



January 19, 2024

Greetings –

This week Governor Hochul released her FY 2025 Executive Budget. This formally "kicks-off" budget season when the Legislature will review and hold hearings on the Governor's proposals later this month and in February and then engage in negotiations with the Governor until an agreement is reached and the budget passed.

The Governor's proposed budget totals \$233 billion, a 4.5% increase from last year, reflecting her preference for no new taxes over increasing expenditures. There is a lot to unpack in a budget of this size and scope, so here I will flag only a few items of note with more updates as the process moves forward.

The Governor's Fiscal 2025 Executive Budget:

Education funding: The Executive Budget includes \$35.3 billion in total for school aid, an increase of \$825 million from FY 24. One difficult issue here is that the Governor proposes reworking the formula for how funds are distributed, with schools that have lost population potentially seeing a drop in funding. Given that the Governor has signaled her intent to begin to reform how literacy is taught across the state to align with evidence based best practices, which will likely require greater investment in schools not less, this is an area of significant concern.

Medicaid: Medicaid expenditures and education funding make up the two largest items in the State's budget with the Executive Budget including \$35.5 billion in State funding for Medicaid. This is an increase overall from the current year, but the Governor announced the need to reduce spending in certain areas including long-term care for elderly.

The migrant and asylum seeker crisis: The Governor proposes increasing funding to address the migrant and asylum seeker crisis by \$2.4 billion, \$500 million over the current year's allocation. How these funds are used and whether this is an adequate amount given the need should be carefully reviewed.

The State's mental health system: The Governor proposes continued significant expansion in funding for mental health services. This year's proposed allocation for mental health is \$4.8 billion, up \$1.5 billion from 2022's \$3.3 billion expenditure.

Housing initiatives: The Governor did not try to advance the housing plan she proposed last year, with targets for production for localities. The centerpiece of her housing proposals this year is a replacement for the expired 421-a property tax exemption, which provided property tax breaks for new developments. The challenge here is striking the right balance between incentivizing housing production and giving away tax dollars to developers that simply pad their profits. The Governor is also proposing various

legislative and regulatory changes to allow for more building in New York City and a \$500 million fund to develop properties on state owned properties.

Climate related initiatives: The Governor proposes spending \$435 on resiliency projects to protect communities from severe floods. The Governor is proposing reforms to expedite the permitting process for major renewable energy generation and transmission projects. The Executive Budget also includes key elements of the [NY HEAT ACT \(A.4592/S.2016\)](#), which I co-sponsor and would better align state regulation and oversight of gas utilities with the goals of the state’s Climate Leadership and Community Protection Act (CLCPA). These are welcome developments, but of course much more needs to be done and I and my colleagues will continue to work to strengthen the State’s response to climate change.

You can find out more about the Governor’s budget proposals [here](#).

Advocating for Street Safety

This week I joined Council Member Shahana Hanif and several of my Brooklyn colleagues in the Assembly and Senate in sending a letter to the New York City Department of Transportation in support of universal “daylighting” at New York City intersections.

Daylighting is the practice of replacing parking spots near intersections with actual physical materials that create additional space and safe visibility at curbs for pedestrians. They are especially important in keeping children, the elderly, and parents with strollers safe as they are particularly vulnerable when cars are turning and visibility is low. The Adams administration has committed to daylighting 1,000 intersections a year, which is a good step, but I believe the City should be even more aggressive in its efforts. You can read about the issue in Streetsblog.

If you have any concerns about any legislative or community issue, please email me at carrollr@nyassembly.gov or call (718) 788-7221.

-Bobby

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