



NEW YORK STATE SENATOR

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Senate Majority Announces Highlights Of 2021-22 Budget

BRIAN KAVANAGH April 6, 2021

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Building a stronger and more equitable New York.

(Albany, NY) The Senate is passing the 2021-2022 State Budget that makes historic investments in education, the environment, and economic recovery. The enacted State Budget delivers tax breaks for working and middle-class New Yorkers while ensuring that

millionaires and billionaires pay their fair share to build a balanced and equitable fiscal foundation capable of providing vital support and services for families and businesses still struggling as New York recovers from the Covid-19 pandemic.

The Enacted Budget also renews the Senate Majority's commitment to investing in the arts and in agricultural industries to spur the economic rebound. Further, this Budget recognizes the sacrifices that healthcare and other frontline workers made during the pandemic and takes steps to help many struggling workers who have been left behind.

"New York State approached this year's budget with many challenges and the ongoing Covid-19 pandemic." **Senate Majority Leader Andrea Stewart-Cousins** said. "However, driven by a commitment to long-term equity and prosperity for all, we have accomplished a great deal. I am proud of the strides we have made in funding our schools, helping businesses rebuild, and protecting New York's most vulnerable. Working and middle-class taxpayers will receive the relief they desperately need, while the wealthiest New Yorkers will help their neighbors. This budget makes New York better for all. In the remaining months of session, the Senate Majority will continue to deliver results that are reflective of our progressive values and priorities."

Senate Deputy Majority Leader Michael Gianaris said, "This budget is a moral document that reflects our values and our desire to rebuild in a way that leaves no one behind. The wealthiest who have done so well will now help fund increased school aid, rental assistance, critical help for excluded workers, and significant small business relief, among other important measures. We have more to do, but this budget reaffirms New York's status as the most progressive state in the nation."

Senate Finance Committee Chair Liz Krueger said, “In this year’s budget we have set the stage for a responsible multi-year financial plan in which those who have benefited the most pitch in their fair share, and we use the infusion of federal stimulus wisely, in the ways that will be most impactful for the lives of hard-working New Yorkers. We will ensure we meet the state’s mandated foundation aid targets over three years, and significantly expand Pre-K; we will support investments in small businesses to help people get back to work; we will invest in safer nursing homes where funding is directed to patient care; and we will invest in salary increases for the lowest paid front line workers whose heroic efforts have kept our state going throughout the pandemic, and we will provide emergency rent relief to those who have been unable to make their rent payments. Taken together, these investments will allow New York to take the first steps down the path to building a better and stronger economy that works for all New Yorkers.”

REBUILDING OUR ECONOMY

The Senate Majority is working to build back a stronger economy as New York recovers from the Covid-19 pandemic. The Enacted Budget supports small businesses who have suffered throughout this pandemic and delivers investments to support job growth opportunities across New York State. The 2021-2022 Enacted Budget includes:

- A historic \$1 billion investment in New York’s small businesses to supplement federal aid.
 - Providing \$800 million for small business grants.
 - Providing \$200 million in small business tax credits.
- Providing \$40 million for the Arts and Cultural Organization Recovery Grant Program to help the non-profit arts sector in New York State recover from effects of the COVID-19 pandemic.

- The Pandemic Recovery and Restart Program that creates a \$35 million Restaurant Return-to-Work Tax Credit.
- Expansion of the amount available for the new New York City Musical and Theatrical Production Tax Credit to \$100 million over two years.

HISTORIC INVESTMENTS IN NEW YORK'S EDUCATION SYSTEMS

New York students and educators have navigated tough times in adapting to remote learning and safely reopening our schools. The Enacted Budget takes transformational steps to increase state and federal resources to ensure that all of New York's students receive the high quality education they deserve and that all teachers are adequately supported. The 2021-2022 Budget:

- Provides a \$1.4 billion increase in Foundation Aid and a three-year Foundation Aid phase-in that will finally fulfill the State's commitments under the Campaign for Fiscal Equity.
- Provides a \$105 million expansion of full-day prekindergarten, providing pre-K funding to 210 districts who don't currently receive state-funded full-day Pre-K.
- Ensures that additional Federal Aid will supplement, and not supplant State funding.
- Prevents continuing tuition increases at SUNY and CUNY by putting in place a three-year freeze on the rational tuition plan.
- Increases the maximum award under the Tuition Assistance Program by \$500 to assist the neediest students in the State, the largest growth in the program in 20 years.
- Commits to eliminate the TAP Gap in four years, providing millions of additional recurring operating aid to SUNY and CUNY.
- Restores of \$72 million in operating aid cuts to SUNY and CUNY.

- Restores of \$35 million in Bundy Aid to support the State's private independent colleges and universities.
- Provides a 20% increase to opportunity programs.

ENSURING THE ULTRA-WEALTHY PAY THEIR FAIR SHARE AND NEW REVENUE OPPORTUNITIES

As New York State works to address the impacts of the COVID-19 pandemic, ultra-wealthy New Yorkers and large corporations need to pay their fair share. The Enacted Budget addresses these new revenue opportunities, which will help equitably fund crucial services such as public education, infrastructure, and assistance for small businesses. The 2021-2022 State Budget:

- Increases the current top state personal income tax rate of 8.82 percent rate to 9.65 percent for individual filers whose income is over \$1 million and joint filers over \$2 million.
 - Establishes two new brackets at a rate of 10.30 percent for those whose income is between \$5 million and \$25 million and 10.90 percent for those whose income is over \$25 million.
- Increases the Corporate Franchise Tax Rate from 6.5% to 7.25% for three years, while leaving the rate of 6.5% unchanged for companies with under \$5 million in income.
- Restoring the capital base test at a rate of 0.1875%, while exempting coops, manufacturers and small companies.
- Legalizes Mobile Sports Wagering.

- This proposal will increase education revenue by \$99 million in SFY 2021-22, growing to \$357 million in SFY 2022-23, before reaching \$500 million in SFY 2025-26.
- The proposal authorizes the Gaming Commission to issue an RFA to interested platforms (a minimum of 2) and operators (a minimum of 4) to solicit bids for licenses to conduct mobile sports wagering in the State. The open RFA process will maximize revenue while ensuring that the State selects the most qualified and capable providers to deliver world-class wagering platforms to the State's consumers. Platforms which opt to partner with a Native American tribe or nation will be given additional points in the bidding/scoring process.
- In addition to adding hundreds of millions of dollars annually to the State's education system, this proposal will double the State's investment in problem gaming addiction treatment and resources to \$12 million, as well as create a new statewide youth sports activities and education grant program for underserved youth under the age of eighteen, which will be funded annually at \$5 million.
- The new mobile sports wagering system will feature comprehensive safeguards to mitigate problem gaming, while also combating corruption and match fixing. Extensive record keeping and reporting requirements will allow regulators to closely monitor the system and ensure that it maintains the highest level of integrity and transparency.

RELIEF FOR WORKING AND MIDDLE-CLASS TAXPAYERS

The Senate Majority is committed to providing working and middle-class New Yorkers with the financial relief that they need and deserve. The 2021-2022 State Budget:

- Delivers \$440 million in property tax relief for 1.3 million New Yorkers earning under \$250,000 based on the proportion of their income spent paying property taxes. The income tax credits will range between \$250 and \$350.
- Ensures that \$400 million in middle-class personal income tax cuts are not delayed.

BUILDING A STRONGER INFRASTRUCTURE AND TRANSPORTATION SYSTEM

Infrastructure and transportation help keep our economy moving. New Yorkers rely on transportation every day, and the Senate Majority is committed to funding projects that will bring New York's infrastructure into the 21st Century. To build a strong infrastructure and transportation system, the 2021-2022 State Budget includes:

- \$350 million in transportation infrastructure investments:
 - \$100 million increase for CHIPS.
 - \$100 million in new funding for Extreme Winter Recovery funding.
 - \$50 million increase for PAVE-NY.
 - A new \$100 million highway and bridge project fund for localities called the City Touring Routes program.
- \$100 million each for SUNY and CUNY capital programs, and \$70 million for other education priorities.
- \$385 million for additional eligible capital projects to support local infrastructure and regional construction priorities.
- \$851 million for other critical infrastructure projects across New York State.

- Directing the Public Service Commission to publish a detailed map of broadband access in the State and conduct a comprehensive study on the availability, reliability and cost of broadband.

BOOSTING TENANT AND HOMEOWNER RELIEF

The Senate Majority is committed to meaningful change in communities grappling with housing instability and to reduce homelessness. The 2021-2022 State Budget includes:

- \$2.4 billion in COVID-19 Emergency Rental Assistance Program with 12 months' arrears for rent and utilities, three prospective months of rent, a year of eviction protection, and eligibility of up to 120% AMI, regardless of immigration status.
- \$600 million in homeowner assistance, including \$20 million a year for HOPP for the next 3 years.
- \$100 million to convert hotel and vacant property into affordable housing.
- \$25 million for blighted home rejuvenation.
- \$200 million for NYCHA and \$125 million for public housing across New York State.

SUPPORTING LOCAL GOVERNMENT ACROSS NEW YORK STATE

Throughout the pandemic, New York's local governments have stepped up to work with the State government to provide Covid-19 testing, access to vaccines, and other fundamental services for their community. The Senate Majority understands the need to provide our local governments with additional funding to better serve New Yorkers. To support local governments, the 2021-2022 State Budget includes:

- A full restoration of proposed cuts to Aid and Incentives for Municipalities (AIM) funding for local governments.
- A full restoration of \$10.3 million in proposed Video Lottery Terminal (VLT) aid cuts for municipalities that host these facilities.

IMPROVING HEALTHCARE FOR NEW YORKERS

The Covid-19 pandemic has highlighted inequalities in our healthcare system. The Senate Majority prioritizes making healthcare more equitable and ensuring necessary resources are funded throughout the healthcare system for affordable and quality care. The 2021-2022 State Budget:

- Restores \$415 million in proposed Medicaid cuts for hospitals and healthcare providers.
- Restores \$113 million in proposed cuts to public health programs and adds an additional \$81 million in public health funding.
- Requires nursing homes to spend at least 70% of their revenue on direct patient care and 40% on resident-facing staffing, with \$64 million for increased staffing.
- Reduces health care costs for low-income New Yorkers by eliminating Essential Plan premiums and out-of-pocket expenses, including dental and vision benefits.
- Pushes back the carveout of the Medicaid prescription drug benefit for two years to support 340B providers and community healthcare providers.
- Expands postpartum coverage for women on Medicaid from 60 days to one year.

HELPING FAMILIES AND WORKERS

The Senate Majority understands that families continue to recover from the economic downturn of the pandemic. As those families return to normalcy and look to re-enter the workforce, the Senate Majority is committed to providing resources to support them. The 2021-2022 State Budget includes:

- A \$2.4 billion infusion to the child care system to increase access and support providers.
- A \$2.1 billion Excluded Worker Fund to provide one-time unemployment benefits to workers who lost employment or income during the COVID-19 pandemic but were ineligible for Unemployment Insurance or other federal benefits such as stimulus payments.
 - The benefits program will be administered by the Department of Labor. Applicants must be able to verify their identity, residency, and work-related eligibility.
 - Based on the ability to demonstrate work-related eligibility, applicants may be able to qualify for one of two benefit tiers.
- A requirement that every broadband service provider offer broadband with speeds of at least 25mbps at the discounted rate of \$15 for every household that is eligible for SNAP benefits, reduced-price school lunches, medicaid benefits, senior citizen rent increase exemption or affordability benefits from a utility.
- \$600 million for public employee salary increases that were deferred during the pandemic.
- \$100 million for relocation expenses of victims of domestic violence, diaper allowances for low-income families, and emergency food assistance for the elderly.
- \$100 million fund for shelter supplements for low to middle income families, regardless of immigration status.

PROTECTING THE ENVIRONMENT AND NATURAL RESOURCES

The Senate Majority has been at the forefront of protecting and preserving New York's natural resources. The Enacted Budget builds on those efforts to continue being a national leader and extending renewable energy initiatives to meet goals set in the [Climate Leadership and Community Protection Act](#). The 2021-2022 State Budget:

- Authorizes the \$3 billion Environmental Bond Act of 2021, "Restore Mother Nature," to fund environmental improvements that preserve, enhance, and restore New York's natural resources and reduce the impact of climate change. The Bond Act will appear on the ballot in the 2022 general election.
- Extends the tax credit for brownfield redevelopment projects subject to Covid-related delays for two years.
- Modifies the Accelerated Renewable Energy Growth and Community Benefit Act to strengthen the Office of Renewable Energy Siting and to protect farmland.
- Ensures that good jobs are created on State Renewable Energy Credit projects through the expansion of prevailing wage, labor peace, Buy American, and Buy New York procurement preferences.

CULTIVATING GROWTH IN AGRICULTURE

Through appropriate aid and support the Senate Democratic Majority aims to expand opportunities in New York's robust agriculture industry. The 2021-2022 State Budget includes:

- \$25 million for the Nourish NY program (this is a total commitment of \$50 million through 2021).
- An extension of eligibility for a Farm Employee Tax Credit from January 1, 2022 to January 1, 2025.
- An extension of the Empire State Development Corporation's authority to administer New York's agricultural and dairy marketing for an additional 5 years.
- Restoring \$8.4 million in support for statewide agricultural programs.

FUNDING COMMUNITY SAFETY

The Senate Democratic Majority is dedicated to improving support to prevent gun violence and make communities more safe. The 2021-2022 State Budget includes:

- Establishing the Community Violence Intervention Act, which declares gun violence a public health crisis and creates a funding source for community and hospital-based violence intervention programs.
- A \$25 million addition for the Securing Communities Against Hate Crime Program.
- Providing a \$15 million fund for public education, communication efforts, and outreach to communities disproportionately impacted by the COVID-19 pandemic to disseminate information regarding health and safety measures.

IMPROVING NEW YORK'S DEMOCRATIC PROCESS

The New York Senate Majority is committed to a fair, accessible and transparent election system. The 2021-2022 State Budget:

- Provides \$4 million for the expenses of the Independent Redistricting Commission (IRC). The IRC was established to determine the district lines for congressional and State legislative offices throughout New York State.
- Provides \$5 million for the State Board of Elections' capital and implementation costs and \$20 million for Local and New York City Boards of Elections for reimbursement of eligible costs related to the acquisition of software, technology upgrades, and new equipment.
- Provides \$2 million for reimbursement to Local Boards of Elections for staff costs related to expansion of early voting initiatives.