



# NYS LEGISLATIVE COMMISSION ON **RURAL RESOURCES**

## **FY 2024-25 Enacted Budget and Its Impact on Rural Communities**



**Senator Rachel May**  
Senate Chair (48th District)



The New York State Legislative Commission on Rural Resources is a bicameral commission established by law on June 29, 1982. As stated by that law:

- “The Legislature hereby finds and declares that the economic and social well-being of the people of the State is clearly related to the State’s rural resources. The rural economy and environment contribute greatly to the quality and maintenance of life in New York State.”

The roles of the Commission include, but are not limited to, the following:

- Aggregating information to help better inform legislators of the impacts of policy on rural New York communities.
- Communicating to inform New York State residents of the work of the New York State Legislature.
- Providing resources to contextualize the important relationships between rural and urban communities and their residents.

The following is the Legislative Commission on Rural Resources’ summary of the FY 2024-2025 Budget. This document provides an overview of the significant proposals contained in the enacted budget and their impacts on rural communities in New York. Please do not hesitate to reach out to our office with questions or for clarification.

Sincerely,

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## **Legislative Commission on Rural Resources**

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Assemblymember Philip A. Palmesano (132<sup>nd</sup>)

## Rural Budget Highlights

<i>Topic</i>	<i>Highlight</i>	<i>Page Number</i>
Education	The <b>Hold Harmless</b> provision was maintained in the Foundation Aid formula, ensuring that rural districts do not receive less funding than they did the previous year, regardless of enrollment data.	7
Healthcare	\$3.2 billion for <b>financially distressed</b> and <b>safety net hospitals</b> , as well as \$825 million in <b>increased Medicaid reimbursement rates</b> .	10
Housing	New \$10 million budget line for <b>USDA 515 Rental Properties</b> to maintain affordability for over 15,000 rural New Yorkers living on these properties.	11
Local Government	The largest increase in <b>AIM</b> funding in over a decade—a total of \$765.2 million allocated for municipalities.	13

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# Food and Agriculture

## Appropriations

- **Expanding Dairy Processing Capacity and On-Farm Storage Technologies:** \$24 million to mitigate transportation issues during periods of intense winter weather and road closures
  - The funding is intended to improve dairy supply chain efficiency and avoid dumping raw milk related to emergency events.
- **Alternative Waste Management and Enhanced Precision Feed Program:** \$21 million to help farmers address climate change by mitigating greenhouse gases and sequestering carbon
- **Animal Health Diagnostic Center at Cornell:** \$19.5 million to expand the facility and increase capacity
  - The Animal Health Diagnostic Center “is a critical component of the State’s efforts to protect New York from new and emerging threats from animal disease outbreaks.”<sup>1</sup>
- **Supporting NYS Farm Products:** \$10 million to support kitchen facilities that prepare meals from New York farms for K-12 schools
- **Long Island Seafood:** \$5 million for investments in aquaculture for locally-grown seafood
  - The funding includes building marine dock space, equipment, and other infrastructure to support marine agriculture ventures.
- **Farm-to-School:** over \$1.5 million to help schools purchase more food from local farmers and expand access to healthy local food for school children
- **New York Center for Agricultural Medicine and Health (Mary Imogene Basset Hospital):** a new line of dedicated funding worth \$1.25 million
  - NYCAMH helps to improve health, safety, and labor conditions for farmworkers statewide. Beyond safety training, the medical professionals also deliver healthcare on site for farmworkers who may otherwise have difficulty accessing care.
- **Cornell University and FFA:** \$1.25 million, which includes \$250,000 for a **Youth Agricultural Leadership Conference** that will allow young people to interact with leaders in the agriculture and food industries
- **Farmland for a New Generation:** \$700,000 (a \$200,000 increase) to connect young farmers seeking farmland with elder generations of farmers and landowners to maintain agricultural lands
- **Cornell Agricultural Workforce Program:** will create and manage tools and information to aggregate and disseminate information for farmers and their employees; will provide office hours, webinars, and a website intended to be a central hub
  - “A one-stop shop” for farm labor workforce development, assisting over 55,000 farm employees
  - To facilitate this expansion, the governor and both houses have included an increase of over \$300,000, bringing that line to \$702,000.

## Food and Agriculture Analysis:

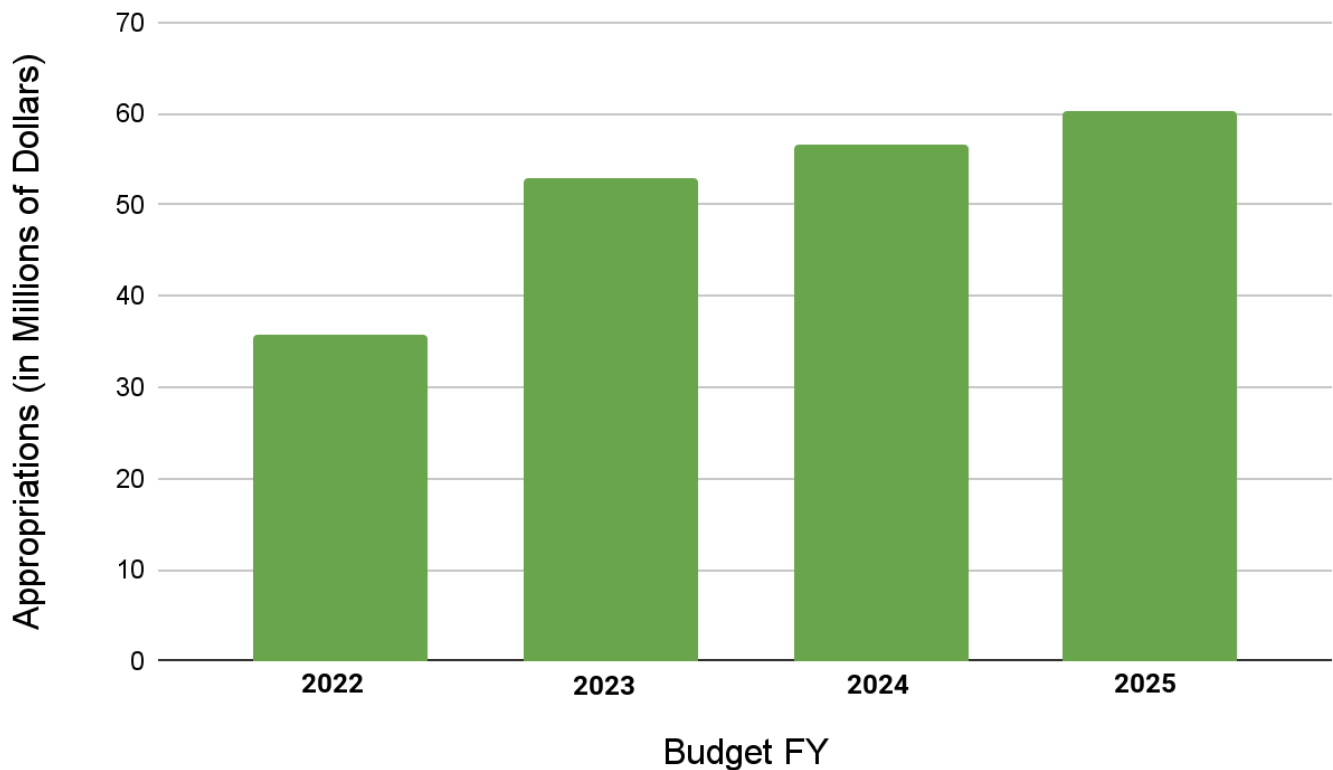
- There continue to be trends to adapt agricultural practices to our climate goals and create more markets for locally-grown food. Programs like **Nourish NY** (*see p. 10*) and **farm-to-school** initiatives can serve both purposes (with cutting down on both transportation costs and emissions by staying local), and the budding **aquaculture industry** represents promise in its potential for growth and expansion of locally-grown seafood across regions.
- To further develop local markets, we need to develop more food processing across the State. While the governor provides funding for **dairy processing** (*see above*), there is a need in other areas too, such as fruits, vegetables, grains, and meat.

<sup>1</sup>Governor Hochul announces significant investments in New York’s agricultural industry as part of FY 2025 budget. (n.d.). Governor Kathy Hochul.

<https://www.governor.ny.gov/news/governor-hochul-announces-significant-investments-new-yorks-agricultural-industry-part-fy-2025>

- As the average age of New York farmers continues to rise and recent agricultural data documents a loss of over 3,000 farms in the State since 2017,<sup>2</sup> programs like **Farmland for a New Generation** have the dual purpose of strengthening the agricultural pipeline and keeping rich farmland productive moving into the future.
- With recent changes in farm labor laws and large populations of migrants and asylum seekers in New York, the **Cornell Agricultural Workforce Program** will be an important resource for farmers and their employees to navigate changes to overtime, as well as to provide information for career advancement opportunities for farm laborers.
- Further assisting farm workers—whether they are new arrivals or otherwise—is the new, additional dedicated funding in the budget for **NYCAMH**. The organization will be better positioned to enhance workplace safety on farms statewide and deliver healthcare to workers on site.

## Ag and Markets: Aid to Localities FY 2022-FY 2025



**Local agricultural programs have seen record investments each of the last three fiscal years, growing from \$35.8 million in FY 2022 to \$60.3 million in FY 2025.**

<sup>2</sup>2022 Census by State - New York | 2022 Census of Agriculture | USDA/NASS. (n.d.-b).

[https://www.nass.usda.gov/Publications/AgCensus/2022/Full\\_Report/Census\\_by\\_State/New\\_York/index.php](https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Census_by_State/New_York/index.php)

## Economic Development, Labor, and Workforce

### Appropriations

- **Semiconductor Manufacturing and Innovation:** \$500 million to expand the **Albany NY Creates Nanotech Complex** and partner leaders in the semiconductor industry to establish a next-generation research and development center
- **New York Works Economic Development Fund:** \$400 million to provide capital grants to support projects that facilitate an employer's ability to create new, or retain existing, jobs, or to fund infrastructure investments necessary to attract new businesses or expand existing businesses
- **Empire AI Consortium:** \$250 million to establish an AI research facility at SUNY Buffalo
  - Other upstate and rural academic institutions, such as SUNY Albany, Rensselaer Polytechnic Institute, and Cornell will also collaborate with UB to spur artificial intelligence research and innovation.
- **Downtown Revitalization Initiative:** \$200 million for economic development to “transform downtown neighborhoods into vibrant centers that offer a high quality of life and are magnets for redevelopment, business, job creation, and economic and housing diversity”<sup>3</sup>
  - Includes \$100 million for **NY Forward**, which focuses on redeveloping and reviving the downtowns of smaller rural areas.
    - Recent awardees in **NY Forward** include Hoosick Falls, Brewerton, Macedon, Boonville, Canton, and the Village of Groton.
- **FAST NY Shovel-Ready Grant Program:** \$100 million through ESD to prepare and develop more shovel-ready sites to attract businesses and build off of Micron investments (which was \$100 billion in CNY)
- **Regional Economic Development Council:** \$150 million to help direct economic development funding to targeted projects across every region of New York State
- **Olympic Regional Development Authority:** \$82.5 million
  - The **ORDA** uses funding to maintain and improve the likes of Gore and Whiteface Mountains, and the Olympic facilities in Lake Placid, among other sites.
- **ON-RAMP:** \$80 million for the **One Network for Regional Advanced Manufacturing Partnerships**, which will construct new workforce development centers in Upstate New York and provide training opportunities related to high-tech manufacturing.
  - Four new workforce development centers will be located in the NY–I-90 corridor (Buffalo, Rochester, and Albany with a flagship facility in Syracuse) to develop partnerships with employers, educational institutions, community organizations, and various levels of government to build skills and connect employees to employers; they will work with local nonprofits and community partners to provide wraparound services like transportation, child care, and job placement.
- **Grown & Certified Program:** \$20 million
  - From [certified.ny.gov](https://www.ny.gov/certified): “Launched in 2016, the New York State Grown & Certified program assures consumers that the food they are buying is local and produced to a higher standard by requiring participating producers to adopt food safety standards and enroll in an environmental management program. Since the program began, New York State Grown & Certified has grown and evolved to cover 20 agricultural commodities and processing industries. This voluntary program is a cooperative effort among producers, processors, wholesalers, retailers, restaurants, and the New York State Department of Agriculture and Markets to meet consumer demand for high-quality food and agricultural products.”

<sup>3</sup>*Downtown Revitalization Initiative.* (n.d.). The State of New York.  
<https://www.ny.gov/Programs/Downtown-Revitalization-Initiative>

## Article VII Legislation

- **Paid Prenatal Leave:** Starting in 2025, all employers are required to provide 20 hours of paid prenatal leave for healthcare services related to pregnancy.

### Economic Development, Labor, and Workforce Analysis:

- There is a lot here for Upstate and rural communities: continued investments in **semiconductor manufacturing**, workforce development (**ON-RAMP**) across Upstate, and forward-thinking ways to tap into New York’s academic institutions to create economic opportunities with **Empire AI**. By targeting these investments in communities that have seen residents and employers leave over the course of decades, these investments seek to reinvigorate economic opportunities for Upstate New Yorkers for generations to come.
  - Within the **Empire AI Consortium**, the inclusion of **SUNY**, **Cornell**, and **RPI** will help draw people Upstate to participate in this burgeoning industry.
- Programs like **NY Forward** have been popular and successful in reviving the downtown centers of rural communities and small towns. The \$100 million in proposed funding remains flat from last year, but the appetite for expansion of this program exists, as program recipients have seen private investments follow State dollars, creating a multiplier effect.
- Beyond economic opportunities, the challenges to the rural workforce include transportation and child care. Seeing more investments in the type of wraparound services demonstrated in **ON-RAMP** is encouraging and will make employers competitive while serving the needs of rural and Upstate communities.
- The annual investment in the **Olympic Regional Development Authority** helps perpetuate that body as an economic engine for the North Country, promoting tourism and recreation in the region.
- Considering how time-consuming getting to a prenatal appointment can be for a pregnant woman in a rural area, **paid prenatal leave** would be particularly beneficial to those who must drive long distances to providers.

## NY Forward

*“Each of the State’s ten Regional Economic Development Councils (REDCs) will have the option of recommending two communities for \$4.5 million NY Forward awards, or three communities, one of which will receive \$4.5 million, and two will be awarded \$2.25 million.”<sup>4</sup>*

<sup>4</sup> NY forward. (n.d.). The State of New York. <https://www.ny.gov/programs/ny-forward>

# Education

*Context:* The distribution of K-12 public school enrollment in New York has changed significantly in the last decade. At the same time, New York State has finally met its obligation to fully fund public schools for the first time in nearly 20 years, with increases in Foundation Aid in the last several budget cycles.

## Appropriations

- **Foundation Aid:** The Legislature negotiated maintaining the Hold Harmless provision, ensuring that no school received funding cuts in the upcoming school year.
  - The inflation factor was lowered from 3.4% to 2.8%.
  - Foundation Aid includes a set-aside of \$250 million for **Community Schools**.
- **Free School Meals:** \$180 million for breakfast and lunch, which includes an \$11 million increase in response to more schools qualifying to join CEP than projections anticipated last year

## Article VII Legislation

- **Studying the Foundation Aid Formula:** The Budget funds a study to examine reworking the Foundation Aid formula for next year.

## Education Analysis:

- Following up on last year's Budget, which fully funded **Foundation Aid** for the first time, this year's Budget keeps the **Hold Harmless** provision in place for at least one more year. No school district will see any cuts to funding in 2024-2025, although with the lowering of the inflation factor, increases may be smaller than anticipated in previous years.
  - The **Hold Harmless** provision is particularly valuable to rural school districts, which may have seen a decline in student population over time but are often the community's largest employer. Additionally, rural districts have begun providing more extensive services that may be otherwise lacking in a community, particularly since the pandemic. As schools expand their roles to include healthcare, mental health services, food security, and more, it's important to think holistically about rural schools' place in a post-pandemic world, as well as how we are funding them.
  - Furthermore, the formula being used for aid is based on decades-old data. In **studying the Foundation Aid formula**, it is essential that rural districts have a seat at the table. Even as populations shift, there is still a need for equity in underserved schools.
- **Community Schools** have the potential to act as wraparound support centers for rural communities, as evidenced in districts like Massena. More funding set aside to allow schools to have the option of hiring a Community Schools Director could develop better access to healthcare, mental health services, food security, and more.
- The increased funding for the **Free School Meals Program** does not make more schools eligible this year, *but it will ensure all eligible schools receive the funding*. More schools than anticipated qualified last year, and there wasn't enough funding for all schools to participate fully.
  - We have gotten a lot of positive feedback from rural districts and schools across the State about how successful this program has been and how much it has benefited students as well as school budgets. Increasing the threshold in the future would ensure that more students don't fall through the cracks, as low-income students in the highest socioeconomic districts don't currently qualify for this program.



# Energy

## Appropriations

- **EmPower Plus Program:** \$50 million to provide energy affordability for low-income residential customers
  - Ensures that customers who fully electrify their homes through this program don't spend more than 6% of their income on their electric bill

## Article VII Legislation

- **The RAPID Act:** The Renewable Action Through Project Interconnection and Deployment Act moves 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
  - This restructuring seeks to streamline the approval process for transmission lines and facilities to connect renewable energy sources to the grid.
  - The legislation includes language for a farmland protection working group to protect prime agricultural lands, minimize adverse impacts, and promote input from municipalities throughout the siting process.
    - The group will consist of appropriate stakeholders, including, but not limited to: the commissioners of the Departments of Agriculture and Markets and Environmental Conservation respectively; the executive director of ORES; the chief executive officer of DPS; the president of NYSERDA; local government officials or representatives from municipal organizations representing towns, villages, and counties; and representatives from at least two county agricultural and farmland protection boards.

## Energy Analysis:

- Since rural areas are prone to uncertain transmission reliability during weather events and more costly transmission infrastructure in general, targeting affordability policies for rural residents while facilitating our transition away from fossil fuels is paramount to gaining public support while meeting our climate goals. Expanded rural-specific funding along the lines of **EmPower Plus** would speed up this transition even more.
- Rural and Upstate communities will also be the sites of large-scale renewable projects due to the amount of undeveloped land available. The purpose of the **RAPID Act** is to speed this transition up in order to meet our climate goals, and negotiated modifications during the budget process put protections in place for preserving prime farmland with the intention of balancing local control with the urgency of meeting our climate goals, as many siting debates face NIMBYism.

## Renewable Energy: Progress To Date (from NYSERDA)

*“Combined with the existing baseline of renewable facilities in New York, the current pipeline of renewables already under contract and in development projects will power 66% of New York's electricity once operational.”<sup>5</sup>*

<sup>5</sup> Clean Energy Standard (CES) - NYSERDA. (n.d.). NYSERDA.

<https://www.nysERDA.ny.gov/All-Programs/Clean-Energy-Standard>

## Environment

### Appropriations

- **Clean Water Infrastructure:** \$500 million to upgrade drinking water and wastewater infrastructure
- **Environmental Protection Fund:** \$400 million to mitigate the effects of climate change, improve agricultural resources, protect our water sources, advance conservation efforts, and provide recreational opportunities
- **New York Parks:** \$200 million in capital funding to enhance State parks and an additional \$100 million for the celebration of New York State Parks' Centennial
  - Park enhancements include infrastructure projects, EV charging stations, and maintenance for the Empire State Trail.
- **Farmland Protection:** \$21 million
  - Up to \$500,000 for the Tug Hill Tomorrow Land Trust
  - Up to \$106,000 for Cornell University for land classification, agriculture district mapping, and master list of soils
- **Disaster Assistance:** \$15 million to supply local and county governments with additional generators, high-flow pumps, flood barrier technology, and other equipment used in response to flooding and other weather emergencies
- **SUNY ESF Climate and Applied Forestry Research Institute:** \$1.5 million to support research and development of forestry and forest products, a \$500,000 increase

### Environment Analysis:

- There is continued support for **Clean Water Infrastructure** and the **EPF** to assist municipalities in meeting their drinking water and clean water needs, as well as funding to address emerging contaminants, HABs, sewer infrastructure, and lead service line replacement.
  - Typically, the **Clean Water Infrastructure** programs are popular and over-subscribed due to New York's aging water infrastructure. The funding has been flat for several years and could use increases in future budgets.
- Funding for **Farmland Protection** is critical considering that New York State has lost almost 3,000 farms since 2017 based on the latest agricultural census data.<sup>6</sup>
- Combined with proposals offering voluntary buyouts in the Housing section (*see pp. 11-13*), the climate and flood-resilient measures here display forethought as we grapple with climate change. The Hudson Valley has seen significant flooding in the past year, and extreme flooding events are projected to become more common. Mitigating the impacts of flooding, investing in infrastructure, and the proposed voluntary buyouts are steps we can take to minimize future costs and the loss of human lives following extreme flooding.

<sup>6</sup> 2022 Census by State - New York | 2022 Census of Agriculture | USDA/NASS. (n.d.-b).

[https://www.nass.usda.gov/Publications/AgCensus/2022/Full\\_Report/Census\\_by\\_State/New\\_York/index.php](https://www.nass.usda.gov/Publications/AgCensus/2022/Full_Report/Census_by_State/New_York/index.php)

# Health, Human Services, and Mental Hygiene

## Appropriations

- **Funding for Financially Distressed Hospitals and Safety Net Hospitals:** \$3.2 billion
  - *29% (75/261) of NY hospitals are considered financially distressed.*<sup>7</sup>
- **Increased Medicaid Reimbursement Rates:** \$825 million in temporary Medicaid reimbursement rate increases for providers; for hospitals, nursing homes, and assisted living programs, that breaks down to \$525 million, \$285 million, and \$15 million, respectively.<sup>8</sup>
  - *Nearly 7.6 million, or 39% of New Yorkers, are on Medicaid.*
- **Nourish NY:** \$50 million to help connect surplus farm goods to food banks
- **Rural Health Programs:** \$9.4 million; this line has been flat since 2017.
- **Double Up Food Bucks:** \$2 million to match SNAP benefits dollar-for-dollar when purchasing fresh produce

## Article VII Legislation

- **Healthcare Safety Net Transformation Program**
  - Rural emergency hospitals are included in the language for qualifying facilities, allowing them to form clinical partnerships with other hospitals to transform services.
- **Community Doula Expansion Program:** Establishment of a grant program for the recruitment, training, certification, supporting, and/or mentoring of community-based doulas
  - The budget also includes a \$250,000 appropriation for establishing the Community Doula Expansion Grant Program.

## Health, Human Services, and Mental Hygiene Analysis:

- Rural hospitals that serve sparsely-populated areas with a high volume of Medicaid recipients struggle to stay solvent. Keeping these hospitals open (through aid to **safety net hospitals** and **financially distressed hospitals**, and **increased Medicaid rates**) despite such challenges remains a statewide priority in order to maintain existing avenues to care.
- Spending on Medicaid has continued to increase over time as a result of more enrollees post-COVID, expanded benefits, increased reimbursement rates, inflation, and a growing Managed Long-Term Care system (the latter being attributed to an aging population).
  - While the Medicaid budget increased 3%, or \$900 million in FY 2025, it is the smallest increase under Governor Hochul (a 13% increase in 2023 and a 15% increase in 2024).
- As rural areas face medical workforce shortages, transportation challenges, and an aging population, creating stronger access to healthcare will be critical. A number of proposals allowing EMS to fill healthcare gaps across the State were not included in the Budget, but there is a collection of bills in the Legislature that could be taken up separately in order to alleviate issues with access to care and provide relief to overcrowded and overburdened emergency rooms.
- **Double Up Food Bucks** is beneficial to SNAP participants in that it stretches their dollars (dollar-for-dollar) when they are spent on fresh fruits and vegetables while simultaneously creating new, local markets for farmers.

<sup>7</sup> *New York Says 29% of Its Hospitals Are Financially Distressed.* (2024, January 17).

<https://www.bloomberg.com/news/articles/2024-01-17/new-york-says-29-of-its-hospitals-are-financially-distressed?embedded-checkout=true>

<sup>8</sup> *What we're watching in New York State's FY25 budget | Rockefeller Institute of Government.* (n.d.). Rockefeller Institute of Government.

<https://rockinst.org/blog/what-were-watching-in-new-york-states-fy25-budget/#Medicaid-resolved>

## Higher Education

### Appropriations

- **SUNY Aid:** \$453.6 million, an increase of over \$6 million
- **SUNY State Operations:** \$11.79 billion, an increase of over \$60 million
- **Capital Projects:** \$1.4 billion

### Higher Education Analysis:

- More than two-thirds (69%) of New York State's public colleges' total revenue comes from State and local support – 11 percentage points higher than the national average and more than 40 other states.
- The average tuition and fees at the State's four-year public institutions was \$8,579 in AY 2024 – \$2,681 (or 24%) less than the national average and lower than 43 other states.
- Compared to most other states, New York invests more money for public college students to be able to access an affordable education. With the increasing closure of small, private colleges and universities (such as Cazenovia College and Wells College), investments made in our public higher education institutions will ensure that these schools remain a viable option for college-aged students in Upstate and rural areas. On top of that, many of these campuses have economic impacts on surrounding communities and develop the character of our small towns and rural areas.

## Housing

### Appropriations

#### Rural-Specific Programs

- **Rural Rental Assistance:** \$23.2 million
- **USDA 515 Rental Properties:** \$10 million for direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities. This is primarily a direct housing mortgage program, but its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems.
- **Rural Preservation Program:** \$7.6 million to fund Rural Preservation Companies around New York that serve rural counties

#### Statewide Initiatives that will Assist Rural New York

- **Housing on Underutilized State-Owned Lands:** \$250 million
- **New York Housing for the Future:** \$150 million to subsidize construction of cooperative rental and cooperative homeownership of 100% affordable housing
  - Includes \$75 million for rentals and \$75 million for cooperative homes.
- **Low-Income Housing Trust Fund:** \$44.2 million
- **Upstate Infill Housing:** \$40 million for the construction, preservation, or rehabilitation of small infill homes in areas outside of New York City (with priority given to Albany, Binghamton, Buffalo, Syracuse, and Rochester)
- **Homeowner Protection Program (HOPP):** \$40 million to provide homeowners with free, qualified mortgage-assistance relief services across the State
- **The Resilient and Ready Program:** \$40 million to support low- and moderate-income homeowners with resiliency improvements and assist with repairs after a catastrophic event



- **Affordable Housing Corporation:** \$26 million; the AHC “creates homeownership opportunities for low- and moderate-income families by providing grants to governmental, not-for-profit and charitable organizations to help subsidize the cost of newly-constructed houses and the renovation of existing housing.”<sup>9</sup>
- **Blue Buffers Voluntary Buyout Program:** \$8.75 million from the Bond Act to promote voluntary buy-outs in flood-prone areas
- **Small Rental Development Initiative:** \$7 million that supports the creation and preservation of single-family housing with one to four units and small rental developments of fewer than 25 apartments
- **Manufactured Home Advantage Program:** \$5 million for affordable financing for the acquisition and/or rehabilitation of manufactured home communities
- **Access to Home:** \$4 million (an increase of \$1 million) to make residential units accessible for low- and moderate-income persons with disabilities
- **HOPE (Housing Opportunities Program for the Elderly)/RESTORE (Residential Emergency Services to Offer Repairs to the Elderly):** \$1.4 million to help provide safe, decent, and affordable housing for older adults in New York State by keeping them in their homes

#### Other Housing-Related Items

- **Land Banks:** \$40 million in capital projects funding (an increase of \$30 million); \$10 million in local aid
- **Lead Abatement:** \$20 million for projects outside of New York City
- **New York Main Street Program:** \$4.2 million to revitalize historic downtowns, commercial districts, and village centers; some of last year’s award recipients include Clayton, Elmira, and Lowville.

#### Housing Analysis:

The Budget includes a host of new housing programs focused on affordability, some targeted toward rural (**USDA 515 Rental Properties**) and Upstate communities and others that will help alleviate the housing shortage statewide (**Housing on Underutilized State-Owned Lands** and **New York Housing for the Future**), possibly having a ripple effect to combat the housing shortage and affordability crisis.

- The new **USDA 515 Rental Properties** appropriation will assist over 15,000 rural New Yorkers who depend on the housing built in this program, keeping affordability requirements in place. With maturing mortgages already taking place, most properties will lose their affordability requirements in the coming years without the continuation of this spending in future budgets.
  - **USDA 515 Quick Facts**<sup>10</sup>:
    - 85% of all counties across New York State house tenants benefiting from these properties.
    - Nearly half of all tenants are elderly, and over one in four have disabilities.
    - The average income for tenants is \$18,000, which is less than half of the State average.
- There is \$500 million in capital funding to build up to 15,000 units, which includes \$150 million in new spending for the statewide **New York Housing for the Future**. Described as “Mitchell-Lama 2.0,” it will develop housing for low- and middle-income families on State and municipally-owned sites, as well as sites owned by not-for-profit corporations and Community Land Trusts.
- Other new spending includes the **Resilient and Ready** and **Blue Buffers Buyout** programs, which look to the future as homeowners grapple with climate change by helping low- and middle-income families with climate-related repairs or offering to relocate them from flood-prone areas. For example, the Hudson Valley

<sup>9</sup> *Affordable Housing Corporation*. (n.d.). Homes and Community Renewal.

<https://hcr.ny.gov/affordable-housing-corporation-0>

<sup>10</sup> Rural New Yorkers at Risk. (2024). In [ruralhousing.org](https://ruralhousing.org). Rural Housing Coalition of New York. Retrieved May 2, 2024, from

[https://ruralhousing.org/wp-content/uploads/RPA-Rural-New-Yorkers-At-Risk\\_2024-03-12-144450\\_lhs\\_p.pdf](https://ruralhousing.org/wp-content/uploads/RPA-Rural-New-Yorkers-At-Risk_2024-03-12-144450_lhs_p.pdf)

has seen significant flooding in the past year, and extreme flooding events are projected to become more common. Mitigating the impacts of flooding, investing in infrastructure, and the proposed voluntary buyouts are steps we can take to minimize future costs and the loss of human lives following extreme flooding.

- Finally, housing programs targeted toward the elderly and the disabled (**HOPE/RESTORE, Access to Home**) are traditionally oversubscribed and could benefit aging rural communities more with increased funding in future years. **Access to Home** received a \$1 million increase (after a \$2 million increase last year), while the other two programs received a substantial \$7 million cut.

## Local Government

Context from the Executive Budget Briefing Book: “An unprecedented number of local governments in New York State stand on strong financial footing. Municipalities are propelling the economy and serving New Yorkers by paving roads, improving water and sewer infrastructure, and redoubling efforts to keep communities safe. These endeavors continue to be supported both by local and State resources, but also by federal funding from the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act.”

- Local sales tax collections through November 2023 were 4.4 % higher than in 2022 on a statewide basis.
  - Collections across the State were up in all regions, reaching as high as 5.7 % growth in the Mohawk Valley.
- The number of local governments experiencing fiscal stress, as identified by the Office of the State Comptroller’s Fiscal Stress Monitoring System for 2023, is at a new record low of 14 municipalities out of nearly 1,600 counties, cities, towns, and villages. For the second year in a row, the system did not identify any of the State’s 57 counties as experiencing fiscal stress.

### Appropriations

- **AIM Funding (Aid and Incentives for Municipalities):** \$715.2 million, plus an additional \$50 million in temporary assistance
  - This marks the first increase in **AIM funding** in 15 years.

### Local Government Analysis:

- Although most local governments are fiscally sound according to the Comptroller’s report, the problem of flat **AIM funding** for more than a decade has been compounded by inflation in recent years. Often, municipalities will either cut services or raise taxes, but the boost in local, unrestricted aid will mean that local governments can maintain current services without higher costs being passed on to taxpayers.

## Public Protection

### Article VII Legislation

- **Correctional Facility Efficiencies:** will allow the State to act expeditiously to right-size and eliminate excess capacity by allowing for the closure of up to five correctional facilities with 90 days’ notice
  - This legislation will allow for an increase in the operational efficiency of the correctional system.
  - Requires reporting staff relocation efforts to the Senate and Assembly within 60 days after closure.

### Public Protection Analysis:

- The policy of **closing underutilized correctional facilities** seems reasonable, especially for underpopulated prisons that may be located Upstate. Sometimes these facilities are the largest employers in a community, so making these decisions with the staff in mind is critical. Language in the bill ensures that staffing relocation is taken into consideration as part of a plan to close such facilities.

## Transportation and Infrastructure

### Appropriations

- **Upstate Transit State Operating Assistance:** \$333.2 million
- **Critical Funding for Roads:**
  - \$200 million per year for **BRIDGE NY**
  - \$200 million for **Pave Our Potholes**
  - \$150 million per year for **PAVE NY**
  - \$100 million for **Extreme Winter Recovery**
  - \$60 million in additional funding for **CHIPS**, for a total of \$598 million
  - \$40 million in additional funding for **State Touring Routes**, for a total of \$140 million

### Transportation and Infrastructure Analysis:

- Major infrastructure investments from federal programs are increasingly underway, and the State has also implemented increases in the transportation sector. Spending increases to **Upstate transit systems** will assist in further developing and updating transportation systems outside of New York City.



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