



New York State Senate Democratic Majority

# STAFF ANALYSIS OF the 2025-26 Executive Budget



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# Staff Analysis of the SFY 2025-26 Executive Budget

*As Prepared by the Senate Counsel and Finance Staff*

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**BUDGET & REVENUE**

January 27, 2025

Dear Colleagues:

On Tuesday, January 21, Governor Kathy Hochul presented the Executive Budget for the State Fiscal Year (SFY) 2025-26. The proposed budget encompasses All Funds expenditures totaling \$252.0 billion, State Operating Funds expenditures of \$143.8 billion, and General Fund expenditures of \$116.3 billion.

The Executive now projects that receipts for SFY 2024-25 will surpass previous estimates by \$3.0 billion. The Executive Budget plan is to use this additional revenue to provide inflation tax refund payments to qualified tax filers.

The Executive Budget proposal anticipates a baseline budget surplus of \$1.8 billion. It includes \$443 million in spending reductions relative to earlier projections, acknowledges \$490 million in savings on debt service, and allocates \$3.1 billion to reserves. The SFY 2026-27 budget gap is reduced by \$2.2 billion to \$4.0 billion. The budget gaps for SFY 2027-28 grows by \$300 million to \$7.4 billion, and SFY 2028-29 grows by \$1.9 billion to \$11.8 billion.

Additionally, the Executive Budget includes several significant policy proposals that require thorough evaluation. These include changes to the Foundation Aid formula, altering the state involuntary commitment laws, prohibiting students from having cell phones in schools, reducing middle-class tax rates, and temporarily enhancing the Empire State Child Credit.

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

## 2025 JOINT LEGISLATIVE BUDGET HEARING SCHEDULE

<b>Date</b>	<b>Day</b>	<b>Time</b>	<b>Hearing</b>
January 27	Monday	1:00 PM	Agriculture & Markets/Parks & Recreation
January 28	Tuesday	9:30 AM	Environmental Conservation/Energy
January 29	Wednesday	9:30 AM	Elementary/Secondary Education
February 4	Tuesday	9:30 AM	Local/General Government
February 5	Wednesday	9:30 AM	Mental Hygiene
February 6	Thursday	9:30 AM	Transportation
February 11	Tuesday	9:30 AM	Health/Medicaid
February 12	Wednesday	9:30 AM	Human Services
February 13	Thursday	2:00 PM	Public Protection
February 25	Tuesday	9:30 AM	Higher Education
February 26	Wednesday	9:30 AM	Labor/Workforce
		2:00 PM	Economic Development/Arts
February 27	Thursday	9:30 AM	Taxes
		12:00 PM	Housing

**Table of Contents**

Financial Plan Overview.....	2
Revenue Fact Sheet.....	17
Revenue Agency Details.....	20
Economic Development Fact Sheet.....	37
Economic Development Agency Details.....	38
General Government Fact Sheet.....	47
General Government Agency Details.....	48
Transportation Fact Sheet.....	58
Transportation Agency Details.....	60
Racing, Gaming & Wagering Fact Sheet.....	71
Racing and Gaming Agency Details.....	72
Local Government Assistance Fact Sheet.....	79
Local Government Agency Details.....	80
Labor and Workforce Fact Sheet.....	87
Labor and Workforce Agency Details.....	89
Human Services and Housing Fact Sheet.....	101
Human Services and Housing Agency Details.....	105
Education Fact Sheet.....	124
Education Agency Details.....	127
Higher Education Fact Sheet.....	138
Higher Education Agency Details.....	140
Public Protection Fact Sheet.....	148
Public Protection Agency Details.....	150
Judiciary Fact Sheet.....	164
Judiciary Details.....	165
Health Fact Sheet.....	169
Health Details.....	171
Mental Hygiene Fact Sheet.....	184
Mental Hygiene Details.....	185
Environment, Energy, Agriculture and Parks Fact Sheet.....	192
Environment, Energy, Agriculture and Parks Agency Details.....	193







# FINANCIAL PLAN AND REVENUE



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

# **The SFY 2025-26 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 2025-26 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 2024-25**

<b>SFY 2025-26 Change in Spending</b>				
<b>(\$ millions)</b>				
	<b>SFY 2024-25 Current</b>	<b>SFY 2025-26 Proposed</b>	<b>Change</b>	<b>Percent Change</b>
General Fund (Including Transfers)	\$108,389	\$116,329	\$7,940	7.3%
State Operating Funds	\$133,336	\$143,804	\$10,468	7.9%
State Funds	\$150,368	\$164,988	\$14,620	9.7%
All Funds	\$243,381	\$252,025	\$8,644	3.6%

On an All Funds basis, the SFY 2025-26 Executive Budget projects total spending of \$252 billion, which is an increase of \$8.6 billion or 3.6 percent from the current estimate for SFY 2024-25.

The SFY 2025-26 Executive Budget proposal projects an increase in State Operating Funds spending of \$10.5 billion or 7.9 percent from SFY 2024-25, for a total of \$143.8 billion. The SFY 2025-26 Executive Budget also updates projections for the remainder of SFY 2024-25 and now estimates that State Operating Funds disbursements for the current year will increase 3.8 percent over SFY 2023-24.

## **Budget Surplus/(Gap)**

<b>Executive Budget General Fund Surplus / (Gap) Estimate</b>				
<b>(\$ millions)</b>				
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>
Mid-Year Update Base	<b>(\$2,340)</b>	<b>(\$4,259)</b>	<b>(\$7,250)</b>	N/A
Mid-Year Update Revision	<b>(\$1,019)</b>	<b>(\$6,191)</b>	<b>(\$7,077)</b>	<b>(\$9,912)</b>
Executive Budget Base	\$1,839	<b>(\$3,993)</b>	<b>(\$7,378)</b>	<b>(\$11,821)</b>
Executive Budget after Policy Action	\$0	<b>(\$6,479)</b>	<b>(\$9,775)</b>	<b>(\$11,026)</b>

The Mid-Year Update released in November by the Division of Budget (DOB) began with a \$2.3 billion General Fund budget gap in SFY 2025-26. Before any re-estimates, the budget gaps were estimated at \$4.3 billion and \$7.3 billion in SFY 2026-27 and SFY 2027-28, respectively.

Following revisions to tax receipts and disbursements, the Mid-Year Update anticipated budget gaps of \$1.0 billion in SFY 2025-26, \$6.2 billion in SFY 2026-27 and \$7.1 billion in SFY 2027-28. Additionally, internal reports managed by DOB estimated a budget gap of \$9.9 billion in SFY 2028-29, as of the Mid-Year Update.

Since the release of the Mid-Year Update, tax collections through December 2024 have surpassed Mid-Year projections. The updated revenue and disbursement estimates have resulted in a budget surplus of \$3.5 billion in the current fiscal year and a surplus of \$1.8 billion in SFY 2025-26, while holding the cumulative out-year gap levels steady compared to Mid-Year estimates.

The Executive proposes to use the current year's surplus to fund various tax policy reforms and proposals, the most notable of which are:

- A one-time inflation refund of between \$300 and \$500, paid to individuals, at a cost of \$3.1 billion in SFY 2025-26.
- A tax cut targeting the five lowest tax brackets at a cost of \$458 million in SFY 2025-26.
- An enhancement to the Empire State Child Credit, estimated to cost \$471 million in SFY 2025-26.

The Executive Budget proposals, if adopted as is, would raise cumulative outyear budget gaps (SFY 2026-27 through SFY 2028-29) from \$23.2 billion to \$27.3 billion, an increase of \$4.1 billion or 17.6 percent compared to baseline projections. The outyear gaps are a result of increased spending relative to available resources, the recurring cost of Executive Budget proposals, as well as upward revisions to baseline forecasts in SFY 2026-27 and beyond.

**Revenues**

SFY 2025-26 Receipts (\$ millions)				
Funding Source	SFY 2024-25 Current	SFY 2025-26 Proposed	Change	Percent
General Fund	\$115,514	\$108,558	(\$6,956)	-6.0%
State Operating Funds	\$142,308	\$137,661	(\$4,647)	-3.3%
All Funds	\$244,408	\$249,640	\$5,232	2.1%

The Executive Budget projects that All Funds receipts will total \$249.6 billion in SFY 2025-26, an increase of \$5.2 billion or 2.1 percent compared to the current year estimate of \$244.4 billion. The All Funds amount includes federal resources, both operating and capital, which are projected to be almost \$5.4 billion or 5.5 percent lower in the SFY 2025-26 Executive Budget, relative to the current fiscal year. The All Funds receipts amount is adjusted to exclude the proposed payment of \$3.1 billion to New Yorkers through the Inflation Tax Refund program and the impact of the Pass-Through Entity Tax (PTET). Without excluding the Inflation Refund Payment and the Net PTET/Personal Income Tax (PIT) receipts, All Funds receipts are estimated at \$243.9 billion for SFY 2025-26.

## Reserves

SFY 2025-26 Executive Budget Deposits/(Uses) of Reserves				
(\$ millions)				
	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
<b>Planned Deposits</b>	<b>\$2,880</b>	<b>\$7,125</b>	<b>(\$7,771)</b>	<b>(\$631)</b>
Rainy Day Reserves	\$0	\$2,500	\$1,000	\$1,000
Economic Uncertainty	\$530	(\$965)	(\$1,500)	(\$1,000)
Extraordinary Monetary Settlements	(\$460)	(\$420)	(\$277)	(\$367)
Labor Settlements/Agency Operations	\$1,000	\$1,334	\$0	\$0
Timing of PTET/PIT Credits	(\$221)	\$2,268	(\$2,631)	(\$268)
All Other	\$2,031	\$2,408	(\$4,363)	\$4

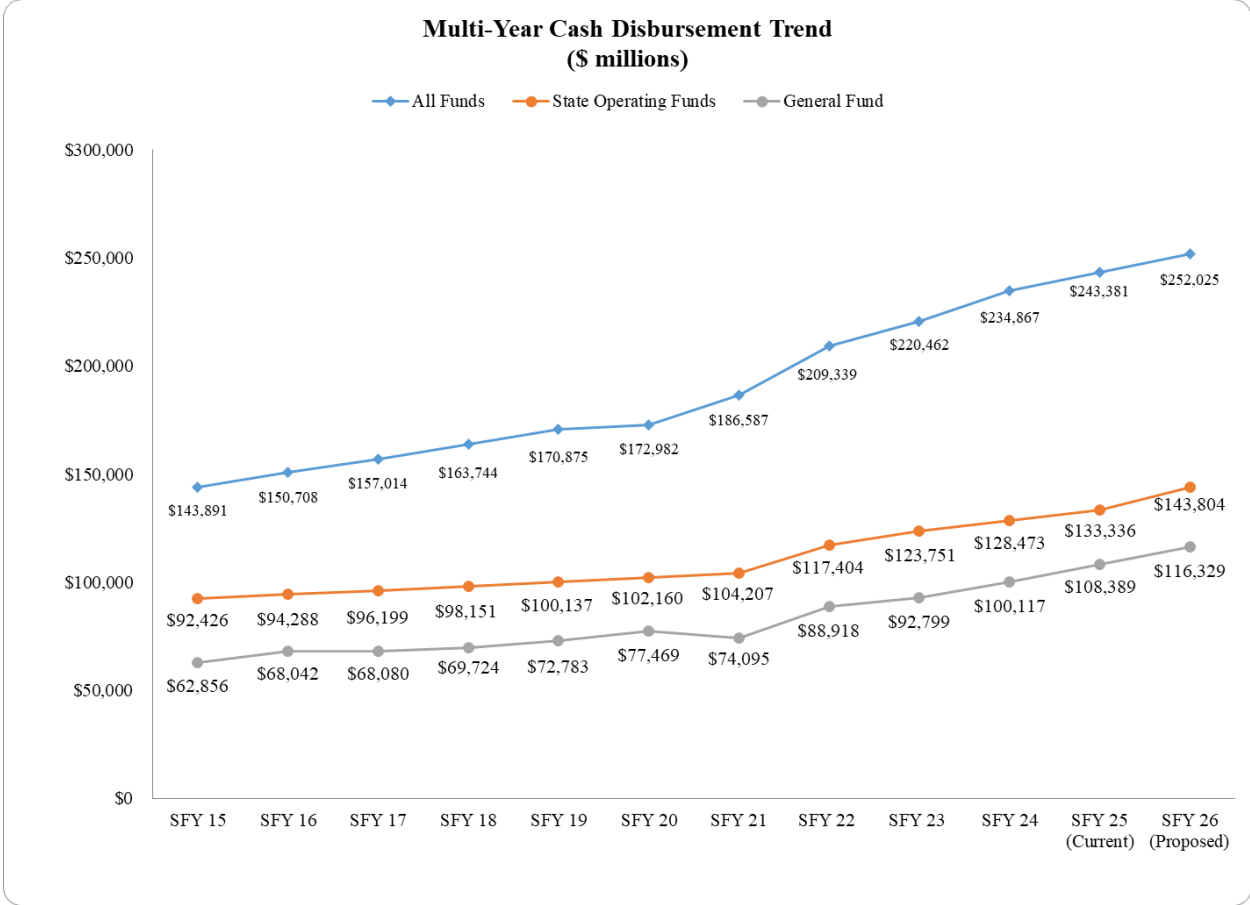
SFY 2025-26 Executive Budget Reserves Balance				
(\$ millions)				
	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
<b>Balance at Year-End</b>	<b>\$20,068</b>	<b>\$21,603</b>	<b>\$21,103</b>	<b>\$21,103</b>
Rainy Day Reserves	\$6,256	\$8,756	\$9,756	\$10,756
Economic Uncertainty	\$13,812	\$12,847	\$11,347	\$10,347
<b>Balance of Other General Fund Reserves</b>	<b>\$26,263</b>	<b>\$31,853</b>	<b>\$24,582</b>	<b>\$23,951</b>
Timing of PTET/PIT Credits	\$14,137	\$16,405	\$13,774	\$13,506
All Other	\$12,126	\$15,448	\$10,808	\$10,445
<b>General Fund Cash Balance</b>	<b>\$46,331</b>	<b>\$53,456</b>	<b>\$45,685</b>	<b>\$45,054</b>
<b>Estimated State Operating Fund Spending</b>	<b>128,473</b>	<b>133,336</b>	<b>143,804</b>	<b>152,363</b>
Reserves as % of SOF	15.6%	16.2%	14.7%	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 2025-26 and onward, with Rainy Day Reserves and funds reserved for economic uncertainty totaling \$21.1 billion in SFY 2025-26. As a result of increased spending in SFY 2025-26, this reserve figure amounts to 14.7 percent of projected State Operating Funds spending. This trend is expected to continue into SFY 2026-27, with reserves as a percent of State Operating Fund spending projected to drop to 13.9 percent due to increased spending. The Executive Budget does not anticipate utilizing any reserves to close outyear budget gaps.

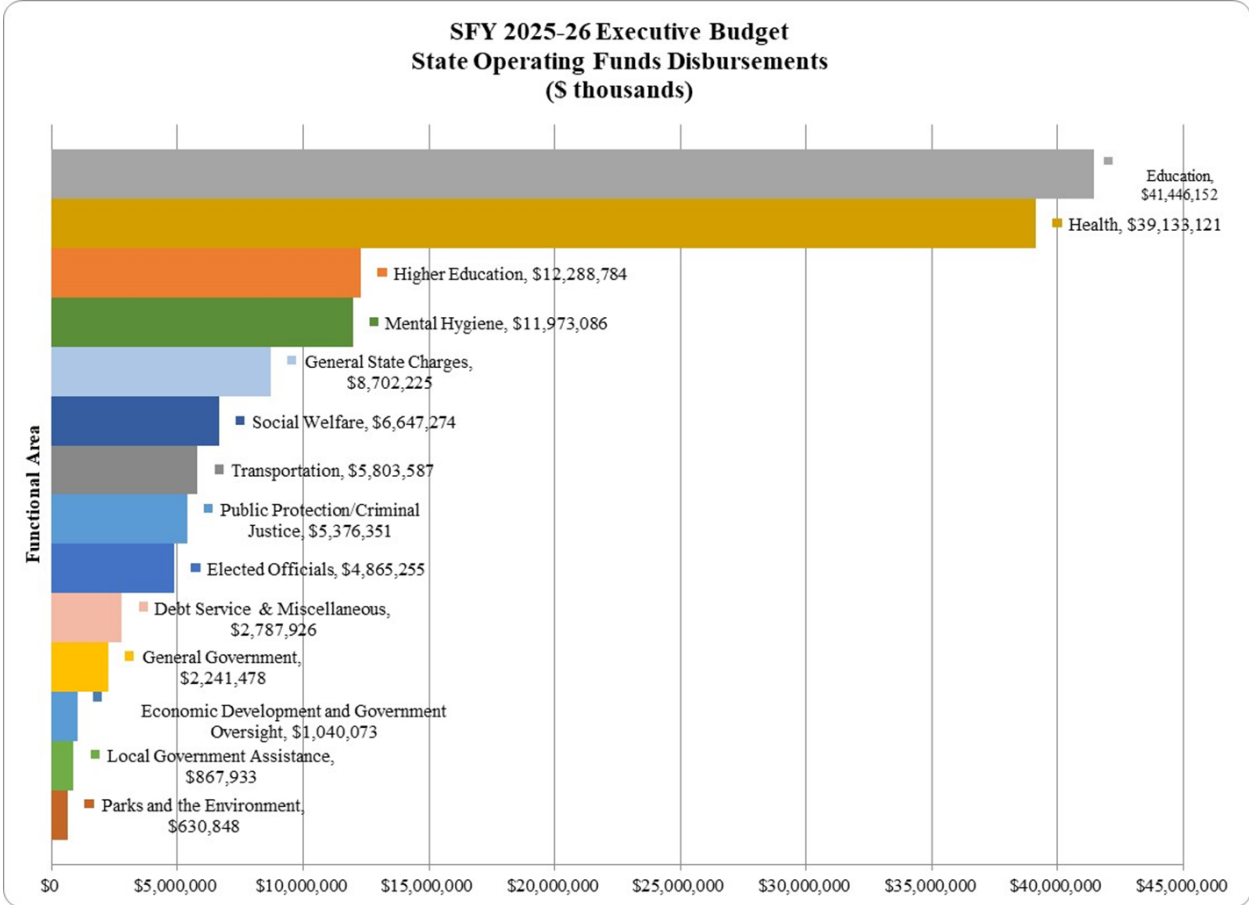
The Executive Budget plans to utilize \$500 million from funds reserved for economic uncertainty to support the City of New York with costs related to asylum seekers, as set forth in the SFY 2024-25 Enacted Budget. Additionally, the Executive proposes transfers of \$1 billion each year, for the next four years, from funds reserved for economic uncertainty to the statutory Rainy Day Reserve Fund, with the goal of reaching \$10 billion in the Rainy Day Reserve Fund.

**Spending**

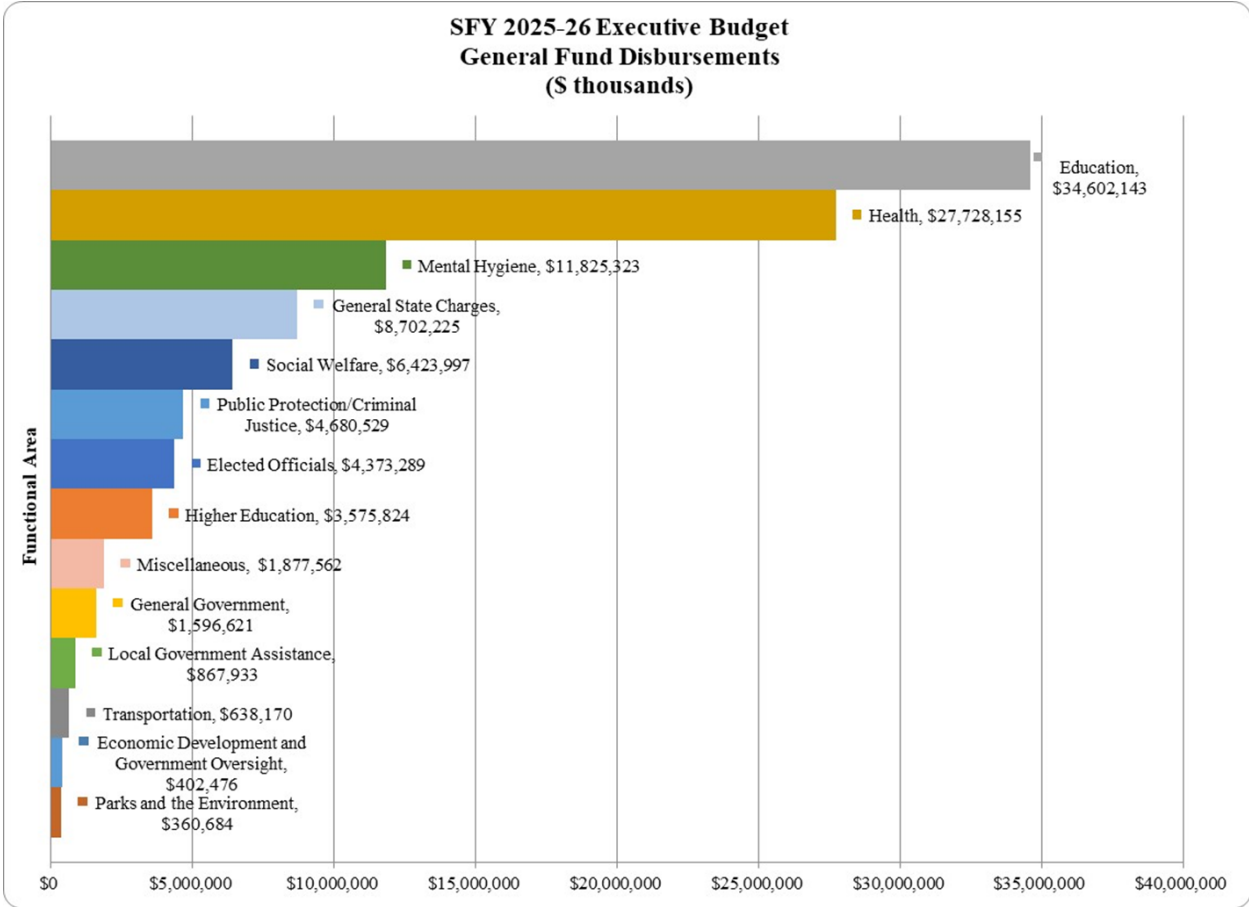


All Funds disbursements in SFY 2025-26 are projected to total \$252 billion, which is an increase of \$8.6 billion or 3.6 percent over the current estimate for SFY 2024-25.

State Operating Funds disbursements in SFY 2025-26 are projected to total \$143.8 billion which is an increase of \$10.5 billion or 7.9 percent from current year estimates. Below is a breakdown of how the State Operating Funds disbursement is proposed in the Executive Budget.



General Fund disbursements, excluding transfers, in SFY 2025-26 are projected to total \$107.7 billion, which is an increase of \$8.4 billion or 8.5 percent over the current estimate for SFY 2024-25. Below is a breakdown of how the General Fund disbursement is proposed in the Executive Budget.





All Funds Cash Financial Plan							
SFY 2023-24 through SFY 2025-26							
(\$ millions)							
	SFY 2023-24	SFY 2024-25			SFY 2025-26		
	Results	Current	Change	Percent	Proposed	Change	Percent
<b>Opening Fund Balance</b>	\$65,956	\$65,912	(\$44)	-0.1%	\$69,232	\$3,320	5.0%
<b>Receipts</b>							
Taxes	\$106,447	\$115,419	\$8,972	8.4%	\$112,098	(\$3,321)	-2.9%
Miscellaneous Receipts	\$33,755	\$32,755	(\$1,000)	-3.0%	\$38,740	\$5,985	18.3%
Federal Receipts	\$94,276	\$98,502	\$4,226	4.5%	\$93,091	(\$5,411)	-5.5%
<b>Total Receipts</b>	<b>\$234,478</b>	<b>\$246,676</b>	<b>\$12,198</b>	<b>5.2%</b>	<b>\$243,929</b>	<b>(\$2,747)</b>	<b>-1.1%</b>
<b>Disbursements</b>							
Local Assistance	\$183,177	\$192,239	\$9,062	4.9%	\$197,311	\$5,072	2.6%
State Operations							
Personal Service	\$16,526	\$17,448	\$922	5.6%	\$18,788	\$1,340	7.7%
Non-Personal Service	\$8,387	\$9,279	\$892	10.6%	\$9,250	(\$29)	-0.3%
General State Charges	\$11,108	\$10,759	(\$349)	-3.1%	\$11,402	\$643	6.0%
Debt Service	\$6,997	\$3,163	(\$3,834)	-54.8%	\$2,318	(\$845)	-26.7%
Capital Projects	\$8,672	\$10,493	\$1,821	21.0%	\$12,956	\$2,463	23.5%
<b>Total Disbursements</b>	<b>\$234,867</b>	<b>\$243,381</b>	<b>\$8,514</b>	<b>3.6%</b>	<b>\$252,025</b>	<b>\$8,644</b>	<b>3.6%</b>
<b>Other Financing Sources (Uses)</b>							
Transfer from Other Funds	\$52,431	\$60,771	\$8,340	15.9%	\$58,149	(\$2,622)	-4.3%
Transfer to Other Funds	(\$52,591)	(\$61,015)	(\$8,424)	-16.0%	(\$58,554)	\$2,461	4.0%
Bond and Note Proceeds	\$505	\$269	(\$236)	-46.7%	\$367	\$98	36.4%
<b>Net Other Financing Sources (Uses)</b>	<b>\$345</b>	<b>\$25</b>	<b>(\$320)</b>	<b>-92.8%</b>	<b>(\$38)</b>	<b>(\$63)</b>	<b>-252.0%</b>
<b>Excess (Deficiency) of Receipts over Disbursements and Reserves</b>	<b>(\$44)</b>	<b>\$3,320</b>	<b>\$3,364</b>	<b>7645.5%</b>	<b>(\$8,134)</b>	<b>(\$11,454)</b>	<b>-345.0%</b>
<b>Closing Fund Balance</b>	<b>\$65,912</b>	<b>\$69,232</b>	<b>\$3,320</b>	<b>5.0%</b>	<b>\$61,098</b>	<b>(\$8,134)</b>	<b>-11.7%</b>

State Operating Funds Cash Financial Plan							
SFY 2023-24 through SFY 2025-26							
(\$ millions)							
	SFY 2023-24	SFY 2024-25			SFY 2025-26		
	Results	Current	Change	Percent	Proposed	Change	Percent
<b>Opening Fund Balance</b>	\$52,724	\$56,077	\$3,353	6.4%	\$63,196	\$7,119	12.7%
<b>Receipts</b>							
Taxes	\$104,930	\$113,932	\$9,002	8.6%	\$110,635	(\$3,297)	-2.9%
Miscellaneous Receipts	\$27,693	\$24,680	(\$3,013)	-10.9%	\$26,978	\$2,298	9.3%
Federal Receipts	\$2,299	\$3,696	\$1,397	60.8%	\$48	(\$3,648)	-98.7%
<b>Total Receipts</b>	<b>\$134,922</b>	<b>\$142,308</b>	<b>\$7,386</b>	<b>5.5%</b>	<b>\$137,661</b>	<b>(\$4,647)</b>	<b>-3.3%</b>
<b>Disbursements</b>							
Local Assistance	\$89,202	\$96,774	\$7,572	8.5%	\$104,972	\$8,198	8.5%
State Operations							
Personal Service	\$15,749	\$16,726	\$977	6.2%	\$18,062	\$1,336	8.0%
Non-Personal Service	\$5,829	\$6,310	\$481	8.3%	\$7,447	\$1,137	18.0%
General State Charges	\$10,696	\$10,363	(\$333)	-3.1%	\$11,005	\$642	6.2%
Debt Service	\$6,997	\$3,163	(\$3,834)	-54.8%	\$2,318	(\$845)	-26.7%
Capital Projects	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
<b>Total Disbursements</b>	<b>\$128,473</b>	<b>\$133,336</b>	<b>\$4,863</b>	<b>3.8%</b>	<b>\$143,804</b>	<b>\$10,468</b>	<b>7.9%</b>
<b>Other Financing Sources (Uses)</b>							
Transfer from Other Funds	\$46,246	\$55,446	\$9,200	19.9%	\$53,245	(\$2,201)	-4.0%
Transfer to Other Funds	(\$49,342)	(\$57,299)	(\$7,957)	-16.1%	(\$54,918)	\$2,381	4.2%
Bond and Note Proceeds	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
<b>Net Other Financing Sources (Uses)</b>	<b>(\$3,096)</b>	<b>(\$1,853)</b>	<b>\$1,243</b>	<b>40.1%</b>	<b>(\$1,673)</b>	<b>\$180</b>	<b>9.7%</b>
<b>Excess (Deficiency) of Receipts and Other Financing Sources (Uses) Over Disbursement</b>	<b>\$3,353</b>	<b>\$7,119</b>	<b>\$3,766</b>	<b>112.3%</b>	<b>(\$7,816)</b>	<b>(\$14,935)</b>	<b>-209.8%</b>
<b>Closing Fund Balance</b>	<b>\$56,077</b>	<b>\$63,196</b>	<b>\$7,119</b>	<b>12.7%</b>	<b>\$55,380</b>	<b>(\$7,816)</b>	<b>-12.4%</b>

General Fund Cash Financial Plan							
SFY 2023-24 through SFY 2025-26							
(\$ millions)							
	FY 2023-24	SFY 2024-25			SFY 2025-26		
	Results	Current	Change	Percent	Proposed	Change	Percent
<b>Opening Fund Balance</b>	<b>\$43,451</b>	<b>\$46,331</b>	<b>\$2,880</b>	<b>6.6%</b>	<b>\$53,456</b>	<b>\$7,125</b>	<b>15.4%</b>
<b>Receipts</b>							
Taxes							
Personal Income Tax	\$25,312	\$29,028	\$3,716	14.7%	\$28,134	(\$894)	-3.1%
Consumption/Use Tax	\$9,872	\$10,108	\$236	2.4%	\$10,418	\$310	3.1%
Business Taxes	\$17,425	\$17,978	\$553	3.2%	\$16,909	(\$1,069)	-5.9%
Other Taxes	\$1,876	\$1,398	(\$478)	-25.5%	\$1,461	\$63	4.5%
Miscellaneous Receipts	\$4,878	\$4,633	(\$245)	-5.0%	\$4,112	(\$521)	-11.2%
Federal Receipts	\$2,250	\$3,645	\$1,395	62.0%	\$0	(\$3,645)	-100.0%
Transfers from Other Funds							
PIF in Excess of Revenue Bond Debt	\$21,748	\$28,314	\$6,566	30.2%	\$28,428	\$114	0.4%
PTET in Excess of Revenue Bond Debt	\$6,978	\$7,984	\$1,006	14.4%	\$6,734	(\$1,250)	-15.7%
ECEP in Excess of Revenue Bond Debt	\$0	\$8	\$8	100.0%	\$8	\$0	0.0%
Sales Tax in Excess of LGAC Bond Debt	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%
Sales Tax in Excess of Revenue Bond	\$7,839	\$8,963	\$1,124	14.3%	\$9,028	\$65	0.7%
Real Estate Taxes in Excess of CW/CA	\$877	\$903	\$26	3.0%	\$990	\$87	9.6%
All Other	\$3,942	\$2,552	(\$1,390)	-35.3%	\$2,336	(\$216)	-8.5%
<b>Total Receipts</b>	<b>\$102,997</b>	<b>\$115,514</b>	<b>\$12,517</b>	<b>12.2%</b>	<b>\$108,558</b>	<b>(\$6,956)</b>	<b>-6.0%</b>
<b>Disbursements</b>							
Local Assistance	\$69,119	\$76,603	\$7,484	10.8%	\$82,419	\$5,816	7.6%
State Operations							
Personal Service	\$9,997	\$10,795	\$798	8.0%	\$11,842	\$1,047	9.7%
Non-Personal Service	\$2,303	\$2,689	\$386	16.8%	\$3,682	\$993	36.9%
General State Charges	\$9,651	\$9,116	(\$535)	-5.5%	\$9,712	\$596	6.5%
Transfers to Other Funds							
Debt Service	\$239	\$277	\$38	15.9%	\$300	\$23	8.3%
Capital Projects	\$5,798	\$4,922	(\$876)	-15.1%	\$4,439	(\$483)	-9.8%
SUNY Operations	\$1,535	\$1,739	\$204	13.3%	\$1,864	\$125	7.2%
Other Purposes	\$1,475	\$2,248	\$773	52.4%	\$2,071	(\$177)	-7.9%
<b>Total Disbursements</b>	<b>\$100,117</b>	<b>\$108,389</b>	<b>\$8,272</b>	<b>8.3%</b>	<b>\$116,329</b>	<b>\$7,940</b>	<b>7.3%</b>
<b>Excess (Deficiency) of Receipts and Use</b>							
<b>(Reservation) of Fund Balances Over Disburse</b>	<b>\$2,880</b>	<b>\$7,125</b>	<b>\$4,245</b>	<b>147.4%</b>	<b>(\$7,771)</b>	<b>(\$14,896)</b>	<b>-209.1%</b>
<b>Closing Fund Balance</b>	<b>\$46,331</b>	<b>\$53,456</b>	<b>\$7,125</b>	<b>15.4%</b>	<b>\$45,685</b>	<b>(\$7,771)</b>	<b>-14.5%</b>

## State Receipts Table

All Funds Receipts (millions of dollars)				
	Estimated SFY 2024-25	Forecast SFY 2025-26	\$ Change	% Change
<b>Personal Income Tax</b>				
Withholding	\$59,736	\$61,941	\$2,205	3.7%
Estimated Payments	\$12,907	\$13,586	\$679	5.3%
Final Returns	\$3,571	\$3,761	\$190	5.3%
Other Payments	\$1,984	\$2,040	\$56	2.8%
<b>Gross Collections</b>	<b>\$78,198</b>	<b>\$81,328</b>	<b>\$3,130</b>	<b>4.0%</b>
Refunds/Offsets	(\$17,235)	(\$22,268)	(\$5,033)	-29.2%
Revenue Bond Tax Fund	\$0	\$0	\$0	0.0%
<b>Net Collections</b>	<b>\$60,963</b>	<b>\$59,060</b>	<b>(\$1,903)</b>	<b>-3.1%</b>
<b>User Taxes and Fees</b>				
Sales and Use	\$20,442	\$21,117	\$675	3.3%
Cigarette/Tobacco	\$808	\$767	(\$41)	-5.1%
Vapor Excise Tax	\$21	\$21	\$0	0.0%
Motor Fuel Tax	\$488	\$489	\$1	0.2%
Alcoholic Beverage	\$272	\$272	\$0	0.0%
Opioid Excise Tax	\$20	\$20	\$0	0.0%
Medical Cannabis Excise Tax	\$4	\$3	(\$1)	-25.0%
Adult-Use Cannabis Tax	\$158	\$245	\$87	55.1%
Highway Use Tax	\$137	\$138	\$1	0.7%
Auto Rental Tax	\$137	\$137	\$0	0.0%
Peer to Peer Car Sharing Tax	\$2	\$2	\$0	0.0%
<b>Total</b>	<b>\$22,489</b>	<b>\$23,211</b>	<b>\$722</b>	<b>3.2%</b>
<b>Business Taxes</b>				
Corporation Franchise	\$8,853	\$8,997	\$144	1.6%
Corporation and Utilities	\$551	\$561	\$10	1.8%
Insurance	\$2,829	\$2,934	\$105	3.7%
Bank	\$106	\$106	\$0	0.0%
Pass Through Entity Tax	\$15,968	\$13,467	(\$2,501)	-15.7%
Petroleum Business Tax	\$1,062	\$1,015	(\$47)	-4.4%
<b>Total</b>	<b>\$29,369</b>	<b>\$27,080</b>	<b>(\$2,289)</b>	<b>-7.8%</b>
<b>Other Taxes</b>				
Estate	\$1,377	\$1,438	\$61	4.4%
Real Estate Transfer Tax	\$1,192	\$1,278	\$86	7.2%
Emp. Comp. Expense Program	\$15	\$15	\$0	0.0%
Pari-Mutuel	\$12	\$15	\$3	25.0%
Other	\$2	\$1	(\$1)	-50.0%
<b>Total</b>	<b>\$2,598</b>	<b>\$2,747</b>	<b>\$149</b>	<b>5.7%</b>
<b>Total Tax Collections</b>	<b>\$115,419</b>	<b>\$112,098</b>	<b>(\$3,321)</b>	<b>-2.9%</b>
<b>Miscellaneous Receipts</b>	<b>\$32,755</b>	<b>\$38,740</b>	<b>\$5,985</b>	<b>18.3%</b>
<b>Federal Grants</b>	<b>\$98,502</b>	<b>\$93,091</b>	<b>(\$5,411)</b>	<b>-5.5%</b>
<b>Total Receipts</b>	<b>\$246,676</b>	<b>\$243,929</b>	<b>(\$2,747)</b>	<b>-1.1%</b>

General Fund Receipts (millions of dollars)				
	Estimated SFY 2024-25	Forecast SFY 2025-26	\$ Change	% Change
<b>Personal Income Tax</b>				
Withholding	\$59,736	\$61,941	\$2,205	3.7%
Estimated Payments	\$12,907	\$13,586	\$679	5.3%
Final Returns	\$3,571	\$3,761	\$190	5.3%
Other Payments	\$1,984	\$2,040	\$56	2.8%
<b>Gross Collections</b>	<b>\$78,198</b>	<b>\$81,328</b>	<b>\$3,130</b>	<b>4.0%</b>
Refunds/Offsets	(\$17,235)	(\$22,268)	(\$5,033)	-29.2%
<b>Reported Tax Collections</b>	<b>\$60,963</b>	<b>\$59,060</b>	<b>(\$1,903)</b>	<b>-3.1%</b>
STAR (Dedicated Deposits)	(\$1,453)	(\$1,397)	\$56	3.9%
RBTF (Dedicated Transfers)	(\$30,482)	(\$29,529)	\$953	3.1%
<b>Net Collections</b>	<b>\$29,028</b>	<b>\$28,134</b>	<b>(\$894)</b>	<b>-3.1%</b>
<b>User Taxes and Fees</b>				
Sales and Use	\$19,128	\$19,767	\$639	3.3%
Cigarette/Tobacco	\$250	\$241	(\$9)	-3.6%
Alcoholic Beverage	\$272	\$272	\$0	0.0%
Opioid Excise Tax	\$20	\$20	\$0	0.0%
Peer to Peer Car Sharing	\$2	\$2	\$0	0.0%
<b>Gross Tax Collections</b>	<b>\$19,672</b>	<b>\$20,302</b>	<b>\$630</b>	<b>3.2%</b>
LGAC/STBF (Dedicated Transfers)	(\$9,564)	(\$9,884)	(\$320)	-3.3%
<b>Total</b>	<b>\$10,108</b>	<b>\$10,418</b>	<b>\$310</b>	<b>3.1%</b>
<b>Business Taxes</b>				
Corporation Franchise	\$6,956	\$7,038	\$82	1.2%
Corporation and Utilities	\$423	\$432	\$9	2.1%
Insurance	\$2,525	\$2,616	\$91	3.6%
Bank	\$90	\$90	\$0	0.0%
Pass Through Entity Tax	\$15,968	\$13,467	(\$2,501)	-15.7%
Business Tax Revenue Bond	(\$7,984)	(\$6,734)	\$1,250	15.7%
<b>Total</b>	<b>\$17,978</b>	<b>\$16,909</b>	<b>(\$1,069)</b>	<b>-5.9%</b>
<b>Other Taxes</b>				
Estate	\$1,377	\$1,438	\$61	4.4%
Real Estate Transfer Tax	\$1,192	\$1,278	\$86	7.2%
Employer Compensation Expense Program	\$15	\$15	\$0	0.0%
Pari-Mutuel	\$12	\$15	\$3	25.0%
Other	\$2	\$1	(\$1)	-50.0%
<b>Gross Other Taxes</b>	<b>\$2,598</b>	<b>\$2,747</b>	<b>\$149</b>	<b>5.7%</b>
Real Estate Transfer Tax (Dedicated)	(\$1,192)	(\$1,278)	(\$86)	-7.2%
RBTF (Dedicated Transfers)	(\$8)	(\$8)	\$0	0.0%
<b>Total</b>	<b>\$1,398</b>	<b>\$1,461</b>	<b>\$63</b>	<b>4.5%</b>
<b>Total Tax Collections</b>	<b>\$58,512</b>	<b>\$56,922</b>	<b>(\$1,590)</b>	<b>-2.7%</b>
<b>Miscellaneous Receipts</b>	<b>\$4,633</b>	<b>\$4,112</b>	<b>(\$521)</b>	<b>-11.2%</b>
<b>Federal Receipts</b>	<b>\$3,645</b>	<b>\$0</b>	<b>(\$3,645)</b>	<b>-100.0%</b>
<b>Total Receipts</b>	<b>\$66,790</b>	<b>\$61,034</b>	<b>(\$5,756)</b>	<b>-8.6%</b>

## 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, of which \$6.1 billion has been disbursed through December 31, 2024. The SFY 2025-26 Executive Budget does not include any new appropriations for use of settlement money for capital purposes.

Appropriated Monetary Settlement Funds (\$ thousands)							
	SFY 2016	SFY 2017	SFY 2018	SFY 2019	SFY 2020	SFY 2021-SFY2026	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
<b>Total</b>	<b>\$4,550,000</b>	<b>\$1,960,000</b>	<b>\$1,105,000</b>	<b>\$125,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$7,990,000</b>

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

### **New York State Infrastructure Plan**

The Executive Budget includes new capital appropriations totaling \$27 billion in SFY 2025-26, 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.

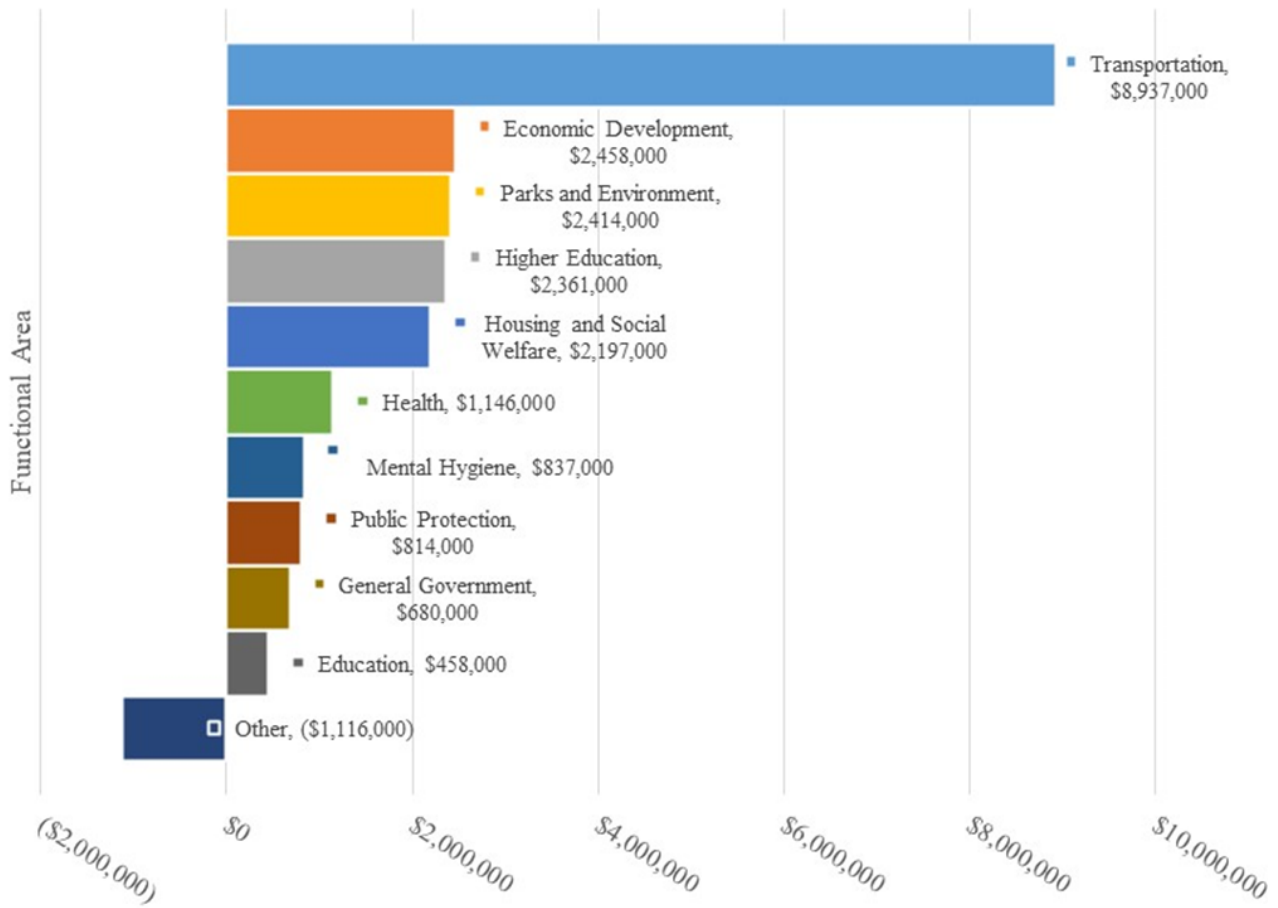
Appropriations in major functional areas include:

- \$6 billion for the fourth year of the five-year Department of Transportation (DOT) Capital Plan.
- \$2.8 billion for parks, the environment, agriculture and markets.
- \$2.3 billion for education and higher education.
- \$2 billion for health and mental hygiene, including \$965 million for mental hygiene programs.
- \$2 billion for public protection and general government.
- \$2 billion for social welfare, including \$472 million for ongoing housing programs.
- \$1.6 billion for economic development.
- \$4.4 billion in total for other capital initiatives.

### **SFY 2025-26 Capital Spending**

New York State capital spending is projected to total \$21.2 billion in SFY 2025-26. Financing for capital spending in SFY 2025-26 is supported with State debt (\$9.3 billion or 44 percent), State cash resources (\$7.9 billion or 38 percent), and Federal aid (\$3.9 billion or 18 percent). State capital spending over the next five years is expected to average approximately \$20.2 billion annually. In SFY 2025-26, capital spending is projected to increase by \$4.1 billion or 24 percent as compared to SFY 2024-25. The increase is mostly attributable to the fourth year of the five-year capital plan for transportation, increased spending in higher education, economic development, and health, and new spending included in the SFY 2025-26 Executive Budget. The graph below summarizes SFY 2025-26 spending. The negative “All Other” category is related to potential underspending due to the timing of capital project delivery.

SFY 2025-26  
 Capital Spending by Function  
 (thousands of dollars)



## **Sfy 2025-26 Debt Summary**

Current State-related debt outstanding is projected at \$65.1 billion for SFY 2025-26. This is an increase of \$8.5 billion or 15.1 percent, over the previous year. The Executive Budget expects debt issuances of \$9.9 billion and debt retirements of \$1.5 billion. From SFY 2025-26 through SFY 2029-30, State-related debt is projected to increase an average of 11 percent annually, reaching \$96.3 billion by the end of the capital plan timeframe.

The Executive Budget also projects State-supported debt, subject to the debt cap, to reach 2.91 percent of personal income in SFY 2025-26. 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 2025-26. Recent Enacted Budgets included temporary authorization for the Executive to use emergency Personal Income Tax (PIT) notes. The Executive has proposed permanently allowing DOB to access liquidity financing of \$3 billion in emergency PIT notes but has stated that it does not plan on using these authorizations.



## Revenue Fact Sheet

- **Provide a Middle-Class Tax Cut and Extend the Temporary Personal Income Tax (PIT) High Income Surcharge for Five Years:** The Executive Budget proposes to cut Personal Income Tax rates for married filers making up to \$323,200 and individual filers making up to \$215,400 by 0.1% for Tax Year (TY) 2025, and then an additional 0.1% beginning TY 2026 and after. The rates for filers making over \$5 million currently slated to expire after TY 2027 would now expire after TY 2032.
- **Enact a One-Time Inflation Refund Credit:** The Executive Budget proposes to provide a refundable income tax credit for permanent residents who filed 2023 income tax returns. Joint filers earning \$300,000 or less will receive \$500, and single filers earning \$150,000 or less would receive \$300. The Executive's fiscal estimate is \$3 billion.
- **Enhance the Empire State Child Credit for Three Years:** The Executive Budget proposes to increase the Empire State Child Care Tax Credit. This credit would be increased from the current maximum of \$330 to \$1,000 per child under four, and up to \$330 per child aged four to sixteen for TY 2025, then \$1,000 per child under four and \$500 per child four to sixteen for the next two tax years. The credit amounts begin to phase out for married filers making \$110,000 or more and single filers making \$55,000 or more. In TY 2028, the credit reverts to its current amount of \$330.
- **Eliminates New York City Income Taxes for Low Income Families:** The Executive Budget proposes to create a New York City income tax credit for families with children that would be equal to any New York City income taxes they owed after all other credits were taken into account. The income eligibility is based on the number of children in the family, whereby married filers with two children and incomes no greater than \$46,350 or other filers with two children and incomes no greater than \$36,824 being eligible for the full credit. Filers with incomes up to \$5,000 above the respective eligibility threshold would receive a smaller credit based on how much additional income they had. These thresholds would be indexed to inflation beginning in 2026.

- **Extend and Amend the Film Tax Credit:** The Executive Budget proposes to extend the Film Production and Post Production credits by an additional two years, to TY 2036. It also makes changes to which expenses for performers, directors, writers and composers count as production costs, including costs to loan-out companies. The Executive creates a new production plus credit that provides an enhanced credit amount to companies that submit two or more additional applications for productions in New York in 2025 or after that meet certain cost thresholds. It also creates a new independent film production credit, which would provide a credit of 30 percent of production costs for independent film companies. This credit is limited to costs for up to two films per year, with an additional 10 percent for filming Upstate. The Executive’s fiscal estimate is \$111 million for SFY 2026-27 and \$115 million for subsequent years.
  
- **Waiting Period Restrictions and Limits Deductions on Institutional Real Estate**

**Investors:** The Executive Budget proposes to require institutional real estate investors to have to wait for 75 days after a single or two family home has gone on sale to purchase such homes, with the clock restarting any time the price is changed. Failure to observe this waiting period will result in civil penalties up to \$250,000. Once such a home is purchased, the institutional investor must submit a special form to the buyer. Failure to submit such a form is subject to a penalty of \$10,000 per home. Institutional investors will be prohibited from claiming any tax deductions for the depreciation of homes they own. They will also be unable to claim interest deductions for such properties, except for any interest accrued the year a property was sold to a affordable housing non-profit or an individual looking for a primary residence.
  
- **Amend the State Historic Property Tax Credit:** The Executive Budget proposes to allow taxpayers to transfer state historic tax credits to other taxpayers when approved by the Department of Parks and Recreation. It also removes existing geographic limitations for use of this credit for affordable housing projects where affordability is guaranteed for at least 30 years.
  
- **Extend and Double the Low-Income Housing Credits:** The Executive Budget proposes to double the amount of tax credits available through the New York State Low Income Housing Tax Credit Program (SLIHC). The Executive Budget proposes to double the current \$15 million annual allocation to \$30 million and extend the program an additional 4 years.

- **Excelsior Jobs Tax Credit Program:** The Executive Budget proposes to extend the Excelsior Jobs Tax Credit Program for ten years, to 2039, at an additional \$200 million per year. The proposal also creates a new tier for semiconductor supply chain companies within the Excelsior Jobs Program offering up an additional credit of seven percent of gross wages for the jobs credit, and a credit of three percent of qualified investments for the investment tax credit. A new Semiconductor Research and Development Project Program is created that will provide tax credits for companies making qualified investments in the State for facilities involved in researching new methods and materials for semiconductor manufacturing that will come out of the credit cap for the Green CHIPS tax credits. The Executive also creates a new Semiconductor Manufacturing Workforce Training Incentive Program that will provide tax credits for semiconductor companies and other manufacturers for their costs training new employees. The Executive would sunset the Employee Training Incentive Program on December 31, 2028. The Jobs Retention Tax Credit Program, which provides Excelsior Jobs Tax Credits to companies affected by disasters, would be modified to increase the kinds of businesses eligible to receive credits, shorten the length of the benefits period, and statutorily cap the amount of credits that can be allocated annually.
- **CATALIST NY Program:** The Executive Budget proposes a new Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York (CATALIST NY) program, through which Empire State Development (ESD) could designate a certified incubator or innovation hot spot that has been operating for at least three years in the State as a CATALIST NY incubator. A CATALIST NY incubator could then nominate any small business that finished the incubator's program and has continued to interact with the incubator, if they meet certain employment and income requirements, to be a CATALIST NY small business. Such businesses will present a job plan to ESD, in which they would identify any new net hires, and ESD would certify that up to eight new hires per business would be able to deduct from their taxable income wages paid by the business for up to five years. ESD may provide benefits for up to 4,500 new hires per year statewide, with the costs of these benefits coming out of the pool of Excelsior Jobs Tax Credits allowed for the year. ESD would stop providing tax benefits under this program on January 1, 2035.

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

<b>All Funds Appropriations - Department of Taxation and Finance</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25 Available</b>	<b>SFY 2025-26 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
State Operations	\$499.13	\$517.26	\$18.13	3.63%
Aid To Localities	\$7.93	\$7.93	\$0.00	0.00%
<b>Total</b>	<b>\$507.06</b>	<b>\$525.19</b>	<b>\$18.13</b>	<b>3.58%</b>

The Executive Budget recommends an All Funds appropriation of \$525.2 million for the Department of Taxation and Finance, which is an increase of \$18.1 million or 3.6 percent from SFY 2024-25. The Executive Budget recommends a workforce of 3,832 FTEs, which is an increase of 4 FTEs over SFY 2024-25 levels.

**Division of Tax Appeals (DTA)**

The Executive Budget recommends an All Funds appropriation of \$4.2 million for the Division of Tax Appeals in State Operations funds, which is an increase of \$108,000 or 2.7 percent from SFY 2024-25. The Executive Budget recommends a workforce of 29 FTEs, which is consistent with SFY 2024-25 levels.

**Article VII - Miscellaneous**

**Enact a One-Time Inflation Refund (REV Part A):** The Executive Budget proposes to provide a one-time refundable income tax credit for permanent residents who filed 2023 income tax returns. Joint filers who earned less than \$300,000 according to their 2023 return will receive \$500, and single and head of household filers and married filers filing separately who earned less than \$150,000 according to their 2023 returns would receive \$300. This payment will not be subjected to state or local income tax. This credit will be processed directly by the Department of Tax and Finance (DTF) and paid out in 2025, without tax payers needing to file any additional documents.

*Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$3.08 billion to the State in SFY 2025-26 and no fiscal impact annually thereafter.*

**Provide a Middle-Class Tax Cut and Extend the Temporary Personal Income Tax (PIT)**

**High Income Surcharge for Five Years (REV Part B):** The Executive Budget proposes to cut personal income tax rates for the five lowest income brackets. Joint married filers making up to \$323,200, head of household filers making up to \$269,300, and individual filers making up to \$215,400 would see their income tax rates reduced by 0.1 percent for Tax Year (TY) 2025, and then an additional 0.1% beginning TY 2026 and after. The proposal also extends by five years the additional brackets and rates, of 9.65, 10.30, and 10.80 percent, which apply for high earners, beginning at incomes for joint married filers making \$2.155 million or above, head of household filers making \$1.62 million or above, and individual filers making over \$1.08 million or above. These rates are currently slated to expire after TY 2027, and now would expire after TY 2032. Starting in TY 2033 the maximum rate for these high income filers would revert to 8.82 percent.

*Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$458 million to the State in SFY 2025-26, \$1.12 billion in SFY 2026-27, \$35 million in SFY 2027-28 and will generate revenue of \$2.56 billion in SFY 2028-29.*

**Enhance the Empire State Child Credit for Three Years (REV Part C):** The Executive Budget proposes to increase the Empire State Child Credit for three years. For TY 2025 this credit would increase for children under four from the current maximum of \$330 to \$1,000 per child and for children four to sixteen, the maximum credit would be \$330 per child. In TY 2026 and TY 2027, credits would increase to \$1,000 per child under four and \$500 per child four to sixteen. The credit amounts begin to phase out for those with incomes above the threshold income level of \$110,000 for joint married filers, \$75,000 for head of household filers, and \$55,000 for single filers, with credit amounts being reduced by \$16.50 for each \$1,000 above the relevant income threshold. Under current law, taxpayers unable to claim the federal child credit may claim a \$100 credit per child. Under this proposal, they would receive the same credit amounts as taxpayers who can claim the federal child credit. In TY 2028, the credits would revert to their current amount.

*Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$471 million to the State in SFY 2025-26, \$825 million in SFY 2026-27, \$825 million in SFY 2027-28 and no fiscal impact in SFY 2028-29.*

**Extend and Double the State Low-Income Housing Credits (REV Part D):** The Executive Budget proposes to extend the State Low Income Housing Credit (SLIHC) for four years, until TY 2029. SLIHC are state tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. The proposal also doubles the current \$15 million annual increase in the allocation to \$30 million. In addition, the language clarifies in State law that applicants using nine percent refunded bonds may pair their use with SLIHC.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact on the State in SFY 2025-26 and would have a fiscal impact of \$15 million in SFY 2026-27, \$45 million in SFY 2027-28 and \$75 million in SFY 2028-29.*

**Amend the State Historic Property Tax Credits (REV Part E):** The Executive Budget proposes to allow taxpayers to transfer, in whole or part, any state historic tax credits to other taxpayers, if the transfer is approved by the Office of Parks, Recreation, and Historic Preservation, regardless of how federal historic preservation tax credits are assigned. This would be a one-time transfer, similar to what is currently allowed for SLIHC. Currently, these credits can only be used in census tracts at or below the state median income, unless the project is on lands under Office of Parks, Recreation, and Historic Preservation jurisdiction. This proposal would allow affordable housing projects where affordability is guaranteed for at least 30 years through a regulatory agreement to receive the credit regardless of census tract limitations.

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

**Waiting Period Restriction and Limit Deductions on Institutional Real Estate Investors (REV Part F):** The Executive Budget imposes limits on the ability of institutional real estate investors to purchase single-family and two-family homes in two subparts:

Subpart A proposes to require institutional real estate investors to wait 75 days after a single or two family home has been listed for sale to purchase such a home. An institutional real estate investor is defined as an entity that manages funds or assets for investors with a fiduciary duty to them, that has at least \$50 million in net value or assets under management, and owns ten or more single or two-family residences, but does not include land banks, community land trusts, or non-profit entities. Any time the asking price is changed, the 75-day clock is reset. Failure to observe this waiting period will result in civil penalties up to \$250,000. After such a home is purchased, the institutional investor purchaser must submit a required form to the seller. Failure to submit such form is subject to a penalty of \$10,000 per home against the institutional real estate investor. The Attorney General has the authority to enforce against violations of this waiting period.

Subpart B proposes to prohibit institutional real estate investors from claiming any tax deductions under the corporate franchise tax, insurance franchise tax, or personal income tax, for the depreciation of homes they own. They will also be unable to claim interest deductions for such properties, except for interest accrued the year a property was sold to an affordable housing non-profit or an individual looking for a primary residence.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact on the State in SFY 2025-26 and would generate revenue and have a positive fiscal impact of \$6 million in SFY 2026-27 and annually thereafter.*

**Establish the CATALIST NY Program (REV Part G):** The Executive Budget proposes a new Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York (CATALIST NY) program, through which Empire State Development (ESD) could designate a certified incubator or innovation hot spot that has been operating for at least three years in the state as a CATALIST NY incubator. A CATALIST NY incubator could then nominate any small business that finished the incubator’s program and has continued to interact with the incubator, if they meet certain employment and income requirements, to be a CATALIST NY small business. Such businesses will present a job plan to ESD, in which they would identify any new net hires, and ESD would certify that up to eight new hires would be able to deduct wages paid by the business from their personal taxable income for up to five years. ESD may provide benefits for up to 4,500 new hires per year statewide, with the costs of these benefits coming out of the pool of Excelsior Jobs Tax Credits allowed for the year. ESD would stop providing tax benefits under this program on January 1, 2035.

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

**Extend and Amend the Excelsior Jobs Program (REV Part H):** The Executive Budget proposes a number of changes to the Excelsior Jobs Tax Credit Program in two Subparts.

Subpart A proposes to extend the Excelsior Jobs Tax Credit Program an additional ten years, to 2039, with an additional \$200 million per year cap, which is the same annual cap amount for the program for Tax Years 2025 through 2029. It also proposes to create a new tier of credits for companies designated as semiconductor supply chain companies within the Excelsior Jobs Program, offering up an additional credit of seven percent of gross wages for the jobs credit, and a credit of three percent of qualified investments for the investment tax credit. To be a semiconductor supply chain company, a company must be primarily engaged in business related to the supply chain of semiconductors, such as manufacturing equipment needed to make semiconductors, providing necessary materials, engaging in testing or assembling semiconductors, and other similar enterprises. These credits would be paid from existing Excelsior Jobs Tax Credit cap allocations.

The proposal creates a new Semiconductor Research and Development Project Program that will provide tax credits for companies making qualified investments in the State for facilities involved in researching new methods and materials for semiconductor manufacturing. The credits will be equal to 15 percent of the costs of the qualified investments, and ESD could approve up to ten years for the credit. The cost to the State from this credit will come out of the credit cap for the Green CHIPS tax credits.

The Executive also creates a new Semiconductor Manufacturing Workforce Training Incentive Program that will provide tax credits for semiconductor companies and other manufacturers for their costs training new employees. In order to be eligible, a company must comply with all relevant labor and environmental rules and regulations. The credit would cover 75 percent of any compensation, training costs, and wrap-around service costs related to training, with a cap of \$25,000 in credit per trainee. A Semiconductor company could claim up to \$5 million in credits annually, while other manufacturers could claim up to \$1 million in credits. The costs of these credits would come from existing Excelsior Jobs Tax Credit cap allocations.

The Executive also would sunset the existing Employee Training Incentive Program, which provides refundable tax credits to New York companies for training programs or for approved internship programs that provide training in advanced technology, life sciences, software development or clean energy. Businesses can receive credits for 50 percent of training costs, capped at \$10,000 per employee that has finished a training, or 50 percent of any stipend paid to an intern in an internship program, up to \$3,000 per intern. This program is currently paid for from the existing Excelsior Jobs Tax Credit cap allocation. The program would sunset on December 31, 2028.

Subpart B proposes to make changes to the Jobs Retention Tax Credit Program, which is funded out of the Excelsior Jobs Tax Credit cap, and is designed to provide tax credits to companies affected by a disaster in order to help them maintain jobs in the State. The current program is designed to provide benefits to larger businesses considered strategic businesses in a number of specific industries, such as manufacturing, agriculture, software development, and scientific research. The Executive Budget proposes to eliminate restrictions by industry and also expands the program to include small businesses. The benefits period is shortened from the current ten years to six months. The maximum amount of the cap to be used for this credit would be \$30 million annually.

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



**Extend and Amend the Film Tax Credit (REV Part I):** The Executive Budget proposes to extend the film production and post production credits by an additional two years, to TY 2036, and makes a number of programmatic changes. The Executive proposal would move up the timing when a production can claim their allocated credits for both the production and post-production credits. Currently, larger credit amounts must be claimed over a multi-year period, so if the credit is between \$1 and \$5 million, it must be claimed over two years, and if it is over \$5 million, it must be claimed over three years. The Executive would eliminate this tier structure and allow productions that submit their initial application starting in 2025 to collect their full credit in the TY that includes the last day of their credit allocation year.

The proposal creates a new Production Plus program, which would allow production companies that submit two or more applications for productions in the State starting in 2025, to claim additional credits on their production expenses for these multiple productions combined. If the total qualified production costs of the productions is at least \$100 million, the additional credit would be 10 percent of qualified production expenses. If the combined qualified costs were equal to at least \$20 million in qualified production expenses, then the additional credit would be five percent of qualified costs.

The proposal removes specific caps on the wages for performers, directors, writers, and composers and producers that can be included in qualified production costs, but maintains the requirement that no more than 40 percent of qualified production costs can be made up of these wages to so-called ‘above the line’ expenses. The proposal also states that in order for payments to loan-out companies to be counted as qualified production costs, the production must withhold the relevant employment taxes from the payments and submit them to the Department of Tax and Finance. Loan-out companies are companies created to receive payments made for the services of a specific individual, such as actors or directors. If the payments are determined to be qualified production costs, they would count towards the 40 percent cap on ‘above the line’ expenses.

The proposal makes changes to the definition of what an independent production company by removing language around the size of the projects the company is producing, and focuses the definition on the company being not publicly traded, which is not majority owned by a publicly traded company listed in a United States stock market. In addition, the proposal creates a new independent film production credit, with a new \$100 million set aside for this new credit. An independent production company would be able to claim the credit for up to two productions a year. The credit would cover up to 30 percent of qualified production costs in the State, as long as 75 percent of these costs are for the use of property or services from a qualified film production facility. In order to qualify for the credit, a production being filmed in New York City, Long Island, Westchester, or Rockland must have expenses of at least \$1 million, or \$250,000 in the rest of the State. There would be an additional ten percent credit for qualified

production expenses at facilities in Upstate New York, for productions with expenses of at least \$500,000. As with the existing film production credit, no more than 40 percent of the qualified production costs can be made up of wages and salaries for ‘above the line’ expenses. \$20 million of the credit allocation would be reserved for productions with qualified production expenses of less than \$10 million, and the remaining \$80 million for films with qualified production expenses of \$10 million or more.

The proposal also makes additional changes to the post-production credit. For post-production work to be eligible for the credit, the amount of post-production expenses, not including visual effects or animation, would have to meet the current threshold of 75 percent of post-production costs in an approved post production facility, or a new threshold of \$1 million. The threshold at which expenses for visual effects or animation become eligible for the credit, from \$3 million in expenses of 20 percent of the total post-production costs for visual effects or animation, whichever is less, to \$500,000 or 10 percent of these expenses. ‘Above the line’ expenses would now be eligible for the post-production credit, with the same limitation that they cannot exceed 40 percent of expenses. The same rules for loan-out company payments would apply for the post-production credit.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact on the State in SFY 2025-26 and would have a fiscal impact of \$111 million in SFY 2026-27, and \$115 million in SFY 2027-28 and SFY 2028-29.*

#### **Make a Technical Change to the Newspaper and Broadcast Media Jobs Program**

**(REV Part J):** The Executive Budget proposes to amend the definition of “independently owned” for the purposes of this credit by limiting the definition to independently owned and not publicly traded companies, or companies where no more than five percent of the company is owned directly or indirectly by a publicly traded company. Language that includes subsidiaries of such companies or companies that meet any additional criteria to be determined by Empire State Development (ESD) to ensure independence in the definition of independently owned would be removed.

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

**Amend the Digital Gaming Media Production Credit Program (REV Part K):** The Executive Budget proposes to amend the Digital Gaming Media Production Credit Program to allow for any unused credit allocated in a given year to be carried forward to subsequent years. The program is currently capped at \$5 million a year and is set to expire after TY 2027.

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

**Extend the New York City Musical and Theatrical Production Credit for Two Years**

**(REV Part L):** The Executive Budget proposes to extend the New York City Musical and Theatrical Production Credit for two years to TY 2027, and increase the aggregate amount of credit by \$100 million. The tax credit was enacted in 2021 to encourage musical and theatrical productions in New York City theaters. \$300 million has previously been allocated to the program. The credit allows eligible production companies to claim a refundable tax credit equal to 25 percent of qualified production costs and transportation expenditures.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and SFY 2026-27 and would decrease State tax receipts by \$50 million in SFY 2027-28 and in SFY 2028-29.*

**Clarify Taxpayer Notification and Protest Rights (REV Part M):** The Executive Budget proposes to add language stating that the use by a taxpayer of an online system provided by the Department of Tax and Finance to access information, such as an account balance, does not constitute online notice of determination, and thus does not grant a taxpayer the right to a hearing in front of the Division of Tax Appeals (DTA). In addition, it adds language stating that written communication to a taxpayer of an existing past-due liability does not grant a taxpayer the right of a hearing in front of DTA.

Current Tax Law allows a taxpayer who has received certain notices that a determination had been made that they have a liability to the State, the right to appeal such determinations in front of DTA. DTF can send these notices by mail or electronically. DTF has a system, known as the Online Services System (OLS), which they can use to send such notices, as well as provide taxpayers with an online platform to view their balances, make payments, and other services.

In a recent court case, *Dumpling Cove, LLC v. Commissioner of Taxation and Finance*, 230 A.D.3d 927 [3d Dept. 2024], the majority opinion stated that since the Tax Law was written without regard to the internet, using the OLS system, including by just checking your account balance, constitutes written notice of liability, which would confer upon a taxpayer the right to seek a hearing at DTA to challenge the liability. DTF is currently appealing this decision, but they are also seeking statutory changes to overturn this decision. DTF argues that if this decision stands, they will be unable to get a final determination on a number of cases, since all a taxpayer would have to do to gain a right to a new hearing in front of DTA would be to view their account balance. In order to prevent this without statutory changes, or a victory in their appeal, they would need to change OLS to remove any functionality that might be construed as granting hearing rights under this decision.

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

**Improve the Tax Warrant Process (REV Part N):** The Executive Budget proposes allowing for the filing of electronic tax warrants or any warrant-related documents, such as documents of satisfaction, vacatur, amendment, or expiration, with the Department of State (DOS), along with the current system of filing physical tax warrants at the offices of County Clerks. Such warrants, or warrant related documents, would take effect when DOS officially filed the warrant. Once DOS has filed the warrant, the State would impose a lien on the assets of the person named in the warrant.

Currently, DTF is able to file a tax warrant against an individual with a fixed and final tax debt, in order to put a lien on their property and assets to ensure repayment of their tax debt. The warrants must be filed physically by the county clerk of the county in which the named taxpayer resides. Any warrant-related notices, such as a notice that the warrant has been satisfied and the debt no longer exists must also be filed with the county clerks. Currently DTF also files warrants with DOS, which maintains an electronic system in which individuals can search such warrants. Until the clerk has officially filed the warrant, or a warrant-related document, they cannot be enforced. This means that if a clerk has a backlog of filings, the State might not be able to place a lien on assets until later than other creditors, depending on when those creditors filed their liens. In addition, a taxpayer that has satisfied their debt might still have a lien on their property until the county clerk officially files the documents satisfying the lien. DTF would have the ability to sign such electronic warrants or warrant related documents electronically.

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

**Simplify the STAR Income Definition (REV Part O):** The Executive Budget proposes to amend the definition of income eligibility for the Enhanced STAR program, as well as additional changes to the determination for STAR eligibility. Under current Tax Law, in order for a property to be eligible for the Enhanced STAR exemption, all owners must be 65 years old or over, or if the owners are married, or are siblings, one of the owners must be at least 65 and the property must be their primary residence. In addition, the combined income of all owners, regardless of whether they reside at the property, and of the spouses of any owners residing at the property may not exceed the income eligibility threshold. This proposal would simplify these rules by stating that a property is eligible for Enhanced STAR if one of the owners who primarily resides at the property is 65 or older, and if the income of owners who primarily reside at the property and their spouses who also primarily reside at the property fall within the income eligibility threshold.

The proposal would also allow DTF to waive the requirement for an annual statement of income eligibility from owners seeking the Enhanced STAR exemption who are exempted from filing State personal income tax returns because their income is below the filing threshold if they have filed such documents showing their income eligibility for three straight years. DTF would have the ability to deny the exemption if they had information that the owners no longer met the income eligibility threshold.

The proposal moves the date to determine income eligibility for STAR from December 31 of the TY to July 1, in order to give DTF more time to assess income eligibility. In addition, the proposal establishes a new system to determine eligibility for the STAR program, for the basic and enhanced exceptions and credits. The Tax Commissioner would be granted sole authority to make the final determination on eligibility, in consultation with local assessors as necessary. If the Commissioner determines a property is not eligible for a STAR Exemption, the taxpayer will be notified. A taxpayer has 45 days to challenge this determination. If a taxpayer fails to reply to the notice of the Commissioner, or if upon review of the taxpayers documentation, the Commissioner again determines a property is not eligible for a STAR exemption, the Commissioner will require the exemption to be removed from the assessment rolls. Local assessors or boards of assessors will not be able to challenge the determinations of the Commissioner. A taxpayer may appeal a final determination by DTF at the State Board of Real Property Tax Services within 45 days of DTF's determination. If a taxpayer is dissatisfied with the Board's determination, a taxpayer could appeal using an Article 78 proceeding. No other legal recourse against the State or local assessors would be allowed to challenge a STAR eligibility determination.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and would decrease State tax receipts by \$9 million in SFY 2026-27, SFY 2027-28 and SFY 2028-29.*

**Eliminate IDA Sales Tax Exemption Reporting Requirement (REV Part P):** The Executive Budget proposes to eliminate the requirement for IDAs to report annually directly to DTF the total value of all state and local sales and use taxes exempted during the previous calendar year. Currently, agents and project operators appointed by IDAs must file reports with this information of sales tax exemptions to the Authorities Budget Office and the Office of the State Comptroller through the Public Authorities Reporting Information System (PARIS), as well as reporting directly to DTF.

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

**Enact Pass-Through Entity Tax Flexibility (REV Part Q):** The Executive Budget proposes to change the election deadline for entities to pay the Pass-Through Entity Tax (PTET) from March 15 to September 15. If an entity elects to pay the PTET by March 15, they will have to submit four equal estimated prepayments of the tax, 25 percent each, on March 15, June 15, September 15, and December 15. If an entity elects to pay into the PTET after March 15, they would be required to make estimated payments equal to the total payments they had missed based on the March, June, September, and December schedule at the time of their election, and then whichever payments of 25 percent that remained to be made on these dates.

*Fiscal Impact: The Executive proposal estimates this would decrease State tax receipts by \$3.05 billion in SFY 2025-26. However, the Pass-Through Entity Tax is revenue neutral to the State Financial Plan over the duration of the tax.*

**Increase the Article 9-A Estimated Tax Threshold (REV Part R):** The Executive Budget proposes to increase the estimated tax threshold for Article 9A corporate tax filers from the current \$1,000 threshold to \$5,000, beginning in the tax year starting January 2026. Under current law, if a company filing under Article 9-A had to pay over \$1,000 the previous tax year, they are required to make an estimated first installment payment of \$1,000, and if they reasonably believe their liability might exceed \$1,000, they must make additional estimated payments currently. Raising the estimated tax threshold would lower the number of businesses that would be required to make estimated payments.

*Fiscal Impact: The Executive proposal estimates this would decrease State tax receipts by \$84 million in SFY 2025-26 and \$144 million in SFY 2026-27 and would have no fiscal impact in SFY 2027-28 and SFY 2028-29.*

**Establish a Tax Credit for Organ Donation (REV Part S):** The Executive Budget proposes creating a new refundable income tax credit for TY 2025 and after for individuals who donate one or more certain organs for any unreimbursed costs such as travel and lodging and lost wages, not to exceed \$10,000 to be claimed for the year they donated. This new credit replaces the existing deduction for unreimbursed costs of donating certain organs, which is capped at \$10,000. The current deduction and proposed credit applies for individuals who donate a whole or part of a live kidney, liver, pancreas, intestine, lung, or bone marrow. A taxpayer who received payments for a donation from the living donor support program established by the Department of Health is not currently eligible for the deduction and would not be eligible for the new credit.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and would decrease State receipts by \$1 million in SFY 2026-27 and annually thereafter.*

**Make Permanent the Estate Tax Three-Year Gift Addback Rule (REV Part T):** The Executive Budget proposes to remove the clause sunsetting the gift add back rule for the Estate Tax, currently set to expire on January 1, 2026. As a result, the rule adding back taxable gifts made by a decedent in the three years prior to date of death to the decedent's New York gross estate would become permanent. This rule exists to prevent individuals trying to evade the Estate Tax by gifting away their assets close to their deaths. This rule was extended for six years back in 2019.

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

**Expand the Credit for Employment of Persons with Disabilities (REV Part U):** The Executive Budget proposes to increase the Employment of Persons with Disabilities credit from the current amount of \$2,100 to \$5,000, beginning in TY 2025. Employers of qualifying persons with disabilities would be able to claim the \$5,000 credit in each of the first two years for which a qualifying employee provides services to the employer.

*Fiscal Impact: The Executive proposal estimates that this would have no fiscal impact to the State in SFY 2025-26 and would decrease State receipts by \$2 million in SFY 2026-27 and \$2 million annually thereafter.*

**Reporting of Federal Partnership Adjustments (REV Part V):** The Executive Budget proposes to require New York partnerships that are subject to a Federal partnership audit adjustment, or any partnerships that make a self-reported adjustment request to report those adjustments to their tax liability or taxable income at the federal level to DTF.

Starting in 2018, the federal government changed the manner in which partnerships that were audited by the federal government must treat any adjustments based on an audit that increased their tax liability. The partnership is able to pay any additional liability on behalf of the partners, and the new liability is treated as addition to tax, instead of requiring amended returns. State Tax Law is currently unclear as to whether these adjustments to tax liability, which would carry into the State tax liability, are to be treated and reported. State law currently does not allow a partnership to pay any additional tax liability on behalf of the partners.

This proposal creates a new section of the Tax Law to set the rules for how adjustments that result from federal partnership audits must be treated and reported to the State, whether it be additional liabilities or refunds, and it would allow a partnership to pay the liability to the State, as is done on the federal level.

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

**Eliminate NYC PIT for Certain Filers (REV Part W):** The Executive Budget proposes, on behalf of New York City, to create a New York City income tax credit starting in Tax Year 2025, for families with children that would be equal to any City income taxes they owed after all other credits were taken into account. The purpose would be to eliminate any City income tax liability these filers may owe.

The income eligibility is based on the number of children in the family and the tax filing status, with married joint filers with one child with incomes no greater than \$36,786, up to those with seven or more children with incomes no greater than \$91,902 being eligible. For all other tax filers, such as individual, head of household, or married filing separately with one child making no more than \$31,503, up to those with eight or more children with incomes no greater than \$88,361, would be eligible for this credit.

Filers with incomes up to \$5,000 above the relevant income thresholds would receive a smaller credit amount that phased out as their income above the threshold increases. The eligibility thresholds would be indexed to inflation beginning in 2026. This proposal would amend both the Tax Law and the City Administrative Code to establish this credit at the local level as well.

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

**Amend the NYC Relocation and Employment Assistance Program (REV Part X):** The Executive Budget proposes, at the request of New York City, to extend the Relocation and Employment Assistance Program (REAP), which provides City business income tax credits for relocating jobs from outside of the City or below 96th Street in Manhattan to designated locations above 96th Street in Manhattan or in one of the other four boroughs, for an additional five years, to July 1, 2030.



The proposal also creates a new Relocation Assistance Credit Per Employee (RACE), available for companies paying various City corporate and business taxes, which would be available for companies moving into New York City that sign leases for business spaces occupying more than 20,000 square feet, in a building issued a certificate of occupancy before the year 2000. Businesses could claim this credit for 10 years and must recertify annually. The credit would be refundable for the first five years and then any excess would be carried forward by the taxpayer in subsequent years. The credit is calculated by multiplying \$5,000 per employment shares (a measure of the time an employee spends working in the relevant offices). The total credit would be capped initially at 3,000 approved employment shares, with the credit allocated on a first-come first-served basis.

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

**Extend the Clean Heating Fuel Credit for Three Years (REV Part Y):** The Executive Budget proposes to extend the Clean Heating Fuel Tax Credit, which expires at the end of TY 2025, for three years through TY 2028. It was last extended for three years in the SFY 2022-23 Adopted Budget. The credit is available to purchasers of bio-heating fuel that contains at least six percent biodiesel.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and SFY 2026-27 and would decrease State receipts by \$5 million in SFY 2027-28 and SFY 2028-29.*

**Extend the Alternative Fuels and Electric Vehicle Recharging Property Credit for Three Years (REV Part Z):** The Executive Budget proposes to extend this program, which is currently scheduled to expire at the end of TY 2025, to TY 2028. This program provides tax credits for the cost of installing alternative fuel vehicle refueling or electric vehicle recharging property, excluding any costs covered by grants. This credit was last extended for three years in the SFY 2022-23 Adopted Budget.

*Fiscal Impact: The Executive proposal estimates this part would have no fiscal impact to the State in SFY 2025-26 and SFY 2026-27 and would decrease State receipts by \$3 million in SFY 2027-28 and SFY 2028-29.*

**Extend the Sales Tax Vending Machine Exemption for One Year (REV Part AA):** 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 2025-26, \$2 million in SFY 2026-27 and would have no fiscal impact in SFY 2027-28 and SFY 2028-29.*

**Extend the Workers with Disabilities Tax Credit for Three Years (REV Part BB):** The Executive Budget proposes to extend this credit program, which is currently scheduled to expire at the end of TY 2025, through TY 2028. The program is managed by the Department of Labor, and provides credits for businesses employing individuals with developmental disabilities. This credit was last extended for three years in the SFY 2022-23 Adopted Budget.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and SFY 2026-27 and would decrease State receipts by \$1 million in SFY 2027-28 and SFY 2028-29.*

**Extend the Hire a Vet Credit for Three Years (REV Part CC):** The Executive Budget proposes to extend this credit program, which is currently set to expire in TY 2025, until TY 2028. This credit was previously enhanced and then extended for three years in the SFY 2022-23 Adopted Budget.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26 and SFY 2026-27 and would decrease State receipts by \$1 million in SFY 2027-28 and SFY 2028-29.*

**Extend the Musical and Theatrical Production Credit for Four Years (REV Part DD):** The Executive Budget proposes to extend the Musical and Theatrical Production credit for four years. This credit was created in 2014 to encourage touring musical and theatrical productions to use New York theaters outside the City of New York. The credit allows eligible production companies to claim a refundable tax credit equal to 25 percent of qualified production costs and transportation expenditures. The program was last extended by four years in 2021.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the state in SFY 2025-26 and SFY 2026-27 and a fiscal impact of \$8 million in SFY 2027-28 and SFY 2028-29.*

**Extend the Financial Institution Data Match System for Five Years (REV Part EE):** The Executive Budget proposes extending for five years the bank account data matching program, first passed in 2017. Bank account data matching allows DTF to work with banks to locate assets being hidden by delinquent taxpayers without having to first issue a tax warrant for the debt, in order to make collection of past-due fixed and final tax debts more effective.

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

**Sweeps and Transfers (PPGG Part EE):** 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 a proposal to make permanent the authority to issue up to \$3 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  
2025-26 EXECUTIVE BUDGET

## Economic Development Fact Sheet

### Appropriations

- **Championing Albany’s Potential Initiative:** The Executive Budget proposes \$400 million in Capital Project funding to support a state-led initiative for community revitalization projects in the City of Albany.
- **Promote Opportunity With Electric Readiness for Under Developed Properties Fund (POWER UP):** The Executive Budget proposes \$100 million for POWER UP to create power-ready sites for advanced manufacturing and other development. POWER UP is designed to build off of FAST-NY to create more build ready sites for large scale industrial development.
- **Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York Program (CATALIST NY):** The Executive Budget proposes \$9 million new funding for (CATALIST NY), a tax incentive program providing Personal Income Tax (PIT) benefits to businesses to improve the hiring process as they expand.

### Article VII

- **Two Year Extension on MWBE Program:** The Executive Budget proposes to extend the State’s MWBE program, which expires July 1, 2025, until July 1, 2027.
- **Increase Discretionary Procurement Thresholds for MWBEs and SDVOBs:** The Executive Budget proposes to increase the discretionary buying threshold for MWBEs and Service-disabled Veteran-owned Businesses (SDVOB) from \$750,000 to \$1.5 million, without a formal competitive process for state agencies, and increases public authorities’ discretionary bidding threshold for MWBEs and SDVOBs from \$500,000 to \$1.5 million.

## Economic Development Agency Details

<b>Economic Development Agency All Funds Appropriations (\$ in millions)</b>				
<b>Agency</b>	<b>Available SFY 2024-25</b>	<b>Executive SFY 2025-26</b>	<b>\$ Change</b>	<b>% Change</b>
Department of Economic Development	\$105	\$101	-\$4	-4%
Empire State Development Corporation	\$2,335	\$1,809	-\$526	-23%
<b>Total Economic Development</b>	<b>\$2,441</b>	<b>\$1,910</b>	<b>-\$531</b>	<b>-22%</b>

### Overview

The Executive Budget proposes All Funds appropriations of \$1.9 billion, a net decrease of \$531 million or 21.7 percent compared to SFY 2024-25. The \$1.9 billion All Funds includes, \$33.7 million for State Operations, \$386 million in Aid to Localities and \$1.5 billion in Capital Projects appropriations.

### Department of Economic Development (DED)

The Executive Budget proposes All Funds appropriations of \$100.9 million, a net decrease of \$4.4 million or 4.2 percent compared to SFY 2024-25. The \$100.9 million includes \$33.7 million for State Operations and \$67.2 million in Aid to Localities. The net decrease is mainly attributed to an increase in personal services costs, offset by reductions due to the elimination of Legislative Grant funding. The Executive Budget proposal supports a workforce of 165 FTEs, unchanged compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$13.6 million for the Centers for Advanced Technologies (CATs), a decrease of \$1.5 million due to the elimination of Legislative Grant funding.
- \$12 million for the Centers of Excellence (COEs), a decrease of \$2.5 million due to the elimination of Legislative Grant funding.
- \$5 million for the Innovation Hot Spots and Incubators Program, unchanged compared to SFY 2024-25.
- \$2 million for the Tourism Matching grant program, a decrease of \$1 million due to the elimination of Legislative Grant funding.

High Technology Matching Grants Program: The Executive Budget proposes \$12 million for the High Technology Matching Grants program, unchanged compared to SFY 2024-25. The program provides state funding to small innovation and manufacturing businesses that have been granted federal funding through the Security Through Advanced Research and Technology (START) initiative, the Small Business Innovation Research (SBIR) program, and the Small Business Technology Transfer (STTR) program.

## Article VII

**Extend the Authorization of DASNY to Enter into Design and Construction Management Agreements with the Department of Environmental Conservation and the Office of Parks, Recreation and Historic Preservation (TEDE Part GG)**: The Executive Budget proposes an extension to the Dormitory Authority of the State of New York's (DASNY) authorization to undertake design and construction projects on behalf of the Department of Environmental Conservation (DEC) and Office of Parks, Recreation, and History Preservation by two years to April 1, 2027. The current authorization is set to expire on April 1, 2025, and was last extended in 2023.

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

**Expanded Eligibility for Public Libraries for DASNY Services (TEDE Part II)**: The Executive Budget proposes expanding DASNY's authorization to provide finance and construction management services for libraries to include any library chartered by the State Board of Regents, incorporated under Not-For-Profit Corporation Law, or defined as a free library under Education Law.

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

**Authorizes DASNY to Provide Planning, Design, Procurement, and Construction Management Services to Counties, Cities, Towns and Villages; and Grant Administration Services to DEC (TEDE Part JJ)**: The Executive Budget proposes expanding DASNY's authorization to provide construction and development services for any county, city, town, or village. The Executive proposes limiting this authorization against projects that would displace or lose employed positions, impair existing collective bargaining agreements, or transfer existing duties and functions that are performed by existing public employees. Additionally, the Executive Budget proposes granting DASNY the authorization to administer grants to DEC.

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

**Increase the Linked Deposit Program Authorization (TEDE Part LL):** The Executive Budget proposes increasing the amount of funds the Comptroller can allocate for the Excelsior Linked Deposit Program from \$560 million to \$1 billion. The Excelsior Linked Deposit Program places State deposits at participating banks to provide reduced-rate financing to small manufacturing firms and small service businesses. This allocation was last increased by \$150 million in 2007.

*Fiscal Impact: The Executive Budget estimates this proposal would have up to an additional \$440 million costs to the State if the additional allocation authority from \$560 million to \$1 billion is utilized.*

**Captive Insurance for Public Benefit Corporations (TEDE Part NN):** The Executive Budget proposes to authorize Battery Park City Authority, New York Convention Center Operating Corporation (Javits), New York State Energy Research and Development Authority, New York State Olympic Regional Development Authority, and the Roosevelt Island Operating Corporation to, either individually or collectively, create captive insurance companies, and provides for specific governance requirements for the subsidiary corporation if group captive insurance is utilized for these entities. It also permits the authorities' subsidiaries to enter into captives.

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

**Urban Development Corporation (Empire State Development Corporation-ESD)**

The Executive Budget proposes All Funds appropriations of \$1.8 billion, a net decrease of \$526 million or 22.5 percent compared to SFY 2024-25. The \$1.8 billion All Funds includes \$319 million in Aid to Localities and \$1.5 billion for Capital Projects. The net decrease is mainly attributed to new investments totaling \$485 million in new capital projects investments, offset by the elimination of \$1 billion in various capital projects and \$17.6 million in Legislative Grant appropriations, which will continue spending through re-appropriations in SFY 2025-26. The Executive Budget proposes the following:

**Tourism Matching Grant Program:** The Executive Budget proposes \$16 million increase in federal funding to support the Tourism Matching grant program.

**Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York Program (CATALIST NY):** The Executive Budget proposes \$9 million for CATALIST NY, a tax incentive program providing Personal Income Tax (PIT) benefits to businesses to improve the hiring process as they expand.



NY Creates Albany Nanotech Complex: The Executive Budget proposes \$500 million decrease in Capital Project funding due to the elimination of appropriations to support construction projects to expand the Albany Nanotech Complex building a High Numerical Aperture Extreme Ultraviolet (High-NA EUV) lithography device and the construction of a High-NA EUV lithography center.

Empire AI Consortium: The Executive Budget proposes \$140 million decrease in Capital Project funding supporting the Empire AI Consortium.

County Partnership Programs: The Executive Budget proposes a \$135 million decrease in Capital Project funding due to the elimination of appropriations that support County Partnership Programs, which provide up to \$1 million grants to counties to support public safety communications and infrastructure projects.

RESTORE NY Communities Program: The Executive Budget proposes a \$50 million decrease in Capital Project funding due to the elimination of one-time appropriations supporting the RESTORE NY Communities Program, which provides financial assistance to municipalities for the revitalization of commercial and residential properties.

Long Island Infrastructure: The Executive Budget proposes \$50 million to support intermodal infrastructure investments in Suffolk County, Long Island.

Regional Economic Development Councils (REDCs): The Executive Budget proposes \$150 million for the 15th round of the Regional Economic Development Council Initiative, funding levels unchanged from SFY 2024-25. The Executive Budget proposes to establish a new funding tier for the REDC initiative that will prioritize projects that serve as high-impact economic anchors.

One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP): The Executive Budget proposes \$14 million for the ON-RAMP program, a \$79 million net decrease due to \$1 million increase in Aid to Localities funding offset by the elimination of a one-time Capital Project funding appropriation. The ON-RAMP provides training and credentials in advanced manufacturing through four workforce development centers in Upstate New York. 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.

Championing Albany's Potential Initiative: The Executive Budget proposes \$400 million in Capital Project funding to support a state-led initiative for community revitalization projects in the City of Albany. The \$400 million in total capital funding includes \$335 million from Empire State Development, \$25 million from Office of General Services, \$10 million in State Education Department reappropriated funds with reallocation language, and \$25 million specifically for the I-787 transformation plan through New York Works in the Department of Transportation. The program makes funds available for business development, enhancing public safety and building out cultural anchors, including but not limited to the New York State Museum, library and archives.

Promote Opportunity With Electric Readiness for Under Developed Properties Fund (POWER UP): The Executive Budget proposes \$100 million for POWER UP to create power-ready sites for advanced manufacturing and other development. POWER UP is designed to build off of FAST-NY to create more build-ready sites for large scale industrial development. Eligible costs for this program include, but are not limited to, the acquisition of real property, preparation of plans, design, construction, renovation, administration and other related costs. The Executive proposes a total investment of \$300 million over three years.

The Workforce and Economic Development Initiatives: The Executive Budget proposes \$191 million to support Workforce Development Initiatives, a net decrease of \$17 million compared to SFY 2024-25. The decrease is mainly attributed to the elimination of two education workforce initiatives: \$10 million in funding provided to the Expansion of Alternative Teacher Certifications program; and \$8 million provided for Upskilling School Paraprofessionals. Since 2023 the State Budget has included \$388 million in appropriations to support Workforce Development Initiatives for 16 programs. The table below provides additional details related to the Workforce Development Initiatives investments since 2023.

<b>Workforce Development Project Schedule (\$ in millions)</b>			
	<b>Enacted SFY 2023-24</b>	<b>Enacted SFY 2024-25</b>	<b>Executive SFY 2025-26</b>
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 Psychiatric Rehabilitation Services at OMH	\$ 5.30	\$ 10.30	\$ 10.30
Office for People with Developmental Disabilities	\$ 0.16	\$ 10.16	\$ 10.16
Diversity in Medicine	\$ 2.40	\$ 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	\$ 14.00
The Office of Strategic Workforce Development*	\$ -	\$ -	\$ -
Capital Grant Program*	\$ -	\$ -	\$ -
Pay for Performance Grant Program*	\$ -	\$ -	\$ -
Expansion of Alternative Certifications	\$ 10.00	\$ 10.00	\$ -
Upskilling School Paraprofessionals	\$ 8.00	\$ 8.00	\$ -
	<b>\$ 180.36</b>	<b>\$ 208.36</b>	<b>\$ 191.36</b>
*Administered by ESD and funds disbursed over 5 years.			
** Administered by ESD			

## Article VII

**Extend the Authorization of the New York State Urban Development Corporation to Administer the Empire State Economic Development Fund (TEDE Part EE):** The Executive Budget proposes the extension of the Urban Development Corporation’s (UDC) authorization to administer the Empire State Development Fund (EDF) for an additional three years until July 1, 2028. 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. This authorization was last extended for one year until July 1, 2025.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$26.2 million cost in SFY 2025-26.*

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

**(TEDE Part FF):** The Executive Budget proposes the extension of the general loan powers of the UDC to make loans in connection with a broad range of economic development programs for an additional three years until July 1, 2028. Currently these powers are set to expire on July 1, 2025. This provision was previously extended for one year.

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

**Extend the Authorization of the Private Activity Bond Allocation Act (TEDE Part HH):**

The Executive Budget proposes to extend the authority of the State and various public authorities to issue private activity bonds for three years, until July 1, 2028. The federal government allocates to all states a share of bonds that have the same tax benefits as publicly issued bonds, but will be used by approved private companies on their projects, if the projects are deemed to have a public purpose. This is a means of providing subsidized financing to selected projects. Federal law requires states to allocate bonds to local governments as well.

New York State divides its allocation of bonds between state agencies and authorities, and local Industrial Development Agencies (IDAs). One third of the allocation is available to state agencies, including NYSERDA, the NY Job Development Authority, the NYS Environmental Facilities Corporation, the NYS Urban Development Corp, the Battery Park City Authority, the Port Authority of NY & NJ, the Power Authority, the Dormitory Authority, the NYS Housing Finance Agency, SONY-MA, and any other public benefit corporation or public authority. One third is for IDAs, and the remaining third can be split for use by both state agencies and IDAs.

The last authorization for the Private Bond Allocation was in the SFY 2022-23 Budget, when it was extended for three years. Prior to this, it had been a two-year extension since 2014.

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

**Minority and Women-Owned Business Enterprise Program 2-year Extender (TEDE Part**

**KK):** The Executive Budget proposes to extend the State’s Minority and Women-Owned Business Enterprise (MWBE) Program, which expires July 1, 2025, by two years until July 1, 2027.

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

**Increases Discretionary Procurement Threshold for Minority and Women-Owned Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses (SDVOB), and Public Authorities (TEDE Part MM):** The Executive proposes to increase the discretionary buying threshold for Minority and Women-Owned Business Enterprises (MWBE) and Service-Disabled Veteran-Owned Businesses (SDVOB), from \$750,000 to \$1.5 million. The Executive also proposes to increase public authorities' discretionary bidding threshold for MWBEs and SDVOBs, from \$500,000 to \$1.5 million. Purchases made up to the discretionary buying threshold are not subject to formal competitive bidding requirements.

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

# GENERAL GOVERNMENT



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## General Government Fact Sheet

### Appropriations

- **State Board of Elections:** The Executive proposes \$100 million for Campaign Finance. These funds would be used to provide \$250 in matching funds on the first \$250 of any qualifying donation.
- **Division of Alcoholic Beverage Control:** The Executive proposes \$5 million in increased funding for the Enforcement, Compliance, Legal and Hearings Unit.
- **Department of State:** The Executive proposed \$200 million in capital funding for another round of Downtown Revitalization Initiative (DRI).
- **Office of Information Technology Services:** The Executive proposes \$174 million for cyber security projects that would strengthen State and Local defenses.

### Article VII

- **FHV Insurance:** The Executive Budget proposes to include three legislative proposals on for-hire vehicle (FHV) insurance, including: removing the eight-passenger cap so that FHVs of any passenger size can obtain group insurance policies; narrowing DFS's prior approval over FHV insurance rates to allow for limited rate increases as often as twice per year without DFS's prior approval; and requiring FHV insurers to refile updated rates at least every three years.
- **AI Companions:** The Executive Budget proposes requiring artificial intelligence (AI) companion operators to implement a protocol for addressing potential user suicidal ideation or self-harm, and provide a reminder to users at the beginning of any AI companion interaction, and at least every three hours for continuing interactions, that the AI is not human and cannot feel emotion.
- **Alternative Procurement/Infrastructure Investment Act Expansion:** The Executive Budget proposes to expand the State's authorization to use alternative procurement methodologies to include Construction Manager as Constructor contracts, to expand the list of agencies authorized to use alternative procurement to include SUNY and the CUNY Construction Fund, to permit the authorized state agencies and authorities to enter into lump sum single bid contracts covering both design and construction, and to expand authorized agencies and authorities' ability to maintain qualified bidder lists.

## General Government Agency Details

General Government All Funds Appropriations				
	SFY 2024-25 Available	SFY2025-26 Executive Recommendation	\$ Change	% Change
Division of Alcoholic Beverage Control	\$84,663,000	\$94,563,000	\$9,900,000	11.7%
Department of Audit and Control	\$567,416,000	\$598,070,000	\$30,654,000	5.4%
Division of the Budget	\$51,061,000	\$50,459,000	(\$602,000)	-1.2%
State Board of Elections	\$165,931,000	\$142,413,000	(\$23,518,000)	-14.2%
Executive Chamber	\$23,303,000	\$24,803,000	\$1,500,000	6.4%
Office of the Lieutenant Governor	\$1,246,000	\$1,246,000	\$0	0.0%
Department of Financial Services	\$594,197,000	\$544,825,000	(\$49,372,000)	-8.3%
Office of General Services	\$1,376,261,000	\$1,688,591,000	\$312,330,000	22.7%
Office of Information Technology Services	\$1,056,527,000	\$1,230,617,000	\$174,090,000	16.5%
Office of the State Inspector General	\$11,138,000	\$12,013,000	\$875,000	7.9%
Commission on Ethics and Lobbying	\$8,066,000	\$8,316,000	\$250,000	3.1%
Department of State	\$765,803,000	\$691,475,000	(\$74,328,000)	-9.7%
Statewide Financial System	\$32,009,000	\$35,267,000	\$3,258,000	10.2%
Insurance and Securities Fund Reserve	\$1,605,000,000	\$1,515,000,000	(\$90,000,000)	-5.6%
<b>Total General Government</b>	<b>\$6,342,621,000.00</b>	<b>\$6,637,658,000.00</b>	<b>\$295,037,000.00</b>	<b>4.7%</b>

### Overview

The Executive Budget recommends \$6.6 billion in All Funds support for the agencies within the General Government functional area, which reflects an increase of \$295 million from SFY 2024-25. This increase is primarily due to the increase in funding of \$312.3 million for the Office of General Services for energy-related renovations to the Empire State Plaza and an increase of \$174.1 million for the Office of Information Technology Services mainly to strengthen State cybersecurity efforts. These increases in funding are primarily offset by a decrease of \$49.3 million from the Department of Financial Services due to the elimination of capital funding, and a decrease of \$74.2 million from the Department of State, which is attributed to the elimination of funding for various commissions and the elimination of legislative additions.

### Alcoholic Beverage Control

The Executive Budget recommends \$94.5 million in All Funds support for the Division of Alcoholic Beverage Control (ABC), which is an increase of \$9.9 million or 11.7 percent from SFY 2024-25. This level of funding would support 455 FTEs, which is an increase of 55 FTEs over SFY 2024-25. Of the \$9.9 million in increased funding, \$4.9 million would support 28 new Alcoholic Beverage Control staff and additional contractual services for the Business and Licensing Program. The Office of Cannabis Management is provided \$5 million in increased funding to support 29 new staff in the enforcement, compliance, legal, and hearings units.



## **Article VII**

**Temporary Permit Extender (PPGG Part Q):**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.*

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

The Executive Budget recommends \$598.1 million in All Funds support for the Department of Audit and Control, an increase of \$30.7 million or 5.4 percent from SFY 2024-25. This increase in funding is attributed to \$15 million for general salary increases, \$14.2 million for operational growth, and \$1.5 million to support building maintenance at the Albany office building. The Department of Audit and Control’s workforce remains constant at 2,915 FTEs.

### **Division of the Budget**

The Executive Budget recommends \$50.5 million in All Funds support, a decrease of \$602,000 or 1.2 percent from SFY 2024-25. The reduction in funding for the Division of Budget is attributed to the elimination of membership dues for Council of State Governments, National Conference of Insurance Legislators, and National Conference of State Legislature, which are supported by Legislative additions. The Division of the Budget workforce remains constant at 292 FTEs.

### **State Board of Elections**

The Executive Budget proposes \$142.4 million in All Funds support, a decrease of \$23.5 million or 14.2 percent from SFY 2024-25. This decrease of \$23.5 million is attributed to the elimination of a one-time \$14.7 million capital appropriation to reimburse local Boards of Elections for electronic polling books and \$12.7 million reduction in local assistance funding. This decrease is offset by a \$3.9 million increase in State Operations funding for additional IT-related staff, general salary increases, and a Federal HAVA grant. The State Board of Elections workforce is proposed to increase by eight FTEs for a total of 228 FTEs in SFY 2025-26.

### **Executive Chamber**

The Executive Budget recommends \$24.8 million in All funds support for the Executive Chamber, an increase of \$1.5 million or 6.4 percent from SFY 2024-25. The increase is due to general salary increases. The Executive Chamber workforce remains constant at 168 FTEs.

### **Office of the Lieutenant Governor**

The Executive Budget maintains \$1.2 million in All Funds for the Office of the Lieutenant Governor, unchanged from SFY 2024-25. The Office of the Lieutenant Governor workforce remains constant at 9 FTEs.

### **Department of Financial Services**

The Executive Budget recommends \$544.8 million in All Funds support for the Department of Financial Services, a decrease of \$49.3 million or 8.3 percent from SFY 2024-25. This decrease is due to the elimination of a one-time \$60 million capital appropriation for a multi-year information technology modernization project and the elimination of \$3.5 million in Local Assistance funding for the Education Debt Consumer Assistance Program. This decrease is offset by an \$13.9 million increase in State Operations funding to support an increase of 50 FTEs, which would increase the Department of Financial Services workforce to 1,441 FTEs.

### **Article VII**

#### **Extension of the Assistance Demonstration Project for Displaced Workers (TEDE Part S):**

The Executive Budget proposes extending the health insurance continuation assistance demonstration project by another year. This program is designed to ensure that entertainment workers who lose their jobs maintain their health insurance.

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

**DFS Regulation of “Buy Now, Pay Later” Loans (TEDE Part Y):** The Executive Budget proposes giving the Department of Financial Services (DFS) the authority to license and regulate buy-now, pay-later lenders operating in the State. Buy-now, pay-later lenders covered in the proposal offer deferred payments directly to consumers for the purchase of goods or services, with the exception of motor vehicles. The proposal also limits fees and interest on the buy-now, pay-later loans, restricts the use of consumer data, and authorizes misdemeanor and financial penalties for violation of DFS regulations.

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

**Pharmacy Benefit Manager Rebate Transparency (TEDE Part Z)**: The Executive Budget proposes requiring Pharmacy Benefit Managers (PBMs) to publish an annual report on their website outlining the details of pharmaceutical rebate program contracts with drug manufacturers. Data contained in this report will include the aggregate amount of rebates received by the PBMs, how rebates are allocated between health plans and the PBMs, and other contract terms including information on the contracting parties, execution details, and the drugs and codes covered under the contracts.

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

**Empower Financial Services To Combat Elder Fraud (TEDE Part AA)**: The Executive Budget proposes authorizing financial institutions, including broker-dealers, investment advisers, and banking institutions, to impose transactional holds on financial activities when there is a reasonable belief, or notification from law enforcement or adult protective services, that financial exploitation of an eligible adult has occurred, is being attempted, or has been attempted. The proposal includes immunity provisions for the financial institution for good faith actions and determinations to apply or not to apply the transactional hold. Eligible adult is defined as someone who is at least 60 years old, or at least 18 years old with a mental or physical condition that prevents them from managing their finances or protecting themselves from financial exploitation without help. Financial exploitation includes the 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. The proposal authorizes the Attorney General and the Department of Financial Services to promulgate regulations for criteria for holds and implementation.

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

**Allows For-Hire Vehicle Group Insurance Policies (TEDE Part BB)**: The Executive Budget proposes to remove the eight-passenger cap so that for hire vehicles (FHVs) of any passenger size are authorized to participate in group insurance policies. Current law permits these policies to cover minimum and maximum liability amounts, supplemental spousal liability, and physical damage for commercial FHV policies.

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

**Flexible Ratings for For-Hire Vehicle Insurance Products (TEDE Part CC):** The Executive Budget proposes to narrow DFS’s prior approval over setting FHV insurance rates to allow insurers to increase rates as often as twice per year without DFS’s prior approval. Before this policy takes effect, DFS would promulgate regulations establishing their desired percentage for qualifying increases; those increases are not intended to exceed 5 percent per year. The proposal also exempts school buses and buses from DFS’s prior approval oversight under this section.

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

**Requires Commercial FHV Insurers to Submit Rate Proposals Regularly (TEDE Part DD):** The Executive Budget proposes to require FHV insurers to submit new rates and rating plans at least every three years, unless DFS requests for them to be submitted more regularly. This is intended to lead to more regular, gradual rate increases instead of having stagnant rates that subsequently sustain large swings. The proposal also exempts school buses and buses from DFS’s prior approval oversight under this section.

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

### **Office of General Services**

The Executive Budget recommends \$1.7 billion in All Funds support for the Office of General Services, an increase of \$312.3 million or 22.7 percent over SFY 2024-25. This increase in funding of \$312.3 million includes \$224.5 million in capital for major energy related renovations to Empire State Plaza and Capitol and \$25 million in capital for the Championing Albany Initiative, as well as \$78.1 million in State Operations funding for new maintenance contracts and the hiring of additional personnel related to contract procurement. This increase is offset by the elimination of a \$15 million local assistance appropriation to supply temporary housing for asylum seekers at Floyd Bennett Field. The Executive Budget proposes an increase of 135 FTEs, which would increase the Office of General Services workforce to 1,994 FTEs. This increase in FTEs results from converting existing temporary positions to permanent positions, in addition to providing contract and project management positions, and staff for priority projects.

## Article VII

**Infrastructure Investment Act Expansion (PPGG Part Y):** The Executive Budget proposes to expand the State’s authorization to use alternative procurement methodologies to include Construction Manager as Constructor (CMAC) contracts, which allow the construction project manager to also serve as the general contractor from the design phase. The Executive also expands the list of state agencies and authorities authorized to use alternative procurement to include the State University of New York (SUNY) and the City University of New York (CUNY) Construction Fund. It also permits the authorized state agencies and authorities to enter into lump sum single bid contracts covering both design and construction. The Executive Budget also expands authorized agencies and authorities ability to maintain qualified bidder lists to include additional factors like value and geography, provided that the qualified bidder lists must now be solicited every year and have at least five bidders. The agencies and authorities currently authorized to use alternative procurement methodologies include the Thruway Authority, Dormitory Authority, ESDC, SUNY Construction Fund, Office of General Services, Bridge Authority, and departments of Transportation, Parks, and Environmental Conservation.

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

### **Office of Information Technology Services**

The Executive Budget recommends \$1.2 billion in All Funds support for the Office of Information Technology Services, an increase of \$174.1 million over SFY 2024-25. This increase will support additional cybersecurity funding to combat cyber threats and 295 new FTEs. The Executive Budget proposes an increase of 295 FTEs, which would increase the Office of Information Technology Services workforce to 4,158 FTEs to maintain critical systems, support project development, and meet cyber related demand.

## Article VII

**Cybersecurity Awareness Training (PPGG Part X):** The Executive Budget proposes requiring all State and municipal employees, including those of State public authorities, who use technology as part of their official duties to take annual cybersecurity awareness training provided by the Office of Information Technology Services (ITS) starting January 1, 2026. The proposal directs ITS to provide the cybersecurity training to all State employees and make the training available to local government employees at no cost. Local governments may choose to use training providers other than ITS.

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

### **Office of the State Inspector General**

The Executive Budget recommends \$12 million in All Funds support the Office of the State Inspector General, an increase of \$875,000 or 7.9 percent over SFY 2024-25. This increase is due to transportation-related investigations and new office space in the Duryea State Office Building. The State Inspector General workforce remains constant at 105 FTEs.

### **Commission on Ethics and Lobbying in Government**

The Executive Budget proposes an All Funds appropriation of \$8.3 million, an increase of \$250,000 or 3.1 percent. This increase will support one-time payment of liabilities for legal services incurred by the Joint Commission on Public Ethics and/or the Commission on Ethics and Lobbying In Government. The Executive Budget proposal supports a workforce of 68 FTEs, which is unchanged from SFY 2024-25.

### **Department of State**

The Executive Budget recommends \$691.5 million in All Funds support for the Department of State, a decrease of \$74 million or 9.7 percent from SFY 2024-25. This decrease is due to the elimination of legislative additions and various commissions. The Executive proposes \$45.7 million in Local Assistance for the Office for New Americans (ONA), a decrease of \$50 million from eliminating \$20 million in additional support for ONA and \$30 million for AAPI crisis intervention initiatives and community based programs combating biased crimes. In addition, the Executive includes \$3.5 million for the Office of Faith and Nonprofit Development Services. The Executive Budget maintains \$202 million in capital funding which is consistent with SFY 2024-25, including \$200 million in capital for Downtown Revitalization Initiative (\$100 million) and NY Forward (\$100 million), and \$2 million for cemetery maintenance and repairs. In State Operations, the Executive provides \$1 million for continued support of the New York State Commission on African American History and \$1.42 million for Asian American Pacific Islander Commission. The Department of State workforce is projected to have 700 FTEs for SFY 2025-26, an increase of 40 FTEs from SFY 2024-25. The additional 40 FTEs would support code enforcement and the Business and Licensing services program.

## Article VII

**Additional Safety Features For Artificial Intelligence Companions (TEDE Part U):** The Executive Budget proposes requiring artificial intelligence (AI) companion operators to implement a protocol for addressing potential suicidal or self-harm thoughts expressed by user. This protocol shall provide a notification referring users to crisis service providers, including suicide hotlines, crisis text lines, and other appropriate emergency services. The Budget also requires the operator to notify a user at the beginning of any AI companion interaction, and at least every three hours for continuing interactions, that the companion application is not human. The notification can either be verbal or written. The proposal also includes a private right of action for any person aggrieved by a violation of this law, permitting actions for damages, equitable relief, or other remedies deemed appropriate by the court. Operators will have 180 days to comply if the proposal becomes law.

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

**Standardizing Returns and Refunds (TEDE Part V):** The Executive Budget proposes requiring large retail sellers to offer a full refund, equal exchange or store credit for returns within 30 days following the purchase of goods, to a customer with receipt of purchase. This proposal applies to individuals and businesses engaged in selling goods, wares or merchandise to the public in the State, whether through physical locations or virtual platforms, that have 500 or more employees statewide or have annual sales revenue of at least \$500,000 from the State.

This proposal exempts businesses that support transactions between independent sellers and consumers, such as those offering advertising and marketing infrastructure for the sellers. This proposal also does not apply to used goods, food, plants, flowers, perishable goods, goods used or damaged after purchase, customized goods received as ordered, goods not returned in original packaging, and goods which cannot be resold due to health considerations. The proposal also exempts goods marked “as is,” “no returns accepted,” “all sales final,” or with similar language. Sellers violating the requirements of this proposal will be liable to the buyer for a cash or credit refund equal to the total amount of the original purchase. Businesses will have 90 days from the date it becomes law to comply.

Currently, any place that publicly sells goods or merchandise can have their desired return policy conspicuously posted that they must comply with. If a seller fails to post their policy or violate its terms, they must provide a cash refund or credit within 30 days of purchase, in addition to any other claims a buyer may have, provided the merchandise remains unused and undamaged, and the buyer can verify the purchase date through a receipt or other purchase verification method.

*Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal, but indicated that it could be accomplished within existing resources.*

**Subscription Cancellation and Renewal Protections (TEDE Part W):** The Executive Budget proposes to update disclosure requirements for offers of automatic renewal or continuous provision of services to consumers and to make it unlawful to charge a price different from what consumers consented to prior to the renewal. This proposal provides specific directions for what constitutes clear and conspicuous communication through audio and visual means, and requires disclosures that are easily noticeable and understandable by the ordinary consumer targeted for sale. The proposal further requires businesses to give consumers the option to cancel at any time using the same method they used to accept the offer, and prohibits businesses from imposing unreasonable or unlawful conditions on cancellations, refusing to acknowledge, or delaying cancellation requests from consumers. Businesses will have 60 days to comply from the date it becomes law. A failure to comply with provisions of this proposal and existing laws regulating automatic renewals constitutes unlawful business practice for which the Attorney General can bring an action to recover penalties.

*Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal but indicated that it could be accomplished within existing resources.*

**Personalized Pricing Transparency and Anti-Discrimination (TEDE Part X):** The Executive Budget proposes expanding the State’s deceptive practices statute to make it a violation for any person to knowingly advertise, promote, or offer algorithmically personalized prices of goods and services based on data specific to an individual without clearly disclosing that the price is set by an algorithm using personal data. The proposal also prohibits price discrimination based on personal characteristics that are legally protected from discrimination under state or federal laws, including ethnicity, national origin, age, disability, sex, sexual orientation, gender identity and expression, pregnancy outcomes and reproductive health care, or using or to use such personal characteristics to withhold or deny accommodations, advantages, or privileges afforded to others. Businesses will have 60 days to comply from the date it becomes law.

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

### **Statewide Financial System**

The Executive Budget recommends \$35.3 million in All Funds support for the Statewide Financial System, an increase of \$3.3 million or 10.2 percent over SFY 2024-25. The Statewide Financial System workforce remains constant at 147 FTEs.



### **Miscellaneous – Data Analytics**

The Executive Budget maintains no new funding for SFY 2025-26 which is consistent with SFY 2024-25, but includes \$26.1 million in reappropriation authority for this purpose.

### **Miscellaneous – Insurance and Securities Fund Reserve Guarantee**

The Executive Budget recommends \$1.5 billion for the Insurance and Securities Fund Reserve Guarantee, a decrease of \$90 million or 5.6 percent from SFY 2024-25. This program provides contingency appropriation authority based on assessments placed on insurer and financial institutions that will allow the State to fulfill claims in the event an entity becomes insolvent or defaults on obligations.

# TRANSPORTATION



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Transportation Fact Sheet

### Appropriations

- **Statewide Mass Transportation Operating Assistance (STOA):** The Executive increases non-MTA Downstate aid by 6.7 percent for a total of \$588.4 million and Upstate aid by 3.3 percent for a total of \$344.4 million. The Executive also increases 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 \$598 million for CHIPS which includes a previous legislative add of \$60 million in funding.
- **Department of Transportation Five-Year Capital Plan:** The Executive provides \$6.9 billion for the fourth year of the DOT Capital Plan, an increase of \$1.1 billion from the planned level, bringing the total five-year capital plan to \$34.1 billion.
- **Metropolitan Transportation Authority:** The Executive provides \$3 billion for the New York State portion of 2025-29 MTA Capital Program and to improve safety within the subway system.
- **Gateway Development Commission:** The Executive provides \$20 million for the State's one-third share of annual operating expenses for the project.

### Article VII

- **State and City Funding for the MTA 2025-2029 Capital Plan:** The Executive Budget proposes to require the State and City of New York to contribute \$6 billion for the MTA 2025-2029 Capital Plan, with the State and City each contributing \$3 billion on a schedule determined by the Director of the Division of the Budget.
- **Automated Work Zone Speed Enforcement Expansion:** The Executive proposes to make the Department of Transportation's and Thruway Authority's work zone speed camera program permanent and expand it to include Triborough Bridge and Tunnel Authority and Bridge Authority's projects, as well as modifying the adjudication process and increasing some penalties.

- **Overweight Vehicle Enforcement Using Weigh-In-Motion Technology:** The Executive proposes to allow the Department of Transportation, Bridge Authority, Triborough Bridge and Tunnel Authority, Port Authority, City Department of Transportation, and Thruway Authority to use automated weigh-in-motion technology to assess automated fines against overweight vehicles.
- **Expands Drugged Driving Restrictions:** The Executive Budget proposes to modify the definitions for drugs, impairment, and intoxication to focus on how they impair physical or mental abilities rather than on blood alcohol content. It also expands refusal penalties to include refusal to submit to a breath test, and expands the implied consent law to include evaluations by drug recognition experts. The proposal also expands the authorization for court-ordered blood draws to allow other fluid draws upon any crash or personal injury, and expands what constitutes reasonable cause for an investigating officer to include the odor of cannabis.
- **Reclassify Class 3 E-Bikes as Mopeds:** The Executive proposes to reclassify electric assist bikes weighing 100 pounds or more as mopeds, with the intention of requiring operators to obtain driver's licenses and prohibit them from operating in bike lanes.
- **New York City Surcharge on Street Closure for Construction:** The Executive Budget proposes to authorize New York City to impose a daily surcharge for construction activity that blocks or closes any portion of a pedestrian plaza or street, subject to various conditions and exceptions.

## Transportation Agency Details

Transportation Agency All Funds Appropriations (millions)				
	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
Department of Transportation	\$15,331.33	\$14,324.29	-\$1,007.04	-6.6%
Department of Motor Vehicles	\$665.04	\$494.95	-\$170.09	-25.6%
Metropolitan Transportation Authority	\$961.08	\$3,858.93	\$2,897.85	301.5%
<b>Total Transportation</b>	<b>\$16,957.45</b>	<b>\$18,678.17</b>	<b>\$1,720.73</b>	<b>10.1%</b>

### Overview

The Executive Budget proposes \$18.68 billion in All Funds appropriations for SFY 2025-26. This represents an increase of \$1.72 billion, or 10.1 percent, from the previous fiscal year. The increase is primarily due to \$3 billion in State aid for the 2025-29 MTA Capital Program which is partially offset by a \$1 billion decrease in DOT All Funds.

### Department of Transportation

Five-Year Transportation Capital Obligations (FY 2026 Executive Budget) FY 2023 through FY 2027 (Millions of dollars)						
	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027	All Years
Highway Program	2,575	2,599	2,603	2,679	2,767	13,224
Purchasing Power Restoration	0	0	0	800	0	800
Local Pave Our Potholes	100	100	100	100	100	500
Local Pave NY/Bridge NY	350	350	350	350	350	1,750
Priority (Mega) Projects	850	1,300	1,900	100	0	4,150
<b>Highway and Bridge Program Subtotal</b>	<b>3,875</b>	<b>4,349</b>	<b>4,953</b>	<b>4,029</b>	<b>3,217</b>	<b>20,423</b>
Administration	85	87	88	89	91	440
Engineering	954	957	954	1,029	954	4,848
Preventive Maintenance	466	466	466	466	466	2,330
Maintenance Facilities	37	37	37	37	37	185
Other Federal Programs	26	26	26	26	26	130
Rail Development	90	90	90	90	90	450
Aviation Systems	177	27	27	27	27	285
Non-MTA Transit	160	160	166	220	120	826
Capital Aid to Localities	578	638	638	638	578	3,070
Extreme Winter Recovery	100	100	100	100	100	500
State Touring Routes	100	140	140	140	100	620
<b>DOT Capital Plan Total</b>	<b>6,648</b>	<b>7,077</b>	<b>7,685</b>	<b>6,891</b>	<b>5,806</b>	<b>34,106</b>

The Executive Budget provides \$14.3 billion to the DOT, a decrease in overall spending of \$1 billion, or 6.6 percent, from SFY 2024-25. This decrease is largely due to the way that DOT's Capital Plan is structured. Most of the funding for priority projects is allocated to the first three years of the program, with the Executive Budget appropriating only \$100 million in SFY 2025-

26. It should be noted that, despite the decrease in overall spending, the Executive Budget provides an additional \$1.1 billion in funds for the fourth year of DOT's 5-year capital plan. This increases the size of the plan to \$34.1 billion.

The \$1.1 billion in additional funds that the Executive provides are distributed as follows: \$800 million in bonding to alleviate any losses in spending power due to inflation; \$100 million in additional capital support for non-MTA transit systems including \$20 million for electric buses, \$100 million in additional support due to increased funding for the Consolidated Highway Improvement Program (CHIPS) and State Touring Routes from last year's legislative adds; and \$75 million to advance plans to reconnect communities along the Albany interstate and the Cross Bronx Expressway.

The Executive includes \$2.5 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.

The Executive Budget provides an increase in Non-MTA STOA support by \$48.2 million, or 5.5 percent. Specifically, the Executive Budget increases upstate transit aid by \$11.1 million, or 3.3 percent, and downstate (non-MTA) transit aid by \$37.2 million, or 6.7 percent. The increase in non-MTA downstate transit is driven by favorable dedicated tax receipts. Increases to upstate transit entities reflect greater levels of transfers from the General Fund.

<b>SFY 2025 Statewide Mass Transportation Operating Assistance (STOA) Appropriations</b>				
<b>(millions)</b>				
	<b>SFY 2025 Available</b>	<b>SFY 2026 Executive Recommendation</b>	<b>\$ Change</b>	<b>% Change</b>
<b>MTA Total</b>	<b>\$4,076.70</b>	<b>\$4,214.48</b>	<b>\$137.78</b>	<b>3.4%</b>
Nassau	\$118.46	\$126.72	\$8.26	7.0%
Rockland	\$5.98	\$6.40	\$0.42	7.0%
Staten Island Ferry	\$58.35	\$62.42	\$4.07	7.0%
Suffolk	\$46.08	\$49.29	\$3.21	7.0%
Westchester	\$97.94	\$104.76	\$6.82	7.0%
NYC DOT	\$155.94	\$166.82	\$10.88	7.0%
Suffolk Shuttle	\$0.75	\$0.50	-\$0.25	-33.3%
Lower Hudson Transit Link	\$11.00	\$11.00	\$0.00	0.0%
Formulas	\$56.56	\$60.51	\$3.95	7.0%
Middletown	\$0.20	\$0.00	-\$0.20	-100.0%
<b>Non-MTA Downstate Total</b>	<b>\$551.26</b>	<b>\$588.42</b>	<b>\$37.16</b>	<b>6.7%</b>
CDTA	\$65.98	\$68.21	\$2.23	3.4%
CNYRTA	\$53.80	\$56.35	\$2.55	4.7%
NFTA	\$84.86	\$87.73	\$2.87	3.4%
RGRTA	\$65.33	\$67.54	\$2.21	3.4%
Formulas	\$63.19	\$64.59	\$1.40	2.2%
Hudson - Chatham Shuttle	\$0.20	\$0.00	-\$0.20	-100.0%
<b>Upstate Total</b>	<b>\$333.36</b>	<b>\$344.42</b>	<b>\$11.06</b>	<b>3.3%</b>
MTA Total	\$4,076.70	\$4,214.48	\$137.78	3.4%
Non-MTA Total	\$884.62	\$932.84	\$48.22	5.5%
<b>STOA Total</b>	<b>\$4,961.32</b>	<b>\$5,147.32</b>	<b>\$186.00</b>	<b>3.8%</b>

**Chart excludes incentive transit appropriations.**

The Executive Budget provides \$6.9 billion for the fourth 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), for the fourth year. POP provides funds to municipalities to assist with the rehabilitation and reconstruction of local highways and roads.

The Executive Budget funds CHIPS and Marchiselli programs at \$598 million and \$39.7 million respectively, unchanged from last year. 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. The 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 program. This funding helps municipalities deal with the cost of repairing and reconstructing highways damaged by winter weather.

The Executive Budget provides \$140 million for the State Touring Routes program, same as last year. This program provides support to localities that maintain touring routes on behalf of the State.

The Executive Budget continues \$20 million in support of a six-year initiative to help electrify mass transit bus fleets with a goal of electrifying 100 percent of the mass transit fleet by 2040. The transit systems that qualify for this funding are: Capital District Transportation Authority; Niagara Frontier Transportation Authority; Rochester-Genesee Regional Transportation Authority; Suffolk County Transit; and the Westchester Bee-Line.

The Executive provides \$20 million for the third year of the Gateway Development Commission, representing the State share of operating expenses for the Gateway Tunnel Project. Additionally, the Executive eliminates \$69.3 million in capital to the Commission for the State share of costs related to the Hudson Yards Concrete Casing - Section 3 Project as this was intended to be a one-shot initiative.

The Executive provides \$25 million in capital to advance plans to improve passenger rail between New York City and Poughkeepsie and \$1 million in operating to study transit options in the Hudson Valley region, which would include west of the Hudson River. In DOT capital the Executive Budget eliminates the \$26 million legislative add in capital support for the Niagara Frontier Transportation Authority's light rail line. The Executive also eliminates a one-year legislative add of \$18 million in support of the construction of an intermodal station in Rochester to house both trains and buses.

In DOT Aid To Localities, the Executive eliminates \$200,000 in funding for free fares in Middletown, the \$200,000 in operating aid for the shuttle bus service from Hudson to Chatham, and \$250,000 in additional funds for the South Fork shuttle.

## **Article VII**

**Bringing Cortland County into Centro (TEDE Part B):** The Executive Budget proposes allowing the Central New York Regional Transportation Authority (Centro) to receive State transit aid for providing transit services in Cortland County, which requires a local match component. The local contribution percentage (1.17 percent) is based on the level of services previously provided by, and State transit aid received by, Cortland Transit. All other counties currently served by Centro (Cayuga, Onondaga, Oswego, and Oneida) would see their respective match requirements reduced to account for this.

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



**Expanding Overweight Vehicle Enforcement Using Weigh-In-Motion Technology (TEDE Part N):** The Executive Budget proposes to allow the Department of Transportation, Triborough Bridge and Tunnel Authority, Bridge Authority, Port Authority of NY/NJ, City Department of Transportation, and Thruway Authority to use automated weigh-in-motion (WIM) technology to assess automated fines against overweight vehicles on any of their facilities. Fines would be authorized to be as high as \$3,750 per violation, or in line with statutory fines that law enforcement could assess if personally issuing a ticket. The bill also includes a 60-day grace period from the program start. The City of New York is currently operating a WIM pilot program for the Brooklyn-Queens Expressway.

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

**Automated Work Zone Speed Enforcement Expansion (TEDE Part Q):** The Executive Budget proposes to make the Department of Transportation's and Thruway Authority's work zone speed camera program permanent and expand it to include Triborough Bridge and Tunnel Authority (TBTA) and Bridge Authority's projects as well. The current program is limited to ten locations for the Thruway and 20 for DOT, and is set to expire in October 2026. The proposal includes no limits for TBTA or the Bridge Authority. The proposal also creates a Work Zone Speed Camera Administration Fund consisting of fines and penalties collected under this program to be used to cover the costs of adjudication and administrative appeals. The proposal shifts adjudications for DOT and Thruway violations outside the City of New York to go through the DMV rather than local courts or violations bureaus. The Bridge Authority, on the other hand, would have to go through local court. The bill also increases penalties for repeat violations.

*Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal however the Executive appropriates \$2.5 million for the purposes of work zone violation adjudications in DMV state operations.*

**Expanding Second Degree Assault Penalty Enhancer to Additional Transportation Workers (TEDE Part R):** The Executive Budget proposes to expand the Second Degree Assault provision dealing with assaulting various public officials to include construction work, roadways, walkways and tolling facilities, and motor vehicle license examiners, investigators, inspectors, and highway workers. Second Degree Assault is punishable as a Class D felony, punishable by two to seven years in prison.

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

## **Metropolitan Transportation Authority**

The Executive Budget proposes to set MTA operating aid at \$8 billion, an increase of \$281.1 million or 3.6 percent from SFY 2024-25. It should be noted that this includes off-budget items such as the Payroll Mobility Tax, MTA Aid, and the FHV surcharge. On-budget MTA operating aid is \$4.2 billion, an increase of \$137.8 million or 3.4%. 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 \$3 billion to fund the New York State portion of the 2025-29 MTA Capital Program which focuses on state-of-good repair work and also provides the public with a variety of projects, including the Interborough Express, resiliency on the Hudson Line, and ADA accessibility at 60 stations. This appropriation includes language stating that the funds are also to be used for safety enhancements within the subway system. The Executive additionally commits New York City to a \$3 billion contribution to the MTA. These payments are expected to be distributed over many years. The state funding was previously assumed in the MTA capital plan (although the MTA had originally expected the State and City to provide \$4 billion each) and does not alleviate the current capital plan financing gap.

## **Article VII**

**Extend MTA Tax Increment Financing Authority (TEDE Part I):** The Executive Budget proposes a 10-year extension for commuter district authorizing municipalities in the state 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. It was last extended for one year until April 1, 2025.

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

**Extend MTA Use of Compulsory Arbitration (TEDE Part J):** The Executive Budget proposes a two-year extension of the binding arbitration provisions in facilitating settlements between the MTA and labor representatives, such as collective bargaining negotiations through the Public Employment Relations Board. These provisions were last extended for two years until July 1, 2025.

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

**Extend MTA’s Property Valuation Agreement Authorization with NYC (TEDE Part K):** The Executive Budget proposes a five-year extension, from December 31, 2025 until 2030, of legislation allowing the MTA Board to empower MTA staff to lease or acquire real property

from the City at fair market price for capital project purposes. Further, the Executive proposes expanding the authorization from being limited to elevator work, electrical substation work, and Penn Station Access work in the 2015-19 and 2020-24 Capital Programs, to allow MTA to negotiate for real property owned by the City that is related to any project in any of the MTA's capital programs.

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

**Makes MTA Current Paratransit Reimbursement Permanent (TEDE Part L):** The Executive Budget proposes to make permanent the requirement that New York City pay roughly 80 percent of the MTA's paratransit expenses. This paratransit reimbursement obligation for New York City was expanded from 50 percent of net costs to 80 percent of the net operating expenses or 50 percent of net paratransit costs plus \$165 million in 2023, and is currently scheduled to expire June 30, 2030.

*Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal. However, according to the MTA's financial plan, not reverting to a 50 percent reimbursement of net paratransit costs could cost New York City \$200 million to \$250 million.*

**State and City Funding for the MTA 2025-2029 Capital Plan (TEDE Part M):** The Executive Budget proposes to require the State and City of New York to contribute \$6 billion for the MTA 2025-2029 Capital Plan, with the State and City each contributing \$3 billion on a schedule determined by the Director of the Division of the Budget. The part also includes language requiring the City's funds to be intercepted if the City does not contribute its share.

*Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal however the Executive intends to spread out these payments over many years.*

**Expanding MTA Bus Camera Enforcement to Include Blocking the Box (TEDE Part O):** The Executive Budget proposes to expand the authorization for MTA to use camera enforcement on their buses to use automated enforcement against obstructing traffic at intersections, known as "blocking the box." MTA received authorization to operate the current camera enforcement program for vehicles illegally stopped or parked in front of bus stops and lanes, in bicycle lanes, in double parking areas, and in general no-standing zones in 2023.

*Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal however the MTA projects the Automated Camera Enforcement (ACE) program to generate \$93 million in 2025 as currently authorized.*

## **Department of Motor Vehicles (DMV)**

The Executive Budget proposes \$495 million in All Funds appropriations for the DMV, a decrease of \$170 million or 26 percent from SFY 2024-25. This decrease reflects the elimination of DMV's Transformation Initiative Program which already has the requisite funds to proceed. The Executive also adds \$2.5 million for the adjudication of work zone speed camera infractions in addition to \$5 million for the hiring and training of drug recognition experts. The Executive Budget maintains a DMV workforce of 3,228 Full-Time Equivalents (FTEs) for SFY 2025-26. The DMV operates 28 state-run offices, primarily located in the New York City Metropolitan District and Long Island, and 100 county-run offices.

### **Article VII**

**Online Five-Hour Extender (TEDE Part C)**: The Executive Budget proposes legislation extending the Pre-Licensing Course Internet Program, which allows car insurance policyholders to take their five-hour training course online, until June 30, 2030. The program was originally authorized in 2019 and is currently set to expire on June 30, 2025.

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

**Abandoned Vehicles Threshold (TEDE Part D)**: The Executive Budget proposes legislation modifying the threshold for when a vehicle is considered abandoned. It specifically reduces the time a motor vehicle without number plates can sit in a public place from six hours to three hours, and expands the value threshold for unmarked vehicles that can be seized from vehicles worth \$1,250 to ones worth \$3,500.

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

**Drugged Driving Laws (TEDE Part E)**: The Executive Budget proposes to modify the definitions for drugs, impairment, and intoxication to focus on how they subjectively impair physical or mental abilities rather than on objective blood alcohol content. It also expands refusal penalties from chemical tests to include refusal to submit to an oral or bodily fluid test, and expands the implied consent law to include evaluations by drug recognition experts. The proposal also expands the authorization for court-ordered blood draws to allow other fluid draws upon any crash or personal injury, and expands what constitutes reasonable cause for an investigating officer to include the odor of cannabis.

*Fiscal Impact: The Executive did not provide a fiscal estimate for this proposal; however, the Executive appropriates \$5 million for the purpose of hiring drugged driving recognition experts in DMV state operations.*

**Reclassifying Class 3 E-Bikes As Mopeds (TEDE Part G):** The Executive Budget proposes to reclassify Class 3 e-bikes weighing 100 pounds or more as mopeds, with the intention of requiring these e-bike operators to obtain driver’s licenses and motor vehicle registration, and prohibiting them from operating in bike lanes. Class 3 e-bikes are bicycles in New York City that have electric motors that can be used to propel a bicycle without any human assistance, and can reach speeds up to 25 miles per hour.

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

### **Waterfront Commission**

The Executive Budget provides \$4.97 million for the New York City Waterfront Commission, unchanged from SFY 2024-25. Appropriations are split between \$3.3 million general fund appropriations and \$1.6 million in revenue derived from conducting assessments. The Executive Budget supports a workforce of 32 FTEs for SFY 2025-26.

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**

**Waterfront Commission Act Amendment (TEDE Part A):** The Executive Budget proposes to amend the 2024 Waterfront Commission statute to clarify that the Commission’s authority to temporarily suspend licenses during the proceedings for permanent revocation is not limited to where a licensee has been indicted for, or otherwise charged with, a crime. The Executive proposal also makes a technical change to clarify that the suspension applies to actual licensees and not the applicants.

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

## **Article VII - Miscellaneous**

**Prohibiting Parking on Street Corners Near NYC Schools (TEDE Part F):** The Executive Budget proposes to modify New York City’s ability to regulate its own parking, standing, and stopping to create an exception in their local authority with respect to parking violations occurring within 20 feet of an intersection that is within 1,000 feet of an elementary school at intersections adjacent to city blocks where the school is located.

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

**New York City Bicycle Lane Speed Limits (TEDE Part H):** The Executive Budget proposes to clarify that New York City is authorized to impose speed limits specifically for vehicles permitted to use bicycle lanes or paths, provided that those limits cannot exceed the limit set for the rest of the road.

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

**New York City Surcharge on Street Closure for Construction (TEDE Part P):** The Executive Budget proposes to authorize New York City to adopt a local law imposing a daily surcharge for issuing permits related to construction activity that blocks or closes any portion of a pedestrian plaza, sidewalk or street. The surcharge amount would be subject to a range but would generally depend on the scale of the obstruction as well as geographical considerations, but may include a discount for projects creating or preserving affordable housing units. The State, federal government, and housing projects involving at least 50 percent affordable housing would all be exempt from the surcharge.

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

# RACING, GAMING & WAGERING



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Racing, Gaming & Wagering Fact Sheet

### Appropriations

- **Gaming Commission:** The Executive Budget proposes an All Funds appropriation of \$438 million, an increase of \$64.7 million, or 17.3 percent from SFY 2024-25.
- **Tribal State Compact:** The Executive Budget recommends an appropriation of \$251 million for payments made pursuant to Tribal State Compacts. This is an increase of \$51 million from SFY 2024-25.

### Article VII

- **Temporarily Extend the Lowered Casino Slot Tax Rates:** The Executive Budget proposes extending the Covid-era lowered tax rate of 30 percent on slot machine gross gaming revenues for upstate casinos from April 1, 2026 through June 30, 2028, if the casinos are in compliance with the relevant statutes and provide an annual report on their fund uses.
- **Conduct a Study of Thoroughbred Fetlock Joint Injury Detection Through Advanced Imaging:** The Executive Budget proposes to mandate a study using advanced imaging technologies to detect fetlock joint injuries in thoroughbred horses by the Cornell University College of Veterinary Medicine. The study would be funded through an additional one percent market origin fee to be assessed to out-of-state Advanced Deposit Wagering (ADW) providers.



## Racing, Gaming & Wagering Agency Details

### 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, horse racing, and pari-mutuel wagering.

<b>Gaming Commission All Funds Appropriations</b>				
<b>(\$ in Millions)</b>				
	<b>Available SFY</b>	<b>Exec Budget</b>		
	<b>2024-25</b>	<b>SFY 2025-26</b>	<b>\$ Change</b>	<b>% Change</b>
State Operations	\$111.36	\$119.22	\$7.85	7.05%
Aid To Localities	\$262.00	\$318.80	\$56.80	21.68%
<b>Total</b>	<b>\$373.36</b>	<b>\$438.02</b>	<b>\$64.65</b>	<b>17.32%</b>

The SFY 2025-26 Executive Budget proposes an All Funds appropriation of \$438 million, an increase of \$64.7 million or 17.3 percent from the amount appropriated in SFY 2024-25. This increase is primarily attributable to an increase in the Division of Gaming personnel service related to anticipation of the downstate casinos, as well as a 3% increase in State Operations for general salary increases. The Executive Budget recommends continuing to appropriate \$100,000 in State Operations for the Racing Fan Advisory Council and proposes a \$56.8 million increase in Aid to Localities. The Gaming Commission’s workforce remains constant at 396 FTEs.

### Tribal State Compact

The Executive Budget recommends an appropriation of \$251 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 \$51 million from the prior year.

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 money 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 as a result of the opening of Point Place, a second casino located in Madison County. Oneida County would receive \$2.5 million for shared host community gaming revenue.

The State has compact agreements with the St. Regis Mohawk Tribe, which requires exclusivity payments on slot machine revenue from the Akwesasne Mohawk Casino, and with the Oneida Nation, which requires exclusivity payments from slot machine revenue from Turning Stone, Yellow Brick Road, and Point Place casinos. The State is currently in ongoing negotiations with the Seneca Nation regarding its Tribal State Compact, which operates the Seneca Niagara, Seneca Allegany, and Seneca Buffalo Creek casinos.

Tribal State Compact receipts are estimated to decrease from \$266 million to \$227 million between SFY 2024-25 and SFY 2025-26 primarily due to the expected receipt in SFY 2024-25 of outstanding payments owed by the Mohawk Tribe since the end of SFY 2020. The receipts estimate also reflects the assumption that the State will continue to receive slot share payments from the Seneca Nation, retroactive to March 2024, while negotiations are ongoing. Despite the expected decline in receipts in SFY 2025-26, appropriation authority for disbursements to localities are increasing, as outlined in the table below.

<b>Tribal State Compact Revenue Account In Gaming Commission</b>				
<b>Aid to Localities</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>S Change</b>	<b>% Change</b>
<b>Host Aid</b>				
Seneca Niagara	\$23	\$30	\$7	30.43%
Seneca Allegany	\$10	\$20	\$10	100.00%
Seneca Buffalo Creek	\$16	\$22	\$6	37.50%
Mohawk	\$61	\$70	\$9	14.75%
Oneida	\$45	\$51	\$6	13.33%
<b>Regional Aid</b>				
Seneca Niagara	\$9	\$12	\$3	33.33%
Seneca Allegany	\$4	\$8	\$4	100.00%
Seneca Buffalo Creek	\$7	\$9	\$2	28.57%
Mohawk	\$10	\$12	\$2	20.00%
Oneida	\$15	\$17	\$2	13.33%
<b>Total</b>	<b>\$200</b>	<b>\$251</b>	<b>\$51</b>	<b>25.50%</b>

**Racing Reform Program**

Funding for the Racing Reform Program has facilitated and financed activities associated with the establishment of the Non-Profit Racing Association Oversight Board, which made significant reforms to racing and gaming regulations. The SFY 2025-26 Executive Budget proposes a continuation of the \$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 New York City (which also hosts the Nassau OTB machines), Resorts World Hudson Valley, Saratoga Casino, and Vernon Downs Casino. In SFY 2023-2024, approximately 67 percent of the education funding contribution from VLT facilities was derived from Resorts World New York City and Empire City Casino alone. The table below shows the current statutory distribution of VLT Net Machine Income (NMI) (after prize payouts). VLT receipts are distributed among education funds, agent commission, and the allowance for administrative expenses.

<b>VLT Receipts Distribution By Location (After Prize Payout)</b>			
<b>VLT Facility</b>	<b>Education Funding</b>	<b>Agent Commission</b>	<b>Administrative Allowance</b>
Batavia Downs Gaming	39.00%	51.00%	10.00%
Empire City Casino by MGM Resorts	50.50%	39.50%	10.00%
Finger Lakes Gaming & Racetrack	46.50%	43.50%	10.00%
Hamburg Gaming	34.00%	56.00%	10.00%
Jake's 58 Hotel & Casino	45.00%	45.00%	10.00%
Nassau Downs OTB	45.00%	45.00%	10.00%
Resorts World Casino NYC	40.00%	50.00%	10.00%
Saratoga Casino Hotel	46.50%	43.50%	10.00%
Vernon Downs Casino Hotel	34.00%	56.00%	10.00%
Resorts World Hudson Valley	41.00%	49.00%	10.00%

**Gaming Receipts**

Gaming Receipts By Component								
SFY 2024-25 Estimated and SFY 2025-26 Projected								
(\$ in Millions)								
Component	Lottery	VLTs	Casinos		IFS**	TSC***	MSW****	All Funds Total
Distribution	Education	Education	Education	Localities*	Education	Total	Total	
SFY 2025 (Est.)	\$2,523.0	\$1,080.0	\$131.2	\$32.8	\$6.0	\$266.0	\$1,090.0	\$5,129.0
SFY 2026 (Proj.)	\$2,431.0	\$1,098.0	\$131.2	\$32.8	\$5.0	\$227.0	\$1,199.0	\$5,124.0
Dollar Change	(\$91.9)	\$18.0	\$0.0	\$0.0	(\$1.0)	(\$39.0)	\$109.0	(\$4.9)
Percent Change	-3.64%	1.67%	0.00%	0.00%	-16.67%	-14.66%	10.00%	-0.10%

Source: NYS Division of Budget, Economic and Revenue Outlook, p. 171

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 - Miscellaneous**

**Amend and Simplify the Pari-Mutuel Tax Rate Structure (REV Part FF):** The Executive Budget proposes simplifying the existing Pari-Mutuel Tax (PMT) rate structure, consolidating rates and repealing current provisions.

Subpart A of the bill imposes a simple flat tax on live racing handles: 1.1% for thoroughbred tracks, 1% for harness tracks, and 0.6% for off-track betting corporations (OTBs). These rates are tailored to generate similar PMT revenues as the existing, more complex structure. This is intended to simplify tax calculation, enhance public understanding of the tax rate, and make it simpler for tracks and OTBs to calculate and remit taxes. These provisions also encourage racing entities to simplify the distribution of monies by allowing them to reach mutual agreement on alternative distribution schemes that would supersede existing statutory formulas. Finally, Subpart A would round winning bets to the nearest cent, returning millions of dollars to bettors that have traditionally gone to the racing industry (for example, a bettor currently receives \$6.90 on a \$6.99 winning bet, but under this proposal would receive \$6.99).

Subpart B makes permanent certain PMT provisions that have been annually extended for over 30 years, relating to simulcast agreements and pool distributions.

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

**Temporarily Extend the Lowered Casino Slot Tax Rates (REV Part GG):** The Executive Budget proposes extending the Covid-era lowered tax rate of 30% on slot machine gross gaming revenues for upstate casinos from April 1, 2026 through June 30, 2028.

In order to qualify for the relief, casinos must be current on all statutory obligations to the State, or in compliance with a repayment agreement. They must also provide an annual fiscal report detailing their use of the funds resulting from the lower tax rate, including impacts on employment, use of funds, and other measures to improve financial stability. Reports will be due by January 1 each year and will be posted on the Gaming Commission’s website.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State in SFY 2025-26, then it would have a fiscal impact of \$49 million in SFY 2026-27, a fiscal impact of \$49 million in SFY 2027-28, and have a fiscal impact of \$12 million in SFY 2028-29.*

**Extend Authorized Use of Capital Funds by a Certain Off-track Betting Corporation for One Year (REV Part HH):** The Executive Budget proposes extending the authorized non-capital use of capital acquisition funds (CAF) by the Capital District Regional Off-Track Betting (OTB) Corporation for one additional year. This authorization allows Capital OTB to use up to \$1 million towards statutory obligations and expenditures necessary to accept authorized wagers during SFY 2025-26. The prior year’s authorization was also up to \$1 million. These uses include expenditures necessary to accept authorized wagers, past due statutory obligations to New York-licensed or franchised racing corporations or associations, past due contractual obligations due to other racing associations or organizations for simulcast signal costs, past due statutory payment obligations to equine-related State funds, and past due obligations due to the State.

Prior to accessing these funds, Capital OTB must attest to the proper handling of surcharge monies and submit an expenditure plan to the Gaming Commission for approval. The Commission will review the plan and may conduct an independent audit to ensure funds are used as intended. If the Commission determines that the funds were used for unauthorized purposes, Capital OTB must reimburse the CAF.

Notably, Catskill OTB, which was included in last year’s authorization, is not included in this renewal; the Executive notes that it did not include Catskill OTB as that entity stopped accepting wagers in November 2024.

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

**Conduct a Study of Thoroughbred Fetlock Joint Injury Detection Through Advanced Imaging (REV Part II):**

The Executive Budget proposes to mandate a three-year longitudinal study (a research method that repeatedly observes the same subjects over an extended period of time to track changes and patterns) using advanced imaging technologies to detect fetlock joint injuries in thoroughbred horses by the Cornell University College of Veterinary Medicine. The study would be funded through an additional 1% market origin fee to be assessed to out-of-state Advanced Deposit Wagering (ADW) providers. The fetlock joint is a critical hinge joint in horses that allows flexion and extension; it is significant because it endures substantial stress during high-speed activities, making it a common site for injuries.

The study will identify the incidence of fetlock injuries, pre-fracture pathology (conditions that make it more likely for a horse to sustain a fracture), determine the effectiveness of various imaging techniques related to fetlock injuries, further define bone pathology/blood biomarker findings in horses with fetlock fractures, and refine a risk factor index for fatal musculoskeletal injury in thoroughbred racing.

Funding for the study will be derived from both a contribution of \$2 million from the New York Racing Association (NYRA) and from a temporary, three-year additional 1% market origin fee imposed on out-of-state Advance Deposit Wagering (ADW) providers. Cornell will work with the Gaming Commission to agree on a plan for how funds are expended.

*Fiscal Impact: The Executive estimates that this proposal would increase All Funds revenue by \$3 million in FY 2025-26, \$6 million in FY 2026-27, \$6 million in FY 2027-28, and \$3 million in SFY 2028-29, all of which would be used to fund a longitudinal thoroughbred fetlock joint injury detection study.*

GOVERNMENT

**LOCAL  
GOVERNMENT**



**STAFF ANALYSIS OF THE  
2025-26 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 the current fiscal year.
- **Temporary Municipal Assistance:** The Executive Budget includes \$50 million in Temporary Municipal Assistance, marking the second year of a two-year appropriation commitment to AIM-eligible municipalities.
- **Miscellaneous Financial Assistance:** The Executive Budget proposes \$38.8 million for Miscellaneous Financial Assistance; an increase of \$17.4 million from SFY 2024-25. This funding increase is attributed to the Executive’s proposal to expand funding to include a \$15 million appropriation to the County of Monroe and increase payment to the City of Albany from \$15 million to \$20 million. The Executive Budget continues to provide Madison County with \$3.8 million, unchanged from SFY 2024-25, and eliminates funding associated with the SFY 2024-25 Adopted Budget legislative additions.

### Article VII

- **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 (NYCTFA) by \$3 billion, from \$27.5 billion to \$30.5 billion beginning July 1, 2025. Last year the Budget increased the bonding limit for the NYCTFA from \$13.5 billion to \$21.5 billion beginning July 1, 2024, and to \$27.5 billion beginning July 1, 2025.
- **New York City Public Works Investment Act Expansion:** The Executive Budget proposes to expand the City of New York’s authorization to Construction-Manager Build contracts and progressive design-build contracts to include the Departments of Administrative Services, Design and Construction, Environmental Protection, Transportation, Parks and Recreation, HHC, School Construction Authority, and NYCHA, and proposal expands that authority to any project valued at \$10M or more by any of the above agencies. The Executive proposal also expands the City’s authorization to use CM-Build on any projects valued at \$5M or more by the above agencies.



## Local Government Assistance Details

### Overview

The Executive Budget for SFY 2025-26 proposes \$59.03 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 \$1.9 billion for municipalities and school districts in the Local Fiscal Year 2025-26.

<b>SFY 2026 Executive Budget Impact for Local Fiscal Year 2025-26</b> (\$ in millions)		
<b>Major Local Aid Programs</b>	<b>LFY 2025-26 Local Aid</b>	<b>Net Impact on LFY 2025-26</b>
School Aid and Other Education	\$37,388.9	\$1,688.0
Special Education	\$1,599.0	\$0.0
Medicaid	\$8,258.4	(-56.7)
Human Services	\$7,246.3	\$11.8
Health	\$514.6	(-32.3)
Mental Hygiene	\$113.8	\$16.5
Transportation	\$1,605.0	(-517.7)
Municipal Aid	\$848.6	\$5.0
Public Protection	\$1,039.6	\$164.8
Environment	\$0.0	\$0.0
Other Local Aid Programs	\$355.7	\$0.0
Revenue Impacts	\$57.9	\$0.0
<b>Total Executive Budget Impacts</b>	<b>\$59,027.80</b>	<b>\$1,886.10</b>

<b>SFY 2025-26 Executive Budget Impact On Local Governments</b> (\$ in millions)	
New York City (includes school district)	\$195.3
School Districts (excluding New York City)	\$956.7
Counties	\$91.0
All Other Cities (excludes school districts)	\$23.1
Towns and Villages	\$13.3

The Executive Budget proposes \$877.3 million in All Funds appropriations in Aid to Localities for Local Government Assistance programs, an increase of \$17.4 million over SFY 2024-25.

SFY Executive Budget Appropriations- Local Government Assistance (\$ in millions)				
FUNDING SOURCE	ENACTED SFY (2024-2025)	EXECUTIVE BUDGET (2025-2026)	CHANGE (\$)	CHANGE %
<b>STATE OPERATIONS</b>				
Financial Control Board	\$3.5	\$3.5	\$0.0	0.0%
Financial Restructuring Board	\$2.5	\$2.5	\$0.0	0.0%
<b>AID TO LOCALITIES (ATL)</b>				
AIM (Unrestricted)	\$715.2	\$715.2	\$0.0	0.0%
CREG/CETC	\$35.0	\$35.0	\$0.0	0.0%
LGEG	\$8.0	\$8.0	\$0.0	0.0%
Temporary Municipal Assistance	\$50.0	\$50.0	\$0.0	0.0%
VLT	\$30.1	\$30.1	\$0.0	0.0%
Misc. Assistance	\$21.3	\$38.8	\$17.5	82.2%
Small Government Assistance	\$0.2	\$0.2	\$0.0	0.0%
<b>General Fund Total</b>	<b>\$859.8</b>	<b>\$877.3</b>	<b>\$17.5</b>	<b>2.0%</b>
<b>Fiduciary Fund Total</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>0.0%</b>
<b>All Funds Total</b>	<b>\$859.8</b>	<b>\$877.3</b>	<b>\$17.5</b>	<b>2.0%</b>

**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, unchanged from the current fiscal year.

**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 SFY 2024-25.

**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, unchanged from the current fiscal year.

**Video Lottery Terminal Aid**

The Executive Budget proposes \$30.1 million for Video Lottery Terminal (VLT) Aid, unchanged from the current fiscal year. 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 provided only to eligible municipalities with video lottery gaming facilities. The following table shows the amount of annual aid received by each eligible municipality.

<b>VLT Aid by Eligible Municipality (\$ in millions)</b>		
<b>Municipality</b>	<b>VLT Facility</b>	<b>SFY 2025-26</b>
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
<b>Total VLT Aid</b>		<b>\$30.1</b>

### **Miscellaneous Financial Assistance**

The Executive Budget proposes \$38.8 million for Miscellaneous Financial Assistance, an increase of \$17.4 million over the current fiscal year. This funding increase is attributed to the Executive’s proposal to expand funding to include \$15 million for Monroe County and to increase funding to the City of Albany from \$15 million to \$20 million. The Executive Budget continues to provide Madison County with \$3.8 million, unchanged from SFY 2024-25, and eliminates funding associated with the SFY 2024-25 Adopted Budget legislative additions.

### **Small Government Assistance**

The Executive Budget proposes \$217,000 in Small Government Assistance, unchanged from SFY 2024-25. 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**

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

**Part R)**: The Executive Budget proposes to increase the bonding limit for the New York City Transitional Finance Authority (NYCTFA) by \$3 billion, from \$27.5 billion to \$30.5 billion beginning July 1, 2025. Last year the Budget increased the bonding limit for the NYCTFA from \$13.5 billion to \$21.5 billion beginning July 1, 2024, and to \$27.5 billion beginning July 1, 2025

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

#### **Amend the New York City Industrial and Commercial Abatement program (ICAP)**

**(PPGG Part S)**: The Executive Budget proposes amending the Real Property Tax Law and the New York City Administrative Code to prohibit tax benefits for construction projects with parking or self-storage facilities. The proposal also extends the authorization to apply for benefits from March 1, 2029, to March 1, 2030, except for peaking unit properties, which remain at March 1, 2029. It designates Governor’s Island as a special commercial abatement area starting January 1, 2026, to promote development and emerging industries, while limiting tax abatements in other specified areas. The ICAP program offers property tax abatements for up to 25 years for eligible industrial and commercial buildings to encourage their development or improvement.

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

**New York City Public Works Investment Act Expansion (PPGG Part Z)**: The Executive Budget proposes to expand the City of New York’s authorization to Construction-Manager Build (CM-Build) contracts and progressive design-build contracts to include the Departments of Administrative Services, Design and Construction (DDC), Environmental Protection, Transportation, Parks and Recreation, HHC, School Construction Authority, and the New York City Housing Authority (NYCHA). Right now DDC is limited to using progressive design-build on water and sewer projects and coastal resiliency projects. The proposal would also expand the City’s authorization to use CM-Build on any projects, compared with its current authorization for DDC to use CM-Build on cultural institution and library projects. The City received its initial authorization to do more limited alternative procurements on November 22, 2024.

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

# LABOR AND WORKFORCE



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Labor and Workforce Fact Sheet

### Appropriations

- **Eliminate Unemployment Insurance Interest Payment for Employers:** The Executive recommends transferring funding to pay an estimated \$165 million in interest payments that employers would otherwise be charged in 2025 for the loan balance owed to the US Treasury for the Unemployment Insurance Trust Fund.
- **Digitization of Youth Working Papers:** The Executive Budget allocates \$10 million in State operations appropriation for a Department of Labor initiative to digitize minors' working papers and develop an online portal for documentation.
- **Development of Apprenticeship Programs for High-Demand Occupations:** The Executive proposes \$10 million in local assistance funding to establish apprenticeship and pre-apprenticeship programs in high-demand fields, covering apprentice wages, training costs, and supportive services for participants.
- **New Training Pathways in High-Demand Occupations:** The Executive Budget provides \$8 million in local assistance appropriation to the Department of Labor to create new training pathways for careers in high-demand industries.
- **Department of Civil Service Resources:** The Executive Budget includes a \$31.7 million increase for SFY 2025-26 to modernize the State's civil service system. This funding supports initiatives such as a new merit system helpdesk, recruitment efforts, social media outreach, and technological improvements. Additional resources and personnel are also allocated to the Employee Benefits Division to address insurance fraud and strengthen compliance.
- **NYSHIP Contributions Transfer:** The Executive proposes an expansion of the Budget Director's authority to transfer \$312 million in outstanding NYSHIP employee healthcare contributions from SUNY Stony Brook, SUNY Upstate, and SUNY Downstate into the general fund through the General State Charges budget.

## Article VII

- **Expands DOL Enforcement Power for Wage Theft:** The Executive Budget proposes to expand the Department of Labor’s wage theft enforcement authority by providing the Commissioner of Labor with the power to issue a warrant when employers violate New York State wage theft provisions of the Labor Law. This proposal would allow the Department of Labor to issue a warrant to the respective county sheriff, commanding the sheriff to levy and sell the offending employers’ real and personal property. This process would mirror the same enforcement powers the Department of Labor is currently authorized to use for the collection of unpaid contributions owed to the Unemployment Insurance Trust Fund.
- **Extends the Waiver of Civil Service Examination Fees:** The Executive proposes to extend the waiver of civil service exam fees through June 30, 2026. The waiver is currently set to expire on December 31, 2025.

The removal of fees for all State exams was one of several actions included in the FY 2024 Budget to assist with recruitment efforts in New York’s public workforce. While fee waivers previously existed for veterans, as well as individuals who are unemployed or receiving public assistance, the majority of test-takers are required to pay an exam fee.



## Labor and Workforce Agency Details

<b>Department of Labor All Funds Appropriations</b>				
(\$ in millions)				
Agency	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
Department of Labor	\$7,303.5	\$7,333.1	\$29.6	0.4%
Labor Management Committees	\$48.8	\$51.7	\$2.9	5.9%
General State Charges	\$7,928.1	\$8,748.9	\$820.8	10.4%
Department of Civil Services	\$100.6	\$132.3	\$31.7	31.5%
Workers' Compensation Board	\$227.3	\$232.0	\$4.7	2.1%
Workers' Compensation Reserve	\$9.6	\$9.6	\$0.0	0.0%
Office of Employee Relations	\$16.0	\$16.0	\$0.0	0.0%
Deferred Compensation Board	\$1.0	\$1.0	\$0.0	0.0%
Public Employment Relations Board	\$5.9	\$6.7	\$0.8	13.6%
<b>Total Labor and Workforce</b>	<b>\$15,640.8</b>	<b>\$16,531.3</b>	<b>\$890.5</b>	<b>5.7%</b>

### Overview

The SFY 2025-26 Executive Budget recommends \$16.53 billion in All Funds support for the agencies comprising the Labor and Workforce functional areas. This reflects an increase of \$890.4 million, or 5.7 percent from SFY 2024-25.

### Department of Labor

The Executive Budget proposes \$7.33 billion in All Funds appropriations for the Department of Labor (DOL), an increase of approximately \$29.6 million, or 0.4 percent, from SFY 2024-25 levels. This increase includes \$10 million to digitize working papers for minors, \$10 million to support apprenticeship programs in high-demand fields, and \$8 million to incentivize employer-led training programs. This new funding is offset by the exclusion of \$26.2 million in legislative adds for various employment and training programs included in last year's finalized budget. The Executive recommends a workforce of 2,942 FTEs for DOL, which remains unchanged from SFY 2024-25 workforce levels.

Additionally, the Executive proposes funding to cover the estimated \$165 million in outstanding interest payments that employers would be required to pay in 2025 for U.S. Treasury loans through a general fund transfer.

## **Department of Civil Service**

The Executive Budget proposes \$132.3 million in All Funds appropriations for the Department of Civil Service (DCS), an increase of \$31.7 million, or 31.5 percent, from SFY 2024-25 levels. This increase will support several department functions, including the establishment of a new merit system help desk, improved accessibility and social media outreach for recruitment, and technology upgrades. To support these initiatives, the Executive recommends a workforce of 582 FTEs, an 83 FTE increase from previous levels.

The Executive Budget does not include reappropriations for DCS local assistance funding for local reimbursement for officers and employees with a qualifying World Trade Center condition. However, funds that would typically have been reappropriated from the previous fiscal year are not lost or excluded. Instead, they are incorporated into a total of \$9 million in appropriations for SFY 2025-26. While this structure provides additional appropriation authority, it does not increase the overall available funding for local assistance.

## **General State Charges**

The Executive Budget proposes \$8.75 billion in All Funds appropriations for General State Charges, an increase of \$820.8 million, or 10.4 percent, from SFY 2024-25 levels. This increase is primarily attributable to an increase in the State's share of health insurance for its employees and retirees due to forecasted medical inflation, as well as increases in the State's social security costs reflective of salary increases and increased staffing, and pension obligations due to increased employer contribution rates resulting from Tier 6 enhancements, increased retirements and market losses to the Common Retirement Fund. The Executive Budget also proposes to achieve roughly \$100 million in savings through a prepayment of pension obligations in the upcoming fiscal year, which will be reflected in the SFY 2025-26 financial plan, growing to as much as \$121 million in recurring savings in out-year financial plans, subject to actualized adjustments.

Additionally, the Executive proposes to grant the Director of the Budget the authority to transfer \$312 million in outstanding NYSHIP employer contributions into the general fund through the General State Charges budget.

There are no FTEs associated with the General State Charges budget.

### **Labor Management Committees**

The Executive Budget proposes \$51.7 million in All Funds appropriations for Collective Bargaining Agreements (CBAs) that have been settled with enabling legislation enacted. This represents a \$2.9 million, or 5.9 percent increase, from SFY 2024-25 levels due to the current status of these CBAs. Several new CBAs will need to be negotiated over the coming year due to the expiration of multiple agreements at the end of SFY 2025-26. The Labor Management Committees' workforce is estimated to remain constant at 71 FTEs.

### **Office of Employee Relations**

The Executive proposes \$16 million in All Funds appropriations for the Office of Employee Relations (OER), reflecting no change from SFY 2024-25 levels. The Office of Employee Relations' workforce is expected to grow to 107 FTEs, an increase of 14 FTEs from SFY 2024-25 levels, permitting the agency to fill vacant positions.

### **Public Employment Relations Board**

The Executive Budget proposes \$6.7 million in All Funds appropriations for the Public Employment Relations Board (PERB), an increase of \$726,000, or 12.3 percent, from SFY 2024-25 levels. PERB's workforce is estimated to grow to 41 FTEs, an increase of five FTEs from previous levels. The increase in funding and FTE levels will equip the agency with the necessary staff and financial resources to manage PERB's expanding private sector caseload.

### **Workers' Compensation Board**

The Executive Budget proposes \$232 million in All Funds appropriations for the Workers' Compensation Board, which is an increase of \$4.7 million, or 2.1 percent, from SFY 2024-25 levels. This increase in funding is due to the higher workload associated with the recently expanded eligibility for work-related stress claims. To support the increased workload, the Executive Budget recommends adding 26 FTEs to the agency workforce, for a total of 1,112 FTEs.

### **Workers' Compensation Reserve**

The Executive budget proposes \$9.6 million in All Funds appropriations for the Workers' Compensation Reserve, unchanged from SFY 2024-25 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), unchanged from SFY 2024-25 levels. The Deferred Compensation Board's workforce is estimated to remain constant at 4 FTEs.

## State Workforce

The Executive Budget anticipates an aggregate increase to the State Workforce of 2,661 full time equivalent employees for the fiscal year ending on March 31, 2026, attributed to backfilling of workforce attrition and expanding the public workforce. This enlarged workforce can be partially attributed to efforts to enhance employee benefits enacted in recent budgets, as well as expanded outreach, and hiring and retention efforts undertaken by the State.

### Workforce Impact Summary

All Funds  
FY 2024 Through FY 2026

	FY 2024 Actuals (03/31/24)	Starting Estimate (03/31/25)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/26)
<b>Major Agencies</b>								
Children and Family Services, Office of	2,833	2,983	(623)	623	0	0	0	2,983
Corrections and Community Supervision, Department of	22,544	25,064	(2,225)	2,706	0	0	481	25,545
Education Department, State	2,552	2,909	(290)	290	0	0	0	2,909
Environmental Conservation, Department of	3,075	3,313	(176)	234	0	0	58	3,371
Financial Services, Department of	1,290	1,391	(194)	244	0	0	50	1,441
General Services, Office of	1,706	1,859	(297)	432	0	0	135	1,994
Health, Department of	4,927	6,209	(842)	850	0	0	8	6,217
Information Technology Services, Office of	3,570	3,863	(362)	657	0	0	295	4,158
Labor, Department of	2,740	2,942	(401)	401	0	0	0	2,942
Mental Health, Office of	14,127	15,268	(1,380)	1,984	0	0	604	15,872
Motor Vehicles, Department of	3,070	3,228	(292)	292	0	0	0	3,228
Parks, Recreation and Historic Preservation, Office of	2,324	2,453	(142)	158	0	0	16	2,469
People with Developmental Disabilities, Office for	17,870	19,133	(1,662)	1,662	0	(18)	(18)	19,115
State Police, Division of	5,767	6,521	(288)	288	0	0	0	6,521
Taxation and Finance, Department of	3,469	3,828	(808)	812	0	0	4	3,832
Temporary and Disability Assistance, Office of	1,861	1,937	(399)	515	0	0	116	2,053
Transportation, Department of	8,293	8,495	(338)	338	0	0	0	8,495
Workers' Compensation Board	946	1,086	(130)	156	0	0	26	1,112
<b>Subtotal - Major Agencies</b>	<b>102,964</b>	<b>112,482</b>	<b>(10,849)</b>	<b>12,642</b>	<b>0</b>	<b>(18)</b>	<b>1,775</b>	<b>114,257</b>
<b>Minor Agencies</b>	<b>8,303</b>	<b>9,677</b>	<b>(1,247)</b>	<b>1,913</b>	<b>0</b>	<b>18</b>	<b>684</b>	<b>10,361</b>
<b>Subtotal - Subject to Direct Executive Control</b>	<b>111,267</b>	<b>122,159</b>	<b>(12,096)</b>	<b>14,555</b>	<b>0</b>	<b>0</b>	<b>2,459</b>	<b>124,618</b>
<b>University Systems</b>								
City University of New York	13,358	13,511	(1,350)	1,350	0	0	0	13,511
State University Construction Fund	130	145	(15)	15	0	0	0	145
State University of New York	47,531	49,000	(4,900)	4,900	0	0	0	49,000
<b>Subtotal - University Systems</b>	<b>61,019</b>	<b>62,656</b>	<b>(6,265)</b>	<b>6,265</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,656</b>
<b>Independently Elected Agencies</b>								
Audit and Control, Department of	2,446	2,915	(400)	400	0	0	0	2,915
Law, Department of	1,853	1,970	(137)	339	0	0	202	2,172
<b>Subtotal - Independently Elected Agencies</b>	<b>4,299</b>	<b>4,885</b>	<b>(537)</b>	<b>739</b>	<b>0</b>	<b>0</b>	<b>202</b>	<b>5,087</b>
<b>Grand Total</b>	<b>176,585</b>	<b>189,700</b>	<b>(18,898)</b>	<b>21,559</b>	<b>0</b>	<b>0</b>	<b>2,661</b>	<b>192,361</b>

## Workforce Impact Summary

All Funds  
FY 2024 Through FY 2026

	FY 2024 Actuals (03/31/24)	Starting Estimate (03/31/25)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/26)
<b>Minor Agencies</b>								
Addiction Services and Supports, Office of	759	782	(91)	121	0	0	30	812
Adirondack Park Agency	51	54	(2)	7	0	0	5	59
Aging, Office for the	84	126	(9)	9	0	0	0	126
Agriculture and Markets, Department of	527	557	(20)	119	0	0	99	656
Alcoholic Beverage Control, Division of	286	398	(55)	112	0	0	57	455
Arts, Council on the	29	33	(3)	11	0	0	8	41
Budget, Division of the	287	292	(36)	36	0	0	0	292
Civil Service, Department of	390	499	(72)	155	0	0	83	582
Correction, Commission of	42	44	(10)	13	0	0	3	47
Criminal Justice Services, Division of	434	577	(52)	102	0	0	50	627
Deferred Compensation Board	4	4	0	0	0	0	0	4
Developmental Disabilities, State Council on	0	0	0	0	0	18	18	18
Economic Development, Department of	126	165	(15)	15	0	0	0	165
Elections, State Board of	141	220	(19)	27	0	0	8	228
Employee Relations, Office of	76	93	(12)	26	0	0	14	107
Ethics and Lobbying, Independent Commission on	51	68	(1)	1	0	0	0	68
Executive Chamber	146	168	(10)	10	0	0	0	168
Financial Control Board, New York State	11	12	(1)	1	0	0	0	12
Gaming Commission, New York State	306	396	(154)	154	0	0	0	396
Higher Education Services Corporation, New York State	78	105	(10)	10	0	0	0	105
Homeland Security and Emergency Services, Division of	620	758	(9)	21	0	0	12	770
Housing and Community Renewal, Division of	567	676	(94)	94	0	0	0	676
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	167	174	(25)	133	0	0	108	282
Indigent Legal Services, Office of	50	60	(4)	6	0	0	2	62
Inspector General, Office of the	96	105	(10)	10	0	0	0	105
Interest on Lawyer Account	8	9	0	2	0	0	2	11
Judicial Conduct, Commission on	47	56	(5)	5	0	0	0	56
Justice Center for the Protection of People with Special Needs	467	490	(39)	40	0	0	1	491
Labor Management Committees	64	71	(7)	13	0	0	6	77
Lieutenant Governor, Office of the	4	10	(2)	2	0	0	0	10
Medicaid Inspector General, Office of the	472	515	(26)	56	0	0	30	545
Military and Naval Affairs, Division of	373	394	(44)	89	0	0	45	439
Prevention of Domestic Violence, Office for	34	38	(6)	14	0	0	8	46
Prosecutorial Conduct, Commission on	0	19	(2)	2	0	0	0	19
Public Employment Relations Board	30	36	(9)	14	0	0	5	41
Public Service Department	477	578	(70)	120	0	0	50	628
State, Department of	665	660	(240)	280	0	0	40	700
Statewide Financial System	134	147	(29)	29	0	0	0	147
Tax Appeals, Division of	22	29	(3)	3	0	0	0	29
Veterans' Services, Department of	88	110	(10)	10	0	0	0	110
Victim Services, Office of	86	110	(36)	36	0	0	0	110
Waterfront Commission	0	32	(4)	4	0	0	0	32
Welfare Inspector General, Office of	4	6	(1)	1	0	0	0	6
<b>Subtotal - Minor Agencies</b>	<b>8,303</b>	<b>9,677</b>	<b>(1,247)</b>	<b>1,913</b>	<b>0</b>	<b>18</b>	<b>684</b>	<b>10,361</b>

## **Article VII - Miscellaneous**

**Amends the Healthy Terminals Act (ELFA Part T):** The Executive proposes to authorize the Commissioner of Labor to redefine the wage and benefit rate applicable to workers covered by the Healthy Terminals Act at a rate based on determinations made by the General Services Administration, pursuant to the federal McNamara-O’Hara Service Contract Act.

The Healthy Terminals Act establishes standard wage rates, including minimum wage and a supplemental benefit allotment, for covered airport workers at John F. Kennedy International Airport and LaGuardia Airport. It also covers any location used to perform airline catering work for food or beverage for consumption on airplanes, departing from a covered airport location for at least 30 hours per week. In addition to the hourly wage, covered workers must receive an hourly supplement totaling at least \$4.54 toward the cost of minimum essential coverage under an employer-sponsored health care plan. This proposal would authorize the Commissioner of Labor to redefine the wage and benefit rate pursuant to the federal McNamara-O’Hara Service Contract Act, which currently requires a health and welfare fringe benefit rate of \$4.98 per hour.

The redefined rates would not be applicable to workers employed in executive, administrative, or professional capacities, or those employed by the Port Authority of New York and New Jersey or any other governmental agency. This proposal stipulates that the redefined wages, supplemental wages, and other benefits cannot fall below minimum thresholds established by the Port Authority of New York and New Jersey or the Department of Labor.

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

**Limits Liquidated Damages in Certain Frequency of Pay Violations (ELFA Part U):** The Executive proposes to limit plaintiffs’ recovery of liquidated damages where a manual worker is paid at least bi-weekly, rather than weekly as required by the Labor Law. Instead, this proposal would establish a penalty schedule that would make first-time violations subject to 100 percent of the lost interest due for delayed payment; second-time violations subject to 300 percent of the lost interest due for delayed payment; and allow for liquidated damages equal to 100 percent of the total amount of wages due for a third or subsequent violation for employees within the same manual work classification.

New York State Labor Law currently 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 of half of all wages paid up to six years, interest, and attorney fees.

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

**Expands DOL Enforcement Power for Wage Theft (ELFA Part V):** The Executive Budget proposes to expand the Department of Labor’s wage theft enforcement authority by providing the Commissioner of Labor with the power to issue a warrant when employers violate New York State wage theft provisions of the Labor Law. This proposal would allow the Department of Labor to issue a warrant to the respective county sheriff, commanding the sheriff to levy and sell the offending employers’ real and personal property. Upon receipt of the warrant, the sheriff would be required to file with the county clerk within five days and pay any collected funds to the Department of Labor within 60 days. This process would mirror the same enforcement powers the Department of Labor is currently authorized to use for the collection of unpaid contributions owed to the Unemployment Insurance Trust Fund.

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 Budget did not provide a fiscal estimate for this proposal.*

**Increases Child Labor Penalties (ELFA Part W):** The Executive proposes to increase the penalties for violations of the Labor Law relating to the employment of minors. Under this proposal, first violations would be increased from a maximum of \$1,000 to \$10,000. Second violations would be increased from a maximum of \$2,000 to a minimum of \$2,000 and a maximum of \$30,000. Third and subsequent violations would be increased from a maximum of \$3,000 to a minimum of \$10,000 and a maximum of \$75,000.

This proposal would also require penalties for violations involving illegal employment during which a minor is seriously injured or dies to be at least \$3,000 but no more than \$30,000 for first violations, at least \$6,000 but no more than \$90,000 for second violations, and at least \$30,000 but no more than \$225,000 for third or subsequent violations. The Commissioner of Labor would have the discretion to reduce the penalty for a violation when such violation does not risk the safety or health of the employed minor, provided that the employer in violation agrees to take certain actions, as required by the Department of Labor, to prevent future violations.

This proposal would also increase the severity of the charge for knowingly violating the child labor laws from a misdemeanor to a felony punishable by a fine of up to \$1,000 or imprisonment for up to a year for first-time violators, and by a fine of up to \$10,000 or imprisonment for up to

two years for second-time violators. This proposal would also amend the Penal Law to provide that employers who act with criminal negligence to cause the death of a minor, in the course of employment, would be charged with a class D felony; while employers who knowingly employ a minor who suffers physical injury or death in the course of employment would be charged with a class E felony.

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

**Digitizes Youth Working Papers (ELFA Part X):** The Executive proposes to require the Department of Labor, in consultation with the State Education Department, to establish a database for the employment of minors and to require employers seeking to hire minors, and minors seeking to be employed, to register within the database.

This proposal would require any employment certificate or permit issued to minors by compulsory education institutions to be done electronically within the new database. It would further require that all employment certificates and permits be issued electronically and stored within the database by employers. The Commissioner of Labor would be authorized to prescribe the regulations necessary to carry out the requirements of the proposal.

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

**Ceases Reimbursement of the Medicare Income Related Monthly Adjustment Amounts to High-Income Retirees (PPGG Part U):** 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 to high-income state retirees and their dependents enrolled in the New York State Health Insurance Program (NYSHIP).

The federal government requires higher-income retirees to pay a greater share of their Medicare health insurance expenses, known as the IRMAA. IRMAA applies to Medicare beneficiaries who have a modified adjusted gross income above \$106,000 for an individual return or \$212,000 for a joint return. New York State currently fully reimburses retirees for the value of Part B IRMAA expenses. The Executive Budget proposes to cease IRMAA reimbursement payments, effective January 1, 2025, but it does not specify how the payments would be recouped.

This proposal would also provide an annual health insurance premium refund to certain State retirees. This payment would apply to state retirees who retired after January 1, 1983, provided that such annual payment would apply to those who retired from a title allocated or equated to a salary grade nine or below for retirees who retired on or after January 1, 2012. The premium



refund amount would be 50 percent of the reimbursement paid to state retirees for 2024 IRMAA premiums divided by the number of eligible state retirees, and would be subject to an annual increase based on inflation.

*Fiscal Impact: The Executive Budget estimates this would generate savings of \$12.3 million in State NYSHIP spending in SFY 2025-26 and \$12.9 million in SFY 2026-27.*

**Extends the Waiver of Civil Service Examination Fees (PPGG Part V):** The Executive proposes to extend the waiver of civil service exam fees through June 30, 2026. The waiver is currently set to expire on December 31, 2025.

The removal of fees for all State exams was one of several actions included in the FY 2024 Budget to assist with recruitment efforts in New York's public workforce. While fee waivers previously existed for veterans, as well as individuals who are unemployed or receiving public assistance, the majority of test-takers are required to pay an exam fee.

*Fiscal impact: The Executive Budget estimates that eliminating exam fees through June 30, 2026 would have a fiscal impact of \$1.25 million to the State.*

**Establishes an Optional Payment for Newly Hired State Employees (PPGG Part W):** The Executive proposes to establish an optional payment for newly hired state employees that would be issued prior to their normally scheduled paycheck under the Lag Payroll process.

The Lag Payroll requires new state employees to wait approximately one month before receiving their first paycheck. The SFY 2024-25 Enacted Budget terminated the Lag Payroll process, effective July 1, 2025, as part of an effort to aid workforce recruitment efforts. The Executive proposal would rescind the pending termination of the Lag Payroll process. Instead of terminating the Lag Payroll process, the Executive proposes to offer new state employees, hired on or after July 1, 2025, an optional payment that would be issued prior to their normally scheduled paycheck under the Lag Payroll process, intended to replicate the employee's wage. Such payment would then be recouped by the State over the employees' first 14 pay periods. Employee eligibility for such payment would be subject to the approval from the labor unions representing Executive Branch state employees and at the election of the Judiciary and Legislature for their employees.

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

**Expansion of Worker's Compensation Treatment (PPGG Part AA):** The Executive proposes to increase the number of providers able to treat workers' compensation cases by allowing medical and surgical residents and fellows, who are currently in academic training programs, to treat workers' compensation patients. The Workers' Compensation Law currently only allows

licensed physicians who have completed their residency or fellowship to treat patients covered by workers' compensation. Physicians and their institutions can only bill for time the authorized attending physician spends with workers' compensation patients, not for time residents or fellows spend with the patient without the attending physician.

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

**Expands Workers' Compensation Authorization (PPGG Part BB):** The Executive proposes to increase the number of providers able to treat workers' compensation cases by allowing any provider to treat these patients. This means that any licensed acupuncturist, chiropractor, nurse practitioner, occupational therapist, physical therapist, physician, physician assistant, podiatrist, psychologist, or social worker, in good standing, can treat workers' compensation patients.

This proposal would require the Workers' Compensation Board to publish and maintain a list of excluded providers, which would include providers who are currently disqualified from rendering care or performing independent medical examinations. Disqualifying conduct would include, but not be limited to: being found guilty of professional or other misconduct or incompetency in connection with rendering medical services; making materially false statements regarding professional qualifications or exceeding the scope of their professional competence; accepting payments from both the health insurer and employer or carrier and failing to reimburse the health insurer after receiving notice; or failing to comply with mandated reporting, testimonial, or appearance requirements.

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

**Provides for the Payment of Workers' Compensation Medical Bills Without Accepting Liability (PPGG Part CC):** The Executive proposes to allow workers' compensation payers to pay for medical treatment and care without accepting liability for one year. Payers currently provide compensation and prescription payments, but not medical care, without accepting liability. By allowing payers to cover the costs of medical treatment and care without liability for one year, this proposal intends to help secure timely payment for medical treatment to injured workers, and reduce the amounts of claim denials and litigation by allowing the payer to reserve their right to dispute the claim at a later date, upon notice to the injured worker.

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

**Codifies the Department of Financial Services Workers' Compensation Treatment Opinion (PPGG Part DD):** The Executive proposes to require health insurers and health benefits plans to pay for treatment when workers' compensation treatment is being contested or denied. This proposal would codify a Department of Financial Services opinion (No. 06-12-09) which

provides that when an accident and health insurance policy excludes coverage for benefits provided under the Workers' Compensation Law, the private health insurance carrier must pay the claim unless benefits under the Workers' Compensation Law are actually provided.

Under this proposal, the insurance carrier would be entitled to reimbursement for such payments by the workers' compensation carrier or employer, within the limits of the medical and hospital fee schedules adopted by the chair, if it is later determined that the coverage provided by the health insurance carrier should have been the responsibility of the workers' compensation insurance carrier or employer. This is intended to assist the Department of Financial Services and the Workers' Compensation Board in securing payment of claims through the Health Insurance Matching Program.

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

# HUMAN SERVICES AND HOUSING



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Human Services and Housing Fact Sheet

### Appropriations

- **Child Care Subsidy:** The Executive provides \$1.79 billion in funding for child care assistance to families earning 85 percent of the State Median Income (SMI) or \$108,631 for a family of four.
- **Child Care Construction and Renovation Grants:** The Executive provides \$100 million in capital funding for child care centers, counties, and municipalities to expand the availability of child care throughout the State, especially where child care needs are most pronounced. In addition, the Executive includes \$10 million in federal funds for family child care programs for renovations and repairs that will improve safe and quality care.
- **Child Care Worker Substitute Pool:** The Executive proposes to invest \$3 million to develop a pilot program for providers serving children receiving child care assistance.
- **Support New Mothers:** The Executive in partnership with Baby2Baby will provide maternal health and newborn supplies to new mothers in an effort to reduce maternal mortality and assist with postpartum depression and anxiety. The Executive Budget includes \$8 million to provide postpartum boxes and \$1.5 million to provide approximately 10 million diapers throughout the State.
- **Establish the Birth Allowance for Beginning Year (BABY) Benefit:** The Executive includes \$8.5 million to provide \$100 per month to pregnant individuals and provide a \$1,200 payment at the birth of the child. These enhanced benefits will be available to New Yorkers on public assistance.
- **Maintain Support for the Migrant Crisis:** The SFY 2024-25 Enacted Budget included \$2.4 billion in spending authority and the SFY 2025-26 Executive Budget continues to make this funding available for New York City for reimbursement of expenditures and to continue support for ongoing needs.
- **Resettlement:** The Executive includes \$2 million for the Refugee Resettlement Program. The Executive eliminated the \$5 million legislative add that was included as part of the SFY 2024-25 Adopted Budget.

- **Expand Suicide Prevention Initiatives for Veterans:** The Executive includes \$1 million to expand suicide prevention initiatives for veterans. This funding would be used for risk assessment training, gun safety programs, and improved access to mental health services.
- **City of Yes Housing Development:** The Executive provides \$1.025 billion in support for New York City’s affordable housing creation initiatives via the “City of Yes for Housing Opportunity” plan.
- **Pro-Housing Supply Fund:** The Executive recommends a \$110.5 million investment from the State to expand on previous Pro-Housing Community initiatives. Municipalities that received the Pro-Housing certification established in FY 2025 can seek assistance for housing-related infrastructure improvements through the new Pro-Housing Supply Fund, backed by \$100 million in capital investments. Additionally, \$10.5 million is outlined for technical assistance grants to applicants.
- **Modular and Starter Home Development:** The Executive Budget outlines new capital funding totaling \$50 million to facilitate the development of starter and modular homes.
- **Mixed-Income Revolving Loan Fund:** The Executive proposes \$50 million in capital funding for a revolving loan fund to finance the construction of mixed-income rental housing developments outside of New York City.
- **Down-Payment Assistance for First-Time Homebuyers:** The Executive proposes \$50 million in grants for first-time homebuyers, with eligibility for households up to 120 percent of Area Median Income, to help cover closing costs and down payments for the purchase of single-family homes, condominiums, and cooperatives.
- **Resilient and Ready Program:** The Executive Budget proposes \$50 million for the Resilient and Ready program to support permanent home retrofits and quick repair efforts in response to natural disasters, a \$10 million increase from SFY 2024-25.
- **Homeowner Protection Program (HOPP):** The Executive recommends \$40 million for foreclosure prevention legal aid through the Homeowner Protection Program, continuing funding levels from SFY 2024-25.
- **Farmworker Housing Program:** The Executive Budget allocates new capital funding totaling \$5 million to expand affordable housing through the Farmworker Housing Program.

- **New York City Land Trust:** The Executive Budget proposes \$1.5 million for the operation of community land trusts in the City of New York.
- **Technical Housing Program Change:** The Executive Budget includes \$427 million through a capital housing plan appropriation, a technical change to backfill funding that was used to provide temporary Housing Finance Agency bond financing.

## Article VII

- **Establish a Child Care Substitute Pool:** The Executive proposes establishing a substitute caregiver pool for child day care centers, group family day care homes, family day care homes, and school-age child care programs.
- **Establish the Birth Allowance for Beginning Year (BABY) Benefit:** The Executive proposes providing recipients of public assistance an enhanced monthly benefit during pregnancy and a one-time monetary benefit upon the birth of their child.
- **Pass-Through Authorization of any Federal Supplemental Security Income Cost of Living Adjustment:** The Executive Budget proposes raising the Personal Needs Allowance (PNA) and standard of monthly needs amounts.
- **Extend Temporary Operator Authorization for Emergency Shelters:** The Executive proposes a 3-year extension of OTDA's authority to appoint temporary operators for emergency homeless shelters.
- **Combat Appraisal Discrimination:** The Executive proposes to make discrimination based on protected classes unlawful when making real estate appraisals or making appraisal services available. The proposal also provides the Department of State with the authority to impose fines for violations of the law.
- **Ban Collusion Through the Use of Algorithm-Enabled Rent Price Fixing:** The Executive proposes to prohibit the facilitation of coordinated agreements aimed at avoiding competition in the rental market, and to adjust rental prices, lease terms, or occupancy levels based on the recommendation of an algorithmic device.
- **Grant Rent-Regulated Tenants the Same Security Deposit Protections as Other Tenants:** The Executive proposes to extend protections currently afforded to non-rent stabilized tenants to those in rent-stabilized dwellings.

- **Equip Communities to Acquire Abandoned Properties:** The Executive Budget expands the conditions under which municipalities can make a finding that a property is vacant or abandoned, allowing them to acquire the property.
- **Create Affordable Homebuyer Tax Exemption:** The Executive proposes to create an opt-in tax exemption for municipalities to incentivize the creation of low-income rental and ownership housing.
- **Reduce Shelter Rent Taxes for Mitchell-Lama Residents:** The Executive proposes to increase the tax abatement for Mitchell-Lama developments in New York City, with the ability for local opt-in for Mitchell-Lama developments located in the rest of the state.
- **Expand Availability of Redevelopment Inhibited Property Tax Exemption:** The Executive Budget proposes to allow all municipalities to opt in to a tax exemption for improvements to certain blighted properties and to expand the existing credit to allow one to four unit properties and owner-or-tenant occupied properties to receive the exemption.
- **Authorize Mortgage Insurance Fund (MIF) Utilization:** The Executive Budget proposes funding for the Neighborhood Preservation Program, Rural Preservation Program, the Rural Rental Assistance Program and the Housing Trust Fund.



## Human Services Agency Details

Human Services and Housing Agency Funds Appropriations (\$ in Millions)				
	SFY 2024-25 Adopted Budget	SFY 2025-26 Executive Recommendation	\$ Change	% Change
Office of Children and Family Services	\$5,675.22	\$5,789.59	\$114.37	2.0%
Raise the Age	\$250.00	\$250.00	\$0	0.0%
Office of Temporary and Disability Assistance	\$10,141.31	\$7,766.08	(\$2,375.23)	-23.4%
Division of Housing and Community Renewal	\$1,026.75	\$2,182.65	\$1,155.90	112.6%
State of New York Mortgage Agency	\$198.45	\$187.60	(\$10.85)	-5.5%
Department of Veterans' Services	\$33.96	\$32.57	(\$1.39)	-4.1%
Division of Human Rights	\$28.89	\$39.89	\$11.00	38.1%
Office of Welfare Inspector General	\$1.39	\$1.39	\$0	0.0%
National and Community Service	\$31.03	\$31.03	\$0	0.0%
Nonprofit Infrastructure Capital Investment Program	\$0.00	\$0.00	\$0	0.0%
<b>Total Human Services and Housing</b>	<b>\$17,387.00</b>	<b>\$16,280.80</b>	<b>(\$1,106.20)</b>	<b>-6.4%</b>

### Overview

The SFY 2025-26 Executive Budget recommends \$16.3 billion in All Funds support for the agencies comprising the Human Services and Housing functional areas. This reflects a decrease of \$1.1 billion, or 6.4 percent, from SFY 2024-25, which can be primarily attributed to the elimination of \$2.4 billion in spending for the Migrant Assistance Program for the Office of Temporary and Disability Assistance offset by an increase in funding of \$1.1 billion for Division of Housing and Community Renewal, and a increase of \$114.3 million for Office of Children and Family Services.

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

The SFY 2025-26 Executive Budget includes \$5.8 billion in All Funds appropriations, which reflects an increase of \$114.4 million, or 2 percent, over SFY 2024-25. This increase in funding is primarily attributed to an increase of \$100 million in capital funds for the Child Care Expansion and Renovation Projects, \$49 million for the increased costs of the local share of Medicaid, and \$15 million for youth programming activities. These increases are offset by the elimination of \$105.6 million in legislative additions.

Child Care: The Executive Budget provides \$1.79 billion in All Funds support for the New York State Child Care Block Grant, which reflects an increase of \$754.4 million over SFY 2024-25. This \$1.79 billion investment in child care includes: \$963.6 million in general fund support; \$338.2 million from the federal Child Care Development Fund; and \$497.2 million in Temporary Assistance for Needy Families (TANF) support. Income eligibility for child care assistance remains at 85 percent of State Median Income (SMI), which is currently \$108,631 for a family of four.

As of the November 2024 OCFS monthly statistics, there are 136,908 children in 81,564 families receiving Child Care Assistance, an increase of 26,805 children (20,932 families) or 34.5 percent above November 2023 levels. As of January 13, 2025, Local Social Services Districts (LSSDs) statewide claimed 81 percent of their 2024 child care allocations. New York City has submitted claims for 81 percent and the rest of the state has claimed 82 percent of their allocation for 2024.

The Executive proposes \$110 million Child Care Construction and Renovation Grants programs. These grants will provide \$100 million in capital funding for child care centers expansion, including \$25 million dedicated for counties and municipalities. In addition, the Executive includes \$10 million in federal funds for family child care programs for renovations and repairs. The Executive proposes to invest \$3 million in a child care worker substitute pool pilot program for providers that serve children receiving child care assistance. The Executive also provides \$1 million to create and support the NY Coalition for Child Care that will research and develop sustainable revenue generating ideas to fund child care as the state examines the potential of universal child care.

Learning and Enrichment After School Program Supports (LEAPS) Program: The Executive Budget proposes \$109.7 million in funding for the LEAP program, an increase of \$6.4 million over SFY 2024-25. This increase in funding would support minimum wage increases. The LEAP program was established last year after consolidating the Advantage After School and the Empire State After School programs into one program administered by OCFS. In October 2024 the Governor announced approximately \$100 million in grants had been awarded to 238 After School programs statewide, which was estimated to serve approximately 40,000 children throughout the State.

Child Advocacy Centers: The Executive Budget proposes \$14.5 million in support for Child Advocacy Centers, an increase of \$9.2 million from SFY 2024-25. This funding will provide child crime victims with a dedicated advocate to accompany them through every phase of investigation and legal proceedings and to make the child's identity private.

Medicaid For Foster Care Youths: The Executive recommends \$119 million in funding for Medicaid Services for foster care youth, an increase of \$49 million from SFY 2024-25. This funding includes \$39 million resulting from shifting local share of Medicaid expenses from the DOH budget to OCFS budget as well as an additional \$10 million to better reflect spending trends.

Runaway and Homeless Youth (RHYA): The Executive provides \$9.8 million in support of the Runaway and Homeless Youth Program, an increase of \$3.5 million to support expanded homelessness prevention services, residential program, outreach, drop-in centers as well as mental health services.

Get Offline, Get Outside 2.0: The Executive Budget provides \$12.5 million in support for the operation of the statewide youth sport initiative, an increase of \$7.5 million from SFY 2024-25. This initiative is funded from online sports betting proceeds. In addition, the Executive provides \$21.6 million for the Youth Development Program, an increase of \$7.5 million from the prior year's level. The Executive estimates that this \$15 million increase in funding would increase access to sports and recreational activity for an additional 100,000 youths.

Targeted Inflationary Increase (Human Services COLA): The Executive Budget proposes \$11.8 million to provide a 2.1% Cost of Living Adjustments for various OCFS programs as follows: \$8.4 million for Foster Care Services; \$3.4 million for Adoption Services; and \$50,000 for the New York/New York III Program for supportive housing.

Minimum Wage Increases: The Executive Budget includes \$14.1 million to provide minimum wage increases for employees under State contracts, which reflects an increase of \$4.1 million over SFY 2024-25.

Dolly Parton Imagination Library: The Executive budget includes \$7 million for the Dolly Parton Imagination Library that provides age-appropriate books to children from birth to age five as part of a monthly mailing program.

Raise the Age: The SFY 2025-26 Executive Budget provides \$250 million in All Funds support for the continued implementation of Raise the Age, unchanged from SFY 2024-25. The Executive financial plan includes \$121 million of spending against this appropriation.

## Article VII

**Permanently Extend the Current Financing Structure for Residential Placements of Children with Special Needs Outside of New York (ELFA Part O)**: The Executive Budget proposes making the current reimbursement structure for the placement of children with disabilities by school district permanent. This reimbursement structure has previously been extended within the budgetary process.

Currently, local social service districts are responsible for the costs related to the residential school based placement of students. Costs for a student with disabilities placed in a residential school are paid by the local social service districts (LSSDs) where the student resides at the time of the commencement of the school year. Under this reimbursement structure, LSSDs are reimbursed by the student's school district at approximately 56.85 percent. Currently, costs for a student attending a state-operating school for the deaf or blind are reimbursed 50 percent. If a school district fails to make required reimbursement payments, the State Comptroller must withhold state reimbursement to that school district which is equal to the amount which is owed to the LSSD. Upon certification by OCFS and the State Education Department (SED) that payment of funds are overdue, the Comptroller shall pay the withheld amount directly to the LSSD.

*Fiscal Impact: The Executive proposal estimates that this would generate a savings to the State of \$28.6 million.*

**Establish a Child Care Substitute Pool (ELFA Part P)**: The Executive Budget proposes establishing a substitute caregiver pool for child day care centers, group family day care homes, family day care homes, and school-age child care programs, in which such substitutes are placed by business entities certified by the Office of Children and Family Services as child care support centers. Before placing a substitute, the centers must verify that substitute caregivers have completed the necessary training and background checks, and met any other requirements established by OCFS.

*Fiscal Impact: The Executive proposal estimates that this would have a fiscal impact of \$3 million to the State in SFY 2025-26.*

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

The SFY 2025-26 Executive Budget provides \$7.7 billion in All Funds appropriations, which reflects a decrease of \$2.4 billion or 23.4 percent from SFY 2024-25. This decrease in funding is primarily attributed to the elimination of a \$2.4 billion multi-year appropriation for Migrant Services and Assistance program, \$50 million for the Anti-Poverty Initiative, \$10 million for a rent arrears initiative for outside NYC, and the elimination of \$105.6 million in legislative addition. This decrease in funding is offset by a \$150 million increase in funding for public assistance, \$30 million increase for the Empire State Supportive Housing Initiative (ESSHI), and \$25 million increase in capital for the Homeless Housing Assistance Program.

Public Assistance: The SFY 2025-26 Executive Budget projects total gross costs of \$3.87 billion for a public assistance caseload of 688,153 recipients. This represents a year-to-year increase of 24,692 recipients, or 3.7 percent. Safety Net spending is projected at \$2.74 billion, an increase of \$133.96 million, or 5.1 percent. The Executive anticipates federal TANF spending at \$1.13 billion for a caseload of 205,120 families, an increase of 2,528 recipients.

Supportive Housing: The Executive includes \$240 million for the Empire State Supportive Housing Initiative (ESSHI), a \$30 million increase from SFY 2024-25 levels. Funding for the ESSHI program provides supportive housing and services for families and individuals who are unsheltered and have a disabling condition or life challenges. In addition, the Executive provides \$71.4 million for the New York State Supportive Housing Program, a \$17.8 million increase from the prior year levels. This increase in funding is estimated to increase rates by approximately 40 percent.

Temporary Assistance for Needy Families (TANF)

Summary of SFY 2025-26 Executive Budget TANF Program (\$ in Thousands)				
PROGRAM	SFY2025 Adopted	SFY 2026 Executive	\$ Change	% Percent
<b>TANF BASE TOTAL</b>	<b>\$1,233,023</b>	<b>\$1,248,798</b>	<b>\$15,775</b>	<b>1.28%</b>
Public Assistance (PA) Benefits	\$1,112,501	\$1,126,041	\$13,540	1.22%
Baby Benefit	-	\$3,600	\$3,600	100.00%
Emergency Assistance to Needy Families (EAF)	\$288,639	\$288,639	\$0	0.00%
NYC EAF Share Shift (15%)	(\$38,102)	(\$38,102)	\$0	0.00%
NYC FA Share Shift (15%)	(\$130,015)	(\$131,380)	(\$1,365)	1.05%
<b>TANF INITIATIVE TOTAL</b>	<b>\$1,650,200</b>	<b>\$1,573,500</b>	<b>(\$76,700)</b>	<b>-4.65%</b>
ACCESS - Welfare to Careers	\$800	-	(\$800)	-100.00%
Advanced Technology Training (ATTAIN)	\$4,100	-	(\$4,100)	-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	\$463,630	\$497,200	\$33,570	7.24%
Child Care SUNY	\$193	-	(\$193)	-100.00%
Flexible Fund for Family Services	\$1,014,000	\$964,000	(\$50,000)	-4.93%
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	\$50,000	\$51,500	\$1,500	3.00%
Additional Summer Youth Employment	\$5,000	-	(\$5,000)	-100.00%
Youth Opportunitites Program	\$38,800	\$40,600	\$1,800	4.64%
Local District Case Management Support	\$17,200	\$17,200	\$0	0.00%
Rochester, Buffalo, Syracuse, Anti-Poverty	\$50,000	-	(\$50,000)	-100.00%
Wage Subsidy Program	\$475	-	(\$475)	-100.00%
Wheels for Work	\$144	-	(\$144)	-100.00%
<b>TOTAL TANF COMMITMENT</b>	<b>\$2,883,223</b>	<b>\$2,822,298</b>	<b>(\$60,925)</b>	<b>-2.11%</b>

The Executive Budget includes approximately \$2.82 billion in support for TANF, a decrease of \$60.93 million, or 2.1 percent, from SFY 2024-25. This decrease in funding is primarily the result of the elimination of a one-time \$50 million Anti-Poverty initiative and a \$50 million reduction for the Flexible Fund for Family Services. The Executive TANF recommendation also includes \$497.2 million for child care subsidies, \$92.1 million for Youth Employment programs, and \$3.6 million for a Baby Benefits initiative. The Executive eliminated \$13.57 million in funding for various TANF initiatives traditionally supported by the Legislature.

New York City Department of Homeless Services Welcome Centers: The Executive includes \$18.5 million for the expansion of New York City Department of Homeless Services Welcome Centers near public transportation locations. Welcome Centers are sites where unsheltered individuals are provided temporary housing/shelter while their physical and behavioral health needs are clinically assessed by staff. Center staff assess individuals by finding the best placement options for them including the formal shelter system or permanent housing options like supportive housing or a voucher program.

Monroe County Ladders Program: The Executive proposes \$3 million for the Monroe County Ladders Program to examine the “benefits cliff.” The “benefits cliff” is when a worker may not accept or seek an increase in income that will make them no longer eligible for means tested benefits (public assistance). This demonstration program will be a collaboration between the county and employers to provide work incentive payments to low-wage workers to examine the real or perceived loss of means tested benefits.

Employment Opportunities for Youth: The Executive Budget proposes \$40.6 million for the Youth Opportunity Program, which is an increase of \$1.8 million to account for increases in the State’s minimum wage. 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 \$51.5 million for the Summer Youth Employment Program (SYEP), which is an increase of \$1.5 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. The Executive eliminated \$5 million in additional legislative support that was utilized to employ additional youths.

## **Article VII**

**Establish the Birth Allowance for Beginning Year (BABY) Benefit (ELFA Part Q):** The Executive Budget proposes providing recipients of public assistance an enhanced monthly benefit during pregnancy and a one-time benefit upon the birth of their child. The benefits will be provided in accordance with regulations issued by the Office of Temporary and Disability Assistance (OTDA). The Executive Budget proposal is subject to appropriation.

*Fiscal Impact: The Executive proposal estimates this would have a fiscal impact of \$8.5 million to the State in SFY 2025-26.*

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

**Adjustment (ELFA Part R):** 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 \$5 (\$181 to \$186).
- Residential care increased by \$5 (\$208 to \$213).
- Enhanced residential care is increased by \$6 (\$249 to \$255).

The proposal raises the standard monthly need by \$24 for single individuals as follows:

- Individuals living alone (\$1,030 to \$1,054).
- Individuals living with others with or without in-kind income (\$966 to \$990).
- Individuals receiving family care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,171 to \$1,195).
- Individuals receiving family care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,209 to \$1,233).
- Individuals receiving residential care in New York State, not including New York City, or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,348 to \$1,372).
- Individuals receiving residential care in New York City or Nassau, Suffolk, Westchester, or Rockland Counties (\$1,378 to \$1,402).
- Individuals receiving enhanced residential care (\$1,637 to \$1,661).

The proposal raises the standard monthly need by \$35 for couples as follows:

- Couples living alone (\$1,519 to \$1,554).
- Couples living with others with or without in-kind income (\$1,461 to \$1,496).

*Fiscal Impact: The Executive proposal does not have a fiscal impact on the State.*



**Extend Temporary Operator Authorization for Emergency Shelters (ELFA Part S):**

The Executive Budget proposes extending OTDA’s authority to appoint temporary operators for emergency homeless shelters to March 31, 2028. Currently, the Commissioner of OTDA may appoint a temporary operator for an emergency shelter if the established operator fails to address serious issues, such as unsafe conditions or financial problems. The temporary operator must meet specific qualifications and create a plan to rectify the shelter's deficiencies and oversee operations for up to 90 days, which may be extended if necessary. The established operator remains responsible for maintaining the building and paying any debts, even after a temporary operator is appointed, and is not relieved of any liability or responsibilities incurred before the appointment. This provision was most recently extended via the SFY 2022-23 Enacted Budget and is set to expire on March 31, 2025.

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

**Department of Veterans’ Services**

The SFY 2025-26 Executive Budget provides \$32.6 million in All Funds appropriations, a decrease of \$1.39 million, or 4.1 percent, from SFY 2024-25. This level of funding supports 110 FTEs, which is consistent with SFY 2024-25 enacted levels. The decrease of \$1.39 million is attributed to the elimination of \$3.5 million in various legislative initiatives.

These decreases are offset by increases as follows:

- \$1 million to expand veteran suicide prevention initiatives and mental health services.
- \$525,000 for the implementation of the Alex R. Jimenez New York Military Immigrant Legacy Program, which assists foreign-born servicemembers and their families secure legal immigration status in the United States.
- \$350,000 for the Military Family Relief Fund to support various relief initiatives for military families.
- \$157,000 for coordination and training of veterans liaisons within each State agency.
- \$100,000 increase for the Gold Star Annuity program.

**Article VII**

**Expand Eligibility for Gold Star Annuity (ELFA Part Y):** The Executive’s proposal seeks to expand eligibility for the Gold Star Annuity program to spouses and minor children of a service member who died while on active duty. Currently, the program grants the annuity based on eligibility for the federal gold star lapel button, which only includes those who lost their lives in a war, period of hostilities, armed conflict, or terrorist attack. The annuity increases each year based on the United States Department of Veterans Affairs compensation and pension benefits adjustments, but must be between one and four percent.

The annuity payments cease if the recipient is no longer domiciled in New York, but may be resumed upon their return. Eligible spouses for this program include non-remarried and remarried spouses and eligible minors include biological, step, or adopted children, through the day before the child's eighteenth birthday.

*Fiscal Implication: The Executive proposal estimates this would have a fiscal impact of \$350,000 recurring cost to the State for SFY 2025-26*

### **Division of Human Rights**

The SFY 2025-26 Executive Budget provides \$39.9 million in All Funds support, an increase of \$11 million, or 38.1 percent, from SFY 2024-25. This level of funding supports 282 FTEs, which is an increase of 108 FTEs from SFY 2024-25 enacted levels. This increase in funding would primarily support workforce increases to improve the efficiency of the discrimination intake process as well as improve the agency's ability to investigate discrimination complaints.

### **Article VII**

**Creation of Discrimination Complaints Escrow Fund (ELFA Part Z):** The Executive Budget proposes creating a Discrimination Complaints Escrow Fund which establishes a trust and agency fund to compensate complainants for acts of unlawful discrimination. The fund would include any conciliation or settlement funds and any monetary awards received by the Division of Human Rights (DHR) on behalf of complainants. The Executive Budget also proposes to authorize DHR to designate a required form and complaint procedures and to manage the Fund, and also proposes to repeal the complainant consent requirement for administrative convenience dismissals in housing discrimination cases.

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

### **Office of the Welfare Inspector General (OWIG)**

The SFY 2025-26 Executive Budget proposes \$1.4 million in All Funds support, which is consistent with SFY 2024-25 enacted levels. This level of funding would support 6 FTEs which is consistent with SFY 2024-25 enacted levels. 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 2025-26 Executive Budget proposes \$31 million in All Funds support, which is consistent with SFY 2024-25 enacted levels. This level of funding supports 10 FTEs, unchanged from SFY 2024-25. 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.

### **Nonprofit Infrastructure Capital Investment Program**

The Executive Budget does not include any new capital funding for SFY 2025-26, which is consistent with SFY 2024-25 enacted levels. The Executive Budget does include \$74.4 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 \$167.6 million in awards for 416 projects and has distributed \$99.4 million in grants to nonprofit organizations throughout New York State.

## Housing Agency Details

### Division of Housing and Community Renewal (DHCR)

The Executive Budget proposes \$2.18 billion in All Funds appropriations for DHCR for SFY 2025-26, an increase of \$1.16 billion, or 112.58% percent from SFY 2024-25 levels. This increase is primarily attributable to a one-time proposed commitment towards New York City's City of Yes for Housing Opportunity program. The Executive recommends that the DHCR workforce remain constant at 676 FTEs.

The Executive Budget contains the following new major items for housing policy:

#### Capital Projects

- **City of Yes for Housing Opportunity:** \$1.03 billion to support New York City's affordable housing creation initiatives via the "City of Yes for Housing Opportunity" plan.
- **Pro-Housing Supply Infrastructure Fund:** \$100 million in capital appropriations to the Pro-Housing Community fund, making infrastructure improvement grants available to certified communities. In addition, \$10.5 million is available in technical assistance grants for applicants through the Aid to Localities budget.
- **Mixed-Income Rental Revolving Loan Fund:** \$50 million in capital towards a revolving loan fund financing the construction of affordable mixed-income rental housing outside of New York City.
- **Modular and Starter Homes:** \$50 million in capital appropriation to incentivize construction of modular and starter homes.
- **Resilient and Ready:** \$50 million in capital funding for home repairs and retrofits related to natural disaster preparation through the Resilient and Ready program, a \$10 million increase from the SFY 2024-25 funding.
- **Farmworker Housing:** \$5 million to support the expansion of affordable housing for farmworkers through the Farmworker Housing Program.
- **Housing Program Backfill:** \$427 million to backfill authority that temporarily used towards bond financing for the Housing Finance Authority (HFA). It is important to note that this appropriation does not represent any additional capital commitment to the Housing Program.

## Local Assistance Projects

- **First Time Homebuyers:** \$50 million towards an assistance program for qualifying first-time homeowners with incomes up to 120 percent of the area median income, providing recipients with grants to help cover closing costs and down payments.
- **Homeowner Protection Program:** \$40 million directed to the Homeowner Protection Program (HOPP), which provides legal aid to homeowners at risk of foreclosure. In SFY 2024-25, HOPP was funded at \$40 million through the Interest on Lawyer Account (IOLA).
- **New York City Community Land Trusts:** \$1.5 million to support the operation of community land trusts in New York City.
- **Washington Houses Community and Senior Center:** \$400,000 to facilitate the renovation of the Washington Houses NYCHA Development in East Harlem.

The Executive Budget proposes to cut or decrease the following capital items:

- The Executive Budget proposal excludes \$582 million in capital funding appropriations included in the SFY 2024-25 budget, including:
  - \$140 million for the New York City Housing Authority Program.
  - \$80 million for the Mitchell-Lama Preservation Program.
  - \$75 million for the New York Housing for the Future Rental Program.
  - \$75 million for the New York Housing for the Future Co-op Program.
  - \$75 million for the Public Housing Program for Public Housing Authorities outside of New York City.
  - \$40 million for the Infill Housing Program.
  - \$40 million for Land Banks.
  - \$40 million for the Rest of State Vacant Apartment Repair and Rehabilitation Program.
  - \$10 million for the USDA 515 Rental Properties Preservation Program.
  - \$7 million for the Small Rental Housing Development Initiative.
- Additionally, the Executive Budget decreases funding for the Access to Home program by \$3 million.

The Executive Budget proposes to cut or decrease the following local assistance items:

- It excludes local assistance funding of \$10 million for land bank operations.
- It decreases funding by \$2 million for services and expenses associated with the Fair Housing Testing program.
- Excludes \$4.5 million in legislative additions that were part of the SFY 2024-25 finalized budget.

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

The Executive Budget proposes \$187.6 million in All Funds appropriations for the State of New York Mortgage Agency (SONYMA), representing a decrease of \$10.9 million, or 5.5 percent, from SFY 2024-25 levels. There are no FTEs associated with SONYMA.

### **Article VII - Miscellaneous**

**Combat Appraisal Discrimination (ELFA Part G):** The Executive Budget proposes to make discrimination based on protected classes unlawful when making real estate appraisals or making appraisal services available. The Executive Budget proposal also provides the Department of State the authority to impose fines for violations of the law. Protected classes include race, creed, color, national origin, citizenship, immigration status, sexual orientation, gender identity or expression, military status, sex, age, disability, marital status, status as a victim of domestic violence, lawful source of income (including housing vouchers), or familial status of the prospective owners or the current occupants of a property. Those found to have discriminated against any individual in making real estate appraisal services available or to have based an appraisal on one of the protected classes may be fined up to \$2,000 by the Department of State. The Department of State must make 50% of all funds received via these fines payable to the Anti-Discrimination in Housing Fund.

The Executive further proposes that money in the Anti-Discrimination in Housing Fund, currently used to pay for fair housing testing, also be used to address appraisal discrimination by conducting new appraisals and offering appraisal reviews, providing fair housing education and outreach, and addressing and investigating fair housing complaints. The fund is administered by the State Comptroller and monies are utilized and disbursed by the Attorney General.

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

### **Ban Collusion Through the Use of Algorithm-Enabled Rent Price Fixing (ELFA Part H):**

The Executive Budget proposes to modify the Donnelly Act, the main antitrust law in New York, to prohibit collusion and anti-competitive agreements between two or more residential rental property owners or managers. The proposal also makes it a violation to coordinate rental pricing, leasing terms, or occupancy levels through express communication or based on the recommendation of an algorithm performing a coordinating function.

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

**Grant Rent-Regulated Tenants the Same Security Deposit Protections as Other Tenants**

**(ELFA I):** The Executive Budget proposes aligning rental security deposit regulations for rent-stabilized tenants with the Housing Stability and Tenant Protection Act (HSTPA) of 2019.

Under the HSTPA of 2019, tenants in rental properties that are not rent regulated were provided protections including requirements that landlords return security deposits within 14 days from when a tenant vacates a property, provide an itemized list of any damages beyond wear and tear for which they are deducting any part of the security deposit return, and conduct an inspection within two weeks of tenants' vacancy to give tenants time to correct any damages. This bill proposes to apply similar protections to rent-stabilized tenants.

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

**Equip Communities to Acquire Abandoned Properties** (ELFA Part J): The Executive Budget proposes to expand the conditions under which municipalities can recover vacant and abandoned property through a legal proceeding. The proposal specifies that property can be considered vacant if it is not sealed or continuously guarded, whereby entry to the property can be gained without damaging any part of the property. Furthermore, the proposal adds a new condition under which vacant property can be recovered by a municipality in court. If a vacant property has a zoning, building, or property maintenance code violation (that has the potential to injure, endanger, or unreasonably annoy the health and safety of others) and has not been addressed for a period of at least one year from the date of the original notice to the property owner, the municipality is able to attempt to recover the property in a legal proceeding.

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

**Create an Affordable Homebuyer Tax Exemption (ELFA Part K):** The Executive Budget proposes to create an opt-in tax exemption for counties, cities, towns, villages, and school districts to incentivize the creation of low-income rental and ownership housing. In order to qualify for the exemption, the housing: (i) must be the primary residence of the inhabitant; (ii) be subject to a legal agreement with a governmental, non-profit, land trust, or land bank; and (iii) either be transferred to a low-income household making not more than 80% of area median income (AMI) or the land must be transferred to a land trust or land bank and the building must be leased or sold to a low-income household making not more than 80% of AMI. In the New York City metropolitan area, 80% of AMI is approximately \$87,000 for an individual and \$124,000 for a family of four. The exemption must be between 25-50% of assessed value of the property. The exemption will cease if a property is no longer used for residential purposes, is no longer the primary residence of the inhabitants, or is transferred to anyone other than heirs or distributees of the owner who meet the 80% AMI income limitation.

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

**Reduce Shelter Rent for Mitchell-Lama Developments (ELFA Part L):** The Executive Budget proposes to increase a tax exemption for Mitchell-Lama developments to reduce the taxes paid as part of the shelter rent, also known as carrying charges, by at least half. Shelter rent is the total rents received from a development minus the cost of utilities. Currently, most Mitchell-Lama developments receive exemptions so that the development pays not less than ten percent of the annual shelter rent of the development where the exemption is granted by local law. This proposal would automatically increase the exemption to limit the development's taxes to not more than five percent of shelter rent in New York City and would allow for other localities with Mitchell-Lama developments to opt-in to an exemption that allows developments to pay five percent or less of the shelter rent. If the tax exemption is not renewed within ten years, the taxation rate will revert back to the level established before the exemption was granted.

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

**Expand Availability of The Inhibited Property Tax Exemption (ELFA Part M):** The Executive Budget proposes to expand the availability of an existing optional tax exemption for the redevelopment of dilapidated homes. Currently, the inhibited property tax exemption is available in owner-occupied single-family homes in cities with a population between 15,250 and 15,500. According to the original bill's file, this exemption was passed and signed in 2015 at the request of the City of Batavia in Genesee county, where it was authorized shortly after it was signed.



This proposal expands the exemption to all cities, towns, and villages and expands eligibility to one- to four-family residences that are the primary residence of the owner or tenant of the property. Cities, towns, and villages must adopt the exemption via local law, and subsequently taxing counties and school districts may also grant the exemption from their taxes separately.

The property must meet one of the following conditions in order to be eligible for the exemption: (i) it was acquired by the municipality in a special proceeding to convey title to an abandoned dwelling, (ii) it has been continuously vacant for at least three years, (iii) the municipality acquired the property through tax foreclosure, or (iv) the property has outstanding zoning, housing or uniform code violations and the cost of remedying those violations exceed the value of the property.

The exemption is for taxes attributable to improvements on the property, and the exemption duration is based on the increase in the assessed value created by the redevelopment, with a maximum duration of 25 years. The exemption will cease if the property is no longer a one-to-four unit dwelling that is the primary residence of the owner or tenant of the property or if the owner of the property is convicted of a violation or misdemeanor pursuant to applicable state or municipal codes.

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

**Authorize Mortgage Insurance Fund (MIF) Utilization (ELFA PART 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 \$98.03 million available for the upcoming fiscal year, consisting of excess revenues through fiscal year 2026 and reserves that can be accessed without negatively impacting the MIF's credit rating, representing a decrease of \$3.93 million from SFY 2024-25.

These funds would be used to support the following programs:

- Rural Rental Assistance Program (RRAP): The Executive proposes funding RRAP at \$23.46 million in SFY 2025-26. This amount is an increase of \$275,000 from SFY 2024-25.
- Neighborhood Preservation Program (NPP): The Executive proposes funding the Neighborhood Preservation Program at \$12.83 million in SFY 2025-26, representing a decrease of \$4.8 million from SFY 2024-25. Of note, the Executive Budget does not include a carve out of \$250,000 for the Neighborhood Preservation Coalition, as was provided in SFY 2024-25.
- Rural Preservation Program (RPP): The Executive proposes funding the Rural Preservation Program at \$5.36 million in SFY 2025-26, representing a decrease of \$2.2 million from SFY 2024-25. Of note, the Executive Budget does not include a carve out of \$250,000 for the Rural Preservation Coalition, as was provided in SFY 2024-25.
- Homeless Housing Programs: The Executive proposes funding of \$53.38 million in SFY 2025-26 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 2024-25.

*Fiscal Impact: The Executive Budget proposes utilizing \$98.03 million in MIF reserves to fund these proposals.*

# EDUCATION



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Education Fact Sheet

### Appropriations

- **School Aid Total:** The Executive Budget provides a School Aid increase of \$1.7 billion (4.7 percent) for a total of \$37.4 billion in the 2025-26 school year, including a \$1.5 billion (5.9 percent) increase in Foundation Aid.
  - Foundation Aid formula components:
    - The Executive replaces the 2000 Census Poverty Count with a Small Area Income and Poverty Estimate from the U.S. Census Bureau, as recommended by the Rockefeller Institute.
    - The Executive replaces the Free and Reduced Price Lunch Count with an Economically Disadvantaged Count, as recommended by the Rockefeller Institute.
    - The Executive Budget redefines the State Sharing Ratio to provide additional aid to lower wealth schools.
    - The Executive Budget ensures every school district receives a minimum 2 percent increase in Foundation Aid.
    - 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 \$230 million (2.2 percent).
  
- **Prohibition on Use of Internet-Enabled Devices During the School Day:** The Executive proposes a new \$13.5 million grant program to reimburse school districts for their expenses in limiting cell phone use during the school day.
  
- **Universal Free School Meals:** The Executive increases funding for school meals by \$160 million (89 percent) for a total of \$340 million. The Executive expands access so all students in all participating schools receive free school meals. The Executive also provides an additional appropriation of \$36 million to provide additional state support for the Community Eligibility Provision subsidy for the current school year.
  
- **Cultural Education Funding:** The Executive Budget increases operating assistance for libraries by \$748,000, for a total of \$104.6 million. The proposal reduces capital funding for libraries by \$10 million, for a total of \$34 million.

- **Charter Schools:** The Executive increases funding for Supplemental Basic Tuition Payments to school districts to \$190 million, a \$5 million increase. The proposal increases reimbursement of Charter School Facilities Aid for New York City public schools by \$25 million, for a total of \$145 million.
- **College in High School Opportunity Fund:** The Executive includes \$64.6 million for the College in High School Opportunity Fund, including \$52.4 million for early college high school programs, and \$12.2 million to provide per-credit funding for college courses.
- **Nonpublic Schools:** The Executive provides \$228.4 million in Mandated Services Aid for nonpublic schools for the upcoming 2025-26 school year, an increase of \$10.3 million (4.7 percent). The Executive removes a separate one-time appropriation of \$23 million that reimbursed prior-year expenses. The Executive also provides an increase in STEM programs of \$10 million, for a total of \$85.5 million, maintains \$5 million for art and music programs, and eliminates \$1 million for vaccination recordkeeping.
- **Capital Projects:** The Executive Budget continues funding for Nonpublic School Health and Safety projects at \$70 million. It also provides \$4.5 million in capital funding for School for the Blind and \$3.0 million for School for the Deaf, as well as \$20.1 million for schools on Native American reservations. The Executive provides an additional \$20 million in capital to support administrative renovation projects.

## Article VII

- **Dual Enrollment Policy:** The Executive Budget proposes to require the Commissioner of the State Education Department to adopt a statewide policy providing guidelines for participation and data reporting for dual enrollment programs. Dual enrollment programs are partnerships between schools and institutions of higher education which provide high school students with opportunities to earn transferable college credits.
- **Universal Free School Meals:** The Executive Budget proposes to require all school districts, charter schools, and non-public schools in the State that participate in the National School Lunch Program or School Breakfast Program to serve free breakfast and lunch to all students, regardless of their families' income. The State will subsequently reimburse schools at a rate equivalent to the federal reimbursement rate for each student not otherwise covered by the federal Free and Reduced Price Lunch Program.

- **Prohibition on Use of Internet-Enabled Devices During the School Day:** The Executive Budget proposes to require each school district, BOCES, and charter school to adopt a written policy prohibiting the use of internet-enabled devices by students during the school day anywhere on school grounds. Beginning in 2026, each school district, BOCES, and charter school must annually publish a report detailing enforcement of the policy in the prior school year.

## Education Agency Details

State Education Department All Funds Appropriations (\$ in Millions)				
Agency	Available SFY 2024-2025	Executive Recommendation SFY 2025-2026	\$ Change	% Change
State Education Department	\$46,388.9	\$47,964.5	\$1,575.6	3.4%

### **Overview**

The Executive Budget proposes \$48 billion in All Funds appropriations for the State Education Department (SED) in SFY 2025-26. This is an increase of \$1.6 billion, or 3.4 percent, over SFY 2024-25 levels and reflects continued increases in Foundation Aid. The Executive Budget also recommends a workforce of 2,909 FTEs for SED, which is unchanged from the current fiscal year.

### **State Operations**

The SFY 2024-25 Enacted Budget provided \$697.2 million for State Operations costs. Subsequent bill provisions passed in the 2024 Legislative Session allowed for actual State Operations costs for SFY 2024-25 to total \$697.6 million.

The Executive Budget proposes \$700.4 million in State Operations appropriations for SED in SFY 2025-26. This is an increase of \$2.7 million, or 0.4 percent, over SFY 2024-25 levels. The Executive Budget also recommends a workforce of 2,909 FTEs for SED, which is unchanged from the current fiscal year.

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

The Executive includes \$500,000 for SED to create and distribute educational materials and resources focused on Indigenous cultures and histories.

The Executive includes \$2.5 million for general SED expenses that can be transferred to any program.

**P-12 Education**

The Executive Budget provides \$36.9 billion in total School Aid on the run, an increase of \$1.7 billion, or 4.8 percent, over the 2024-25 School Year. The increase consists of a \$1.5 billion, or 5.9 percent, increase in Foundation Aid, and a \$230 million, or 2.2 percent, increase in expense-based aids (see table below titled “2025-26 Executive Budget School Aid Detail”).

The Executive Budget proposal makes several changes to the Foundation Aid formula. The Executive replaces the 2000 Census Poverty Count with a Small Area Income and Poverty Estimate, replaces the Free and Reduced Price Lunch Count with an Economically Disadvantaged Count, redefines the State Sharing Ratio to provide additional aid to low-wealth school districts, and provides a minimum 2 percent increase for all districts.

In sum, the Executive Budget proposes a School Aid total of \$37.4 billion, an increase of \$1.7 billion, or 4.7 percent, over the 2024-25 School Year. This total comprises \$36.9 billion in total school aid on the run, \$313 million in categorical aid, \$65 million for the College in High School Opportunity Fund, and \$86 million in competitive grants.

<b>2025-26 Executive Budget - School Aid Increase Components</b>				
<b>(\$ in Millions)</b>				
	<b>SY 2024-25</b>	<b>SY 2025-26</b>	<b>\$ Increase</b>	<b>% Increase</b>
Foundation Aid	\$24,927	\$26,391	\$1,464	5.9%
Expense-Based Aids	\$10,281	\$10,511	\$230	2.2%
School Aid on The Run Total	\$35,208	\$36,902	\$1,694	4.8%
Categorical Aids	\$319	\$313	(\$6)	-1.9%
College in High School Opportunity Fund	\$58	\$64	\$6	10.9%
Competitive Grants (inc. UPK)	\$86	\$86	\$0	0.0%
<b>Total School Aid</b>	<b>\$35,671</b>	<b>\$37,365</b>	<b>\$1,694</b>	<b>4.7%</b>

Foundation Aid: The Executive Budget increases funding for Foundation Aid \$1.5 billion, or 5.9 percent, for SY 2025-26.

As mentioned, the Executive Budget proposal makes several changes to the Foundation Aid formula. The Executive replaces the 2000 Census Poverty Count with a Small Area Income and Poverty Estimate. The Small Area Income and Poverty Estimate, also published by the U.S. Census Bureau, is updated annually.



The Executive also replaces the Free and Reduced Price Lunch (FRPL) Count with an Economically Disadvantaged Count. Since the adoption of the Community Eligibility Provision, schools are no longer required to have students self-certify as eligible for a Free and Reduced Price Lunch, which has reduced FRPL counts for many districts. Instead, the Economically Disadvantaged Count includes several other economic assistance programs, including participation in Social Security Insurance, Supplemental Nutrition Assistance Program, Foster Care, Refugee Assistance, Earned Income Tax Credit, Home Energy Assistance Program, Safety Net Assistance, Bureau of Indian Affairs, or Temporary Assistance for Needy Families.

Additionally, the Executive redefines the State Sharing Ratio by increasing the maximum ratio to 0.93 (up from 0.91) and increases the calculation to provide additional aid to low and average wealth school districts, and provides a minimum 2 percent increase for all districts.

The net impacts of the Executive Budget Foundation Aid proposal results in approximately \$25 million more to school districts than was originally projected in the November Database. SED is expected to release further database updates in February.

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 \$230 million increase, or 2.2 percent, in funding for expense-based aids for the 2025-26 School Year, 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 24-25 Enacted Budget. The formula 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. Total annual UPK support in the Executive Budget is \$1.3 billion.

2025-26 Executive Budget - School Aid Details (\$ in Millions)				
Aid Category	SY 2024-25	SY 2025-26	\$ Increase	% Increase
Foundation Aid	\$24,926.7	\$26,391.0	\$1,464.3	5.9%
<i>Community Schools Set-Aside</i>	\$250.0	\$250.0	\$0.0	0.0%
Reorganization Operating Aid	\$2.4	\$1.7	(\$0.7)	-27.8%
Textbooks (Incl. Lottery)	\$162.0	\$165.1	\$3.1	1.9%
Computer Hardware	\$33.9	\$35.2	\$1.3	3.7%
Computer Software	\$41.9	\$42.6	\$0.7	1.7%
Library Materials	\$17.2	\$17.8	\$0.6	3.4%
BOCES	\$1,312.8	\$1,313.3	\$0.5	0.0%
Special Services	\$242.0	\$246.0	\$4.0	1.7%
Transportation (Including Summer)	\$2,541.6	\$2,676.8	\$135.2	5.3%
High Tax	\$223.3	\$223.3	\$0.0	0.0%
Universal Prekindergarten Aid	\$1,068.0	\$1,211.0	\$143.0	13.4%
Academic Achievement Grant	\$1.2	\$1.2	\$0.0	0.0%
Supplemental Educational Improvement Grant	\$17.5	\$17.5	\$0.0	0.0%
Excess Cost Aid - High Cost	\$629.5	\$631.3	\$1.9	0.3%
Excess Cost Aid - Private	\$475.9	\$518.8	\$42.8	9.0%
Supplemental Public Excess Cost	\$4.3	\$4.3	\$0.0	0.0%
Building Aid/Reorganization Building	\$3,446.7	\$3,334.9	(\$111.9)	-3.2%
Charter School Transitional Aid	\$51.3	\$60.6	\$9.4	18.3%
Academic Enhancement Aid	\$9.6	\$9.6	\$0.0	0.0%
Full-Day Kindergarten Conversion Aid	\$0.0	\$0.0	\$0.0	0.0%
<b>Total School Aid</b>	<b>\$ 35,207.8</b>	<b>\$ 36,901.9</b>	<b>\$ 1,694.1</b>	<b>4.8%</b>

Universal School Meals: The Executive includes an additional \$160 million to provide universal school meals for all students. All schools participating in the National School Lunch and Breakfast program (charter schools, school districts, and some non-public schools) that are not currently participating in the Community Eligibility Provision (CEP) will provide all students with school meals at no cost to the student. Current CEP participation provides access to school meals to approximately 90% of students. For schools not currently eligible for CEP, the State will provide the full costs of reimbursements.

The Executive also includes an additional \$36 million appropriation for additional reimbursements for the current school year due to greater than anticipated expenses.

As a result of providing free school meals to all students, the Executive removes two appropriations that are no longer necessary, including \$2.3 million which reimbursed reduced price meals and \$5 million in funding for Breakfast After the Bell.

College in High School Opportunity Fund: The Executive provides a total of \$64.6 million for this fund to provide high school students with opportunities to pursue college coursework and credit while in high school. This includes \$58 million of past competitive grants for Early College High School (ECHS), Smart Scholars, and Pathways in Technology ECHS (P-TECH).

Executive Initiatives: The Executive Budget funds \$86 million in awards from past competitive grants. Notable programs include:

- \$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).

Prohibition on Use of Internet-Enabled Devices During the School Day: The Executive proposes \$13.5 million in new funding to reimburse schools for their expenses in limiting cell phone use during the school day.

Nonpublic Schools: The Executive Budget provides the following aid to nonpublic schools for SY 2025-26:

- \$228.4 million, an increase of \$10.3 million or 4.7 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. The Executive removes a separate one-time appropriation of \$23 million that reimbursed prior-year expenses.
- \$85.5 million, an increase of \$10 million for STEM instruction.
- \$70 million, or flat funding, in capital funding for nonpublic school purchases of health and safety equipment.
- \$5 million, or flat funding, for art and music instruction.
- \$922,000, a decrease of \$500,000, to support Academic Intervention Services (AIS).
- The Executive discontinues \$1 million in funding for nonpublic immunization recordkeeping.

Charter Schools:

- Supplemental Basic Tuition Payments to School Districts: The Executive increases funding for Supplemental Basic Tuition Payments to school districts from \$185 million (including a federal grant of \$35 million) to \$190 million, a \$5 million increase. 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 the City to \$145 million, an increase of \$25 million, or 20 percent. The 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:

- \$1.09 billion for preschool special education (State aid covers 59.5 percent of the overall costs associated, with counties paying the remaining 40.5 percent), an increase of \$57 million.
- \$631.3 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 \$1.8 million.
- \$518.8 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 \$42.8 million.
- \$413 million, an increase of \$9 million, for summer school special education programs for school-age students pursuant to Section 4408 of the Education Law.
- \$113.4 million for private schools for the blind and deaf, or flat funding, reflecting the continuation of a Legislative addition for all schools. However, the Executive eliminates \$5.3 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 2024-25, reflecting a decrease of \$10 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 the 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 2024-25 Enacted Budget.

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

- \$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.
- \$37 million for education of homeless children and youth.
- \$28 million for the My Brother's Keeper initiative.
- \$25 million for Teachers of Tomorrow.
- \$18.5 million for Bilingual Education Grants.
- \$13.8 million for school health services in the Big Four school districts.
- \$13.3 million for districts participating in the Urban-Suburban Transfer Program.

- \$12 million for the Roosevelt School District.
- \$10 million for locally sourced food reimbursement.
- \$5.8 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:

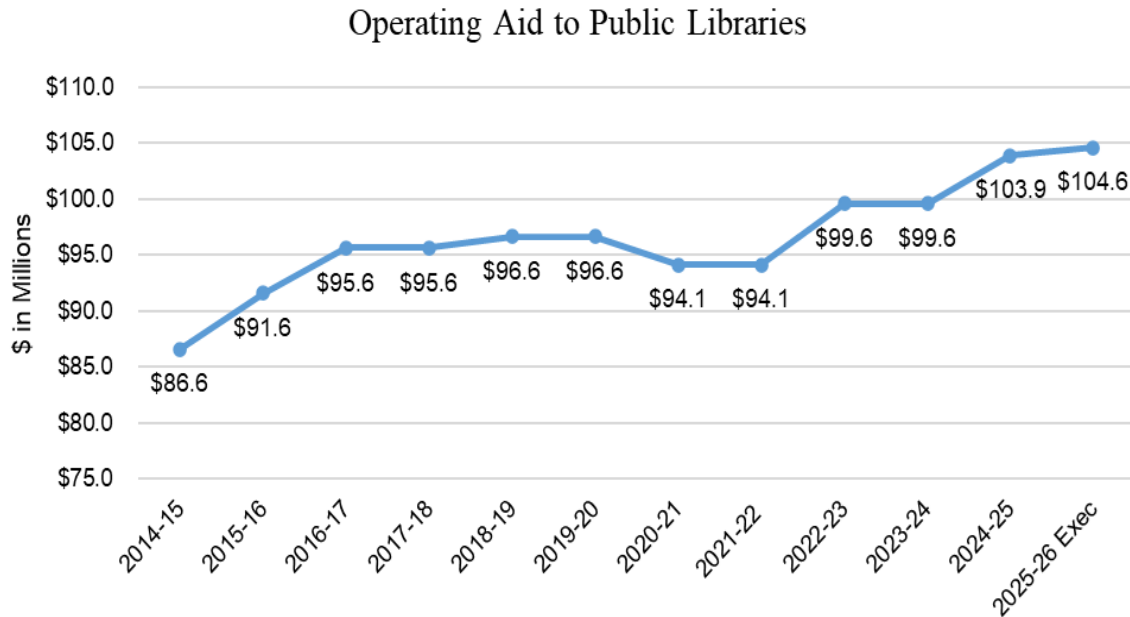
- \$12 million elimination of Yonkers City School District subsidy.
- \$1.5 million reduction for the Employment Preparation Education program (EPE), for a total of \$11.5 million.
- \$2 million for school districts facing significant financial hardship due to changes in taxable valuation or liability.
- \$2 million elimination of Amityville Union Free School District subsidy.
- \$1.2 million each for Buffalo and Rochester school health services.
- \$1.1 million elimination for Many Threads Implicit Bias Training.
- \$1 million 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.
- \$500,000 elimination for Magellan Foundation, Inc.
- \$500,000 elimination for United Community Schools.
- \$461,000 elimination for Bard Early College High School Queens.
- \$400,000 elimination for BioBus.
- \$250,000 elimination for New York Medical College.
- \$225,000 for a monitor for the East Ramapo Central School District.
- \$175,000 for monitors for the Hempstead, Wyandanch, and Rochester School Districts.

### **Cultural Education**

Cultural Education Funding: The Executive Budget increases support for libraries by \$748,000, or 0.7 percent, for a total of \$104.6 million. This meets statutory funding requirements for library operating aid. New capital funds for library construction are reduced to \$34 million, due to the removal of a \$10 million capital add from SFY 2024-25.

The Executive also continues funding for, but eliminates the Legislative adds, for

- \$375,000 for Schomburg Center, discontinuing a \$125,000 Legislative add.
- \$112,500 for Langston Hughes Community Library, discontinuing a \$55,000 Legislative add.



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

The Executive Budget provides \$16 million for Independent Living Centers, discontinuing a Legislative add of \$750,000, and funds adult literacy programs at \$9.3 million, discontinuing a Legislative add of \$500,000.

**Article VII**

**Dual Enrollment Policy (ELFA Part A):** The Executive Budget proposes requiring the State Education Department (SED) to adopt a statewide policy providing guidelines for participation and data reporting for dual enrollment programs such as Pathways in Technology (P-TECH), Smart Scholars, and Smart Transfer Fall.

The policy must require that schools and higher education institutions submit participation and success data and file their partnership agreements with SED by September 1, 2026. Partnership agreements must be updated and resubmitted at least every five years. SED must make the partnership agreement that schools are required to use publicly available by January 1, 2026. SED, CUNY, SUNY, and the Executive shall jointly determine the data points that schools must submit pursuant to the dual enrollment policy.

*Fiscal Impact: The Executive provides a total of \$64.6 million for a College in High School Opportunity Fund to provide high school students with opportunities to pursue college coursework and credit while in high school. This includes \$58 million of past competitive grants, including Early College High School (ECHS), Smart Scholars, and Pathways in Technology ECHS (P-TECH), and \$6.6 million in new funding for per-credit coursework.*

**Reimbursement for Transportation Expenditures (ELFA Part A):** The Executive Budget proposes to increase the State transportation aid amount provided to New York City for the provision of transportation after 4pm. Starting in the 2025-2026 academic year, the transportation aid available to the district would annually increase according to the inflation rate.

*Fiscal Impact: The Executive estimates this would provide an additional \$1.1 million in Transportation reimbursement to the district for the 2025-26 school year. Costs would increase thereafter by the rate of inflation.*

**Universal Free School Meals (ELFA Part B):** The Executive Budget proposes to require all school districts, charter schools, and nonpublic schools participating in the National School Lunch Program or School Breakfast Program to serve free breakfast and lunch to all students, regardless of their families' income. The State will subsequently reimburse schools at a rate equivalent to the federal reimbursement rate for each student not otherwise covered by the federal Free and Reduced Price Lunch Program.

Schools must maximize the available federal reimbursement for school breakfast and lunch programs, such as the Community Eligibility Provision (CEP) program. SED would be directed to assist schools with maximizing participation in the CEP program or, if a school food authority is ineligible to participate in the CEP program, assist the school food authority with determining whether any other special federal provisions are available options to maximize federal reimbursement. Schools may maximize the number of students eligible for free meals by conducting the Direct Certification Matching Process a minimum of three times each year, or by annually collecting free and reduced price lunch applications.

*Fiscal Impact: The Executive provides \$340 million, an increase of \$160 million, to provide universal school meals to all students.*

**Prohibition on Use of Internet-Enabled Devices During the School Day (ELFA Part C):** The Executive Budget proposes requiring each school district, charter school, and BOCES to adopt a written policy prohibiting the use of internet-enabled devices by students during the school day anywhere on school grounds.

Policies must include at least one method for parents and guardians to contact their students during the school day, accompanied by written notification of the methods at the beginning of each school year. Additionally, each policy must include at least one method for on-site storage of internet-enabled devices students can use throughout the day.

The proposal excludes devices that are used for an educational purpose. Additionally, a policy may not prohibit use of an internet-enabled device where it is part of a student's individualized education program (IEP). School districts and BOCES may authorize student use of internet enabled devices where use is necessary to manage a student's healthcare, in the event of an emergency, or for translation services.

By August 1, 2025, school districts, BOCES, and charter schools must adopt plans, publish electronically, and, upon request, translate into the twelve most common non-English languages spoken in the State. Beginning in 2026, schools must annually publish a report detailing enforcement of the policy, including demographic data of students who were disciplined for noncompliance, analysis of any demographic disparities in enforcement, and, if necessary, a mitigation action plan where statistically significant demographic disparities exist.

*Fiscal Impact: The Executive provides \$13.5 million to reimburse schools for their expenses in complying with these requirements.*

**State Museum Operations Report (ELFA Part AA):** The Executive Budget proposes to require SED to submit a report regarding the operations of the New York State Museum to the Governor, Speaker of the Assembly, and Temporary President of the Senate by September 1, 2025. This report must include (i) annual statistics for State fiscal years 2004-2005 through 2024-2025 regarding visitorship by month, revenues, and expenses; (ii) various information regarding collections and displays; (iii) a list of ancillary services provided at the Museum, including food service, retail, or walking tours; and (iv) usage of the Museum collection for display or research purposes by federal agencies, New York State agencies, local governments, and other governmental agencies over the past five years.

SED must then annually resubmit this report with updated information.

*Fiscal Impact: The Executive stated \$150 million will be available within a \$335 million appropriation for the Urban Development Corporation for capital infrastructure and renovations to the State Museum, Library and Archives.*



# HIGHER EDUCATION



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## **Higher Education & the Arts Fact Sheet**

### **Appropriations**

- **State Support for SUNY and CUNY Campuses:** The Executive Budget provides a \$269 million increase in State support for four-year campuses at SUNY (\$138 million) and CUNY (\$131 million). This includes a \$210 million increase for general operating support, \$37 million in additional funding for new and existing initiatives and \$22 million in increased funding for CUNY fringe benefits.
- **Capital Projects at SUNY and CUNY Campuses:** The Executive Budget provides \$2 billion in new funding for capital projects to help maintain SUNY and CUNY facilities. The Executive Budget proposes \$750 million for senior colleges, \$417 million for CUNY senior colleges, and \$650 million for SUNY hospitals.
- **Maintain Community College Funding Floor:** The Executive Budget maintains a community college funding floor at 100 percent of prior year funding. Without a funding floor, community colleges would face a \$124 million, or 19 percent loss in formula aid due to enrollment declines (\$48 million, or 22 percent for CUNY, and \$76 million, or 18 percent for SUNY).
- **CUNY Collective Bargaining Agreement:** The Executive Budget provides \$192 million to cover retroactive 3 percent salary increases and additional one-time bonuses.
- **Free Community College for High-Demand Sectors:** The Executive Budget provides \$35 million to fund free tuition at SUNY (\$21 million) and CUNY (\$14 million) community colleges for students between the ages of 25 and 55 pursuing degrees in high-demand sectors including nursing, teaching, and engineering.

## Article VII

- **Streamline Part Time Financial Aid Programs:** This proposal would streamline the three existing part time financial aid programs aimed at assisting part time students into one program.
- **New York Opportunity Promise Scholarship for Community College:** This scholarship would provide grants to students who are pursuing associates degrees in designated high demand field areas such as nursing, engineering, and advanced manufacturing. For students to qualify, they must not already have a higher education degree and must be between the ages of 25 and 55 years old.
- **Interstate Nurse Licensure Compact:** The Executive Budget proposes joining the Interstate Licensure Compact, which allows out-of-state nurses from Compact states to practice within New York State and New York State-licensed nurses to practice in other Compact states.

## Higher Education Agency Details

<b>Higher Education Agencies All Funds Appropriations (\$ in Millions)</b>				
Agency	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
State University of New York	\$13,657	\$14,266	\$609	4%
City University of New York	\$5,987	\$6,404	\$417	7%
Higher Education Services Corporation	\$1,089	\$1,089	\$0	0%
Council on the Arts	\$175	\$112	(\$63)	(36%)
HECap	\$40	\$0	(\$40)	(100%)
<b>Total Higher Education</b>	<b>\$20,948</b>	<b>\$21,871</b>	<b>\$923</b>	<b>4%</b>

### Overview

The Executive Budget proposes an All Funds appropriation of \$21.9 billion for higher education and the arts in New York State, which represents a \$923 million, or 4 percent increase from SFY 2024-25. This is the result of increases in both capital funding and operating support.

### City University of New York (CUNY)

The Executive Budget provides an All Funds appropriation of \$6.4 billion for CUNY.

<b>CUNY Senior College State Operating Support (\$ in Millions)</b>				
Program	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
Fringe Benefits	\$1,041	\$1,063	\$22	2%
State Operating Support	\$1,899	\$2,016	\$117	6%
<b>Total</b>	<b>\$2,940</b>	<b>\$3,079</b>	<b>\$139</b>	<b>5%</b>

CUNY Senior Colleges: The Executive Budget provides CUNY senior colleges with \$3 billion in operating support, a \$139 million increase, or 5 percent, from SFY 2024-25. The net increase reflects \$96 million in flexible operating aid, a \$22 million increase in fringe benefits, \$8 million for ACE and ASAP, to provide academic and career support, and \$5 million for AI investments. Additionally, the Executive proposes \$192 million to cover retroactive 3 percent salary increases and additional one-time bonuses under the new Professional Staff Congress contract. The Executive would also eliminate Legislative additions of \$2 million for the SEEK opportunity program and \$1 million for mental health services.

CUNY Community Colleges: The Executive Budget provides CUNY community colleges with \$244 million, a \$1 million, or 0.5 percent increase from SFY 2024-25. The Executive maintains a funding floor for community colleges at 100 percent of prior year funding. Without this floor, CUNY community colleges would face a \$48 million, or 22 percent, loss in formula aid due to enrollment declines.

The Executive Budget also proposes \$14 million to cover the costs of tuition, fees, and books for students ages 25-55 pursuing associate degrees in high-demand occupations, including nursing, teaching, technology, and engineering at CUNY community colleges.

CUNY Capital: The Executive Budget proposes \$497.4 million in capital, a \$16 million, or 3 percent increase, from SFY 2024-25. The increase is primarily driven by a \$35 million increase in community college support. Senior college capital would decrease by \$7 million, totaling \$417 million.

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

The Executive Budget recommends an All Funds appropriation of \$14.3 billion for SUNY.

SUNY State-Operated Campuses State Operating Support (\$ in Millions)				
Program	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
Fringe Benefits	\$1,991	\$1,991	\$0	0%
State Operating Support	\$1,443	\$1,569	\$126	9%
<b>Total</b>	<b>\$3,435</b>	<b>\$3,560</b>	<b>\$126</b>	<b>4%</b>

SUNY State-Operated Colleges: The Executive Budget provides \$3.6 billion to support SUNY State-operated campuses, amounting to \$126 million, or a 4 percent increase from SFY 2024-25. The increase is primarily driven by a \$114 million increase in flexible operating aid, \$12 million for ACE and ASAP to provide academic and career support, \$10 million for AI investments, \$1 million for a new Regional Gun Violence Consortium, and \$750,000 for a new First Responder Counseling Scholarship Program. The Executive would also eliminate Legislative additions of \$1 million for nursing programs and \$1 million for mental health services.

SUNY Community Colleges: The Executive Budget provides \$449 million for SUNY community colleges, an increase of \$1 million, or 0.3 percent from SFY 2024-25. The Executive maintains a funding floor for community colleges at 100 percent of prior year funding. Absent this appropriation, SUNY community colleges would face a \$76 million, or 18 percent, loss in formula aid due to enrollment declines.

SUNY Community College State Operating Support (\$ in Millions)				
Program	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
Community College Base Aid	\$417	\$417	\$0	0%
All Other State Operating Support	\$31	\$32	\$2	5%
<b>Total</b>	<b>\$447</b>	<b>\$449</b>	<b>\$2</b>	<b>0%</b>

The Executive Budget also proposes \$21.2 million to cover the costs of tuition, fees, and books for students ages 25-55 pursuing associate degrees in high-demand occupations, including nursing, teaching, technology, and engineering, at SUNY community colleges.

SUNY Capital: The Executive Budget increases capital funding by \$665 million, or 47 percent, from \$1.4 billion to \$2.1 billion. The increase reflects \$450 million for SUNY Downstate Hospital, \$200 million for SUNY Upstate Hospital, and \$25 million in new funding for a Green Energy Fund for energy efficiency initiatives. SUNY Community college capital would decrease by \$8 million, for a total of \$130 million.

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

The Executive Budget proposes \$271 million, a \$7 million, or 4 percent reduction, to higher education opportunity programs administered by SED, SUNY & CUNY. The Executive also reduces unrestricted aid to independent colleges (Bundy Aid) to \$16 million, a reduction of \$6 million from the SFY 2024-25 level.

Opportunity Program Funding Levels (\$ in Millions)				
Program	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
SUNY Educational Opportunity Centers (EOC)	\$73	\$73	\$0	0%
SUNY Educational Opportunity Program (EOP)	\$42	\$42	\$0	0%
CUNY Search for Education, Elevation, and Knowledge (SEEK)	\$39	\$37	(\$2)	(4%)
CUNY LEADS	\$2	\$2	\$0	0%
CUNY AOE Opportunity	\$2	\$2	\$0	0%
SED Higher Education Opportunity Program (HEOP)	\$49	\$47	(\$2)	(4%)
SED Liberty Partnership Program	\$25	\$24	(\$1)	(4%)
SED Science and Technology Program (STEP)	\$22	\$21	(\$1)	(4%)
SED Collegiate Science and Technology Program (CSTEP)	\$17	\$16	(\$1)	(4%)
SED Foster Youth Initiative	\$8	\$8	(\$0)	(4%)
<b>Total</b>	<b>\$278</b>	<b>\$271</b>	<b>(\$7)</b>	<b>(3%)</b>

### **Higher Education Services Corporation (HESC)**

The Executive Budget recommends \$1.1 billion in total appropriations for HESC and a workforce of 103 FTEs. This represents an increase of \$500,000 or 0.04 percent, from SFY 2024-25, driven by increased projections of expected scholarships and tuition assistance that HESC would provide.

The Executive Budget eliminates \$7.5 million for the Say Yes Buffalo Scholarship. Additionally, the Executive eliminates \$1.2 million in legislative adds:

- \$1 million for the Patricia K. McGee Nursing Scholarship Program.
- \$100,000 for New York State Child Welfare Worker Scholarship Program.
- \$50,000 for the New York Young Farmers Loan Forgiveness Program.

The Executive Budget adds \$2.5 million for the “Vaccinate, Educate, Graduate” vaccine incentive programs.

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

The Executive provides no capital funding for the HECap program for independent colleges. HECap received \$40 million in SFY 2024-25.

## Arts Agency Details

### Council on the Arts

<b>Council on the Arts All Funds Appropriations (\$ in Millions)</b>				
Program	SFY 2025 Available	SFY 2026 Executive Recommendation	\$ Change	% Change
State Operations	\$6	\$8	\$2	34%
Aid to Localities	\$89	\$64	(\$26)	(29%)
Capital Projects	\$80	\$40	(\$40)	(50%)
<b>Total</b>	<b>\$175</b>	<b>\$112</b>	<b>(\$63)</b>	<b>(36%)</b>

The Executive Budget proposes \$111.5 million in All Funds appropriations for the Council on the Arts, a decrease of \$63.5 million, or 36.3 percent, from SFY 2024-25. The decrease reflects a \$40 million reduction in Capital funding and a \$20 million reduction in NYSCA’s operating support. Additionally, the Executive Budget proposes discontinuing the legislative additions of \$4 million for regional arts councils and eliminating \$1 million in grants to small and mid-size organizations. The Executive provides an increase of \$500,000 for the Empire State Plaza Performing Arts Center, for a total of \$1 million.

### Article VII - Miscellaneous

**Streamline Part Time Financial Aid Programs (ELFA Part D):** The Executive Budget proposes to combine three existing financial aid programs for part-time students into one program. The three existing programs, the Aid for Part Time Study (APTS) Program, the Part Time Scholarship (PTS) Program, and the Part Time Tuition Assistance Program (PT-TAP), would be consolidated into PT-TAP. The proposal would also repeal the current provision that limits the awards to those first attending college after 2006, and reduce the minimum number of qualifying credits from six to three. Students taking between three and 11 credits per semester would now be eligible for the PT-TAP program.

*Fiscal Impact: The Executive estimates that this proposal would have a fiscal impact of \$1.2 million to the State in SFY 2025-26.*



**Streamline Excelsior Scholarship Payments (ELFA Part E):** The Executive Budget proposes to combine the Excelsior Scholarship Award and the Excelsior Tuition Credit, which, when combined, equal the value of resident undergraduate tuition. The current Excelsior Scholarship Award would increase from \$5,500 to the value of resident undergraduate tuition, while the Excelsior Tuition Credit would be eliminated. There would be no net change to the benefit that a student receives.

*Fiscal Impact: The Executive proposal estimates this would have no direct fiscal impact to the State or local governments.*

**New York Opportunity Promise Scholarship for Community College (ELFA Part F):** The Executive Budget proposes to create the New York Opportunity Promise Scholarship to provide financial aid to students who are pursuing associates degrees in designated high demand field areas, as determined by the Department of Labor, including but not limited to nursing, engineering, advanced manufacturing, and similar fields. For students to qualify, they must not have a higher education degree and be between the ages of 25 and 55 years old. Total financial aid awards would be equal to the cost of tuition, fees, books, and any supply charges, minus outside financial aid awards.

*Fiscal Impact: The Executive proposal estimates this would cost \$35 million to the State in SFY 2025-26 and \$47 million annually thereafter.*

**Scope of Practice (HMH Part V):** The Executive Budget proposes expanding the scope of practice for certified medication aides, medical assistants, pharmacy technicians, pharmacists, and physician assistants as follows:

- Certified medication aides (CMA) in residential facilities would be authorized to administer routine medications under the supervision of a registered nurse (RN).
- Qualifying medical assistants would be authorized to administer immunizations in outpatient settings under the supervision of a physician or physician assistant (PA).
- Pharmacists would be authorized to administer Covid-19 immunizations to patients aged two and over, supervise pharmacy technicians administering immunizations, and prescribe and order FDA-approved medications to treat nicotine dependence.
- Pharmacy technicians would be authorized to administer Covid-19 immunizations to patients two years old and older under the supervision of a pharmacist.
- PAs and specialist assistants would be permanently authorized to practice independently under certain circumstances.

The Executive also proposes transferring licensure and oversight of physicians, PAs, and specialist assistants from the State Education Department to the Department of Health.

*Fiscal Impact: The Executive proposal estimates this would have no fiscal impact to the State for SFY 2025-26, as costs would be supported within existing resources.*

**Nurse Licensure Compact (HMH Part W)**: The Executive Budget proposes joining the Interstate Nurse Licensure Compact, which allows out-of-state nurses from Compact states to practice in New York State and New York State-licensed nurses to practice in other Compact states.

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

**Advance Access to Dental Care (HMH Part X)**: The Executive Budget proposes expanding the scope of practice for dental hygienists. Dental hygienists with a block anesthesia certificate would be allowed to administer and monitor block anesthesia under the supervision of a dentist. Dental hygienists could also place pre-fit orthodontic bands; use light-cure composite material; take cephalometric radiographs; take two-dimensional and three-dimensional photography of dentition; and adjust removable appliances including nightguards, bleaching trays, retainers, and dentures. This proposal would also establish the collaborative practice of dental hygiene to be performed in collaboration with a dentist.

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

# PUBLIC PROTECTION



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Public Protection Fact Sheet

### Appropriations

- **DOCCS Cameras and Body Cameras:** \$440 million increase to support the purchase of worn body cameras and repair and installation of cameras in all state correctional facilities.
- **Volunteer Fire Infrastructure and Response Equipment (V-FIRE):** \$25 million new funding to support Volunteer Fire Department Capital grants.
- **Medication Assisted Treatment (MAT) Program:** \$42 million increase for the MAT program, providing addiction services and support for incarcerated individuals.
- **State Targeted Reduction in Intimate Partner Violence (STRIVE):** \$40.7 million to support the STRIVE program, to reduce domestic violence and non-domestic sexual assault.
- **NYPD Patrol on Mass Transit Systems:** \$77 million increase funding for New York City for costs associated with patrol of the mass transit systems. This will support up to 300 additional Officers.

### Article VII

- **Streamline and Clarify Discovery Requirements:** The Executive's proposal makes several changes to the criminal discovery statute including limiting the scope of required disclosure to materials *relevant* to the individual's charges instead of materials *related* to the individual's case, changing the circumstances in which a prosecutor's Certificate of Compliance (COC) may be invalidated, and limiting the timeframe for defense counsel to challenge a prosecutor's COC.
- **Dispossess Domestic Violence Abusers of Firearms:** The Executive Budget proposes establishing a new Class A misdemeanor for the newly created criminal offense of Domestic Violence. The Executive's intended purpose for creating this offense is to ensure that a domestic abuser's information will be entered into the National Instant Criminal Background Check System for purposes of restricting firearms possession.

- **Eliminate the Criminal Statute of Limitations for Sex Trafficking Cases:** The Executive’s proposal seeks to amend multiple statutes related to the crimes of Sex Trafficking and Sex Trafficking of a Child. It would add the crimes of Sex Trafficking and Sex Trafficking of a Child to the list of Class A felonies, eliminating any criminal statute of limitations for prosecuting such cases. For civil cases, the statute of limitations would be extended to allow victims to file a lawsuit until age 55 if the conduct occurred when they were under 18 or within 20 years of the offense for all other sex trafficking victims.
- **Expanding Victim Support Services:** The Executive proposes a number of changes to victim support services including: simplifying the definition of a disabled victim, raising funeral reimbursement caps from \$6,000 to \$12,000, expanding crime scene cleanup coverage to affected non-family members, and removing the consideration of contributory conduct of a victim if the crime upon which the claim is based resulted in the death of the victim.
- **Expand the Definitions of the Criminal Trespass and Burglary Offenses to Add Transportation Facilities:** The Executive’s proposal amends the definition of a “building” for the purposes of the crimes of Trespass and Burglary to include a structure used for the transport of persons. This addition allows for individuals who commit a criminal offense within transit buildings, buses, or trains to be charged with a Criminal Trespass or Burglary offense.

## Public Protection Agency Details

Public Protection Agency All Funds Appropriation(\$ in millions)				
Agency	Available SFY 2024-25	Executive SFY 2025-26	\$ Change	% Change
Division of Homeland & Emergency Services	\$9,075	\$9,082	\$7	0%
Department of Corrections and Community Supervision	\$3,814	\$4,337	\$523	14%
Division of State Police	\$1,237	\$1,247	\$10	1%
Division of Criminal Justice Services	\$821	\$947	\$126	15%
Department of Law (Office of the State Attorney General)	\$378	\$487	\$109	29%
Office of Indigent Legal Services	\$474	\$484	\$10	2%
Division of Military and Naval Affairs	\$271	\$446	\$175	65%
Office of Victim Services	\$367	\$352	-\$15	-4%
Interest on Lawyer Account	\$120	\$81	-\$39	-33%
Office of the Prevention of Domestic Violence	\$18	\$19	\$1	8%
Judicial Commission	\$9	\$9	\$0	5%
State Commission of Correction	\$4	\$5	\$1	12%
Commission on Prosecutorial Conduct	\$2	\$3	\$1	71%
<b>Total</b>	<b>\$16,590</b>	<b>\$17,499</b>	<b>\$909</b>	<b>5%</b>

### Overview

The Executive Budget proposes public protection All Funds appropriations of \$17.5 billion, a net increase of \$910 million or five percent compared to SFY 2024-25. The \$17.5 billion includes \$5 billion for State Operations, \$11 billion in Aid to Localities and \$1.5 billion for Capital Projects. The Executive Budget Proposal supports a workforce of 36,425 FTEs.

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

The Executive Budget proposes All Funds appropriations of \$9.1 billion, a net increase of \$7.3 million or less than one percent compared to SFY 2024-25. The \$9.1 billion includes \$165.3 million for State Operations, \$8.9 billion in Aid to Localities and \$28 million for Capital Projects. The Executive Budget proposal supports a workforce of 770 FTEs, an increase of 12 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$25 million new funding to support Volunteer Fire Infrastructure and Response Equipment (V-FIRE) Fire Department Capital grants.
- \$2.3 million increase to the Counter-Terrorism Program to support nine additional FTEs.
- \$18 million decrease in Capital Project funding due to the elimination of one-time funding to support emergency response flood protection equipment.
- \$2.3 million decrease due to the elimination of Legislative grants.

## Article VII

**Mandate Reporting of Local Government's Cyber Incidents (PPGG Part K):** The Executive Budget proposes to require local governments, including counties, cities, villages, towns, BOCES, fire, school, certain county and town improvement districts, municipal cooperative health benefit plans, and soil and water conservation districts to report cybersecurity incidents to the Commissioner of Homeland Security and Emergency Services within 72 hours.

For incidents involving ransom payments, the Commissioner must be notified within 24 hours explaining the ransom demand. If a ransom payment is paid, a detailed report must be sent to the Commissioner within 30 days of the payment and must include: (i) a description of the reasons payment was necessary; (ii) the amount of the ransom payment; (iii) the means by which the ransom payment was made; (iv) a description of alternatives to payment considered; and (v) all diligence performed to find alternatives to payment and compliance with applicable state and federal laws. The Commissioner must review reports, coordinate responses, and may share cybersecurity trends with local, state, and federal agencies.

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

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

The Executive Budget proposes All Funds appropriations of \$4.3 billion, an increase of \$523 million or 13.7 percent compared to SFY 2024-25. The \$4.3 billion includes \$3.3 billion for State Operations, \$40 million in Aid to Localities and \$965.7 million for Capital Projects. The net increase is mainly attributed to investment in Capital Projects and personal services and contractual services, which are offset by one-time payment of general salary increase related to collective bargaining. The Executive Budget proposal supports a workforce of 25,545 FTEs, an increase of 481 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$400 million increase in Capital Project funding to support the repair and installation of cameras in all state correctional facilities.
- \$40 million increase in personal services to support 380 additional FTEs and contractual services.
- \$42 million increase for the Medication Assisted Treatment (MAT) program, providing addiction services and support for incarcerated individuals.
- \$222.7 million decrease due to elimination of a one-time payment to support general salary increase.
- The Executive Budget adds new language to the \$9 million community supervision re-entry housing assistance program appropriations to expand eligibility.

## Article VII

**Reduce Reoffending Through Innovative Justice Initiatives (PPGG Part E):** The Executive proposes allowing the Commissioner of DOCCS discretionary authority to designate additional programs to Merit Time Allowance and the Limited Credit Time Allowance (LCTA).

Merit Time is generally available for incarcerated individuals serving sentences for non-violent crimes. Completion of a program grants a one-sixth reduction off an indeterminate sentence and one-seventh off a determinate sentence. Current Merit Time allowances are granted when an individual completes a general equivalency diploma, an alcohol and substance abuse treatment certificate, a vocational trade program of at least 6 months, a higher education program of at least 18 credits, or a community work crew program of at least 400 hours. This proposal would allow the Commissioner to add additional programs or achievements to the eligible programs for which Merit Time would be granted.

The proposal also grants authority to the Commissioner to designate additional programs or achievements for LCTA. LCTA is generally available for incarcerated individuals who are not eligible for Merit Time due to their specific crime of conviction. Completion of a program grants a six-month credit. Currently, LCTA is granted when an individual completes a higher education degree, an apprenticeship program, or other similar vocational programs. The proposal grants authority to the Commissioner to establish additional LCTA programs that have a minimum duration of at least 18 months.

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



## **Division of State Police (DSP)**

The Executive Budget proposes All Funds appropriation of \$1.3 billion, a net increase of \$9.8 million or less than one percent compared to SFY 2024-25. The \$1.3 billion includes \$1.1 billion for State Operations and \$144.9 million for Capital Projects. The Executive Budget proposal supports a workforce of 6,521 FTEs, unchanged compared to SFY 2024-25. The Executive Budget proposes a \$9.7 million increase to support additional equipment and personal services costs associated with northern border criminal investigation activities.

## **Article VII**

**Eliminates Certain Public Safety Recruitment Limitations (PPGG Part C):** The Executive proposes to eliminate the maximum hiring age for applicants, which is currently 35, and to increase the mandatory retirement age from 60 to 63 for sworn members of the State Police. This proposal would also eliminate the mandatory maximum age limits for any county, city, town, village, housing authority, police district, or Department of Environmental Conservation police officer. Lastly, this proposal would remove the requirement that a correction officer employed at a state correctional facility be a resident of the State. These proposed changes are intended to help address staffing shortages in public safety occupations at the State and local levels.

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

## **Division of Criminal Justice Services (DCJS)**

The Executive Budget proposes All Funds appropriation of \$947 million, a net increase of \$126.7 million or 15 percent compared to SFY 2024-25. The \$947 million includes \$124.4 million for State Operations, \$728 million in Aid to Localities and \$95 million for Capital Projects. The Executive Budget proposal supports a workforce of 627 FTEs, an increase of 50 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$77 million increase for the reimbursement to New York City for costs associated with patrol of the mass transit systems. This will support up to 300 additional officers.
- \$40.7 million to support the State Targeted Reductions in Intimate Partner Violence (STRIVE) to reduce domestic violence and non-domestic sexual assault.
- \$18 million increase in contractual services to support the development of technology to advance the detection and prevention of crime.
- \$13 million increase in Operating and Capital Project funding to support the development of a New York State Crime Analysis and Joint Special Operations Command Headquarters (CA-JSOC), to coordinate all law enforcement activities.

- \$12 million increase to support grants to law enforcement.
- \$11 million increase to support 50 FTEs in the Crime Prevention and Strategies program.
- \$10 million increase for Youth Development, Community Justice and Safety program, providing grants to community-based organizations and/or local government.
- \$6.5 million increase for rape crisis center grants.
- \$2 million prosecutorial services funding for the Onondaga County District Attorney Office to support expert witnesses and testimony related expenses.
- \$2 million for the Correctional Association of New York (CANY).
- \$1 million increase for prisoner’s legal services for legal representation for indigent incarcerated individuals.
- \$32 million decrease for Project GIVE.
- \$32 million decrease due to the elimination of Legislative grants.

## Article VII

**Extends Various Criminal Justice and Public Safety Programs (PPGG Part A):** This proposal would extend the authorization of various criminal justice programs and statutes for an additional two years.

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

**Streamline and Clarify Discovery Requirements (PPGG Part B):** The Executive’s proposal makes several changes to the criminal discovery statute including limiting the scope of required disclosure to materials *relevant* to the individual’s charges instead of materials *related* to the subject matter of the case, changing the circumstances in which a prosecutor’s Certificate of Compliance (COC) may be invalidated, and limiting the timeframe for defense counsel to challenge a prosecutor’s COC.

Under current law, a prosecutor is required to file a COC before they can submit their statement of readiness for trial. A COC is a formal statement filed by the prosecution certifying that they have met their statutory obligation to disclose to the defense all information/materials related to the case that was in their actual and constructive possession. The Executive’s proposal seeks to change current law by allowing prosecutors to: (i) file a COC after they submit all information within their *actual* possession that is *relevant* to the individual’s charges and (ii) supplement the initial COC as more information is made available without affecting the validity of the original filing of their COC. In circumstances where the prosecution provides additional discovery after filing an initial COC and subsequently files a Supplemental COC, there would be no adverse consequences to the prosecutor’s previous COC filing if it was made in good faith and was reasonable under the circumstances.

The Executive's proposal also addresses remedies and sanctions for belated disclosure of discovery material. If the prosecution provides belated discovery and the belated disclosure is shown to prejudice the defendant, the proposal allows courts to impose an appropriate and proportionate remedy or sanction in lieu of automatically invalidating the COC, statement of readiness, or dismissing the case entirely. Invalidation of a COC or a statement of readiness for trial will be allowed if it is shown that no other remedy can sufficiently cure any prejudice resulting from the prosecution's belated disclosure.

Finally, the proposal limits the timeframe in which the defense may challenge a COC. If challenging a COC, defense counsel will have 35 days after the prosecution files their COC to challenge its validity, or the right to challenge is waived. The court may extend the 35-day time period if there is good cause shown by the defense.

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

**Eliminate the Criminal Statute of Limitations for Sex Trafficking Cases (PPGG Part F):**

The Executive's proposal seeks to amend multiple statutes related to the crimes of Sex Trafficking and Sex Trafficking of a Child. It would add the crimes of Sex Trafficking and Sex Trafficking of a Child to the list of Class A felonies, eliminating any criminal statute of limitations for prosecuting such cases. For civil cases, the statute of limitations for these offenses would be extended to allow victims to file a lawsuit before the victim turns 55 years old, if the victim was younger than eighteen at the time the conduct was committed, or within twenty years after the criminal conduct was committed for all other sex trafficking victims.

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

**Dispossess Domestic Violence Abusers of Firearms (PPGG Part D):** The Executive Budget proposes establishing a new Class A misdemeanor for the newly created criminal offense of Domestic Violence. The crime of Domestic Violence would occur where a person commits a serious offense such as assault, criminal obstruction of breathing or blood circulation, or any of the other listed offenses enumerated in the proposal, against a member of their household or family member. The Executive's intended purpose for creating this offense is to ensure that a domestic abuser's information will be entered into the Federal Bureau of Investigation's National Instant Criminal Background Check System for purposes of restricting firearms possession.

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

**Outlaw Artificial Intelligence-Generated Child Sexual Abuse Material (PPGG Part L):** The Executive’s proposal adds language to the existing Penal Law offense of Possessing a Sexual Performance by a Child; the proposed language would add performances created or altered by digitization to this offense.

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

**Protecting Individuals with Intellectual Disabilities against Trafficking (PPGG Part M):** The Executive’s proposal amends the Penal Law by expanding the Class B felony of Sex Trafficking to include cases where a person intentionally advances or profits from the prostitution of individuals who are mentally disabled.

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

**Enhance the Transit Ban (PPGG Part N):** The Executive proposes to restrict or ban the use of Metropolitan Transit Authority (MTA) transit systems for individuals who commit a violent offense against a transit employee, passenger, or contractor while within or adjacent to a transit authority facility.

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

**Expand the Definitions of the Criminal Trespass and Burglary Offenses to Add Transportation Facilities (PPGG Part O):** The Executive’s proposal amends the Penal Law definition of a “building” to include a structure used for the transport of persons. This addition allows for individuals who commit a criminal offense within transit buildings, buses, or trains to be charged with a Criminal Trespass or Burglary offense.

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

**Aggravated Transportation Offense (PPGG Part P):** The Executive’s proposal creates the crime of Aggravated Transportation Offense, which would be classified as a Class C felony. Under this proposal, Aggravated Transportation Offense occurs when an individual who has previously committed a specified violent offense, such as murder, assault, menacing, or a sex crime, within or adjacent to a MTA facility or subsidiary within the last five years, commits another violent offense within or adjacent to an MTA facility or subsidiary.

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

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

The Executive Budget proposes All Funds appropriations of \$487.8 million, a net increase of \$109 million or 28.9 percent compared to SFY 2024-25. The \$487.8 million includes \$392 million for State Operations and \$95.8 million in Aid to Localities. The Executive Budget proposal supports a workforce of 2,172 FTEs, an increase of 202 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$21.9 million increase for State Operations to support general salary increases and increases staff and operations across all units.
- \$95.8 million in new funding to support public education campaigns to prevent e-cigarette use among young people, anti-vaping programs, enforcement of vaping laws and public health research, consistent with the April 2023 Consent Order and Judgment in *People v. JUUL Labs, Inc.*
- \$8.4 million decrease in Capital Project funding due to the eliminations to appropriations used to support facilities, technology upgrades and equipment.

## **Office of Indigent Legal Services (ILS)**

The Executive Budget proposes All Funds appropriations of \$484.9 million, an increase of \$10.4 million or 2.2 percent compared to SFY 2024-25. The \$484.9 million includes \$8.5 million for State Operations and \$476.4 million in Aid to Localities. The Executive Budget proposal supports a workforce of 62 FTEs, an increase of two FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$92 million total funding to support county costs associated with the Assigned Counsel Program.
- \$19.5 million total funding for the Parental Representation program, providing grants to counties to support legal services in Family Court matters.
- \$9.9 million increase to support parental representation services and expenses in child welfare cases.

### **Division of Military and Naval Affairs (DMNA)**

The Executive Budget proposes All Funds appropriations of \$446 million, an increase of \$174.7 million or 64.4 percent compared to SFY 2024-25. The \$446 million includes \$192 million State Operations, \$5.5 million in Aid to Localities and \$249.4 million for Capital Projects. The Executive Budget proposal supports a workforce of 439 FTEs, an increase of 45 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$130 million increase in Capital Projects to support multi-year construction of a new DMNA 42nd Infantry Division Headquarters and additional armory renovation projects.
- \$45 million increase to support the Joint Task Force Empire Shield (JTFES) mission throughout the New York City area.

### **Office of Victim Services (OVS)**

The Executive Budget proposes All Funds appropriations of \$352.1 million, a net decrease of \$14.7 million or four percent compared to SFY 2024-25. The \$352.1 million includes \$26.3 million for State Operations and \$325.8 million in Aid to Localities. The Executive Budget proposal supports a workforce of 110 FTEs, unchanged compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$7.1 million increase to support Victims Compensation programs, providing financial assistance to survivors of crime and their families.
- \$2.3 million increase to support establishment of the Mass Violence Crisis Response Team.
- \$20 million decrease in state Victims of Crime Act (VOCA) funding, intended to offset a decline in federal funding, which impacts state contracts from 2022 through 2028. The Executive Budget proposes \$100 million state supplemental VOCA funding in SFY 2025-26.
- \$4.1 million decrease in due to the elimination of Capital Project funding for facility enhancement to support the storage of sexual offense evidence collection kits.

## Article VII

**Expanding Victim Support Services (PPGG Part G):** The Executive proposes a number of changes to victim support services including:

- Modifying the definition of disabled victim by requiring that a person show, through medical records, that their physical, mental, or medical impairment existed at the time of the crime.
- Raising the funeral reimbursement caps by OVS from \$6,000 to \$12,000.
- Expanding crime scene cleanup coverage to affected non-family members that would otherwise be ineligible to receive an award under the current law.
- Removing the consideration of a victim’s contributory conduct when the crime resulted in their own death.
- Modifying the process for when a victim seeks the replacement of cash losses for essential personal property. If one act or multiple acts of larceny are committed by the same actor against an individual, a single claim may be filed and an award may be made for cash losses of essential personal property for each act with a cumulative award of up to \$2,500.

*Fiscal Impact: The Executive Budget estimates that this proposal would have a \$3.8 million cost to the State in SFY 2025-26.*

**Expand Protections and Services to Victims of Sexual Assault (PPGG Part H):** The Executive proposes increasing healthcare providers’ reimbursement rates to match the Department of Health’s Medicaid reimbursement rates for the cost of a sexual assault survivor’s exam. The proposal expands HIV post-exposure treatment coverage from a seven day “starter pack” to the full 28 day regime for an adult survivor of sexual assault.

*The Executive Budget estimates that this proposal would have a \$3.3 million cost to the State in SFY 2025-26.*

### **Interest on Lawyer Account (IOLA)**

The Executive Budget proposes All Funds appropriations of \$80.9 million, a net decrease of \$39 million or 32.5 percent compared to SFY 2024-25. The \$80.9 million includes \$3.4 million for State Operations and \$77.5 million in Aid to Localities. The Executive Budget proposal supports a workforce of 11 FTEs, an increase of two FTEs compared to SFY 2024-25. The net decrease is mainly attributed to an increase in legal services grant funding, offset by a decrease in Legislative Grants funding.

The Executive Budget proposes the following:

- \$15.5 million increase to support civil legal services grants.
- \$40 million decrease due to the elimination of Legislative grants to support Legal services for the Homeowner Protection Program.
- \$15 million decrease due to the elimination of Legislative grants to support legal services and representation in eviction cases, providing \$10 million to New York City and \$5 million outside of New York City.

### **Office for the Prevention of Domestic Violence (OPDV)**

The Executive Budget proposes All Funds appropriations of \$19.4 million, a net increase of \$1.4 million or eight percent compared to SFY 2024-25. This \$19.4 million includes \$7 million for State Operations and \$12.3 million in Aid to Localities. The Executive Budget proposal supports a workforce of 46 FTEs, an increase of eight FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$975,000 increase to State Operation to support:
  - \$685,000 increase in personal service.
  - \$290,000 increase in contractual services.
- \$500,000 increase in federal funding for local grants providing financial assistance to survivors of gender-based violence.
- \$50,000 decrease due to the elimination of a Legislative grant for SUNY Buffalo Law School.



## Article VII

### **Improve Access to Public Assistance for Survivors of Gender-Based Violence (PPGG**

**Part I):** The Executive Budget proposes amendments to the credibility assessment process for domestic violence victims seeking services or public assistance.

Currently, Social Services Law requires the Office of Temporary and Disability Assistance (OTDA) to establish regulations that inform applicants and recipients about domestic violence protection procedures and services, as well as assess whether applicants are being impacted by domestic violence. The inquiry is conducted using a universal screening form and, if domestic violence is indicated, individuals are referred to a trained liaison to undergo an assessment of credibility and to determine the impact on program compliance or employment.

Waivers for certain public assistance requirements may be granted when the applicant is determined to be a victim of domestic violence by the assessment. This proposal removes the requirement that a liaison assess the credibility of the domestic violence claim and instead, allows individuals to self-attest as victims of domestic violence and requires liaisons to grant waivers based on an applicant's statements and supporting evidence.

*Fiscal Impact: The Executive Budget estimates that this proposal would have a \$350,000 cost to the State in SFY 2025-26. This includes \$175,000 for the Office for the Prevention of Domestic Violence and \$175,000 for the Office of Temporary and Disability Assistance (OTDA).*

### **Create Safer Workplace for Survivors of Gender-Based Violence (PPGG Part J):**

The Executive proposes requiring New York State agencies, authorities, vendors, and contractors to adopt workplace policies and trainings on gender-based violence, and designates the Office for the Prevention of Domestic Violence to create a model gender-based violence and the workplace policy that agencies can refer to. Specifically related to state procurement, the Executive's proposal requires that contracts only be awarded to vendors and contractors, on competitive bids, who certify that they have a written policy on gender-based violence and the workplace and that such policy has been provided to their employees.

*Fiscal Impact: The Executive Budget estimates that this proposal would have a \$200,000 cost to the State in SFY 2025-26.*

## **Judicial Commissions**

The Executive Budget proposes All Funds appropriation of \$9.4 million for the Judicial Commission, details are as following:

- Commission on Judicial Conduct: \$9.3 million, an increase of \$430,000 to support additional personal service and a total workforce of 56 FTEs, unchanged compared to SFY 2024-25.
- Judicial Screening Committee: \$38,000 unchanged from SFY 2024-25.
- Commission on Judicial Nomination: \$30,000 unchanged from SFY 2024-25.

## **State Commission of Correction (SCOC)**

The Executive Budget proposes All Funds appropriation of \$4.6 million in State Operations funding, an increase of \$500,000 or 12.2 percent. The Executive attributes this increase to maintaining agency operations and supporting SCOC's involvement with the Borough Based Jail project. The Executive Budget proposal supports a workforce of 47 FTEs, an increase of 3 FTEs from SFY 2024-25.

## **State Commission on Prosecutorial Conduct**

The Executive Budget proposes an All Funds appropriation of \$3 million, an increase of \$1.3 million or 71 percent compared to SFY 2024-25. This increase is attributed to additional personal and contractual services for the agency. The Executive Budget proposal supports a workforce of 19 FTEs, unchanged compared to SFY 2024-25.

## **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 2024-25.
- \$2 billion for Special Emergency, unchanged compared to SFY 2024-25.
- \$500 million for Public Security and Emergency Response, unchanged compared to SFY 2024-25.

# JUDICIARY



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Judiciary Fact Sheet

### Appropriations:

- **Judiciary Civil Legal Services program (JCLS):** \$150 million for JCLS, an increase of \$45 million compared to SFY 2024-25.
- **Attorney for Child (AFC) program:** \$113 million for AFC program, an increase of \$13 million compared to SFY 2024-25.
- **Core Operations Enhanced Funding:** \$97 million increase to support funding enhancement, which includes 10 NYC Criminal Court Judgeships, 10 support magistrate positions in NYC family court and Jury Per Diem rate increase from \$40 to \$72.

### Article VII

- **Market-Based Interest Rate on Court Judgments:** The Executive proposes modifying the statutory interest rate on court judgments, which is currently typically nine percent per year, to a variable, market-based rate.

## Office of Court Administration Agency Details

<b>Office of Court Administration (OCA) Total Appropriation (\$ in Millions)</b>				
<b>Item</b>	<b>Available SFY 2024-25</b>	<b>Request SFY 2025- 26</b>	<b>\$ Change</b>	<b>% Change</b>
OCA All Funds	\$2,440	\$2,672	\$264	9.5%
General State Charges (GSC)	\$972	\$1,044	\$72	7%
<b>Total with GSC</b>	<b>\$3,757</b>	<b>\$4,093</b>	<b>\$336</b>	<b>8.9%</b>

### **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 Office of Court Administration (OCA) Budget proposes total appropriations of \$4.09 billion, an increase of \$336 million or 8.9 percent compared to SFY 2024-25. The OCA Budget proposes a total All Funds spending of \$4.07 billion, an increase of \$335 million compared to SFY 2024-25, which is \$20 million lower than the total proposed appropriations. The OCA Budget proposal supports a workforce of 17,000 FTEs, an increase of 1,000 FTEs.

### **Office of Court Administration**

The \$4.1 billion total appropriations includes \$3.05 billion in All Funds appropriations (State Operations, Aid to Localities and Capital Projects) and \$1.04 billion in General State Charges (GSC). The OCA All Funds appropriations of \$3.05 billion represents an increase of \$264 million or 9.5 percent compared to SFY 2024-25. The increase in spending is mainly attributed to increased personal services related to general salary increases, inflationary increase, increase to core operations, technology upgrades and increase judgeships and nonjudicial staff.

The OCA Budget proposes the following:

- \$97 million increase to support core operations enhancement for the following initiatives:
  - \$17.7 million to support 10 New York City Criminal Court judgeships and other case processing needs in the City courts, which requires enactment of legislation.
  - \$14.2 million to support jury per diem rate increase from \$40 to \$72, which requires enactment of legislation.
  - \$9.5 million to support 75 court attorneys positions for the trial courts, to provide legal support needs in Family, City, District, multi-bench and Supreme court programs.
  - \$9.5 million to support 90 new trial court operations that will address operational needs and improve case processing in Family, City, District, multi-bench and problem-solving courts.
  - \$6.7 million to support 10 support magistrate positions in New York City Family court to address backlog and other case processing needs in City Family Court.
  - \$5 million to support the Artificial Intelligence program by providing access to the Legal Research Platform to improve efficiencies and enhance decision making for court attorneys and judges.
  - \$3 million to support 22 positions for the Appellate Departments which will provide support for appellate courts and auxiliary agency operations.
  - \$1 million to support reallocation of court operations titles to attract and retain nonjudicial staff in court operations.
  - \$300,000 to support expansion of the UCS Civic Engagement unit program to promote connections between the courts and communities they serve by strengthening public understanding of the State's courts system.
- \$91 million increase to support collective bargaining obligations, including general salary increases and adjustment to nonpersonal services operational costs.
- \$45 million increase for the Judiciary Civil Legal Services program (CLS) for total funding of \$150 million in SFY 2025-26.
- \$29.2 million increase to support annualization of 43 new judgeships authorized in 2023 and nonjudicial positions.
- \$17.4 million increase to support overtime activities to address criminal court backlog.
- \$13 million increase for Attorney for Child (AFC) program for total funding of \$113 million in SFY 2025-26.
- \$5 million increase to support leasing costs including Court Officer Training Academy.
- \$3 million increase to support Alternative Dispute Resolution (ADR) program to expand mediation and arbitration services statewide.
- \$2 million increase to support Bronx Supreme Court Alternative to Incarceration (ATI) program to divert defendants into mental health and substance abuse programs.
- \$300,000 increase to support the expansion of the court appointed special advocates (CASA) program. CASA program recruits and trains volunteers to advocate for children in Family Court.

Capital Projects: The OCA Budget proposes an All Funds appropriation of \$50 million, unchanged from SFY 2024-25. The \$50 million includes \$42 million to support developing technology equipment, softwares, services, and support for the Division of Court Modernization; \$5 million to enhance health and safety in courthouses through the acquisition of X-ray machines, magnetometers, security cameras and door access systems; and \$3 million for the acquisition of equipment associated with general facility renovation and upgrades.

General State Charges: The OCA Budget proposes an All Funds GSC appropriation of \$1.04 billion, an increase of \$72.1 million or 7.4 percent compared to SFY 2024-25. This funding supports statutory and negotiated fringe benefits provisions. OCA's GSC includes employer-paid contributions for pensions, Social Security, Medicare, health insurance, and employee benefit funds.

The OCA's GSC proposal includes the following:

- \$549.1 million for Health, Dental, Vision, and Life Insurance, an increase of \$30 million compared to SFY 2024-25.
- \$314.3 million for Pension Contributions, an increase of \$25 million compared to SFY 2024-25.
- \$146.1 million for Social Security and Medicare, an increase of \$13.6 million compared to SFY 2024-25.
- \$34.3 million for Employee Benefit Funds, an increase of \$2.8 million compared to SFY 2024-25.

## **Article VII**

**Market-Based Interest Rate on Court Judgments (PPGG Part T):** The Executive proposes modifying the statutory interest rate on court judgments, which is currently typically nine percent per year, to a variable, market-based rate.

*Fiscal Impact:* The Executive Budget estimates that this proposal would have a \$2.5 million savings to the State in SFY 2025-26.

# HEALTH



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET



## Health Fact Sheet

### Appropriations

- **Hospital Operating & Capital Funding:** \$2.9 billion State-share, which includes \$1.6 billion in State-share Hospital operating and financially distressed funding, and \$1.3 billion operating and capital funding for the Safety-Net Hospital Transformation Program.
- **MCO Tax Revenue:** \$3.7 billion State-share revenue will be collected over a two-year period to support \$1 billion to support existing programs, and \$2.7 billion new State-share investments over a three-year period.
- **HPNAP & Nourish New York:** \$113 million to support grants to address food insecurities. The Executive Budget proposal maintains \$28 million in legislative grant funding provided in SFY 2024-25.
- **Reproductive Health Grants:** \$60 million to support grants to reproductive health care providers, an increase of \$20 million compared to SFY 2024-25, which includes funding to support abortion medication care.

### Article VII

- **Hospital Payments:** The Executive proposes repealing the requirement that the Department of Health (DOH) provide \$339 million in funding to not-for-profit hospitals and ending \$113.4 million in indigent care pool payments for New York City Health + Hospitals.
- **Medicaid Managed Care (MMC):** The Executive proposes excluding MMC from the Independent Dispute Resolution process and imposing penalties on Managed Care Organizations (MCOs) that violate the law.
- **MCO Tax and Medicaid Rate Increases:** The Executive proposes setting specific MCO tax amounts on plans. The Executive also proposes Medicaid rate increases for hospitals, nursing homes, clinics, and assisted living residences.
- **Physician's Excess Medical Malpractice:** The Executive proposes requiring physicians to buy their own coverage and pay a portion of the cost upfront. The Department of Financial Services (DFS) would reimburse them later.

- **Community Benefit:** The Executive proposes requiring every general hospital to report annually on their community benefit contributions.
- **Opioid Related Proposals:** The Executive proposes adding several controlled substances to the Controlled Substances Schedule to align with federal policy.
- **Maternal and Reproductive Reforms:** The Executive proposes requiring all hospitals to provide abortion care when necessary to stabilize patients. It would also allow medical practitioners, when prescribing abortion medication, to replace their names with the name of the practice on drug labels.
- **Medicaid Coverage for Infertility Treatment:** The Executive proposes providing Medicaid coverage for fertility preservation services for individuals with infertility caused by medical treatments.
- **Emergency Medical Services (EMS):** The Executive proposes reforms that would include an effort to create a coordinated statewide emergency medical system, allowing municipalities to create special financing districts, and setting licensure standards for EMS practitioners.
- **Health Care Transactions:** The Executive proposes expanding oversight of financial transactions by health care entities.
- **Sexual Assault Examiners:** The Executive proposes requiring all hospitals to have Sexual Assault Forensic Examiners (SAFE) available at all times.
- **Acute Hospital Care at Home:** The Executive proposes allowing general hospitals to provide medical care within the home without securing a home care agency license.

## Health Agency Details

Health Agency All Funds Appropriations (\$ in millions)				
Agency	Available SFY 2024-25	Executive SFY 2025-26	\$ Change	% Change
Department of Health	\$125,067	\$134,299	\$9,232	7%
Office for the Aging	\$396	\$424	\$28	7%
Office of Medicaid Inspector General	\$57	\$59	\$2	4%
<b>Health Total</b>	<b>\$125,520</b>	<b>\$134,782</b>	<b>\$9,262</b>	<b>7%</b>

### Overview

The Executive Budget proposes All Funds appropriations of \$134.8 billion for all health agencies, an increase of \$9.3 billion or 7.4 percent compared to SFY 2024-25. The \$134.8 billion includes \$3.8 billion for State Operations, \$129.4 billion in Aid to Localities and \$1.5 billion for Capital Projects. The increase is mainly attributed to spending growth in the Medicaid program and additional investment in operating and capital support for hospitals and nursing homes.

### Department of Health (DOH)

The Executive Budget proposes All Funds appropriations of \$134.3 billion, an increase of \$9.2 billion, or 7.4 percent, compared to SFY 2024-25. The All Funds appropriations include \$3.8 billion in State Operations, \$129 billion in Aid to Localities, and \$1.5 billion in Capital Projects. The Executive Budget proposal supports a workforce of 6,217 FTEs, an increase of eight FTEs compared to SFY 2024-25.

Health Care Enrollment: The Executive Budget proposal projects a total enrollment of 9 million individuals in a Healthcare program by the end of SFY 2025-26 (March 31, 2026), an increase of nearly 90,000 enrollees compared to the end of SFY 2024-25 (March 31, 2025).

The Executive Budget proposal projects the following enrollment by the end of SFY 2025-26:

- Medicaid: 7 million individuals enrolled, an increase of 30,000 enrollees compared to SFY 2024-25.
- Essential Plan: 1.4 million individuals enrolled, an increase of 45,000 enrollees compared to SFY 2024-25.
- Child Health Plus (CHP): 600,000 individuals enrolled, an increase of 12,000 enrollees compared to SFY 2023-24.

Medicaid: The Executive Budget proposes \$123.8 billion in All Funds Medicaid spending, an increase of \$8.2 billion or seven percent compared to SFY 2024-25. This includes \$71 billion in federal-share and \$35.7 billion in total DOH state-share, an increase of \$4.3 billion or 13.7 percent compared to SFY 2024-25. The Executive Budget projects All Funds Medicaid spending will grow to \$133.7 billion by SFY 2028-29.

Medicaid Global Cap: The Medicaid Global Cap is determined using a five year rolling average of healthcare 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 \$1.5 billion, bringing the Global Cap to \$35.7 billion in SFY 2025-2026. The Executive Budget proposal estimates that \$26.5 billion or 74 percent of total DOH State-share spending will be subject to the Medicaid Global Cap in SFY 2025-26.

Local Growth Takeover: The Executive Budget proposes that the State will continue to assume nearly \$8.3 billion in costs in SFY 2025-26 that would have otherwise been borne by localities.

Hospital Funding: The Executive Budget proposes \$1.9 billion in state-share hospital operating funding, which includes financially distressed hospitals. This represents a decrease of \$500 million due to the elimination of an SFY 2024-25 supplemental investment.

Budget Actions: The Executive Budget estimates that Medicaid spending will exceed the Global Cap by \$656 million in SFY 2025-26 and by \$1.7 billion in SFY 2026-27, absent any budget actions in SFY 2025-26. The Executive Budget attributes \$665 million in State savings to various budget actions (administrative and legislative), which would bring Medicaid spending within the SFY 2025-26 Global Cap. These budget actions will bring Medicaid spending \$904 million above the Global Cap in SFY 2026-27, absent any additional actions.

The Executive Budget proposes the following:

- \$1.4 billion in Healthcare Stability Fund (HSF) reinvestments utilizing revenue from the Managed Care Organization (MCO) Tax, which includes:
  - \$500 million shifts General Fund Medicaid spending to the HSF, which is outside of the Global Cap.
  - \$305 million investment to support supplemental operating funding for Hospitals.
  - \$300 million investment to support Safety-Net Transformation program.
  - \$200 million investment to support supplemental operating funding for nursing homes, Assisted Living Programs (ALPs) and hospice.
  - \$50 million investment to support managed care quality pool investments.

Health Care Reform Act (HCRA): The Executive Budget proposes \$7.5 billion in Health Care Reform Act (HCRA) spending, a decrease of \$114 million compared to SFY 2024-25. The Executive Budget propose HCRA funding will be used to support the following:

- \$4.7 billion to continue support for Medicaid Assistance spending
  - \$150 million for Distressed Provider Assistance, hospital operating funding.
- \$1.3 billion for the Child Health Plus (CHP) program.
- \$630 million for hospital indigent care.

Public Health: The Executive Budget proposes \$2.5 billion to support various public health programs, a decrease of \$167 million, or 6.2 percent, compared to SFY 2024-25. The Executive Budget proposes the following:

- \$60 million total funding for reproductive health programs grants, an increase of \$20 million compared to SFY 2024-25:
  - \$25 million for the Reproductive Equity and Freedom Grant Program.
  - \$20 million for abortion medication care grants.
  - \$15 million for Reproductive Healthcare Facilities Capital grants.
    - The Executive Budget proposal expands the program to include more eligible grantees and projects in addition to security related projects.
- \$57.8 million total funding for Hunger Prevention and Nutrition Assistance Program (HPNAP), unchanged compared to SFY 2024-25.
- \$55 million total funding for Nourish New York, unchanged compared to SFY 2024-25.
- \$48 million decrease attributed to elimination of programs and investments as proposed in Article VII proposal HMM Part G and HMM Part H.

Health Capital Funds: The Executive Budget proposes an All Funds appropriation of \$1.5 billion for Capital Projects, a net increase of \$984 million or 65.3 percent compared to SFY 2024-25. The \$984 million net increase is mainly attributed to over \$1 billion in new funding, offset by reduction in various appropriations, which can continue spending through re-appropriations in SFY 2025-26.

The Executive Budget proposes the following:

- \$1 billion new funding for the Safety-Net Hospital Transformation Program to support additional transformation projects and encourage partnerships between safety-net hospitals. Funding will be available to support multi-year projects.
- \$5 million increase to support the modernization and enhancement of Helen Hayes Hospital and the following Veterans' Homes: St. Albans Nursing Homes, Batavia Nursing Home, Oxford Nursing Home, and Montrose Nursing Home, total funding \$12.6 million in SFY 2025-26.
- \$7.5 million decrease in Safe Drinking Water Resolving grants, total funding \$354 million in SFY 2025-26.

- \$3.3 million decrease due to discontinuation of the Enhancing the Quality of Adult Living (EQUAL) program, as proposed in Article VII HMH Part H, which discontinues administration of various public health programs.

## **Article VII**

**Medicaid Global Cap Extension (HMH Part A)**: The Executive proposes extending the Medicaid Global Cap through SFY 2026-27.

*Fiscal Impact: The Executive Budget proposal does not provide a fiscal estimate for extending the Medicaid Global Cap. .*

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

- The Nursing Home Health Care Refinancing Shared Savings program through March 31, 2030.
- The Foster Family Care Demonstration Program through December 31, 2027.
- DOH’s authority to approve additional assisted living program beds through April 1, 2026.
- The statewide Patient-Centered Medical Homes program, a Medicaid incentive care model where a physician and care team work collaboratively to manage patient care, through April 1, 2028.
- DOH’s authority to issue Disproportionate Share Hospital (DSH)/Intergovernmental Transfer (IGT) payments to hospitals outside of New York City through March 31, 2028.
- The community-based paramedicine demonstration program through May 22, 2027.
- The authority for limited licensed home care services agencies through June 30, 2027.
- DOH’s authority to redeploy excess reserves of certain not-for-profit managed care organizations through August 1, 2027.
- The two-month “cooling-off” period requirement after the termination of a contract between an Article 44 health plan and a hospital through June 30, 2027.
- The hiring authority for contract staff to administer fair hearings under the Fully Integrated Duals Advantage program through January 1, 2028.
- The Health Facility Cash Assessment program through March 31, 2029.
- The demonstration program for transitioning medically fragile young adults in pediatric nursing homes through July 30, 2028.
- The home based primary care for the elderly demonstration program through January 1, 2031.
- The Basic Health Program’s authority to offer certain long term services and supports through December 31, 2030.
- The Statewide Independent Assessors program through September 30, 2026.

The Executive Budget makes permanent:

- The limit on payment of nursing home appeals cap of \$80 million annually.
- The authorization for episodic payment per sixty-day care period for certified home health agencies.
- The authorization of bad debt and charity care allowances for certified health home agencies.
- The authority to limit reimbursement of certified home health agencies and long-term home health care programs administrative and general costs to not exceed a statewide average.
- The elimination of the trend factor for certain services provided by general hospitals, nursing homes and other providers for various programs.
- The authorization related to financing of certain healthcare capital improvements.
- The elimination of payment for prescription drugs by Medicaid managed care plans.

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

**Pharmacy Related Proposals (HMH Part C):** The Executive proposes eliminating the ability of prescribers to overrule Medicaid denials of coverage for prescription drugs when the prescriber's choice of the drug is not clinically supported.

*Fiscal Impact: The Executive Budget estimates this proposal would provide \$12.4 million in net State savings in SFY 2025-26 and \$49.5 million in net State savings in SFY 2026-27.*

**Hospital Payments (Part D):** The Executive proposes two changes to reduce supplemental hospital payments. First, it repeals the requirement, starting in calendar year 2026, that DOH provide \$339 million in upper payment limit funding to not-for-profit (voluntary) safety net hospitals. The Executive also proposes ending \$113.4 million (\$56.7 million State share) in indigent care pool funding for New York City Health + Hospitals, which comes from the federal Medicaid DSH program.

*Fiscal Impact: The Executive Budget estimates this proposal would provide \$57 million State-share (\$113.4 million gross) savings for SFY 2025-26.*

**Medicaid Managed Care Reforms (HMH Part E):** The Executive proposes to exclude Medicaid Managed Care (MMC) from the State's Independent Dispute Resolution process.

The Executive proposes to shift long-term nursing home stays from MMC to Medicaid Fee for Service, aligning coverage with the Medicaid Long Term Care Partial Capitation Program.

The Executive also proposes authorizing the Commissioner of Health to impose penalties ranging from \$250 to \$25,000 per violation on Managed Care Organizations (MCOs) that violate state and federal laws and regulations or the Medicaid model contract. 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 the ability to dispute any violations.

*Fiscal Impact: The Executive Budget estimates this proposal would provide \$20.1 million in net State savings in SFY 2025-26 and \$27.7 million in net State savings in SFY 2026-27.*

**Managed Care Organization (MCO) Tax and Medicaid Rate Increases (Part F):** The SFY 2024-25 Enacted Budget established a tax on managed care organizations to raise funds for investments in the State's health system. It also required that receipts from the tax go to the healthcare stability fund. The 2025-26 Executive Budget proposes setting specific MCO tax amounts for Medicaid, Essential Plan, and commercial plans on a per member per month basis; the tax rates would be higher for Medicaid plans than the others. The proposal further authorizes DOH to impose penalties on plans that do not pay the tax or provide certain information, while allowing DOH to waive penalties for financial hardship.

The Executive also proposes Medicaid rate increases for hospitals, nursing homes, federally qualified health centers and diagnostic and treatment centers, and assisted living residences (subject to federal approval and sufficient funds). The increases would be funded by monies raised through the MCO tax.

*Fiscal Impact: The Executive Budget estimates this proposal would secure \$3.8 billion in revenue over a two-year period.*

**Physician's Excess Medical Malpractice (Part G):** This program provides eligible physicians with additional medical malpractice insurance above the policy limits of their primary malpractice coverage. The Executive proposes to extend the program, for one additional year, to June 30, 2026. It also proposes the following changes to the program, which are similar to amendments proposed in the SFY 2024-25 Executive Budget:

- For policy periods beginning on or after July 1, 2024, participating physicians would buy their own coverage and pay the cost upfront. The Department of Financial Services (DFS) would reimburse them at the end of the policy period for half the cost and pay the provider the other half one year later.
- For policy periods beginning on or after July 1, 2025, insurance carriers would only charge physicians half the cost of the premium. At the end of the policy period, DFS would pay 25% of the premium to the carrier and another 25% one year later.
- If physicians have not paid at least half of the premium at the conclusion of their policy, their coverage would be cancelled.



*Fiscal Impact: The Executive Budget estimates this proposal would have a \$39.3 million State savings in SFY 2025-26 and \$19.6 million State savings in SFY 2026-27.*

**Discontinuing Department of Health Programs (HMH Part H):** The Executive Budget proposes discontinuing the following Department of Health programs:

- Enhanced Quality of Adult Living (EQUAL) Program, which aims to enhance quality of care and life experience for adult care facility residents through funding to improve or expand services or enhance the facility’s physical environment.
- Empire Clinical Research Investigator Program (ECRIP), which provides grants to teaching hospitals to promote training of physicians in clinical research.
- Tick-Borne Disease Institute, which coordinates the State’s policies concerning Lyme disease and other tick-borne diseases.
- 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 \$8.8 million State savings in SFY 2025-26 and \$11 million State savings in SFY 2026-27.*

**Remove Electronic Death Registration (EDRS) System Fee (HMH Part I):** The Executive proposes eliminating the DOH-issued \$20 burial or removal permit fees paid by funeral homes, which are solely used to support the electronic death registration system (EDRS). The EDRS has been implemented and this funding is no longer needed.

*Fiscal Impact: The Executive Budget estimates this proposal would yield \$970,000 in State savings in SFY 2025-26.*

**Statewide Health Care Facility Transformation Program (SHCFTP) Deadline (HMH Part J):** The SHCFTP program provides capital funds for healthcare providers to improve their facilities. The Executive proposes changing the deadline for DOH to make awards under the third and fourth rounds of SHCFTP funding from December 31, 2022 to February 28, 2023. The Executive believes this is necessary to prevent unintended consequences arising from the fact that the program awarded some funds after the current due date because of pandemic-related delays.

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

**Temporary Operator Statute Changes (HMH Part K)**: The Executive proposes expanding the definition of “established operator” to include public benefit corporations and the definition of “serious financial instability” to include an operator’s inability to meet payroll obligations.

The Executive proposes granting the Commissioner of Health additional discretion in appointing a temporary operator for hospitals and adult care facilities when they seek considerable financial assistance from DOH or their financial situation results in conditions that jeopardize the health and safety of their residents and patients.

The Executive proposes increasing the time a temporary operator has to provide DOH with a work plan to address a facility’s issues from prior to their appointment to 30 days after appointment. The Executive also proposes extending the length of the temporary operator’s appointed term from 90 days to 180 days. Additionally, the Executive proposes increasing the time a temporary operator may serve from one 180-day term plus two 90-day terms to three 180-day terms; and revises the timeline for the submission of their end-of-term reports from within fourteen days prior to the end of each term to no sooner than 60 days and no later than 30 days prior to the end of each term.

The Executive proposes an abbreviated timeline for the established operator to appeal the appointment of a temporary operator, changing the deadline for an administrative hearing from no later than 60 days from the date the established operator received notice of the appointment to no later than 30 days after the temporary operator is appointed.

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

**Consent to Pay for Non-Emergency Care (HMH Part L)**: The Executive proposes removing the requirement that a patient give informed consent to pay for non-emergency treatment at the time services are received. Hospitals would still need to obtain informed consent for payment from the patient, separately from their consent for treatment, and the consent for payment would still need to be signed after a review of treatment costs.

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

**Community Benefit Spending (HMH Part M):** The Executive proposes requiring every general hospital to report annually on their community benefit contributions. Community benefit includes spending on addressing a community’s needs, including discounted services, Medicaid unreimbursed costs, educational programs, and financial assistance. The proposal also requires the report to include how community benefit spending supports State priorities. Hospitals must file the report with DOH within 180 days of the end of their fiscal year. DOH must publish this information on its website.

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

**Expand Scope of Spinal Cord Injury Research Program (SCRIP) (HMH Part N):** The Executive proposes expanding the kind of research studies eligible for funding from the Spinal Cord Injury Research Program (SCRIP) grant to include: education and research into quality of life improvements, treatment, and potential cures for patients who have experienced both neurological and non-neurological spinal cord injuries.

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

**Opioid Related Proposals (HMH Part O):** The Executive proposes adding several controlled substances, such as fentanyl derivatives, hallucinogenics, stimulants, depressants, and sedatives, to the State’s Controlled Substances Schedule. This expansion would align with the controlled substances that are permanently scheduled at the federal level. The proposal replaces the term “addict” with “a person with substance use disorder” within the Public Health Law. The proposal allows 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. The Executive also proposes authorizing emergency medical technician-paramedics to administer controlled substances for emergency treatment.

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

**Maternal and Reproductive Reforms (HMH Part P):** The Executive proposes requiring all hospitals to provide abortion care when a perinatal individual is admitted to the emergency department and the procedure is necessary to stabilize the condition of the patient. The Executive also proposes requiring hospitals that lack the capacity to treat high-risk maternity patients in need of emergent care to develop protocols for their treatment. Finally, the proposal allows practitioners to replace their name with the name of the practice on prescription drug labels when prescribing abortion medication.

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

**Medicaid Coverage for Iatrogenic Infertility Treatment (HMH Part Q):** The Executive proposes providing Medicaid coverage for fertility preservation services for individuals with infertility caused by medical treatments. Coverage would include medically necessary medications and procedures to collect, preserve, and store oocytes and sperm. The Executive also proposes creating a grant program to provide funds to health care providers to assist them in improving and expanding access to infertility care.

*Fiscal Impact: The Executive Budget estimates this part will have a \$2.3 million cost in SFY 2025-26 and \$4.6 million in SFY 2026-27.*

**Access to Emergency Medical Services (HMH Part R):** The Executive proposes declaring emergency medical services (EMS) an essential service. The Executive also proposes updating the definition of EMS in law to reflect how providers currently operate.

The Executive proposes requiring the Regional Emergency Services Councils to consider additional factors related to access, community need, alignment with approved state plans, project feasibility, and innovations in service delivery when determining the need for additional services in a region. The Executive also proposes creating an Emergency Medical Community Assessment Program to evaluate EMS service delivery outside of New York City.

The Executive proposes developing a Statewide Comprehensive Emergency Medical System Plan and individual county plans to create a coordinated emergency medical system across the State to improve the delivery of EMS care. The Executive also proposes allowing municipalities to create special districts to finance EMS expansion in the State and requiring them to ensure the availability of EMS, a general ambulance service, or a combination. The Executive also proposes creating various EMS demonstration programs to facilitate innovation in EMS care delivery. The Executive also proposes creating licensure standards for EMS practitioners. This licensure would align with and replace their existing certifications.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$4.8 million State cost in SFY 2025-26 and \$800,000 State cost in SFY 2026-27.*

**Reporting Requirements for Health Care Transactions (HMH Part S):** The Executive proposes expanding oversight of material transactions by health care entities by requiring them to disclose more quantitative information to assess the impacts of a transaction.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$80,000 State cost in SFY 2025-26.*

**Sexual Assault Forensic Examiner (SAFE) Program (HMH Part T)**: The Executive proposes requiring all hospitals to have Sexual Assault Forensic Examiners (SAFE) available at all times, as well as at least one sexual violence response coordinator and sufficient staff to treat patients who have been sexually assaulted. SAFE Examiners could work full time, part time, via contract, or via telemedicine.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$2 million State cost in SFY 2025-26.*

**Digitize Genealogical Records (HMH Part U)**: The Executive proposes eliminating the requirement that DOH maintain all registered physical birth and death indices to reduce the Bureau of Vital Records' (BVR) administrative burden. The Executive proposal authorizes DOH to determine the manner in which certain genealogical records can be released. The Executive also proposes imposing a fee for records used in genealogical research and raising application and priority processing fees, which support BVR staffing and resources.

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

**Acute Hospital Care at Home (HMH Part Y)**: The Executive proposes allowing general hospitals to provide medical care within the home without securing a home care agency license. This codifies the federal Acute Hospital Care at Home Program into State law.

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

### **State Office for the Aging**

The Executive Budget proposes an All Funds appropriation of \$424 million, a net increase of \$28 million or seven percent compared to SFY 2024-25. The \$424 million includes \$16.6 million for State Operations and \$407 million in Aid to Localities. The increase is mainly attributed to investments to address unmet needs for the aging, which are offset by reductions due to the elimination of various legislative grants. The Executive Budget proposal supports a workforce of 126 FTEs, unchanged compared to SFY 2024-25.

The Executive Budget proposal supports the following:

- \$45 million increase to address unmet service needs for local area agencies on aging, including in-home services, nutritional support, and transportation.
- \$4.7 million increase to support an 2.1 percent targeted inflationary increase, as proposed in HMM Part FF.
  
- \$6.2 million for Long-Term Care Ombudsman Program (LTCOP), unchanged compared to SFY 2024-25.
  - The Executive Budget maintains total prior year funding levels.
- \$1 million investment into the State’s Master Plan for Aging, unchanged from SFY 2024-25.

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

The Executive Budget proposes All Funds appropriations of \$59.2 million, an increase of \$1.7 million or three percent, compared to SFY 2024-25. The Executive Budget proposal supports a workforce of 545 FTEs, an increase of 30 FTEs compared to SFY 2024-25. The primary role of OMIG is to prevent and detect Medicaid waste, abuse, or fraud.

# MENTAL HYGIENE



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

## Mental Hygiene Fact Sheet

### Appropriations

- **Opioid Settlement Funding Investment:** \$63 million to support Opioid Settlement Fund new program investments.
- **2.1% Targeted Inflationary Increase:** \$345 million gross funding to support. This includes providers under contract with the following agencies: OMH; OPWDD; OASAS; SOFA; OCFS; and OTDA.
- **100 Forensic Bed Increase:** \$160 million increase in Capital Projects to support 100 Additional Forensic Beds.

### Article VII

- **Targeted Inflationary Increase:** The Executive proposes a 2.1 percent funding increase for programs serving people with mental health and addiction issues, individuals with disabilities, children and families, and the elderly.
- **Homeless Youth Consent to Behavioral Health Treatment:** The Executive proposes allowing homeless youths and others receiving youth services to consent to behavioral health treatment.
- **Involuntary Commitment and Assisted Outpatient Treatment (AOT):** The Executive proposes allowing for the involuntary commitment of individuals unable to provide for their own essential needs. It also proposes allowing domestic partners to request AOT on behalf of an individual. Finally, the Executive proposes requiring hospitals to notify mental health practitioners when their patients are admitted to or discharged from a program.



## Mental Hygiene Agency Details

<b>Mental Hygiene Agency All Funds Appropriations (\$ in millions)</b>				
<b>Agency</b>	<b>Available SFY 2024-25</b>	<b>Executive SFY 2025-26</b>	<b>\$ Change</b>	<b>% Change</b>
Office for People with Developmental Disabilities	\$7,675	\$10,117	\$2,442	32%
Office of Mental Health	\$5,899	\$6,272	\$373	6%
Office of Addiction Services and Supports	\$1,225	\$1,248	\$23	2%
Department of Mental Hygiene	\$600	\$600	\$0	0%
The Justice Center for People with Special Needs	\$63	\$63	\$0	0%
Council on Developmental Disabilities	\$5	\$6	\$1	20%
<b>Mental Hygiene Total</b>	<b>\$15,467</b>	<b>\$18,306</b>	<b>\$2,839</b>	<b>18%</b>

### Overview

The Executive Budget proposes All Funds appropriations of \$18.3 billion, an increase of \$2.8 billion or 18.4 percent compared to SFY 2024-25. This includes \$5.6 billion in State Operations, \$11.7 billion in Aid to Localities and \$965 million in Capital Projects.

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

The Executive Budget proposes All Funds appropriations of \$10.1 billion, an increase of \$2.4 billion, or 31.8 percent, compared to SFY 2024-25. The \$10.1 billion includes \$2.4 billion in State Operations, \$7.5 billion in Aid to Localities, and \$266.7 million in Capital Projects. The Executive’s proposal supports a workforce of 19,115 FTE, unchanged from SFY 2024-25.

The Executive Budget proposes the following:

- \$2.3 billion increase in Aid to Localities to support the following:
  - \$2.1 billion increase to support local share cost shift from DOH to OPWDD. This cost shift is utilized to align spending with appropriate agencies and will reduce DOH medicaid spending within the Medicaid Global Cap.
  - \$116 million increase to support a 2.1 percent Targeted Inflationary Increase, as proposed in HMM Part FF.
  - \$38.1 million increase to support minimum wage payments.
  - \$25 million increase for the annualization of SFY 2024-25 rate adjustments.
- \$127 million increase in Capital Projects to support the following:
  - \$75 million for the campus renovation and modernization Institute for Basic Research (IBR) and space for Willowbrook Learning Center in Staten Island.
  - \$26.3 million for vehicle fleet replacement.
  - \$25 million to establish Regional Disability Clinics.
  - \$1 million increase for personal services re-estimates.

- \$7.8 million increase in State Operations to support Intensive Treatment Opportunities (ITO) Expansion.
- \$960,000 decrease due to elimination of Legislative grants.

## Article VII

**OPWDD Managed Care Statute Extender (HMH Part CC):** The Executive proposes extending the statutes authorizing Medicaid managed long-term care plans for individuals receiving services through OPWDD to December 31, 2027.

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

### **Office of Mental Health (OMH)**

The Executive Budget proposes All Funds appropriations of \$6.3 billion, a net increase of \$373.3 million or 6.3 percent compared to SFY 2024-25. The \$6.3 billion includes \$2.4 billion for State Operations, \$3.3 billion in Aid to Localities and \$604.5 million for Capital Projects. The Executive’s proposal supports a workforce of 15,872 FTEs, an increase of 604 FTEs compared to SFY 2024-25.

The Executive Budget proposes the following:

- \$160 million increase in Capital Projects to support 100 additional forensic beds.
- \$129 million increase to support local share cost shift from DOH to OMH. This cost shift is utilized to align spending with appropriate agencies and will reduce DOH Medicaid spending within the Medicaid Global Cap.
- \$67 million increase for a 2.1 percent targeted inflationary increase.
- \$31.7 million increase for the annualization of prior year initiatives.
- \$30.7 million increase to enhance clinical and direct care staffing at forensic psychiatric centers and enhance the crisis unit at the Capital District Psychiatric Center.
- \$25.9 million increase for contract employee services.
- \$20.5 million increase State Operations funding to support additional 200 inpatient beds.
- \$18.5 million increase for involuntary commitment and Assisted Outpatient Treatment (AOT).
- \$11.9 million increase for Supported Housing Pass-Through.
- \$8.5 million increase to enhance safe options support.
- \$8.5 million increase to expand clubhouses.
- \$8.4 million increase to support minimum wage payments.
- \$3.8 million increase for intensive support engagement teams and the Peer-Bridger Program.
- \$2.4 million increase for teen mental health expansion and Youth Safe Spaces program.

- \$1.9 million increase for community support in marginalized neighborhoods.
- \$1.5 million increase for an Aging in Place pilot program.
- \$1.1 million increase for maternal mental health.
- \$163 million decrease due to the elimination of one-time Capital Project investments and legislative grants.
  - \$115 million decrease for one-time electronic health record system upgrades.
  - \$37 million decrease for one-time transitional housing units.
  - \$11 million decrease due to elimination of legislative grants.

## Article VII

### **Authorize Homeless Youth to Consent to Behavioral Health Treatment (HMH Part DD):**

The Executive proposes allowing homeless youth and youth receiving services certified, permitted, or licensed through OCFS to legally consent to behavioral health treatment. The Executive also proposes clarifying that minors who are married, have a child, or who meet the criteria to be considered a homeless youth may consent to behavioral health services.

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

### **Involuntary Commitment and Assisted Outpatient Treatment (HMH Part EE):** The

Executive proposes allowing the involuntary commitment of individuals at substantial risk of physical harm due to an inability or refusal to provide for their own essential needs, including food, clothing, medical care, safety, or shelter, as a result of mental illness.

The Executive proposes creating a clinical determination of ‘likelihood to result in serious harm’ and allowing psychiatric nurse practitioners to make one of the two required certifications for committal. The Executive also proposes allowing the Director of Community Services, or their designee, to commit an individual for psychiatric care at the request of a domestic partner or roommate. Current law permits this request by a parent, spouse, adult sibling, child of the person, or other medical professionals.

The Executive proposes clarifying that expired orders for Assisted Outpatient Treatment (AOT) can be reissued upon the demonstration of an increase in the signs and symptoms of mental illness. The Executive also proposes allowing a domestic partner to request AOT on behalf of an individual. Current law permits this request by a parent, spouse, adult sibling, adult child, or other medical professionals. The Executive proposes allowing physicians to testify via video conference during AOT hearings.

Finally, the Executive proposes requiring hospitals and Comprehensive Psychiatric Emergency Programs (CPEPs) to notify mental health practitioners when their patients are admitted to or discharged from a program.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$18.5 million State cost in SFY 2025-26.*

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

The Executive Budget proposes All Funds appropriations of \$1.25 billion, which is a net increase of \$22.3 million compared to SFY 2024-25. The \$1.25 billion includes \$189 million for State Operations, \$924 million for Aid to Localities, and \$94 million for Capital Projects. The Executive Budget proposes All Funds spending of \$1 billion, an increase of \$126 million or 14 percent compared to SFY 2024-25. The Executive Budget proposal supports a workforce of 812 FTEs, an increase of 34 FTEs from SFY 2024-2025. The All Funds increase is attributed to various investments, offset by reductions due to elimination of one-time investments and re-estimates.

The Executive Budget proposes the following:

- \$15.3 million increase in State Operations including support for:
  - \$10 million increase to support upgrading OASAS data collection, reporting, and information technology systems for a five-year \$50 million investment.
  - \$5 million increase to support increased IT costs and other incremental improvements of OASAS' systems.
- \$12 million increase to support a 2.1 percent Targeted Inflationary Increase, as proposed in HMM Part FF.
- \$11.4 million increase to support vocational, job placement, and day services for individuals seeking addiction and support services.
- \$6.4 million increase to support minimum wage payments.
- \$3 million increase for Street Outreach Teams expansion including integration with OHM's Safe Options Support (SOS) teams.
- \$2.6 million increase for Mobile Medication Units (MMUs) expansion that provide medication and other clinical services for individuals seeking opioid services and support. This includes \$1.3 million in Capital Projects funding.
- \$2.4 million increase for additional staff and operating costs for OASAS.
- \$1 million increase in Capital Projects.
- \$500,000 in one-time funds to conduct an analysis of the 12 State-operated Addiction Treatment Centers (ATCs).
- \$300,000 increase to provide technical assistance to Opioid Treatment Programs (OTPs).

- \$24.5 million decrease in Opioid Settlement appropriations to align projected spending with fund receipts.
- \$8 million decrease due to elimination of legislative grants.

## **Department of Mental Hygiene**

The Executive Budget proposes an All Funds appropriation of \$600 million, unchanged from SFY 2024-25. The Department of Mental Hygiene operates through three independently operating agencies: the Office of Mental Health, the Office for People with Developmental Disabilities, and the Office of Addiction Services and Supports.

### **Article VII**

**Make the Preferred Source Program Permanent (HMH Part Z):** The Executive proposes to make permanent the Preferred Source program, which exempts entities that provide employment to individuals with intellectual and developmental disabilities from competitive procurement procedures. The authority is set to expire on October 4, 2025.

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

**Make Demonstration Program Flexibilities Permanent (HMH Part AA):** The Executive proposes to make permanent the existing authority of the Commissioners of the Office of Mental Health (OMH), the Office of Addiction Services and Supports (OASAS), and the Office for People with Developmental Disabilities (OPWDD) to utilize time-limited demonstration programs as a method for service development. The authority is set to expire on March 31, 2025.

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

**Make Permanent OMH and OPWDD Authority to Appoint Temporary Operators (HMH Part BB):** The Executive proposes to make permanent existing OMH and OPWDD authority to appoint temporary operators to operate programs, services and facilities. The authority is set to expire on March 31, 2025.

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

**Targeted Inflationary Increase (HMH Part FF)**: The Executive proposes a 2.1 percent targeted inflationary increase (TII) for eligible programs and services under OMH, OASAS, OPWDD, Office for Temporary and Disability Assistance, Office of Children and Family Services (OCFS), and New York State Office for the Aging for SFY 2025-26. The TII follows the structure of, and includes the same programs as, the cost-of-living adjustment (COLA) proposed in previous years, but updates terminology to reflect that this is an operational rate increase and not intended to solely support wage enhancements for the direct care workforce.

*Fiscal Impact: The Executive Budget estimates this proposal would have a \$212 million State-share (\$345 million gross) State cost in SFY 2025-26.*

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

The Executive Budget proposes All Funds appropriations of \$63.3 million, an increase of \$278,000, or less than one percent, compared to SFY 2024-25. The \$63.3 million includes \$62.3 million in State Operations and \$1 million in Aid to Localities. The increase includes \$70,000 to support one FTE and a \$208,000 increase for the Surrogate Decision-Making Committee (SDMC) program, which is an alternative to the court system to make non-emergency medical treatment decisions for individuals unable to make informed consent. The Executive's proposal supports a workforce of 491 FTEs, an increase of one FTE compared to SFY 2024-25.

**State Council on Developmental Disabilities (CDD)**

The Executive Budget proposes All Funds appropriations of \$6.3 million, an increase of \$1.5 million, or 31.5 percent, compared to SFY 2024-25. The Executive's proposal supports a workforce of 18 FTEs, unchanged compared to SFY 2024-25. The Executive's proposal shifts all personal services costs to the new State funding, which increases the amount of federal funding available to support grants awarded by CDD to \$4.6 million in SFY 2025-26.

# ENVIRONMENT, ENERGY, AGRICULTURE AND PARKS



STAFF ANALYSIS OF THE  
2025-26 EXECUTIVE BUDGET

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

### Appropriations

- **Sustainable Future Program:** The Executive proposes \$1 billion in new capital funding for climate mitigation and adaptation projects, with no less than 35 percent going to disadvantaged communities. The capital projects will focus on reducing greenhouse gas emissions, decarbonizing buildings, and advancing clean transportation initiatives.
- **State Hazardous Waste Superfund:** The Executive includes \$125 million for environmental clean-up of hazardous waste disposal sites.
- **Environmental Protection Fund:** The Executive proposes \$400 million for the Environmental Protection Fund. The total is maintained at SFY 2024-25 level funding.
- **Clean Water Infrastructure:** The Executive proposes \$500 million for clean water infrastructure funding. Clean water funding has been maintained at \$500 million since 2019.
- **State Parks:** The Executive proposes \$167.5 million in new capital for the New York Building Recreational Infrastructure for Communities, Kids, and Seniors (NYBRICKS) and the New York Places for Learning, Activity, and Youth Socialization (NYPLAYS).
- **State Fairgrounds:** The Executive proposes an additional \$35 million for capital renovations at the State Fairgrounds.

### Article VII

- **Hazardous Waste Superfund Reauthorization:** The Executive Budget proposes to reauthorize the Inactive Hazardous Waste Disposal Site Program (Superfund Program) until March 31, 2036, expand liability for natural resource-related damages and related costs, grant the Department of Environmental Conservation (DEC) new equitable remedy and financial assurance powers, prioritize hazardous waste cleanup in disadvantaged communities, and increase bonding authority for the Superfund Program from \$2.2 billion to \$3.45 billion.
- **Ban on Selling Firefighter PPE Containing PFAS:** The Executive Budget proposes to prohibit the sale or distribution of firefighting personal protective equipment containing any intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS), beginning January 1, 2028.



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

Environment, Agriculture, Parks, and Energy All Funds Appropriations (\$ in Millions)				
Agency	SFY 2024-25 Enacted Budget	SYF 2025-26 Executive Budget Recommendation	Change (\$)	Change (%)
Adirondack Park Agency	\$6.6	\$18.2	\$11.6	175.8%
Agriculture and Markets, Department of	\$355.5	\$364.2	\$8.7	2.5%
Energy Research and Development Authority, New York State	\$25.8	\$25.8	-	0.0%
Environmental Conservation, Department of	\$2,506.0	\$2,589.5	\$83.5	3.3%
Green Thumb Program	\$5.7	\$6.2	\$0.5	7.6%
Greenway Heritage Conservancy	\$0.27	\$0.55	\$0.3	105.3%
Hudson River Valley Greenway Communities Council	\$0.5	\$0.5	-	0.0%
Olympic Regional Development Authority	\$96.6	\$124.1	\$27.5	28.5%
Parks, Recreation and Historic Preservation, Office of	\$1,060.9	\$1,015.0	(\$45.9)	(4.3%)
Power Authority	\$54.0	\$52.5	(\$1.5)	(2.8%)
Public Service, Department of	\$197.4	\$155.0	(\$42.4)	(21.5%)
Sustainable Future Program	-	\$1,000.0	-	-
<b>Total</b>	<b>\$4,308.4</b>	<b>\$5,351.1</b>	<b>\$1,042.68</b>	<b>24.2%</b>

### Overview

The SFY 2025-26 Executive Budget proposes \$5 billion in All Funds appropriations for State agencies within the Environmental Conservation functional area, an increase of just over \$1 billion, or 24 percent, from the current fiscal year. This increase is primarily due to the allocation of \$1 billion for the Sustainable Future Program.

### Adirondack Park Agency

The SFY 2025-26 Executive Budget recommends All Funds appropriations of \$18.2 million for the Adirondack Park Agency, an increase of \$11.6 million, or 175.8 percent, from the current fiscal year. This increase is attributed to \$10 million in additional capital funds to support the construction of the new Agency headquarters.

## **Department of Agriculture and Markets**

The SFY 2025-26 Executive Budget proposes All Funds appropriations of \$364.2 million for the Department of Agriculture and Markets, an increase of \$8.7 million, or 2.5 percent, from the current fiscal year. This increase is primarily due to the proposed increase of \$35 million in capital funds for the State Fairgrounds, partially offset by eliminating \$9.3 million in legislative adds.

The Executive also proposes \$1.6 million in the following new local assistance programming:

- \$750,000 for the Cornell Ruminant Center.
- \$500,000 for the NYS Senior Farmers Market Nutrition Program.
- \$250,000 for Cornell 4-H.
- \$100,000 for Natural Fiber Production and Distribution.

The Executive Budget also proposes 99 new FTEs for \$23 million. The new hires will include transitioning 50 part-time workers to full-time, 42 health and safety inspectors, three transmission and solar expansion employees, two EV charging employees, a Chief Diversity Officer, and a Deputy Commissioner for IT.

## **Article VII**

**Enhance the Agricultural and Farmland Protection Program (TEDE Part OO):** The Executive Budget proposes expanding the Farmland Protection Program by including new definitions for urban agriculture, local and regional food systems, and food security, and amending how farmland protection plans are developed. This includes providing municipalities greater autonomy in developing their own farmland protection plans, initiatives and projects, and providing funding mechanisms for farmland protection plan projects. State assistance payments to local governments and agricultural stakeholders for developing farmland protection plans would be increased to the extent such funds are available, and nonprofits would be newly eligible for farmland protection projects. The Budget also incentivizes intermunicipal collaboration through the Protection Program's state assistance payments, and expands the Program's focus beyond commercial farming.

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

## **Energy Research and Development Authority**

The Executive Budget maintains All Funds appropriations of \$25.8 million for the New York State Energy Research and Development Authority (NYSERDA). By maintaining the current appropriation, NYSERDA meets the State's share of a federal cost-sharing agreement with the U.S. Department of Energy to manage and administer the nuclear fuel reprocessing plant at West Valley.

## **Article VII**

**Annual NYSERDA Special Assessment (TEDE Part VV):** The Executive Budget proposes a \$7 million increase to the annual NYSERDA assessment on gas and electric utilities, bringing the total assessment to \$35,725,000. \$6 million of this assessment is intended to be used for the formulation of a master plan for Responsible Advanced Nuclear Development. This assessment also funds the Energy Policy & Planning 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: The Executive estimates this proposal would generate revenue and have a positive fiscal impact of \$35.8 million in SFY 2025-26.*

## **Department of Environmental Conservation**

The Executive Budget recommends All Funds appropriations of \$2.6 billion for the Department of Environmental Conservation (DEC), an increase of \$83.5 million or 3.3 percent, from the current fiscal year. This increase reflects a \$25 million increase for the Hazardous Waste Superfund, totaling \$125 million. Funding would be used for environmental clean-up of hazardous waste disposal sites. Additionally, \$500 million was maintained for clean water infrastructure funding. This program has been maintained at \$500 million since 2019. The New York Works capital program was also maintained at \$90 million, funding environmental infrastructure projects such as protecting dams, rehabilitating fish hatcheries, and improving state campgrounds.

The Executive maintains funding for the Environmental Protection Fund (EPF) at \$400 million, the same level as SFY 2024-25. The Executive has recommended changes in the distribution of EPF funds as follows:

- \$40.7 million, a decrease of \$500,000, for climate change mitigation and adaptation programs.
- \$189.3 million, a decrease of \$900,000, for open space programs.
- \$115.9 million, an increase of \$1.9 million for parks, recreation and historic preservation programs.
- \$54.1 million, a maintenance of funding, for solid waste programs.

## Article VII

**Extending the Waste Tire Management & Recycling Program (TEDE Part PP):** The Executive Budget proposes to extend the waste tire management and recycling fee program by five years until December 31, 2030. The program is currently scheduled to expire on December 31, 2025. The proposal also extends the existing \$2.50 per tire point-of-purchase fee to mail-order and out-of-state tire purchases, and requires that tire service businesses collect the fee when installing tires unless the customer demonstrates that they have already paid the fee. In addition, the proposal removes language exempting the resale of tires from the fee.

*Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal. However, this change would result in unknown increased revenue due to the extension of the \$2.50 fee to support tire recycling and environmentally friendly tire disposal.*

**Extending the Youth Deer Hunting Program (TEDE Part QQ):** The Executive proposes a five year extension of the youth hunting program, which permits 12- and 13-year olds to hunt deer with rifles, shotguns, muzzle-loading firearms, and crossbows while supervised, until December 31, 2030. The program is currently scheduled to expire on December 31, 2025.

*Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal. However, this change would result in unknown increased revenue received from hunting licenses from the youth hunting program.*

**Hazardous Waste Superfund Reauthorization (TEDE Part RR)**: The Executive Budget proposes to reauthorize the Inactive Hazardous Waste Disposal Site Program (Superfund Program) for ten years until March 31, 2036. The program is currently scheduled to expire on March 31, 2026. The proposal also expands liability for natural resource-related damages and hazardous waste assessment and response costs, grants the Department of Environmental Conservation (DEC) additional powers to establish new financial assurance requirements and use environmental liens for remediation liability, prioritizes hazardous waste cleanup in disadvantaged communities, and authorizes additional equitable remedy powers to prevent imminent threats to public health/welfare or the environment. The proposal broadens the existing municipal liability exemption so that liability applies where a municipality has, outside of its governmental functions, intentionally or recklessly caused or contributed to contamination at properties it owns or operates that threatens public health or the environment. The proposal also adds flexibility for use of state funds for remedial programs at sites owned by the State, and increases bonding authority for the Superfund Program from \$2.2 billion to \$3.45 billion.

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

**Reduction of PFAS in Firefighting Equipment (TEDE Part SS)**: The Executive Budget proposes to prohibit the manufacture, sale, offer for sale, or distribution of firefighting personal protective equipment containing any intentionally added perfluoroalkyl and polyfluoroalkyl (PFAS) substances, beginning January 1, 2028. The proposal also makes clear that the existing obligation for manufacturers to recall firefighting foam containing intentionally added PFAS applies regardless of when such foam was sold.

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

**Land Conservation Exemptions (TEDE Part TT)**: The Executive Budget proposes to exclude the acquisition of conservation easements from the requirement that the Attorney General approve the title for land purchases by the Department of Environmental Conservation. It would also exempt transfers of real property for open space, parks, or historic preservation purposes from the one percent mansion tax if the acquirer is a not-for-profit, tax exempt organization operated for conservation, environmental, parks, or historic preservation purposes.

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

**Renewal of Authority for Crab Fisheries Management (TEDE Part UU):** The Executive Budget proposes to reauthorize the Department of Environmental Conservation’s authority to manage crab fisheries by five years until December 31, 2029. This authority expired on December 31, 2024.

*Fiscal Impact: The Executive states that this proposal has no fiscal implications for the State.*

**Fossil Fuel Company Tax Information (TEDE Part ZZ):** The Executive Budget proposes to authorize the Department of Taxation and Finance to disclose data, other than taxpayer identity information, from petroleum and other fossil fuel business tax returns to the Department of Environmental Conservation and the New York State Energy Research and Development Authority for purposes of implementing the Climate Leadership and Community Protection Act (CLCPA), promulgating regulations under the CLCPA, and achieving the CLCPA’s greenhouse gas emission reduction requirements.

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

### **Green Thumb**

The Executive Budget proposes All Funds appropriations of \$6.2 million for Green Thumb, an increase of \$437,000 or 7.6 percent from the current fiscal year. This increase is the result of a minimum wage adjustment.

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

The Executive Budget proposes All Funds appropriations of \$546,000 for the Greenway Heritage Conservancy of the Hudson River Valley, an increase of \$280,000, or 105.3 percent over the current fiscal year. This increase is attributed to a staffing increase.

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

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

### **Olympic Regional Development Authority (ORDA)**

The Executive Budget proposes All Funds appropriations of \$124.1 million for the Olympic Regional Development Authority (ORDA), an increase of \$27.5 million, or 28.5 percent, from the current fiscal year. This increase reflects a \$15 million addition in modernization funding for ORDA’s facilities/venues and a \$12.5 million increase for the maintenance of ORDA’s Olympic and Ski facilities.

## Article VII

### **Olympic Regional Development Authority Authorization for Reciprocal Ski Pass Programs**

**(TEDE Part T):** The Executive Budget proposes to expand the Olympic Regional Development Authority's (ORDA) contracting authority to allow it to enter into reciprocal ski pass programs with other ski areas, including where the contract provides for defense and/or indemnification of other ski area members of the ski pass program. Indemnification would be limited to a maximum of \$250,000 per claim. The proposal also removes obsolete contracting authority for ORDA related to the 2023 University World Games.

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

### **Office of Parks, Recreation and Historic Preservation (OPRHP)**

The Executive Budget proposes All Funds appropriations of \$1 billion for the Office of Parks, Recreation and Historic Preservation (OPRHP), a decrease of \$45.9 million or 4.3 percent from the current fiscal year. This decrease is primarily attributed to the discontinuation of one-time appropriations. The Executive proposes \$167.5 million in new capital for the New York Building Recreational Infrastructure for Communities, Kids, and Seniors (NYBRICKS) and the New York Places for Learning, Activity, and Youth Socialization (NYPLAYS) programs. NYBRICKS would receive \$100 million for nonprofit and municipal community center projects, with a guarantee of \$50 million going to underserved communities. NYPLAYS would receive \$67.5 million to construct and renovate new and existing playgrounds, ensuring \$35 million goes toward underserved communities.

Additionally, the Executive proposes \$50 million to continue the New York Statewide Investment in More Swimming program (NYSWIMS).

### **New York Power Authority (NYPA)**

The Executive Budget recommends All Funds appropriations of \$52.5 million for the New York Power Authority (NYPA), a decrease of \$1.5 million or 2.8 percent, from the current fiscal year. This decrease reflects the discontinuation of the \$1.5 million one-time appropriation for the watershed modeling of the Mohawk and Oswego River Basins.

## **Department of Public Service (DPS)**

The Executive Budget recommends All Funds appropriations of \$155 million, a decrease of \$42.4 million, or 21.5 percent, from the current fiscal year. This decrease is primarily reflected as the result of the discontinuation of the \$50 million Energy Affordability Program.

The Executive Budget also recommends a staffing increase of 50 FTEs, for a total of 628. The additional FTEs would support utility oversight, pipeline safety, renewable energy projects, and utility consumer protection programs.

## **Article VII**

### **Aligns Energy Service Companies Unclaimed Revenue Policies to Other Utilities (TEDE**

**Part WW):** The Executive Budget proposes to align the requirements regarding unclaimed customer deposits and refunds for Energy Services Companies (ESCOs) to those that other utilities adhere to by requiring any funds unclaimed for two years be transferred to the State Comptroller and placed into the Abandoned Property Fund. Currently, this provision only applies to electric, gas, water, steam, telephone, and telegraph utilities.

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

### **Extending Assessments on Cable Television Companies and Public Utilities (TEDE**

**Part XX):** The Executive Budget proposes extending 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, 2030. Previously this assessment has been authorized on an annual basis.

*Fiscal Impact: The Executive proposal did not provide a fiscal estimate for this proposal. However, these provisions ensure the recovery of public health and utility oversight related expenses incurred by various agencies.*



**Incentivizing Compliance with the “Call Before You Dig” Program (TEDE Part YY):**

The Executive Budget proposes to raise fines from \$2,000 to \$5,000 for excavators and operators who fail to comply with proper excavation procedures and provide that any subsequent violation within 12 months will result in a fine of \$20,000 per violation, up from \$10,000. The proposal also directs the proceeds of these fines to be sent to the Environmental Protection Fund (EPF) instead of the General Fund where they are currently deposited.

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

**Sustainable Future Program**

The Executive Budget recommends a new appropriation of \$1 billion for the Sustainable Future Program. The proposed initiative would fund climate mitigation and adaptation projects. Examples of projects include greenhouse gas emissions/pollution reduction, decarbonization of buildings, renewable energy utilization, and clean transportation initiatives.

**Environmental Protection Fund Table**

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2025</b>	<b>SFY 2026</b>	<b>Change (\$)</b>
<b>Climate Change Mitigation and Adaptation</b>	<b>\$41.2</b>	<b>\$40.7</b>	<b>(\$0.5)</b>
<b>Greenhouse Gas Management</b>	<b>\$2.4</b>	<b>\$2.4</b>	<b>-</b>
Regenerate NY	\$0.5	\$0.5	-
Refrigeration Council Pilot Program	\$0.5	\$0.5	-
Municipal Community Forests	\$0.5	\$0.5	-
Vermont Energy Investment Corporation*	\$0.0	\$0.3	\$0.3
<b>Climate Resiliency Plans</b>	<b>\$7.0</b>	<b>\$6.5</b>	<b>(\$0.5)</b>
Wood Products Development Council	\$0.2	\$0.02	(\$0.2)
Timbuctoo	\$1.3	\$1.3	-
CALs ESF Climate and Applied Forestry Institute	\$1.5	\$1.5	-
Climate Coordinators	\$2.0	\$2.5	\$0.5
Resiliency Planting Program	\$0.5	\$0.1	(\$0.4)
Nature Conservancy Staying Connected Program	\$0.03	\$0.03	-
PBS Climate Teaching Tools	\$0.0	\$0.0	-
<b>Smart Growth Grant Program</b>	<b>\$3.8</b>	<b>\$3.8</b>	<b>-</b>

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025	SFY 2026	Change (\$)
<b>Climate Resilient Farms Program</b>	<b>\$15.3</b>	<b>\$15.3</b>	-
Cornell Soil Health	\$0.5	\$0.5	-
Ag and Forestry**	\$0.5	\$0.0	(\$0.5)
<b>Climate Smart Communities</b>	<b>\$12.5</b>	<b>\$12.0</b>	(\$0.5)
Municipal EV Fast Chargers	\$0.0	\$0.0	-
<b>Farmers Market Resiliency Grant Program</b>	<b>\$0.7</b>	<b>\$0.7</b>	-
<b>Open Space</b>	<b>\$190.3</b>	<b>\$189.3</b>	(\$1.0)
<b>Land Acquisition</b>	<b>\$39.5</b>	<b>\$37.5</b>	(\$2)
Land Trust Alliance	\$3.2	\$3.2	-
Urban Forestry	\$3.0	\$3.0	-
Regions 1, 2, and 3	\$4.0	\$4.0	-
Land Trust Alliance Conservation Easements	\$1.5	\$1.5	-
Tug Hill Tomorrow Landscape	\$0.5	\$0.3	(\$0.2)
Open Space Grant Program	\$0.0	\$0.2	\$0.2
<b>Albany Pine Bush Preserve</b>	<b>\$3.0</b>	<b>\$3.1</b>	<b>\$0.1</b>
<b>Long Island Central Pine Barrens</b>	<b>\$2.5</b>	<b>\$2.5</b>	-
<b>Long Island Shore Estuary</b>	<b>\$2.0</b>	<b>\$2.0</b>	-
<b>Agricultural Non-point Source Pollution Abatement</b>	<b>\$17.5</b>	<b>\$18.5</b>	<b>\$1.0</b>
CCE Suffolk County	\$0.5	\$0.0	(\$0.5)
Cornell Pesticide Management Education Program	\$0.3	\$0.3	-
<b>Non-agricultural Non-point Source Pollution Abatement</b>	<b>\$6.0</b>	<b>\$6.0</b>	-
Cornell Community IPM	\$1.0	\$1.0	-
<b>Farmland Protection</b>	<b>\$21.0</b>	<b>\$21.0</b>	-
Cornell Land Classification and Master Soils List	\$0.1	\$0.2	\$0.0
<b>Biodiversity Stewardship</b>	<b>\$1.9</b>	<b>\$1.9</b>	-
Pollinator Protection	\$0.5	\$0.5	-
Cary Institute of Ecosystem Studies - Catskills	\$0.2	\$0.2	-
Paul Smith's College for the Watershed Institute**	\$0.1	\$0.0	(\$0.1)
UAlbany for the Atmospheric Sciences Research Center**	\$0.1	\$0.0	(\$0.1)

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025	SFY 2026	Change (\$)
<b>Hudson River Estuary Management</b>	\$7.5	\$7.5	-
Mohawk River	\$1.0	\$1.0	-
<b>Finger Lakes - Lake Ontario Watershed Protection Alliance</b>	\$3.5	\$3.5	-
<b>Lake Erie Watershed Protection</b>	\$0.3	\$0.3	-
<b>Water Quality Improvement Programs</b>	\$22.3	\$22.3	-
Suffolk County Nitrogen Reduction	\$4.5	\$4.5	-
Nassau County Bay Park Outfall Pipe	\$5.3	\$5.3	-
Source Water Planning	\$5.0	\$5.0	-
Chautauqua Lake Association	\$0.2	\$0.2	-
Chautauqua Lake Partnership	\$0.1	\$0.1	-
Cornell University Groundwater Contaminant Removal	\$0.0	\$1.0	\$1.0
Stony Brook Center for Clean Water	\$1.0	\$0.0	(\$1.0)
Eastern Finger Lake Coalition	\$1.2	\$1.2	-
Allegheny River Watershed Program	\$1.0	\$1.0	-
Lake Erie-Niagara River Basin	\$1.3	\$1.3	-
Great South Bay**	\$0.2	\$0.0	(\$0.2)
<b>Ocean and Great Lakes Projects</b>	\$22.5	\$22.5	-
Peconic Bay Estuary Program	\$0.8	\$0.8	-
Billion Oyster Project, Inc.	\$0.0	\$0.5	\$0.5
<b>Invasive Species</b>	\$18.6	\$18.6	-
Cornell Plant Certification Program	\$0.1	\$0.2	\$0.1
Eradication	\$5.8	\$5.8	-
Hemlock Woolly Adelgid	\$0.5	\$0.5	-
Southern Pine Beetle	\$0.5	\$0.5	-
<b>Soil and Water Conservation Districts</b>	\$17.3	\$17.3	-
<b>Agricultural Waste Management</b>	\$1.9	\$1.9	-
Cornell Dairy Acceleration Program	\$0.7	\$0.7	-
<b>Lake George Park Commission</b>	\$0.9	\$0.9	-
<b>Urban Farms and Community Garden</b>	\$2.3	\$2.3	-

Environmental Protection Fund (\$ in Millions)			
Account	SFY 2025	SFY 2026	Change (\$)
Cornell University	\$0.3	\$0.3	-
<b>Parks, Recreation and Historic Preservation</b>	<b>\$114</b>	<b>\$115.9</b>	<b>\$1.9</b>
<b>Waterfront Revitalization Projects</b>	<b>\$14.3</b>	<b>\$14.3</b>	-
Projects in Underserved Areas	\$10.5	\$10.5	-
Climate Change Resiliency Planning	\$2.0	\$2.0	-
Niagara River Greenway	\$0.3	\$0.3	-
<b>Municipal Parks Projects</b>	<b>\$26.0</b>	<b>\$25.9</b>	<b>(\$0.1)</b>
Projects in underserved areas	\$13.0	\$13.0	-
Tivoli Park	\$0.3	\$0.03	(\$0.2)
Hudson River Valley Trail Grants	\$0.5	\$0.5	-
SUNY ESF	\$0.3	\$0.3	-
Paul Smith's College	\$0.3	\$0.3	-
Catskill Center for Conservation and Development	\$0.3	\$0.3	-
Camp Morty**	\$0.3	\$0.0	(\$0.3)
<b>Public access and stewardship</b>	<b>\$47.0</b>	<b>\$49.0</b>	<b>\$2.0</b>
Belleayre	\$0.0	\$0.0	-
Parks and Trails Friends Groups	\$2.0	\$2.5	\$0.5
New York Protected Area Database	\$0.02	\$0.3	\$0.3
Adirondack and Catskills Wilderness Protection	\$10.0	\$8.0	(\$2.0)
Adirondack Mountain Club Visitor Centers	\$0.3	\$0.0	(\$0.3)
SCALE / Adirondack Lake Monitoring	\$2.0	\$1.5	(\$0.5)
Camp Santanoni Historic Area	\$0.5	\$0.8	\$0.3
Hudson River Park Trust	\$4.4	\$4.4	-
Zoos, Botanic Gardens, and Aquaria	\$20.0	\$20.0	-
<b>Navigation Law Programs</b>	<b>\$2.3</b>	<b>\$2.3</b>	-
<b>Solid Waste</b>	<b>\$54.1</b>	<b>\$54.1</b>	-
<b>Non-hazardous Landfill Closures</b>	<b>\$0.3</b>	<b>\$0.3</b>	-
<b>Municipal Recycling Projects</b>	<b>\$19.0</b>	<b>\$19.0</b>	-
Food Donation and Recycling/Organics Projects	\$2.5	\$2.5	-

<b>Environmental Protection Fund (\$ in Millions)</b>			
<b>Account</b>	<b>SFY 2025</b>	<b>SFY 2026</b>	<b>Change (\$)</b>
<b>Secondary Materials Regional Marketing Assistance</b>	<b>\$0.7</b>	<b>\$0.7</b>	-
<b>Pesticide Program</b>	<b>\$1.5</b>	<b>\$1.5</b>	-
Long Island Pesticide Prevention	\$0.2	\$0.2	-
<b>Environmental Justice Projects</b>	<b>\$13.0</b>	<b>\$13.0</b>	-
Connect Kids	\$3.0	\$3.5	\$0.5
EJ Air Monitoring	\$4.0	\$4.0	-
Center for Native Peoples and the Environment	\$1.1	\$1.1	-
<b>Natural Resource Damages</b>	<b>\$1.8</b>	<b>\$1.8</b>	-
<b>Pollution Prevention Institute</b>	<b>\$4.6</b>	<b>\$4.6</b>	-
Interstate Chemicals Clearinghouse	\$0.3	\$0.3	-
<b>Environmental Health Assessments</b>	<b>\$11.3</b>	<b>\$11.3</b>	-
Clean Sweep NY	\$0.5	\$0.5	-
Children's Environmental Health Centers	\$4.0	\$4.0	-
Fresh Connect / SNAP EBT	\$3.9	\$3.9	-
Center for Clean Water at Stony Brook	\$1.0	\$1.0	-
<b>Brownfield Opportunity Area Grants</b>	<b>\$2.0</b>	<b>\$2.0</b>	-
<b>Environmental Protection Fund Total</b>	<b>\$400.0</b>	<b>\$400.0</b>	-
*Denotes SFY 25 Legislative add			
**Denotes SFY 26 Executive add			







New York State Senate Democratic Majority  
**STAFF ANALYSIS OF THE 2025-26  
EXECUTIVE BUDGET**