



NEW YORK STATE SENATOR

Alessandra Biaggi

## SENATOR BIAGGI AND SENATE MAJORITY PASS ONE-HOUSE BUDGET RESOLUTION: LEADING NEW YORK THROUGH COVID-19 & BEYOND

ALESSANDRA BIAGGI March 16, 2021

**ALBANY, NY** – Yesterday, Senator Alessandra Biaggi and the Senate Democratic Majority passed its one-house budget resolution that will deliver emergency aid to help New York recover from the COVID-19 pandemic and invest in a more equitable future by funding essential services and putting more money in the pockets of working families. The Senate resolution increases total school aid by \$5.7 billion, provides millions in residential and commercial rental and foreclosure assistance, restores critical funding to our health care system, and supports our economy with investments in transportation and small businesses. The Senate Majority’s proposal asks the wealthiest New Yorkers to pay their fair share rather than balancing the budget on the backs of working families.

While the proposal includes progressive changes to the tax code, there is more the State must do to equitably raise revenue. Additional taxes on the ultra-wealthy include implementing the stock-transfer tax and the Pied-à-terre tax — to capture funds from financial activity and tax on luxury second-homes in New York City — as well as reinstating sales and compensating use taxes for private aircrafts in New York State. One-time federal aid and temporary revenue raisers are not enough to support our communities through the COVID-19 recovery and create sustainable forms of revenue to help New York State build for

the future.

**State Senator Alessandra Biaggi (D-Bronx/Westchester) issued the following statement:**

“New York faces a crisis — across our state, families are facing food insecurity, fear losing their homes, and are still trying to recover from lost income during the pandemic. The one-house budget resolution takes meaningful steps to meet the urgency of this moment. The resolution proposes common sense updates to an outdated tax code and provides significant resources to working families during this difficult time. I’m committed to advocating for additional taxes on the ultra-wealthy to make our tax code more equitable, and to create sustainable revenue raisers — but this resolution leads our state in that direction. For this reason, I’m proud to join my colleagues in passing the one-house budget.”

### **REBUILDING OUR ECONOMY**

As we work to rebuild our economy, the Senate Majority will continue supporting small businesses who have suffered throughout this pandemic to create jobs and economic growth across New York State. The Senate Majority will continue to support the growth of Minority and Women Owned businesses. The Senate Majority one-house State Budget proposal includes:

- Investing \$1 billion for small businesses (Adding \$500 million for Small Business Assistance Grants and \$500 million for Commercial Rent Relief).
- Adding \$1,365,000 for the Minority and Women-Owned Business Development and Lending Program, for a total of \$2 million.
- Restoring \$1.4 million for additional economic development initiatives.
- Expanding the amount available for the New York City Musical and Theatrical Production Tax Credit through the Pandemic Recovery and Restart Program.

- Modifying language for a new and elective State Pass-Through Entity Tax that will shield companies from the double taxation associated with the federal government's State and Local Tax (SALT) cap (S.2915).
- Requiring the Public Service Commission to study the availability, affordability, and reliability of high-speed internet services and to publish a detailed internet access map of the State (S.4878-A).
- Accepting the Executive's proposal to extend the brownfields tax credit for two years to continue revitalization of blighted spaces into productive use.
- Providing an additional \$100 million to New York State Council on the Arts for grants to non-profit cultural organizations.
  - Providing \$10 million for the Arts and Cultural Facilities Improvement Program to provide facility enhancement grants to arts and cultural organizations, administered by the New York State Council on the Arts.
  - Restoring \$100,000 for cultural institutions.
  - The Senate also supports the use of federal funds for grants to arts institutions and arts-related businesses to cover operating expenses, including labor and benefits, and make physical improvements necessary to meet COVID-related health and safety standards.
- Advancing language to accelerate the three remaining casino licenses for the downstate region.
- Modifying the Executive proposal regarding alcoholic beverages in movie theaters by replacing it with a proposal that would authorize the sale of wine and beer in movie theaters (S.4136).

## **BOOSTING HOUSING**

Providing resources to avoid homelessness and keep New Yorkers in their homes builds on the New York Senate Majority's efforts to address the housing needs of New Yorkers. The Senate Majority one-house State Budget proposal includes:

- \$750 million for the New York City Housing Authority and \$200 million for statewide public housing authorities.
- \$250 million to support the Housing Our Neighbors with Dignity Program.
- Adding \$200 million for homeowner assistance.
- Advancing language creating the Housing Access Voucher Program (S.2804-A), to provide a cash subsidy to eligible low income individuals and families that are homeless or facing imminent loss of housing.
- Providing \$400 million for additional rental assistance, in addition to available federal funds.
  - Establishing a federally funded COVID-19 Emergency Rental Assistance Program (S.2742-C), to provide rent arrears vouchers to landlords on behalf of tenants experiencing financial hardship due, directly or indirectly, to the COVID-19 Pandemic.
- Increasing Mortgage Insurance Fund (MIF) support for the Neighborhood Preservation program to \$14.7 million, a \$1.9 million increase over the Executive proposal, and including a \$200,000 carve out for the New York State Neighborhood Preservation Coalition for technical assistance.
- Increasing the Rural Preservation Program to \$6.3 million, a \$940,000 increase over the Executive proposal, and including a \$200,000 carve out from Rural Preservation Program funds for the New York State Rural Housing Coalition for technical assistance.

- Creating the Housing Our Neighbors with Dignity Act (S.5257), allowing the Division of Housing and Community Renewal (DHCR) to acquire vacant commercial properties and distressed hotel properties with fewer than 150 rooms in New York City and convert them into permanently affordable residential housing.
- Providing \$2.3 million in additional funding for Safety Net Assistance to address Family Homelessness Eviction Prevention Supplement (FHEPS) changes, for a total of \$627.3 million.

### **PRIORITIZING EDUCATION**

New York students and educators have navigated tough times adapting to remote learning, and safely reopening our schools. The Senate Majority is moving forward with a transformational increase in state and federal resources ensuring that students receive a high quality education and teachers can ensure no one is left behind and are adequately supported. The Senate Majority one-house State Budget proposal includes:

- Providing a total School Aid increase of \$5.7 billion (20.5 percent), including a \$1.37 billion (7.4 percent) Foundation Aid increase and \$3.85 billion in federal Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding.
  - The Senate provides \$3.5 billion more School Aid than the Executive proposal, and utilizes federal aid to supplement, not supplant, State funding. State-funded school aid would increase to a total of \$29.5 billion (a year-to-year increase of 6.6 percent).
- Providing a three-year phase-in of Foundation Aid to ensure that all districts receive full Foundation Aid by the 2023-24 school year. Every school district is guaranteed a minimum 2.0% increase in Foundation Aid and every district is allocated at least 60% of their full

Foundation Aid funding for the 2021-22 school year.

- Providing \$500 million to fully-fund four-year-old full-day prekindergarten statewide.
- Restoring Executive's proposed \$1.35 billion cut to STAR reimbursement to school districts through the proposed Local District Funding Adjustment.
- Providing an additional \$174 million in the 2021-22 academic year for reforms to the Tuition Assistance Program by raising the maximum award by \$1,000 from \$5,165 to \$6,165 recommitting public support to both our public and private sector of education.
- Closing the \$148 million TAP Gap at SUNY and CUNY, providing a much needed infusion of operating support to support our public colleges.
- Providing an additional \$30 million for community college base aid at SUNY and \$13.6 million at CUNY, a \$250 per FTE increase from \$2,947 to \$3,197, with each campus guaranteed to receive 98 percent of the prior year based aid amount.
- Provides \$4 million to CUNY and \$4 million to SUNY for student mental health supports.
- Providing a 20 percent increase to all opportunity programs and establishing a new Diversity in Medicine opportunity program at SUNY and CUNY.
- Providing \$300,000 in new funding to the State Education Department to develop racially and culturally inclusive curriculum.
- Providing free broadband access to every student and school in the State to ensure that all children have access to education for the duration of the pandemic (S.3184).
- Providing \$1 million for implicit bias training for teachers.
- Providing additional education aid to Yonkers and Rochester school districts in order to completely close projected deficits in each school district in the next school year.

## **ENSURING THE ULTRA-WEALTHY PAY THEIR FAIR SHARE**

We can not financially burden our already struggling working and middle class families. As New York State works to address the impacts of the COVID-19 pandemic, ultra-wealthy New Yorkers need to pay their fair share. This new revenue will help equitably fund crucial services such as public education, infrastructure and assistance for small businesses. The Senate Majority one-house State Budget proposal includes:

- Modifying the Executive proposal to impose a surcharge on high income earners for tax years 2021, 2022, and 2023, which if enacted would have increased All Funds revenue by \$1.5 billion in SFY 2021-22. The Senate increases the top state personal income tax rate on the highest earners and raises All Funds revenue by \$4.15 billion in SFY 2021-22.
  - Single filers earning more than \$1.078 million but below \$5 million would see their rates on income above \$1.078 million increase by 1.03 percentage points, from 8.82% to 9.85%.
  - Similarly, married joint filers earning more than \$2.155 million but less than \$10 million would see their tax rates on income between \$2.155 million and \$10 million increase by 1.03 percentage points, from 8.82% to 9.85%.
  - Above \$5 million and \$25 million (or \$10 million and \$50 million for joint filers), two new brackets would be created, with marginal rates of 10.85% and 11.85%, respectively.
- Increasing the corporate franchise tax rate by three percentage points, which would increase All Funds revenue by \$813 million in SFY 2021-22.
  - Additionally, the Senate advances language to reintroduce the capital base test to the corporate franchise tax, which would increase All Funds revenue by \$151 million in SFY 2021-22.

- Imposing a 1% surcharge on income from capital gains for taxpayers subject to the top State personal income tax rate, which would increase All Funds revenue by \$614 million in SFY 2021-22.
- Increasing the estate tax rate by two percent, which would increase All Funds revenue by \$162 million in SFY 2021-22.
- Requiring the recording of mezzanine debt and preferred equity investments in New York City and includes mezzanine debt in the mortgage recording tax, which would increase All Funds revenue by \$199 million in SFY 2021-22, and dedicating the revenue for the New York City Housing Authority (NYCHA).
- The total revenue raised by the Senate's tax proposals is \$8.2 billion in SFY 2021-22.

### **RELIEF FOR WORKING AND MIDDLE-CLASS TAXPAYERS**

In addition to the many crucial services protected by ensuring the ultra-wealthy pay their fair share, the Senate Majority is committed to providing long-needed equity and tax relief for working and middle-class taxpayers. The Senate Majority one-house State Budget proposal includes:

- Creating a personal income tax credit to reduce the net cost of property taxes for overburdened middle-class homeowners that will reduce taxes by approximately \$400 million annually.
- Rejecting the Executive proposal to delay the implementation of the ongoing middle-class tax cut for one year, which will save taxpayers \$394 million this year.
- Establishing a task force to study and make recommendations on education funding and property tax reform because the current funding system leaves an economic burden on



middle-class property taxpayers, while leaving high-needs districts underfunded, especially in light of the federal cap on the State and Local Tax (SALT) deduction.

- Capping the interest rate on delinquent property taxes for owner occupied residential properties to a maximum of 7.5% per annum.

### **NATION LEADING ENVIRONMENT AND CONSERVATION EFFORTS**

The Senate Majority has decisively changed the direction of Environmental Conservation in New York State.. The Senate has prioritized climate change, environmental justice, energy efficiency, renewable energy, environmental restoration, reducing pollution and has returned New York State to being a national leader in all facets of environmental protection. The Senate Majority one-house State Budget proposal includes

- Authorizing the creation of state debt in the amount of \$3 billion for the Environmental Bond Act of 2021, "Clean Water, Green Jobs, Green New York," for the purposes of environmental improvements that preserve, enhance, and restore New York's natural resources and reduce the impact of climate change, and providing for inclusion of the proposal on the ballot to be voted upon at the general election to be held in November, 2021.
  - Proposing to amend the Environmental Conservation Law and the State Finance Law, to implement the Environmental Bond Act of 2021 "Clean Water, Green Jobs, Green New York" by funding projects related to restoration and flood risk reduction, open space land preservation and recreation, climate change mitigation, and water quality improvement and resilient infrastructure.

- Continuing \$300 million for the Environmental Protection Fund and restoring funding for zoos, botanical gardens, and aquaria and farmland preservation.
- Advancing a proposal to impose product stewardship requirements on producers of paper and packaging (S.1185-B).

### **PROTECTING NEW YORKERS' HEALTH & SAFEGUARDING MEDICAID**

The pandemic highlighted gaps in our healthcare system. The Senate Majority is committed to ensuring that New Yorkers receive quality and affordable healthcare. Our healthcare workers have been at the frontlines of this pandemic, and cuts to Medicaid and health services would harm our healthcare system and impact New Yorkers who need support. The Senate Majority one-house State Budget proposal includes:

- Restoring \$180.5 million in Medicaid cuts to hospitals, \$74.25 million to long term care, \$60 million to mainstream managed care, and millions more to various other Medicaid-supported programs.
- Restoring cuts to dozens of essential Public Health programs.
- Rejecting the extension of the Medicaid Global Cap through State Fiscal Year 2022-23.
  - The Senate calls on the Department of Health to develop alternatives to the current Medicaid Global Cap.
  - As currently constructed, the cap does not account for enrollment increases, decreases in federal reimbursement rates, or utilization changes.
- Creating an Opioid Settlement Fund that will consist of state monies received through settlements of litigation related to prescription opioids and to establish an Advisory Board

to make recommendations for distribution of the funds.

- Monies from the fund will be available solely for opioid and overdose public health education and prevention campaigns, treatment programs, harm reduction counseling services, housing services, and medication assisted treatment in state and local correctional facilities.
- Providing \$200 million for acute care facilities and nursing homes to increase nurse staffing levels to provide better quality of care for nursing home patients.
- Providing \$328.5 million for residential health care for medically fragile children and young adults (S.1029).
- Requiring the Commissioner of Health to reoffer contracts for fiscal intermediaries for the Consumer Directed Personal Assistance Program in order to ensure fiscal intermediaries are physically located in the counties they serve, and to ensure fiscal intermediaries have experience serving individuals with developmental disabilities and serving racial and ethnic minorities (S.5458).
- Prohibiting prior authorization for medication assisted treatment for substance use disorders in Medicaid (S.649-A).
- Allowing individuals with confirmed cases of COVID-19 to be eligible for the Essential Plan if they would otherwise be ineligible due to their immigration status (S.2549).
- Providing \$624 million to increase the minimum wages for the lowest paid home health care workers, who have not seen raises in years and have kept working through the pandemic at great personal risk.

## **BUILDING A STRONGER TRANSPORTATION SYSTEM**

Improvements are required to sustain the State's transportation system that many rely on every day and is crucial to keeping our economy moving. The Senate Majority one-house State Budget proposal includes:

- Restoring \$568 million in Statewide Mass Transportation Operating Assistance cuts and providing \$385 million in additional Statewide Mass Transportation Operating Assistance.
- Providing \$150 million to be added to the base amount for the Consolidated Local Street and Highway Improvement Program (CHIPS), for a total of \$588 million in CHIPS funding.
- Restoring \$65 million for Extreme Winter Recovery and increases this critical funding by an additional \$35 million for a total of \$100 million.
- Providing \$100 million for an Urban Road Revitalization initiative to prioritize road repair in urbanized areas of the State.
- Protecting public transit workers by expanding the class of workers covered by enhanced penalties for assault and aggravated harassment of public employees, ensuring that these frontline essential workers are protected.
- Incorporating various highway safety measures, including protecting transportation workers, increasing penalties for dangerous driving behaviors like failing to yield for pedestrians, and providing additional work zone enforcement and education programs. This includes authorization for a work zone camera enforcement pilot program.
- Updating the reimbursement rate for cities that provide maintenance on State-owned roads, which has been stagnant for more than 30 years.

### **PROVIDING CRUCIAL HUMAN SERVICES & SUPPORT FOR WORKERS**

The hardworking people of New York have faced economic hardships and challenges in

employment opportunities. The labor force deserves safer and fairer working conditions and New Yorkers deserve critical services. The Senate Majority one-house State Budget proposal includes:

- Adding \$2.1 billion for a new Excluded Worker Fund to provide unemployment benefits to workers who lost their jobs during the COVID-19 pandemic but were ineligible for Unemployment Insurance.
- Providing for \$175 million in additional funding in order to pay for scheduled salary increases to the State Workforce that have been withheld throughout SFY 2020-21.
- Providing \$100 million for the Nonprofit Infrastructure Capital Investment Program to provide capital investments in human services organizations.
- Providing \$40 million in hazard pay for frontline workers in SUNY hospitals.
- Providing \$15 million for various non-profit health, human services, labor and veterans organizations.
- Restoring \$9.9 million to various non-profit human services organizations.
- Restoring \$845,000 to various Veteran organizations.
- Providing \$950,000 in additional funding for the Kinship Navigator program, for a total of \$1.3 million.
- Modifying the Executive's proposal to implement a statewide parental copay cap of 20% of a family's income above federal poverty level, by lowering the copay cap to 10% of a family's income above federal poverty level.
- Prohibiting local social services districts from placing a lien on the homes of public assistance recipients (S.787A).
- Modifying the Executive proposal to extend prevailing wage to covered renewable energy projects by adding new provisions to ensure the creation of good jobs and protection of

workers in the green economy sector.

- Advancing language to provide for an early retirement incentive at local option for public employees.

### **ASSISTING LOCAL GOVERNMENTS ACROSS NEW YORK STATE**

Local governments are facing many challenges as a result of this pandemic and they deserve adequate funding and support. The Senate Majority one-house State Budget proposal includes:

- Restoring \$39 million of Aid and Incentives for Municipalities (AIM).
- Adding \$59 million of AIM funding to fund the repeal of the county share of AIM payments.
- Adding \$23.5 million in support for community safety and restorative justice grant programs including but not limited to, support for survivors of sexual assault, domestic violence, gun violence prevention, criminal and/or civil legal services, alternatives to incarceration, community supervision and re-entry initiatives, gang and crime reduction strategies managed by local governments, and/or community-based not-for-profits service providers. This includes the following;
  - \$16 million to restore prior year legislative grants.
  - \$7.5 million for additional funding to support new legislative grants.
- Supporting \$206,435 for Small Government Assistance.
- Providing \$2 million in funding for Refugee Resettlement.

### **EXPANDING AGRICULTURAL OPPORTUNITIES:**

New York has a robust and expansive agriculture industry that is crucial to the State's economy. The Senate Majority one-house State Budget proposal includes:

- Restoring \$7.3 million for statewide agricultural programs.
- Adding an additional \$5 million competitive grant program to assist with infrastructure improvements at animal shelters.
- Extends the eligibility for a farm employee tax credit from January 1, 2022 to January 1, 2025.
- Making the Nourish New York program permanent, which provides surplus agricultural products to food relief organizations at competitive wholesale prices (S.4892-A).

### **CONTINUING TO IMPROVE NEW YORK'S JUSTICE SYSTEM AND MAKING COMMUNITIES MORE SAFE**

The Senate majority is committed to improving the New York State corrections system and to ensure facilities work as intended to rehabilitate and resolve issues this population has encountered. Additionally, the Senate Majority prioritizes supporting crime victims and preventing gun violence. The Senate Majority one-house State Budget proposal includes:

- Advancing an All Funds appropriation of \$100 million for Jails and Prisons assistance programs to support services and expenses or reimbursement of expenses incurred by State and local government agencies providing alternative therapeutic and rehabilitative programs related to segregated confinement and medication assisted treatment reforms.
- Requiring state and local correctional facilities to establish a medication assisted treatment program for individuals with a substance use disorder (S.1795).
- Restoring \$1.9 million for Jail-Based Treatment Funding.

- Adding \$6 million in new funding for upstate Civil or Criminal Legal Services, including legal services for survivors of Domestic Violence or Veterans.
- Restoring \$600,000 for the Indigent Parolee Program.
- Dedicating at least \$10 million from the Victim of Crime Act funding to establish a statewide hospital and community-based gun violence prevention program.
- Advancing language to establish the Community Violence Intervention and Prevention Act (C-VIPA) to create a funding source for gun and community-based violence intervention programs (S.1049).

### **IMPROVING NEW YORK'S ELECTIONS**

The New York Senate Majority is dedicated to alleviating barriers in the election process and empowering more eligible New Yorkers to exercise their right to vote. The Senate Majority one-house State Budget proposal includes:

- Funding the Independent Redistricting Commission with \$4 million for operating expenses.
- Adding \$2 million for additional State Board of Elections for additional personal services and non-personal service expenses.
- Providing \$4 million for reimbursement to Local Boards of Election for expansion of early voting initiatives.

To review the full Senate Majority One-house State Budget Resolution, please visit:

<https://www.nysenate.gov/legislation/resolutions/2021/r504>

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