS - Welfare to Careers	\$800	-	(\$800)	-100.00%
Advanced Technology Training (ATTAIN)	\$4,000	-	(\$4,000)	-100.00%
Career Pathways	\$1,425	-	(\$1,425)	-100.00%
Centro of Oneida	\$25	-	(\$25)	-100.00%
Child Care CUNY	\$141	-	(\$141)	-100.00%
Child Care Subsidies	\$235,930	\$477,200	\$241,270	102.26%
Child Care SUNY	\$193	-	(\$193)	-100.00%
Flexible Fund for Family Services	\$964,000	\$1,014,000	\$50,000	5.19%
Non-Residential Domestic Violence Screening	\$3,000	\$3,000	\$0	0.00%
Additional Non-Residential Domestic Violence Screening	\$200	-	(\$200)	-100.00%
Jewish Child Care Association	\$200	-	(\$200)	-100.00%
Preventive Services	\$785	-	(\$785)	-100.00%
Rochester-Genesee Regional Transportation Authority	\$82	-	(\$82)	-100.00%
Summer Youth Employment	\$47,100	\$50,000	\$2,900	6.16%
Youth Opportunites Program	\$18,000	\$38,800	\$20,800	115.56%
Wage Subsidy Program	\$475	-	(\$475)	-100.00%
Wheels for Work	\$144	-	(\$144)	-100.00%
Local District Case Management Support	-	\$17,200	\$17,200	100.00%
Rochester, Buffalo, Syracuse Anti-Poverty	-	\$50,000	\$50,000	100.00%
TOTAL TANF COMMITMENT	\$2,368,914	\$2,758,715	389,801.00	16.45%

The Executive Budget includes approximately \$2.76 billion in support for TANF, an increase of \$389.8 million, or 16.5 percent, from SFY 2023-24. This increase in funding is a result of a \$16.1 million increase to account for the projected 1.8 percent increase in the public assistance

caseload. The Executive also includes \$477.2 million for child care subsidies, \$50 million for an anti-poverty initiative, and \$89.3 million for Youth Employment programs. The Executive eliminated \$8.7 million in funding for various TANF initiatives traditionally supported by the Legislature.

Public Assistance

The SFY 2024-25 Executive Budget projects total gross costs of \$3.35 billion for a public assistance caseload of 606,969 recipients. This represents a year-to-year increase of 19,235 recipients, or 3.3 percent. Safety Net spending is projected at \$2.3 billion, an increase of \$92.9 million, or 4.2 percent. The Executive anticipates federal TANF spending at \$1.05 billion for a caseload of 190,791 families, an increase of 3,208 recipients.

Migrant Services and Assistance

The Executive Budget includes \$2.4 billion for Migrant Services and Assistance to assist New York City in providing support services and assistance to migrants. These support services would include: short term shelters; legal and case management services; programs to assist in the relocation of migrants; costs associated with humanitarian emergency response and relief centers (HERRCs) at the following locations:

- Floyd Bennett Field (2,000 beds).
- Randall's Island (2,000 beds).
- Creedmoor Psychiatric Center (1,000 beds).

There is a non-specific \$2.4 billion appropriation for Migrant Services and Assistance, which is anticipated to be distributed as follows:

- \$1.4 billion for New York City reimbursement for supportive services and assistance, including shelter reimbursements.
- \$870 million for costs associated with Randall's Island, Creedmoor Psychiatric Center, and Floyd Bennett Field.
- \$134 million for Public Assistance (Safety Net) to eligible individuals.
- \$10 million for Asylum Seeker resettlement.
- \$262 million for the National Guard.
- \$177 million for health care expenses and disease testing.
- \$116 million for legal services, case management and other uses.

In addition to the \$2.4 billion appropriated in the SFY 2024-25 Executive Budget, the above listed spending projections will be supported by utilizing \$500 million from Economic Uncertainties Reserves in SFY 2025-26. The Executive Budget also includes approximately

\$150 million in appropriation authority to properly account for emergency expenditures made in SFY 2023-24.

Intensive Support to Families in Need

The Executive includes \$17.2 million in TANF funding to connect eligible New York families with public benefits to enhance financial stability. Funding will be allocated to local social service districts to hire staff with Master's degrees, who will provide comprehensive wrap-around services and case management.

Support Anti-Poverty Efforts in Rochester, Syracuse, and Buffalo

The Executive includes \$50 million in TANF funds for anti-poverty initiatives to address poverty in certain upstate cities. The Executive will fund various anti-poverty initiatives in three cities: Rochester (\$50 million), Buffalo (\$12.5 million), and Syracuse (\$12.5 million). These programs aim to meet the specific needs of families living in poverty in these regions.

Summer Food Benefits to Students

The Executive includes \$300 million in federal funds for the permanent establishment of a Summer EBT program to address food insecurity among lower-income New Yorkers. Additionally, the Executive provides \$13 million in State Operation funding for the administration of the program. These funds would be used to cover the state's 50 percent share of the costs associated with the administration of this program.

Employment Opportunities for Youth

The Executive Budget proposes \$38.8 million, which is an increase of \$20.8 million to account for the full annualized cost for the program that was established as part of last year's enacted budget. This program provides year-round employment opportunities to low income youths in targeted regions outside of New York City that receive funding through the Gun Involved Violence Elimination (GIVE) initiative.

The Executive also provides \$50.4 million for the Summer Youth Employment Program (SYEP), which is an increase of \$3.3 million associated with the increase in the State's minimum wage. The Executive estimates that this level of funding would employ approximately 18,000 low income youths throughout New York State.

Article VII

Authorize the Pass-Through of any Federal Supplemental Security Income Cost of Living

Adjustment (ELFA Part H): The Executive Budget proposes to raise the Personal Needs Allowance (PNA) and the standard of monthly need for determining eligibility for public

assistance and the number of additional state payments. This is an annual budgetary occurrence. The Personal Needs Allowance is a monthly allowance that Medicaid recipients are allowed to keep for personal needs such as clothing and incidentals. The standard monthly need is a cost determination of an individual's standard monthly recurring needs.

This proposal raises the monthly PNA limit for individuals receiving care as follows:

- Family care is increased by \$6 (\$175 to \$181)
- Residential care increased by \$6 (\$202 to \$208)
- Enhanced residential care is increased by \$8 (\$241 to \$249)

The proposal raises standard monthly need by \$29 for single individuals as follows:

- Individuals living alone (\$1,001 to \$1,030)
- Individuals living with others with or without in-kind income (\$937 to 966)
- Individuals receiving family care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,142 to 1,171)
- Individuals receiving family care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,180 to \$1,209)
- Individuals receiving residential care in New York State, not including New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,319 to 1,348)
- Individuals receiving residential care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,349 to \$1,378)
- Individuals receiving enhanced residential care (\$1,608 to \$1,637)

The proposal raises the standard monthly need by \$44 for couples as follows:

- Couples living alone (\$1,475 to \$1,519)
- Couples living with others with or without in-kind income (\$1,417 to \$1,461)

The proposal raises the standard monthly need for couples by \$58 as follows:

- Couples receiving family care in New York State, not including New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$2,284 to \$2,342)
- Couples receiving family care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$2,360 to \$2,418)
- Couples receiving residential care in New York State, not including New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$2,638 to \$2,696)
- Couples receiving residential care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$2,698 to \$2,756)
- Couples receiving enhanced residential care (\$3,216 to \$3,274)

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

Implement Mandatory Federal Child Support Changes (ELFA Part I): The Executive proposes changes to the child support provisions in the Family Court Act and the Domestic Relations Law in order to conform with federal requirements.

The Executive's proposal adds that when the Court determines the amount of income that will be imputed, the Court must consider the parent's specific circumstances by utilizing the following factors: assets, residence, employment and earning history, job skills, the highest level of education completed, literacy, age, health, criminal record, and any other employment barriers, a record of seeking work, the local job market, the availability of employers willing to hire the parent, the prevailing earnings level in the local community, and any other relevant background factors (such as the age, number, needs, and care of the children covered by the Child Support order). The imputed income must also be accompanied by written findings that identify the basis for the determination, specifying the factors utilized.

When a party has defaulted or the Court is otherwise presented with insufficient evidence to determine gross income, the Executive's proposal removes language which requires the Court to order child support based upon the needs or standard of living of a child. It replaces it with language that indicates that the support obligation will be based on information available on a parent's specific circumstances.

When determining whether a parent has intentionally reduced resources or income to reduce or avoid their child support obligation, or when modifying an order of support, the proposal removes language which allows courts to consider incarceration as voluntary unemployment. Currently, incarceration which resulted from non-payment of a child support order or an offense against the child or custodial parent who is subject to the order or judgment may be considered voluntary unemployment.

Fiscal Impact: The Executive proposal estimates that failure to enact this part would have a fiscal impact to the State of \$200 million in SFY 2024-25 and thereafter. Noncompliance with federal guidelines would put the state in jeopardy of losing reimbursements for the Child Support Enforcement Program and the Temporary Assistance for Needy Family Block Grant.

Department of Veterans' Services

The SFY 2024-25 Executive Budget provides \$30.4 million in All Funds appropriations, a decrease of \$2.83 million, or 8.7 percent, from SFY 2023-24. This level of funding would support 110 FTEs, which is consistent with SFY 2023-24 enacted levels. The decrease of \$2.83 million is attributed to the following:

- \$2.9 million elimination of various legislative initiatives.

- \$600,000 reduction in the Homeless Veterans Assistance Program to better match the expected annual donations received.
- \$900,000 elimination of federal funding for the Veterans Cemetery

These decreases are offset by increases as follows:

- \$1.5 million for general salary increases for the workforce.
- \$33,000 increase for costs associated with union settlements.

Division of Human Rights

The SFY 2024-25 Executive Budget provides \$28.9 million in All Funds support, which is consistent with SFY 2023-24 enacted levels. This level of funding supports 174 FTEs, which is also consistent with SFY 2023-24 enacted levels.

Office of the Welfare Inspector General (OWIG)

The SFY 2024-25 Executive Budget proposes \$1.4 million in All Funds support, which reflects an increase of \$53,000 over SFY 2023-24. This level of funding would support 6 FTEs which is consistent with SFY 2023-24 enacted levels. This increase is attributed to general salary increases. 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 2024-25 Executive Budget proposes \$31 million in All Funds support, an increase of \$121,000, or 0.29 percent, over SFY 2023-24. This increase is attributed to salary increases of \$89,000 for union settlements and \$32,000 related to the minimum wage increase. This level of funding supports 10 FTEs, unchanged from SFY 2023-24. 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.

Pay for Success

The SFY 2024-25 Executive Budget proposes no new funding for the Pay for Success Contingency Reserve, which is consistent with SFY 2023-24. The Executive Budget proposes \$64.3 million in All Funds reappropriation authority for SFY 2024-25. 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.

Nonprofit Infrastructure Capital Investment Program

The Executive Budget does not include any new capital funding for SFY 2024-25, which is consistent with SFY 2023-24 enacted levels. The Executive Budget does include \$79.9 million in capital reappropriation authority. This program provides capital grants to nonprofits to assist in the improvement of their organizations' physical and technological infrastructure. Since 2017, this program has been allocated \$170 million in funding with commitments of \$107.2 million for various projects and has distributed \$90.7 million in grants to nonprofit organizations throughout New York State.

Housing Agency Details

Division of Housing and Community Renewal (DHCR)

The Executive Budget proposes \$419.25 million in All Funds appropriations for DHCR for SFY 2024-25, a decrease of \$342.80 million, or 45 percent from SFY 2023-24 levels. This decrease is primarily attributable to prior-year one-time adds to the SFY 2023-24 budget being removed from the new Executive Budget proposal. The Executive Budget proposes to cut the following items:

- The Executive Budget proposal cuts \$40 million in funding for the Homeowner Protection Program, \$28 million in funding for the Governor’s Office of Storm Recovery, \$25 million for the First-Time Homeowners Program, and \$10 million for Land Banks.
- The Executive Budget proposal excludes capital funding of \$135 million for capital improvements to the New York City Housing Authority, \$50 million for the Mitchell Lama Preservation and Homeownership Program, \$50 million for the Homeowner Stabilization Fund, and \$7 million for the Small Rental Housing Development Initiative.
- The Executive Budget proposal decreases the Affordable Housing Corporation Fund by \$14 million, Access to Home by \$2 million, and Housing Opportunities for the Elderly (RESTORE) by \$7 million.
- The Executive Budget removes \$4.3 million in legislative additions.

These decreases are partially offset by:

- \$40 million in capital funding for the Resilient and Ready Program that will support permanent retrofits and rapid home repairs to prepare for and respond to natural disasters.
- \$20 million in capital funding to support the previously enacted statewide 5-year capital housing program.
- \$8.75 million to help HCR administer the Blue Buffers Voluntary Buyout Program, a \$250 million targeted, voluntary home buyout program that is funded through the 2022 Clean Water, Clean Air, and Green Jobs Bond Act.

On August 31, 2023, Governor Hochul announced the creation of the Pro-Housing Community Program, a statewide initiative to give priority consideration for up to \$650 million in state discretionary funds to localities committed to housing growth. This program would allow cities, towns, and villages to certify with DHCR that their municipality has either hit certain housing growth targets or committed to certain pro-housing principles. Once municipalities have obtained certification from HCR, they would receive prioritization for a number of state funding programs. The SFY 2024-25 Executive Budget proposes making the pro-housing designation a *requirement* to receive such discretionary funding.

The Executive Budget recommends a staffing level of 641 FTEs for DHCR, which is an increase of 10 FTEs from SFY 2023-24 levels. This increase in staffing is primarily for hiring staff to determine which communities qualify for the Pro-Housing Designation.

State of New York Mortgage Agency

The Executive Budget proposes \$198.45 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing a decrease of \$85.36 million, or 30 percent, from SFY 2023-24 levels. There are no FTEs associated with SONYMA.

Article VII

Authorize Mortgage Insurance Fund (MIF) Utilization (ELFA N): The Mortgage Insurance Fund, which is maintained by SONYMA, provides insurance on mortgage loans across the State to encourage public and private investment. Current law requires any excess MIF funds to be returned to the State. In past years, MIF funds were utilized for community development and other programs. The Mortgage Insurance Fund is currently projected to have \$94.95 million available for the upcoming fiscal year, consisting of excess revenues through fiscal year 2025 and reserves that can be accessed without negatively impacting the MIF's credit rating.

These funds would be used to support the following programs:

- **Rural Rental Assistance Program (RRAP):** The Executive proposes funding RRAP at \$23.18 million in SFY 2024-25 through MIF reserves rather than through DHCR. This amount is an increase of \$1.47 million from SFY 2023-24.
- **Neighborhood Preservation Program (NPP):** The Executive proposes funding the Neighborhood Preservation Program at \$12.83 million in SFY 2024-25, which is a decrease of \$4.8 million from SFY 2023-24.
- **Rural Preservation Program (RPP):** The Executive proposes funding the Rural Preservation Program at \$5.36 million in SFY 2024-25, which is a decrease of \$2.2 million from SFY 2023-24.
- **Homeless Housing Programs:** The Executive proposes funding of \$53.58 million in SFY 2024-25 for programs like Solutions to End Homelessness Program, the New York State Supportive Housing Program, and the Operational Support for AIDS Housing Program, which is an increase of \$2.8 million from SFY 2023-24.

Fiscal Impact: There is a fiscal implication of \$94.95 million which would be paid through the Mortgage Insurance Fund.

Heirs Property Protection and Deed Theft Prevention Act (ELFA O):

The Executive Budget proposes introducing new felony charges for Deed Theft and fraudulent activities associated with real property transactions. The proposed statute of limitations for Deed

Theft offenses is set at eight years from the alleged commission of the crime and would apply to fraudulent activity related to acquiring or purchasing residential, commercial, or mixed-use properties.

Deed Theft is committed where a person: forges or falsifies real property documents with the intent to deceive or unlawfully transfer ownership; falsely presents themselves as the property owner to defraud and induce others into relying on their misrepresentation for ownership; and acquires property title through fraudulent practices like theft or forgery.

The proposal further amends the real property actions and proceedings law to prohibit the initiation of a partition action. A partition action is a legal proceeding where one or more co-owners ask a court to help divide or sell the real property. This bill proposes that no such division or sale may be initiated by a co-tenant who did not inherit their share from a relative, nor by a co-tenant who is not a relative of a co-tenant who inherited their share from another relative. This means only relatives that inherited the property, or a relative of a relative heir, may initiate a court proceeding to partition the property.

The proposal adds a right of first refusal for heirs of a property when a co-tenant receives an offer to purchase shares of the heirs' property and that co-tenant intends to accept or counteroffer. This means that a co-tenant may not sell their shares without first offering those shares to an heir-related co-tenant. Such heirs will also have the right to purchase the shares for the same price, terms and conditions as the offer or counteroffer. The main buyer and seller must exercise due diligence to notify all co-tenants of this right of first refusal and right to purchase. Where co-tenants have not been notified, nor was there proper due diligence but a sale was completed, the unnotified co-tenants have the right to purchase the shares back from the buyer for the price that they paid for the shares, plus interest. This right to purchase shall expire 90 days after the co-tenant heirs have been made aware of the sale.

The Executive also proposes the creation of a process for a transfer on death deed. A transfer on death deed is a legal instrument that allows an owner to designate beneficiaries to automatically receive ownership of real property upon that individual's death without the need for a probate proceeding. There is no such process in current New York law. This process includes authorization that an owner may transfer property by death deed upon their death, with the ability to revoke through other legal instruments. Revocation must be acknowledged by the person transferring the property before their death.

Upon the death of the transferor, interest in the property shall be transferred to the beneficiaries of the death deed. Where there is more than one beneficiary and the deed is silent on the matter, the interest shall be equal and undivided with no right of survivorship. The proposal further includes a model death deed form.

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

Authorize the Repurposing of Real Property Owned By Certain SUNY and DOT (ELFA

P): The Executive proposes to authorize the conveyance of long-term leases of land in Suffolk County owned by SUNY, at Farmingdale and Stony Brook for mixed-use housing and community amenities; and in the Town of Babylon owned by the Department of Transportation (DOT) for use deemed appropriate by the Commissioner. There are no requirements for housing affordability included in this proposal.

Subpart A of the proposal gives the trustees of SUNY the power to lease a portion of approximately 8.7 acres of land on Farmingdale's campus to build multipurpose facilities that support housing needs and community amenities. Trustees will be empowered to lease the land to the nonprofit corporation Farmingdale State Development Corporation, without any public bidding, for a period not to exceed 99 years with terms negotiated by the trustees, subject to approval by the Director of the Division of Budget, the Attorney General, and the State Comptroller. If the leased property ceases to be used for housing and amenities, the lease will terminate and the land and any improvements thereon will revert to SUNY. After the end of the lease, the land and its improvements thereon will revert to SUNY. All proceeds related to the leases authorized by this proposal must be used for the benefit of the Farmingdale campus, and the allocation of the proceeds will be subject to approval by the trustees.

Any contract or lease for construction, repair, alteration, or improvement is subject to minority and women-owned business enterprise (MWBE) requirements detailed in Article 15-A of the Executive Law and public works requirements in Article 8 of the Labor Law. Farmingdale State Development Corporation must enter into any contracts pursuant to this proposal via a competitive bidding process. SUNY may not lease the land in this proposal if it cannot execute the lease within five years of the proposal's effective date.

Subpart B of the proposal offers similar terms as subpart A for SUNY Stony Brook at Southampton. It gives the trustees of SUNY the power to lease a portion of approximately 10 acres of land on Stony Brook's Southampton campus to build multipurpose facilities that support housing needs and community amenities. Trustees will be empowered to lease the land, without any public bidding, for a period not to exceed 99 years with terms negotiated by the trustees, subject to approval by the Director of the Division of Budget, the Attorney General, and the State Comptroller. If the leased property ceases to be used for housing and amenities, the lease will terminate and the land and any improvements thereon will revert to SUNY. After the end of the lease, the land and its improvements thereon will revert to SUNY. All proceeds related to the leases authorized by this proposal must be used for the benefit of the Stony Brook campus, and the allocation of the proceeds will be subject to approval by the trustees.

Any contract or lease for construction, repair, alteration, or improvement is subject to minority and women-owned business enterprise (MWBE) requirements detailed in Article 15-A of the Executive Law and public works requirements in Article 8 of the Labor Law. The ground lessee must enter into any contracts pursuant to this proposal via a competitive bidding process. SUNY may not lease the land in this proposal if it cannot execute the lease within five years of the proposal's effective date.

Subpart C of the proposal gives the Commissioner of the Department of Transportation the power to transfer 12.5 acres of state-owned property across two parcels in the Town of Babylon. The land may be transferred upon such terms and conditions as the Commissioner deems appropriate, and nothing in the proposal requires that the lands be developed for housing development or awarded by a competitive process. There are also no labor law provisions included in this subpart.

Fiscal Impact: The Executive estimates this would have a fiscal impact of \$250 million to the State in SFY 2024-25. The Executive Budget makes available \$250 million as the first installment of \$500 million that will be appropriated over two years for repurposing State-owned lands in Empire State Development Corporation (ESD).

Authorizes New York City and the New York State Urban Development Corporation to Allow for Denser Residential Development (ELFA Q): The Executive proposes to provide New York City, and in some cases the Urban Development Corporation (UDC), with the authority to override the existing 12 floor area ratio requirement. Currently, any newly permitted dwellings within New York City are capped at a maximum floor area of 12, limiting the amount of usable space inside of residential buildings to 12 times the size of the lot on which they are built. This proposal will allow the City to limit its own residential floor area ratio through amendments to its zoning laws and allow the State's UDC to do so as provided in a general project plan, after consultation with local officials. This proposal neither amends existing zoning nor changes the City's existing land use review process for approving zoning changes.

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

Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing (ELFA R): The Executive proposes a tax incentive program for commercial, manufacturing, and other non-residential conversions to affordable rental housing in New York City called the Affordable Housing from Commercial Conversions Tax Incentive (AHCC). To be eligible, buildings must have 90 percent or greater non-residential floor area, create six or more residential rental units, not be a hotel, and must not receive any other abatement of or exemption from real property taxation. Conversions must commence between December 31, 2022 and December 31, 2033 and must be completed by December 31, 2039.

At least 20 percent of the units must be affordable, and the weighted average of affordable units cannot exceed 80 percent of Area Median Income (AMI) at occupancy (currently \$112,960 for a family of four). At least five percent of the total units in the conversion must be affordable to households whose income is no greater than 40 percent of AMI (currently \$56,480 for a family of four) at occupancy. There may be no more than three income bands for all affordable units, and no income band can exceed 100 percent of AMI. The proposal requires that affordable housing units be rent-stabilized during the tax-exemption period, both for the initial rental and any subsequent rentals. Affordable units cannot be isolated on a single floor or area, common entrances must be shared by all residents of the multiple dwelling, and the affordable unit mix must be proportional to the rental market units or have at least 50 percent two or more bedroom units and no more than 25 percent less than one bedroom units. Affordable housing units may only be rented for a lease and renewal period of one to two years. Affordable housing units shall not be converted to cooperative or condominium ownership.

Following completion of construction, properties will receive exemption from real property taxation, other than assessments for local improvements, in the amounts and for the durations set by the Division of Housing and Community Renewal (DHCR) in consultation with the City. If the aggregate floor area of non-residential space exceeds 12 percent of the building's aggregate floor area, the program benefits shall be reduced by a percentage equal to such excess. If an eligible multiple dwelling contains multiple tax lots, program benefits would first be apportioned pro-rata among any non-residential tax lots, after which benefits would apply pro-rata to the remaining tax lots. Building service workers in recipient buildings with more than 30 units must receive prevailing wage during the benefit period, unless the building is converted with substantial assistance of government loans, subsidies, or grants. The bill also amends the Labor Law to exclude AHCC benefits from being considered public funds, making these conversions exempt from prevailing wage requirements.

The New York City Department of Finance will determine the amount of the exemption and apply the exemption to the assessed value of the eligible multiple dwellings. The Department of Housing Preservation and Development (HPD) will ensure compliance with the AHCC program. The New York City Comptroller will have the power to enforce labor requirements associated with the program benefits.

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

Legalizing Pre-Existing Basement and Cellar Dwelling Units in New York City (ELFA S):

The Executive Budget proposes allowing New York City to establish a program via local law to convert or legalize certain existing basement and cellar dwellings to housing. In order to be eligible for the program, basements or cellars must be unlawfully occupied or rented as a

residence to one or more tenants prior to the effective date of the proposal. The program is required to have certain protections for current tenants of unlawfully-occupied units.

The program may include provisions for the two main levels of below-grade dwellings: a basement, which has at least one half of its height above the curb level, and a cellar, which has more than one half of its height below curb-level. The program may grant owners who convert or abate the illegal conditions of inhabited basement and cellar dwelling units amnesty from any civil or administrative liability, citation, fines, penalties, judgments, or prosecution for civil violations, and relief from any outstanding civil judgments issued in connection to violations of any law or zoning resolution that prohibits the conversion. All applications for conversions of basement and cellar dwellings must be filed within five years of the effective date of the proposal.

The proposal allows New York City to waive any provision within the proposal, New York City law, regulation, or rule in order to facilitate the changes necessary for the conversion of basement and cellar dwelling units into lawful dwelling units. However, amendments to the zoning resolution that may be necessary to enact the legalization program must be subject to a public hearing and approval by the Planning Commission and the City Council, though the proposals will not require environmental review or any additional land use review. The established programs must require that an application to make alterations to legalize an inhabited basement or cellar dwelling be accompanied by a certification indicating whether that unit was rented to a tenant. This certification may not be a basis to bring enforcement action against anyone for illegal occupancy of the unit, except issuing vacate orders due to hazardous and unsafe conditions.

Tenants who occupy the basement or cellar dwelling as of the date of enactment of the program permitting conversion who were evicted, or otherwise removed, from their dwelling unit as a result of alterations necessary to bring the dwelling into compliance must be granted the right of first refusal to return to the unit as its first lawful occupant. The City must establish terms that will specify how to determine priority when multiple tenants claim a right to first refusal. Any tenant unlawfully denied a right of first refusal will have a cause of action for damages or relief up to the annual rental charge of the unit.

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

Extend the Project Completion Deadline for Vested Projects in 421-a (ELFA Part T): The Executive Budget proposes extending the deadline for projects vested in the 421-a tax exemption program to complete construction. The proposal extends the completion deadline from June 15, 2026 to June 15, 2031. The 421-a program expired on June 15, 2022 and this extension is only applicable to projects that vested prior to the expiration in June 2022.

This 421-a program is administered by New York City and authorized through State statute. The program provides a 100 percent real estate tax exemption for up to three years during construction and 35 years thereafter, with the full 100 percent exemption being made available for the first 25 years and the exemption for the last 10 years being equal to the percentage of affordable units that remain in the project. The 421-a program offered both regular and enhanced tax benefits for different projects, depending on geographic location, size of the building, and construction wages. The program was available, as of right, to projects with six or more dwelling units for which construction commenced after January 1, 2016, if construction will be completed by June 15, 2026.

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

Affordable Neighborhoods for New Yorkers Tax Incentive (ELFA U): The Executive Budget proposes a tax incentive for the construction of rental housing to replace the expired 421-a program. The Affordable Neighborhoods for New Yorkers tax incentive program (ANNY or 485-x) establishes an affordable homeownership program and affordability schemes for large and small rental projects.

The affordable homeownership program requires the sale of homeownership units in the program to be affordable to households within an area median income (AMI) range to be determined by the New York City Department of Housing Preservation and Development (HPD). In exchange, developers and owners receive a 40-year benefit that includes a 100 percent property tax exemption during the construction period, and a 100 percent property tax exemption for a period of 40 years following the completion date of the project. Even if sold, every unit must continue to meet the affordability obligation for the 40 year period starting from the first sale following completion of the unit. Each owner must agree in writing to maintain the unit as their primary residence for no less than five years from the day they acquired the unit.

Larger rental projects consisting of 30 rental units or more shall receive a 35-year benefit that includes a 100 percent property tax exemption during the construction period, a 100 percent property tax exemption for the first 25 years following the completion date of a project, and a exemption percentage equal to the percentage of affordable units in the building for ten years following the first 25 years. Rental units in the program must be affordable, in perpetuity, to households within an AMI range to be determined by HPD.

Small rental projects consisting of less than 30 rental units may also receive the same 35-year benefit as large rental projects; however, small rental projects are not required to keep their affordable units affordable in perpetuity. Units must be affordable to households within an AMI

range to be determined by HPD for 35 years following the completion date. All rental projects, large and small, will be subject to rent stabilization.

Building service employees will receive prevailing wage for the duration of the tax incentive benefit period, even if the benefit is revoked. The minimum and maximum average hourly wage for construction workers will be established by a memorandum of understanding (MOU) between representatives of the largest trade association of residential real estate developers and representatives of the largest trade labor association representing building and construction workers, and with a notice of the execution of such MOU to the Legislative Bill Drafting Commission. Projects where at least 50 percent of dwelling units are affordable and restricted to households with income no greater than 90 percent AMI will be exempt from these requirements.

Eligible project sites must make reasonable efforts to dedicate at least 25 percent of their total project costs to contracts with minority and women owned business enterprises. The New York City Comptroller will have the power to enforce and investigate compliance, hold hearings, and prescribe sanctions for non-compliance.

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

LABOR AND WORKFORCE



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Labor and Workforce Fact Sheet

Appropriations

- **Office of Just Transition:** The Executive provides \$22.5 million to bolster the Office of Just Transition in the Department of Labor to support legislation enacted in the SFY 2023-24 Enacted Budget targeting workforce training and retraining to prepare workers for employment in the renewable energy field.
- **Department of Civil Service:** The Executive Budget recommends a total increase of \$12.5 million from SFY 2023-24. This increase includes continued funding support for several programs aimed at modernizing the State's civil service system. These initiatives include: expanding continuous recruitment to more titles; increasing accessibility to tests; creating avenues to engage with future State employees through direct contact and social media; and analyzing and improving the equity of the State's current pay structure. It also adds funding for the Department of Civil Service to create and facilitate anti-racism trainings.

Article VII

- **Expands Recovery Tools for Stolen Wages (ELFA Part L):** The Executive Budget proposes to expand the Department of Labor's wage theft enforcement authority by providing the Commissioner of Labor the power to issue a warrant when employers violate New York State wage theft provisions. The warrant directs the sheriff of any county to levy upon and sell the real and personal property of an employer who has defaulted in the payment of any sum due for the employer's violation.
- **Establishes Paid Prenatal Leave (PPGG Part M):** The Executive Budget proposes to provide 40 hours of paid family leave, in addition to the twelve weeks of paid family leave that is currently provided, for employees to use on prenatal health care during their pregnancy. Prenatal health care means the health care received by an employee during pregnancy related to such pregnancy, including physical exams, monitoring and testing, and discussions with a health care provider related to the pregnancy.
- **Increases Short-Term Disability Leave Benefits (PPGG Part N):** The Executive proposes to increase the weekly short term disability leave benefit annually. By 2029 and thereafter, for the first twelve weeks of temporary disability insurance, the benefit would increase to 67 percent of an employee's average weekly wage, not to exceed 67 percent of the state average weekly wage. For weeks 13-26, the weekly benefit shall not exceed \$280 per week. The proposal also allows the Superintendent of Financial Services to delay these increases. Finally, this proposal calculates employee contributions at a rate of one-half of one percent of

an employee's wages, with a maximum contribution of 40 percent of the average of all employee and employer contributions to disability benefits in the prior calendar year. It is unclear what the maximum employee contribution is based on this Executive Budget proposal. Currently, employee contributions are calculated at a rate of one half of one percent of the employee's wages, with a maximum contribution of 60 cents a week.

- **Eliminates the Lag Payroll and Salary Withholding Program for Newly Hired State Employees (PPGG Part Q):** The Executive proposes to eliminate the Lag Payroll, which requires new State employees to wait approximately one month before receiving their first paycheck, and the Salary Withholding Program, which withholds one-tenth of an employee's salary in each of the first five payroll periods. This proposal applies to Executive Branch employees hired on or after July 1, 2024, with approval from the applicable collective bargaining units. This proposal also provides an opt-in for the Unified Court System and the Legislature.

Labor and Workforce Agency Details

Labor and Workforce Agency All Funds Appropriations (\$ in millions)				
Agency	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Department of Labor	\$7,271.8	\$7,277.2	\$5.4	0.1%
Labor Management Committees	\$37.8	\$48.8	\$11.0	29.1%
General State Charges	\$7,077.8	\$7,843.6	\$765.8	10.82%
Department of Civil Service	\$87.3	\$99.8	\$12.5	14.3%
Workers' Compensation Board	\$212.4	\$227.3	\$14.9	7.0%
Workers' Compensation Reserve	\$9.6	\$9.6	\$0.0	0.0%
Office of Employee Relations	\$12.0	\$16.0	\$4.0	33.3%
Deferred Compensation Board	\$1.0	\$1.0	\$0.1	5.3%
Public Employment Relations Board	\$5.0	\$5.9	\$0.9	18.0%
Total Labor and Workforce	\$14,714.6	\$15,529.2	\$814.5	5.5%

Overview

The SFY 2024-25 Executive Budget recommends \$15.53 billion in All Funds support for the agencies comprising the Labor and Workforce functional areas. This reflects an increase of \$814.5 million, or 5.5 percent from SFY 2023-24.

Department of Labor

The Executive Budget proposes \$7.27 billion in All Funds appropriations for the Department of Labor (DOL), an increase of approximately \$5.4 million, or 0.1 percent, from SFY 2023-24 levels. None of the approximately \$23.95 million in legislative additions for various employment and training programs are included in the Executive Budget. The SFY 2024-25 Executive Budget recommends a workforce of 2,817 FTEs for DOL, which remains unchanged from SFY 2023-24 workforce levels.

The Executive Budget provides a total increase of \$25 million to expand the Office of Just Transition to support legislation enacted in the SFY 2023-24 Budget targeting workforce training and retraining to prepare workers for employment in the renewable energy field.

Department of Civil Service

The Executive Budget proposes \$99.81 million in All Funds appropriations for the Department of Civil Service (DCS), an increase of \$12.51 million, or 14 percent, from SFY 2023-24 levels. This increase supports various modernization initiatives within the State's civil service system. These initiatives include broadening continuous recruitment, enhancing test accessibility, fostering engagement with prospective State employees through social media and other channels, and analyzing and improving the equity of the State's current pay structure. The Executive Budget specifically emphasizes expanding the Hiring for Emergency Limited Placement Program (HELP), which expedites the hiring at State agencies of diverse, qualified candidates in areas such as healthcare and public safety, bypassing traditional recruitment requirements. Additionally, the Executive Budget directs DCS to reassess the necessity of college degrees for certain civil service titles, considering equivalent experience within the candidate pool. New funding is also dedicated to developing and conducting anti-racism training programs.

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 Executive Budget recommends a workforce of 465 FTEs for the agency, unchanged from SFY 2023-24. The SFY 2023-24 Enacted Budget provided \$85.3 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$87.1 million.

General State Charges

The Executive Budget proposes \$7.84 billion in All Funds appropriations for General State Charges, an increase of \$765.76 million, or 11 percent, from SFY 2023-24 levels. This increase is primarily attributable to an increase in the State's share of health insurance for its employees and retirees as well as increases in the State's pension obligations. There are no FTEs associated with General State Charges.

Labor Management Committees

The Executive Budget proposes \$48.76 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted. This represents a \$10.97 million, or 29 percent increase, from SFY 2023-24 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. The SFY 2023-24 Enacted Budget provided \$37.8 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$38.1 million.

Office of Employee Relations

The Executive proposes \$15.9 million in All Funds appropriations for the Office of Employee Relations (OER), an increase of \$3.9 million, or 33.3 percent, from SFY 2023-24 levels. This increase includes funding for OER to create a diversity, equity, and inclusion training program for all State employees; commence an awareness campaign for the Federal Public Service Student Loan Forgiveness (PSLF) Program; and to appropriately staff Affirmative Action Administrator positions allowing the agency to better meet demand for discrimination complaint investigations. The Office of Employee Relations' workforce is estimated to remain unchanged at 93 FTEs. The SFY 2023-24 Enacted Budget provided \$12 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$12.5 million.

Workforce Impact Summary

All Funds								
SFY 2023 Through SFY 2025								
	FY 2023 Actuals (03/31/23)	Starting Estimate (03/31/24)	Attritions	New Fills	Fund Shift	Mergers	Net Change	Ending Estimate (03/31/25)
Major Agencies								
Children and Family Services, Office of	2,746	2,886	(609)	609	0	1	1	2,887
Corrections and Community Supervision, Department of	23,694	26,493	(5,056)	3,627	0	0	(1,429)	25,064
Education Department, State	2,541	2,876	(287)	311	0	0	24	2,900
Environmental Conservation, Department of	2,885	3,313	(176)	176	0	0	0	3,313
Financial Services, Department of	1,265	1,391	(110)	110	0	0	0	1,391
General Services, Office of	1,679	1,846	(352)	359	0	0	7	1,853
Health, Department of	4,539	6,057	(786)	938	0	0	152	6,209
Information Technology Services, Office of	3,096	3,608	(364)	514	0	(1)	149	3,757
Labor, Department of	2,705	2,817	(458)	458	0	0	0	2,817
Mental Health, Office of	13,507	14,995	(1,330)	1,603	0	0	273	15,268
Motor Vehicles, Department of	2,923	3,228	(468)	468	0	0	0	3,228
Parks, Recreation and Historic Preservation, Office of	2,099	2,374	(134)	213	0	0	79	2,453
People with Developmental Disabilities, Office for	16,686	18,960	(1,756)	1,929	0	0	173	19,133
State Police, Division of	5,543	6,420	(214)	315	0	0	101	6,521
Taxation and Finance, Department of	3,450	3,785	(244)	287	0	0	43	3,828
Temporary and Disability Assistance, Office of	1,855	1,922	(220)	235	0	0	15	1,937
Transportation, Department of	8,150	8,495	(338)	338	0	0	0	8,495
Workers' Compensation Board	946	1,081	(102)	107	0	0	5	1,086
Subtotal - Major Agencies	100,309	112,547	(13,004)	12,597	0	0	(407)	112,140
Minor Agencies								
	7,771	9,106	(1,119)	1,343	0	0	224	9,330
Subtotal - Subject to Direct Executive Control	108,080	121,653	(14,123)	13,940	0	0	(183)	121,470
University Systems								
City University of New York	13,267	13,511	(1,351)	1,351	0	0	0	13,511
State University Construction Fund	133	145	(15)	15	0	0	0	145
State University of New York	45,623	46,854	(4,609)	4,609	0	0	0	46,854
Subtotal - University Systems	59,023	60,510	(5,975)	5,975	0	0	0	60,510
Independently Elected Agencies								
Audit and Control, Department of	2,528	2,887	(134)	137	0	0	3	2,890
Law, Department of	1,791	1,903	(130)	177	0	0	47	1,950
Subtotal - Independently Elected Agencies	4,319	4,790	(264)	314	0	0	50	4,840
Grand Total	171,422	186,953	(20,362)	20,229	0	0	(133)	186,820

Workforce Impact Summary								
All Funds								
SFY 2023 Through SFY 2025								
	FY 2023 Actuals (03/31/23)	Starting Estimate (03/31/24)	Attrition	New Fills	Fund Shifts	Merger	Net Chang	Ending Estimate (03/31/25)
Minor Agencies								
Addiction Services and Supports, Office of	718	778	(88)	88	0	0	0	778
Adirondack Park Agency	45	54	(2)	2	0	0	0	54
Aging, Office for the	84	126	(9)	9	0	0	0	126
Agriculture and Markets, Department of	484	543	(20)	34	0	0	14	557
Alcoholic Beverage Control, Division of	254	398	(40)	40	0	0	0	398
Arts, Council on the	25	31	(3)	3	0	0	0	31
Budget, Division of the	287	292	(38)	38	0	0	0	292
Civil Service, Department of	320	465	(73)	73	0	0	0	465
Correction, Commission of	41	44	(5)	5	0	0	0	44
Criminal Justice Services, Division of	401	418	(51)	61	0	0	10	428
Deferred Compensation Board	3	4	0	0	0	0	0	4
Economic Development, Department of	124	165	(11)	11	0	0	0	165
Elections, State Board of	115	210	(9)	19	0	0	10	220
Employee Relations, Office of	65	93	(12)	12	0	0	0	93
Ethics and Lobbying, Independent Commission on	41	68	(12)	12	0	0	0	68
Executive Chamber	143	168	(10)	10	0	0	0	168
Financial Control Board, New York State	12	12	(1)	1	0	0	0	12
Gaming Commission, New York State	300	391	(316)	321	0	0	5	396
Higher Education Services Corporation, New York State	77	103	(11)	11	0	0	0	103
Homeland Security and Emergency Services, Division of	587	658	(39)	139	0	0	100	758
Housing and Community Renewal, Division of	545	631	(80)	90	0	0	10	641
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	148	174	(23)	23	0	0	0	174
Indigent Legal Services, Office of	37	32	(4)	7	0	0	3	35
Inspector General, Office of the	98	105	(5)	5	0	0	0	105
Interest on Lawyer Account	8	9	0	0	0	0	0	9
Judicial Conduct, Commission on	44	52	(2)	2	0	0	0	52
Justice Center for the Protection of People with Special	459	471	(32)	51	0	0	19	490
Labor Management Committees	63	71	(13)	13	0	0	0	71
Lieutenant Governor, Office of the	5	7	(2)	3	0	0	1	8
Medicaid Inspector General, Office of the	442	515	(16)	16	0	0	0	515
Military and Naval Affairs, Division of	359	394	(44)	44	0	0	0	394
Prevention of Domestic Violence, Office for	29	33	(5)	10	0	0	5	38
Prosecutorial Conduct, Commission on	0	19	(2)	2	0	0	0	19
Public Employment Relations Board	27	36	(4)	4	0	0	0	36
Public Service Department	462	528	(55)	55	0	50	50	578
State, Department of	577	622	(38)	68	0	(50)	(20)	602
Statewide Financial System	131	147	(6)	6	0	0	0	147
Tax Appeals, Division of	24	26	(3)	6	0	0	3	29
Veterans' Services, Department of	89	110	(17)	17	0	0	0	110
Victim Services, Office of	92	96	(17)	31	0	0	14	110
Welfare Inspector General, Office of	6	6	(1)	1	0	0	0	6
Subtotal - Minor Agencies	7,771	9,106	(1,119)	1,343	0	0	224	9,330

Public Employment Relations Board

The Executive Budget proposes \$5.9 million in All Funds appropriations for the Public Employment Relations Board (PERB), which is an increase of \$963,000, or 18 percent, from SFY 2023-24 levels. This increase is attributable to general salary increases. The Public Employment Relations Board's workforce is estimated to be 36 FTEs, a decrease of one FTE that was transferred to the Office of Information Technology Services (ITS) as part of PERB's onboarding as an ITS customer.

Workers' Compensation Board

The Executive Budget proposes \$227.28 million in All Funds appropriations for the Workers' Compensation Board, which is an increase of \$14.9 million, or 7 percent, from SFY 2023-24 levels. This increase is largely attributable to the Management Confidential and Public Employees Federation pay bills enacted in SFY 2023-24. The Executive Budget recommends a workforce of 1,086 FTEs, five above the previous fiscal year. The SFY 2023-24 Enacted Budget provided \$212.4 million for State Operations costs. Subsequent bill provisions passed in the 2023 Legislative Session allowed for actual State Operations costs for SFY 2023-24 to total \$218.1 million.

Workers' Compensation Reserve

The Executive budget proposes \$9.59 million in All Funds appropriations for the Workers' Compensation Reserve, unchanged from SFY 2023-24 levels. There are no FTEs associated with the Workers' Compensation Reserve.

Deferred Compensation Board

The Executive budget proposes \$1 million in All Funds appropriations for the Deferred Compensation Board (DCB), an increase of \$52,000, or 5.3 percent, from SFY 2023-24 levels. This increase is attributable to the Management Confidential pay bill enacted in SFY 2023-24. The Deferred Compensation Board's workforce is estimated to remain constant at four FTEs.

Article VII

Requires Paid Breaks for Breast Milk Expression in the Workplace (ELFA Part J): The Executive Budget proposes to provide up to 20 minutes of paid break time to allow an employee to express breast milk each time such employee has a reasonable need to, for up to three years following childbirth. The Executive Budget proposal also permits such employees to use existing paid break or meal time for time in excess of the 20 minutes provided, and prohibits employers from discriminating against an employee who chooses to express breast milk in the workplace.

New York State Labor Law currently requires employers to provide reasonable unpaid break time or permits an employee to use paid break time or meal time to allow an employee to express breast milk for their nursing child each time such employee has reasonable need to express breast milk, for up to three years following childbirth.

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

Limits Liquidated Damages for Certain Frequency of Pay Violations (ELFA Part K): The Executive Budget proposes to remove the allowance of liquidated damages in instances where a manual worker is paid their full wages, but is paid bi-weekly instead of weekly, as required under the Labor Law. By doing so, this proposal allows manual workers to be paid bi-weekly.

New York State Labor Law requires all manual workers to be paid on a weekly wage schedule. In 2019, the New York Appellate Division, First Department held that manual workers who receive their pay in full but are paid bi-weekly instead of weekly, in violation of the Labor Law, have a private right of action and can recover liquidated damages. The Executive Budget proposes to allow businesses to pay manual workers in accordance with a wage schedule agreed to between the worker and business, so long as payment occurs at least bi-weekly, without being subject to liquidated damages.

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

Expands Recovery Tools for Stolen Wages (ELFA Part L): The Executive Budget proposes to expand the Department of Labor's wage theft enforcement authority by providing the Commissioner of Labor the power to issue a warrant when employers violate New York State wage theft provisions, including violations of statutes providing for the payment of wages, the minimum wage act, minimum wage standards and protective labor practices, or the required day of rest or meal periods provided for in the Labor Law. The warrant directs the sheriff of any county to levy upon and sell the real and personal property of an employer who has defaulted in the payment of any sum due for the employer's violation.

Currently, the Commissioner of Labor has the authority to direct payment back to the employee in the amount of wages due, plus liquidated damages in the amount of 100 percent of unpaid wages and interest, and may, at their discretion, direct an additional fifteen percent in damages upon any outstanding monies owed.

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

Sunsets the State’s COVID-19 Sick Leave Law (ELFA Part M): The Executive Budget proposes to sunset the State’s Covid Sick Leave Law on July 31, 2024. Currently, New York State’s COVID Sick Leave statute allows employees to self-attest to a mandatory or precautionary order of quarantine or isolation due to COVID-19.

Currently, all public employers and most private employers are required to provide COVID-19 sick leave. The amount of COVID-19 sick leave an employer is required to provide depends on the number of employees it has and the employer’s net annual income. All public employers, and private employers with 100 or more employees, must provide employees at least 14 paid COVID-19 sick days per calendar year. Employers with 11-99 employees, and employers with one through ten employees and net income of greater than \$1 million in the previous tax year, are required to provide at least five days of paid COVID-19 sick days per calendar year. Employers with one through ten employees and a net income of \$1 million or less in the previous tax year are not required to provide employees with paid COVID-19 sick days. The Executive Budget proposal eliminates these requirements effective July 31, 2024.

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

Establishes Paid Prenatal Leave (PPGG Part M): The Executive Budget proposes to provide 40 hours of Paid Family Leave, in addition to the 12 weeks of Paid Family Leave that is currently provided, for employees to use on prenatal health care during their pregnancy. Prenatal health care means the health care received by an employee during pregnancy related to such pregnancy, including physical exams, monitoring and testing, and discussions with a health care provider related to the pregnancy.

New York State Paid Family Leave currently provides eligible employees with up to 12 weeks of job protected, paid time off to bond with a new child, care for a family member with a serious health condition, or to assist loved ones when a family member is deployed abroad on active military service.

Fiscal Impact: The Executive estimates no cost to the State as this would be paid for by employees.

Increases Short-Term Disability Leave Benefits (PPGG Part N): The Executive Budget proposes to increase the weekly temporary disability insurance (TDI) benefit annually over multiple years. The current weekly short term disability leave benefit under the Workers Compensation Law is equal to 50 percent of the employee's average weekly wage for the last eight weeks worked, with a maximum benefit of \$170 per week. Benefits are paid for a maximum of 26 weeks of disability during any 52 consecutive week period.

Under the Executive Budget proposal, in 2025 and 2026, the TDI benefit for the first 12 weeks increases to 50 percent of an employee's average weekly wage, with a maximum benefit of \$400 and \$630, respectively. In 2027, the TDI benefit increases to 50 percent of an employee's average weekly wage, with a maximum benefit of 50 percent of the state average weekly wage. In 2028 and 2029, the benefit increases to 60 percent of an employee's average weekly wage, with a maximum benefit of 60 percent, and 67 percent of the state average weekly wage, respectively. The state average weekly wage for 2024 is \$1,718.

For weeks 12 through 26 of disability leave, in years 2025, 2028, and 2029 and thereafter, the TDI weekly benefit increases to 50 percent, 60 percent, and 67 percent of an employee's average weekly wage, respectively, with a maximum benefit of \$280. This proposal calculates employee contributions at a rate of one-half of one percent of an employee's wages, with a maximum contribution of 40 percent of the average of all employee and employer contributions to disability benefits in the prior calendar year. It is unclear what the maximum employee contribution is based on this Executive Budget proposal. Currently, employee contributions are calculated at a rate of one half of one percent of the employee's wages, with a maximum contribution of 60 cents a week.

The Executive Budget proposal allows the Superintendent of Financial Services to delay these annual increases at their discretion, and changes the reporting date of the statewide average weekly wage from March 31 to May 31.

Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal. However, the Executive Budget provides \$1 million in State Operating funds for the Workers' Compensation Board to support increased claims that could result from this proposal. These funds are solely for administrative purposes.

Eliminates the Lag Payroll and Salary Withholding Program for Newly Hired State Employees (PPGG Part Q): The Executive Budget proposes to eliminate the Lag Payroll and Salary Withholding Program for new State employees hired on or after July 1, 2024, with approval from the labor unions representing Executive Branch State employees, and at the election of the Judiciary and Legislature for their employees.

The Lag Payroll requires new State employees to wait approximately one month before receiving their first paycheck. The Salary Withholding Program withholds one-tenth of an employee's salary in each of the first five payroll periods. The majority of New York State employees hired into state service after March 13, 1991, are subject to the salary withholding program, with the exception of collective negotiating units and hourly employees whose salary is withheld at agency discretion. The Executive proposes eliminating these programs to enable new State employees to begin to collect their full wages upon hire.

Fiscal Impact: The Executive does not anticipate any fiscal impact as a result of this proposal.

Eliminates Reimbursement of the Medicare Income Related Monthly Adjustment Amounts to High Income Retirees (PPGG Part S): The Executive Budget proposes to require higher-income retirees to pay a higher proportion of their health insurance costs by ceasing the Income-Related Monthly Adjustment Amount (IRMAA) reimbursements.

The Federal government requires higher-income retirees to pay a greater share of their Medicare health insurance expenses. These additional expenses imposed on higher-income retirees are known as the IRMAA. IRMAA applies to Medicare beneficiaries who have a modified adjusted gross income above \$103,000 for an individual return or \$206,000 for a joint return, and the amounts range from \$70 to \$419 per month.

New York State currently fully reimburses retirees for the value of Part B IRMAA expenses. The Executive Budget proposes requiring such higher-income retirees to pay a greater share of their health insurance costs by ceasing IRMAA reimbursement, effective January 1, 2025.

Fiscal Impact: The Executive proposal estimates this would reduce the State's NYSHIP costs by \$5.7 million in SFY 2025 and \$23.5 million in SFY 2026. Out-year savings are valued at roughly \$28 million in FY 2027 and \$33 million in FY 2028.

New York Health Insurance Program (NYSHIP) Interest and Intercept for Premiums in Arrears (PPGG Part T): The Executive Budget proposes to require that any corporation, district, agency, or organization electing to participate in the NYSHIP plan be required to pay interest for any late payment, at the discretion of the President of the State Civil Service Commission. The interest paid shall never be greater than the interest incurred by the health insurance plan as a result of such late payment. Where a participating employer fails to pay its share in connection with the operation of the NYSHIP plan in a timely manner, the Executive Budget proposes to authorize the Department of Civil Service's Director of Budget, at their discretion, to intercept any funds appropriated and paid by the State and to direct such amounts to the state health insurance fund.

Fiscal Impact: The Executive proposal estimates this would reduce the State's NYSHIP costs by \$20 million in FY 2025 and \$80 million in FY 2026.

GOVERNMENT

**LOCAL
GOVERNMENT**



**STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET**

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, unchanged from SFY 2023-24.
- **Municipal Assistance for the City of Troy:** The Executive Budget proposes to discontinue \$30 million in Municipal Assistance to the City of Troy. This aligns with the termination of the City of Troy’s Municipal Assistance Corporation (MAC), established in 1995 to provide long-term debt relief and fiscal supervision for the city. The MAC of Troy was formally concluded June 27, 2023 following the enactment of Bills passed during the New York State Legislative Session.

Article VII

- **Sunset State Matching Funds for the County-Wide Shared Services Initiative:** The Executive Budget proposes to effectively eliminate the County-Wide Shared Services Initiative (CWSSI) by removing State funding to match net savings from approved county-wide shared services property tax savings plans. The Executive also proposes to remove requirements that each county have a county-wide shared services panel by making it a local option.
- **Improve the Effectiveness of the Local Government Efficiency Grant Program:** The Executive Budget proposes increasing the maximum award for the Local Government Efficiency planning and implementation grants, from \$12,500 per municipality to \$20,000 per municipality and retains the \$100,000 total per planning grant. The maximum grant awards for implementation grants would increase from \$200,000 per municipality and \$1 million per implementation grant to \$250,000 per municipality and \$1.25 million per implementation grant.
- **Increase the Bonding Limit for the New York City Transitional Finance Authority:** The Executive proposes to increase the bonding limit for the New York City Transitional Finance Authority (TFA) from \$13.5 billion to \$19.5 billion beginning July 1, 2024, and to \$25.5 billion beginning July 1, 2025.

Local Government Assistance Details

Overview

The Executive Budget for SFY 2024-25 proposes \$55.96 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 \$2.01 billion for municipalities and school districts in the Local Fiscal Year 2024-2025.

SFY Executive Budget Impact for Local Fiscal Year 2024-2025 (\$ in millions)		
Major Local Aid Programs	LFY 2024-2025 Local Aid	Net Impact on LFY 2024-2025
School Aid and Other Education	\$35,406.3	\$925.1
Special Education	\$1,505.9	\$0
Medicaid	\$7,400.0	\$0
Human Services	\$7,415.5	\$898.9
Health	\$536.5	(\$17.9)
Mental Hygiene	\$113.2	\$0
Transportation	\$1,471.3	\$0
Municipal Aid	\$752.6	\$0
Public Protection	\$594.8	\$150.2
Environment	\$435.0	\$0
Other Local Aid Programs	\$332.33	\$0
Revenue Impacts	\$0	\$57.9
Total Executive Budget Impacts	\$55,963.4	\$2,014.2

SFY 2024-25 Executive Budget Impact on Local Governments (\$ in millions)	
New York City (includes school district)	\$1,232
School Districts (excluding New York City)	\$455
Counties	\$267
All Other Cities (excludes school districts)	\$3.7
Towns and Villages	\$4.2

The Executive Budget proposes \$807.3 million in All Funds appropriations in Aid to Localities for Local Government Assistance programs, a decrease of \$29.9 million from SFY 2023-24.

SFY Executive Budget Appropriations- Local Govt Assistance (\$ in millions)				
FUNDING SOURCE	ENACTED SFY (2023-2024)	EXECUTIVE BUDGET (2024-2025)	CHANGE (\$)	CHANGE (%)
STATE OPERATIONS (STOPS)				
Financial Control Board	\$3.5	\$3.5	\$0.0	0.0%
Financial Restructuring Board	\$2.5	\$2.5	\$0.0	0.0%
AID TO LOCALITIES (ATL)				
AIM (Unrestricted)	\$715.2	\$715.2	\$0.0	0.0%
CREG/CETC	\$35.0	\$35.0	\$0.0	0.0%
LGEG	\$4.0	\$8.0	\$4.0	100.0%
VLT	\$28.9	\$30.1	\$1.2	4.2%
Misc. Assistance	\$23.9	\$18.8	\$5.1	-21.3%
Small Government Assistance	\$0.2	\$0.2	\$0.0	0.0%
General Fund Total	\$807.2	\$807.3	\$0.1	0.0%
Fiduciary Fund Total	\$30.0	\$0.0	-\$30.0	-100.0%
All Funds Total	\$837.2	\$807.3	-\$29.9	-3.6%

Aid and Incentives for Municipalities

The AIM program provides unrestricted aid to all cities, towns and villages except for New York City. The Executive Budget proposes \$715.2 million in unrestricted funding to municipalities. Total AIM will be decreased by \$6,856 due to the dissolution of the Village of Fort Johnson, effective as of December 31, 2023.

Citizens Reorganization Empowerment Grants (CREG) and Citizen Empowerment Tax Credits (CETG)

Citizen Reorganization Empowerment Grants (CREG) provide up to \$100,000 for local governments to plan or implement consolidations or dissolutions. Citizen Empowerment Tax Credits (CETG) 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 award must be used for direct property tax relief.

The Executive Budget proposes \$35 million for these programs, unchanged from the current fiscal year.

Local Government Efficiency Programs (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 \$8 million for this program, an increase of \$4 million over SFY 2023-24. This coincides with the elimination of County Wide Shared Services (CWSSI) which presently maintains a balance of \$184.5 million in reappropriation authority. This will result in additional resources being available to Local Government Efficiency Programs, while programmatic changes to planning and implementation grants will allow for additional funding claims for eligible localities.

Video Lottery Terminal Aid

The Executive Budget proposes \$30.1 million for Video Lottery Terminal (VLT) Aid. This represents an increase of \$1.2 million over SFY 2023-24 due to additional funding appropriated to the Town of Newburgh and Orange County. This funding supports municipalities where a video lottery gaming facility is located to offset increases in local costs related to hosting 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.

VLT Aid by Eligible Municipality (\$ in thousands)		
Municipality	VLT Facility	SFY 2024-25
City of Yonkers	Yonkers	\$19,600
City of Batavia	Batavia Downs	\$441
Town of Batavia	Batavia Downs	\$160
Genesee County	Batavia Downs	\$200
Town of Hamburg	Fairgrounds (Buffalo)	\$866
Erie County	Fairgrounds (Buffalo)	\$289
Town of Farmington	Finger Lakes	\$1,778
Ontario County	Finger Lakes	\$591
Village of Monticello	Newburgh	\$291
Town of Thompson	Newburgh	\$635
Sullivan County	Newburgh	\$309
Town of Newburgh	Newburgh	780
Orange County	Newburgh	454
City of Saratoga Springs	Saratoga	\$2,326
Saratoga County	Saratoga	\$775
Village of Vernon	Vernon Downs	\$137
Town of Vernon	Vernon Downs	\$232
Oneida County	Vernon Downs	\$257
Total VLT Aid		\$30,121.00

Miscellaneous Financial Assistance

The Executive Budget proposes \$18.8 million for Miscellaneous Financial Assistance, a decrease of \$5.2 million from last year. This funding decrease is caused by the elimination of funding for SFY 2023-24 legislative additions. The Executive Budget continues to provide the City of Albany with \$15 million and Madison County with \$3.8 million, unchanged from SFY 2023-24.

Small Government Assistance

The Executive Budget proposes \$217,000 in Small Government Assistance, unchanged from SFY 2023-24. These funds 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

Miscellaneous

Sunset State Matching Funds for the County-Wide Shared Services Initiative (PPGG Part U): The Executive proposes to effectively eliminate the County-Wide Shared Services Initiative (CWSSI) by removing State funding to match net savings from the participating local governments' approved county-wide shared services property tax savings plans. Existing CWSSI plans that have been approved would still be eligible for matching claims for State funding to localities through reappropriation language that caps state matching funds to include only plans transmitted to the Secretary of State on or before January 31, 2023, and may include projects implemented before June 30, 2024. The Executive proposes to remove requirements that each county have a county-wide shared services panel and instead makes it a local option (with no state match).

This also removes previously mandated provisions for the panels, such as minimum annual meeting requirements, public hearings and notice requirements, and reporting requirements of the Department of State and county legislative actions. The Executive Budget also removes the sunset for the provision granting the CEOs of counties the authority to convene the county-wide shared services panels, which is set to expire on December 31, 2024. Counties that decide to convene county-wide shared services panels and develop or revise existing plans would continue to be required to demonstrate recurring property tax savings resulting from shared services actions.

Fiscal Impact: Enactment of this bill will result in a savings of \$11 million in the current fiscal year and \$20 million in annual savings thereafter. This bill is also related to a change in reappropriation language which makes CWSSI funding available for plans submitted prior to January 31, 2023, and projects implemented before June 30, 2024. There is currently \$184.5 million available for disbursement for CWSSI through reappropriation authority.

Improve the Effectiveness of the Local Government Efficiency Grant Program (PPGG Part

W): The Executive Budget proposes increasing the maximum award for the Local Government Efficiency Planning and Implementation Grants (LGEG) from \$12,500 per municipality to \$20,000 per municipality for the coming fiscal year. It would retain the existing \$100,000 total per planning grant. The maximum grant awards for implementation grants would be increased from \$200,000 per municipality and \$1 million total per implementation grant to \$250,000 per municipality and \$1.25 million total per implementation grant. Planning grants were higher in State Fiscal Years 2011 and 2012, when the maximum award for a planning grant was \$25,000 per municipality and \$200,000 total per planning grant.

Fiscal Impact - There would be a positive fiscal impact to those localities that are awarded funding through this program. This proposal is linked to the additional \$4 million provided in LGEG by freeing up additional money for grants.

Increase the Bonding Limit for the New York City Transitional Finance Authority (PPGG

Part V): The Executive proposes to increase the bonding limit for the New York City Transitional Finance Authority (TFA) from \$13.5 billion to \$19.5 billion beginning July 1, 2024, and to \$25.5 billion beginning July 1, 2025. It was last increased from \$11.5 billion to \$13.5 billion in 2006.

Fiscal Impact: There is no fiscal impact to the State and a significant fiscal impact to the New York City Transitional Finance Authority, with \$6 billion in additional financing availability for New York City's capital program being proposed in 2024 and another \$6 billion in 2025.

JUDICIARY



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Judiciary Fact Sheet

Appropriations:

- **Assigned Counsel Criminal Defense and Attorney for Child Investment:** OCA requests \$205 million for the Assigned Counsel and Attorney for Child (AFC) programs.
- **Court Facilities Incentive Aid Program Investment:** OCA requests \$125.9 million for the Court Facilities Incentive Aid Program (CFIA) and Justice Court Assistance Program (JCAP).
- **Judiciary Civil Legal Services Grants Investment:** OCA requests \$104.5 million for the Judiciary Civil Legal Services Program (CLS).
- **Judiciary Technology and Court Modernization:** OCA requests \$93.4 million to support upgrade technology systems.
- **Increased Number of Judgeships:** \$38.3 million increase to support 53 new judgeships and over 200 FTEs.

Article VII

- **Judicial Security:** The Executive proposes creating a mechanism for eligible judges and other court-related persons to prohibit third parties from publishing their personal information. The Executive also proposes increasing criminal penalties for assaulting, stalking, or harassing a judge.
- **Constitutional Amendment to Remove Cap on Number of Supreme Court Justices:** The Executive proposes an amendment to the State Constitution to remove the cap on the number of Supreme Court justices
- **Market-Based Interest Rate on Court Judgments:** The Executive Budget includes a proposal to apply a variable, market-based interest rate on most court judgments.

OFFICE OF COURT ADMINISTRATION AGENCY DETAILS

Office of Court Administration Total Appropriation (\$ in Millions)				
Item	Available SFY 2024	Request SFY 2025	\$ Change	% Change
OCA All Funds	\$2,581	\$2,777	\$196	7.6%
General State Charges	\$836	\$972	\$135	16%
Total with General State Charges	\$3,417	\$3,749	\$332	9.7%

Overview

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. These estimates must be included in the Executive Budget without revisions, but the Executive can still make recommendations.

The OCA Budget proposes \$3.74 billion in total appropriations, a net increase of \$332 million or 9.7 percent compared to SFY 2023-24. The increase is mainly attributed to an increase in Judgeships and salaries, negotiated raises and benefits for non-judicial staff, contractual enhancements for Attorney for Child providers, enhancements and expansions of specialty courts, technology and infrastructure, as well as other court initiatives. The request anticipates \$3.73 billion total All Funds cash disbursements, an increase of \$335 million compared to SFY 2023-24, and \$20.2 million lower than the total appropriations. The OCA Budget proposal supports a workforce consisting of over 16,000 Full Time Equivalent (FTE), an increase over 600 FTEs or 4.3 percent compared to SFY 2023-24. The 16,000 FTEs include 1,280 state-paid judges and 15,100 nonjudicial staff.

Office of Court Administration (OCA)

The OCA Budget request of \$3.74 billion includes \$2.8 billion in Judiciary All Funds appropriations (State Operations, Aid to Localities, and Capital Projects) and \$971.7 million in General State Charges (GSC). The All Funds appropriations increased by \$196.5 million or 7.6 percent compared to the SFY 2023-24 available funds. The Judiciary's All Funds request provides support for the following programs:

- \$205 million for the Assigned Counsel & Attorney for Child Program (AFC), an increase of \$19 million compared to SFY 2023-24, mainly to support a three percent cost of living adjustment (COLA). These programs provide legal representation for individuals in criminal and family court.
- \$125.9 million for the Court Facilities Incentive Aid Program (CFIA) and Justice Court Assistance Program (JCAP), an increase of \$5.5 million compared to SFY 2023-24. These programs provide grants to local governments to modernize court operations, construction and maintenance for court facilities,

- \$104.5 million for the Judiciary Civil Legal Services Program (CLS), an increase of \$5.9 million compared to SFY 2023-24 .This program provides civil legal assistance grants to 80 legal service providers,
- \$93.4 million for technology to support court modernization, an increase of \$14.6 million. The \$14.6 million includes \$6.6 million to support general core operations and \$8 million in Capital funding to support installation and upgrade of audio systems, video conferencing equipment, and listening device systems in court facilities.
- \$38.3 million increase for 53 new judgeships, which includes; 41 Family Court Judges, five NYC Housing Court Judges, three Supreme Court, two NYC Criminal Court and two NYC Civil Court.
- \$34.6 million increase for judicial salary increases recommended by the Commission on Legislative, Judicial, and Executive Compensation.
- \$18.3 million increase for Recruitment and Retention, which includes \$5.7 million to support 50 new court attorney positions in Family, City & District and Multi-Bench court programs to reduce delays in court operations.
- \$12 million increase in Capital funding for appellate division court facility space enhancement to support additional staff in New York and Kings counties.

General State Charges: \$971.7 million appropriation, an increase of \$135.3 million or 16 percent compared to SFY 2023-24 available funds. These appropriations are required for pension contributions, Social Security and Medicare, health insurance premiums, dental, vision and life insurance, and employee benefit funds. The Judiciary’s GSC request provides support for the following obligations:

- \$524.9 million for Health, Dental, Vision and Life Insurance, an increase of \$63.5 million compared to SFY 2023-24 available funds.
- \$281 million for Pension Contributions, an increase of \$65.2 million compared to SFY 2023-24 available funds.
- \$133.9 million for Social Security and Medicare costs, an increase of \$5.8 million compared to SFY 2023-24 available funds.
- \$31.8 million for Employee Benefit Fund costs, an increase of \$0.8 million compared to SFY 2023-24 available funds.

Article VII

Office of Court Administration (OCA)

Judicial Security (PPGG Part F): The Executive proposes creating a mechanism for eligible judges and other court-related persons to prohibit third parties from publishing their personal information. The proposal covers current and former State and federal judges, some non-judicial court employees, and their families. It targets personal information such as home addresses, phone numbers, and the names of spouses and children. Under the proposal, if a third party publishes personal information about the covered person or their family and refuses to take the information down, then the covered person can sue to enjoin publication and recover damages. Personal information may not be suppressed if it is published in the context of a news story or other First Amendment-protected speech, among other exclusions.

The Executive proposal creates two new criminal offenses, Aggravated Assault on a Judge and Aggravated Harassment of a Judge.

- Aggravated Assault on a Judge occurs when an individual, with the intent to cause serious physical injury to prevent a judge from performing official duties, inflicts serious harm on such judge. This offense is classified as a Class B Felony, carrying a maximum penalty of 25 years in prison.
- Aggravated Harassment of a Judge occurs when an individual intentionally harasses a judge through actions such as communicating threats of physical harm, making harassing or threatening phone calls, engaging in physical actions to harass or alarm, or committing Harassment in the First Degree with a prior conviction of Harassment in the First Degree. This offense is a Class E Felony, with a maximum penalty of 4 years in prison.

The Executive proposal also amends and increases criminal penalties for certain stalking offenses committed against a judge.

- The proposal amends Stalking in the Fourth Degree to include cases where an individual, with the intent to cause material harm to the mental or emotional health of a person, or with no legitimate purpose, disseminates personal information through social media about another person or that person's immediate family.
- The proposal elevates the charge of Stalking in the Fourth Degree to Stalking in the Second Degree when the individual commits Stalking in the Fourth Degree against a judge or a member of the judge's immediate family. Finally, the proposal also amends Stalking in the First Degree to include individuals who commit the crime of Stalking in the Second Degree and have been previously convicted of stalking in the fourth, third, or second degrees.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Market-Based Interest Rate on Court Judgments (PPGG Part R): The Executive Budget proposes applying a variable, market-based interest rate on court judgments. The Executive proposal applies 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 nine percent per year.

Fiscal Impact: This proposal is anticipated to result in a reduction to the amount of interest paid by the State on court judgments and accrued claims by approximately \$2.5 million annually. The proposed General State Charges budget includes \$154.42 million for judgments against the State.

Constitutional Amendment to Remove Cap on Number of Supreme Court Justices: Under the Constitution, there may be no more than one Supreme Court justice for every fifty thousand residents in each of the State’s judicial districts. This proposal amends the Constitution to strike that cap. If enacted, the Legislature would be free to add as many Supreme Court justices to the judiciary as it deems appropriate. The Senate Majority passed an identical measure in 2023, S.5414 (Hoylman-Sigal).

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

PUBLIC PROTECTION



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Public Protection Fact Sheet

Appropriations

- **State Funding for Victim of Crime Act (VOCA):** The Executive Budget provides \$270 million for the VOCA grant program, an increase of \$120 million compared to SFY 2023-24. This funding will be used to offset any reduction in Federal VOCA funding.
- **Gun Involved Violence Elimination (GIVE) Initiative:** The Executive Budget provides \$72 million for Project GIVE initiative, an increase of \$35.7 million compared to SFY 2023-24.
- **Organized Retail Theft Funding** The Executive Budget provides \$40.2 million in new funding to State and local law enforcement to address organized retail theft, which includes \$25 million for the Division of State Police and \$15 million for the Division of Criminal Justice Services to provide grants to local governments.

Article VII

- **Assault on a Retail Worker:** The Executive proposes increased penalties for assault on retail workers and would elevate such assaults to Assault in the Second Degree, a Class D felony.
- **Online Sale of Stolen Goods:** The Executive proposes a new Class A misdemeanor for Fostering the Sale of Stolen Goods which would deem a person guilty if they host, advertise, or otherwise assist in the sale of stolen goods and either know or should have known that the goods were stolen.
- **Expanding Hate Crimes Eligibility:** The Executive proposes adding additional crimes to the list of “specified offenses” eligible for prosecution as a hate crime.
- **Correctional Facility Closures:** The Executive proposes the closure of up to five correctional facilities by March 31, 2025.

PUBLIC PROTECTION AGENCY DETAILS

Public Protection Agency All Funds Appropriations (\$ in millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Department of Corrections and Community Supervision	\$3,567	\$3,590	\$23	0.6%
Division of Homeland Security and Emergency Services	\$9,129	\$9,073	(\$56)	-0.6%
Division of State Police	\$1,306	\$1,238	(\$68)	-5.2%
Division of Criminal Justice Services	\$874	\$788	(\$86)	-9.9%
Office of Indigent Legal Services	\$469	\$459	(\$9)	-2.0%
Department of Law (Office of the State Attorney General)	\$352	\$372	\$20	5.7%
Office of Victim Services	\$219	\$367	\$148	67.8%
Division of Military and Naval Affairs	\$331	\$271	(\$60)	-18.1%
Interest on Lawyer Account	\$54	\$65	\$11	19.7%
Office for the Prevention of Domestic Violence	\$17	\$18	\$1	5.9%
Judicial Commissions	\$8	\$8	\$0	2.3%
State Commission of Correction	\$4	\$4	\$0	0.7%
State Commission on Prosecutorial Conduct	\$2	\$2	\$0	0.0%
Total Public Protection	\$16,333	\$16,255	(\$77)	-0.5%

Overview

The Executive Budget proposes All Funds appropriations of \$16.3 billion for 15 Public Protection agencies. This represents an overall decrease of \$77 million or less than one percent compared to SFY 2023-24.

Department of Correction and Community Supervision (DOCCS)

The Executive Budget proposes All Funds appropriations of \$3.6 billion, a net increase of \$23 million or less than one percent compared to SFY 2023-24. The All Funds appropriation includes \$2.9 billion for State Operations, \$39 million for Aid to Localities, and \$563.4 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 25,064 FTEs, a decrease of 1,429 FTEs compared to SFY 2023-24. The Executive Budget proposal provides funding for the following major programs:

- \$82 million increase in Capital funding for the maintenance and operational costs of correctional facilities.
- \$77 million decrease in operational costs related to Article VII PPGG Part D proposal, which grants the Commissioner of DOCCS the temporary ability to reduce the total number of state correctional facilities.
- \$46.2 million to support the Humane Alternatives to Long Term (HALT) Solitary Confinement Act, an increase of \$492,000 compared to SFY 2023-24.
- \$27.9 million decrease due to the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements.
- \$9.1 million to support the Transitional Housing Program, an increase of \$2 million compared to SFY 2023-24

Division of Homeland Security and Emergency Services (DHSES)

The Executive Budget proposes All Funds appropriations of \$9.1 billion, a net decrease of \$56.3 million or less than one percent compared to SFY 2023-24. The All Funds appropriations includes \$162.6 million for State Operations, \$8.9 billion for Aid to Localities and \$21 million for Capital Projects. The Executive's recommendation supports a workforce of 758 FTEs, an increase of 100 FTEs compared to SFY 2023-24. This includes funding for the following major programs:

- \$87 million decrease due to the elimination of Capital funding, which includes \$80 million for construction of the State of Emergency Operation Center and \$7 million for the State Academy of Fire Science in Montour Falls.
- \$85 million to support the Interoperable Communications Program grants, a decrease of \$10 million compared to SFY 2023-24. This will support fiber-optic cable based networks for public safety answering point centers.
- \$44 million for Hazard Mitigation Revolving Loan grant program to reduce disaster risk for property of homeowners and non-profit organizations, an increase of \$29 million compared to SFY 2023-24.
- \$27 million decrease due to the elimination of various Legislative grants for Fire departments and the American Red Cross.
- \$25.4 million increase to support Emergency Resiliency Response, which includes \$15 million in Capital funding for the Flood Resiliency and Response local government Grant programs providing flood protection equipment and flood barrier technology and \$10.4 million to support 65 FTEs for the Office of Emergency Management (OEM).
- \$8.6 million increase for the Reduce Fatal Fires, which includes \$5.3 million for 22 FTEs to create Fire Action Teams and Expand the State Fire Investigation Branch and \$3.3 million for grants to localities to increase fire prevention efforts.
- \$3 million increase to support an additional 13 FTEs for the Domestic Terrorism and Prevention Unit to combat hate crimes within higher education institutions.

- \$1 million decrease due to the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements.

Division of State Police (DSP)

The Executive Budget proposes All Funds appropriations of \$1.2 billion, a net decrease of \$68.2 million, or 5.2 percent compared to SFY 2023-24. The All Funds appropriations includes \$1.09 billion for State Operations, and \$144.9 million for Capital Projects. The Executive's recommendation supports a workforce of 6,521 FTEs, an increase of 101 FTEs compared to SFY 2023-24. This includes funding for the following major programs:

- \$100 million decrease due to a one time Capital expense for the purchase and renovation of a forensic laboratory.
- \$25 million increase for new State Police Retail Theft Unit, which includes \$17.8 million to support 101 FTEs and \$7.4 million in Capital funding to purchase 129 vehicles.
- \$5 million increase to support contractual services costs associated with the Point of Contact platform for background checks for firearms and ammunition sales.
- \$2 million decrease due to the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements.
- \$1.5 million to support the Federal homeland security port security grant program, an increase of \$500,000 compared to SFY 2023-24.
- \$1 million increase to the Technical Police Services Program due to an appropriation transfer from Office of Information Technology Services to the Division of State Police for telephone lines.

Division of Criminal Justice Services (DCJS)

The Executive proposes an All Funds appropriation of \$787.9 million, a net decrease of \$87 million, or 10 percent, compared to SFY 2023-24. The All Funds appropriation includes \$93.4 million for State Operations, \$609.5 million for Aid to Localities, and \$85 million for Capital Projects. The Executive Budget proposal supports a workforce of 428 FTEs, an increase of 10 FTEs compared to SFY 2023-24. The net decrease is mainly attributed to the elimination of \$34.6 million in Legislative grants and the elimination of \$50 million in Discovery capital funding for New York City. The Executive Budget proposal includes funding to support the following major programs:

- \$120 million for Discovery Reform Implementation, a decrease of \$90 million compared to SFY 2023-24. The Executive Budget adds new appropriation language, which requires awardees to provide periodic reports to the agency. The decrease is attributed to the following:
 - elimination of \$50 million in Capital funding to support discovery implementation.

- elimination of the \$40 million Criminal Justice Discovery Compensation Account.
- \$72 million for Project GIVE initiative, an increase of \$35.7 million compared to SFY 2023-24. The Executive Budget adds appropriation language to expand the program to address domestic violence as well as gun violence.
- \$47 million to support statewide prosecutorial services, unchanged compared to SFY 2023-24. The Executive removes appropriation language which reserved up to \$7 million for specialized units to investigate fentanyl related overdose deaths.
- \$35 million for Securing Communities Against Hate Crimes, unchanged compared to SFY 2023-24. The Executive removes appropriation language which reserved at least \$10 million for Reproductive Health Centers.
- \$35 million decrease due to the elimination of Legislative grants compared to SFY 2023-24.
- \$32.9 million for Crime Analysis Centers, an increase of \$15 million compared to SFY 2023-24. The additional \$15 million is to address retail theft and would provide \$10 million for District Attorneys and \$5 million for local law enforcement.
- \$19.4 million to support Legal Services Assistance Fund (LSAF) grants, unchanged compared to SFY 2023-24. The Executive Budget removes appropriation language which reserves \$4.2 million to support Legislative grants.
- \$18 million decrease in Capital funding due to the elimination of one-time upgrades to technology software systems and equipment.
- \$6 million to support Edward Byrne Justice Assistance Grants (Byrne JAG) program, unchanged compared to SFY 2023-24. The Executive Budget removes appropriation language which reserves \$600,000 to support Legislative grants.
- \$3 million increase in operations to support 10 FTEs for administering crime prevention and reduction strategy programming.
- \$2 million for grants to State and local law enforcement related to Cannabis laws, an increase of \$1.8 million compared to SFY 2023-24.

Office of Indigent Legal Services (ILS)

The Executive Budget proposes All Funds appropriations of \$459.5 million, a net decrease of \$9.4 million, or 1.6 percent, compared to SFY 2023-24. The All Funds appropriations includes \$8 million for State Operations and \$451.8 million for Aid to Localities. The Executive's recommendation supports a workforce of 35 FTEs, an increase of three compared to SFY 2023-24. This includes funding for the following major programs:

- \$250 million for ongoing funding of the Hurrell-Harring Statewide Implementation, unchanged compared to SFY 2023-24.
- \$92 million to support the Assigned Counsel 18-B providers pay increase, unchanged compared to SFY 2023-24.

- \$81 million for the Indigent Legal Services Program, unchanged compared to SFY 2023-24.
- \$23.9 million for the Hurrell-Harring Settlement Program, an increase of \$160,000 compared to SFY 2023-24.
- \$8 million for operational costs, an increase of \$400,000 compared to SFY 2023-24 to support three FTEs
- \$4.5 million to fund improvements to the quality of mandated representation in family court cases, a decrease of \$10 million compared to SFY 2023-24.

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

The Executive Budget proposes All Funds appropriations of \$372.1 million, a net increase of \$20 million or 5.6 percent compared to SFY 2023-24. The All Funds appropriations includes \$367.1 million for State Operations and \$5 million for Capital Projects. The Executive’s recommendation supports a workforce of 1,950 FTEs, an increase of 47 FTEs compared to SFY 2023-24. This includes funding for the following major programs:

- \$17 million net increase in operational costs to support the following major actions;
 - \$8 million increase in general salary increases and operations for additional FTEs assisting with an increase in investigations and appeals cases.
 - \$4.9 million decrease due to the elimination of a one-time payment for retroactive and current year costs from ratification of collective bargaining agreements.
- \$5 million in Capital funding to support technology modernization initiatives, an increase of \$2.3 million compared to SFY 2023-24.

Office of Victim Services (OVS)

The Executive Budget proposes an All Funds appropriation of \$366.8 million, an increase of \$148.2 million or 68 percent compared to SFY 2023-24. The All Funds appropriation includes \$26 million for State Operations, \$336.7 million for Aid to Localities, and \$4.1 million for Capital Projects. The Executive Budget proposal supports a workforce of 110 FTEs, an increase of 14 FTEs compared to SFY 2023-24. This net increase is mainly attributed to support the following major programs:

- \$120 million increase in funding to support additional Victim of Crime Act (VOCA) grants to victim and witness assistance providers, which includes;
 - \$20 million to support a three-year contract supporting expenses between October 2022 and September 2025.
 - \$100 million to support a three-year contract supporting expenses between October 2025 and September 2028.

- \$25.6 million increase for expansion of the Victim Compensation program, which includes \$7.5 million for 14 new FTEs, and \$18 million to support victim compensation payments.
- \$4.1 million in Capital funding to support the storage of sexual offense evidence collection kits and the storage facility's upkeep, an increase of \$2.6 million compared to SFY 2023-24

Division of Military and Naval Affairs (DMNA)

The Executive Budget proposes All Funds appropriations of \$271 million, a decrease of \$60 million, or 18 percent, compared to SFY 2023-24. The All Funds appropriations includes \$146.2 million for State Operations, \$5.5 million for Aid to Localities, and \$119.7 million for Capital Projects. The Executive's recommendation supports a workforce of 394 FTEs, unchanged compared to SFY 2023-24. This includes funding for the following major programs:

- \$30 million in Capital funding to support ongoing renovation of the Lexington Avenue Armory, a decrease of \$70 million compared to SFY 2023-24. This includes \$15 million in state funding and \$15 million in federal funding.
- \$35 million in Capital funding to support the Division of Military and Naval Affairs bonded capital program, an increase of \$10 million compared to SFY 2023-24.
- \$4 million appropriation shifted from State Operation to local assistance to support disbursement of the World Trade Center death and disability benefits for members of the New York State's militia.

Interest on Lawyer Account (IOLA)

The Executive Budget proposes All Funds appropriations of \$64.9 million, an increase of \$10.7 million, or 19.7 percent, compared to SFY 2023-24. The All Funds appropriations includes \$2.9 million for State Operations and \$62 million for Aid to Localities. The Executive's recommendation supports a workforce of nine FTEs, unchanged compared to SFY 2023-24. The increase is mainly attributed to a \$10 million increase in legal services grant funding.

Office for the Prevention of Domestic Violence (OPDV)

The Executive Budget proposes an All Funds appropriation of \$17.9 million, a net increase of \$1 million, or six percent, compared to SFY 2023-24. The All Funds appropriation includes \$6.1 million for State Operations and \$11.8 million for Aid to Localities. The Executive Budget proposal supports a workforce of 38 FTEs, an increase of 5 FTEs compared to SFY 2023-24. This includes funding for the following major programs:

- \$1 million increase in supporting 5 FTEs for a sextortion-focused training program, enhance awareness of sextortion by providing support to organizations and law enforcement
 - The Executive Budget also proposes creating a public awareness campaign and a website to educate and warn individuals on the signs of sextortion.
- \$50,000 decrease due to the elimination of a Legislative grant from SFY 2023-24.

Judicial Commissions

The Executive Budget proposes All Funds appropriations of the following amounts for the three State judicial commissions:

- Commission on Judicial Conduct: \$8.3 million, an increase of \$184,000 to support General Salary Increases.
- Judicial Screening Committee: \$38,000, unchanged from SFY 2023-24.
- Commission on Judicial Nomination: \$30,000, unchanged from SFY 2023-24.

State Commission of Correction (SCOC)

The Executive Budget proposes an All Funds appropriation of \$4.1 million, an increase of \$28,426 or less than one percent compared to SFY 2023-24. The Executive Budget proposal supports a workforce of 44 FTEs, unchanged from SFY 2023-24. This increase is attributed to general salary increases.

State Commission on Prosecutorial Conduct

The Executive Budget proposes All Funds appropriation of \$1.75 million to support 19 FTEs, unchanged compared to SFY 2023-24.

Public Protection Miscellaneous Appropriations

The Executive Budget proposes an All Funds miscellaneous appropriation of \$9.5 billion to support emergency response related to unanticipated expenses which derive from a man-made or natural disaster:

- \$7 billion for Special Federal Emergency, unchanged compared to SFY 2023-24.
- \$2 billion for Special Emergency, an increase of \$1 billion compared to SFY 2023-24.
- \$500 million for Public Security and Emergency Response, unchanged compared to SFY 2023-24.

Article VII

Increase Penalties for Assaults on Retail Workers (PPGG Part A): The Executive's proposal seeks to increase penalties for assaulting retail workers, elevating such assaults to Assault in the Second Degree, a Class D felony. An individual would be charged with Assault in the Second Degree if, with the intent to prevent a retail worker from performing their lawful duties, the individual causes physical injuries to the retail worker while they are performing said duties. A Class D felony carries a maximum penalty of 7 years in prison.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Make it Illegal to Foster the Sale of Stolen Goods Online (PPGG Part B): The Executive proposes a new Class A misdemeanor offense for Fostering the Sale of Stolen Goods which would deem a person guilty if they host, advertise, or otherwise assist in the sale of stolen goods and either know or should have known that the goods were stolen. A Class A misdemeanor carries a maximum penalty of 364 days in prison.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Expand Hate Crime Eligibility (PPGG Part C): The Executive proposes adding additional crimes to the list of “specified offenses” eligible for prosecution as a hate crime. The list would be expanded to include, among other offenses, Gang Assault in the first and second degree, Aggravated Murder, Murder in the first degree, Labor Trafficking, Making Graffiti, and various additional sex crimes. An individual commits a hate crime when they commit a “specified offense” and either intentionally select the victim or decide to commit a crime, and does so based on the defendant's belief or perception regarding the victim's race, color, national origin, ancestry, gender, gender identity or expression, religion, religious practice, age, disability, or sexual orientation.

Fiscal Impact: The Executive Budget does not provide a fiscal impact for this proposal.

Correctional Facility Closures (PPGG Part D):

The Executive proposes the closure of up to five correctional facilities by March 31, 2025; this provision would also sunset on that date.

Under current law, prior to the closure of any correctional facility, the commissioner of the Department of Correction and Community Supervision (DOCCS) must consult with various state agencies like the Department of Economic Development, the Department of Civil Service, and the Governor's Office of Employee Relations to develop strategies minimizing the impact of the closure on the state workforce. The commissioner must also provide certified mail notice at least twelve months prior to closure to local governments, employee labor organizations, and managerial/confidential employees associated with the facility.

Additionally, under existing law, six months prior to the scheduled closure of a correctional facility, the commissioner of economic development, in collaboration with other relevant authorities, state agencies, and local governments, must present an adaptive reuse plan. This plan assesses the community impact of the closure and considers options such as repurposing the property for state government use, transferring it to local government, selling it to a private entity for development, gathering community input, and evaluating the facility's condition for potential reuse.

Currently, DOCCS is not required to seek state legislative approval for closures of correctional facilities, nor is there a requirement for DOCCS to give notice to the state legislature regarding the timing of the closures, facilities to be closed, or a report on the workforce and economic impacts prior to or after a prison closure.

The Executive's budget proposal would give the Governor authorization to close up to five correction facilities, after at least 90-days-notice is provided to the Temporary President of the Senate and the Speaker of the Assembly prior to such closures. The notice must include details such as, the list of facilities to be closed and the number of incarcerated individuals and staff in said facilities. The DOCCS commissioner would also be required to report to the Temporary President of the Senate and the Speaker of the Assembly on staff relocation efforts within 60 days of the closure.

Fiscal Impact: The Executive Budget estimates this proposal would have a state savings of \$77 million in SFY 2024-25 and \$128 million annually thereafter.

Extend the Suspension of the Subsidy Revolving Loan Fund from Cell Surge Revenue

(PPGG Part E): 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 2024-25 and 2025-26. The Public Safety Communications Account is used to fund programs 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 no fiscal impact on the State. This Executive proposal would continue the existing suspension of \$1.5 million in revenue transferred from the Public Safety Communications Account to the Emergency Service Revolving Loan Fund for an additional two fiscal years.

TRANSPORTATION



STAFF ANALYSIS OF THE 2024-25
EXECUTIVE BUDGET

Transportation Fact Sheet

Appropriations

- **Statewide Mass Transportation Operating Assistance (STOA):** The Executive increases non-MTA Downstate aid by 5.4 percent for a total of \$550.8 million and Upstate aid by 5.4 percent for a total of \$323 million. The Executive proposed to increase MTA on-budget operating aid by 3.4 percent for a total of \$4.2 billion.
- **Consolidated Local Streets and Highway Improvement Program (CHIPS):** The Executive provides \$538 million in funding for CHIPS, a decrease of \$60 million.
- **Department of Transportation Five-Year Capital Plan:** The Executive provides \$7.6 billion for the third year of the \$32.9 billion five-year capital plan.
- **Gateway Development Commission:** The Executive provides \$24.3 million for the State's one-third share of annual operating expenses for the project.

Article VII

- **Extends MTA Tax Increment Financing Authority for 10 Years:** The Executive proposes extending the MTA's current tax increment financing authority for an additional 10 years with no programmatic modifications.
- **Modifying MTA Fare Evasion Penalties:** The Executive proposes raising the maximum transit fare evasion penalty from \$100 to \$200. The proposal allows for additional financial penalties for failure to appear, but also allows for a written warning and expungement for first-time offenses. It also allows for penalty forgiveness if the offender enrolls in New York City's Fair Fares program and allows the MTA to provide a farecard worth half the value of the civil penalty paid by an offender who paid for their second offense.
- **Toll Enforcement:** The Executive proposes to increase penalties for intentionally evading a toll by plate concealment. The proposal allows for law enforcement to seize the obstructing materials, and allows for vehicle registration suspensions.
- **Congestion Pricing Toll Fraud Penalties:** The Executive proposes establishing new offenses related to congestion pricing toll fraud. These include: a Class A misdemeanor offense for fraudulently attempting to obtain a congestion pricing credit or discount; a Class E felony for fraudulently obtaining a credit, discount, or exemption from congestion pricing tolls with a value above \$1,000; and a Class D felony for violations with a value above \$3,000.

- **Online Insurance Verification System:** The Executive Budget proposes establishing an online insurance verification system for motor vehicle insurance through the Department of Motor Vehicles. It also requires motor vehicle insurers authorized to do business in the state to provide information necessary to operate the online verification system.
- **New York City Speed Limits:** The Executive Budget proposes authorizing New York City to lower certain street speed limits from 25 miles per hour to 20 miles per hour and to lower school zone speed limits and traffic calming slow zones from 15 miles per hour to 10 miles per hour. Written notice is required should the City decide to lower or raise the speed limit by more than five miles per hour.
- **Stretch Limousine Passenger Safety Act:** The Executive Budget proposes codifying a variety of recommendations from the Stretch Limousine Passenger Safety Task Force.
- **New York Waterfront Commission:** The Executive Budget proposes establishing a New York Waterfront Commission to replace the bi-state NY/NJ Waterfront Commission following New Jersey's withdrawal in 2023

TRANSPORTATION AGENCY DETAILS

Transportation Agency All Funds Appropriations (millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
Department of Transportation	\$14,596.69	\$15,176.68	\$579.99	4.0%
Department of Motor Vehicles	\$481.03	\$665.04	\$184.01	38.3%
Metropolitan Transportation Authority	\$892.18	\$941.08	\$48.90	5.5%
Total Transportation	\$15,969.90	\$16,782.80	\$812.90	5.1%

Overview

The Executive Budget proposes \$16.8 billion in All Funds appropriations for SFY 2024-25. This represents an increase of \$812.9 million, or 5.1 percent, from the previous fiscal year. The increase is primarily due to enhanced transportation operating assistance and additional capital funding for the Department of Transportation (DOT).

Department of Transportation

The Executive Budget allocates \$15.2 billion to the DOT, an increase of \$580 million, or 4 percent, from SFY 2023-24. This increase is driven by greater Statewide Mass Transportation Operating Assistance (STOA) funding, reflecting increased anticipated revenues for transit systems, and expanded capital funding for new projects.

The Executive Budget provides an increase in Non-MTA STOA support by 5.4 percent. Specifically, it increases upstate transit aid by 5.4 percent or \$16.56 million and downstate (non-MTA) transit aid by 5.4 percent or \$28.23 million. These increases in STOA appropriations are made relative to SFY 2023-24 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.

The Executive includes \$3.1 million for the Ogdensburg Bridge and Port Authority due to continuing COVID impacts, which have had negative effects on bridge crossings and airport enplanements leading to a significant operating gap for the authority.

SFY 2023 Statewide Mass Transportation Operating Assistance (STOA) Appropriations (millions)				
	SFY 2024 Available	SFY 2025 Executive Recommendation	\$ Change	% Change
MTA	\$4,092.77	\$4,232.80	\$140.03	3.4%
Nassau	\$112.20	\$118.46	\$6.26	5.6%
Rockland	\$5.67	\$5.98	\$0.31	5.5%
Staten Island Ferry	\$55.27	\$58.35	\$3.08	5.6%
Suffolk	\$43.64	\$46.08	\$2.44	5.6%
Westchester	\$92.77	\$97.94	\$5.17	5.6%
NYC DOT	\$147.70	\$155.94	\$8.24	5.6%
Suffolk Shuttle	\$0.75	\$0.50	-\$0.25	-33.3%
Lower Hudson Transit Link	\$11.00	\$11.00	\$0.00	0.0%
Formulas	\$53.58	\$56.56	\$2.98	5.6%
Non-MTA Downstate Total	\$522.58	\$550.81	\$28.23	5.4%
CDTA	\$59.16	\$64.00	\$4.84	8.2%
CNYRTA	\$49.52	\$52.19	\$2.67	5.4%
NFTA	\$78.10	\$82.32	\$4.22	5.4%
RGRTA	\$60.12	\$63.37	\$3.25	5.4%
Formulas	\$59.70	\$61.29	\$1.59	2.7%
Upstate Total	\$306.60	\$323.16	\$16.56	5.4%
MTA	\$4,092.77	\$4,232.80	\$140.03	3.4%
Non-MTA Total	\$829.18	\$873.97	\$44.79	5.4%
STOA Total	\$4,921.95	\$5,106.77	\$184.82	3.8%

Warren County's merger into the CDTA accounts for reduction in formula dollars and increase in CDTA

The Executive Budget provides \$7.6 billion for the third year of the SFY 2023-27 five-year DOT capital plan. This includes \$200 million per year for BRIDGE NY and \$150 million per year for PAVE NY over the five-year plan. The DOT Capital Plan continues \$200 million for Operation Pave Our Potholes (POP), a new pothole repair program, for the second year. POP provides funds to municipalities to assist with the rehabilitation and reconstruction of local highways and roads.

The Consolidated Highway Improvement Program (CHIPS) and Marchiselli program are funded at \$538 million and \$39.7 million respectively, due to the elimination of a \$60 million CHIPS legislative addition from SFY 2023-24. 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 Executive Budget maintains \$100 million in capital funding for the Extreme Winter Recovery assistance program. The Extreme Winter Recovery funding helps municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather.

The Executive Budget provides \$100 million for the State Touring Routes program, a decrease of \$40 million due to the elimination of legislative additions in SFY 2023-23. The State Touring Routes program provides support to localities that maintain touring routes on behalf of the State.

The Executive Budget continues \$20 million in support for the last 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 also provides \$24.3 million for the second year for the Gateway Development Commission, representing the State share of operating expenses for the Gateway Tunnel Project. Additionally, the Executive provides \$69.3 million in capital to the Commission for the State share of costs related to the Hudson Yards Concrete Casing - Section 3 Project.

The Executive Budget eliminates \$20 million in support for the Niagara Frontier Transportation Authority light rail system. This was a five-year, \$100 million initiative to assist the NFTA with state of good repair and other project costs related to maintaining the light rail system.

Metropolitan Transportation Authority

The Executive Budget proposes to set MTA operating aid at \$7.9 billion, an increase of \$816.5 million or 11.5 percent from SFY 2023-24. The Executive Budget maintains the Verrazzano Bridge residential and commercial toll rebate program at \$26 million and maintains \$25.3 million for reduced fares for school children.

The Executive Budget provides \$45 million for a feasibility study for the Interborough Express (IBX) to examine the design and engineering for the project. The project will connect neighborhoods along a 14-mile existing freight right-of-way from Bay Ridge, Brooklyn to Jackson Heights, Queens. This will decrease travel times and reduce congestion for nearly 900,000 residents in Brooklyn and Queens.

The Executive Budget also provides \$16 million for a feasibility study, environmental review, and preliminary engineering for the Second Avenue Subway to advance plans to expand it westward along 125th street with three new stops at Lenox Avenue, St. Nicholas Avenue, and Broadway. The project is intended to provide customers with access to the east side of Manhattan as well as improve service connections. It is expected to serve 240,000 daily riders when completed and will connect to the 1, 2, 3, A, B, C and D lines as well as high-ridership bus routes.

Department of Motor Vehicles (DMV)

The Executive Budget proposes \$665 million in All Funds appropriations for the DMV, an increase of \$184 million or 38 percent from SFY 2023-24. This increase in support reflects investments in technology to upgrade and replace the DMV's legacy system and to provide

improved service offerings. The Executive Budget maintains a DMV workforce of 3,228 Full-Time Equivalents (FTEs) for SFY 2024-25. The DMV operates 28 state-run offices, primarily located in the NYC Metropolitan District and Long Island, and 100 county-run offices.

Waterfront Commission

The Executive Budget provides \$4.97 million for the New York City Waterfront Commission, an increase of \$3 million or 150 percent from 2023-24 levels for the first full year of the Commission. The increase in funding is the result of annualized costs for running operations. The Executive Budget supports a workforce of 32 FTEs for SFY 2024-25.

The Waterfront Commission of New York Harbor was formed in 1953 and was operated collaboratively by New Jersey and New York. The Commission collaborated with local and federal law enforcement agencies to investigate, deter, and combat criminal activity in the Port of New York and ensured fair hiring and employment practices. New Jersey left the Commission in 2023 following a Supreme Court decision in April of that year.

Article VII

Department of Transportation

Bringing Warren County into the CDTA (TEDE Part E): The Executive proposes allowing the Capital District Transportation Authority (CDTA) to receive State assistance for transit services in Warren County, which requires a local match component. The local match percentage (2.21%) is based on services provided by Greater Glens Falls Transit. All other counties currently served by CTDA (Albany, Rensselaer, Saratoga, Schenectady, and Montgomery) would see their respective match requirements lower to account for this.

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

Lowering New York City Speed Limits (TEDE Part I): The Executive Budget proposal authorizes New York City to lower certain street speed limits from 25 miles per hour to 20 miles per hour and to lower school zone and traffic calming slow zone speed limits from 15 miles per hour to 10 miles per hour. Written notice is required should the City decide to lower or raise the speed limit by more than five miles per hour.

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

Stretch Limousine Passenger Safety Act (TEDE Part K): The Executive Budget proposes a combination of recommendations from the Stretch Limousine Passenger Safety Task Force, which was created in the wake of deadly crashes in Schoharie and Cutchogue, NY. The Task Force was established in 2020 and released its recommendations in October 2022. It was tasked with studying a host of safety improvements for stretch limousines, and recommended a variety

of policy changes. In response to the report, the Executive Budget proposes the following policies:

- Expanding and updating the State’s limousine safety website in accordance with the Federal SAFER website
- Requiring a minimum fine of \$10,000 for operating a stretch limousine whose operating authority has been suspended
- Expanding DOT’s authority to seize or impound vehicles to include any passenger-carrying vehicles that receive operating authority from DOT if they are placed out of service
- Requiring stretch limousines to be equipped with window break tools, fire extinguishers, improved emergency egress, and roll-over protection
- Prohibiting the operation of a stretch limousine that is over 10 years old or has mileage exceeding 350,000 miles, whichever occurs first
- Mandating that all stretch limousine passengers are given a pre-trip safety briefing

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

Metropolitan Transportation Authority

Extend MTA Tax Increment Financing Authority (TEDE Part A): The Executive Budget proposes a 10-year extension for commuter district municipalities to create “mass transportation capital districts” to work with the MTA to enter into alternative financing arrangements such as value capture, special transportation districts, and tax increment financing.

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

Modifying MTA Fare Evasion Penalties (TEDE Part B): The Executive proposes raising the maximum transit fare evasion penalty from \$100 to \$200. However, the Executive also proposes allowing (but not requiring) a first violation to be subject to a written warning rather than a civil penalty, with the warning sealed and expunged after five years. The Executive also proposes allowing the Transit Adjudication Bureau (“TAB”) to have jurisdiction over all “railroad” infractions in addition to the currently included transit infractions and allowing the TAB to add supplemental penalties (maximum \$50 per violation) for failures to appear. The TAB may forgive penalties if the respondent enrolls in New York City’s “Fair Fares” program or give a respondent a fare card valued at up to half of the penalty amount imposed if it is a second violation and the penalty was paid on time.

Fiscal Impact: The Executive proposal states this will help reduce unrecovered fares affecting the off-budget MTA, which are anticipated to cost the MTA \$200-\$400 million annually in coming years.

Toll Enforcement (TEDE Part C): The Executive Budget proposes a new mechanism for DMV to block the registration or renewal of a vehicle based on a pending request by a tolling authority, if the registrant has been suspended pursuant to a toll-related offense.

The proposal also includes toll evasion as a theft of services offense and disallows the selling of license plate covers or obstructing materials. Theft of services is a Class A misdemeanor, punishable by up to one year in jail.

Additionally, the proposal increases civil penalties for license plate concealment so they are subject to a \$100-\$500 fine and allows for the suspension of a registration for failing to remove plate-obscuring materials. Lastly, the proposal authorizes law enforcement and the DMV to seize license plate obstructing materials. In the event obstructing material is seized, the minimum fine would be \$250.

Fiscal Impact: The Executive proposal estimates this would generate revenue and have a positive fiscal impact of \$35-\$55 million to off-budget tolling authorities in SFY 2024-25 and \$35-\$40 million annually thereafter.

Congestion Pricing Toll Fraud Penalties (TEDE Part D): The Executive proposes establishing class A misdemeanor offenses for fraudulently attempting to obtain a credit, discount, or exemption with respect to congestion pricing or any Triborough Bridge and Tunnel Authority (TBTA) crossing by making false statements or falsifying records. The Executive also proposes establishing a Class E felony for fraudulently obtaining a credit, discount, or exemption from congestion pricing or TBTA tolls with a value above \$1,000, and a Class D felony for similar violations with a value above \$3,000.

Fiscal Impact: The Executive proposal estimates this would generate revenue and have a positive fiscal impact of \$30-\$45 million to the off-budget MTA annually thereafter.

Department of Motor Vehicles

IPIRP Extender (TEDE Part F): 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, 2026. The program was previously extended by two years until 2024. The IPIRP pilot program was first authorized in 2005.

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

Motor Vehicle Revenue Extender (TEDE PART G): The Executive Budget proposes a two-year extension to the distribution of Transportation and Transmission Tax revenues between upstate (PTOA) and downstate transit operating systems (MMTOA). These revenues were

originally directed solely to the downstate transit fund; the revenue sharing was established in 2013 and is set to expire in 2024. The Executive Budget also extends the section authorizing use of Dedicated Highway and Bridge Trust Fund (DHBTF) revenues for DMV operations by two years, to April 1, 2026. Each was extended for two years when last extended.

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

Online Insurance Verification System (TEDE Part H): The Executive Budget proposes authorizing DMV to establish an online insurance verification system for motor vehicle insurance. This legislation also requires any motor vehicle insurers authorized to do business in the state to provide information necessary to operate the online verification system, which will be utilized by DMV staff, insurers, and state and local law enforcement officers.

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

Autonomous Vehicle Technology Study Extender (TEDE Part J): The Executive Budget proposes to extend DMV's authority to oversee a statewide autonomous vehicle (AV) testing pilot program for two years, expiring on April 1, 2026. This legislation was originally enacted in 2017 and aims to identify potential impacts of AV technology on safety, traffic control, traffic enforcement, and emergency services. The current law requires police supervision of AV tests and a minimum \$5 million insurance policy.

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

Waterfront Commission

New York Waterfront Commission (TEDE Part L): The Executive Budget proposes establishing a New York Waterfront Commission to replace the bi-state NY/NJ Waterfront Commission following New Jersey's withdrawal in 2023. This proposal is generally based on the previously existing structure of the Commission but limited to overseeing port operations in New York only. The Commission would regulate the workforce and operations at the Port of New York with the mission of preventing the influence of organized crime. It could cooperate with any newly-formed equivalent New Jersey entities for disciplinary purposes and the granting of reciprocity for worker experience credentials. The new commissioner would be appointed by the Governor for a three-year term, with Senate confirmation, though the current commissioner of the old entity can continue to serve until a new person is confirmed. All rules and regulations promulgated by the old bi-state Commission would remain in effect unless changed by the Commission.

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



New York State Senate Democratic Majority
**STAFF ANALYSIS OF THE 2024-25
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