



J. GARY PRETLOW  
Assemblyman 89<sup>th</sup> District

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
Ways and Means Committee

COMMITTEE  
Rules

January 27, 2025

Dear Colleagues:

I am pleased to provide you with this year's edition of *Yellow Book*, which represents a review and analysis of the Executive Budget proposal for State Fiscal Year (SFY) 2025-26. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 21, 2025. This publication is accessible on our website: <https://nyassembly.gov/Reports/WAM/2025yellow/>.

*Yellow Book* is the Assembly's preliminary analysis of the Executive Budget, as required by Section 53 of the Legislative Law. This document is an informational resource for Members as we participate in public, joint legislative fiscal committee hearings on the budget—our next step in the budget process.

Speaker Heastie and I know that you share our goal of enacting an on-time budget premised on a principle of fairness to all New Yorkers. At the same time, we will continue to reinforce our commitment to the education of our children, to protecting our communities and to providing necessary support to the most vulnerable among us.

As the Legislature begins its work on the State Fiscal Year 2025-26 Budget, I would like to express my gratitude to all of my Assembly colleagues for the time and commitment you will dedicate to creating and enacting this year's budget. I would also like to thank the public for their participation as well. Finally, I would like to thank the staff of the Ways and Means Committee for their outstanding efforts to produce this document, and for their support to our conference throughout the year.

Sincerely,

A handwritten signature in black ink that reads "James Gary Pretlow". The signature is written in a cursive style.

J. Gary Pretlow

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**A REVIEW AND ANALYSIS  
OF THE  
2025-26 EXECUTIVE BUDGET**

**YELLOW BOOK**

**January 2025**

**J. Gary Pretlow  
Chair  
Assembly Ways and Means Committee**

Prepared by the  
Assembly Ways and Means Committee Staff

Philip A. Fields  
Secretary to the Committee

Marie Lovato  
Director of Budget Studies

Victor E. Franco, Jr.  
Director of Fiscal Studies

**A Review and Analysis  
of the  
2025-26 Executive Budget**

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# BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The Executive budget estimates All Funds spending for SFY 2025-26 at \$252 billion, an annual growth of 3.6 percent.
- **State Operating Funds Spending:** The Executive estimates total State Operating Funds disbursements of \$143.8 billion in SFY 2025-26, reflecting annual growth of 7.9 percent.
- **General Fund Spending:** The Executive estimates General Fund disbursements in SFY 2025-26 of \$116.3 billion, for an annual growth of 7.3 percent or \$7.9 billion.
- **General Fund Budget Surplus:** The Executive projects a budget surplus of \$3.5 billion in SFY 2024-25 and \$1.8 billion in SFY 2025-26, mainly due to continued growth in tax receipts. The combined surplus of \$5.3 billion is primarily used to support new proposals in the SFY 2025-26 Executive budget, particularly related to tax relief actions.
- **Out-year Budget Gaps:** The Executive estimates budget gaps of \$6.5 billion in SFY 2026-27, \$9.8 billion in SFY 2027-28 and \$11 billion in SFY 2028-29.
- **General Fund Closing Balance:** The Executive estimates the SFY 2025-26 General Fund closing balance will be \$45.7 billion. This represents a decrease of \$7.8 billion from the current fiscal year and is mostly related to Executive budget proposals, the refund of Pass-Through Entity Tax (PTET) collections and the use of debt management and monetary settlement reserves.

# BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



State Finance Law requires the Executive to provide a detailed multi-year financial plan to the Legislature upon submission of the Executive budget. The Financial Plan must meet certain requirements, including a requirement that the General Fund be balanced on a cash basis of accounting for the upcoming fiscal year.

The State uses a Governmental Funds System of Accounting, which includes the General Fund, Special Revenue Funds, Debt Service Funds and Capital Funds. The Executive presents the proposed budget in two other classifications: State Operating Funds (consisting of the General Fund, Debt Service Funds and State Special Revenue Funds); and State Funds (consisting of all the components in State Operating Funds plus Capital Funds).

**Table 1**

## Size of Budget (\$ in Millions)

	SFY 2024-25	SFY 2025-26	Difference	Percent
General Fund	108,389	116,329	7,940	7.3
State Operating Funds	133,336	143,804	10,468	7.9
State Funds	147,050	161,196	14,146	9.6
All Funds	243,381	252,025	8,644	3.6

*Source: NYS Division of Budget SFY 2025-26 Executive Budget Financial Plan.*

The Executive proposes an All Funds budget of \$252 billion for SFY 2025-26, representing growth of \$8.6 billion, or 3.6 percent over SFY 2024-25. All Funds growth includes \$8.2 billion increase for Medicaid and \$4.2 billion increase for Capital Projects spending, which is partially offset by a \$6 billion decrease in Federal funding as COVID-19 pandemic related recovery and assistance continues to decrease.

The State Operating Funds Budget is estimated to be \$143.8 billion, which represents growth of \$10.5 billion or 7.9 percent over SFY 2024-25. The growth is mostly driven by increases in DOH Medicaid spending of \$4.3 billion, Agency Operations costs of \$3.1 billion, Other Assistance and Grants of \$2.2 billion and School Aid of \$1.7 billion.

Table 2

**Executive Budget Spending Estimates**  
(\$ in Millions)

	SFY 2024-25 Updated	SFY 2025-26 Projected	\$ Change	% Change
<b>State Operating Funds</b>	<b>133,336</b>	<b>143,804</b>	<b>10,468</b>	<b>7.9</b>
School Aid (School Year Basis)	35,671	37,365	1,694	4.7
Medicaid	31,021	35,369	4,348	14.0
All Other Assistance and Grants	30,082	32,238	2,156	7.2
Agency Operations	33,399	36,514	3,115	9.3
Debt Service	3,163	2,318	(845)	(26.7)
<b>Federal Operating</b>	<b>93,013</b>	<b>87,037</b>	<b>(5,976)</b>	<b>(6.4)</b>
<b>Capital Projects</b>	<b>17,032</b>	<b>21,184</b>	<b>4,152</b>	<b>24.4</b>
<b>All Funds</b>	<b>243,381</b>	<b>252,025</b>	<b>8,644</b>	<b>3.6</b>

*Source: NYS Division of Budget SFY 2025-26 Executive Budget Financial Plan.*

The Executive projects General Fund spending to total \$116.3 billion in SFY 2025-26, an increase of \$7.9 billion or 7.3 percent over SFY 2024-25. General Fund growth primarily reflects funding increases of \$1.9 billion in DOH Medicaid, \$1.3 billion in School Aid and increases in various other initiatives.

State Funds spending is projected at \$161.2 billion or 9.6 percent over SFY 2024-25.

## Sources and Uses of Funds

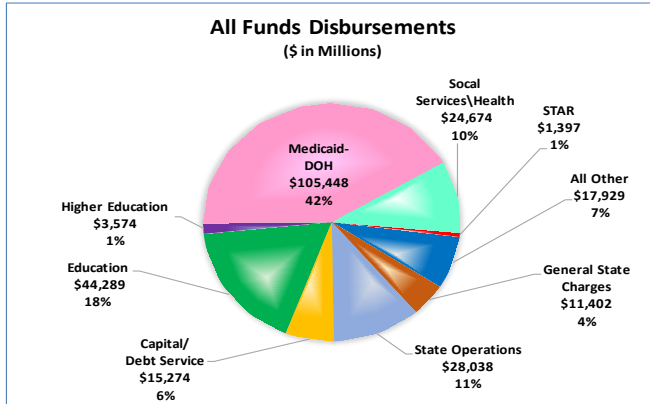


Figure 1

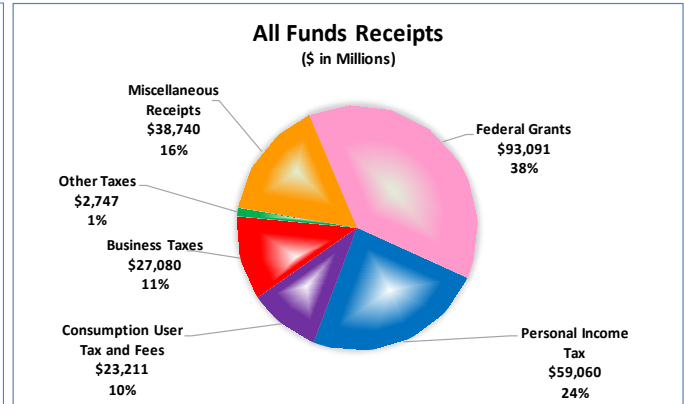


Figure 2

Federal grants and Personal Income Tax (PIT) receipts make up the largest sources of state revenue at 38 percent and 24 percent, respectively. Medicaid and Education are the most significant categories of state spending. Together, they account for 60 percent of the All Funds Budget.

## Federal Aid

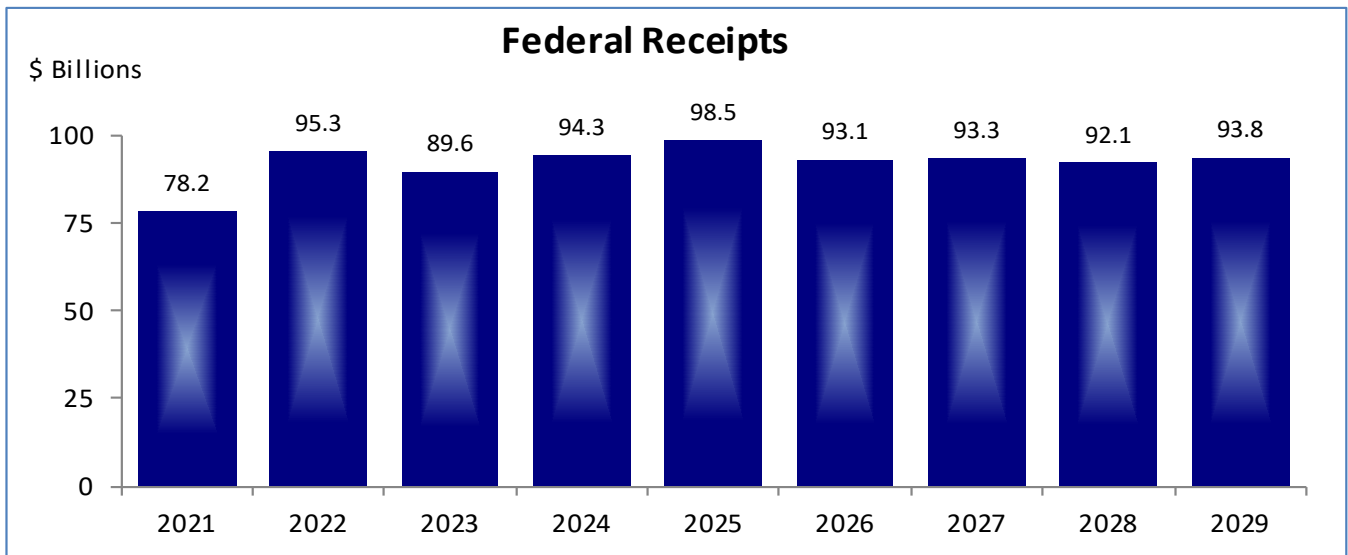


Figure 3

The Executive proposal assumes federal aid of \$93.1 billion in SFY 2025-26, a decrease of \$5.4 billion from SFY 2024-25. This decrease primarily reflects the projected decrease in federal spending related to pandemic assistance.



## Federal Funds Projected Disbursements by Program Area

Federal Funds spending is expected to total \$90.8 billion in SFY 2025-26, including \$1.3 billion in spending related to pandemic assistance. Federal Funds spending is estimated to decrease by \$5.5 billion compared to SFY 2024-25, driven primarily by decreased pandemic assistance spending.

**Table 3**

FEDERAL FUNDS DISBURSEMENTS						
(\$ in Millions)						
	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29	5-Year Total
	Projected	Projected	Projected	Projected	Projected	Projected
<b>DISBURSEMENTS</b>						
Medicaid	56,059	57,618	58,427	56,924	58,133	<b>287,161</b>
Health	15,859	16,341	17,109	17,736	18,260	<b>85,305</b>
Social Welfare	5,436	5,277	5,400	5,148	5,148	<b>26,409</b>
Education	4,458	4,387	4,387	4,387	4,387	<b>22,006</b>
Public Protection	1,326	1,337	1,303	1,301	1,302	<b>6,569</b>
Transportation	2,372	2,839	2,912	2,924	2,961	<b>14,008</b>
All Other <sup>1</sup>	1,703	1,683	1,705	1,757	1,737	<b>8,585</b>
<b>Pandemic Assistance*</b>	<b>9,117</b>	<b>1,347</b>	<b>93</b>	<b>24</b>	<b>24</b>	<b>10,605</b>
Child Care Funds	262	0	0	0	0	<b>262</b>
Education ARP Funds	4,185	0	0	0	0	<b>4,185</b>
FFCRA/COVID eFMAP, including local passthrough	0	0	0	0	0	<b>0</b>
ARP HCBS eFMAP	764	0	0	0	0	<b>764</b>
Education Supplemental Appropriations Act	168	0	0	0	0	<b>168</b>
Emergency Rental Assistance Program (ERAP)	0	0	0	0	0	<b>0</b>
Education CARES Act Funds	10	0	0	0	0	<b>10</b>
FEMA Reimbursement of Eligible Pandemic Expenses	500	0	0	0	0	<b>500</b>
FEMA Local Pass-Through Funding	2,970	1,100	0	0	0	<b>4,070</b>
Homeowner Assistance Program	0	0	0	0	0	<b>0</b>
Home Energy Assistance Program	0	0	0	0	0	<b>0</b>
Coronavirus Capital Projects Fund	69	69	69	0	0	<b>207</b>
State Small Business Credit Initiative	40	98	24	24	24	<b>210</b>
FHWA Surface Transportation Block Grant	150	80	0	0	0	<b>230</b>
<b>Total Disbursements</b>	<b>96,331</b>	<b>90,830</b>	<b>91,336</b>	<b>90,202</b>	<b>91,953</b>	<b>460,648</b>
<sup>1</sup> All Other includes housing and homeless services, economic development, mental hygiene, parks, environment, higher education and general government areas.						
<sup>2</sup> Pandemic Assistance excludes \$12.75 billion in State aid provided through the American Rescue Plan Act. This fund is reflected as a receipt to Federal Funds and transfer to the General Fund.						
Source: DOB SFY 2025-26 Executive Financial Plan.						

**Out-Year Budget Gaps**

**Table 4**

<b>SFY 2025-26 EXECUTIVE BUDGET FINANCIAL PLAN</b>				
<b>GENERAL FUND REVISIONS</b>				
<b>SAVINGS/(COSTS)</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>
	<b>Proposed</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
<b>MID-YEAR UPDATE SURPLUS/(GAP) ESTIMATE</b>	<b>(1,019)</b>	<b>(6,191)</b>	<b>(7,077)</b>	<b>(9,912)</b>
Revenue Revisions	2,415	3,401	2,257	1,873
Disbursement Revisions	443	(1,203)	(2,558)	(3,782)
<b>BASE SURPLUS/(GAP) ESTIMATE</b>	<b>1,839</b>	<b>(3,993)</b>	<b>(7,378)</b>	<b>(11,821)</b>
<b>Receipts</b>	<b>(6,678)</b>	<b>(1,783)</b>	<b>(1,092)</b>	<b>2,139</b>
Tax Receipts	<u>(7,116)</u>	<u>(2,183)</u>	<u>(1,082)</u>	<u>2,306</u>
Tax Receipts (excluding PTET)	(4,071)	(2,183)	(1,082)	2,306
Inflation Tax Refund	(3,080)	0	0	0
Middle Class Tax Rate Cut	(458)	(1,115)	(1,024)	(1,054)
Enhanced Empire State Child Tax Credit	(471)	(825)	(825)	0
High-Income PIT Rate Extension	0	0	989	3,614
Film Tax Credit	0	(111)	(115)	(115)
All Other	(62)	(132)	(107)	(139)
PTET/PIT Receipts (Financial Plan Neutral)	(3,045)	0	0	0
Debt Service	(7)	7	(60)	(167)
Other Receipts/Transfers	445	393	50	0
<b>Disbursements</b>	<b>(1,709)</b>	<b>(703)</b>	<b>(1,305)</b>	<b>(1,344)</b>
Assistance and Grants	<u>(372)</u>	<u>210</u>	<u>(455)</u>	<u>(473)</u>
School Aid	<u>(25)</u>	<u>(73)</u>	<u>(73)</u>	<u>(45)</u>
Medicaid	<u>129</u>	<u>235</u>	<u>235</u>	<u>235</u>
Mental Hygiene	(251)	(254)	(254)	(254)
MCO Tax Offset	500	500	0	0
Public Health/Aging	(105)	(20)	(19)	(19)
Social Services/Housing	(73)	210	(45)	(98)
Higher Education	(128)	(101)	(76)	(76)
Public Safety	(198)	(96)	(4)	(4)
Education/Arts	(118)	(143)	(168)	(175)
All Other	(103)	(48)	(51)	(37)
Agency Operations, including GSCs	<u>(792)</u>	<u>(727)</u>	<u>(729)</u>	<u>(730)</u>
Agency Operations	(458)	(388)	(392)	(396)
Legislature/Judiciary (incl. fringe benefits)	(307)	(307)	(307)	(307)
Other Elected Officials	(22)	(22)	(22)	(22)
Fringe Benefits/Fixed Costs	(5)	(10)	(8)	(5)
Transfers to Other Funds	<u>(545)</u>	<u>(186)</u>	<u>(121)</u>	<u>(141)</u>
Capital Projects	(173)	(134)	(100)	(119)
SUNY Operating	(108)	(53)	(22)	(22)
All Other	(264)	1	1	0
<b>Use of/(Deposit to) Reserves</b>	<b>6,548</b>	<b>0</b>	<b>0</b>	<b>0</b>
Timing of PTET/PIT Credits (Financial Plan Neutral)	3,045	0	0	0
Carry-Forward FY 2025 Surplus	3,503	0	0	0
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>(6,479)</b>	<b>(9,775)</b>	<b>(11,026)</b>

Prior to the release of the Executive budget, the Division of Budget estimated a balanced General Fund budget in SFY 2024-25 and a gap of \$1 billion in SFY 2025-26. In the Executive budget, tax receipts were revised upward by \$2.5 billion in SFY 2024-25 and \$2.4 billion in SFY 2025-26 and spending estimates were revised downward by \$955 million in SFY 2024-25 and \$443 million in SFY 2025-26. SFY 2024-25 is now projected to have a surplus of \$3.5 billion and SFY 2025-26 is projected to end with a General Fund surplus of \$1.8 billion, for a total surplus of \$5.3 billion over two years.

Prior to the recommendations included in the Executive budget, out-year budget gaps in the Mid-Year Financial Plan Update were estimated at a cumulative \$23.2 billion from SFY 2026-27 through SFY 2028-29. The Executive budget Financial Plan proposes a balanced budget for SFY 2025-26 with gaps of \$6.5 billion in SFY 2026-27, \$9.8 billion in SFY 2027-28 and \$11 billion in SFY 2028-29. The total cumulative amount of \$27.3 billion in outyear budget gaps from SFY 2026-27 through SFY 2028-29 is \$4 billion higher than was projected in the Mid-Year Financial Plan Update and is primarily related to the recurring costs of certain new proposals.

### **Use of Budget Surplus**

The SFY 2025-26 Executive budget projects a budget surplus of \$3.5 billion in SFY 2024-25 and \$1.8 billion in SFY 2025-26, mainly due to upward revisions in tax receipts, along with slight downward revisions in projected disbursements. The Executive plans to use the entire \$5.3 billion two-year General Fund surplus to support new actions proposed in the Executive budget, including:

- one-time Inflation Refund Rebates (\$3 billion in SFY 2025-26);
- enhancement of the Empire Child Tax Credit (\$471 million in SFY 2025-26);
- low and Middle Income Tax Cuts (\$458 million in SFY 2025-26);
- various Capital proposals totaling \$500 million over the course of the Financial Plan (\$345 million in SFY 2025-26);
- the 2.1 percent targeted inflationary increase for human services providers (\$212 million in SFY 2025-26);
- payment of interest due on Federal unemployment insurance by businesses (\$165 million in SFY 2025-26);
- expand access to free school meals (\$160 million in SFY 2025-26); and
- free community college tuition (\$47 million in SFY 2025-26).

Notably, most of these new initiatives and revenue proposal are cost recurring except for the \$3 billion one-time payment for Inflation Refund payments.

## Revenue Actions

The Executive proposes various actions that would result in reduced tax revenue, including a one-time \$3 billion Inflation Refund Credit, a three-year enhancement of the Empire Child Credit, a permanent low-and middle-class tax cut and increases or extensions to various tax credits. The Executive also proposes to extend the PIT Surcharge on high income earners for five years, through Tax Year 2032, which result in increased PIT revenue in the out-years compared to baseline estimates.

## Spending Actions

The Executive budget proposes \$1.7 billion in spending revisions. The Executive budget increases spending in nearly all spending categories of the General Fund. Assistance and Grants spending is increased by \$372 million, Agency Operations spending is increased by \$792 million, and Transfers to Other Funds went up by \$545 million.

## Disbursements

The General Fund spending growth in the Executive Budget Financial Plan primarily supports various programs and initiatives such as: Medicaid; School Aid; public safety; mental health care; staffing increases; investments in cybersecurity; and information technology.

### **Local Assistance:**

- **Education/School Aid:** The Executive estimates that General Fund spending for School Aid will grow to \$31.3 billion in SFY 2025-26 representing an increase of \$1.3 billion or 4.2 percent. This growth primarily reflects the State's commitment to fully funding Foundation Aid, as well as an increase in expense-based reimbursement programs.
- **Healthcare/Medicaid:** The Executive projects that DOH Medicaid disbursements will grow by \$1.9 billion in SFY 2025-26. This growth is mostly driven by higher medical costs, growing enrollment levels, high reimbursement rates and aging population. The Executive updates the Medicaid Global Cap calculation by reclassifying and moving certain agency Medicaid spending out of the cap and puts them under the respected agencies.
- **Other Assistance and Grants:** The Executive budget projects an increase in social services spending to support mental health care access, public safety, 2.1 percent targeted inflationary increase for various human service programs, housing affordability and increased operating support to CUNY senior colleges and funding for free community colleges.

**Agency Operations:** The Executive budget assumes an increase of nearly \$2.6 billion in state operations over SFY 2024-25 to support the State’s growing workforce, general salary increases, investments in cybersecurity and information technology, continuous increase of State’s employees health care costs, as well as various other initiatives and services. The increase also supports operating spending growth of both the Judiciary and Legislature.

**Transfers to Other Funds:** The Executive budget reflects the transfer of up to \$9.2 billion to other funds, a decrease of \$512 million from SFY 2024-25 primarily due the timing of bond proceed reimbursements. This is partially offset by an increase in transfer to capital projects to support new capital investments, additional SUNY operating assistance and the payment of interest due on federal unemployment insurance by businesses.

**General Fund Reserves**

Excluding the reserve for the timing of PTET/PIT credits and the reserve for monetary settlements, the Executive budget projects \$31.5 billion in reserves at the end of SFY 2025-26, representing a \$4.9 billion decrease from SFY 2024-25. This decrease is attributable to the Executive budget proposals, transfers to Rainy Day Reserve Fund and the use of Debt Management Reserves. This is offset by an increase of \$1 billion in deposit to the statutory Rainy Day Reserve Fund. The Executive estimates SFY 2025-26 General Fund Reserves of \$45.7 billion, a decrease of \$7.8 billion from SFY 2024-25.

**Table 5**

<b>Estimated General Fund Closing Balance</b>			
<b>(\$ in Millions)</b>			
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Annual Change</b>
Tax Stabilization Reserve Fund	1,618	1,618	0
Statutory Rainy Day Reserve Fund	7,138	8,138	1,000
Contingency Reserve Fund	21	21	0
Community Projects	25	25	0
Undesignated Fund Balance	9,753	6,250	(3,503)
Reserved for Debt Management	1,860	1,000	(860)
Reserved for Labor Settlements/Agency Operations	3,099	3,099	0
Reserved for Economic Uncertainties	12,847	11,347	(1,500)
<b>General Fund Total (Excluding Monetary Settlements and PTET/PIT Credits)</b>	<b>36,361</b>	<b>31,498</b>	<b>(4,863)</b>
Reserved for Timing of PTET/PIT Credits	16,405	13,774	(2,631)
Extraordinary Monetary Settlements	690	413	(277)
<b>Total General Fund Balance</b>	<b>53,456</b>	<b>45,685</b>	<b>(7,771)</b>

## Budget Uncertainties and Managing Risk

The state receives a substantial amount of federal aid for health care, education, transportation and other purposes, as well as extraordinary funding for storm and disaster-related response and recovery, all of which is subject to federal policy changes. The Federal government may enact budgetary or other policy changes, which may adversely affect the State's Financial Plan. The Executive current projections rely mostly on tax revenues from high income earners and an influx of pandemic-era Federal aid which has been declining over time. Long term risks to the Financial Plan includes the loss in tax revenue as the result of population loss, slow growth rate, tax migration, and remote work.

To prepare for future uncertainties, the state has gradually increased the statutory and other reserves from less than \$5 billion in SFY 2019-20 to nearly \$20.1 billion in SFY 2025-26. The Executive budget does not plan on making any new deposit to reserves. However, over the course of the Financial Plan, The Division of the Budget (DOB) projects to shift a total of \$1 billion from the Reserve for Economic Uncertainties to the statutory Rainy Day Reserve Fund, if fiscal condition permits.

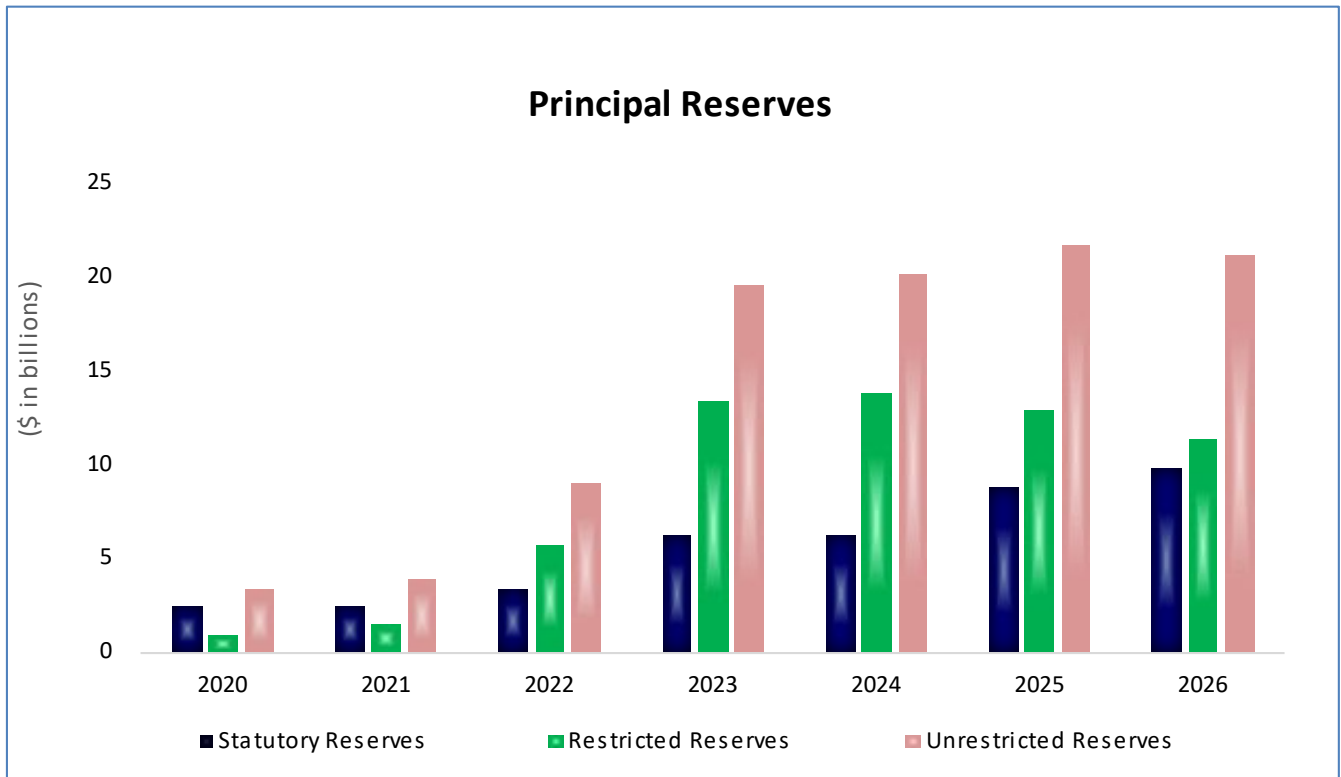


Figure 4

Table 6

**Executive Budget Financial Plan**  
**SFY 2025-26**  
(\$ in Millions)

	Executive General Fund	Executive State Operating Funds	Executive All Funds
<b>OPENING BALANCE</b>	<b>53,456</b>	<b>63,196</b>	<b>69,232</b>
<b>RECEIPTS:</b>			
Personal Income Tax	28,134	59,060	59,060
User Taxes and Fees	10,418	22,585	23,211
Business Taxes	16,909	26,500	27,080
Other Taxes	1,461	2,490	2,747
Total Taxes	<u>56,922</u>	<u>110,635</u>	<u>112,098</u>
Abandoned Property	450	450	450
ABC License Fees	60	60	60
HCRA	—	6,969	6,969
Investment Income	2,100	2,100	2,100
Licences, Fees, Etc.	781	781	781
Lottery	—	3,584	3,584
Medicaid	—	1,080	1,080
Motor Vehicle Fees	317	529	529
Reimbursements	216	216	216
State University Income	—	5,970	5,970
Extraordinary Settlements	0	0	0
Other Transactions	188	5,239	17,001
Total Miscellaneous Receipts	<u>4,112</u>	<u>26,978</u>	<u>38,740</u>
Federal Grants	0	48	93,091
Total Transfers from Other Funds	<u>47,524</u>	<u>—</u>	<u>—</u>
<b>TOTAL RECEIPTS</b>	<b>108,558</b>	<b>137,661</b>	<b>243,929</b>
<b>DISBURSEMENTS:</b>			
School Aid	31,483	36,760	40,326
Higher Education	3,574	3,574	3,574
All Other Education	2,963	2,976	3,963
STAR	—	1,397	1,397
Medicaid - DOH	26,035	35,369	105,448
Public Health	847	2,547	5,812
Mental Hygiene	7,617	7,747	8,092
Children and Families	2,976	2,979	4,011
Temporary & Disability Assistance	2,709	2,709	6,759
Transportation	253	5,322	8,419
Unrestricted Aid	868	868	868
All Other	3,094	2,724	8,642
Total Local Assistance Grants	<u>82,419</u>	<u>104,972</u>	<u>197,311</u>
Personal Service	11,842	18,062	18,788
Non-Personal Service	3,682	7,447	9,250
Total State Operations	<u>15,524</u>	<u>25,509</u>	<u>28,038</u>
General State Charges	9,712	11,005	11,402
Debt Service	300	2,318	2,318
Capital Projects	4,439	0	12,956
SUNY Operations	1,864	—	—
Other Purposes	2,071	—	—
Total Transfers to Other Funds	<u>8,674</u>	<u>—</u>	<u>—</u>
<b>TOTAL DISBURSEMENTS</b>	<b>116,329</b>	<b>143,804</b>	<b>252,025</b>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds	—	53,245	58,149
Transfers to Other Funds	—	(54,918)	(58,554)
Bonds and Note proceeds	—	0	367
Net Financing Sources	<u>—</u>	<u>(1,673)</u>	<u>(38)</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>(7,771)</u>	<u>(7,816)</u>	<u>(8,134)</u>
<b>CLOSING BALANCE</b>	<b>45,685</b>	<b>55,380</b>	<b>61,098</b>

**Table 7**

	CASH DISBURSEMENTS		APPROPRIATIONS	
	BY FUNCTION		BY FUNCTION	
	ALL GOVERNMENTAL FUNDS		ALL GOVERNMENTAL FUNDS	
	(\$ in Thousands)		(\$)	
	SFY 2024-25 Projected	SFY 2025-26 Projected	SFY 2024-25 Available	SFY 2025-26 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>	<b><u>3,100,453</u></b>	<b><u>3,626,141</u></b>	<b><u>3,752,286,660</u></b>	<b><u>3,156,620,325</u></b>
Agriculture and Markets, Department of	180,929	194,020	355,468,000	364,186,000
Alcoholic Beverage Control, Division of	80,309	87,007	84,663,000	94,563,000
Economic Development Capital	8,000	8,000		
Economic Development, Department of	124,633	82,324	105,332,660	100,896,325
Empire State Development Corporation	1,816,910	2,320,694	2,335,409,000	1,809,249,000
Energy Research and Development Authority, New York State	161,579	30,000	25,800,000	25,800,000
Financial Services, Department of	453,165	464,379	594,197,000	544,825,000
Lake Ontario Resiliency/Economic Development	10,250	10,250	0	9,559,000
Olympic Regional Development Authority	74,854	223,854		
Power Authority, New York	16,700	65,200	54,000,000	52,500,000
Public Service Department	169,829	137,118	197,417,000	155,042,000
Regional Economic Development Program	1,295	1,295	0	0
Strategic Capital Resource Assistance Program				
Strategic Investment Program	2,000	2,000		
<b>PARKS AND THE ENVIRONMENT</b>	<b><u>2,765,089</u></b>	<b><u>3,131,312</u></b>	<b><u>3,573,649,859</u></b>	<b><u>3,707,836,200</u></b>
Adirondack Park Agency	6,338	9,036	6,638,000	18,200,000
Environmental Conservation, Department of	2,060,883	2,417,363	2,506,063,980	2,589,487,200
Hudson River Park Trust	10,000	5,633	0	85,000,000
Parks, Recreation and Historic Preservation, Office of	682,868	639,280	1,060,947,879	1,015,149,000
Public Facilities Sustainability Program	5,000	60,000		
<b>TRANSPORTATION</b>	<b><u>13,271,099</u></b>	<b><u>14,845,347</u></b>	<b><u>16,962,425,402</u></b>	<b><u>18,683,156,508</u></b>
Metropolitan Transportation Authority	753,000	1,310,000	961,077,000	3,858,930,300
Motor Vehicles, Department of	520,715	512,269	665,042,000	494,954,000
Transportation, Department of	11,992,629	13,018,239	15,331,333,402	14,324,299,208
Waterfront Commission	4,755	4,839	4,973,000	4,973,000
<b>HEALTH</b>	<b><u>108,028,992</u></b>	<b><u>114,015,315</u></b>	<b><u>125,520,319,287</u></b>	<b><u>134,781,977,615</u></b>
Aging, Office for the	316,305	345,639	395,500,501	423,547,500
Health, Department of	107,662,880	113,618,027	125,067,349,786	134,299,261,115
Medicaid Inspector General, Office of the	49,807	51,649	57,469,000	59,169,000
<b>SOCIAL WELFARE</b>	<b><u>15,289,705</u></b>	<b><u>14,776,616</u></b>	<b><u>24,206,659,867</u></b>	<b><u>23,142,317,100</u></b>
Children and Family Services, Office of	4,740,892	4,578,348	5,675,218,967	5,789,587,200
Housing and Community Renewal, Division of	1,932,518	2,284,444	1,026,747,000	2,182,647,000
Human Rights, Division of	23,589	36,413	28,888,000	39,888,000
Labor, Department of	656,537	717,918	7,303,466,000	7,333,081,000
National and Community Service	18,480	18,864	31,029,900	31,029,900
Nonprofit Infrastructure Capital Investment Program	5,000	25,000	0	0
Temporary and Disability Assistance, Office of	7,912,689	7,115,629	10,141,310,000	7,766,084,000
<b>MENTAL HYGIENE</b>	<b><u>10,304,519</u></b>	<b><u>13,037,885</u></b>	<b><u>14,866,666,000</u></b>	<b><u>17,706,135,000</u></b>
Addiction Services and Supports, Office of	901,197	1,027,701	1,225,359,000	1,247,680,000
Developmental Disabilities Planning Council	4,200	5,700	4,760,000	6,260,000
Justice Center for the Protection of People with Special Needs	54,661	57,224	63,064,000	63,342,000
Mental Health, Office of	4,716,848	5,574,511	5,898,620,000	6,271,935,000
People with Developmental Disabilities, Office for	4,627,613	6,372,749	7,674,863,000	10,116,918,000
<b>PUBLIC PROTECTION/CRIMINAL JUSTICE</b>	<b><u>10,120,496</u></b>	<b><u>8,554,912</u></b>	<b><u>16,107,007,000</u></b>	<b><u>16,950,034,000</u></b>
Correction, Commission of	3,567	4,159	4,101,000	4,601,000
Corrections and Community Supervision, Department of	3,261,399	3,323,082	3,813,684,000	4,337,071,000
Criminal Justice Services, Division of	605,718	689,166	820,611,000	947,347,000
Homeland Security and Emergency Services, Division of	4,268,874	2,418,138	9,075,516,000	9,082,826,000
Indigent Legal Services, Office of	325,675	419,133	474,465,000	484,885,000
Judicial Conduct, Commission on	8,716	9,330	8,900,000	9,330,000
Judicial Nomination, Commission on	30	30	30,000	30,000
Judicial Screening Committees, New York State	38	38	38,000	38,000
Military and Naval Affairs, Division of	401,335	347,617	271,413,000	446,065,000
Prosecutorial Conduct, Commission on	750	3,000	1,750,000	3,000,000
State Police, Division of	1,019,568	1,087,358	1,237,643,000	1,247,425,000
Statewide Financial System	32,182	35,267	32,009,000	35,267,000
Victim Services, Office of	192,644	218,594	366,847,000	352,149,000
<b>HIGHER EDUCATION</b>	<b><u>13,689,697</u></b>	<b><u>15,006,910</u></b>	<b><u>20,780,766,703</u></b>	<b><u>22,759,577,100</u></b>
City University of New York	2,578,339	2,989,628	5,987,137,425	6,404,299,800
Higher Education Facilities Capital Matching Grants Program	30,650	40,150	40,000,000	0
Higher Education Services Corporation, New York State	701,129	757,556	1,088,713,000	1,089,169,000
State University Construction Fund				
State University of New York	10,379,579	11,219,576	13,664,916,278	15,266,108,300
<b>EDUCATION</b>	<b><u>49,105,548</u></b>	<b><u>46,292,045</u></b>	<b><u>46,483,940,219</u></b>	<b><u>48,036,075,870</u></b>
Arts, Council on the	104,974	70,274	94,999,000	71,527,000
Education, Department of	49,000,574	46,221,771	46,388,941,219	47,964,548,870



Table 8

	CASH DISBURSEMENTS		APPROPRIATIONS	
	BY FUNCTION		BY FUNCTION	
	ALL GOVERNMENTAL FUNDS		ALL GOVERNMENTAL FUNDS	
	(\$ in Thousands)		(\$)	
	SFY 2024-25 Projected	SFY 2025-26 Projected	SFY 2024-25 Available	SFY 2025-26 Recommended
<b>GENERAL GOVERNMENT</b>	<b><u>2,787,248</u></b>	<b><u>3,034,017</u></b>	<b><u>4,772,076,300</u></b>	<b><u>5,284,241,000</u></b>
Budget, Division of the	34,827	39,968	51,061,000	50,459,000
Civil Service, Department of	34,448	53,029	100,561,000	132,310,000
Deferred Compensation Board	888	909	1,005,000	1,005,000
Elections, State Board of	86,405	71,735	165,931,000	142,413,000
Employee Relations, Office of	11,909	11,894	15,978,000	15,978,000
Ethics and Lobbying, Independent Commission on	7,731	7,981	8,066,000	8,316,000
Gaming Commission, New York State	211,602	220,111	373,362,000	438,016,000
General Services, Office of	418,055	499,626	1,376,261,000	1,688,591,000
Information Technology Services, Office of	929,933	1,008,064	1,056,527,000	1,230,617,000
Inspector General, Office of the	10,691	11,741	11,138,000	12,013,000
Labor Management Committees	39,300	40,127	48,768,000	51,703,000
Prevention of Domestic Violence, Office for	12,736	13,581	17,938,000	19,363,000
Public Employment Relations Board	7,572	5,894	5,937,000	6,663,000
State, Department of	355,297	402,897	765,803,000	691,475,000
Tax Appeals, Division of	3,882	3,882	4,048,000	4,156,000
Taxation and Finance, Department of	374,139	384,536	507,056,300	525,188,000
Veterans' Services, Department of	26,232	24,234	33,961,000	32,573,000
Welfare Inspector General, Office of	808	822	1,389,000	1,389,000
Workers' Compensation Board	220,793	232,986	227,286,000	232,013,000
<b>ELECTED OFFICIALS</b>	<b><u>4,602,528</u></b>	<b><u>4,989,346</u></b>	<b><u>970,380,000</u></b>	<b><u>1,111,873,000</u></b>
Audit and Control, Department of	202,055	216,152	567,416,000	598,070,000
Executive Chamber	21,203	24,803	23,303,000	24,803,000
Judiciary	3,719,672	4,072,585		
Law, Department of	364,827	374,968	378,415,000	487,754,000
Legislature	293,875	299,592		
Lieutenant Governor, Office of the	896	1,246	1,246,000	1,246,000
<b>LOCAL GOVERNMENT ASSISTANCE</b>	<b><u>831,668</u></b>	<b><u>867,933</u></b>		
Aid and Incentives for Municipalities	775,492	783,846		
County-Wide Shared Services Initiative	4,500	15,000		
Miscellaneous Financial Assistance	21,339	38,750		
Municipalities with VLT Facilities	30,119	30,119		
Small Government Assistance	218	218		
<b>ALL OTHER CATEGORIES</b>	<b><u>9,486,325</u></b>	<b><u>9,847,713</u></b>	<b><u>21,951,120,000</u></b>	<b><u>19,458,904,000</u></b>
Arts and Cultural Facilities Improvement	60,000	61,835	80,000,000	40,000,000
Community Resiliency, Economic Sustainability and Technology	20,000	30,000	385,000,000	0
General State Charges	8,174,407	8,702,225	7,928,120,000	8,748,904,000
Local Community Assistance Program	10,000	10,000	100,000,000	0
Long-Term Debt Service	3,202,305	2,359,243	13,458,000,000	10,670,000,000
Miscellaneous	(2,211,268)	(1,737,240)		
Special Infrastructure Account	230,881	421,650	0	0
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<b><u>243,383,367</u></b>	<b><u>252,025,492</u></b>	<b><u>299,947,297,297</u></b>	<b><u>314,778,747,718</u></b>
<b>Miscellaneous - All State Departments and Agencies</b>			<b><u>4,527,116,987</u></b>	<b><u>4,337,012,394</u></b>
Insurance and Securities Funds Reserve Guarantee			1,605,000,000	1,515,000,000
Health Insurance Contingency Reserve			773,854,000	773,854,000
Mental Hygiene, Department of			600,000,000	600,000,000
Public Security and Emergency Response			500,000,000	500,000,000
Health Insurance Reserve Receipts Fund			292,400,000	292,400,000
Raise the Age			250,000,000	250,000,000
Mortgage Agency, State of New York			198,454,281	187,597,394
State Equipment Finance Program			100,000,000	100,000,000
World University Games				
Interest on Lawyer Account			119,916,000	80,860,000
Data Analytics			0	0
Commercial Gaming Payment Reduction Offsets			17,000,000	17,000,000
Workers' Compensation Reserve			9,590,000	9,590,000
Green Thumb Program			5,736,000	6,173,000
Financial Control Board, New York State			3,497,000	3,497,000
Hudson River Valley Greenway Communities Council			495,000	495,000
Greenway Heritage Conservancy for the Hudson River Valley			266,000	546,000
Special Pay Bill			50,908,706	0
<b>Federal and Other Appropriations</b>			<b><u>9,500,000,000</u></b>	<b><u>9,500,000,000</u></b>
Special Federal Emergency Appropriation			7,000,000,000	7,000,000,000
Special Public Health Emergency Appropriation				
Special Emergency Appropriation			2,000,000,000	2,000,000,000
Reserve for Federal Audit Disallowances			500,000,000	500,000,000

# BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (GSPS):** The Executive proposes \$37.4 billion in total School Aid for the 2025-26 School Year (SY), an increase of \$1.7 billion or 4.7 percent over SY 2024-25. This includes an increase of \$1.5 billion in Foundation Aid and an increase of \$230 million in Expense-Based Aids.
- **Foundation Aid:** The Executive budget provides a total of \$26.4 billion for Foundation Aid, which is an increase of \$1.5 billion or 5.9 percent over SY 2024-25. Additionally, the Executive proposes changes to the Foundation Aid formula, updating two measures of low-income students, modifies the formula to provide additional aid to high need school districts and ensures that each district receives at least a 2.0 percent annual increase in aid.
- **Nonpublic School Programs:** The Executive provides \$228.4 million in aid to reimburse nonpublic schools for state-mandated activities, as well as \$85.5 million for STEM instruction, \$5 million for Art and Music instruction and \$70 million in health and safety capital projects.
- **College in High School Opportunity Fund:** The Executive budget provides \$64.6 million for the College in High School Opportunity Fund, of which \$52.4 million would support current programs and \$12.2 million would support new grants for College in High School programs.
- **Creating Distraction Free Schools:** The Executive proposes to restrict the use of smartphones and internet-enabled devices during school hours on school grounds. The Executive provides \$13.5 million to aid in the implementation of distraction-free school policies.
- **Universal School Meals:** The Executive budget provides \$340 million for school meals, an increase of \$120 million over SY 2024-25. The Executive would require all schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch to all students.

# BUDGET REVIEW AND ANALYSIS: EDUCATION



The State Education Department (SED) is the administrative agency of the Board of Regents. The Department administers School Aid, regulates school operations, maintains a performance-based accountability system, certifies teachers, licenses over one million practitioners in more than fifty professions and administers a host of other educational programs. These programs include special education services, cultural education, higher and professional education, vocational rehabilitation, as well as adult career and continuing education services. SED’s primary mission is to raise the knowledge, skills and opportunities of all the people in New York State.

New York State has approximately 2.7 million students enrolled in prekindergarten through 12<sup>th</sup> grade, including approximately 2.3 million children in public school districts and approximately 370,000 children in nonpublic schools. New York State currently provides more than \$37.4 billion in General Support for Public Schools (GSPS) for instructional and operational purposes, which allows school districts to provide educational services to children statewide.

**Table 9**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	46,388.9	47,964.5	1,575.6	3.4

## State Education Department

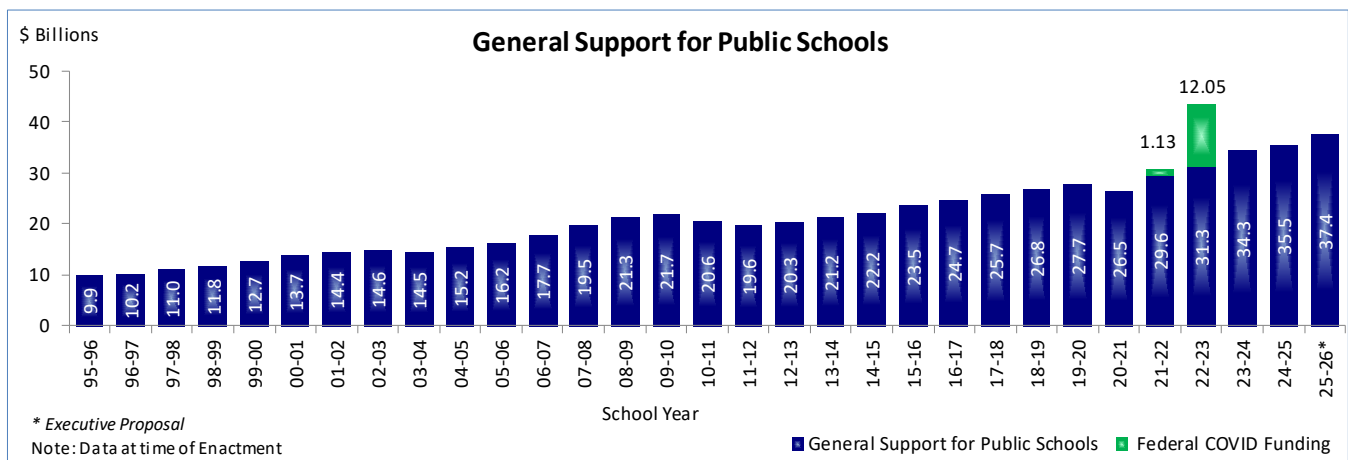
The Executive proposes All Funds appropriations of \$48 billion, an increase of \$1.6 billion or 3.4 percent above the SFY 2024-25 level. The Executive recommends support for 2,909 full-time equivalent (FTE) positions, which is the same level as in SFY 2024-25.

**General Support for Public Schools (GSPS): Formula Based Aids**

Under the Executive proposal, total GSPS, which includes various other education grant programs, would total \$37.4 billion in school aid for SY 2025-2026. The State’s funding for school aid would increase by \$1.7 billion, a 4.7 percent increase over the 2024-25 School Year (SY).

**Table 10**

<b>Support for Public School Districts (\$ in Millions)</b>			
	<b>SY 2024-25</b>	<b>SY 2025-26 Exec. Proposal</b>	<b>Change</b>
Foundation Aid	24,926.7	26,391.0	1,464.3
Excess Cost-High Cost	629.5	631.3	1.8
Excess Cost-Private	475.9	518.8	42.8
Reorganization-Operating Aid	2.4	1.7	(0.7)
Textbooks (Incl. Lottery)	162.0	165.1	3.1
Computer Hardware	33.9	35.2	1.2
Computer Software	41.9	42.6	0.7
Library Materials	17.2	17.8	0.6
BOCES	1,312.8	1,313.3	0.5
Special Services	242.0	246.0	4.0
Transportation (Incl. Summer)	2,541.6	2,676.8	135.2
High Tax	223.3	223.3	0.0
Universal Pre-Kindergarten	1,068.0	1,211.0	143.0
Academic Achievement Grant	1.2	1.2	0.0
Supplemental Education Improvement Grant	17.5	17.5	0.0
Charter School Transitional Aid	51.3	60.6	9.4
Full-Day Kindergarten Conversion Aid	0.0	0.0	0.0
Academic Enhancement Aid	9.6	9.6	0.0
Supplemental Public Excess Cost	4.3	4.3	0.0
Building Aid/Reorganization Building	3,446.7	3,334.9	(111.8)
<b>Total School Aid</b>	<b>35,207.7</b>	<b>36,901.9</b>	<b>1,694.2</b>
Categorical Grants	319.1	313.0	(6.2)
Competitive Grants	86.0	86.0	0.0
College in High School Opportunity Fund	58.2	64.6	6.3
<b>Total GSPS</b>	<b>35,671.1</b>	<b>37,365.4</b>	<b>1,694.3</b>



**Figure 5**

**Foundation Aid:** The Executive proposes to increase Foundation Aid by \$1.5 billion or 5.9 percent, for a total of \$26.4 billion. The Executive modifies Foundation Aid by:

- replacing the Free and Reduced-Price Lunch data with Economically Disadvantaged Student data;
- replacing Census Poverty data with the Small Area Income and Poverty Estimates (SAIPE) data;
- adjusting one of the State Sharing Ratio tiers;
- increasing the maximum State Sharing Ratio from 0.91 percent to 0.93 percent; and
- providing a minimum year-to-year increase of 2.0 percent for all school districts.

**Community Schools:** Community schools provide support to both children and parents with services both before and after school, such as summer learning programs, health, mental health and dental care. The Executive budget maintains \$250 million for community schools as a set-aside within Foundation Aid. In addition, the Executive continues \$1.2 million in funding for Community Schools Regional Technical Assistance Centers.

**Expense Based Aid:** The Executive fully funds the current statutory formulas that reimburse a portion of certain school district expenses, which would provide an increase of \$86.8 million.

Table 11

<b>Proposed School Aid Increase (\$ in Millions)</b>	
	<b>SY 2025-26 Exec. Proposal</b>
Foundation Aid	1,464.30
Expense-Based Aids	86.83
Prekindergarten	143.01
<b>Subtotal: Formula Based Aids</b>	<b>1,694.14</b>
<b>Grant Programs and Additional Aid Changes</b>	
<b>Major Grant Programs</b>	
College in High School Opportunity Fund	6.34
<b>Subtotal: Major Grant Programs</b>	<b>6.34</b>
<b>Year to Year School Aid Increase</b>	<b>1,700.48</b>

**Prekindergarten Programs (\$1.2 billion):** The Executive budget maintains \$1.2 billion for Universal Prekindergarten (UPK). There are no new funds provided for UPK, \$143 million in funding remains available for districts to expand their prekindergarten programs.

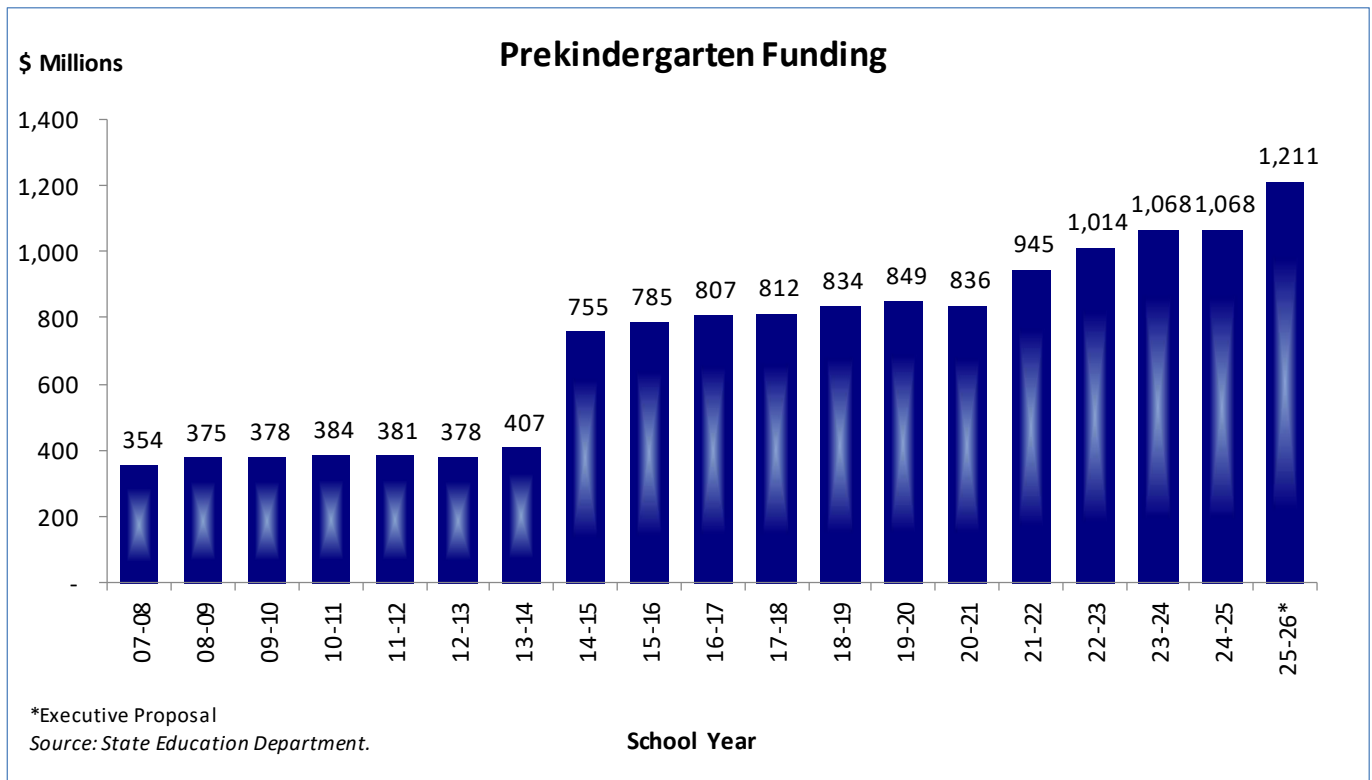


Figure 6

## Other Education Programs

**Universal School Lunch and Breakfast Program:** The Executive provides a total of \$340 million, an expansion of \$120 million for a universal school lunch and breakfast program.

**College in High School Opportunity Fund:** The Executive provides \$64.6 million for the College in High School Opportunity Fund, including \$12.2 million to provide new ongoing, per-credit funding for College in High School programs.

**Distraction-Free Schools:** The Executive provides \$13.5 million to aid in the implementation and support of the internet-enabled device prohibition.

**My Brother's Keeper:** The Executive maintains funding of \$28 million for grant initiatives under the My Brother's Keeper program and \$835,000 for the Office of Family and Community Engagement within SED.

**Nonpublic Schools:** The Executive provides \$228.4 million in funding for SFY 2025-26 Nonpublic School Aid. Additionally, the Executive provides:

- \$85.5 million for Science, Technology, Engineering and Math (STEM) instruction, an increase of \$10 million over SFY 2024-25;
- \$70 million in capital funding for nonpublic school health and safety projects;
- \$5 million for arts and music programs; and
- \$922,000 for Academic Intervention for Nonpublic Schools, a decrease of \$500,000 from SFY 2024-25.

The Executive eliminates a \$1 million appropriation to reimburse nonpublic schools for the State Schools Immunization Program.

The Executive maintains funding for the Office of Religious and Independent Schools at \$1.5 million.

## Charter Schools

**Supplemental Tuition Payments:** The Executive provides \$190 million, an increase of \$5 million, in funding to school districts for reimbursement of supplemental basic tuition for charter schools.

**New York City Charter Facilities Aid:** The Executive proposal provides a total of \$145 million, an increase of \$25 million, to provide new and expanding charter schools with either co-located space or pay a portion of the rental costs for private facilities.

### **Teacher Training Programs**

**Teacher Workforce Programs:** The Executive budget maintains \$30 million for a Teacher Residency Program, eliminates \$10 million for the Expansion of Alternative Teacher Certifications, and eliminates \$8 million for upskilling school paraprofessionals funded through the Urban Development Corporation (UDC).

The Executive eliminates \$14.3 million for Teacher Resource and Computer Training Centers.

The Executive eliminates a \$10 million appropriation to promote and support training of the best practices through the New York State United Teachers (NYSUT) Education and Learning Trust for 20,000 elementary school teachers and teaching assistants across the State

The Executive maintains funding for the Professional Teaching Standards Certification Grant Program at \$368,000.

### **Special Education**

The Executive provides a total of \$1.1 billion, an increase of \$57 million, to fund Preschool Special Education Programs (referred to as 4410 schools).

The Executive proposal provides a total of \$413 million, an increase of \$9 million, to fund summer programs for students with disabilities.

The Executive provides funding for Schools for the Blind and Deaf (referred to as 4201 schools) at \$113.4 million, but eliminates \$5.3 million in funding for nine individual Schools for the Blind and Deaf.

### **Adult Career and Continuing Education Services Program**

The Executive proposal maintains funding for Case Services at \$54 million, Supported Employment at \$15.2 million, Adult Basic Education at \$1.8 million and College Readers Aid at \$1 million.



The Executive proposal provides \$16 million for Independent Living Centers, a decrease of \$750,000.

The Executive provides \$9.3 million for Adult Literacy Education, a decrease of \$500,000.

### Cultural Education Program

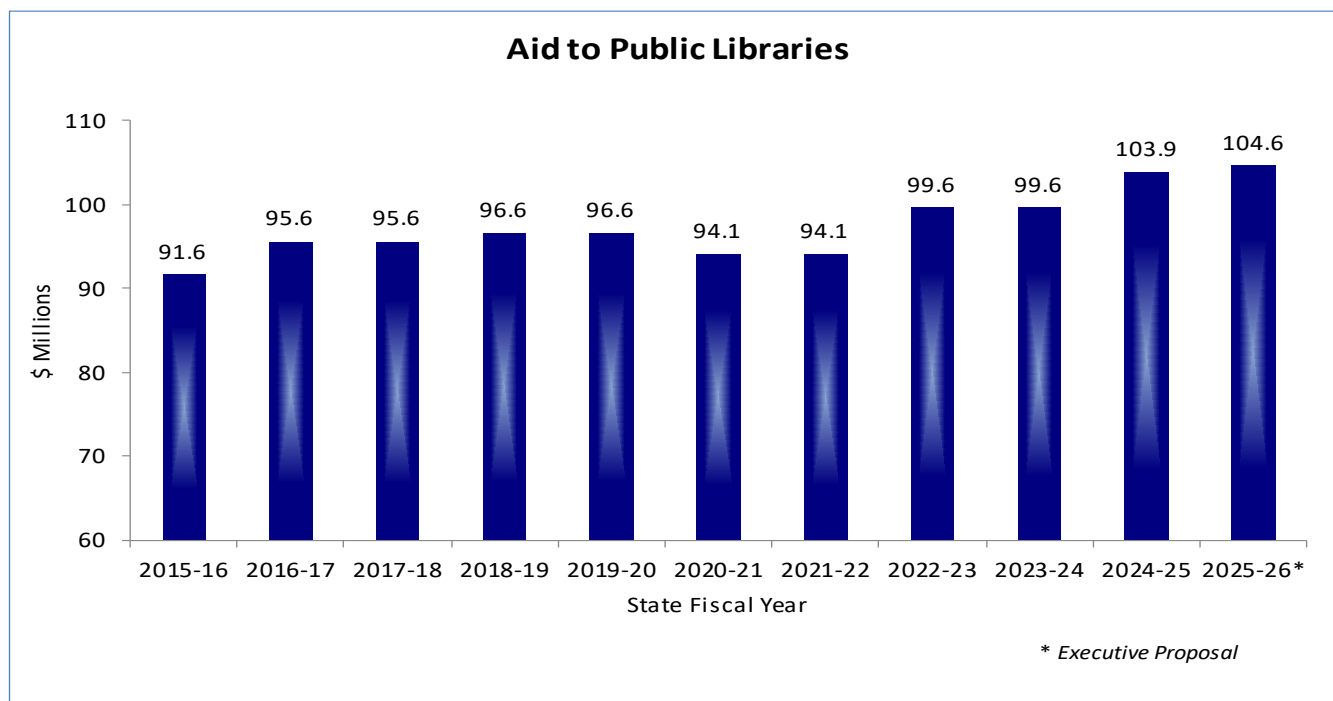


Figure 7

**Libraries:** The Executive provides \$104.6 million for Public Libraries, an increase of \$748,000.

The Executive provides \$34 million for Library Construction, a decrease of \$10 million.

The Executive maintains Aid to Educational Television and Radio, for a total of \$14 million.

The Executive provides \$375,000 for Schomburg Center for Research in Black Culture, a decrease of \$125,000.

The Executive provides \$112,500 for Langston Hughes Community Library, a decrease of \$55,000.

The Executive provides \$1.5 million for Summer School for the Arts, a decrease of \$1.2 million.

The Executive transfers funding for the Dolly Parton Imagination Library grant program, to the Office of Children and Family Services.

## **Other Programmatic Support**

**Consortium for Worker Education (CWE) Funding:** The Executive proposes \$11.5 million in funding for CWE, a decrease of \$1.5 million from SFY 2024-25.

**Prior Year Claims:** The Executive proposal does not include any funding for prior year claims or the New York City fiscal stabilization grant.

The Executive budget eliminates funding for school monitors in East Ramapo, Hempstead, Rochester and Wyandanch (\$750,000) and further eliminates an additional \$31.4 million in various legislative adds.

Table 12

**Other Public Elementary and Secondary Education Programs**

	SFY 2024-25	SFY 2025-26	\$ Change (\$ in Millions)	% Change
	Enacted	Exec. Request		
	(\$ in Millions)	(\$ in Millions)		
Buffalo School Health Services Grants	1.20	0.00	(1.20)	(100.00)
Rochester School Health Services Grants	1.20	0.00	(1.20)	(100.00)
School District Financial Hardship Grants (Tax Cert)	2.00	0.00	(2.00)	(100.00)
Yonkers City School District	12.00	0.00	(12.00)	(100.00)
Amityville Union Free School District	2.00	0.00	(2.00)	(100.00)
Hempstead Monitors	0.18	0.00	(0.18)	(100.00)
Wyandanch Monitors	0.18	0.00	(0.18)	(100.00)
Rochester Monitors	0.18	0.00	(0.18)	(100.00)
Rochester Fiscal Consultant	0.15	0.00	(0.15)	(100.00)
East Ramapo Monitors	0.23	0.00	(0.23)	(100.00)
Supplemental Basic Charter School Tuition Payments*	150.00	190.00	40.00	26.67
Charter Schools Facilities Aid	120.00	145.00	25.00	20.83
College in High School Opportunity Fund	58.38	64.58	6.20	10.62
Competitive Grants**	85.99	85.99	0.00	0.00
Community Schools Regional Technical Assistance Centers	1.20	1.20	0.00	0.00
My Brother's Keeper Initiative	28.00	28.00	0.00	0.00
Teacher Resource Centers	16.43	6.42	(10.01)	(60.93)
Education and Learning Trust (NYSUT)	10.00	0.00	(10.00)	(100.00)
Distraction-Free Schools	0.00	13.50	13.50	-
Targeted Prekindergarten	1.30	1.30	0.00	0.00
Children of Migrant Workers	0.09	0.09	0.00	0.00
School Lunch and Breakfast Program	180.00	340.00	160.00	88.89
Additional Lunch and Breakfast Program	2.30	0.00	(2.30)	(100.00)
Locally Sourced Food Reimbursement	10.00	10.00	0.00	0.00
Nonpublic School Aid (MSA and CAP)	218.13	228.38	10.25	4.70
Prior-year MSA and CAP Claims	23.00	0.00	(23.00)	(100.00)
Academic Intervention Services for Nonpublic Schools	1.42	0.92	(0.50)	(35.16)
Nonpublic STEM	75.50	85.50	10.00	13.25
Nonpublic Art and Music	5.00	5.00	0.00	0.00
Teen Health Education Account	0.12	0.12	0.00	0.00
Private Schools for the Blind & Deaf (General Fund)	113.40	113.40	0.00	0.00
Private Schools for the Blind & Deaf (Lottery)	0.02	0.02	0.00	0.00
Lavelle School for the Blind	1.00	0.00	(1.00)	(100.00)
Henry Viscardi School	0.90	0.00	(0.90)	(100.00)
New York School for the Deaf	0.90	0.00	(0.90)	(100.00)
Lexington School for the Deaf	0.90	0.00	(0.90)	(100.00)
Mill Neck Manor School for the Deaf	0.50	0.00	(0.50)	(100.00)
Cleary School for the Deaf	0.50	0.00	(0.50)	(100.00)
Rochester School for the Deaf	0.30	0.00	(0.30)	(100.00)
St. Francis de Sales School for the Deaf	0.15	0.00	(0.15)	(100.00)
St. Mary's School for the Deaf	0.15	0.00	(0.15)	(100.00)
Summer School Special Education	404.00	413.00	9.00	2.23
Preschool Special Education	1035.00	1092.00	57.00	5.51
Costs Associated with Section 652 of the Labor Law	17.18	17.18	0.00	0.00
New York State Center for School Safety	0.47	0.47	0.00	0.00
Health Education Program	0.69	0.69	0.00	0.00
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.00
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.00
Primary Mental Health Project	0.89	0.89	0.00	0.00
Math and Science High Schools	1.38	1.38	0.00	0.00
Say Yes to Education Program	0.35	0.35	0.00	0.00

\*This reflects a \$35 million offset in 2024-25 backfilled by federal American Rescue Plan funds.

\*\* Adjusted from a \$195.6 million appropriation in 2024-25 which included early college high school programs (shifted to the College in High School Opportunity Fund), and Breakfast After the Bell (now encompassed in the School Lunch and Breakfast Program appropriation).

## Other Public Elementary and Secondary Education Programs (Continued)

	SFY 2024-25 Enacted (\$ in Millions)	SFY 2025-26 Exec. Request (\$ in Millions)	\$ Change (\$ in Millions)	% Change
Center for Autism and Related Disabilities - SUNY Albany	1.74	1.24	(0.50)	(28.74)
Postsecondary Aid to Native Americans	0.80	0.80	0.00	0.00
Summer Food Program	3.05	3.05	0.00	0.00
Consortium for Worker Education	11.50	11.50	0.00	0.00
Charter School Start Up Grants	4.84	4.84	0.00	0.00
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.00
Small Government Assistance to School Districts	1.87	1.87	0.00	0.00
Just for Kids - SUNY Albany	0.24	0.24	0.00	0.00
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.00
Additional Grants to Certain School Districts and Other Programs	64.78	36.00	(28.78)	(44.43)
Less: Consortium for Worker Education Offset	(13.00)	(11.50)	1.50	(11.54)
<b>Total</b>	<b>2,687.4</b>	<b>2,920.2</b>	<b>232.8</b>	<b>8.7</b>

### State Operations

The Executive proposal includes \$700.4 million in State Operations funding for SED, a net increase of \$3.1 million. This includes:

- \$206.8 million for services and expenses of Individuals with Disabilities Education Act, an increase of \$3.8 million;
- \$31.1 million for administration of the national school lunch programs, an increase of \$1.2 million;
- \$3 million to ensure continued access to the New York Online Virtual Electronic Library (NOVELny);
- \$2.5 million for additional staff and expenses;
- \$2.3 million for the fourth year for the TEACH system modernization project, a decrease of \$400,000;
- \$2 million for the administration of homeless education, a \$586,000 increase; and
- \$500,000 for development of curriculum for Indigenous cultures and histories.

The Executive eliminates funding for the following:

- \$4 million for NYS English as a second language achievement test;
- \$865,000 for American Rescue Plan Act Grants administration;
- \$500,000 for the Holocaust Curriculum;
- \$400,000 for Financial Literacy Curriculum; and
- \$150,000 for the Dyslexia and Dysgraphia Task Force.

The Executive proposal discontinues funding for the following:

- \$150,000 for a fiscal consultant for the Rochester City School District.

### **Capital**

The Executive proposal includes \$159.2 million in new capital appropriations including:

- \$27.6 million in funding for SED rehabilitation projects;
- \$20.1 million in funding for Schools for Native American Reservations;
- \$4.5 million in funding for the Batavia School for the Blind; and
- \$3 million in funding for the Rome School for the Deaf.

### **Article VII**

The Executive recommends Article VII legislation that would:

- continue the Contract for Excellence program by requiring all school districts that submitted a contract for the 2024-25 school year to submit a contract that maintains at least the same amount of funding for the 2025-26 school year unless all the schools in the district are in good academic standing;
- modify the Foundation Aid formula to ensure each district receives at least a 2.0 percent annual increase in aid, replace the 2000 Census poverty rate with the most recent three-year average of the Small Area Income and Poverty Estimates (SAIPE) rate, replace free and reduced-price lunch data with economically disadvantaged data and amend the Foundation Aid State Sharing Ratio calculation;
- require the Commissioner of Education to develop a statewide policy outlining the definition of dual enrollment programs, guidelines for participation and data reporting. Additionally, school districts and higher education institutions would be required to submit data annually to SED for publication;

- authorize the New York City Transportation After 4pm cap to grow annually based on the consumer price index beginning in the 2025-2026 school year and thereafter;
- require all school districts, charter schools and non-public schools in the state that participate in the national school lunch program or breakfast program to serve breakfast and lunch at no cost to students beginning July 2025. Schools and SED would also be required to take initiative to maximize federal funding for meals;
- require every school district, charter school and Board of Cooperative Educational Services (BOCES) to adopt and publish a written policy prohibiting the use of internet-enabled devices by students on school grounds during the school day by September 2025. Such policy would include exceptions and require that schools provide a method for parents to contact students during the school day;
- require the Commissioner of Education to submit a report to the Governor and Legislature containing data regarding the general health, usage and function of the New York State Museum before September 2025; and
- extend various provisions of law.

# BUDGET HIGHLIGHTS: HEALTH



- **Managed Care Organization (MCO) Tax:** The Executive budget includes a Per Member Per Month tax on Medicaid and Non-Medicaid insurers, resulting in receipts of \$3.7 billion over two years. The budget proposes to use the funds over a three-year period to support \$2.7 billion in new health care investments and to offset the existing Global Cap deficit by \$1 billion.
- **Medicaid Global Cap:** The proposed Executive budget reflects the revised Medicaid Global Cap metric enacted in SFY 2022-23 which indexes spending growth to the five-year rolling average of the Centers for Medicare and Medicaid Services (CMS) annual projections of health care spending. The Executive proposes an increase of \$1.5 billion or 6.1 percent to Global Cap Medicaid spending in SFY 2025-26.
- **Other State Agency (OSA) Costs:** The Executive budget proposes to reclassify \$2.1 billion of local share spending related to OSA services and programs by excluding these costs from the Medicaid Global Cap. The reclassification of local OSA expenditure is cost neutral to the Financial Plan and would lower current and outyear projected Global Cap deficits.
- **Medicaid Enrollment:** The Executive projects Medicaid enrollment to remain around seven million enrollees through March 2025. Eligibility redeterminations following the unwind of the COVID-19 Public Health Emergency declaration were completed in June of 2024 and enrollment is not expected to continue to decline in the current fiscal year.
- **Safety Net Transformation Program:** The Executive budget proposes an additional \$1 billion in capital support and \$300 million in operating support for hospitals submitting sustainability plans under the program.
- **Abortion Provider Support:** The Executive budget proposes to invest \$20 million in flexible funding to support providers of abortion services through enhanced reimbursement rates.
- **Addressing Unmet Need for Older Adults:** The Executive budget proposes to provide \$45 million to the State Office for Aging to address unmet needs for personal care and in-home services through the Area Agencies on Aging.

# BUDGET REVIEW AND ANALYSIS: HEALTH



The Department of Health’s (DOH) mission is to provide quality health services to all New Yorkers, including comprehensive health care and long-term care coverage for low and middle income individuals and families through Medicaid, Child Health Plus (CHP), Essential Plan and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the state, pursues efforts to reduce infectious diseases, directs a variety of emergency preparedness initiatives and oversees all health care facilities in the state.

The Office of the Medicaid Inspector General (OMIG) works to preserve the integrity of the Medicaid program by conducting and coordinating fraud, waste and abuse control activities for all state agencies responsible for services funded by Medicaid.

The State Office for the Aging (SOFA) provides programs and services for New Yorkers 60 years of age and older. SOFA provides leadership and direction to 62 area agencies on aging, as well as numerous other local programs and providers that comprise the network of services for older adults.

**Table 13**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health	125,067.3	134,299.3	9,231.9	7.4
State Office for the Aging	395.5	423.5	28.0	7.1
Office of Medicaid Inspector General	57.5	59.2	1.7	3.0

## Department of Health

The Executive proposes an All Funds appropriation of \$134.3 billion, an increase of \$9.2 billion or 7.4 percent over SFY 2024-25. The Executive recommends funding support for 6,217 full-time equivalent (FTE) positions, an increase of eight FTEs, due to staff positions associated with enforcement of the requirement that hospitals provide access to forensic medical examiners and to hire a forensic accountant to analyze data resulting from material transaction reporting requirements.



Table 14

<b>All State Agency Medicaid Expenditure Projections</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Year-to-Year Change</b>	
			<b>Amount</b>	<b>Percent</b>
State Share*	37,677	44,103	6,426	17.1
<i>State Share (DOH)</i>	31,406	35,724	4,318	13.7
<i>State Share (OSA)</i>	6,271	8,379	2,108	33.6
Federal Share	69,239	70,852	1,613	2.3
Local Share	8,638	8,838	200	2.3
MSA Payment	325	325	0	0.0
<b>All Funds</b>	<b>115,879</b>	<b>124,118</b>	<b>8,239</b>	<b>7.1</b>

\* Growth in State Share expenditure reflects \$2.6 billion in funding resources generated by the MCO Tax.

### Medicaid and Health Care Reform Act

**Medicaid Program:** The Executive budget includes total Medicaid spending of \$124.1 billion, an increase of \$8.2 billion or 7.1 percent over SFY 2024-25. The Executive proposes a state share increase of \$6.4 billion or 17.1 percent, for a total of \$44.1 billion. Increased Medicaid expenditure is primarily driven by medical cost increases, heightened enrollment levels, increases in reimbursement rates to cover home health wage increases and continued growth in utilization of Managed Long Term Care services.

**Health Care Reform Act (HCRA) Financing:** In SFY 2025-26, HCRA disbursements are projected to total \$7.5 billion, a decrease of \$114 million from SFY 2024-25.

**Medicaid Enrollment:** The Executive projects Medicaid enrollment to remain about 900,000 enrollees higher than pre-pandemic levels, with a total population of seven million enrollees through March of 2025. Eligibility redeterminations following the unwind of the COVID-19 Public Health Emergency declaration completed in June of 2024 and enrollment is not expected to continue to significantly decline further this fiscal year.

**Medicaid Global Cap:** The Executive proposal reflects the revised Medicaid Global Cap metric enacted in the SFY 2022-23 budget which indexes spending growth to the five-year rolling average of the CMS annual projections of health care spending. The Executive proposes a \$1.5 billion or 6.1 percent increase to Global Cap Medicaid Spending in SFY 2025-26. The Executive proposes to update the Medicaid Global Cap to exclude the local share of Medicaid spending associated with Other State Agencies (OSA). OSA spending currently accounts for about \$2.1 billion in spending not managed by DOH. Even with this change in the Global Cap spending allowance, the proposed budget actions would leave a \$904 million

deficit in SFY 2026-27. Additionally, Medicaid spending is projected to exceed the Global Cap by \$1.7 billion in SFY 2027-28 and \$3.2 billion in SFY 2028-29.

**Table 15**

<b>Medicaid Global Cap Spending</b>					
<b>(\$ in Millions)</b>					
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>
<b>Medicaid Global Cap</b>	<b>24,930</b>	<b>26,459</b>	<b>27,861</b>	<b>29,179</b>	<b>30,440</b>
Annual Change (\$)	1,665	1,529	1,402	1,318	1,261
Annual Change (%)	7.2%	6.1%	5.3%	4.7%	4.3%
<b>Global Cap Deficit</b>	<b>0</b>	<b>0</b>	<b>904</b>	<b>1,656</b>	<b>3,159</b>

**Temporary Enhanced Federal Medical Assistance Percentage (eFMAP):** With the expiration of the Federal Public Health Emergency (PHE) declaration on May 11, 2023, the State’s eFMAP benefit was gradually phased down from 6.2 percent to 1.5 percent through December of 2023. For SFY 2023-24 the eFMAP benefit provided \$1.7 billion in State share Medicaid savings to offset increased costs associated with elevated enrollment due to Maintenance of Effort (MOE) requirements in place during the PHE. In SFY 2024-25, the eFMAP benefit generated an additional \$23 million in Federal resources due to the timing of reconciliations. Beginning in SFY 2025-26, the State has to assume the full cost of increased Medicaid enrollment.

**State Assumption of Local Medicaid Expenditure Growth:** Effective January 1, 2015, the state fully assumed the growth in local Medicaid expenditures which, when combined with existing limits on local Medicaid spending, would provide counties with nearly \$8.3 billion in savings in SFY 2025-26. The Executive proposal continues to utilize \$325 million from the Master Settlement Agreement payments from tobacco manufacturers to offset the growth in local Medicaid expenditures.

**Table 16**

<b>Medicaid Takeover - Local Savings</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>
Medicaid 3% Cap	5,386	6,062	6,647	7,151
Local Growth Takeover	2,014	2,196	2,379	2,561
<b>Total</b>	<b>7,400</b>	<b>8,258</b>	<b>9,026</b>	<b>9,712</b>

**Essential Plan (EP):** The Executive proposes an All Funds expenditure of \$13.2 billion for the Essential Plan, an increase of \$800 million or 6.6 percent over SFY 2024-25. The Executive includes \$15 million to provide air conditioners to individuals with an expanded list of chronic conditions, \$527,000 to update network adequacy requirements on the NY State of Health Marketplace, \$500,000 to improve customer

experience on the Health Plan Marketplace and a \$62 million investment, effective in SFY 2026-27 to subsidize dental health coverage for those enrolled in Qualified Health Plans.

**Managed Care Organization (MCO) Tax:** The SFY 2024-25 enacted budget directed the DOH to pursue CMS approval to establish a new provider tax on MCOs. On December 20, 2024, the state received approval for the tax from CMS, effective January 1, 2025. The Executive budget includes language to establish a Per Member Per Month tax on Medicaid and Non-Medicaid insurers, resulting in \$3.7 billion in revenue over two years. The budget proposes to use these receipts to offset the existing Global Cap deficit by \$500 million and to fund \$915 million in new health care investments, including:

- \$305 million for hospital investments;
- \$300 million for the Safety Net Transformation Program;
- \$200 million for nursing home, assisted living and hospice investments;
- \$50 million for increasing the Medicaid physician fee schedule;
- \$50 million for the Mainstream Managed Care quality pool; and
- \$10 million for clinics and Federally Qualified Health Centers.

**Hospital Actions:** The Executive proposes a savings of \$56.7 million by restructuring the public indigent care pool.

**Long Term Care (LTC) Actions:** The Executive proposes a total savings of \$40.6 million by discontinuing the Managed Long Term Care (MLTC) quality pool (\$22.4 million) and instituting an enrollment cap on the Nursing Home Transition & Diversion (NHTD) waiver program (\$18.2 million).

**Managed Care Actions:** The Executive proposes a total savings of \$55.9 million by instituting additional penalties for plans that fail to comply with the model contract (\$5 million), shifting the Mainstream Managed Care Quality Pool from the Global Cap to the Healthcare Stability Fund (\$26.3 million), carving Mainstream Managed Care out of the Independent Dispute Resolution (IDR) process (\$7.5 million), requiring long-term nursing home residents to be transitioned from Mainstream Managed Care to Fee For Service (\$7.6 million) and standardizing Applied Behavior Analysis services (\$9.6 million).

**Other Reductions:** The Executive proposes a total savings of \$12.4 million by discontinuing prescriber prevails.

**Legislative Actions:** The Executive proposes to invest \$41.5 million to fund legislation from SFY 2024-25, including bills relating to medically fragile children (\$11.7 million, A.3674-A), the Medically Fragile Adult Demonstration program (\$29.8 million, A.10189-B), Treatment in Place (savings of \$500,000, A.9102-C) and enhancing access for opioid use disorder (\$500,000, A.5984-B).

**Section 1115 Waiver:** The Executive proposal includes \$2.5 billion in federal funding for continued implementation of the State’s 1115 Medicaid Waiver.

**Various Medicaid Initiatives:** The Executive proposes funding of \$9.1 million for various Medicaid initiatives.

**Table 17**

<b>Medicaid Initiatives</b>	
<b>(\$ in Millions)</b>	
<b>Program</b>	<b>SFY 2025-26 Impact</b>
<b>Maternal &amp; Child Health</b>	
Lactation Consultant Access Expansion	0.1
Improve and Expand Access to Infertility Treatments	2.3
<b>Mobility for People with Physical Disabilities</b>	
Enhance Rates for Clinical Specialty Evaluation for New Wheelchairs	0.0
Expand Coverage for Wheelchair Repairs	4.0
Preventive Maintenance Coverage	0.1
<b>Other Investments</b>	
Health Equity for Justice-Involved Youth	3.2
Expand Scope of Covered Services for Pharmacists	(1.4)
Allow Paramedics to Administer Buprenorphine	0.8
<b>Total Impact</b>	<b>9.1</b>

**Public Health**

**Hunger Prevention and Nutrition Assistance Program (HPNAP):** The Executive proposes \$57.8 million in funding for HPNAP, unchanged from SFY 2024-25.

**Nourish New York (NNY):** The Executive proposes \$55 million in funding for NNY, unchanged from SFY 2024-25.

**Reimbursement for Abortion Providers:** The Executive proposes \$20 million to support increased reimbursement for abortion providers.

**COVID-19 Durable Medical Equipment (DME) Maintenance:** The Executive proposes \$4 million for maintenance of DME purchased during the COVID-19 Pandemic.

**Women Infants and Children (WIC) Program:** The Executive proposes \$9.5 million in funding to support new enrollees in the WIC program.

**Swimming Lessons for Children:** The Executive proposes \$5 million for the Kids Swim voucher pilot program to provide free swimming lessons for children four and under.

**Emergency Medical Services (EMS):** The Executive proposes \$4.8 million to counties to develop their EMS plans based on the direction of the Statewide EMS Task Force.

**Support Vital Records:** The Executive proposes \$2.5 million for the Bureau of Vital Records to improve the records request process.

**Require Trained Forensic Medical Examiners at All Hospitals:** The Executive proposes \$2 million to support DOH enforcement requiring that all hospitals provide access to trained forensic medical examiners.

**Increased Reporting Requirements for Investors:** The Executive provides \$84,000 for the DOH to hire a forensic accountant to collect and analyze material transaction data.

**Signed Legislation:** The Executive proposes \$11 million in funding to effectuate a number of bills recently signed into law.

**Excess Medical Malpractice:** The Executive proposes to save \$39.3 million by restructuring the timing of payments under the program by splitting payments over two years, reducing costs by 50 percent.

**Eliminate Electronic Death Registration System (EDRS) Fee:** The Executive proposes to eliminate the \$20 fee on funeral homes for burial and removal permits.

**Public Health Program Elimination:** The Executive proposes to save a total of \$8.9 million by eliminating various public health programs.

Table 18

<b>DOH Public Health Program Eliminations</b>	
<b>(\$ in Millions)</b>	
<b>Program</b>	<b>SFY 2025-26 Impact</b>
Move 405.4 Hospital Audits Off-site	0.1
Enhancing the Quality of Adult Living (EQUAL)	3.3
EQUAL Capital	3.3
Empire Clinical Research Investigator Program (ECRIP)	1.7
Health Promotions Initiative	0.2
Enriched Housing Program	0.2
Ticke Borne Disease Prevention	0.04
Long Term Care Community Coalition	0.01
Community Health Worker Program	0.01
Coalition for the Institutionalized Aged and Disabled	0.04
<b>Total Impact</b>	<b>8.9</b>

**Capital Projects**

**Safety Net Hospital Transformation Program:** The Executive proposes \$1 billion over a multi-year period to support transformation plans submitted by safety net hospitals that focus on system sustainability.

**Reproductive Health Care Infrastructure:** The Executive proposes \$5 million to support grants to abortion care providers to expand reproductive health care services.

**State Administered Health Care Facilities:** The Executive provides \$5 million to the Veterans’ Homes and the Helen Hayes Hospital administered by DOH for capital projects.

**Article VII**

The Executive proposes Article VII language that would:

- extend the legal authorization of the Medicaid Global Cap through April 1, 2027;

- extend various provisions of the public health law, mental hygiene law, insurance law, state finance law and social services law related to health, mental health, insurance and Medicaid initiatives;
- eliminate prescriber prevails protections under the Medicaid program;
- eliminate certain voluntary upper payment limit payments and discontinue the state's indigent care pool payments for NYC Health + Hospitals;
- eliminate the Independent Dispute Resolution process for the Medicaid program; shift the payment model for long term nursing home stays from managed care to a fee-for-service model; authorize the Commissioner of Health to impose enhanced penalties on managed care organizations for breach of the model contract and failure to meet performance standards;
- establish requirements for managed care plans for payment and remittance of the managed care organization provider tax and require funds be deposited in the healthcare stability fund and be used to increase Medicaid reimbursements for hospital services, nursing homes, assisted living residences and federally qualified health centers; establish penalties and add a provision regarding mergers and acquisitions;
- eliminate several public health programs under DOH including the Enhanced Quality of Adult Living (EQUAL) program for adult care facilities, the Empire Clinical Research Investigator Program (ECRIP) and the Tick-borne Disease Institute;
- eliminate the electronic death registration system (EDRS) fee;
- retroactively extend the deadline for awards under the Statewide Health Care Facility Transformation program from December 31, 2022 to February 28, 2023;
- expand the authority of temporary operators of hospitals or adult care facilities to takeover in certain circumstances and extend the length and number of terms they may serve;
- allow patient consent for payment of medical services to be obtained by a provider at anytime;
- require general hospitals to report to the Commissioner of Health (COH) on community benefit expenses on an annual basis;

- establish additional research program eligibility criteria under the Spinal Cord Injury Research Board including research relating to treatment, cure and health-related quality of life improvements;
- expand the state controlled substance schedule, authorize providers to distribute a three-day supply of certain controlled substances for the purpose of maintenance or detoxification treatment, authorize Emergency Medical Technicians to order certain controlled substances to relieve withdrawal symptoms;
- require hospitals to provide abortion care in emergency situations when necessary to stabilize the patient upon patient consent; allow prescription labels for abortion medications to include the name or address of the prescribing health care facility instead of the name of the prescriber and extend this request to pharmacist prescription files and electronic prescriptions;
- add iatrogenic infertility treatment as a covered service under the Medicaid program, require the COH to establish a grant program to fund uncompensated health care services related to infertility and require at least one provider be located in New York City and the upstate region;
- classify emergency medical services (EMS) as an essential service and require jurisdictions to report information to DOH on local EMS to evaluate quality and accessibility;
- expand reporting requirements for healthcare entities in relation to proposed material transactions and extend the time to notify the department of transactions to 60 days;
- require hospitals to have sexual violence response coordinators and sexual assault forensic examiners on staff 24/7 and integrate sexual violence responses within a hospital's clinical oversight and quality improvement structure;
- establish requirements for requesting genealogical records and authorize the COH to determine the means and methods by which genealogical records are provided, increase the fee for birth certificates to \$45, allow DOH to charge a fee of \$50/hour for retrieving records used in genealogical requests, increase processing fees for vital records requests to \$30; and
- allow general hospitals to offer off-site acute care medical services in a patient's home.



### **State Office for the Aging (SOFA)**

The Executive proposes an All Funds appropriation of \$423.5 million, an increase of \$28 million or 7.1 percent over SFY 2024-25. The Executive recommends funding to support 126 FTE positions, unchanged from SFY 2024-25.

**Targeted Inflationary Increase (TII):** The Executive proposes a 2.1 percent TII for multiple health and human services agencies, including \$4.7 million for SOFA.

**Addressing Unmet Need:** The Executive proposes \$45 million in additional funding, for a total of \$53 million, for Areas Agencies on Aging to address unmet service needs.

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

The Executive proposes an All Funds appropriation of \$59.2 million, an increase of \$1.7 million or 3.0 percent from SFY 2024-25. The Executive recommends funding to support 545 FTE positions, an increase of 30 FTE positions from SFY 2024-25.

# BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Operating Support for the State University of New York (SUNY) and the City University of New York (CUNY):** The Executive budget provides \$210 million in new additional recurring operating support, which would provide \$114 million to SUNY State-operated campuses and \$96 million to CUNY senior colleges.
- **Community College Funding:** The Executive Budget provides \$28.2 million to SUNY and \$18.8 million to CUNY to cover the remaining cost of tuition and additional expenses for community college students ages 25-55 pursuing select associate degrees. The Executive also maintains the Community College Base Aid funding Floor at 100 percent of prior year funding.
- **Collective Bargaining Costs:** The Executive Budget provides CUNY with \$192 million to cover the lump-sum payments from a three percent general salary increase effective in 2023 and 2024 and the one-time bonuses recently ratified in the Professional Staff Congress contract.
- **SUNY and CUNY Capital Investment:** The Executive Budget includes \$2 billion for capital projects, including \$750 million for SUNY State-operated campuses, \$650 million for the modernization and revitalization of SUNY hospitals, \$417 million for CUNY senior colleges, \$131 million for SUNY community colleges, \$35 million for CUNY community colleges, and \$25 million to establish the SUNY Green Energy Loan Fund.
- **Streamlining Part-Time Financial Aid Programs:** The Executive Budget proposes to consolidate three existing financial aid programs for part-time students and expand the minimum eligibility for part-time TAP, by reducing the current minimum of six credits to three credits.
- **Opportunity Programs:** The Executive proposal provides \$197 million to fund higher education opportunity programs administered by CUNY, SUNY, and private colleges. This is a decrease of \$9 million from SFY 2024-25.

# BUDGET REVIEW AND ANALYSIS: HIGHER EDUCATION



New York State’s system of public higher education consists of the State University of New York (SUNY), which is composed of 64 campuses educating more than 376,000 full- and part-time students, and the City University of New York (CUNY) which is composed of 25 campuses educating more than 238,000 full and part-time students. Both systems include community colleges, four-year institutions, and graduate and professional schools, providing a wide range of academic opportunities. As part of its academic mission, the SUNY system is responsible for three academic medical centers, which are attached to the system’s medical schools.

In order to assure access to education opportunities, the Higher Education Services Corporation (HESC) administers a variety of scholarship and loan programs, including the Tuition Assistance Program (TAP), which provides financial assistance to some 300,000 students attending undergraduate institutions in the state.

**Table 19**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	13,664.92	15,266.11	1,601.19	11.72
City University of New York	5,987.14	6,404.30	417.16	6.97
Higher Education Services Corporation	1,088.71	1,089.17	0.46	0.04

## State University of New York (SUNY)

The Executive proposes All Funds appropriations of \$15.3 billion, an increase of \$1.6 billion or 11.7 percent from SFY 2024-25. The Executive maintains funding support for 49,000 full-time equivalent (FTE) positions, no change from SFY 2024-25 levels.

**SUNY State Operated Colleges:** The Executive proposal would provide \$1.6 billion in funding for SUNY state operated colleges, an increase of \$127.7 million. This amount includes \$391 million in recurring operating support, an increase of \$114 million. The Executive also continues \$53 million in funding first provided in Academic Year 2022-23 for a new full-time faculty, and \$55.9 million for the (TAP) gap.

State-funded fringe benefits are maintained at \$2 billion.

**Table 20**

<b>Additional Operating Assistance (SUNY)</b>			
	<b>2024-25 Enacted (\$ in Millions)</b>	<b>2025-26 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>
Additional Operating Aid (Recurring)	277	391	114
New Full-Time Faculty	53	53	0
<b>Total Additional Operating Assistance</b>	<b>330</b>	<b>444</b>	<b>114</b>

**University-Wide Programs:** The Executive provides \$209.8 million for University-Wide Programs, a \$10.6 million increase over Academic Year (AY) 2024-25. The Executive proposal reduces funding for the Educational Opportunity Program by \$1.9 million, for a total of \$42.5 million, and maintains the Educational Opportunity Centers for a total of \$72.6 million, including \$6 million for Advanced Technology Training and Information Networking labs.

The Executive proposal provides \$23.8 million for new University-Wide Programs, including:

- \$12 million for the Accelerate Complete Engage (ACE) and Accelerated Study and Associate Program (ASAP) programs;
- \$10 million for a SUNY AI Natural Language Processing program;
- \$1 million for the Regional Gun Violence Research Consortium; and
- \$750,000 for the first responder counseling scholarship program.

The Executive proposal reduces funding for the following University-wide Programs:

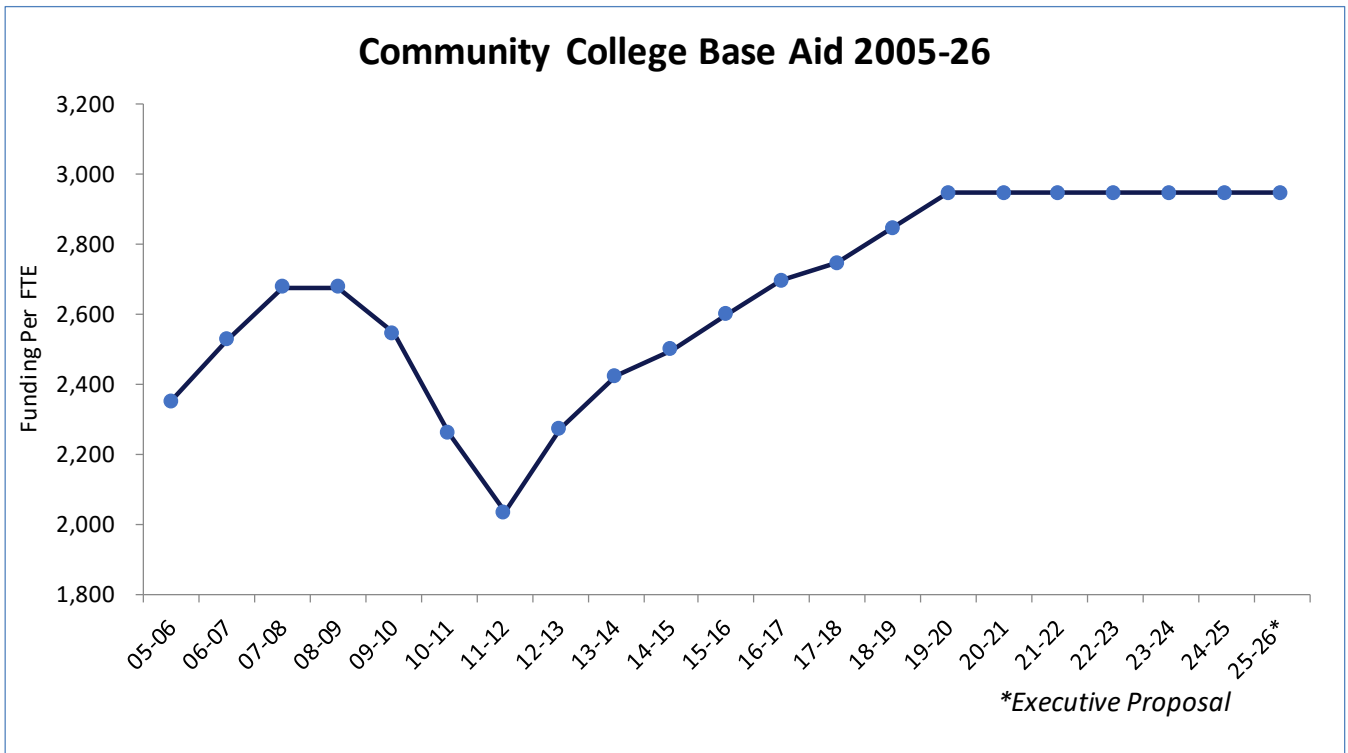
- \$2 million for the Maritime Appointments Program, for a total of \$239,600;
- \$1 million for the High-Need Nursing Program, for a total of \$1.7 million; and
- \$1 million for mental health services, for a total of \$1 million.

The Executive proposal eliminates funding for the following University-Wide Programs:

- \$2 million for the Statewide Investment in More Swimming (NY SWIMS);
- \$1 million for the Science of Reading Microcredential Program at the College of New Paltz;
- \$500,000 for the Public Interest State Law Program (University at Buffalo School of Law);
- \$433,000 for the Immigrant Integration Research and Policy Institute (Rockefeller Institute);
- \$350,000 for the Black Leadership Institute for leadership development programs;
- \$350,000 for the Asian American Native Hawaiian Pacific Islander (AANHPI) Leadership Institute for leadership training and advocacy efforts;
- \$250,000 for the State University College of Technology at Farmingdale for additional operational and programmatic needs;
- \$200,000 for the University at Buffalo Regional Institute; and
- \$150,000 for the Benjamin Center at SUNY New Paltz.

**SUNY Hospitals:** The Executive proposal would increase SUNY Hospitals' spending authority to \$5.1 billion, an increase of \$785.1 million. This will help to cover the hospitals deferred NYSHIP obligations.

The Executive provides \$63 million for the Long Island Veterans' Home, an increase of \$2.6 million, but the Executive eliminates \$165,000 for the hiring and retention of nurses.



**Figure 8**

**SUNY Community Colleges:** The Executive provides \$452.9 million for SUNY Community Colleges, an increase of \$28.2 million over AY 2024-25. This includes:

- \$424.7 million of the base aid funding floor, maintaining 100 percent of prior year funding and inclusive of the \$8 million additional operating funds first provided in 2024-25; and
- \$28.2 million for the New York Opportunity Promise Scholarship, a program that provides for the cost of tuition, fees and books for students ages 25-55 attending SUNY Community Colleges for high-demand fields.

The Executive eliminates \$300,000 for Dutchess Community College to alleviate housing and food insecurity for students and \$200,000 for the Schenectady Community College Inclusive Entrepreneurship and Employment Pilot Program.

**Cornell Cooperative Extension:** The Executive reduces funding for the Cornell Cooperative Extension by \$1.7 million, for a total of \$4.4 million.

**SUNY Capital: The Executive** provides \$2.1 billion in capital appropriations, an increase of \$664.5 million over SFY 2024-25 to support the following:

- \$550 million for the preservation of various SUNY facilities, no change from SFY 2024-25;
- \$200 million allocated to support research facilities at SUNY state-operated campuses;
- \$130.5 million for community colleges;
- \$25 million for the Green Energy Loan Fund for new energy-efficiency/climate projects; and
- \$800 million for SUNY Hospitals, which includes;
  - \$450 million to modernize Downstate University Hospital;
  - \$200 million to modernize SUNY Upstate Hospital; and
  - \$150 million for hospital improvements at Downstate, Upstate and Stony Brook.

### **City University of New York (CUNY)**

The Executive proposes an All Funds appropriation of \$6.4 billion, a \$417.2 million or 7.0 percent increase over SFY 2024-25. The Executive recommends support for 13,511 full-time equivalent (FTE) positions, maintaining the same levels as in SFY 2024-25.

**CUNY Senior Colleges:** The Executive would provide \$973.7 million in State funding for CUNY senior colleges, an increase of \$94.7 million. The Executive provides \$265 million in recurring general operating support, an increase of \$96 million. The Executive also continues \$53 million in funding first provided in AY 2022-23 for new full-time faculty, and \$55.5 million for the TAP gap.

State funded fringe benefits are appropriated at \$1.1 billion, an increase of \$22.1 million.

**Table 21**

<b>Additional Operating Assistance (CUNY)</b>			
	<b>2024-25 Enacted (\$ in Millions)</b>	<b>2025-26 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>
Additional Operating Aid (Recurring)	169	265	96
New Full-Time Faculty	53	53	0
<b>Total Additional Operating Assistance</b>	<b>222</b>	<b>318</b>	<b>96</b>

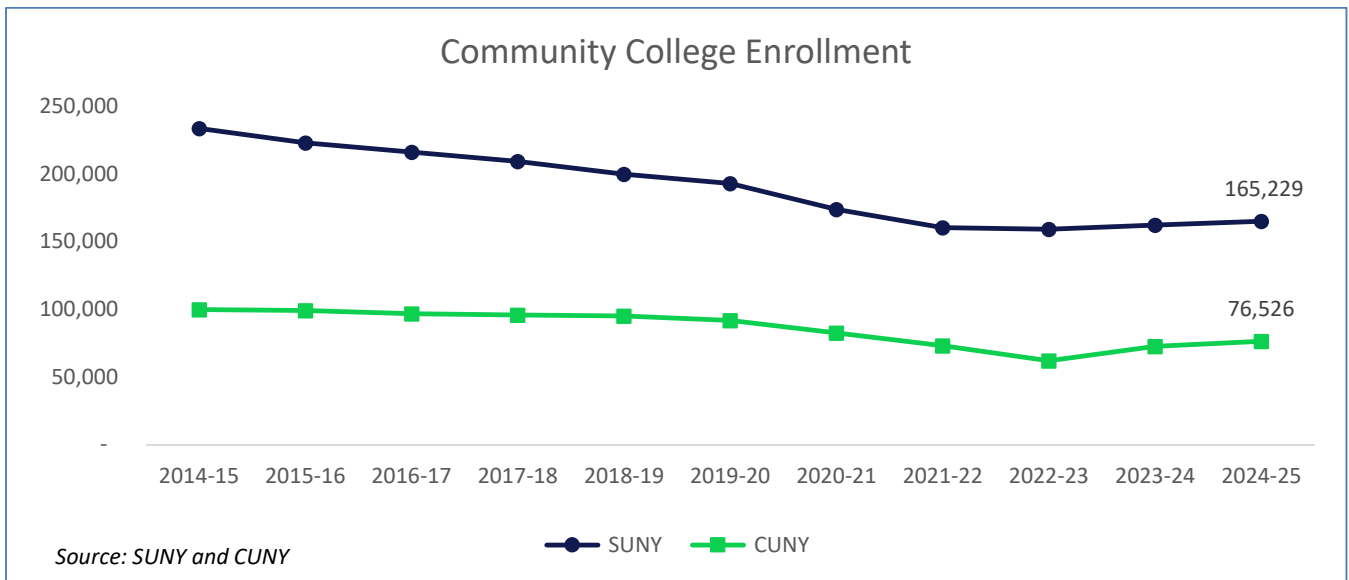
The Executive proposal provides \$13 million for new programs, including:

- \$8 million for the ACE and ASAP programs; and
- \$5 million for a CUNY AI initiatives.

The Executive proposal reduces funding for Search for Education, Elevation, and Knowledge (SEEK) by \$1.7 million, for a total of \$37 million. Additionally, the Executive reduces or eliminates funding for the following programs:

- \$2.5 million for the School of Labor and Urban Studies, for a total of \$3.7 million;
- \$1.5 million in matching funds for the Ramgel Infrastructure Workforce Training Initiative;
- \$1.2 million for the CUNY Black Male Initiative;
- \$1 million for mental health services, for a total of \$1 million;
- \$1 million for the expansion of nursing programs, for a total of \$2 million;
- \$1 million for the Science of Reading Microcredential programs;
- \$750,000 for the Du Bois Bunche Center for Public Policy at Medgar Evers College;
- \$500,000 for the CUNY Graduate School of Public Health and Health Policy – Sexual and Reproductive Justice Hub;
- \$500,000 for the CUNY-sponsored midwifery program;
- \$350,000 for the Asian American/Asian Research Institute;
- \$350,000 for the CUNY Law School W. Haywood Burns Chair in Human and Civil Rights;
- \$250,000 for the CUNY Medgar Evers College Dr. John L. Flateau Chair in Election Data Analysis and Research; and
- \$150,000 for the model New York State session project.





**Figure 9**

**CUNY Community Colleges:** The Executive provides \$242.2 million for CUNY Community Colleges, an increase of \$18.8 million over AY 2024-25. This includes:

- \$223.4 million of the base aid funding floor, maintaining 100 percent of prior year funding and inclusive of the \$5.3 million additional operating funds first provided in AY 2024-25; and
- \$18.8 million for the New York Opportunity Promise Scholarship, a program that provides for the cost tuition, fees, and books for students ages 25-55 attending CUNY Community Colleges for high-demand fields.

The Executive provides \$11.5 million for the MTA Mobility Tax, an increase of \$800,000.

The Executive proposal maintains \$1.7 million for child care centers funding.

The Executive reduces funding for College Discovery by \$81,000, for a total of \$1.8 million.

**CUNY Capital:** The Executive Budget provides \$497.4 million in capital funding, which is an increase of \$16.2 million over SFY 2024-25, which includes:

- \$284.2 million in critical maintenance capital;
- \$133 million for research facilities projects at various CUNY campuses;
- \$35.1 million in community college capital;
- \$26.7 million to fund Dormitory Authority services on behalf of CUNY; and
- \$18.4 million to support the CUNY Construction Fund.

## **Opportunity Programs Appropriated in the State Education Department (SED)**

The Executive proposal includes \$115.7 million for opportunity programs funded through SED, a \$5.3 million decrease from SFY 2024-25, which funds the following programs:

- \$46.9 million for the Higher Education Opportunity Program (HEOP), a decrease of \$2.1 million from SFY 2024-25;
- \$24.2 million for the Liberty Partnership Program, a decrease of \$1.1 million from SFY 2024-25;
- \$20.9 million for the Science and Technology Entry Program (STEP), a decrease of \$954,000;
- \$15.8 million for the Collegiate Science and Technology Entry Program (CSTEP), a decrease of \$723,000; and
- \$7.9 million for the Foster Youth Initiative, a decrease of \$362,000 from SFY 2024-25.

**Unrestricted Aid to Independent Colleges and Universities (Bundy Aid):** The Executive provides \$16.3 million in Bundy Aid to eligible institutions with endowments less than \$750 million.

The Executive maintains \$941,000 for the High Needs Nursing Program and \$450,000 for the Teacher Opportunity Corps Program.

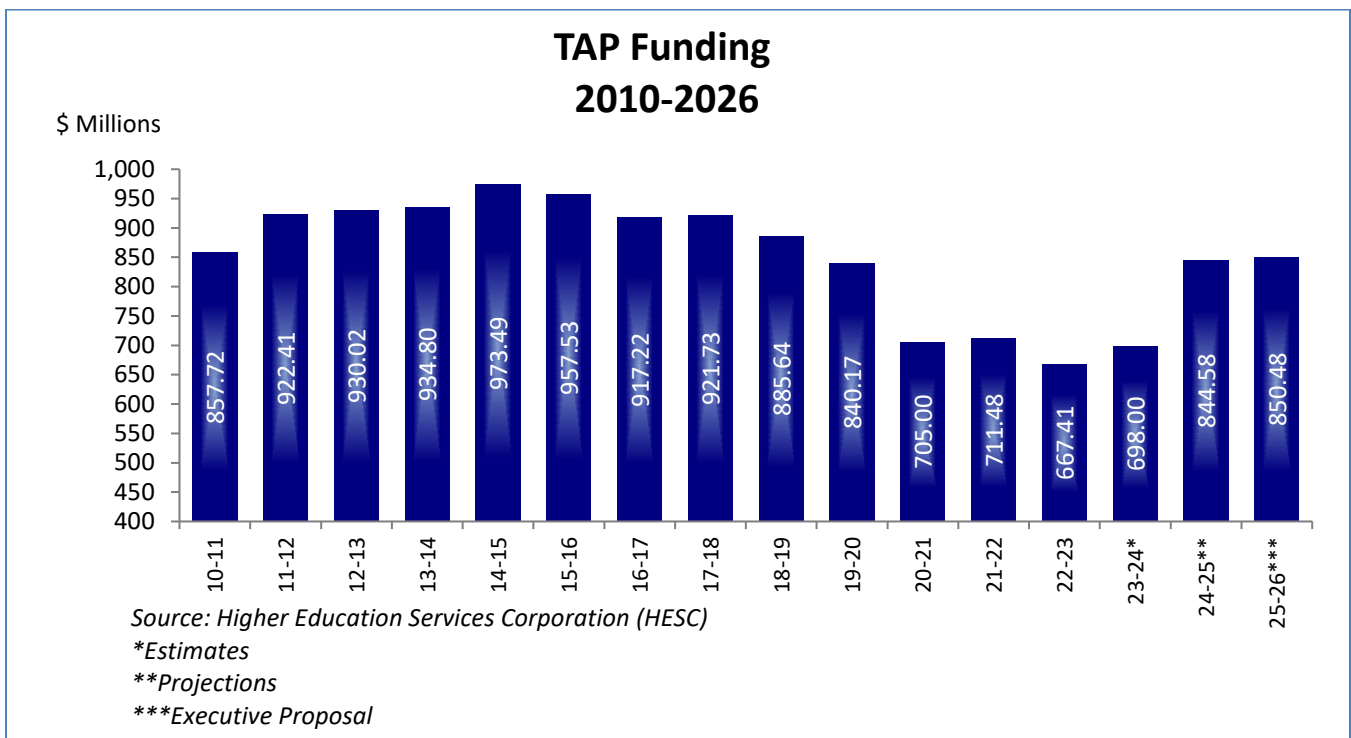
The Executive reduces funding to support students with disabilities by \$2 million, for a total of \$2 million.

Additionally, the Executive eliminates:

- \$750,000 for the Dental Grants Program;
- \$350,000 for Latino U College Access; and
- \$200,000 for On Point for College.

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

The Executive proposes All Funds appropriations of \$1.1 billion, a \$456,000 decrease from SFY 2024-25. The Executive maintains support for 105 FTEs, unchanged from SFY 2024-25.



**Figure 10**

**Tuition Assistance Program (TAP):** The Executive proposes a total of \$850.5 million for TAP, an increase of \$15.9 million over AY 2024-25.

**Excelsior Scholarship:** The Executive provides funding of \$112.4 million for the Excelsior Scholarship Program, a decrease of \$9 million from AY 2024-25.

**Enhanced Tuition Assistance (ETA):** The Executive maintains funding of \$3.8 million for the ETA program for students attending independent colleges and universities.

**Scholarships and Other Programs:** The Executive proposal provides \$55.1 million in funding for various scholarships, an increase of \$16.2 million. The Executive reduces funding for the Patricia McGee Nursing Faculty Scholarship by \$1 million, for a total of \$3.9 million; \$100,000 for the child welfare scholarship program, for a total of \$50,000; and \$50,000 for the Young Farmers Loan Forgiveness, for a total of \$150,000. The Executive provides a new appropriation of \$2.5 million for the “Get a Shot to Make Your Future” vaccine incentive scholarships.

## Other Higher Education Initiatives

The Executive does not fund another round of the Higher Education Facilities Capital Matching Grants Program.

## Article VII

The Executive includes the following Article VII proposals that would:

- consolidate existing financial aid programs for part-time students into the Part Time Tuition Assistance Program;
- expand eligibility for the Part-Time Tuition Assistance Program to students enrolled for at least three credits per semester in an approved undergraduate degree program;
- modify the administration of payments and awards under the Excelsior Scholarship Program;
- create the New York Opportunity Promise Scholarship for certain students attending community college;
- authorize New York State to join the Interstate Nurse Licensure Compact;
- transfer oversight of certain licensed health care professions from SED to DOH;
- authorize certain certified nurse aides to administer medication related tasks in residential health care facilities;
- authorize medical assistants to administer immunizations under the supervision of a physician or physician assistant;
- authorize pharmacy technicians to administer immunizations under the supervision of a pharmacist;
- authorize pharmacists to administer COVID-19 immunizations to patients two years of age or older;
- authorize pharmacists to prescribe and order medications to treat nicotine dependence;

- authorize dental hygienists to administer block anesthesia, place pre-fit orthodontic bands, use light cure composite material, take cephalometric radiographs, take two and three-dimensional photography of dentition, and adjust removable appliances;
- authorize certain dental hygienists to enter into collaborative practice agreements to perform services without supervision and without prior evaluation by a dentist or medical professional;
- authorize certain physician assistants to practice without physician supervision;
- remove the limit on the number of physician assistants a physician may supervise;
- authorize physician assistants to prescribe and order non-patient specific regimens to pharmacists and registered nurses for administering immunizations; and
- authorize school districts to employ physician assistants to perform the duties of a school health services director.

# BUDGET HIGHLIGHTS: HUMAN SERVICES



- **City of Yes Program:** The Executive proposes \$1 billion to support New York City's efforts to increase new housing supply through the City of Yes for Housing Opportunity program.
- **Unemployment Insurance:** The Executive proposes \$165 million to eliminate the interest payments employers would otherwise have to pay to the United States Treasury on the Unemployment Insurance Trust Fund loan balance in 2025.
- **Pro-Housing Initiatives:** The Executive proposes \$110.5 million for Pro-Housing Certified Communities to support local infrastructure projects required for housing development.
- **Child Care Grants:** The Executive provides \$100 million in capital grants for child care centers to increase capacity, as well as an additional \$10 million in federal funding for renovation and repairs in family child care programs.
- **Starter Homes and Support for First-Time Home Buyers:** The Executive proposes \$50 million to fund the construction of modular and starter homes and \$50 million in funding for down payment assistance for low- and middle-income first-time home buyers.
- **Mixed-Income Revolving Loan Fund:** The Executive budget includes \$50 million to create a revolving loan fund for low-cost second mortgages to fund the development of mixed-income housing outside of New York City.
- **Support for New Mothers:** The Executive budget provides a total of \$9.5 million for the Baby2Baby program, of which \$8 million would support postpartum care boxes and \$1.5 million would provide for the purchase and distribution of diapers for eligible families.
- **Birth Allowance for Beginning Year (BABY) Benefit:** The Executive proposes \$8.5 million to create the Birth Allowance for Beginning Year Benefit, which would allow Local Social Services Districts the option to provide enhanced benefits to pregnant people receiving public assistance.
- **Targeted Inflationary Increase (TII):** The Executive proposes a 2.1 percent TII for human services programs.

# BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



Human services agencies in New York State provide for the needs of vulnerable populations and seek to ensure safety and equality for all New Yorkers.

Programs funded through the Office of Children and Family Services (OCFS) and the Office of Temporary and Disability Assistance (OTDA) include supportive services for individuals and families living in poverty, services for children in foster care or in need of protective interventions, support for adults and individuals with disabilities who are unable to work and childcare subsidies for working families.

The Department of Veterans' Services (DVS) assists and advocates on behalf of veterans throughout the state.

The Department of Labor (DOL) protects the rights of the workforce and promotes employment opportunities for out-of-work individuals.

The Division of Housing and Community Renewal (DHCR) creates and maintains opportunities for affordable housing. The State of New York Mortgage Agency (SONYMA) provides affordable financing for homeownership for low to moderate income residents and promotes the stabilization of neighborhoods throughout the state.

The Division of Human Rights (DHR) addresses discrimination against protected classes in education, employment, housing and public accommodations. The Office of National and Community Service utilizes grants to promote various services including assistance to individuals with disabilities and disaster preparedness.

The Office of Welfare Inspector General (OWIG) conducts and supervises investigations of fraud, abuse and illegal acts relating to social services programs.

**Table 22**

Agency/Program	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Temporary and Disability Assistance	10,141.3	7,766.1	(2,375.2)	(23.4)
Department of Labor	7,303.5	7,333.1	29.6	0.4
Office of Children and Family Services	5,675.2	5,789.6	114.4	2.0
Division of Housing and Community Renewal	1,026.7	2,182.6	1,155.9	112.6
Raise the Age	250.0	250.0	0.0	0.0
State of New York Mortgage Agency	198.5	187.6	(10.9)	(5.5)
Division of Human Rights	28.9	39.9	11.0	38.1
Department of Veterans' Services	34.0	32.6	(1.4)	(4.1)
Office of National and Community Services	31.0	31.0	0.0	0.0
Office of Welfare Inspector General	1.4	1.4	0.0	0.0

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

The Executive proposes an All Funds appropriation of \$7.8 billion, a decrease of \$2.4 billion or 23.4 percent below SFY 2024-25. This decrease primarily reflects a return to normal appropriation levels following a one-time State investment in SFY 2024-25 for support costs associated with providing emergency shelter and services to migrants. The Executive recommends a workforce of 2,053 FTEs, an increase of 116 FTEs over SFY 2024-25 levels, primarily due to increased staffing in the Office of Administrative Hearings (OAH).

**Public Assistance Benefits:** The Executive budget estimates a public assistance caseload of 688,153 recipients for SFY 2025-26, an increase of 24,692 recipients over SFY 2024-25. State spending for the safety net population is anticipated to be \$795.3 million, an increase of \$38.8 million over SFY 2024-25. The Executive estimates Federal Temporary Assistance for Needy Families (TANF) support at \$1.1 billion, an increase of \$13.5 million over SFY 2024-25 level.

**TANF Commitments:** The Executive proposes an appropriation of \$1.6 billion for TANF initiatives, a decrease of \$76.7 million from SFY 2024-25. This decrease is largely due to the elimination of \$50 million in one-time funding for anti-poverty efforts in Rochester, Buffalo and Syracuse. The Executive eliminates \$12.1 million in TANF initiatives from SFY 2024-25. The Executive proposal includes \$40.6 million for additional youth employment programs for localities participating in the Gun Involved Violence Elimination (GIVE) initiative outside of New York City and \$17.2 million for Local Social Services District case management support.



Table 23

**TANF Commitments**

(\$ in Thousands)

Category/Item	SFY 2024-25	SFY 2025-26	Change
	Enacted	Proposed	
Flexible Fund for Family Services	1,014,000	964,000	(50,000)
Child Care Subsidies	463,630	497,200	33,570
<b>TANF Initiatives</b>			
ACCESS- Welfare to Careers	800	0	(800)
ATTAIN	4,100	0	(4,100)
Career Pathways	1,425	0	(1,425)
Centro of Oneida	25	0	(25)
Jewish Child Care Association	200	0	(200)
Local District Case Management	17,200	17,200	0
Rochester, Buffalo, Syracuse Anti-Poverty	50,000	0	(50,000)
Non-residential DV	3,200	3,000	(200)
Preventive Services Initiative	785	0	(785)
Rochester-Genesee Regional TA	82	0	(82)
Summer Youth Employment	55,000	51,500	(3,500)
Youth Employment Program- GIVE	38,800	40,600	1,800
SUNY/CUNY Child Care	334	0	(334)
Wage Subsidy Program	475	0	(475)
Wheels for Work	144	0	(144)
Subtotal of TANF Initiatives	172,426	112,300	(60,126)
<b>TANF Funding Total</b>	<b>1,650,200</b>	<b>1,573,500</b>	<b>(76,700)</b>

The Executive proposal provides funding for Emergency Assistance to Needy Families with Children (EAF) at \$288.6 million, unchanged from SFY 2024-25. This includes savings of \$38.1 million associated with a 15 percent local share of EAF for New York City.

**Empire State Supportive Housing Initiative (ESSHI):** The Executive budget provides \$240 million within OTDA for ESSHI to maintain operational support for current and new supportive housing units, an increase of \$30 million over SFY 2024-25. This increase will support an increase in reimbursement rates from \$25,000 per unit to \$31,000 per unit, with an additional \$3,000 for units in the New York City metropolitan area.

**Homeless Housing and Assistance Program (HHAP):** The Executive proposal provides \$153 million in funding for HHAP, an increase of \$25 million over SFY 2024-25.

**Homeless Programs:** The Executive proposal includes \$71.4 million for the New York State Supportive Housing Program (NYSSHP), Solutions to End Homelessness Program and Operational Support for AIDS Housing, an increase of \$17.8 million over SFY 2024-25. This will increase reimbursement rates for NYSSHP units by approximately 40 percent. The Executive proposal also includes \$1 million for the Emergency Homeless Services Program, unchanged from SFY 2024-25.

**Welcome Centers in Public Transportation:** The Executive proposes \$18.5 million for the New York City Department of Homeless Services to expand welcome centers in public transportation locations across New York City.

**Monroe Ladder Program:** The Executive includes \$3 million to create the Monroe Ladder Program. These funds will support financial counseling, case management and work incentive payments to address the loss of public benefits due to a transition from part-time to full-time work. The program will also include a study to evaluate outcomes and provide recommendations towards reducing this benefits cliff.

**Support For New Mothers:** The Executive includes a total of \$9.5 million for Baby2Baby, which allocates \$8 million to provide postpartum boxes with screening tools for postpartum depression and anxiety, mental health information, self-care products, diapers, blanket and swaddles to new mothers enrolled in Medicaid. In addition, \$1.5 million is allocated towards the purchase and distribution of diapers to eligible families.

**Birth Allowance for Beginning Year (BABY) Benefit:** The Executive includes \$8.5 million annually to support benefits of \$100 per month throughout pregnancy and an additional \$1,200 payment at birth for individuals that receive public assistance.

**Summer Youth Employment Program (SYEP):** The Executive proposes to decrease support for the SYEP by \$3.5 million, for a total of \$51.5 million.

**Increase Dual Enrollment in Supplemental Nutrition Assistance Program (SNAP) and Women, Infants and Children (WIC):** The Executive budget includes \$100,000 to create a data-matching process, comparing enrollment data to identify and contact participants who may not be enrolled in programs for which they qualify.

**Community Initiatives:** The Executive budget eliminates \$26.2 million in various programs, including \$5 million in additional funding for the Enhanced Services for Refugees Program.

## Article VII

The Executive proposes Article VII legislation that would:

- expand monthly cash benefits for public assistance recipients to include benefit payments to pregnant people through the duration of the pregnancy and a one-time benefit upon birth of a new child;
- authorize the Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA) pass-through for 2026; and
- extend the legal authority of the Office of Temporary Disability Assistance and the Office of Children and Family Services to appoint a temporary operator for emergency shelters that have seriously endangered or jeopardized shelter residents through 2028.

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

The Executive proposes an All Funds appropriation of \$5.8 billion, an increase of \$114.4 million or 2.0 percent over SFY 2024-25. The SFY 2025-26 Executive budget recommends a workforce of 2,983 FTEs, unchanged from SFY 2024-25 levels.

**Child Care:** The Executive proposes \$2.3 billion for child care, a net increase of \$8.1 million over SFY 2024-25. The Executive provides \$ 1.8 billion for child care subsidies and \$434 million for other child care purposes, including the administration of child care funds and child resource and referral agencies.

**Child Care Grants:** The Executive proposes \$100 million for child care capital grants to expand enrollment capacity, which includes a \$25 million set-aside for counties and municipalities. An additional \$10 million of federal funds will be used to help family child care programs pay for small-scale renovations.

**Facilitated Enrollment:** The Executive proposes eliminating \$11.9 million for the Facilitated Enrollment Programs. These programs provide grants to offset the cost of childcare for families making less than 400 percent of the federal poverty level, or 85 percent of the state median income, who would otherwise be ineligible for child care assistance.

**New York Coalition for Child Care:** The Executive proposal includes \$1 million in funding to create the New York Coalition for Child Care. The coalition will research revenue generating ideas to fund future child care spending.

**Permanent Elimination of Committee on Special Education (CSE) State Share:** The Executive proposes to make permanent the elimination of the 18.42 percent state share for the room and board of children with severe disabilities placed by CSE outside of New York City. This action would result in \$28.6 million in savings.

**Substitute Pool:** The Executive proposal includes \$3 million to create a new pilot program to assist state supported child care programs in hiring childhood caregivers.

**Youth Sports and Recreational Activities:** The Executive proposal includes \$12.5 million in SFY 2025-26 for youth sports, an increase of \$7.5 million.

**Youth Development Program:** The Executive proposal includes \$21.6 million for youth development programs an increase of \$7.5 million from SFY 2024-25.

**Dolly Parton Imagination Library:** The Executive proposal transfers \$500,000 from the State Education Department and includes \$6.5 million for services provided by the Dolly Parton Imagination Library, for a total of \$7 million.

**Afterschool Programs:** The Executive proposal includes \$109.7 million for the Advantage and Empire State Afterschool programs, an increase of \$6.5 million over SFY 2024-25, to cover increases in the minimum wage.

**Targeted Inflationary Increase (TII):** The Executive proposal includes \$11.8 million in funding to provide a 2.1 percent TII for human services programs.

**Minimum Wage:** The Executive proposal includes \$14.2 million in funding for state contracts to support increases in the minimum wage for state contractors.

**OCFS Medicaid:** The Executive proposal includes \$119 million, an increase of \$49 million over SFY 2024-25. The Executive proposes an increase of \$39 million to shift the local share of Medicaid expenses from the Department of Health budget to various agency budgets including OCFS and an increase of \$10 million to align with spending trends.

**Runaway and Homeless Youth:** The Executive proposal includes \$10 million in SFY 2025-26, an increase of \$1.5 million over SFY 2024-25, to expand homelessness prevention and outreach programs.

**Child Advocacy Centers:** The Executive proposal includes \$14.5 million in SFY 2025-26, an increase of \$7.2 million over SFY 2024-25, to support advocates during investigations and legal proceedings and to keep the child's identity private.

**Self-Service Kiosks:** The Executive proposal includes \$600,000 to install self- service kiosks in high need communities to provide access to public benefits.

**Mentoring Initiatives:** The Executive proposal includes \$455,000 to enhance mentorship through the creation of the Black Girls Mentoring Initiative and expansion of the Latina Mentoring Initiative.

**Youth Facilities:** The Executive proposal includes \$1.5 million in capital to support the development of design schematics for Youth Facilities.

**Detention Capital:** The Executive proposal includes \$5 million in SFY 2025-26, an increase of \$400,000 over SFY 2024-25, to align with spending trends.

**Indian Tribes:** The Executive proposal includes \$6 million in SFY 2025-26, an increase of \$1.3 million over SFY 2024-25 to align with spending trends.

## **Article VII**

The Executive proposes Article VII legislation that would:

- eliminate state reimbursement for residential Committee on Special Education (CSE) placements made by school districts outside of New York City and for students attending a state-operated school for the deaf and blind; and
- authorize the establishment of child care support centers to place substitute caregivers at child day care centers and other child care programs.

## **Department of Labor (DOL)**

The Executive proposes an All Funds appropriation of \$7.3 billion, an increase of \$29.6 million or 0.4 percent over SFY 2024-25. The Executive recommends support for 2,942 FTEs, unchanged from SFY 2024-25 levels.

**Unemployment Insurance (UI) Benefits:** The Executive proposes an appropriation of \$6 billion for UI benefits, unchanged from SFY 2024-25. In addition, the Executive includes \$165 million to eliminate the interest payments that would be assessed on employers for the Unemployment Insurance Trust Fund loan balance for 2025.

**Digitize Working Papers:** The Executive proposes an appropriation of \$10 million to support the digitization of working papers for minors and to create an online portal to provide information and support for young people, caregivers, employers and school administrators.

**Apprenticeship Reimbursement Program:** The Executive proposes \$10 million for providers of registered apprenticeship and pre-apprenticeship programs to cover partial apprentice wages, training costs and wraparound services for underrepresented groups in high demand fields.

**Employer Led Training Program:** The Executive proposes an appropriation of \$8 million to facilitate employer-led trainings in-high demand occupations. In addition, DOL will collaborate with school districts and businesses to recruit high school students for summer work experience programs.

**Workforce Innovation and Opportunity Act (WIOA):** The Executive proposes a decrease of \$3.6 million, related to the administration and operation of employment training programs, as well as a decrease of \$5.8 million for adult, youth and dislocated worker employment and training.

**American Sign Language Fellowship:** The Executive proposes \$400,000 to create the American Sign Language Fellowship program.

**Community Initiatives:** The Executive budget eliminates \$26.2 million in various labor programs funded in SFY 24-25.

## **Article VII**

The Executive proposes Article VII legislation that would:

- require the Department of Labor to set wage and benefit rates for persons employed to prepare airplane food at JFK International Airport and LaGuardia Airport;
- clarify the frequency by which manual workers must be paid and establishes penalty amounts for each violation;
- authorize the Department of Labor to issue warrants to the county sheriff's offices to order the seize assets of employers engaged in wage theft;
- increase penalties for violations of child labor laws. It would also create two new felonies for criminally negligent homicide of a child worker and endangering the welfare of a child worker;

- require the Department of Labor to create and maintain an electronic database for youth working papers, as well as set out registration and recordkeeping processes for minors and employers; and
- add protections for motor vehicle license examiners, motor vehicle representatives, highway workers, motor carrier investigators and motor vehicle inspectors.

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

The Executive proposes an All Funds appropriation of \$2.2 billion, an increase of \$1.2 billion or 112.6 percent over SFY 2024-25. This increase is primarily due to a one-time appropriation to support the City of Yes for Housing Opportunity Program in New York City. The Executive recommends support for 676 FTEs, unchanged from SFY 2024-25 level.

**State Operations Appropriations:** The Executive proposes State Operations appropriations of \$151.5 million, which is an increase of \$7.9 million or 5.5 percent over SFY 2024-25.

**Aid to Localities Appropriations:** The Executive proposes Aid to Localities appropriations of \$201.9 million, an increase of \$85.9 million or 74.1 percent over SFY 2024-25. This increase is due to additional funding towards various housing programs.

The Executive proposal provides \$50 million for First Time Homebuyers Down Payment Assistance, \$40 million for the Homeowner Protection Program, \$10.5 million for technical support for Pro-Housing communities, \$1.5 million for New York City Community Land Trusts and \$400,000 for the Washington Houses Community and Senior Center.

The Executive continues \$8.8 million to help Housing and Community Renewal (HCR) administer the Blue Buffers Voluntary Buyout Program to encourage voluntary home buyouts in areas prone to flooding. This is associated with additional funding for this purpose contained in the Environmental Bond Act of 2022.

The Executive proposal eliminates \$16.5 million in various programs.

**Mortgage Insurance Fund (MIF):** The Executive proposal would allocate \$98 million in excess reserves from the MIF to provide \$12.8 million for the Neighborhood Preservation Program and \$5.4 million for the Rural Preservation Program, a decrease of a \$4.8 million and \$2.2 million respectively from SFY 2024-25. The Executive proposal also includes \$23.5 million for the Rural Rental Assistance Program, an increase of \$275,000. The Executive also includes \$56.4 million for homeless housing programs administered by OTDA, an increase of \$2.8 million.

**Capital Appropriations:** The Executive proposes capital appropriations of \$1.8 billion, an increase of \$1.1 billion over SFY 2024-25.

**City of Yes for Housing Opportunity Program:** The Executive provides \$1 billion to support the City of Yes for Housing Opportunity Program in New York City. This funding will support the development and preservation of affordable housing units, including preservation of Mitchell-Lama properties and other properties owned by the New York City Housing Authority (NYCHA). In addition, the Executive proposes \$25 million for capital projects and improvements at housing developments owned or operated by NYCHA.

**Pro-Housing Community Development Projects:** The Executive provides \$100 million to assist pro-housing communities with critical infrastructure projects required for further housing development.

**Mixed-Income Revolving Loan Fund:** The Executive proposes \$50 million to provide low-cost second mortgages for development of mixed-income rental housing outside of New York City.

**Modular and Starter Homes:** The Executive proposes \$50 million to incentivize the building of modular and starter homes.

**Resilient and Ready Program:** The Executive budget includes \$50 million for emergency home repairs after natural disasters, an increase of \$10 million from SFY 2024-25.

**Farmworker Housing Program:** The Executive proposes \$5 million to expand affordable farmworker housing.

**PIT Housing Program Backfill:** The Executive proposes \$427 million to backfill appropriation authority that was used to provide temporary bond financing for projects within HFA's pipeline.

The Executive proposes eliminating \$150 million for the New York City Housing for the Future Program, \$140 million for NYCHA and \$80 million for Mitchell-Lama Preservation. The Executive eliminates \$212 million for various programs.



Table 24

<b>DHCR Capital Program Eliminations</b> (\$ in Millions)	
<b>Program</b>	<b>Amount</b>
New York City Housing Authority	(140)
Mitchell-Lama Preservation	(80)
New York Housing for the Future-Co-Op Program	(75)
New York Housing for the Future-Rental Program	(75)
Public Housing Program	(75)
Infill Housing Program	(40)
Land Banks	(40)
Vacant Apartment Repair	(40)
USDA 515 Rental Properties Preservation Program	(10)
Small Rental Housing Development Initiative	(7)
<b>Total Eliminations</b>	<b>(582)</b>

*Source: 2025-26 Executive Budget.*

**Article VII**

The Executive budget contains Article VII language that would:

- ban discrimination in real estate appraisals and direct portion of the funds collected go to the Anti Discrimination In Housing Fund;
- make it unlawful for residential rental owners or managers from colluding to coordinate rent prices through the use of algorithmic systems;
- provide rent regulated tenants with security deposit protections that are currently provided to other tenants;
- qualify that a vacant dwelling that is not sealed and continuously guarded means it may be entered without damaging the property and provide that a property may be found abandoned when it has certain property maintenance code violations outstanding for at least one year;
- authorize municipalities across the state to opt-in to the current Redevelopment of Inhibited Property Tax Exemption for the redevelopment of certain vacant, abandoned, or blighted residential properties, as well as amending the current exemption, to allow certain one- to four-unit buildings to be eligible for the exemption;

- reduce property taxes for Mitchell-Lama developments to no more than five percent of the annual shelter rent or carrying charges for projects located in New York City and at local option for projects located outside New York City;
- transfer \$98 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program and homeless housing programs;
- extend the state’s low-income housing tax credit for four years, through 2029, increase the yearly aggregate amount allocable by \$30 million each year beginning in 2025 and also allow buildings financed by certain refunded bonds to qualify for the credit;
- amend the State Historic Property Tax Credit to allow for the transferability of credits if approved by the Office of Parks, Recreation and Historic Preservation and exempt certain affordable housing projects from current geographic limitations under the program; and
- prohibit certain institutional investors from purchasing a single or two-family home in the first 75 days it is on the market and from claiming certain tax deductions relating to an investment in a single or two-family home.

### **State of New York Mortgage Agency (SONYMA)**

The Executive proposes an All Funds appropriation of \$187.6 million, a decrease of \$10.9 million or 5.5 percent from SFY 2024-25.

The SONYMA enabling statute requires the state to guarantee payments made by SONYMA, although no cash disbursements are projected to be made from this appropriation. All of SONYMA’s programs and operations are supported by mortgage income, applications fees, insurance premiums and investment proceeds.

### **Raise the Age**

The SFY 2025-26 budget appropriates \$250 million, unchanged from SFY 2024-25, to support reforms such as comprehensive diversion, probation and programming services for 16- and 17-year-old youths in the juvenile justice system.

## Office of National and Community Service

The Executive proposes an All Funds appropriation of \$31 million, unchanged from SFY 2024-25, The Executive recommends support for 10 FTEs, unchanged from SFY 2024-25.

## Department of Veterans' Services (DVS)

The Executive proposes an All Funds appropriation of \$32.6 million, a decrease of \$1.4 million or 4.1 percent from SFY 2024-25. The Executive budget recommends a workforce of 110 FTEs, which remains unchanged from SFY 2024-25.

**Veteran Suicide Prevention:** The Executive provides \$1 million to expand suicide prevention initiatives for veterans, including risk assessment, gun safety, outreach programs and access to mental health services.

**Military Family Relief Fund:** The Executive provides \$350,000 for various initiatives to support military families throughout the state.

**Gold Star Annuity Program:** The Executive proposal includes an additional \$100,000 in local assistance funding to support expanding eligibility for Gold Star Annuity to the immediate family members of any service member who dies while on active duty.

**Establish the Alex R. Jimenez Immigrant Legacy Program:** The Executive provides \$525,000 for the Alex R. Jimenez Immigrant Legacy Program, which will assist veterans and their families in securing legal immigration status.

**Veterans Liaisons at State Agencies:** The Executive provides \$157,000 to support the coordination and training of veterans' liaisons within each state agency.

## Division of Human Rights (DHR)

The Executive proposes an All Funds appropriation of \$39.9 million, an increase of \$11 million over SFY 2024-25. The Executive recommends support for 282 FTEs, an increase of 108 over SFY 2024-25 levels.

**Discrimination:** The Executive proposal includes an additional \$11 million to increase the Division's ability to investigate discrimination complaints.

## **Article VII**

The Executive proposes Article VII legislation that would allow DHR to establish a process for complaints and establish the Discrimination Complaints Escrow Fund.

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

The Executive proposes an All Funds appropriation of \$1.4 million, unchanged from SFY 2024-25. The Executive recommends support for six FTEs, unchanged from the SFY 2024-25 level.

# BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Targeted Inflationary Increase (TII):** The Executive proposes a 2.1 percent TII to provide operational support and wage increases for voluntary mental hygiene service providers. For the mental hygiene agencies, the state share of the TII is comprised of a total investment of \$195.4 million, with \$115.9 million allocated to the Office for People with Developmental Disabilities (OPWDD), \$67.1 million allocated to the Office of Mental Health (OMH) and \$12.5 million allocated to the Office of Addiction Services and Support (OASAS).
- **Minimum Wage:** The Executive proposal would include an additional \$53 million for minimum wage increases for staff at voluntary not-for-profits licensed under OPWDD, OMH and OASAS.
- **Assisted Outpatient Treatment and Involuntary Commitment:** The Executive budget includes \$16.5 million for counties to expand implementation of Assisted Outpatient Treatment (AOT) programs. The budget also includes amendments to the Mental Hygiene law to expand standards for involuntary commitment.
- **Opioid Settlement Fund:** The Executive budget includes \$62.9 million from the Opioid Settlement Fund. Funding would be utilized to continue investments in various initiatives to address the opioid crisis based on the recommendations provided by the Opioid Settlement Fund Advisory Board.
- **New Service Opportunities:** The Executive proposal includes \$30 million (\$60 million annualized) in SFY 2025-26 to fund OPWDD priority program reforms and new service opportunities. These funds leverage federal resources for a gross increase of \$120 million annually.
- **Expand Forensic Inpatient Capacity:** The Executive budget includes \$160 million in funding for the creation of a 100-bed forensic inpatient unit on Wards Island. Additionally, the budget would provide \$21.2 million to support increased staffing levels in state forensic facilities.

# BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



New York State provides an All Funds appropriation of approximately \$18.3 billion to support its mental hygiene agencies, which include the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Addiction Services and Supports (OASAS), the Justice Center for the Protection of People with Special Needs and the State Council on Developmental Disabilities.

These agencies provide services and support to over one million individuals, including adults with serious and persistent mental illness, children with serious emotional disturbances, individuals with developmental disabilities and their families, persons with chemical dependencies and individuals with compulsive gambling problems. In addition, the Justice Center is responsible for tracking, investigating, and pursuing abuse and neglect complaints related to facilities and provider agencies that are operated, certified, or licensed by OMH, OPWDD, OASAS, DOH, OCFS, and SED.

**Table 25**

<b>Appropriations</b>				
<b>Agency</b>	<b>2024-25 Adjusted (\$ in Millions)</b>	<b>2025-26 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Office for People with Developmental Disabilities	7,674.9	10,116.9	2,442.1	31.8
Office of Mental Health	5,898.6	6,271.9	373.3	6.3
Office of Addiction Services and Supports	1,225.4	1,247.7	22.3	1.8
Department of Mental Hygiene	600.0	600.0	0.0	0.0
Justice Center for the Protection of People with Special Needs	63.1	63.3	0.3	0.4
State Council on Developmental Disabilities	4.8	6.3	1.5	31.5

**Targeted Inflationary Increase (TII):** The Executive proposes a 2.1 percent TII to increase wages for voluntary mental hygiene service providers. For the mental hygiene agencies, the State share of the TII is composed of a total investment of \$195.4 million with \$115.9 million allocated to OPWDD, \$67.1 million allocated to OMH and \$12.5 million allocated to OASAS.

**Minimum Wage:** The Executive proposal provides an additional \$53 million for minimum wage increases for staff at voluntary not-for-profits licensed under OPWDD, OMH and OASAS. Of this amount, \$38.1 million is allocated for OPWDD, \$8.4 million for OMH and \$6.4 million for OASAS.

### **Office for People with Developmental Disabilities**

The Executive proposes an All Funds appropriation of \$10.1 billion, an increase of \$2.4 billion or 31.8 percent over SFY 2024-25. This increase reflects the transfer of \$2.1 billion in local share Other State Agency (OSA) Medicaid Global Cap spending to OPWDD. The Executive recommends support for 19,115 full-time equivalent (FTE) positions, unchanged from SFY 2024-25 levels.

**Research Campus Renovation:** The Executive budget includes a five-year capital investment of \$75 million to renovate the Institute for Basic Research in Developmental Disabilities (IBR) campus.

**New Service Opportunities:** The Executive proposal includes \$30 million (\$60 million annualized) to fund OPWDD program reforms and new service opportunities both for individuals entering the OPWDD service system for the first time and individuals already receiving services.

**Regional Disability Clinics:** The Executive budget includes \$25 million in capital funding to support the development of Regional Disability Clinics.

**Renovate Sunmount Campus:** The Executive budget provides \$18 million over four years to renovate the Sunmount campus in Tupper Lake.

### **Article VII**

The Executive proposes Article VII language that would extend the legal authority for the OPWDD to implement managed long-term care plans.

### **Office of Mental Health**

The Executive proposes an All-Funds appropriation of \$6.3 billion, an increase of \$373.3 million or 6.3 percent over SFY 2024-25. This increase reflects the transfer of \$129.3 million in local share OSA Medicaid Global Cap spending to OMH. The Executive recommends support for 15,872 FTEs, an increase of 604 FTEs over SFY 2024-25 levels, primarily related to increased staffing for inpatient beds and forensic psychiatric centers staffing.

**Expand Forensic Inpatient Capacity:** The Executive proposal includes \$160 million in funding to create a new 100-bed forensic inpatient unit on Wards Island. Additionally, the Executive includes \$21.2 million to increase clinical and direct care staffing by 225 FTEs at its four forensic psychiatric facilities.

**Expand Assisted Outpatient Treatment (AOT):** The Executive proposal includes \$16.5 million to counties to enhance county-level implementation of AOT programs. Additionally, the Executive proposes \$2 million for nine additional FTEs to increase reporting and monitoring of the program and provide support for counties.

**Increase Stipends for Supported Housing:** The Executive proposal includes \$11.9 million to increase stipends for OMH Supported Housing units.

**Expand Clubhouses and Youth Safe Spaces:** The Executive proposal includes \$9.5 million to establish up to seven new clubhouses and four Youth Safe Spaces in New York State.

**Expand Safe Option Support (SOS) Teams:** The Executive includes \$9 million to add street medicine and street psychiatry to Safe Options Support (SOS) teams, as well as to create five 24/7 Welcome Centers at New York City subway stations.

**Establish Peer Bridger Program and Expand INSET:** The Executive proposal includes \$3.8 million to establish a hospital-based peer-bridger program and fund expansion of Intensive and Sustained Engagement Teams (INSET).

**Capital District Psychiatric Center Crisis Unit:** The Executive includes \$2.4 million to include an 8-bed acute care unit at the Capital District Psychiatric Center and expand the Mobile Integration Team.

**Wellness in Marginalized Communities:** The Executive proposes \$1.9 million in grant funding to support community-led wellness initiatives in neighborhoods that have faced marginalization and underinvestment.

**Aging in Place Pilot Program:** The Executive proposes \$1.5 million to pilot a program to provide individuals living in Community Residence Single Room Occupancy (CR-SRO) units with assistance with activities of daily living (ADLs).

**Teen Mental Health Training:** The Executive includes \$1.4 million to expand Teen Mental Health First Aid (TMHFA) training to address issues including substance use, bullying and school violence.

**Maternal Mental Health:** The Executive includes \$1.1 million to integrate behavioral health services into OB-GYN practices in underserved communities.



**Clinical Assessment Hubs:** The Executive includes \$900,000 to create clinical assessment hubs for children with complex needs, staffed by multidisciplinary clinicians to provide specialized evaluations.

**Monitoring Commercial Compliance:** The Executive includes \$1 million to hire six additional FTEs to monitor compliance with a requirement established in the SFY 2024-25 budget that commercial insurers reimburse behavioral health services at or above the Medicaid rate.

## **Article VII**

The Executive proposes Article VII language that would:

- make the legal authority for OMH, OASAS and OPWDD to design and implement time-limited demonstration programs permanent;
- make the legal authority for the OMH and the OPWDD to appoint temporary operators permanent;
- allow homeless youth under the age of eighteen to consent to receive behavioral health care services;
- expand the eligibility criteria for involuntary treatment and emergency assessment and care under Kendra’s Law, expand the types of practitioners authorized to determine the need for involuntary treatment, expand the categories of individuals authorized to file a petition for Assisted Outpatient Treatment, require hospitals and comprehensive psychiatric emergency programs to notify community providers, expand the eligibility criteria for Assisted Outpatient Treatment and require hospitals to notify community based providers when their client has been admitted or discharged; and
- establish a 2.1 percent targeted inflationary increase for certain human services programs for SFY 2025-26.

## **Office of Addiction Services and Supports**

The Executive proposes an All Funds appropriation of \$1.2 billion, an increase of \$22.3 million or 1.8 percent over SFY 2024-25. The Executive recommends support for 812 FTEs, an increase of 30 FTEs over SFY 2024-25 levels.

**Opioid Settlement Fund:** The Executive proposal appropriates \$62.9 million from Opioid Settlement Fund receipts. Funding would be utilized to continue various initiatives to address the opioid crisis based on the recommendations provided by the Opioid Settlement Fund Advisory Board in SFY 2024-25.

**Information Technology:** The Executive proposal includes \$10 million as part of a commitment of \$50 million over 5 years to update data collection and reporting systems, as well as \$5 million annually for information technology and other system improvement.

**Vocational Services:** The Executive proposal includes \$11.4 million to support job placement and day services for people with substance use disorders.

**Street Outreach Teams:** The Executive proposal includes \$3 million for the expansion of street outreach teams that will be integrated with OMH’s Safe Option Support (SOS) teams in high need areas.

**Mobile Medication Units:** The Executive proposal includes a total of \$2.5 million in capital and operating funds to support additional Mobile Medication Units that provide clinical services and medications to people with opioid use disorders.

**Staff and Operations:** The Executive provides \$2.4 million to hire 27 additional FTEs to support agency functions.

**Evaluate Addiction Treatment Centers:** The Executive proposes \$500,000 to conduct an evaluation of the twelve State-operated Addiction Treatment Centers regarding how to better integrate services for individuals with unmet service needs.

**Opioid Treatment Technical Assistance Center:** The Executive includes \$300,000 in funding to provide Opioid Treatment Programs with technical assistance.

### **Justice Center for the Protection of People with Special Needs**

The Executive proposes an All Funds appropriation of \$63.3 million, an increase of \$278,000 or 0.4 percent over SFY 2024-25. The Executive recommends support for 491 FTEs, an increase of one FTE over SFY 2024-25 levels.

**Surrogate Decision-Making Committee (SDMC):** The Executive proposes a \$208,000 increase to support the operation of the SDMC.

**Interpreter for the Interagency Coordinating Council for Services to Persons who are Deaf, Deafblind or Hard of Hearing:** The Executive proposes \$70,000 for one additional FTE to better support the Interagency Council for the Deaf, Deafblind or Hard of Hearing within the Office of the Chief Disability Officer (CDO).

### **State Council on Developmental Disabilities**

The Executive proposes an All Funds appropriation of \$6.3 million, an increase of \$1.5 million or 31.5 percent over SFY 2024-25. The Executive recommends support for 18 FTEs, unchanged from SFY 2024-25 levels.

**Administrative Costs:** The Executive proposes \$1.5 million to support the administration of federal funds by the State Council on Developmental Disabilities.

# BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Sustainable Future Program:** The Executive proposal includes \$1 billion over five years for climate mitigation and adaptation capital projects.
- **Clean Water Infrastructure:** The Executive proposes \$500 million for water infrastructure programs, which is unchanged from SFY 2024-25.
- **Environmental Protection Fund (EPF):** The Executive proposal includes \$400 million for the EPF, which is level funding from SFY 2024-25.
- **State Superfund Program:** The Executive proposal includes \$125 million for the state's Superfund Program, an increase of \$25 million over SFY 2024-25, including support for the Environmental Restoration Program. This funding increase is accompanied by a proposal to amend the superfund program, increase its bond cap and extend it for 10 years.
- **State Parks:** The Executive proposal includes New York Works capital funding of \$217.5 million for three grant programs, which includes \$50 million for the New York Statewide Investment in More Swimming (NY SWIMS) initiative, \$67.5 million to support municipal and non-profit community center projects through the New York Building Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS) program and \$100 million for the New York Places for Learning, Activity and Youth Socialization (NY PLAYS) program to build playgrounds.
- **Hudson River Park Trust:** The Executive proposal includes \$85 million for the rehabilitation and development of Pier 76 in Manhattan.
- **Dairy Farm Modernization Grant Program:** The Executive proposes \$10 million to provide grants for on-farm milk storage capacity and milk cooling and transfer systems, bringing total funding to \$34 million over two years.

# BUDGET REVIEW AND ANALYSIS: ENVIRONMENT, AGRICULTURE AND ENERGY



New York State has a variety of agencies entrusted with protecting our natural environment and aiding in the protection and productivity of its land. The state also has an interest in ensuring an adequate supply of energy is available to consumers.

The mission of the Department of Environmental Conservation (DEC) is to conserve and improve the state's natural resources and environment and to prevent, abate and control water, land and air pollution. DEC's responsibilities include the administration of a portion of the state's Environmental Protection Fund (EPF) and protection of the state's land and resources. The DEC also manages state forests, including the Adirondack Park and the Catskill Forest Preserve.

The Department of Agriculture and Markets is charged with fostering a competitive and safe food and agriculture industry to benefit consumers and producers. Its major responsibilities include encouraging growth and prosperity in the state's agriculture and food industry, conducting various inspections and testing programs to enforce laws on food safety and animal and plant health, preserving agricultural resources, fostering agricultural environmental stewardship and operating the annual State Fair.

The Public Service Commission (PSC) and the Department of Public Service are responsible for regulating the rates and services of the state's public utilities, overseeing the siting of major electric and gas transmission lines and facilities, ensuring the safety of natural gas and liquid petroleum pipelines and planning the future of energy in New York State.

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation responsible for the administration of energy efficiency programs and the management of energy research, development and demonstration programs funded by assessments on gas and electric utilities.

The Office of Parks, Recreation and Historic Preservation (OPRHP) is responsible for the conservation, protection and enhancement of New York State's natural, historic and cultural resources. OPRHP provides recreational and interpretive opportunities for New York State residents and visitors at 216 state parks and historic sites across the state.

The Adirondack Park Agency ensures the overall protection, development and use of the natural resources of the Adirondack Park. The Olympic Regional Development Authority (ORDA) works to maximize visitation to the Adirondack Region by operating its venues to promote environmental awareness and safe recreation and managing state-operated ski areas.

The New York Power Authority’s (NYPA) mission is to provide low-cost, reliable, clean energy to help drive New York State’s economic growth and competitiveness. NYPA runs 20 generating facilities, including the Niagara Falls Power Plant. NYPA continues to maintain and operate the Canal Corporation.

**Table 26**

<b>Appropriations</b>				
<b>Agency</b>	<b>2024-25 Adjusted (\$ in Millions)</b>	<b>2025-26 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Department of Environmental Conservation	2,506.1	2,589.5	83.4	3.3
Office of Parks, Recreation and Historic Preservation	1,061.0	1,015.2	(45.8)	(4.3)
Sustainable Future Program	0.0	1,000.0	1,000.0	100.0
Department of Agriculture and Markets	355.5	364.2	8.7	2.5
Department of Public Service	197.4	155.0	(42.4)	(21.5)
Olympic Regional Development Authority	96.6	124.1	27.5	28.5
Hudson River Park Trust	0.0	85.0	85.0	100.0
New York Power Authority	54.0	52.5	(1.5)	(2.8)
Public Facilities Sustainability Program	50.0	50.0	0.0	0.0
Energy Research and Development Authority	25.8	25.8	0.0	0.0
Adirondack Park Agency	6.6	18.2	11.6	174.1
Hudson River Valley Greenway Communities Council	0.5	0.5	0.0	0.0
Greenway Heritage Conservancy	0.3	0.6	0.3	103.7

**Department of Environmental Conservation**

The Executive proposes an All Funds appropriation of \$2.6 billion, an increase of \$83.4 million or 3.3 percent over SFY 2024-25. This increase primarily reflects an increase of \$53.9 million in capital funding and an increase of \$37.8 million in State Operations. The Executive recommends support of 3,371 FTE positions, an increase of 58 new FTEs from SFY 2024-25 level.

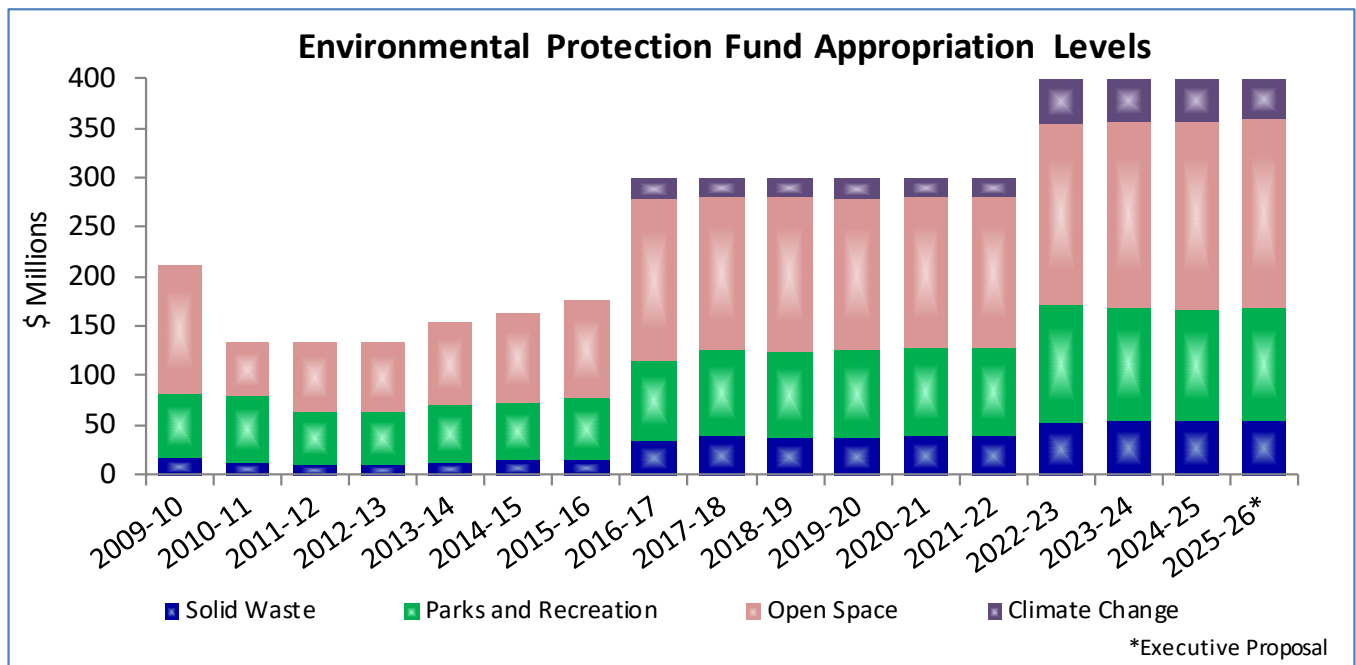
## ***DEC State Operations***

The Executive proposes State Operations appropriations of \$627.9 million, an increase of \$37.8 million or 6.4 percent from SFY 2024-25. This increase includes administrative appropriation authority related to transitioning DEC to the Statewide Financial System (SFS), as well as \$11.4 million for salary increases and support for 58 new FTEs. Of the 58 new FTEs, 30 are for the implementation of the Climate Change Superfund Act, eight are for permitting programs, four are to implement the Freshwater Wetlands Act of 2022, four are to implement the 30x30 conservation goal and the remainder are spread among DEC program areas.

## ***Environmental Protection Fund***

The Executive proposes \$400 million for the EPF, unchanged from SFY 2024-25. There are four categories of funding in the EPF, including:

- Climate Change Mitigation and Adaptation, which provides funding to limit the impact of climate change. Funding of \$40.6 million is proposed for SFY 2025-26;
- Open Space, which provides funding for open space land conservation projects, biodiversity stewardship and research, agricultural and farmland protection activities and for nonpoint source abatement and control projects. The Executive proposes \$189.4 million for this category in SFY 2025-26;
- Parks and Recreation, which provides public access to open space and economic development support for areas surrounding the open space. Funding of \$115.9 million is proposed for SFY 2025-26; and
- Solid Waste, which provides funding for recycling and waste reduction. A total of \$54.1 million is proposed for SFY 2025-26.



**Figure 11**

The Executive proposes to fund three new programs within the EPF, including: \$1 million for Cornell University for emerging groundwater contaminant removal, which replaces a similar suballocation to SUNY Stony Brook; \$250,000 for the Vermont Investment Corporation for the deployment of natural refrigerants; and \$200,000 for the Open Space Grant Program to assist smaller organizations secure land acquisition grants.

The Executive proposal includes funding increases within the EPF, including increases of \$2 million for Public Access and Stewardship; \$1 million for Agricultural Non-Point Source Pollution Control; \$500,000 for the Billion Oyster Project; \$500,000 for Connect Kids; \$500,000 for Friends Groups Capacity Grants; \$500,000 for Climate Coordinators; \$282,000 for the NY Protected Area Database; \$250,000 for Camp Santanoni; \$100,000 for the Albany Pine Bush Commission; \$55,000 for Cornell University’s Plant Certification Program; and \$44,000 for Cornell University’s land classification, agriculture district mapping and master list of soils.

The Executive proposes eliminating \$500,000 for Suffolk County Nutrient Management, as well as a number of legislative adds including \$1 million for municipal fast chargers; \$500,000 for Agricultural Forestry; \$250,000 for the Adirondack Mountain Club Visitor Centers; \$250,000 for Camp Morty; \$200,000 for Save the Great South Bay; \$100,000 for the Adirondack Watershed Institute; and \$100,000 for the Atmospheric Sciences Research Center.



The Executive proposal reduces funding for several EPF programs, including reductions of \$2 million for Adirondack and Catskill Park Overuse; \$2 million for Land Acquisition; \$500,000 for Survey of Climate and Adirondack Lake Ecosystems (SCALE); \$400,000 for Resiliency Planting; \$250,000 for Fort Drum Compatible Use Buffer Projects; \$225,000 for Tivoli Park; \$180,000 for the Wood Products Council; and \$100,000 for Municipal Parks.



## ***Other DEC Capital***

The Executive proposes capital appropriations of \$2 billion, an increase of \$53.9 million or 3.3 percent from SFY 2024-25. This increase primarily reflects an increase of \$20 million or 200 percent for costs related to transitioning DEC into SFS, an increase of \$25 million or 25 percent for the State Inactive Hazardous Waste Disposal Program (Superfund), an increase of \$12.3 million or 26.3 percent for facilities, vehicles and equipment and an increase of \$27 million or 5 percent for the Clean Water State Revolving Fund program. These increases are partially offset by the elimination of funding for the Retree NY Grant Program, Facilities Maintenance and Operations and the Mamaroneck Sheldrake Flood Risk Management Project, along with other small adjustments.

**Water Infrastructure:** The Executive proposal includes \$500 million for the Clean Water Infrastructure Act of 2017 (CWIA), unchanged from SFY 2024-25, bringing total water infrastructure appropriations to \$6 billion since 2017. These funds go towards numerous water infrastructure programs, including the Water Infrastructure Improvement Act (WIIA) and the Intermunicipal Water Infrastructure Grant Program, as well as a new program to provide state assistance for the testing and remediation of emerging contaminants in private drinking water wells. WIIA funds can be used for the required local match to loans from the State Revolving Fund. The Executive Budget includes \$471 million in federal funding, an increase of \$23 million, for the Clean Water State Revolving Fund. The Executive Budget also includes \$89 million, an increase of \$4 million, in state matching funds. This funding allows municipalities to apply for zero or low-interest loans for wastewater infrastructure and other clean water projects.

**New York Works:** The Executive proposes \$90 million for New York Works, unchanged from SFY 2024-25. This funding includes \$10 million to repair and upgrade the Conklingville, Indian Lake, Sixth Lake and Old Forge Dams, plus \$5 million for the Albany Pine Bush Preserve Commission. New York Works funding also supports capital projects on state lands and buildings, such as constructing or renovating campgrounds, dams, fish hatcheries and air monitoring equipment.

**State Superfund Program:** The Executive proposal includes \$125 million for the State Inactive Hazardous Waste Disposal Program (Superfund), an increase of \$25 million from SFY 2024-25, including support for the Environmental Restoration Program. This funding increase is accompanied by an Executive proposal to amend the superfund program, increase its bond cap and extend it for 10 years.

**Capital Administration:** The Executive proposal includes \$128.7 million for administrative purposes to support the capital program, an increase of \$23.7 million from SFY 2024-25. This increase primarily reflects \$30 million, an increase of \$20 million, for costs related to transitioning DEC into SFS, which comes in addition to \$10 million appropriated for this purpose in SFY 2024-25, as well as \$18 million

in SFY 2022-23. The Executive proposal includes a \$70 million federal appropriation of Infrastructure Investment and Jobs Act (IIJA) funds, unchanged from SFY 2024-25.

**Sustainable Future Program:** The Executive proposes a new miscellaneous capital appropriation of \$1 billion, over five years, for climate mitigation and adaptation capital projects and subject to a plan created and approved by the Director of the Budget.

**Public Facilities Sustainability Program:** The Executive proposal includes \$50 million for the decarbonization of state buildings pursuant to Executive Order 22, unchanged from SFY 2024-25.

### ***Aid to Localities***

The Executive proposal recommends \$2.1 million in Aid to Localities funding, a reduction of \$2.1 million reflecting the elimination of Legislative adds from SFY 2024-25. These eliminations include \$350,000 for Jamaica Bay, \$140,000 for the Hope Program, \$120,000 for Adirondack Diversity Initiative and \$55,000 for Interstate Environmental Commission.

### **Article VII**

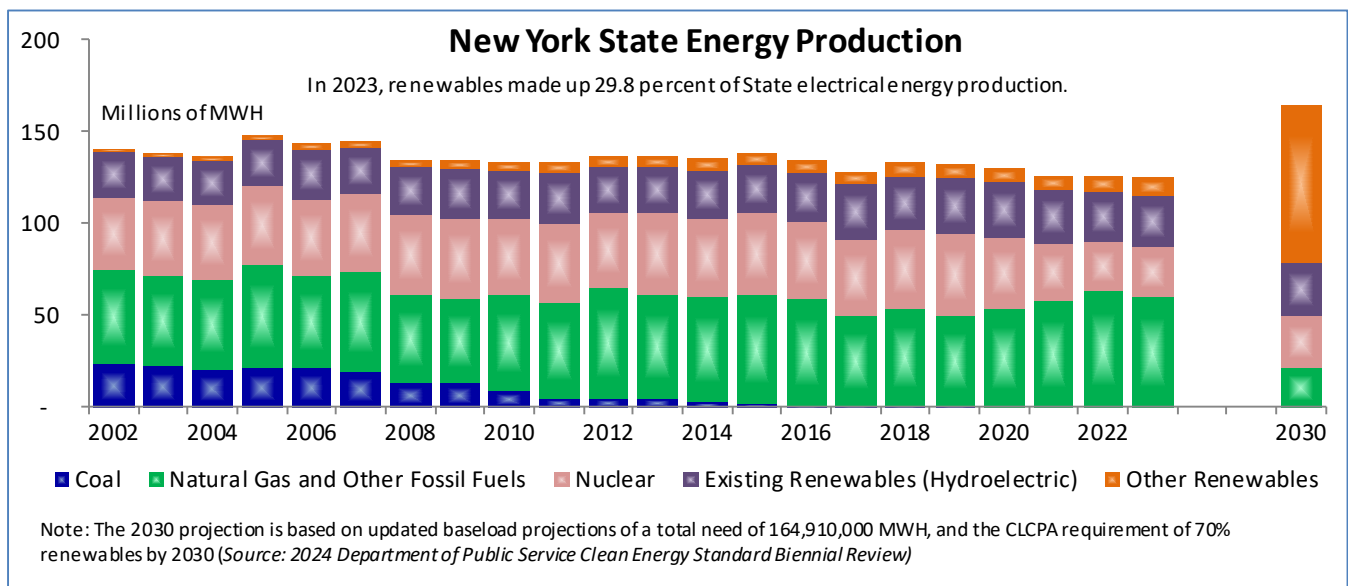
The Executive includes the following Article VII proposals that would:

- extend, by five years, the Waste Tire Management and Recycling fee and expand the program to include tires purchased online, through mail order and by resellers;
- extend, by five years, the deer hunting program for mentored youth;
- refinance and make programmatic changes to the State Inactive Hazardous Waste Disposal Program (Superfund);
- prohibit the manufacture, sale, or distribution of firefighting personal protective equipment that contains intentionally added PFAS and clarify the recall provisions for firefighting foam that contains PFAS;
- remove the requirement that state acquisition of conservation easements be approved by the Attorney General and exempt certain entities from real estate transfer taxes;
- extend, by four years, the statutory authority of DEC to manage crabs and horseshoe crabs through regulation; and

- authorize the Department of Taxation and Finance to share tax data from fossil fuel businesses with DEC and NYSERDA to facilitate implementation of the Climate Leadership and Community Protection Act.

### Department of Public Service (DPS)

The Executive proposes an All Funds appropriation of \$155 million, a decrease of \$42.4 million or 21.5 percent from SFY 2024-25, reflecting the elimination of a one-time \$50 million appropriation made in SFY 2024-25 for the Energy Affordability Guarantee, partially offset by a \$7.6 million increase to State Operations primarily related to additional FTEs. The Executive recommends support of 628 FTEs, an increase of 50 FTEs over SFY 2024-25 levels. The 50 new FTEs are added across the department, including 12 for energy system planning and performance, six for the Office of Renewable Energy Siting (ORES), three for resilience and emergency preparedness and three for rates and tariffs.



**Figure 12**

### Article VII

The Executive includes the following Article VII proposals that would:

- require Energy Services Companies (ESCOs) to remit unclaimed customer deposits and refunds to the state Comptroller, in the same manner as utilities;
- extend, until 2030, the authorization of certain State agencies to receive funds from assessments on cable television and public utilities; and

- increase penalties on excavators who violate safety regulations related to digging near pipelines, conduits and cables.

### **NYS Energy Research and Development Authority**

The Executive proposes an All Funds appropriation of \$25.8 million, unchanged from SFY 2024-25, for the federal match for West Valley, a former reprocessing facility for used nuclear fuel that is being decontaminated by the U.S. Department of Energy.



NYSERDA revenues are primarily derived from assessments on ratepayers, including through the Zero Emissions Credit (ZEC) Program. Most of its programs have no appropriation in the Executive Budget, with the exception of the state share for West Valley. Appropriations shown in the NYSERDA table for offshore wind port development, the Environmental Bond Act of 2022 and the Empower Plus Program were made in previous state budgets.

**Regional Greenhouse Gas Initiative (RGGI):** The RGGI Operating Plan for SFY 2025-26 allocates \$508.5 million, an increase of \$72 million or 16.5 percent from SFY 2024-25. This increase reflects higher auction prices for allowances. The Executive proposal includes a \$5 million transfer of RGGI proceeds from NYSERDA to the EPF, unchanged from last year.

### **Article VII**

The Executive includes a proposal that would increase from \$28.7 million to \$35.7 million, and extend for one year, the authorization for NYSERDA to receive funds from an assessment on gas and electric utilities.

### **New York Power Authority (NYPA)**

The Executive proposes an All Funds appropriation of \$52.5 million, a decrease of \$1.5 million or 2.8 percent from SFY 2024-25. The decrease reflects the discontinuance of a one-time capital appropriation from SFY 2024-25 of \$1.5 million for Watershed Modeling of the Mohawk and Oswego River Basins. The \$50 million capital appropriation supported by the General Fund for the Canal Corporation Capital Program is unchanged from last year.

NYPA revenues are self-generated from the sale of energy. NYPA's 2025 operating budget is \$3.4 billion and supports 2,520 FTEs. Major components of NYPA's budget include \$667 million for purchased power, \$1.1 billion for power transmission, \$734 million for operations and maintenance and \$245 million for fuel consumed. NYPA's Capital Plan is \$3.6 billion over four years, including \$1.5 billion for transmission projects, \$699 million for Renewables Development, \$540 million for generation projects, \$68.8 million for decarbonization projects and \$316.2 million for projects on the canal including the Revitalize the Canals program. Additionally, the authority is projecting to spend approximately \$1.4 billion in Energy Efficiency Services projects for its customers.

The Executive proposal includes a \$10 million transfer from NYPA to the General Fund, a reduction of \$10 million from last year, as well as a \$25 million transfer from NYPA to the General Fund for use by the Department of Labor's Office of Just Energy Transition for workforce training programs related to renewable energy.



## Department of Agriculture and Markets

The Executive proposes an All Funds appropriation of \$364.2 million, an increase of \$8.7 million or 2.5 percent over SFY 2024-25. The Executive recommends support of 656 FTEs, an increase of 99 FTEs from SFY 2024-25.

**State Operations:** The Executive proposes \$209.2 million, an increase of \$24.1 million or 13 percent over SFY 2024-25 level. This increase would support 99 additional FTEs. Of the new FTEs, 50 seasonal workers would be converted to full time within the State Fair enterprise funds, 42 are new food health and safety inspectors and lab workers, with the remainder for general agency support.

**Agricultural Programs:** The Executive proposes \$53.4 million in aid to localities funding, a decrease of \$6.9 million from SFY 2024-25. This decrease primarily reflects the elimination of prior year legislative adds totaling \$9.5 million. These decreases are partially offset with \$1.6 million in funding for new programs, as well as increases for Cornell University Maple Research, Cornell University Agriculture in the Classroom, Taste NY and the John May Farm Safety Fund.



**Capital:** The Executive recommends \$81.6 million in capital funding, a decrease of \$8.5 million from SFY 2024-25. This decrease reflects the elimination of various one-time capital appropriations, including \$5 million for Cornell Industrial Hemp Processing, \$5 million for Long Island Seafood Processing Grants and \$19.5 million for the Cornell Veterinary Diagnostic Lab. These decreases are partially offset by a \$35 million increase for State Fair projects including at Suburban Park, Chevy Court and the Expo Center. A \$10 million appropriation for the Dairy Farm Modernization Grant Program reflects the second year of a \$34 million investment, to provide grants for on-farm milk storage capacity and milk cooling and transfer systems.

**Table 30**

<b>Agriculture and Markets Capital Appropriations</b>				
<b>(\$ in Thousands)</b>				
<b>Program</b>	<b>SFY 2023-24</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Change (\$)</b>
	<b>Enacted</b>	<b>Enacted</b>	<b>Executive</b>	
Dairy Farm Modernization Grant Program	-	24,000	10,000	(14,000)
Food Access Expansion Grant Program	10,000	-	-	-
Scratch Kitchen	10,000	10,000	10,000	-
State Fair Projects	9,000	9,000	44,000	35,000
Animal Shelters	5,000	5,000	5,000	-
Cornell Industrial Hemp Processing	-	5,000	-	(5,000)
Long Island Seafood Processing Grants	-	5,000	-	(5,000)
Ag Child Care Facilities (Migrant)	3,200	3,200	3,200	-
Cornell Veterinary Diagnostic Lab	-	19,500	-	(19,500)
Miscellaneous Capital (State Fair)	9,415	9,415	9,415	-
<b>Total</b>	<b>46,615</b>	<b>90,115</b>	<b>81,615</b>	<b>(8,500)</b>

**Article VII**

The Executive proposes Article VII legislation that would add urban agriculture and regional food system support to current farmland protection initiatives and increase the maximum financial assistance that can be received for implementing these initiatives.

**Office of Parks, Recreation and Historic Preservation**

The Executive proposes an All Funds appropriation of \$1 billion, a decrease of \$45.8 million or 4.3 percent from SFY 2024-25. This primarily reflects a decrease of \$51 million in capital funding and a decrease of \$2.2 million reflecting the elimination of various programs. This is partially offset by a \$10.8 million increase in State Operations. The Executive recommends support of 2,469 FTE positions, an increase of 16 FTEs from SFY 2024-25 levels.

**State Operations:** The Executive recommends \$397.1 million in State Operations, a \$10.8 million or 2.8 percent increase from SFY 2024-25. This increase would support salary increases and 16 additional FTEs. Of the new FTEs, two are for staffing the Barcelona Lighthouse, ten are additional operational staff including for implementation of Executive Order 22 and four are security staff.

**Aid to Localities:** The Executive recommends \$26.6 million in ATL funding, a decrease of \$2.2 million from SFY 2024-25, reflecting the elimination of legislative adds.

**Capital Funding:** The Executive recommends \$591.4 million in capital funding, a decrease of \$51 million or 8.6 percent from SFY 2024-25. This decrease primarily reflects the elimination of two appropriations including \$150 for New York Statewide Investment in More Swimming (NY SWIMS) and \$100 million for the Jones Beach Bathhouse. The Executive also eliminates two legislative adds, \$10 million for ZBGA and \$10 million for the New York Botanical Garden. These decreases are partially offset by three new appropriations for grant programs, including \$50 million for NY SWIMS, \$67.5 million for New York Invest in Places for Learning, Activity and Youth Socialization (NY PLAYS) and \$100 million for New York Building Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS).

#### **Hudson River Park Trust**

The Executives proposal includes a new appropriation of \$85 million for the rehabilitation and development of Pier 76 in Manhattan.

#### **Adirondack Park Agency (APA)**

The Executive proposes an All Funds appropriation of \$18.2 million, an increase of \$11.6 million or 174 percent over SFY 2024-25. This increase reflects support of five new staff, general staff salary increases and \$10 million in capital funding for a new headquarters in Saranac Lake, which is in addition to \$29 million appropriated in 2022 for the same purpose. The Executive recommends support of 59 FTE positions, an increase of five FTEs from the SFY 2024-25 levels.

#### **Olympic Regional Development Authority (ORDA)**

The Executive proposes an All Funds appropriation of \$124.1 million, an increase of \$27.5 million over SFY 2024-25, reflecting an increase in capital support. The Executive recommends \$110 million in capital funding, including \$85 million to upgrade ORDA facilities and venues and \$25 million in capital funding for energy efficiency and renovation projects at ski facilities including Belleayre Mountain Ski Center. This appropriation would bring total capital investments at ORDA to approximately \$790 million over eight years.

## **Article VII**

The Executive includes an Article VII proposal that would allow ORDA to enter into agreements with other ski facilities to share passes that would allow for defense and indemnification.

# BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive proposal provides \$6.9 billion for the fourth year of the five-year DOT Capital Plan, an increase of \$1.1 billion above the previously approved fourth year funding level. This increase brings the five-year total to \$34.1 billion, a 24.0 percent increase over plans adopted in the previous five years.
- **Metropolitan Transportation Authority (MTA) Capital Plan:** The Executive proposal includes a \$3 billion contribution toward the MTA 2025-29 Capital Plan.
- **Local Capital Construction Programs:** The DOT Capital Plan includes appropriation levels of \$598.1 million for the Consolidated Highway Improvement Program (CHIPs), \$39.7 million for the Marchiselli Program, \$150 million for local Pave NY, \$100 million for Extreme Winter Recovery, \$140 million for the State Touring Route Program, \$200 million for local Bridge NY and \$100 million for Operation Pave Our Potholes. These levels reflect the continuation of a \$100 million legislative addition from SFY 2024-25, including \$60 million for CHIPs and \$40 million for the State Touring Route Program.
- **Transit Operating Assistance:** The Executive recommends \$8.9 billion in annual support for transit systems statewide, including the MTA, reflecting an increase of 3.8 percent over SFY 2024-25.
- **Non-MTA Transit Capital:** The DOT Capital Plan includes \$219.5 million in non-MTA transit capital assistance, an increase of \$100 million above the previously approved fourth year funding level. This amount includes \$20 million, for a total of \$120 million to extend an additional year to the bus electrification program.
- **Hudson Valley Rail:** The Executive proposal includes \$25 million for the planning and design of improvements to Metro-North Railroad service between New York City and Poughkeepsie.

# BUDGET REVIEW AND ANALYSIS: TRANSPORTATION



New York State supports a vast transportation infrastructure with the goal of creating an interconnected statewide system to efficiently move people and goods throughout the state. The Department of Transportation (DOT) maintains and improves the State's more than 43,000 highway lane miles and 7,800 bridges. It also supports local government highway and bridge construction, rail and aviation projects and over 130 locally operated transit systems, including the Metropolitan Transportation Authority (MTA).

The MTA maintains a fleet of 5,700 buses and 6,400 subway cars, which operate on an infrastructure of 2,200 miles of track. The MTA ridership increased 54 percent between 1995 and 2016 reaching an all-time high of 2.7 billion people riding on its subways, buses and railroads, a number that subsequently declined during the COVID-19 pandemic. Additionally, the MTA's nine bridges and tunnels serve 300 million vehicles annually.

The Department of Motor Vehicles (DMV) is responsible for registering and issuing titles for vehicles, issuing driver licenses and non-driver identification cards and regulating the motor vehicle industry. The DMV operates 27 offices and provides services via county clerk offices acting as DMV agents at 102 locations throughout the state. The DMV Traffic Violations Bureau helps to adjudicate traffic infractions.

The Thruway Authority is responsible for operating a 570-mile toll highway system.

The Waterfront Commission investigates criminal activity and regulates employment practices in the Port of New York.

Table 31

Appropriations				
Agency	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	15,331.3	14,324.3	(1,007.0)	(6.6)
Metropolitan Transportation Authority	961.1	3,858.9	2,897.8	301.5
Department of Motor Vehicles	665.0	494.9	(170.1)	(25.6)
Waterfront Commission	5.0	5.0	0.0	0.0

**Department of Transportation (DOT)**

The Executive proposes an All Funds appropriation of \$14.3 billion, a decrease of \$1 billion or 6.6 percent from SFY 2024-25. This decrease primarily reflects the planned reduction in obligations for megaprojects within the five-year DOT Capital Plan, partially offset by new funding to restore DOT’s purchasing power to address rising construction costs, as well as growth in dedicated revenues that support transit operating assistance for the MTA and transit systems statewide. The Executive recommends funding to support 8,495 FTE positions, equivalent to SFY 2024-25 levels.

The DOT budget has two main components: transit assistance and capital expenditures. Transit assistance is primarily funded by dedicated transportation tax revenue and is distributed to over 130 mass transit authorities throughout the state, including the MTA. Transit assistance to the MTA supports operations and is distinct from state support for the MTA Capital Plan. The DOT Capital Plan funds the maintenance of state highways and bridges as well as Consolidated Highway Improvement Program (CHIPs), non-MTA capital, rail and aviation projects and is funded with federal and state receipts.

**DOT Capital Plan:** The Executive proposal provides \$6.9 billion for the fourth year of the five-year DOT Capital Plan, an increase of \$1.1 billion above the previously approved fourth year funding level. This \$1.1 billion increase includes: \$800 million for the core capital program to restore DOT purchasing power, \$100 million for non-MTA transit capital, \$75 million to advance plans to reconnect communities divided by Interstate 787 in Albany and the Cross Bronx Expressway, \$60 million for CHIPs and \$40 million for the State Touring Route program.



Approximately 53 percent of the five-year Capital Plan is spent on state road and bridge maintenance, construction, the associated consultant engineering and right-of-way costs. Other major components include:

- 19 percent funding to municipalities for local roads and bridges construction including CHIPs, Extreme Winter Recovery, Marchiselli, Pave NY, Bridge NY, the State Touring Route Program and the Pave Our Potholes Program;
- 14 percent funds for engineering costs;
- 7 percent of funding for summer road maintenance; and
- 4.6 percent of funding to all other modes of transportation, including rail, aviation and non-MTA transit systems, which is virtually unchanged from previous capital plans.

The fourth year of the DOT Capital Plan includes \$220 million for non-MTA transit capital, an increase of \$100 million above the previously approved fourth year funding level. This amount includes \$20 million to continue the ongoing initiative to support electric bus procurement and \$80 million for general support for non-MTA transit capital. The Executive proposal does not include a \$26 million legislative add from SFY 2024-25 for the Niagara Frontier Transportation Authority (NFTA).

Table 32

## Department of Transportation Capital Plan

(\$ in Millions)

	Approved Plan 2025-26	Executive Proposed Additions 2025-26	Executive Proposal 2025-26	Five-Year Total
<b>State Road and Bridge Program</b>	<b>2,779</b>	<b>800</b>	<b>3,579</b>	<b>18,173</b>
Highway Program	2,679	800	3,479	14,023
Priority (Mega) Projects	100	-	100	4,150
<b>Capital Aid to Localities</b>	<b>1,228</b>	<b>100</b>	<b>1,328</b>	<b>6,439</b>
Local Pave NY	150	-	150	750
Local Bridge NY	200	-	200	1,000
Local Pave our Potholes	100	-	100	500
CHIPs and Marchiselli	578	60	638	3,069
Extreme Winter Recovery	100	-	100	500
State Route NY	100	40	140	620
<b>Alternative Modes</b>	<b>236</b>	<b>100</b>	<b>336</b>	<b>1,557</b>
Non-MTA Transit Capital	120	100	220	825
Passenger/Freight Rail	90	-	90	449
Aviation	27	-	27	283
<b>Maintenance and Support</b>	<b>1,573</b>	<b>75</b>	<b>1,648</b>	<b>7,938</b>
Engineering	954	75	1,029	4,850
Preventive Maintenance	503	-	503	2,517
Administration	89	-	89	440
Other Federal	26	-	26	131
<b>Total</b>	<b>5,816</b>	<b>1,075</b>	<b>6,891</b>	<b>34,106</b>

**Dedicated Highway and Bridge Trust Fund (DHBTF):** The DOT Capital Plan is funded in part from the DHBTF. The DHBTF is funded through dedicated transportation taxes and fees, as well as through bond proceeds and a General Fund transfer. The largest sources of dedicated tax revenue are the Petroleum Business Tax (PBT), Motor Fuel Tax and fees collected by the DMV which contribute approximately \$400 billion annually toward the DOT capital program, net of DMV operating costs. Dedicated taxes and fee revenues are projected to remain flat over the plan period, while debt service costs related to the DOT Capital Plan would grow. To keep the fund in balance and to support the five-year DOT Capital Plan, there is an annual transfer from the General Fund which is projected to increase to \$950 million in SFY 2029-30.

**Table 33**

<b>Dedicated Highway and Bridge Trust Fund</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>		
<b>Receipts</b>	<b>Estimate</b>	<b>Projection</b>	<b>\$ Change</b>	<b>% Change</b>
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,959.9	1,936.2	(23.7)	(1.2)
Miscellaneous Receipts (primarily bond proceeds)	502.2	800.6	298.4	59.4
Transfers from General Fund	5.4	139.1	133.7	2,479.8
<b>Total Receipts</b>	<b>2,467.4</b>	<b>2,875.9</b>	<b>408.5</b>	<b>16.6</b>
<b>Disbursements</b>				
Road and Bridge Capital Construction Program	597.8	604.4	6.6	1.1
Administration	78.7	80.0	1.4	1.8
State Forces Engineering	431.3	452.3	21.0	4.9
Consultant Engineering	120.0	123.4	3.4	2.8
DOT Operations	481.6	487.2	5.6	1.2
DMV Operations	352.1	355.6	3.4	1.0
Transfers for ITS	57.6	57.6	-	0.0
Transfer for State Debt Service	187.2	315.5	128.3	68.5
Transfer for Local Debt Service (CHIPS)	161.3	400.1	238.8	148.1
<b>Total Disbursements</b>	<b>2,467.4</b>	<b>2,875.9</b>	<b>408.5</b>	<b>16.6</b>

**Transit Assistance:** The Executive proposes \$8.9 billion in support for transit systems statewide, which is an increase of \$329.7 million or 3.8 percent over SFY 2024-25. This increase reflects higher dedicated tax revenues and general fund support for the upstate transit systems.

Of the total \$8.9 billion in transit operating assistance, \$344.4 million is provided for upstate transit systems, an increase of \$11.3 million or 3.4 percent over SFY 2024-25. The revenues collected in the upstate region and dedicated to upstate transit systems are projected to remain flat in SFY 2025-26. To provide year-to-year growth to the upstate systems, an increase of General Fund support of \$10.2 million

is proposed. Of the \$344.4 million in total upstate operating assistance, \$173.3 million or 50 percent is allocated from the General Fund.

Each upstate transit system would receive a 3.4 percent increase, including the Central New York Regional Transit Authority (Centro) and the systems accounted for in the formula appropriations.

Non-MTA downstate transit systems would be provided \$588.4 million in operating assistance, an increase of \$37.4 million or 6.8 percent over SFY 2024-25. The Executive proposes \$500,000 for the South Fork Commuter Bus Service, eliminating a legislative add of \$250,000 from SFY 2024-25. The dedicated taxes that support the non-MTA downstate transit systems have recovered and surpassed pre-pandemic levels. Of the \$588.4 million in non-MTA downstate operating assistance, \$5.3 million or 0.9 percent, is allocated from the General Fund.

Transit assistance for the MTA in SFY 2025-26 is projected at \$8 billion, an increase of \$281.1 million or 3.6 percent over SFY 2024-25. This increase reflects higher dedicated tax revenues. Of the \$8 billion in MTA operating assistance, 3.8 percent is derived from the State General Fund. Transit assistance comprises 40 percent of the MTA's 2025 annual budget of \$19.9 billion.

### **Other Operating Assistance**

The Executive proposal includes:

- \$20 million for the Gateway Development Commission, a reduction of \$4.3 million, for the state share of annual operating expenses;
- \$2.5 million for the Ogdensburg Bridge and Port Authority for operating assistance, a decrease of \$600,000 from the SFY 2024-25 level; and
- \$1 million for the costs of conducting a study of transit service in the Hudson Valley, including to the west of Hudson River destinations.

Table 34

<b>Executive Proposal: Transit Operating Assistance</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>\$ Change</b>	<b>% Change</b>
	<b>Adjusted</b>	<b>Executive</b>		
<b>MTA</b>				
NYC Transit Authority	2,748.2	2,840.6	92.4	3.4
Commuter Rail (MNR & LIRR)	1,058.2	1,103.6	45.4	4.3
Verrazzano Bridge Rebate Program	26.0	26.0	-	-
MTA (Payroll Mobility Tax and MTA Aid)	3,568.3	3,699.9	131.7	3.7
MTA (FHV Surcharge Revenue)	332.2	343.9	11.7	3.5
<b>MTA Subtotal</b>	<b>7,732.9</b>	<b>8,014.0</b>	<b>281.1</b>	<b>3.6</b>
<b>Non-MTA Downstate Systems</b>				
Rockland	6.0	6.4	0.4	7.0
Staten Island Ferry	58.4	62.4	4.1	7.0
Westchester	97.9	104.8	6.8	7.0
Nassau	118.5	126.7	8.3	7.0
Suffolk	46.1	49.3	3.2	7.0
NYC DOT	155.9	166.8	10.9	7.0
FORMULAS	56.6	60.5	3.9	7.0
South Fork Commuter Bus Service	0.75	0.5	(0.3)	(33.3)
Lower Hudson Transit Link	11.0	11.0	-	-
<b>Non-MTA Downstate Systems Subtotal</b>	<b>551.1</b>	<b>588.4</b>	<b>37.4</b>	<b>6.8</b>
<b>Upstate Systems</b>				
Capital District Transportation Authority (CDTA)	66.0	68.2	2.2	3.4
Central New York Regional Transportation Authority (Centro)*	53.8	56.4	2.5	4.7
Rochester Genesee Regional Transportation Authority (RGRTA)	65.3	67.5	2.2	3.4
Niagara Frontier Transportation Authority (NFTA)	84.9	87.7	2.9	3.4
FORMULAS	63.2	64.6	1.4	2.2
<b>Upstate Systems Subtotal</b>	<b>333.2</b>	<b>344.4</b>	<b>11.3</b>	<b>3.4</b>
<b>Transit Operating Assistance Total:</b>	<b>8,617.1</b>	<b>8,946.9</b>	<b>329.7</b>	<b>3.8</b>

\*Reflects the Executive proposal to integrate Cortland County's public transit into Centro.

**Article VII**

The Executive proposes Article VII legislation that would:

- add Cortland County to the State Transportation Operating Assistance (STOA) formula for the distribution of STOA aid to the Central New York Regional Transportation Authority for mass transportation services to be provided in Cortland County by such transportation authority;
- modify the law authorizing DOT and the Thruway Authority to establish demonstration programs to enforce work zone speed limits with photo speed violation monitoring systems and make such law permanent and authorize the Triborough Bridge and Tunnel Authority and the New York Bridge Authority to enforce work zone speed limits with photo speed violation monitoring systems; and

- amend assault in the second degree to include those who perform construction duties for transit, DMV representatives, license examiners, highway workers, motor carrier investigators or inspectors.

## **Metropolitan Transportation Authority**

**MTA Operating Budget:** The MTA’s operating budget is balanced through 2026. This forecast assumes planned four percent fare and toll increases in 2025 and 2027 and enactment of an Article VII in the Executive proposal permanently increasing NYC’s paratransit contribution to 80 percent from 50 percent.

**MTA 2020-24 Capital Plan:** The MTA’s \$55.4 billion 2020-24 Capital Plan is fully funded, reflecting \$15 billion in capital supported by congestion pricing revenues.

**MTA 2025-29 Capital Plan:** The MTA Board approved the \$68.4 billion 2025-29 Capital Plan in October 2024, an increase of \$13 billion or 23.4 percent over the 2020-24 Capital Plan. The plan consists of projects that are focused on maintaining a state of good repair. The plan does not include funding sources, has a funding gap generally recognized to be \$35.7 billion and was not approved by the Capital Program Review Board (CPRB) in December.

The Executive proposal includes a \$6 billion contribution, \$3 billion each from the state and New York City toward the MTA’s 2025-29 capital plan, which is assumed in the \$35.7 billion funding gap. The Executive proposal does not propose any measures to close the gap.

The Executive proposal includes \$25 million in new DOT capital funding for the costs associated with feasibility studies, environmental reviews, preliminary work and engineering designs to advance Metro-North Railroad improvements between New York City and Poughkeepsie.

**MTA Contingency Appropriation:** The Executive Budget proposes contingency appropriations of \$614.7 million for SFY 2026-27, in the event that there is no budget agreement in the spring of 2026.

## **Article VII**

The Executive proposes Article VII legislation that would:

- extend the ability for municipalities and the MTA to establish “mass transportation capital districts” to facilitate tax increment financing for 10 years;

- extend the MTA’s ability to obtain temporary or permanent use, control or possession of vacant and underdeveloped real property owned by the New York City for capital projects included in its capital plan through December 31, 2030;
- permanently require New York City to fund 80 percent of the MTA’s paratransit program;
- require the state to provide \$3 billion and New York City to provide \$3 billion to the MTA to fund the 2025-2029 Capital Plan;
- amend the conditions of probation or discharge to allow a defendant to be barred from entering or using MTA facilities if the defendant committed an assault in or adjacent to an MTA facility;
- amend the definition of a “building” as it relates to criminal trespass and burglary to include structures used for the business of transporting persons; and
- create a new crime of aggravated transportation offense.

### **Department of Motor Vehicles**

The Executive proposes an All Funds appropriation of \$495 million, a decrease of \$170.1 million or 25.6 percent from SFY 2024-25. This decrease primarily reflects the discontinuance of the multi-year DMV Transformation Project related to IT improvements, consisting of a \$178.5 million appropriation in SFY 2024-25 and a \$106 million appropriation in SFY 2022-23.

Offsetting this decrease are two new appropriations. The Executive proposal includes a new General Fund appropriation of \$5 million for expenses related to the hiring and training of drug recognition experts, to support an Executive Budget proposal related to driving while intoxicated or impaired and an Executive proposal which includes a new \$2.5 million appropriation for special revenue funds derived from a proposal to expand and make permanent the work zone speed camera program.

The Executive recommends funding support of 3,228 FTEs, consistent with the prior year level.

Table 35

<b>Department of Motor Vehicles Appropriations</b>				
<b>(\$ in Thousands)</b>				
	<b>SFY 2024-25 Enacted</b>	<b>SFY 2025-26 Executive</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Internet Point Insurance Reduction Program</b>	425	425	-	0.0
<b>Administration Program</b>				
DMV Equitable Sharing Agreement (Justice)	1,000	1,000	-	0.0
DMV Equitable Sharing Agreement (Treasury)	1,000	1,000	-	0.0
Federal Seized Asset Account	1,000	1,000	-	0.0
Banking Service Account	5,300	5,300	-	0.0
<b>Administration Adjudication Program</b>	48,787	51,287	2,500	5.1
<b>Clean Air Program</b>	23,189	23,189	-	0.0
<b>Compulsory Insurance Program</b>	11,577	11,577	-	0.0
<b>Distinctive Plate Development Program</b>	25	25	-	0.0
<b>DMV Seized Asset Program</b>	400	400	-	0.0
<b>Governor's Traffic Safety Committee</b>				
Highway Safety Research and Operating Grants	24,900	25,772	872	3.5
Highway Safety Research & Development	6,000	6,000	-	0.0
Drug Recognition Experts	-	5,000	5,000	100.0
Highway Safety Programs	24,900	24,900	-	0.0
<b>Motorcycle Safety Program</b>	1,610	1,610	-	0.0
<b>Capital - Transportation Support</b>	336,469	336,469	-	0.0
<b>Capital - DMV Transformation</b>	178,460	-	(178,460)	(100.0)
<b>Total</b>	<b>665,042</b>	<b>494,954</b>	<b>(170,088)</b>	<b>(25.6)</b>

**Article VII**

The Executive proposes Article VII legislation that would:

- extend, for five years, the pre-licensing course internet program;
- reduce the time for determining whether a vehicle without license plates left unattended on a highway or other public place is abandoned and increase the value at which ownership of such vehicle would vest in the local authority;
- add or modify various provisions of law relating to driving while intoxicated or impaired, including, but not limited to, provisions relating to definitions; roadside field testing; oral and bodily fluid collection; drug recognition expert (DRE) evaluations; implied consent, refusal, court-ordered chemical tests and administration of compulsory chemical tests; and sanctions including suspension and revocation of licenses and civil penalties;



- prohibit New York City from allowing motor vehicles to stop, stand or park within 20 feet of a crosswalk located near elementary school grounds;
- define class three bicycles with electric assist weighing 100 pounds or more as limited use motorcycles, also known as mopeds;
- authorize New York City to establish maximum speed limits specifically in bicycle lanes and bicycle paths;
- authorize certain state agencies and public authorities to establish permanent programs to enforce motor vehicle weight and axle weight restrictions through the use of weigh-in-motion photo enforcement systems; and
- expand the New York City bus lane camera program by authorizing the use of bus lane cameras to enforce laws prohibiting motor vehicles from obstructing traffic at intersections.

### **Thruway Authority**

The Thruway Authority is funded through various off-budget revenues, consisting of mostly tolls. The 2025 Thruway Authority budget is \$1.4 billion, an increase of 6 percent from 2024 which largely reflects an increase in system-wide capital projects and is funded with additional revenues from toll rate increases which took effect January 1, 2024. The budget includes: \$428.7 million for operating expenses, including a \$71 million reimbursement to the State Police for the cost of patrolling the Thruway; \$477.3 million in core capital program funding; and \$383.3 million for debt service. The Thruway Authority's five-year Capital Plan is \$2.7 billion for the 2025-29 plan period, an increase of \$742 million or 38 percent since the approval of a multi-year toll adjustment plan in 2023.

### **New York Waterfront Commission**

The Executive proposes an All Funds appropriation of \$5 million for SFY 2025-26, unchanged from the prior year, to fund commission operations, including to support 32 FTEs. Of the All Funds appropriation, \$3 million is provided from the General Fund and \$1.9 million is from revenue generated at the Port.

### **Article VII**

The Executive includes an Article VII proposal that would amend the Waterfront Commission Act to clarify its authority to temporarily suspend longshore worker registrations.

# BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **Albany Initiative:** The Executive proposes a total of \$400 million for various improvements to the city of Albany’s downtown, including projects related to infrastructure, public safety, housing, business development and the New York State Museum.
- **Redevelopment of Underutilized Sites for Housing (NY-RUSH):** The Executive proposes \$250 million to support the repurposing of property owned by state agencies for use as housing.
- **Promote Opportunity with Electric Readiness for Underdeveloped Properties Program (POWER UP):** The Executive proposes \$100 million for electrical capacity upgrades at sites for commercial development.
- **Launch NY Artificial Intelligence (AI) Consortium:** The Executive proposes \$90 million in capital funding for the Empire AI Consortium.
- **Long Island Infrastructure Projects:** The Executive provides \$50 million for intermodal infrastructure improvements in Suffolk County.
- **Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York (CATALIST NY):** The Executive includes legislation and provides \$9 million for early-stage innovation businesses, which have completed a State incubator program, to access Personal Income Tax (PIT) benefits.
- **Continuation of Various Competitive Grant Programs:** The Executive proposes various levels of support for pre-existing competitive grant programs, including the Regional Economic Development Councils (\$150 million in capital and \$75 million in new Excelsior tax credits), Downtown Revitalization Initiative (\$100 million), NY Forward Program (\$100 million) and FAST-NY Shovel Ready Grant Program (\$100 million).

# BUDGET REVIEW AND ANALYSIS: ECONOMIC DEVELOPMENT



The Urban Development Corporation (DBA: Empire State Development Corporation), in conjunction with the Department of Economic Development, promotes job creation and retention, business assistance, tourism marketing and promotion and community rebuilding and expansion, as well as developing regionally-based economic strategies.

The New York State Gaming Commission was created in 2013 by merging the functions and responsibilities of the former Division of Lottery and the Racing and Wagering Board. The Commission is responsible for lottery administration, gaming (including Indian gaming, video lottery gaming, charitable gaming and commercial gaming) and horse racing and pari-mutuel wagering.

The New York State Council on the Arts (NYSCA) is responsible for the oversight and administration of the cultural and artistic resources of the Council on the Arts, the Empire State Plaza Performing Arts Center Corporation and the New York State Theatre Institute. NYSCA is also responsible for administering grants to local not-for-profit arts organizations.

**Table 36**

<b>Appropriations</b>				
<b>Agency</b>	<b>2024-25 Adjusted (\$ in Millions)</b>	<b>2025-26 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>	<b>Change (%)</b>
Urban Development Corporation	2,335.4	1,809.4	(526.0)	(22.5)
New York State Gaming Commission	373.4	438.0	64.6	17.3
Department of Economic Development	105.3	100.9	(4.4)	(4.2)
Council on the Arts	95.0	71.5	(23.5)	(24.7)

## Urban Development Corporation (UDC)/Empire State Development Corporation

The Executive proposes an All Funds appropriation of \$1.8 billion, a decrease of \$526 million, or 22.5 percent from SFY 2024-25, primarily reflecting a decrease of \$519.6 million in capital funding.

The Executive proposal includes \$1.5 billion in capital projects appropriations under the UDC, a decrease of \$529.4 million from SFY 2024-25. This decrease primarily reflects the elimination of funding for various capital initiatives and certain legislative adds.

Table 37

<b>Economic Development Capital Initiatives</b>			
<b>(\$ in Millions)</b>			
<b>Category/Item</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Change</b>
	<b>Enacted</b>	<b>Exec. Request</b>	
New York Works Fund	400.0	400.0	0.0
Championing Albany's Potential Initiative	0.0	335.0	335.0
Redevelopment of Underutilized Sites for Housing (RUSH)	250.0	250.0	0.0
Regional Economic Development Councils	150.0	150.0	0.0
FAST-NY	100.0	100.0	0.0
POWER-UP	0.0	100.0	100.0
Launch NY Consortium	250.0	90.0	(160.0)
Long Island Infrastructure (Suffolk County)	0.0	50.0	50.0
Market New York	8.0	8.0	0.0
Pace University Performing Arts Center	5.0	5.0	0.0
Retention of Professional Football in Western New York	2.3	2.4	0.1
NY CREATES Albany NanoTech Complex	500.0	0.0	(500.0)
County Partnerships Grants Program	135.0	0.0	(135.0)
One Network for Regional Advanced Manufacturing	80.0	0.0	(80.0)
Restore New York Communities	50.0	0.0	(50.0)
Grown and Certified Program	20.0	0.0	(20.0)
Universal Hip Hop Museum	10.0	0.0	(10.0)
Hunts Point Meat Market (Bronx)	10.0	0.0	(10.0)
MiSci Museum of Innovation and Science	10.0	0.0	(10.0)
Bioscience Research Labs and Medical Centers	10.0	0.0	(10.0)
American Museum of Natural History	10.0	0.0	(10.0)
Brooklyn Museum	10.0	0.0	(10.0)
Kingston Bulkhead Improvements	6.0	0.0	(6.0)
Hispanic Federation	3.5	0.0	(3.5)
<b>Total Capital Appropriations, Urban Development Corp.</b>	<b>2,019.8</b>	<b>1,490.4</b>	<b>(529.4)</b>
Downtown Revitalization Initiative	100.0	100.0	0.0
NY Forward Initiative	100.0	100.0	0.0
<b>Total Appropriations, Department of State</b>	<b>200.0</b>	<b>200.0</b>	<b>0.0</b>
Nonprofit Arts and Cultural Organizations	80.0	40.0	(40.0)
<b>Total Arts and Cultural Facilities Improvement Program</b>	<b>80.0</b>	<b>40.0</b>	<b>(40.0)</b>
<b>GRAND TOTAL</b>	<b>2,299.8</b>	<b>1,730.4</b>	<b>(569.4)</b>

**Economic Development Funds:** The Executive provides \$400 million in capital funding through the New York Works Economic Development Fund.

**Championing Albany's Potential Initiative:** The Executive provides a total of \$400 million for various improvements to the city of Albany's downtown, which includes \$335 million for capital projects related to infrastructure, public safety, housing and business development. The Executive proposes \$150 million to support improvements to the New York State Museum.

**Redevelopment of Underutilized Sites for Housing (NY-RUSH):** The Executive provides \$250 million in capital funding for State agencies to repurpose existing State properties into housing units.

**Regional Economic Development Councils (REDC):** The Executive provides \$150 million in capital support for a new round of REDC competitive awards and \$75 million in Excelsior Tax Credits to be dispersed through ESDC.

**Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) Fund:** The Executive provides \$100 million for grants and loans to develop energy capacity at prospective construction sites in order to make them power-ready for incoming businesses.

**Downtown Revitalization Initiative (DRI):** The Executive provides \$100 million for a new round of DRI competitive awards. The Executive also provides up to \$100 million in new funding for the NY Forward Program, which would support the revitalization of smaller downtowns and rural areas.

**FAST-NY Shovel Ready Grant Program:** The Executive provides \$100 million in capital funding for FAST-NY, which provides grants to prepare and develop prospective construction sites for large employers.

**Launch NY AI Consortium:** The Executive provides \$90 million in additional capital support for the AI Consortium.

**Long Island Infrastructure:** The Executive provides \$50 million in capital support for intermodal transportation infrastructure projects in Suffolk County.

**Pace University:** The Executive provides \$5 million in capital support for the Pace University Performing Arts Center.

## Aid to Localities

The Executive proposal includes \$319 million in aid to localities appropriations, a decrease of \$6.6 million from SFY 2024-25. This decrease primarily reflects the discontinuation of \$17 million in funding for workforce development initiatives and the elimination of legislative adds.

**Workforce Development:** The Executive provides \$191.4 million for workforce development efforts, a net decrease of \$17 million from SFY 2024-25. This reduction reflects the discontinuation of \$10 million for the Expansion of Alternative Teacher Certifications initiative and \$8 million for the Upskilling School Paraprofessionals Program, partially offset by a \$1 million increase for the ON-RAMP initiative.

**Table 38**

<b>Workforce and Economic Development Initiatives</b>			
<b>(\$ in Millions)</b>			
<b>Category/Item</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Change</b>
	<b>Enacted</b>	<b>Exec. Request</b>	
Financial Burden Relief for Healthcare Workers	47.0	47.0	0.0
Caregiver Flexibility for Direct Care Workers	39.0	39.0	0.0
Teacher Residency Program	30.0	30.0	0.0
Training Capacity Expansion for Statewide institutions	22.5	22.5	0.0
One Network for Regional Advanced Manufacturing Partnership Initiative (ON-RAMP)	13.0	14.0	1.0
Expansion of Psychiatric rehabilitation Service at OMH	10.3	10.3	0.0
Employment and Training at OPWDD	10.2	10.2	0.0
SUNY and CUNY internships	10.0	10.0	0.0
SUNY and CUNY apprenticeships	5.0	5.0	0.0
Diversity in Medicine Program	2.4	2.4	0.0
Expansion of a SUNY Pre-Medical Opportunities Program	1.0	1.0	0.0
Expansion of Alternative Teacher Certifications	10.0	0.0	(10.0)
Upskilling School Paraprofessionals	8.0	0.0	(8.0)
<b>GRAND TOTAL</b>	<b>208.4</b>	<b>191.4</b>	<b>(17.0)</b>

**New York State Tourism:** The Executive proposes to maintain \$15 million in total support for the continuation of the Market NY Program. In addition, the Executive provides funding for various efforts to promote New York State as a tourism destination.

**Economic Development Funds:** The Executive provides \$26.2 million in operating support for the Empire State Development Fund. In addition, \$47 million would be provided to finance certain economic development efforts, including the Open for Business Program, Global NY initiatives and trade missions, advertising programs, as well as a marketing campaign to support New York State's recovery from the COVID-19 pandemic.

**Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York (CATALIST NY):** The Executive includes legislation and provides \$9 million for early-stage innovation businesses, which have completed a NYS incubator program, to access Personal Income Tax (PIT) benefits in order to reduce the cost of hiring.

## Article VII

The Executive Budget contains Article VII language that would:

- extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for an additional three years until July 1, 2028;
- extend the general loan powers of the Urban Development Corporation for an additional three years until July 1, 2028;
- increase the amount available on deposit for the Linked Deposit program from \$460 million to \$1 billion;
- establish the Companies Attracting Talent to Advance Leading Innovations and Scale Technologies in New York Program (CATALIST NY); and
- expand the Excelsior Jobs program to provide tax credits for semiconductor supply chain projects; create the Semiconductor Research and Development Project Program and the Semiconductor Manufacturing Workforce Training Incentive Program, which would foster research and development, as well as workforce training in the semiconductor sector; and provide that small businesses are eligible for assistance under the Empire State Jobs Retention Program in the event of an emergency.

## Department of Economic Development

The Executive proposes an All-Funds appropriation of \$100.9 million, a decrease of \$4.4 million or 4.2 percent from SFY 2024-25. The Executive recommends support for 165 FTE positions, which is unchanged from SFY 2024-25.

**New York State Hot Spots and Incubators:** The Executive provides \$5 million to support 10 hot spots and 20 incubators throughout the State, which is unchanged from SFY 2024-25.

**Centers of Excellence (COE) & Centers for Advanced Technology (CAT):** The Executive proposes \$12 million in funding for COEs and \$13.6 million for CATs, for a total decrease of \$3.9 million from SFY 2024-25, reflecting the elimination of legislative adds.

**High technology matching grants programs:** The Executive proposal includes \$12 million in funding for technology matching grants programs, including the Security Through Advanced Research and Technology (START) initiative, the Small Business Innovation Research (SBIR) Program and the Small Business Technology Transfer (STTR) Program, which is unchanged from SFY 2024-25.

**Tourism:** The Executive proposes \$2.5 million for the “I Love NY” Program, as well as \$2.5 million for local tourism matching grants, which is unchanged from SFY 2024-25.

### **New York State Gaming Commission**

The Executive proposes an All-Funds appropriation of \$438 million, an increase of \$64.7 million over SFY 2024-25. The Executive proposes a workforce of 396 FTEs, which is unchanged from last year.

**Aid to Localities:** The Executive proposes \$318.8 million for aid to localities appropriations, an increase of \$56.8 million over SFY 2024-25.

**State Operations:** The Executive proposes a total appropriation of \$119.2 million, an increase of \$7.9 million over SFY 2024-25. This includes \$100,000 for continuation of the Racing Fan Advisory Council.

**Tribal State Compacts:** The Executive proposal provides \$251 million for payments made pursuant to Tribal-State Compacts, an increase of \$51 million over SFY 2024-25.

**Commercial Gaming Revenue:** The Executive proposes \$62 million in aid to host governments and non-host counties within a gaming region, which is unchanged from SFY 2024-25.



## **Article VII**

The Executive proposes Article VII language that would:

- replace the existing pari-mutuel tax structure with a simplified flat tax rate on the live racing handle, allow potential future agreements between racing entities on the distribution of revenues to supersede existing provisions of law, establish that winning bets will be rounded to the nearest penny, and permanently extend certain PMT provisions;
- extend the lowered tax rate on slot machine gross gaming revenues from April 1, 2026, through June 30, 2028, for commercial casinos in Zone Two, provided that certain conditions are met;
- extend Capital Off-Track Betting Corporation's authorization to use Capital Acquisition Funds to accept authorized wagers and meet statutory and contractual obligations by one year; and
- fund a study by the Cornell University College of Veterinary Medicine of thoroughbred fetlock joint through advanced imaging, utilizing \$2 million from the New York Racing Association and an additional one percent market origin fee imposed on out-of-state advance deposit wagering providers.

## **New York State Council on the Arts (NYSCA)**

The Executive proposes an All Funds appropriation of \$71.5 million, a decrease of \$23.5 million or 24.7 percent from SFY 2024-25. This reduction primarily reflects the elimination of a \$40 million legislative add for NYSCA's grantmaking program, partially offset by a \$20 million increase in base funding for grantmaking. The Executive recommends funding support of 41 FTE positions, an increase of eight FTEs from SFY 2024-25.

## **Arts and Cultural Facilities Improvement Program (ACFIP)**

NYSCA directs capital grant awards through the Arts and Cultural Facilities Improvement Program. The Executive proposes an All Funds appropriation of \$40 million, a total decrease of \$40 million or 50 percent from SFY 2024-25. The Executive provides \$30 million in a prior year appropriation for the Arts and Cultural Facilities Improvements Program.

# BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Enhanced Correctional Facility Security:** The Executive provides \$400 million for fixed camera installations in Department of Corrections and Community Supervision (DOCCS) facilities and \$18.4 million to expand the body-worn camera program.
- **Enhanced Subway Safety:** The Executive provides \$77 million to increase police presence on New York City subway platforms and trains, including police patrols on every overnight train for the next six months.
- **Discovery Reform:** The Executive includes a proposal to reform discovery obligations by requiring the prosecution to disclose all material they deemed relevant rather than all materials related to charge to the defendant and require only the disclosure of materials in their actual possession, file a certificate of compliance confirming this disclosure, reduce timeframes for grand jury testimony disclosures and impose consequences for non-compliance, while also allowing for additional remedies if late disclosures occur.
- **Law Enforcement Technology Funding:** The Executive provides \$50 million for Law Enforcement Technology (LETECH) grants to assist local law enforcement agencies to prevent and solve crimes.
- **Securing Communities Against Hate Crimes (SCAHC):** The Executive provides \$35 million in continued funding for the next round of the SCAHC program.
- **Volunteer Fire Infrastructure and Response Equipment Grant Program:** The Executive provides \$25 million for the Volunteer Fire Infrastructure and Response Equipment (V-FIRE) grant program, for renovations, construction and equipment for volunteer firefighter departments.
- **Civil Legal Services Grant Increase:** The Executive provides \$77.5 million for the Interest on Lawyer Account (IOLA), which is an increase of \$15.5 million over SFY 2024-25, for grants to non-profits that provide civil legal services to lower income New Yorkers.
- **Enhanced Border Enforcement:** The Executive provides \$8 million to deploy additional State Police and counter-terrorism investigators along the northern border.

# BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$17.5 billion annually to support its Public Protection agencies, which include the Department of Corrections and Community Supervision (DOCCS), Division of Criminal Justice Services (DCJS), Division of Homeland Security and Emergency Services (DHSES), Division of State Police (DSP), the Department of Law, Division of Military and Naval Affairs (DMNA), Office of Indigent Legal Services (ILS), Office of Victim Services (OVS), the Office for the Prevention of Domestic Violence, New York Interest on Lawyers Account (IOLA), State Commission of Correction (SCOC) and Judicial Commissions.

In total, these agencies work to promote public safety and ensure that the state is prepared to respond to emergencies. Specifically, these agencies provide supervision within state facilities and in the community, manage funding for programs designed to combat crime, support highway safety and protect our communities and infrastructure from natural and manmade disasters. These agencies also advocate for victims of crime and promote fair representation and the protection of legal interests within the State’s court system.

**Table 39**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Division of Homeland Security and Emergency Services	9,075.5	9,082.8	7.3	0.1
Department of Corrections and Community Supervision	3,813.7	4,337.1	523.4	13.7
Division of State Police	1,237.6	1,247.4	9.8	0.8
Division of Criminal Justice Services	820.6	947.3	126.7	15.4
Office of Indigent Legal Services	474.5	484.9	10.4	2.2
Department of Law	378.4	487.8	109.4	28.9
Office of Victim Services	366.8	352.1	(14.7)	(4.0)
Division of Military and Naval Affairs	271.4	446.1	174.7	64.4
Interest on Lawyer Account	119.9	80.9	(39.0)	(32.5)
Office for the Prevention of Domestic Violence	17.9	19.4	1.5	8.4
Commission on Judicial Conduct	8.9	9.3	0.4	4.1
State Commission of Correction	4.1	4.6	0.5	13.0

## Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$4.3 billion, an increase of \$523.4 million or 13.7 percent from SFY 2024-25. The Executive recommends support for 25,545 FTE positions, which is an increase of 481 FTEs from SFY 2024-25, primary attributable to an expansion and restructuring of the Office of Special Investigation and additional correctional officers.

**Enhanced Correctional Facility Security:** The Executive provides \$400 million for the installation of fixed cameras in DOCCS facilities and \$18.4 million to expand the body-worn camera program.

**Office of Special Investigation:** The Executive provides \$7.2 million to support an additional 81 FTE positions within the Office of Special Investigation. The Office of Special Investigations will form a new division to focus on allegations of staff misconduct more efficiently.

## Article VII

The Executive recommends Article VII legislation that would:

- eliminate the state residency requirement for state corrections officers. It would abolish the maximum hiring age for law enforcement officers and raise the mandatory retirement age from 60 to 63; and
- authorize the commissioner of DOCCS to designate additional programs eligible for merit time; and expand limited credit time allowances for successful completion of programs of not less than 18 months.

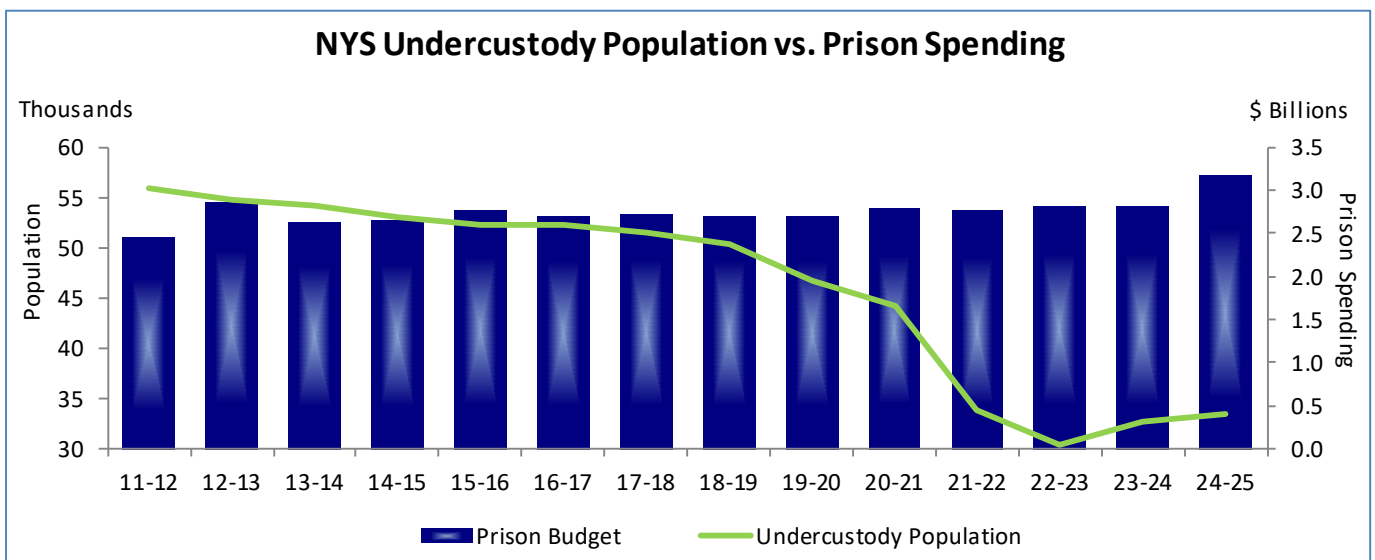


Figure 13

## Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$947.3 million, an increase of \$126.7 million or 15.4 percent over the SFY 2024-25 level. The Executive recommends support for 627 FTE positions, an increase of 50 FTEs from SFY 2024-25.

**Expand Support for Intelligence Sharing and Agency Coordination:** The Executive provides \$13 million to establish the New York State Crime Analysis and Joint Special Operations Command Headquarters (CA-JSOC), aimed at consolidating efforts of local, state and federal law enforcement agencies to share intelligence and coordinate real-time responses to crime trends.

**Enhanced Subway Safety:** The Executive provides \$77 million to increase the presence of police on New York City subway platforms and trains, including overnight patrols on every train for the next six months.

**Law Enforcement Technology Funding:** The Executive provides \$50 million for Law Enforcement Technology (LETECH) grants to support local law enforcement agencies prevent and solve crimes.

**Combat the Rise in Hate Crime:** The Executive provides \$35 million in continued funding for the next round of the Securing Communities Against Hates Crimes (SCAHC) program.

## Article VII

The Executive proposes Article VII language that would:

- extend various criminal justice and public safety programs for two years;
- make various amendments to the discovery law;
- create a new crime of domestic violence;
- remove the criminal statute of limitations and increase the civil statute of limitations for sex trafficking and sex trafficking of a child; allows civil actions for individuals under 18 at the time of the act to be brought until age 55;
- amend various sections of the penal law relating to sexual performance of a child to include images created or altered by digitization; and

- amend the offense of sex trafficking to include individuals who intentionally advance or profit from the prostitution of a person with a mental disability who is being patronized.

### **Division of Homeland Security and Emergency Services**

The Executive proposes All Funds appropriations of \$9.1 billion, reflecting an increase of \$7.3 million or 0.1 percent over SFY 2024-25. The Executive recommends a workforce of 770 FTEs, an increase of 12 FTE positions from SFY 2024-25, attributable to additional staff in the Offices of Fire Prevention and Control and Counter Terrorism.

**Volunteer Fire Infrastructure and Response Equipment (V-FIRE) Grant Program:** The Executive proposes \$25 million for grants to support facility improvements and the purchase of equipment for volunteer firefighter departments.

### **Article VII**

The Executive proposes Article VII language that would:

- require state and local employees to participate in an annual cybersecurity awareness training beginning in January 2026; and
- require municipalities to report cybersecurity incidents and ransom demands to DHSES within specified timeframes, improving the State's ability to respond to threats and safeguard critical infrastructure.

### **Division of State Police**

The Executive recommends All Funds appropriations of \$1.2 billion, an increase of \$9.8 million or 0.8 percent over SFY 2024-25. The Executive recommends support for 6,521 FTEs, which remains unchanged from the prior fiscal year.

**Enhanced Border Enforcement:** The Executive provides \$8 million for the deployment of additional State Police and counter-terrorism investigators along the northern border.

### **Office of Indigent Legal Services**

The Executive proposes All Funds appropriations of \$484.9 million, an increase of \$10.4 million or 2.2 percent over SFY 2024-25. The Executive recommends support for 62 FTE positions, an increase of two FTE positions from SFY 2024-25.

## Department of Law

The Executive proposes All Funds appropriations of \$487.8 million, an increase of \$109.4 million or 28.9 percent over SFY 2024-25. The Executive recommends support for 2,172 FTE positions, an increase of 202 FTE positions over the previous fiscal year to increase staffing in various programs.

**Parental Representation:** The Executive proposes to transfer \$10 million in Federal Title IV-E funding from the Office of Children and Family Services (OCFS) to Indigent Legal Services, to improve the quality of representation of parents in family court cases.

## Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$446.1 million, an increase of \$174.7 million or 64.4 percent over SFY 2024-25. The Executive Budget recommends support for 439 FTE positions, an increase of 45 FTEs from SFY 2024-25 to support facility maintenance.

**Expand Joint Task Force Empire Shield:** The Executive provides an additional \$45 million to expand the Joint Task Force Empire Shield (JTFES) strengthening counter-terrorism efforts and security in New York City, particularly in transit and commuter hubs.

**42<sup>nd</sup> Infantry Division Headquarters:** The Executive Budget provides \$130 million (\$90 million Federal and \$40 million State) to support the multi-year construction of a new 42<sup>nd</sup> Infantry Division Headquarters.

## Office for the Prevention of Domestic Violence

The Executive proposes All Funds appropriations of \$19.4 million, an increase of \$1.4 million or 8.4 percent over SFY 2024-25. The Executive Budget recommends a workforce of 46 FTEs, an increase of eight positions over SFY 2024-25.

## Office of Victim Services

The Executive proposes All Funds appropriations of \$352.1 million, a decrease of \$14.7 million from SFY 2024-25. The Executive recommends 110 FTE positions, which remains unchanged from SFY 2024-25.

**Mass Violence Crisis Response Team:** The Executive Budget provides \$2.3 million to establish a team led by the Office of Victim Services (OVS) and the Division of Homeland Security and Emergency Services (DHSES) to provide immediate aid to victims and survivors after mass violence incidents.

**Federal Victims of Crimes Act (VOCA):** The Executive Budget includes \$100 million in State funding to ensure crime victim service providers are not impacted by potential VOCA shortfalls. This is a reduction of \$20 million from SFY 2024-25 reflecting the end of the prior three year funding cycle.

### **New York Interest on Lawyer Account**

The Executive proposes All Funds appropriations of \$80.9 million, a decrease of \$39 million or 32.5 percent from SFY 2024-25. The Executive recommends support for 11 FTE positions, an increase of two positions from SFY 2024-25.

**Civil Legal Services Grant Increase:** The Executive provides \$77.5 million for the Interest on Lawyer Account (IOLA), which is an increase of \$15 million from the prior year, to support non-profits that provide civil legal services to lower income New Yorkers.

### **Commission of Correction**

The Executive Budget proposes All Funds appropriations of \$4.6 million, an increase of \$500,000 or 13.0 percent over SFY 2024-25. The Executive recommends a workforce of 47 FTEs, an increase of three FTEs from SFY 2024-25.

### **Commission on Judicial Conduct**

The Executive proposes All Funds appropriations of \$9.3 million, an increase of \$430,000 over SFY 2024-25. The Executive recommends support for 56 FTE positions, unchanged from SFY 2024-25.



# BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM) for Cities, Towns and Villages:** The Executive maintains AIM funding at \$715.2 million, and proposes \$50 million in temporary municipal assistance, which is unchanged from SFY 2024-25.
- **NYC Transitional Finance Authority (TFA):** The Executive includes legislation to increase the NYC Transitional Finance Authority's bond cap by \$3 billion to \$30.5 billion.
- **Miscellaneous Financial Assistance (MFA) for the City of Albany:** The Executive proposal includes \$20 million for the city of Albany, an increase of \$5 million.
- **Miscellaneous Financial Assistance (MFA) for the County of Monroe:** The Executive proposal includes \$15 million for the county of Monroe.

# BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including Aid and Incentives for Municipalities (AIM), which is an unrestricted aid program, as well as other programs to promote and assist the efforts of local governments to merge, consolidate and share services.

**Table 40**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	758.2	758.2	0.00	0.00
Temporary Municipal Assistance	50.0	50.0	0.00	0.00
Municipalities with VLT Facilities	30.1	30.1	0.00	0.00
Miscellaneous Financial Assistance	21.3	38.8	17.50	82.16
Small Government Assistance	0.2	0.2	0.00	0.00

## **Aid and Incentives for Municipalities (AIM)**

The Executive provides \$758.2 million in unrestricted aid to local governments, which includes \$715.2 million in unrestricted AIM for cities (excluding New York City), towns and villages, and \$43 million for various local government efficiency programs, which is unchanged from SFY 2024-25.

## **Temporary Municipal Assistance**

The Executive provides \$50 million in additional unrestricted aid to local governments that receive AIM funding, with Buffalo, Rochester, Syracuse, and Yonkers receiving \$5 million each, which is unchanged from SFY 2024-25.

## Consolidation, Dissolution, and Restructuring

### **Citizens Re-organization Empowerment Grants (CREG) and Citizen Empowerment Tax Credits (CETC):**

CREGs provide local governments up to \$100,000 to cover costs associated with planning and implementing, reorganization and consolidation efforts. CETCs provide additional funding for cities (excluding New York City), towns and villages that consolidate or dissolve. The tax credits provide an annual aid bonus of 15 percent of the newly combined tax levy with the stipulation that 70 percent of the amount be used for direct property tax relief to taxpayers. These initiatives are supported by a \$35 million appropriation, which is unchanged from SFY 2024-25.

**Local Government Efficiency Grant Program (LGEG):** This program provides competitive grants to local governments to help cover costs associated with efficiency projects, including planning and implementation of function consolidations, as well as shared or cooperative services. The maximum planning award is \$20,000 per municipality with \$120,000 per grant, and the maximum implementation award is \$250,000 per municipality with \$1.25 million per grant. These grants are supported by an \$8 million appropriation, which is unchanged from SFY 2024-25.

**Financial Restructuring Board (FRB):** The FRB is authorized to make loans or grant awards of up to \$5 million under the Local Government Performance and Efficiency Program (LGPEP) to fiscally eligible municipalities that accept the Board's recommendations. The FRB has undertaken reviews for the cities of Albany, Amsterdam, Dunkirk, Elmira, Fulton, Jamestown, Lockport, Long Beach, Niagara Falls, Ogdensburg, Plattsburgh, Poughkeepsie, Rochester, Syracuse, Troy, Utica, Watervliet, and Yonkers; the villages of Alfred, Amityville, Herkimer, Hoosick Falls, Owego, Potsdam and Wilson; and the Town of Fishkill.

**Municipal Restructuring Fund (MRF):** The MRF supports local governments in implementing projects that contribute to lower operating costs and reduced property tax burdens. Funding is available in stages and is based on the estimated long-term savings of the completed project (20 percent of savings).

### Miscellaneous Financial Assistance

The Executive proposal provides \$3.8 million in aid to Madison County, unchanged from SFY 2024-25, to reflect the opening of the Oneida Nation's Point Place Casino. Madison County does not currently receive an as of right share of the negotiated percentage of the net drop from gaming devices the State currently receives pursuant to tribal compacts.

The Executive proposes \$20 million in Miscellaneous Financial Assistance aid to the City of Albany, a \$5 million increase from SFY 2024-25. In addition, the Executive provides \$15 million to the County of Monroe.

### Video Lottery Terminal (VLT) Aid

The Executive proposes VLT aid at \$30.1 million, which is unchanged from SFY 2024-25, for eligible municipalities, in which a video lottery gaming facility is located. The municipalities that host these facilities, with the exception of the City of Yonkers, received aid in an amount equal to 70 percent of aid received in SFY 2008-09.

**Table 41**

<b>Aid to Municipalities with Video Lottery Terminal (VLT) Facilities (\$ in Thousands)</b>	
	<b>SFY 2025-26 Executive Proposal</b>
Yonkers	19,600
Batavia Downs	802
Fairgrounds (Buffalo)	1,154
Finger Lakes	2,369
Newburgh	2,469
Saratoga Springs	3,101
Vernon Downs	626
<b>Total</b>	<b>30,121</b>

*Source: New York State Division of Budget.*

### Article VII

The Executive includes the following Article VII proposals that would:

- increase the bonding limit for the New York City Transitional Finance Authority (TFA) by \$3 billion to \$30.5 billion, starting in July 2025;
- expand New York City’s authorization to use the Construction Manager Build and Progressive Design-Build procurement methods to include a wider range of agencies and projects;
- authorize New York City to provide a tax credit to certain out-of-state businesses that relocate to eligible buildings by July 1, 2028 and extend the existing Relocation and Employment Assistance Program (REAP) until July 2030;

- impose a surcharge on construction permits issued in New York City for obstructing or closing a street, curb lane, or sidewalk for construction-related purposes;
- require all municipalities to report cybersecurity incidents to the Division of Homeland Security and Emergency Services within 72 hours;
- extend the Private Activity Bond Allocation Act, which establishes an alternative formula for allocating the bond volume ceiling on the issuance of certain tax-exempt bonds, until 2028; and
- remove the requirement that Industrial Development Agency (IDA) agents and project operators annually report their claimed sales and use tax exemptions to the NYS Department of Taxation and Finance.

# BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **New York State Community Commission on Reparations Remedies:** The Executive provides \$5 million for the Community Commission on Reparations Remedies to continue to examine the legacy of slavery, subsequent discrimination against people of African descent and the impact these forces continue to have in the present day.
- **Office for New Americans:** The Executive includes \$44.2 million in continued funding to support the Office for New Americans (ONA) within the Department of State (DOS), which works to assist newcomers to New York State by providing free legal services, workforce development and training, mental health support and English language learning.
- **Public Campaign Finance Board:** The Executive proposal includes \$100 million for the payment of matching funds to participating candidates, unchanged from SFY 2024-25.
- **Cybersecurity Staff:** The Executive proposes \$70.2 million to support an additional 185 full time equivalent (FTEs) for cybersecurity and the Joint Security Operations Center.

# BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



General Government agencies play an essential role in the daily operation of state government and provide services to people and businesses throughout the state. Overall, these agencies have two goals: to provide oversight, regulation and enforcement of state laws and create a more efficient and effective use of government services and funding.

The Division of Alcoholic Beverage Control (ABC) provides oversight and regulation of the manufacture, sale and distribution of alcoholic beverages; the State Board of Elections (SBOE) oversees elections in New York State, including the Public Campaign Finance Program; the Commission on Ethics in Lobbying in Government (COELIG) provides for the administration and enforcement of ethics and lobbying statutes; the Department of Financial Services (DFS) provides regulatory oversight of the banking and insurance industry; and the Department of State (DOS) provides licensing services and administers activities and programs offering services to local governments and community-based organizations.

The Office of General Services (OGS) supports the operations of state property, provides centralized contracting and along with the Office of Information Technology Services (ITS) works to support the efficient use of government resources. The Department of Audit and Control ensures the on-time payment of the state's bills, oversees the investment of billions in state funds and oversees the fiscal practices of local governments. The Department of Taxation and Finance (DTF) is responsible for the administration and collection of state taxes.

Table 42

Appropriations				
Agency	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	1,376.3	1,688.6	312.3	22.7
Office of Information Technology Services	1,056.5	1,230.6	174.1	16.5
Department of State	765.8	691.5	(74.3)	(9.7)
Department of Audit and Control	567.4	598.1	30.7	5.4
Department of Financial Services	594.2	544.8	(49.4)	(8.3)
Department of Taxation and Finance	507.1	525.2	18.1	3.6
Workers' Compensation Board	227.3	232.0	4.7	2.1
State Board of Elections	165.9	142.4	(23.5)	(14.2)
Division of Alcoholic Beverage Control	84.7	94.6	9.9	11.7
Division of Budget	51.1	50.5	(0.6)	(1.2)
Statewide Financial System	32.0	35.3	3.3	10.2
Executive Chamber	23.3	24.8	1.5	6.4
Office of the Inspector General	11.1	12.0	0.9	7.9
Commission on Ethics and Lobbying	8.1	8.3	0.3	3.1
Division of Tax Appeals	4.0	4.2	0.1	2.7
Deferred Compensation Board	1.0	1.0	0.0	0.0
Office of the Lieutenant Governor	1.2	1.2	0.0	0.0

**Office of General Services**

The Executive proposes an All Funds appropriation of \$1.7 billion, an increase of \$312.3 million or 22.7 percent over SFY 2024-25. The Executive recommends support of 1,994 FTEs, which is an increase of 135 FTEs over the SFY 2024-25 level.

The Executive provides \$508.9 million in Capital Projects funding, an increase of \$249.3 million over SFY 2024-25. Increased funding reflects one-time support for renovations to the New York State Capitol, the implementation of the first phase of the Empire State Plaza Energy Infrastructure Master Plan and other energy projects across various State facilities.



An increase of \$78.1 million in State Operations funding over the SFY 2024-25 level, reflects enhanced support for priority projects, project management and ongoing operations.

## **Article VII**

The Executive proposes Article VII language that would make the Preferred Source Program permanent.

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

The Executive proposes an All Funds appropriation of \$1.2 billion, an increase of \$174.1 million over SFY 2024-25. This increase would support cybersecurity staffing and data system maintenance. The Executive recommends support for 4,158 FTEs, an increase of 295 FTEs over SFY 2024-25.

**Cybersecurity Staff:** The Executive proposes \$70.2 million to support an additional 185 FTEs for cybersecurity at the Joint Security Operations Center.

**Data System Maintenance:** The Executive proposes \$50 million to support mainframe replacement, \$36 million for state data center upgrades and \$17.6 million for upkeep and modernization projects.

### **Department of State (DOS)**

The Executive proposes All Funds appropriations of \$691.5 million, a decrease of \$74.3 million or 9.7 percent below the SFY 2024-25 level. The Executive recommends 700 FTE positions, which reflects a net increase of 40 FTEs from the prior state fiscal year in support of Business and Licensing and Codes programs.

**Downtown Revitalization Initiatives:** The Executive proposes \$200 million in total support for a third round of downtown revitalization efforts and to support another round of the NY Forward Program intended to revitalize smaller downtowns and rural communities.

**Office for New Americans (ONA):** The Executive includes \$48.3 million in continued funding to support the (ONA) within the (DOS), which works to assist newcomers to New York State to fully participate in the state's civic and economic life by providing free legal services, workforce development training, mental health support, workforce development and English language learning.

**Office of Faith and Non-Profit Development Services:** The Executive provides \$5 million in continued funding for the Office of Faith and Non-Profit Development Services, including \$1.5 million for office staff and equipment and \$3.5 million for local assistance grants.

**Commission on African American History:** The Executive proposes \$1 million in continued funding to support the Commission on African American History.

## **Article VII**

The Executive proposes Article VII legislation that would:

- require annual cybersecurity awareness training for state and local employees who use technology as part of their job duties;
- create additional safety features relating to consumer use of Artificial Intelligence (AI) companion technology;
- establish minimum refund policy standards for retailers, including requiring the disclosure of refund policies to the consumer and offering returns, refunds and exchanges within 30 days of purchases;
- require subscription services to provide a clear conspicuous notice to consumers outlining the terms of the subscription renewal prior to renewing a subscription; and
- require businesses to notify consumers when pricing is established using algorithms based on individual’s personal consumer data. It would also prohibit sellers from engaging in price discrimination based on personal consumer data.

## **Department of Audit and Control**

The Executive proposes All Funds appropriations of \$598.1 million, an increase of \$30.7 million or 5.4 percent over SFY 2024-25. This increased funding reflects general salary increases and operational expansion and to cover anticipated costs associated with maintenance for the agency’s office building located in Albany. The Executive recommends support for 2,915 FTEs, unchanged from the previous fiscal year.

## **Department of Financial Services (DFS)**

The Executive proposes an All Funds appropriation of \$544.8 million, a decrease of \$49.4 million or 8.3 percent from SFY 2024-25. The Executive recommends support for 1,441 FTEs, an increase of 50 FTEs over SFY 2024-25. This increase in FTEs is attributable to the creation of a “Buy Now, Pay Later” loan regulation program.

**Administrative Costs:** The Executive proposes \$13.9 million in additional funding for the DFS to cover increased personal service costs.

**Education Debt Consumer Assistance Program (EDCAP):** The Executive proposes a savings of \$3 million by eliminating funding for EDCAP.

## **Article VII**

The Executive proposes Article VII language that would:

- extend the Physicians Excess Medical Malpractice Program for one year to June 30, 2026, require participating providers to pay 50 percent of their excess coverage premium and restructure payments to insurers from one annual payment into two 25 percent installments over two fiscal years;
- extend the Health Insurance Continuation Assistance Demonstration Project for one year to July 1, 2026;
- require pharmacy benefit managers to annually publish data related to rebate contracts;
- allow owners of for-hire vehicles with a seating capacity of less than eight passengers to obtain a group auto insurance policy;
- authorize the Superintendent of Financial Services to promulgate regulations authorizing certain for-hire vehicle insurance rate increases without prior approval;
- require insurers providing coverage to for-hire vehicles to submit rates to the Superintendent for prior approval by August 1, 2025 and every three years thereafter;
- authorize certain public benefit corporations to form a captive insurance company;
- authorize the Superintendent of Financial Services to license and regulate “Buy Now, Pay Later” loans and lenders; and
- establish procedures for financial institutions to identify and temporarily hold transactions suspected of defrauding or exploiting disabled individuals and individuals age 65 and older.

## **Department of Taxation and Finance**

The Executive proposes an All Funds appropriation of \$525.2 million, which is an increase of \$18.1 million or 3.5 percent over the SFY 2024-25 level. The Executive recommends support for 3,832 FTEs, which is an increase of four FTEs from SFY 2024-25 levels.

## **Article VII**

The Executive proposes Article VII legislation that would:

- establish that the use of the Department’s Online Services System (OLS) by a taxpayer to access tax information related to them does not confer protest rights before the Division of Tax Appeals (DTA) and that notices through the OLS system related to past-due fixed and final liabilities do not confer hearing rights before the DTA;
- extend for five years current provisions authorizing the Department of Tax and Finance to use the financial institution data match system for State collection of past-due fixed and final tax debts and allow the department to serve warrantless income executions on individual tax debtors and if necessary, on the employers of such debtors; and
- establish that the filing of a tax warrant at the DOS by the Department of Taxation and Finance establishes the State’s lien priority, instead of the filing of a tax warrant at the county clerk where the tax debtor owns real property.

## **Workers Compensation Board**

The Executive proposes an All Funds appropriation of \$232 million, an increase of \$4.7 million or 2.1 percent over SFY 2024-25 levels. The Executive recommends support of for 1,112 FTEs, an increase of 26 FTEs over FY 2024-25. These increases are to support the expansion of Post-Traumatic Stress Disorder (PTSD) treatment coverage.

## **Article VII**

The Executive proposes Article VII legislation that would:

- allow medical residents and fellows to treat worker compensation claimants under appropriate supervision;
- authorize additional medical providers to treat worker compensation claimants without supervision;
- allow employers to pay workers compensation medical bills without admitting liability for up to one year; and

- **require health insurance plans to cover treatment for injured workers when their workers claim is denied or being contested.**

### **State Board of Elections (SBOE)**

The Executive proposes an All Funds appropriation of \$142.4 million, a decrease of \$23.5 million, or 14.2 percent from the SFY 2024-25 level. The reduction reflects the discontinuation of a one-time capital appropriation of \$14.7 million for local BOEs to replace electronic polling books, as well as several reductions in aid to local BOEs related to the 2024 election. The Executive recommends support for 228 FTEs, an increase of eight FTEs from SFY 2024-25, including four FTEs to administer the Doctor John L. Flateau New York Voting and Elections Database and four FTEs related to IT.

The Executive proposes \$37.4 million for State Operations, an increase of \$3.9 million or 11.6 percent over SFY 2024-25. This increase primarily reflects a new \$3.4 million federal appropriation to disburse federal grants in support of enhanced technology and security, as well as funding for additional FTEs. The Executive proposal includes \$14.5 million for Public Campaign Finance (PCF) Board staff and administration and \$2.5 million for the operation of the Doctor John L. Flateau New York Voting and Elections Database, both unchanged from SFY 2024-25.

The Executive proposes \$105 million in local assistance, a decrease of \$12.7 million or 10.8 percent. The decrease primarily reflects the elimination of \$5 million to local BOEs for costs associated with the 2024 General Election, \$5 million in federal funding and the reduction of \$2.7 million for the reimbursement of costs related to providing pre-paid postage. The Executive proposes \$100 million for the payment of matching funds to candidates participating in the PCF program, unchanged from SFY 2024-25.

### **Division of Alcoholic Beverage Control (ABC)**

The Executive proposes an All Funds appropriation of \$94.6 million, an increase of \$9.9 million or 10.5 percent above the SFY 2024-25 level. This increase primarily reflects support for additional FTE positions within the Office of Cannabis Management. The Executive recommends support for 455 FTE positions, an increase of 57 FTEs over the SFY 2024-25 level.

Within the Division of Alcoholic Beverage Control, the Executive proposes an All Funds appropriation of \$73.1 million for the Office of Cannabis Management, an increase of \$5 million over SFY 2024-25 to support increased staffing levels. The Executive recommends support for 274 FTE positions, an increase of 29 FTEs over SFY 2024-25.

## **Article VII**

The Executive proposes Article VII legislation that would extend the authority of the State Liquor Authority to issue temporary retail permits for one year to October 12, 2026.

## **Division of the Budget (DOB)**

The Executive proposes an All Funds appropriation of \$50.5 million, a decrease of \$602,000 from SFY 2024-25. The Executive recommends support for 292 FTEs, which is unchanged from SFY 2024-25.

**Legislative Membership Dues:** The Executive proposes \$602,000 in savings by eliminating legislative membership dues.

## **Statewide Financial Systems (SFS)**

The Executive proposes All Funds appropriations of \$35.3 million to support the ongoing maintenance and operating cost of SFS, an increase of \$3.3 million from SFY 2024-25. The Executive recommends support for 147 FTE positions, unchanged from SFY 2024-25.

## **Executive Chamber**

The Executive proposes All Funds appropriations of \$26 million for the Executive Chamber to support the Office of the Governor (\$24.8 million), which is an increase of \$1.5 million over SFY 2024-25 and the Office of the Lieutenant Governor (\$1.2 million), which is unchanged from SFY 2024-25. The Executive recommends support for 168 FTEs for the Office of the Governor and 10 FTEs for the Office of the Lieutenant Governor, both of which are unchanged from SFY 2024-25.

**Administrative Costs:** The Executive proposes \$1.5 million in additional funding for the Executive Chamber to cover increased personal service costs.

## **Office of Inspector General**

The Executive proposes All Funds appropriation of \$12 million, an increase of \$875,000 or 7.9 percent over SFY 2024-25. This increase is to support transportation-related investigations and renovations of a new office space in the Duryea State Office Building. The Executive recommends support for 105 FTEs, unchanged from the SFY 2024-25 level.

### **Commission on Ethics and Lobbying**

The Executive proposes an All Funds appropriation of \$8.3 million, an increase of \$250,000 over SFY 2024-25. This increase would cover the costs of legal service liabilities sustained from the Joint Commission on Public Ethics. The Executive recommends support for 68 FTEs, which is unchanged from SFY 2024-25.

### **Division of Tax Appeals**

The Executive proposes an All Funds appropriation of \$4.2 million, an increase of \$108,000, or 2.6 percent, from the SFY 2024-25 level. This increase would cover the costs of contract agreements and support agency operations. The Executive recommends support for 29 FTEs, which is equivalent to 2024-25 levels.

### **Deferred Compensation Board**

The Executive proposes All Funds appropriations of \$1 million and support for four FTEs, unchanged from SFY 2024-25.

# BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Medicare Part B Income-Related Monthly Adjustment Amount (IRMAA) Subsidy:** The Executive proposes to eliminate the IRMAA reimbursement rate for certain state retirees. This proposal is estimated to provide \$12.3 million in savings in SFY 2025-26.
- **Optional Payment for New State Employees:** The Executive proposes to establish an optional payment for newly hired state employees who elect to have an earlier than normal 14-day lag on their first paycheck. This optional payment would be recouped over the employee's first 14 pay periods.
- **Civil Services Fee Waiver Extension:** The Executive proposes to extend the civil services fee waiver an additional six months and includes \$1.3 million to continue to waive state civil service application fees for all examinations held until June 30, 2026.



# BUDGET REVIEW AND ANALYSIS: STATE OPERATIONS AND WORKFORCE



State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects. There are 192,361 state employees in Executive agencies.

General State Charges provide for miscellaneous costs that accrue to the state, including pension, health and other fringe benefits to most state employees and retirees, as well as state litigation expenses and payments to local governments for taxes on state-owned lands.

The Department of Civil Service provides human resource management services to state and local governments, including recruitment, testing and classifications for public employees.

The Public Employment Relations Board (PERB) resolves major labor disputes between public or private employers and employees. The Governor’s Office of Employee Relations (OER) assists the Governor in relations between the state and its employees, including representing the Executive Branch in collective bargaining negotiations and providing for workforce training, education and benefits.

**Table 43**

Agency	Appropriations			
	2024-25 Adjusted (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	7,928.1	8,748.9	820.8	10.4
Department of Civil Service	100.6	132.3	31.7	31.6
Office of Employee Relations	16.0	16.0	0.0	0.0
Public Employment Relations Board	5.9	6.7	0.7	12.2

## General State Charges

The Executive proposes an All Funds appropriation of \$8.7 billion, an increase of \$820.8 million or 10.4 percent over SFY 2024-25. Fringe benefits are appropriated within General State Charges for

General Fund employees and within each agency for employees funded by resources outside the General Fund.

**Health Insurance Benefits:** The Executive proposes \$5.4 billion for health insurance benefits contributions, an increase of a \$223 million or 4.3 percent over SFY 2024-25 in New York State Health Insurance Plan (NYSHIP) costs. This increase is largely attributed to increases in the rising cost of healthcare and certain prescription drugs and is partially offset by benefit design changes adherent to collective bargaining agreements.

**Pensions:** The Executive proposes \$2.5 billion, an increase of \$181 million or 7.7 percent over SFY 2024-25. This increase reflects the State's prepayment of the annual pension obligation for the prior fiscal year, resulting in a recurring interest savings of \$121 million.

**Social Security Tax:** The Executive proposes \$1.1 billion, an increase of \$51 million or 4.5 percent over SFY 2024-25. This increase reflects general salary increases adherent to collective bargaining agreements and State workforce growth.

**Workers' Compensation Benefits:** The Executive proposes \$627 million, a net increase of \$73 million or 13.2 percent in Workers' Compensation benefits for injured state employees, over SFY 2024-25. The increase reflects costs associated with increasing the minimum weekly compensation benefit, as well as spending trends.

## Article VII

The Executive proposes Article VII legislation that would:

- end reimbursement of the Income-Related Monthly Adjustment Amount (IRMAA) to high income state retirees starting in January 2025. It establishes a premium refund for retirees who retired between January 1, 1983 and January 1, 2012 and were in salary grade 9 or below;
- extend the Civil Service examination fee waiver until June 30, 2026; and
- establish an optional payment for state employees hired after July 1, 2026. This payment would be recovered in the first 14 pay periods.

### **Department of Civil Service**

The Executive proposes All Funds appropriations of \$132.3 million, which is an increase of \$31.7 million or 31.6 percent over SFY 2024-25. This reflects continued support for several programs aimed at modernizing the civil service system, including the expansion of continuous recruitment and the creation of a merit system helpdesk. The Executive recommends support for 582 full-time equivalents (FTEs), which is an increase of 83 FTEs over the SFY 2024-25 level, to address insurance fraud and program compliance.

### **Office of Employee Relations**

The Executive proposes All Funds appropriations of \$16 million, which remains unchanged from SFY 2024-25. The Executive recommends support for 107 FTEs, which is an increase of 14 FTE over SFY 2024-25, to fill vacancies using existing funds.

### **Public Employment Relations Board (PERB)**

The Executive proposes All Funds appropriations of \$6.7 million, which is an increase of \$726,000 or 12.2 percent over SFY 2024-25. The Executive recommends support for 41 FTEs, which is an increase of five FTEs over SFY 2024-25. Increased funding and staffing levels would support PERB in managing a growing private sector caseload.

**Table 44**

**Workforce Impact Summary**

All Funds  
FY 2024 Through FY 2026

	FY 2024 Actuals (03/31/24)	Starting Estimate (03/31/25)	Attritions	New Fills	Net Change	Ending Estimate (03/31/26)
Addiction Services and Supports, Office of	759	782	(91)	121	30	812
Adirondack Park Agency	51	54	(2)	7	5	59
Aging, Office for the	84	126	(9)	9	0	126
Agriculture and Markets, Department of	527	557	(20)	119	99	656
Alcoholic Beverage Control, Division of	286	398	(55)	112	57	455
Arts, Council on the	29	33	(3)	11	8	41
Audit and Control, Department of	2,446	2,915	(400)	400	0	2,915
Budget, Division of the	287	292	(36)	36	0	292
Children and Family Services, Office of	2,833	2,983	(623)	623	0	2,983
City University of New York	13,358	13,511	(1,350)	1,350	0	13,511
Civil Service, Department of	390	499	(72)	155	83	582
Correction, Commission of	42	44	(10)	13	3	47
Corrections and Community Supervision, Department of	22,544	25,064	(2,225)	2,706	481	25,545
Criminal Justice Services, Division of	434	577	(52)	102	50	627
Deferred Compensation Board	4	4	0	0	0	4
Developmental Disabilities, State Council on	0	0	0	0	18	18
Education Department, State	2,552	2,909	(290)	290	0	2,909
Economic Development, Department of	126	165	(15)	15	0	165
Elections, State Board of	141	220	(19)	27	8	228
Employee Relations, Office of	76	93	(12)	26	14	107
Environmental Conservation, Department of	3,075	3,313	(176)	234	58	3,371
Ethics and Lobbying, Independent Commission on	51	68	(1)	1	0	68
Executive Chamber	146	168	(10)	10	0	168
Financial Control Board, New York State	11	12	(1)	1	0	12
Financial Services, Department of	1,290	1,391	(194)	244	50	1,441
Gaming Commission, New York State	306	396	(154)	154	0	396
General Services, Office of	1,706	1,859	(297)	432	135	1,994
Health, Department of	4,927	6,209	(842)	850	8	6,217
Higher Education Services Corporation, New York State	78	105	(10)	10	0	105
Homeland Security and Emergency Services, Division of	620	758	(9)	21	12	770
Housing and Community Renewal, Division of	567	676	(94)	94	0	676
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	167	174	(25)	133	108	282
Indigent Legal Services, Office of	50	60	(4)	6	2	62
Information Technology Services, Office of	3,570	3,863	(362)	657	295	4,158
Inspector General, Office of the	96	105	(10)	10	0	105
Interest on Lawyer Account	8	9	0	2	2	11
Judicial Conduct, Commission on	47	56	(5)	5	0	56
Justice Center for the Protection of People with Special	467	490	(39)	40	1	491
Labor Management Committees	64	71	(7)	13	6	77
Labor, Department of	2,740	2,942	(401)	401	0	2,942
Law, Department of	1,853	1,970	(137)	339	202	2,172
Lieutenant Governor, Office of the	4	10	(2)	2	0	10
Medicaid Inspector General, Office of the	472	515	(26)	56	30	545
Mental Health, Office of	14,127	15,268	(1,380)	1,984	604	15,872
Military and Naval Affairs, Division of	373	394	(44)	89	45	439
Motor Vehicles, Department of	3,070	3,228	(292)	292	0	3,228
Parks, Recreation and Historic Preservation, Office of	2,324	2,453	(142)	158	16	2,469
People with Developmental Disabilities, Office for	17,870	19,133	(1,662)	1,662	(18)	19,115
Prevention of Domestic Violence, Office for	34	38	(6)	14	8	46
Prosecutorial Conduct, Commission on	0	19	(2)	2	0	19
Public Employment Relations Board	30	36	(9)	14	5	41
Public Service Department	477	578	(70)	120	50	628
State Police, Division of	5,767	6,521	(288)	288	0	6,521
State University Construction Fund	130	145	(15)	15	0	145
State University of New York	47,531	49,000	(4,900)	4,900	0	49,000
State, Department of	665	660	(240)	280	40	700
Statewide Financial System	134	147	(29)	29	0	147
Tax Appeals, Division of	22	29	(3)	3	0	29
Taxation and Finance, Department of	3,469	3,828	(808)	812	4	3,832
Temporary and Disability Assistance, Office of	1,861	1,937	(399)	515	116	2,053
Transportation, Department of	8,293	8,495	(338)	338	0	8,495
Veterans' Services, Division of	88	110	(10)	10	0	110
Victim Services, Office of	86	110	(36)	36	0	110
Waterfront Commission	0	32	(4)	4	0	32
Welfare Inspector General, Office of	4	6	(1)	1	0	6
Workers' Compensation Board	946	1,086	(130)	156	26	1,112
<b>Total</b>	<b>176,585</b>	<b>189,700</b>	<b>(18,898)</b>	<b>21,559</b>	<b>2,661</b>	<b>192,361</b>

\*Net changes reflect the transfer of 18 FTEs from the Office for People With Developmental Disabilities (OPWDD) to the State Council on Developmental Disabilities.

# BUDGET REVIEW AND ANALYSIS: JUDICIARY



The New York State courts are established and administered as an independent branch of government pursuant to Article VI of the State Constitution. The cost of operating the courts (excluding town and village courts) is borne by the State pursuant to the Unified Court Budget Act. The mission of the Unified Court System is to promote the rule of law and to serve the public by providing just and timely resolutions of all matters before the courts. The New York State Judiciary carries out its mission through 11 different trial courts (courts of original jurisdiction), its intermediate appellate courts and its highest court, the Court of Appeals.

Table 45

Agency	Appropriations			
	2024-25 Exec Request (\$ in Millions)	2025-26 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	3,757.2	4,093.2	336.0	8.9

The Judiciary’s proposed budget request recommends All Funds appropriations of \$4.1 billion, an increase of \$336 million or 8.9 percent over the SFY 2024-25 level. The Judiciary recommends support for 17,000 FTE positions, an increase of 1,000 FTE positions over the SFY 2024-25 level.

**Judiciary Operations:** The All Funds Judiciary’s budget submission increases disbursements by \$335 million in SFY 2025-26, reflecting increases in personal service expenses related to the annualization of legislatively authorized judgeships, new judgeships, judicial and non-judicial salary increases and non-judicial staffing increases. The General Fund State Operations Budget is increased by \$227.6 million to increase personnel and provide overtime pay to address backlogs and other case processing needs. This would include funding for 1,000 new non-judicial positions and funding for 43 new judgeships.

**Civil Legal Services:** The proposed budget includes appropriations totaling \$150 million to support civil legal services to provide meaningful access to the courts for low-income and underserved New Yorkers.

**Capital Projects:** The Judiciary’s budget includes \$50 million in capital appropriations, unchanged from the prior fiscal year, for the continued improvements to court technology infrastructure, facility renovations and improvements to the safety of courthouses.

## **Article VII**

The Executive proposes Article VII Legislation that would:

- establish the interest rate on a judgment or accrued claim consistent with the one-year United States treasury bill rate;
- provide rent regulated tenants with security deposit protections that are currently provided to other tenants;
- qualify that a vacant dwelling that is not sealed and continuously guarded means it may be entered without damaging the property and provide that a property may be found abandoned when it has certain property maintenance code violations outstanding for at least one year; and
- prohibit certain institutional investors from purchasing a single or two-family home in the first 75 days it is on the market and from claiming certain tax deductions relating to an investment in a single or two-family home.

# BUDGET HIGHLIGHTS: ECONOMY



- According to the Executive Budget, the U.S. economy, as measured by real Gross Domestic Product (GDP), is projected to grow by 2.1 percent in 2025 and 2.0 percent in 2026, following an estimated increase of 2.7 percent in 2024.

**Table 46**

<b>U.S. Economic Outlook</b> (Percent Change)			
	<b>2024</b>	<b>2025</b>	<b>2026</b>
Real Gross Domestic Product (GDP)	2.7	2.1	2.0
Consumption	2.7	2.4	1.8
Residential Investment	3.8	0.3	2.0
Nonresidential Investment	3.7	3.0	5.3
Exports	2.8	2.1	3.0
Imports	5.1	3.7	2.9
Government	3.3	1.7	0.6
Personal Income	5.5	4.3	4.1
Wages & Salaries	5.9	4.3	3.8
Employment	1.6	1.0	0.5
Unemployment Rate (percent)	4.0	4.3	4.3
Consumer Price Index-Urban	3.0	2.7	2.7
S&P 500 Stock Price	26.7	12.4	1.3
Federal Funds Rate	5.1	3.9	3.2
Treasury Note Rate (10-year)	4.2	4.2	4.1

Note: Calendar year values are as reported in the FY 2026 NYS Executive Budget Economic and Revenue Outlook released on January 21, 2025.  
Source: NYS Division of the Budget.

- The Executive projects that State private employment will grow by 0.8 percent in 2025 and 0.6 percent in 2026, after increasing an estimated 1.5 percent in 2024.

**Table 47**

<b>New York State Economic Outlook</b> (Percent Change)			
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Forecast</b>
Employment	1.5	0.8	0.6
Private Employment	1.5	0.8	0.6
Personal Income	5.3	4.4	4.0
Total Wages (calendar year basis)	5.2	4.4	3.6
Base Wages	4.5	3.6	3.4
Variable Compensation	10.0	10.0	5.4
Total Wages (fiscal year basis)	4.2	5.4	3.7
New York Area CPI	3.5	3.3	2.7

Note: Calendar year values are as reported in the FY 2026 NYS Executive Budget Economic and Revenue Outlook released on January 21, 2025.  
Source: NYS Division of the Budget.

# BUDGET REVIEW AND ANALYSIS: ECONOMY



**The National Economy:** The Executive projects a deceleration in U.S. economic growth. Inflation-adjusted Gross Domestic Product (GDP) expected to grow by 2.1 percent in 2025 and 2.0 percent in 2026, down from an anticipated growth rate of 2.7 percent in 2024. The Executive attributes this slowdown to several factors, including a moderating labor market, weaker consumer spending growth, widening trade deficits, and a deceleration in government spending growth.

**Table 48**

<b>U.S. Economic Forecast Comparison</b>			
	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Real Gross Domestic Product (GDP)</b> (chained percent change)			
Division of the Budget	2.7	2.1	2.0
Blue Chip Consensus	2.7	2.1	N/A
CBO	2.6	2.1	1.8
FED	2.5	2.1	2.0
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	3.0	2.7	2.7
Blue Chip Consensus	2.9	2.4	N/A
CBO	3.2	2.4	2.2
FED*	2.8	2.5	2.2
<b>Unemployment Rate</b> (percent of the labor force)			
Division of the Budget	4.0	4.3	4.3
Blue Chip Consensus	4.0	4.3	N/A
CBO	3.9	4.0	4.2
FED	4.2	4.3	4.3
Note: Numbers are as reported in the FY 2026 NYS Executive Budget released on January 21, 2025.			
* measured by Core PCE inflation instead of CPI inflation.			
Source: NYS Division of the Budget.			

- **Consumption:** The Executive projects that real consumption spending growth will slow from an estimated 2.7 percent in 2024, to 2.4 percent in 2025, and 1.8 percent in 2026. This slowdown is attributed to a decrease in employment and wage growth. Although lower interest rates could stimulate spending on durable goods, adverse effects of anticipated tariffs are expected to dampen overall consumer spending growth. Additionally, the Executive indicates that rising household debt and increasing credit card delinquencies pose additional challenges to



- consumer spending and economic growth. As heavily leveraged consumers face difficulties in accessing credit, they may be forced to curtail their spending.
- **Investment:** The Executive projects that business fixed investment growth will slow to 3.0 percent in 2025, down from an estimated 3.7 percent increase in 2024. However, growth is forecast to accelerate to 5.3 percent in 2026. The deceleration in 2025 is partly attributed to the tapering of federal funding previously allocated for infrastructure projects and clean energy technologies. Furthermore, policy uncertainties associated with the change in administration are likely to delay investments until greater clarity is achieved.
- **Exports and Imports:** The Executive projects that U.S. export growth will slow to 2.1 percent in 2025, following an estimated growth of 2.8 percent in 2024. The Executive projects U.S. export growth to rebound to 3.0 percent in 2026. The Executive anticipates that U.S. import growth will also slow from an estimated 5.1 percent in 2024, to 3.7 percent in 2025, and further to 2.9 percent in 2026.
- **Government Spending:** The Executive anticipates a slowdown in inflation-adjusted government spending, projecting growth to decelerate from an estimated 3.3 percent in 2024, to 1.7 percent in 2025, and further to 0.6 percent in 2026. The Executive highlights significant challenges surrounding federal spending due to the expanding federal debt, emphasizing the urgent need to address these fiscal imbalances.
- **Inflation:** The Executive projects inflation, as measured by the Consumer Price Index (CPI), to fall to 2.7 percent in 2025 and 2026, down from 3.0 percent in 2024. This trend reflects efforts to moderate inflation despite policy measures such as tax cuts, tariff increases, and restrictive immigration policies, which could introduce additional inflationary pressures. While these factors may slow progress toward the Federal Reserve's 2.0 percent inflation target, the Executive remains optimistic that the CPI inflation will trend closer to the target rate beyond 2026.
- **Employment:** The Executive expects continued decline in payroll employment growth as average monthly job gains moderate and labor demand and supply become more aligned. According to the Executive, immigration restrictions significantly impacted their forecasts, particularly in 2025. The Executive projects U.S. employment growth to slow from 1.6 percent in 2024 to 1.0 percent in 2025, then further to 0.5 percent in 2026. At the same time, the Executive anticipates that the unemployment rate will increase to 4.3 percent in 2025 and 2026, following 4.0 percent in 2024.

- **Personal Income:** According to the Executive, U.S. personal income growth will slow down as both wage and non-wage income continue to cool. The Executive projects that the wage growth rate will decelerate from an estimated 5.9 percent in 2024, to 4.3 percent in 2025, and further to 3.8 percent in 2026, reflecting moderating job gains and hourly earnings. Non-wage income sources, such as interest income and rental income, stabilized in 2024, following double-digit growth in 2023. Additionally, the Executive indicates that the normalization of transfer income growth, as pandemic-related government transfers phase out, is expected to persist. As a result, the Executive projects that U.S. personal income growth will slow from an estimated 5.5 percent in 2024, to 4.3 percent in 2025, and 4.1 percent in 2026.
- **Corporate Profits:** The Executive projects that U.S. corporate profits will increase 2.5 percent in 2025, then by 4.8 percent in 2026, following an estimated 6.1 percent growth in 2024.
- **Financial Markets:** The Executive expects short-term interest rates to follow the Federal Funds rate downward in 2025 and 2026. Long-term rates are projected to remain elevated due to increased inflation expectations and the possibility of a widening budget deficit. The Executive predicts that the 10-year Treasury yield will stay at 4.2 percent in 2025, the same as in 2024, before dropping slightly to 4.1 percent in 2026. The Federal Funds rate is forecast to be 3.9 percent in 2025 and 3.2 percent in 2026, down from 5.1 percent in 2024. The Executive anticipates that future rate cuts by the Federal Reserve will be more gradual compared to 2024. The Executive projects equity prices, as measured by the S&P 500, to increase by 12.4 percent in 2025 and 1.3 percent in 2026, following a 26.7 percent rise in 2024.

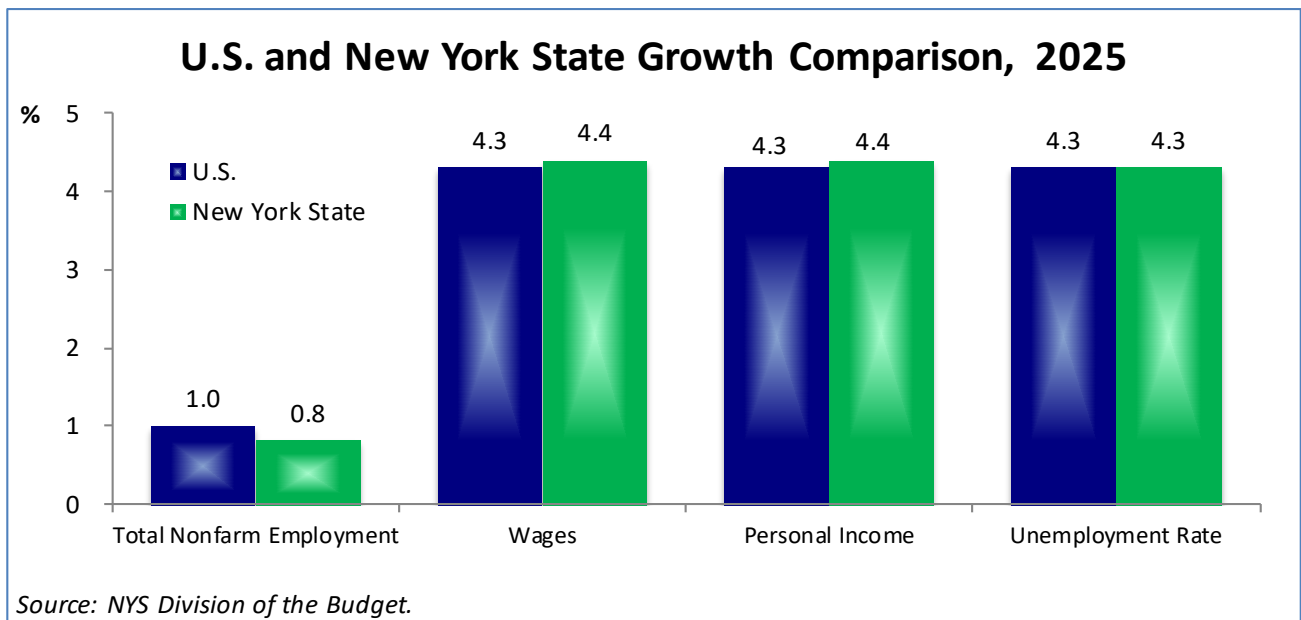
**The New York State Economy:** The Executive projects that State nonfarm employment, as well as private employment, will grow by 1.3 percent in SFY 2024-25 and 0.7 percent in SFY 2025-26, after growing an estimated 1.8 percent in SFY 2023-24. This is due to sluggish hiring in interest-rate-sensitive sectors, such as financial activities and information. The slowing trend and potential signs of labor market weakness have raised concerns about the sustainability of the State's long-term employment trajectory.

Table 49

<b>New York State Economic Forecast Comparison</b>			
	<b>Actual</b>	<b>Estimate</b>	<b>Forecast</b>
	<b>SFY 2023-24</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>
Total Nonfarm Employment	1.8	1.3	0.7
Private	1.8	1.3	0.7
Personal Income	5.3	5.2	4.1
Total Wages	4.2	5.4	3.7
Without Bonus	5.0	4.3	3.5
Bonus	(0.9)	13.8	5.4
Finance and Insurance Bonuses	3.8	16.4	5.9

*Source: NYS Division of the Budget, FY 2026 NYS Executive Budget Economic and Revenue Outlook released on January 21, 2025.*

- **Personal Income:** The Executive projects total State personal income growth to slow from an estimated 5.3 percent in SFY 2023-24 to 5.2 percent in SFY 2024-25, and further to 4.1 percent in SFY 2025-26. The slowdown in personal income growth is due to slower growth in wages and a more modest bonus outlook.
  
- **Wages:** The Executive forecasts that wages in the State will grow by 5.4 percent in SFY 2024-25, following an estimated growth of 4.2 percent in SFY 2023-24. The Executive projects that total bonuses in the State will grow by 13.8 percent in SFY 2024-25, with bonuses in the finance and insurance sector growing by 16.4 percent. The Executive expects wage growth to slow to 3.7 percent in SFY 2025-26, due to the continued softening of job gains.
  
- **Employment:** On a calendar year basis, total nonfarm employment in the State grew an estimated 1.5 percent in 2024, compared to growth of 1.6 percent nationwide. The Executive forecasts that State employment will grow 0.8 percent in 2025, slower than the 1.0 percent projected for the nation. The unemployment rate in New York State is expected to match the national rate of 4.3 percent in 2025. The unemployment rate in the State is forecast to slightly decline to 4.2 percent in 2026.



**Figure 14**

- **Employment by Sector:** The Executive projects that the State’s employment gains in 2025 will be led by service-providing sectors, including leisure and hospitality, healthcare and social assistance, educational services, as well as the public sector.
- **Risks:** According to the Executive, the U.S. economy faces significant risks in 2025 due to uncertainties in economic policy under the new administration. International leadership changes and geopolitical tensions in Asia and the Middle East could lead to global supply chain disruptions and increases in energy prices. Restrictive immigration policies may reduce employment growth, while deregulation in key sectors could undermine economic stability and consumer protections, especially in financial markets. Additionally, climate-related shocks threaten to disrupt supply chains and infrastructure.

According to the Executive, many risks to the U.S. forecast also apply to the State, but the State faces additional challenges due to its unique economic structure. The financial sector’s critical role in the State’s economy makes it particularly vulnerable to monetary policy changes and financial market fluctuations. Remote work trends have contributed to population decline as residents relocate to more affordable areas. This trend could be further exacerbated by the potential deportation of undocumented immigrants, intensifying labor shortages. A prolonged population decline poses significant risks to wages and employment. Additionally, high interest rates and elevated office vacancy rates, driven by remote work jeopardize commercial real estate values. Rising delinquencies on commercial real estate loans could further strain the banking industry.

On the upside, the State economy could benefit from stronger-than-expected economic growth. A substantial return to in-office work, especially in urban areas like New York City, could rejuvenate industries that cater to commuters, such as office support, business support, and food and accommodations. Additionally, stronger global growth could drive increased tourism spending, boosting the leisure, hospitality, and related industries. Recent State initiatives, such as efforts to expand housing supply and investments in semiconductor research, production, and artificial intelligence (AI) sectors, could also positively impact the State's long-term economic growth.

# BUDGET HIGHLIGHTS: REVENUE



- **Inflation Refund:** The Executive proposes to create a one-time \$3 billion inflation refund credit for certain taxpayers filing jointly with incomes below \$300,000, or incomes below \$150,000 for single filers. Eligible taxpayers filing jointly would receive a \$500 credit, and eligible single filers would receive a \$300 credit. The credit would be provided as an advanced payment in calendar year 2025.
- **Middle Class Tax Cut:** The Executive proposes to provide a low- and middle-income tax cut for certain taxpayers with incomes below \$323,200. The tax rate reduction would be phased in over two years, and would provide \$1 billion in savings for taxpayers when fully phased in.
- **Enhanced Empire State Child Credit for Three Years:** The Executive proposes to enhance the Empire State Child Tax Credit program for three years, by increasing the maximum credit to \$1,000 for qualifying children under four years old for Tax Years 2025 to 2027, and \$500 for qualifying children aged 4 to 16 for Tax Years 2026 and 2027.
- **Extend the Temporary Personal Income Tax (PIT) High Income Surcharge for Five Years:** The Executive proposes to extend the current PIT surcharge for high-income earners for an additional five years, through Tax Year 2032.
- **Extend and Amend the Film Tax Credit:** The Executive proposes to extend the Empire State film production and post-production credits for an additional two years, through 2036; remove the tiered payout structure for new applicants; enhance the post-production tax credit program; provide an additional ten percent tax credit for certain recurring productions; remove certain restrictions on above-the-line qualified costs; and create a new \$100 million Empire State Independent Film Production program.
- **Waiting Period Restriction and Limit Deductions on Institutional Real Estate Investors:** The Executive proposes to disallow the sale of single- and two-family homes to certain covered entities, including institutional investors, unless the property has been on the market for at least 75 days. The proposal would also provide various consumer protection provisions, establish penalties, and prohibit the depreciation tax and interest tax deductions from such homes if purchased by covered entities.

# BUDGET REVIEW AND ANALYSIS: REVENUE



Table 50

## Executive Budget - All Funds Receipts (\$ in Millions)

	SFY 2023-24	SFY 2024-25	% Change	SFY 2025-26	% Change
Personal Income Tax	\$53,839	\$60,963	13.2%	\$59,060	(3.1%)
User Taxes	\$21,865	\$22,489	2.9%	\$23,211	3.2%
Business Taxes	\$27,695	\$29,369	6.0%	\$27,080	(7.8%)
Other	\$3,048	\$2,598	(14.8%)	\$2,747	5.7%
<b>Total Taxes</b>	<b>\$106,447</b>	<b>\$115,419</b>	<b>8.4%</b>	<b>\$112,098</b>	<b>(2.9%)</b>
Miscellaneous Receipts	\$33,755	\$32,755	(3.0%)	\$38,740	18.3%
Federal Funds	\$94,276	\$98,502	4.5%	\$93,091	(5.5%)
<b>Total All Funds</b>	<b>\$234,478</b>	<b>\$246,676</b>	<b>5.2%</b>	<b>\$243,929</b>	<b>(1.1%)</b>

### State Fiscal Year (SFY) 2024-25 All Funds Receipts Estimate

- The Executive estimates SFY 2024-25 All Funds tax receipts to total \$115.4 billion, an increase of \$9 billion, or 8.4 percent from SFY 2023-24 levels. This annual increase primarily reflects an increase in Personal Income Tax (PIT) collection and Pass-Through Entity Tax collections, along with slight increases in other major tax areas.
- Including Miscellaneous Receipts and federal funds, the Executive estimates All Funds receipts to increase by 5.2 percent or \$12.2 billion, to \$246.7 billion in SFY 2024-25.

### SFY 2025-26 All Funds Receipts Forecast

- The Executive forecasts SFY 2025-26 All Funds tax receipts to total \$112.1 billion, a decrease of 2.9 percent or \$3.3 billion, from SFY 2024-25 levels. This projected decrease is mainly attributable a package of tax reforms and actions proposed by the Executive, primarily the one-time Inflation Refund payment, which is projected to reduce PIT collections. These actions are partially offset by moderate underlying growth in All Funds tax receipts, with projected growth of 4.1 percent in All Funds tax receipts from SFY 2024-25, if excluding the impact of the one-time refund payments.

- Including Miscellaneous Receipts and federal funds, All Funds receipts are forecast to decrease by 1.1 percent or \$2.8 billion, to \$244 billion. This modest decrease is attributed to the proposed Executive actions mentioned above, combined with a projected 5.5 percent decrease in federal fund, partially offset by a projected 18.3 percent increase in miscellaneous receipts.

## Revenue Proposals

### Personal Income Tax Proposals

- **Inflation Refund:** The Executive proposes to create a one-time \$3 billion inflation refund credit for certain taxpayers filing jointly with incomes below \$300,000, or incomes below \$150,000 for single filers. Eligible taxpayers filing jointly would receive a \$500 credit, and eligible single filers would receive a \$300 credit. The credit would be provided as an advanced payment in the fall of 2025, and would be based on 2023 tax year income.
- **Middle-Class Tax Cut:** The Executive proposes to provide a low- and middle-income tax cut for certain taxpayers with incomes below \$323,200. The tax rate reduction would be phased-in over two years, and would provide \$1 billion in savings for taxpayers when fully phased-in.
- **Enhanced Empire State Child Credit for Three Years:** The Executive proposes to enhance and expand the Empire Child Tax Credit Program for three years. Specifically, the proposal would:
  - increase the maximum credit to \$1,000 for qualifying children under four years old for tax years 2025 through 2027; and
  - increase the maximum credit to \$500 for qualifying children aged 4-16 for 2026 and 2027 tax years.
- **Extend the Temporary Personal Income Tax (PIT) High Income Surcharge for Five Years:** The Executive proposes to extend the current PIT Surcharge for high-income earners for an additional five years, through the 2032 tax year.
- **Eliminate NYC Personal Income Tax (PIT) for Certain Filers:** The Executive proposes to establish a PIT credit for certain low- and middle-income New York City (NYC) taxpayers with at least one dependent. The credit would eliminate NYC PIT liability completely for taxpayers with incomes below the “eligibility threshold”, which would be calculated based on the number of dependents of the taxpayer. For taxpayers who exceed the eligibility threshold by \$5,000 or less, who would otherwise apply, the credit amount would be calculated on a sliding scale.
- **Pass-Through Entity Tax Flexibility:** The Executive proposes to extend the deadline for entities to elect to pay the Pass-Through-Entity-Tax (PTET) from March 15<sup>th</sup> to September 15<sup>th</sup> of the applicable tax year, and make conforming changes to estimated payment deadlines.



- **Tax Credit for Organ Donation:** The Executive proposes to replace the existing tax deduction for unreimbursed organ donation expenses not reimbursed by a donor’s health insurance with a refundable tax credit of up to \$10,000 for such expenses.
- **Extend the Financial Institution Data Match System for Five Years:** The Executive proposes to extend for five years current provisions authorizing the Department of Taxation and Finance to use the financial institution data match system for the State collection of past-due fixed and final tax debts, as well as allows the Department to serve warrantless income executions on individual tax debtors and if necessary, on the employers of such debtors. These present law provisions are otherwise scheduled to expire on April 1, 2025.
- **Extend and Double Low-Income Housing Credits:** The Executive proposes to extend the State’s low income housing tax credit for four years, through 2029, and to increase the yearly aggregate amount allocable by \$30 million each year beginning in 2025. The proposal would also allow buildings financed by certain refunded bonds to qualify for the credit.

### Consumption and Use Tax Proposals

- **Eliminate Duplicative Sales Tax Exemption Reporting Requirement:** The Executive proposes to eliminate the requirement for agents and project operators appointed by Industrial Development Agencies (IDAs) to annually report the value of all state and local sales use taxes exempted during the preceding calendar year. IDAs would still be required to report such information the Authorities Budget Office and the State Comptroller.
- **Extend the Sales Tax Vending Machine Exemption for One Year:** The Executive proposes to extend the existing sales tax exemption for food and drink purchased from a vending machine for one year, certain vending machine purchases for one year, through May 31, 2026.

### Business Tax Proposals

- **Amend the State Historic Property Tax Credits:** The Executive proposes to amend the State Historic Property Tax Credit to allow for the transferability of credits if approved by the Office of Parks, Recreation, and Historic Preservation. The proposal would also exempt certain affordable housing projects from current geographic limitations under the program.
- **Establish the Companies Attracting Talent to Advance Leading Innovations and Scale Technologies “CATALIST” NY Program:** The Executive proposes to establish the CATALIST NY Program, which would allow certain small businesses that have completed a NYS incubator

- program to provide a PIT benefit for up to eight newly hired full time employees. Through the program, the wages of such employees would be exempt from NYS PIT taxes.
  
- **Extend and Amend the Excelsior Jobs Program:** The Executive proposes to extend the Excelsior Jobs program for ten years, from 2029 to 2039, and to enhance and expand eligibility under the program to include certain Semiconductor Supply Chain Projects. The proposal would also:
  - create a new Semiconductor Research and Development Project program, which would provide a tax credit for certain large scale semiconductor R&D projects;
  - sunset the current Employee Training Incentive Program (ETIP) on December 31, 2028;
  - establish a new Semiconductor Manufacturing Workforce Training program, which would provide a tax credit for non-semiconductor manufacturing businesses, and an enhanced tax credit for certain semiconductor manufacturing businesses; and
  - enhance the Jobs Retention Tax Credit Program, and expand the program to include certain emergency-impacted small businesses.
  
- **Extend and Amend the Film Tax Credit:** The Executive proposes to extend the Empire State Film Production and Post-production Credits for an additional two years, through 2036; remove the tiered payout structure for new applicants; enhance the post-production tax credit program; provide an additional ten percent tax credit for certain recurring productions; remove certain restrictions on above-the-line qualified costs; and create a new \$100 million Empire State Independent Film Production program.
  
- **Make a Technical Change to the Newspaper and Broadcast Media Jobs Program:** The Executive proposes to make a technical amendment to the Newspaper and Broadcast Media Jobs Tax Credit program, to clarify that the \$300,000 credit cap applies to each eligible subsidiary or affiliate of a parent company, and not the parent company and its subsidiaries or affiliates combined.
  
- **Amend the Digital Gaming Media Production Credit Program:** The Executive proposes to allow the unused portion of the current \$5 million aggregate annual cap of tax credits allowed under the Digital Gaming Media Production Credit Program, to be carried forward and added to the aggregate amount of credits available in future years.
  
- **Extend the New York City Musical and Theatrical Production Credit for Two Years:** The Executive proposes to increase the aggregate annual cap on the New York City Musical and Theatrical Production Tax Credit, from \$300 million to \$400 million, and to extend the initial application deadline for two years, through 2027.

- **Increase the Article 9-A Estimated Tax Threshold:** The Executive proposes to increase the threshold at which corporation tax filers are required to make estimated tax payments, from \$1,000 to \$5,000.
- **Expand the Credit for Employment of Persons with Disabilities:** The Executive proposes to increase the maximum credit allowed under the Employment of Persons with Disabilities program from \$2,100 to \$5,000 per qualified employee.
- **Reporting of Federal Partnership Adjustments:** The Executive proposes to establish reporting requirements for partnerships that were subject to federal partnership audit changes or administrative adjustment requests, and require the payment of any resulting tax due to the State.
- **Amend the NYC Relocation and Employment Assistance Program:** The Executive proposes to extend the New York City Relocation and Employment Assistance Program (REAP) for five years, until July 1, 2030. The proposal also establishes the Relocation Assistance Credit Per Employee (RACE) program, which would be a new New York City pilot program to provide tax credits to certain out-of-state businesses that relocate to eligible buildings by July 1, 2028.
- **Extend the Clean Heating Fuel Credit for Three Years:** The Executive proposes to extend the expiration dates for corporate and personal income tax credits available for purchasing bio-heating fuel for residential purposes for three years, from January 1, 2026, to January 1, 2029.
- **Extend the Alternative Fuels and Electric Vehicle Recharging Property Credit for Three Years:** The Executive proposes to extend the alternative fuels and electric vehicle recharging property credit for three years, from January 1, 2026, to January 1, 2029.
- **Extend the Workers with Disabilities Tax Credit for Three Years:** The Executive proposes to extend the Workers with Disabilities Tax Credit for an additional three years, through 2028.
- **Extend the Hire a Vet Credit for Three Years:** The Executive proposes to extend the Hire-A-Vet Credit for an additional three years, through 2028.
- **Extend the Musical and Theatrical Production Credit for Four Years:** The Executive proposes to extend the Musical and Theatrical Production credit for regions outside of New York City, for an additional four years, until January 1, 2030.

## Real Property Tax/STAR Proposals

- **Simplify the STAR Income Definition:** The Executive proposes to make various changes to the income and age eligibility rules for the STAR Program, including proposals to:
  - require only one of the residents of a property to be 65 years or older to qualify for Enhanced STAR, if otherwise eligible;
  - clarify income eligibility rules so only the income of the owners who primarily reside on the property is considered;
  - allow property owners who are not required to file income tax returns to maintain their benefit without the need to file income verification worksheets, if they were eligible based on such worksheets for three consecutive years;
  - set July 1<sup>st</sup> as the residency date for STAR credit income eligibility purposes, instead December 31<sup>st</sup> under current law; and
  - clarify the eligibility determination process and protest provisions so they conform for all variations of the STAR program.
  
- **Create an Affordable Homebuyer Tax Exemption:** The Executive proposes to establish a partial real property tax exemption for certain residential properties that are built with the help of nonprofits, community land trusts, land banks, or governmental entities and sold or leased to qualified low-income households. The exemption would be at local option, and the property would be required to be used as the primary residence for households with incomes of up to 80 percent of Area Median Income.
  
- **Reduce Shelter Rent Taxes for Mitchell-Lama Residents:** The Executive proposes to enhance the current real property tax abatement for Mitchell-Lama developments, by reducing the property taxes owed for qualified developments from ten percent of the annual shelter rate to no more than five percent of the annual shelter rate. The reduced rate would apply to qualified Mitchell-Lama developments located in New York City, and would be at local option for municipalities located outside of New York City.
  
- **Expand Availability of Redevelopment Inhibited Property Exemption:** The Executive proposes to authorize municipalities across the State to opt-in to the current Redevelopment of Inhibited Property Tax Exemption, for the redevelopment of certain vacant, abandoned, or blighted residential properties. The proposal would also amend the current exemption, to allow certain one- to four-unit buildings to be eligible for the exemption.
  
- **Amend the New York City Industrial and Commercial Abatement Program:** The Executive proposes to remove parking facilities from eligibility under the New York City Industrial and

Commercial Abatement Program (ICAP), designate Governor's Island as a special commercial abatement area under the program, and decouple the ICAP program from the energy rates demand curve reset period.

## Gaming Proposals

- **Amend and Simplify the Pari-Mutuel Tax (PMT) Rate Structure:** The Executive proposes to replace the existing pari-mutuel tax structure with a simplified flat tax rate on the live racing handle; allow potential future agreements between racing entities on the distribution of revenues to supersede existing provisions of law; establish that winning bets will be rounded to the nearest penny; and permanently extend certain PMT provisions.
- **Temporarily Extend the Lowered Casino Tax Rates:** The Executive proposes to extend the lowered tax rate on slot machine gross gaming revenues from April 1, 2026, through June 30, 2028, for commercial casinos in Zone Two, provided that certain conditions are met.
- **Extend Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for One Year:** The Executive proposes to extend Capital Off-Track Betting Corporation's authorization to use Capital Acquisition Funds to accept authorized wagers and meet statutory and contractual obligations by one year.
- **Conduct a Study of the Thoroughbred Fetlock Joint Injury Detection Through Advanced Imaging:** The Executive proposes to fund a study by the Cornell University College of Veterinary Medicine of the thoroughbred fetlock joint through advanced imaging, utilizing \$2 million from the New York Racing Association and an additional one percent market origin fee imposed on out-of-state advance deposit wagering providers.

## Other Tax Proposals

- **Waiting Period Restriction and Limit Deductions on Institutional Real Estate Investors:** The Executive proposes to disallow the sale of single- and two-family homes to certain covered entities, including institutional investors, unless the property has been on the market for at least 75 days. The proposal would also require such entities seeking to purchase these properties to provide sellers with a form identifying themselves as covered entities and establish penalties for violating either the waiting period requirement or the notification requirement. Finally, the proposal would prohibit depreciation tax and interest tax deductions from such homes, if purchased by covered entities.
- **Clarify Taxpayer Notification and Protest Rights:** The Executive proposes to establish that the use of the Department's Online Services System (OLS) by a taxpayer to access tax information related to them does not confer protest rights before the Division of Tax Appeals (DTA).

- The proposal would also establish that notices through the OLS system related to past-due fixed and final liabilities do not confer hearing rights before the DTA.
- **Improve the Tax Warrant Process:** The Executive proposes to establish that the filing of a tax warrant at the Department of State by the Department of Taxation and Finance (DTF) establishes the State's lien priority, instead of the filing of a tax warrant at the county clerk where tax debtor owns real property. DTF would still be required to file a copy of such warrant with the clerk of the county named in the warrant.
- **Amend and Simplify the Pari-Mutuel Tax (PMT) Rate Structure:** The Executive proposes to replace the existing pari-mutuel tax structure with a simplified flat tax rate on the live racing handle; allow potential future agreements between racing entities on the distribution of revenues to supersede existing provisions of law; establish that winning bets will be rounded to the nearest penny; and permanently extend certain PMT provisions.
- **Make Permanent the Estate Tax Three-Year Gift Addback Rule:** The Executive proposes to make permanent the requirement that gifts that are taxable for federal gift tax purposes and that are made within three years of death, are taxable for State purposes. This provision is currently set to expire on January 1, 2026.

**Table 51**

**SFY 2025-26: Tax and Other Revenue Actions**  
**(\$ in Millions)**

	General Fund		All Funds	
	FY2026	FY2027	FY2026	FY2027
<b>Personal Income Tax</b>	<b>(4,009)</b>	<b>(1,950)</b>	<b>(4,009)</b>	<b>(1,950)</b>
Enact a One-Time Inflation Refund	(3,080)	-	(3,080)	-
Provide a Middle-Class Tax Cut and Extend Temporary PIT High Income Surcharge for Five Years	(458)	(1,115)	(458)	(1,115)
Enhance the Empire State Child Credit for Three Years	(471)	(825)	(471)	(825)
Establish the Catalist NY Program	-	-	-	-
Establish a Tax Credit for Organ Donation	-	(1)	-	(1)
Simplify the STAR Income Definition	-	(9)	-	(9)
Reporting of Federal Partnership Adjustments	-	-	-	-
Extend the Clean Heating Fuel Credit for Three Years	-	-	-	-
Extend the Alternative Fuels and and Electric Vehicle Recharging Property Credit for Three Years	-	-	-	-
Extend the Financial Institution Data Match System for Five Years	-	-	-	-
<b>Business Taxes</b>	<b>(3,129)</b>	<b>(266)</b>	<b>(3,129)</b>	<b>(266)</b>
Extend and Amend the Excelsior Jobs Program	-	-	-	-
Extend and Amend the Film Tax Credit	-	(111)	-	(111)
Expand the Credit for the Employment of Persons with Disabilities	-	(2)	-	(2)
Amend the State Historic Property Tax Credits	-	-	-	-
Extend and Double the Low Income Housing Credits	-	(15)	-	(15)
Impose Waiting Period Restriction and Limit Deductions on Institutional Real Estate Investors	-	6	-	6
Enact PTET Flexibility*	(3,045)	-	(3,045)	-
Increase the Article 9A Estimated Payment Threshold	(84)	(144)	(84)	(144)
Amend the Digital Gaming Media Production Program	-	-	-	-
Make a Technical Change to the Newspaper and Broadcast Media Jobs Program	-	-	-	-
Extend the Musical and Theatrical Production Credit for Four Years	-	-	-	-
Extend the Workers with Disabilities Tax Credit for Three Years	-	-	-	-
Extend the Hire a Vet Credit for Three Years	-	-	-	-
Extend the New York City Musical and Theatrical Production Tax Credit for Two Years	-	-	-	-
<b>Consumption/Use Taxes</b>	<b>(8)</b>	<b>(2)</b>	<b>(8)</b>	<b>(2)</b>
Eliminate Duplicative IDA SUT Exemption Reporting	-	-	-	-
Extend the Sales Tax Vending Machine Exemption for One Year	(8)	(2)	(8)	(2)
<b>Other Actions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Make Permanent the Estate Tax Three Year Gift Addback Rule	-	-	-	-
Improve the Tax Warrant Process	-	-	-	-
Clarify Taxpayer Notification and Protest Rights	-	-	-	-
<b>Gaming Initiatives</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>(43)</b>
Conduct a Study of Thoroughbred Fetlock Joint Injury Detection Through Advanced Imaging	-	-	-	-
Temporarily Extend the Lowered Casino Slot Tax Rates	-	-	3	6
Amend and Simplify the Pari-Mutuel Tax Rate Structure	-	-	-	(49)
Extend the Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for One	-	-	-	-
<b>TOTAL REVENUE ACTIONS</b>	<b>(7,146)</b>	<b>(2,218)</b>	<b>(7,143)</b>	<b>(2,261)</b>

\*Proposal is Financial Plan Neutral

Table 52

**All Funds Receipts SFY 2024-25**  
**(\$ in Millions)**

	2023-24 Actual	2024-25 Estimate	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$53,839</b>	<b>\$60,963</b>	<b>\$7,124</b>	<b>13.2%</b>
<b>Gross Receipts</b>	<b>\$70,999</b>	<b>\$78,198</b>	<b>\$7,199</b>	<b>10.1%</b>
Withholding	\$54,699	\$59,736	\$5,037	9.2%
Estimated Payments	\$10,779	\$12,907	\$2,128	19.7%
Vouchers	\$6,331	\$8,067	\$1,736	27.4%
IT 370s	\$4,448	\$4,840	\$392	8.8%
Final Payments	\$3,650	\$3,571	(\$79)	(2.2%)
Delinquencies	\$1,871	\$1,984	\$113	6.0%
<b>Total Refunds</b>	<b>\$17,160</b>	<b>\$17,235</b>	<b>\$75</b>	<b>0.4%</b>
Prior Year Refunds	\$10,011	\$9,754	(\$257)	(2.6%)
Current Refunds	\$3,196	\$3,500	\$304	9.5%
Advanced Credits	\$821	\$853	\$32	3.9%
Previous Refunds	\$1,879	\$1,776	(\$103)	(5.5%)
State/City Offsets	\$1,253	\$1,352	\$99	7.9%
<b>User Taxes and Fees</b>	<b>\$21,865</b>	<b>\$22,489</b>	<b>\$624</b>	<b>2.9%</b>
Sales and Use Tax	\$19,903	\$20,442	\$539	2.7%
Motor Fuel Tax	\$487	\$488	\$1	0.2%
Cigarette Tax	\$842	\$808	(\$34)	(4.0%)
Vapor Tax	\$24	\$21	(\$3)	(12.5%)
Highway Use	\$139	\$137	(\$2)	(1.4%)
Alcoholic Beverage Tax	\$275	\$272	(\$3)	(1.1%)
Opioid Excise Tax	\$22	\$20	(\$2)	(9.1%)
Medical Cannabis Excise Tax	\$9	\$4	(\$5)	(55.6%)
Adult Use Cannabis Tax	\$33	\$158	\$125	100.0%
Auto Rental Tax	\$131	\$137	\$6	4.6%
Peer to Peer Car Sharing Tax	\$0	\$2	\$2	(100.0%)
<b>Business Taxes</b>	<b>\$27,694</b>	<b>\$29,369</b>	<b>\$1,675</b>	<b>6.0%</b>
Corporate Franchise	\$9,262	\$8,853	(\$409)	(4.4%)
Utility Tax	\$554	\$551	(\$3)	(0.5%)
Insurance Tax	\$2,813	\$2,829	\$16	0.6%
Bank Tax	\$1	\$106	\$105	10500.0%
Pass-Through Entity Tax	\$13,955	\$15,968	\$2,013	14.4%
Petroleum Business Tax	\$1,109	\$1,062	(\$47)	(4.2%)
<b>Other</b>	<b>\$3,048</b>	<b>\$2,598</b>	<b>(\$450)</b>	<b>(14.8%)</b>
Estate and Gift	\$1,856	\$1,377	(\$479)	(25.8%)
Real Estate Transfer	\$1,165	\$1,192	\$27	2.3%
Employer Compensation Exp.	\$14	\$15	\$1	100.0%
Pari-Mutuel	\$12	\$12	\$0	0.0%
Other	\$1	\$2	\$1	100.0%
<b>Total Taxes</b>	<b>\$106,446</b>	<b>\$115,419</b>	<b>\$8,973</b>	<b>8.4%</b>
All Funds Misc. Receipts	\$33,755	\$32,755	(\$1,000)	(3.0%)
Federal Grants	\$94,276	\$98,502	\$4,226	4.5%
<b>Total All Funds Receipts</b>	<b>\$234,477</b>	<b>\$246,676</b>	<b>\$12,199</b>	<b>5.2%</b>



Table 53

**All Funds Receipts SFY 2025-26  
(\$ in Millions)**

	2024-25 Estimate	2025-26 Forecast	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$60,963</b>	<b>\$59,060</b>	<b>(\$1,903)</b>	<b>(3.1%)</b>
<b>Gross Receipts</b>	<b>\$78,198</b>	<b>\$81,328</b>	<b>\$3,130</b>	<b>4.0%</b>
Withholding	\$59,736	\$61,941	\$2,205	3.7%
Estimated Payments	\$12,907	\$13,586	\$679	5.3%
Vouchers	\$8,067	\$8,464	\$397	4.9%
IT 370s	\$4,840	\$5,122	\$282	5.8%
Final Payments	\$3,571	\$3,761	\$190	5.3%
Delinquencies	\$1,984	\$2,040	\$56	2.8%
<b>Total Refunds</b>	<b>\$17,235</b>	<b>\$22,268</b>	<b>\$5,033</b>	<b>29.2%</b>
Prior Year Refunds	\$9,754	\$10,909	\$1,155	11.8%
Current Refunds	\$3,500	\$3,971	\$471	13.5%
Advanced Credits	\$853	\$4,022	\$3,169	371.5%
Previous Refunds	\$1,776	\$1,815	\$39	2.2%
State/City Offsets	\$1,352	\$1,551	\$199	14.7%
<b>User Taxes and Fees</b>	<b>\$22,489</b>	<b>\$23,211</b>	<b>\$722</b>	<b>3.2%</b>
Sales and Use Tax	\$20,442	\$21,117	\$675	3.3%
Motor Fuel Tax	\$488	\$489	\$1	0.2%
Cigarette Tax	\$808	\$767	(\$41)	(5.1%)
Vapor Excise Tax	\$21	\$21	\$0	0.0%
Highway Use	\$137	\$138	\$1	0.7%
Alcoholic Beverage Tax	\$272	\$272	\$0	0.0%
Opioid Excise Tax	\$20	\$20	\$0	0.0%
Medical Marihuana Excise Tax	\$4	\$3	(\$1)	(25.0%)
Adult Use Cannabis	\$158	\$245	\$87	55.1%
Auto Rental Tax	\$137	\$137	\$0	0.0%
Peer to Peer Car Sharing Tax	\$2	\$2	\$0	100.0%
<b>Business Taxes</b>	<b>\$29,369</b>	<b>\$27,080</b>	<b>(\$2,289)</b>	<b>(7.8%)</b>
Corporate Franchise	\$8,853	\$8,997	\$144	1.6%
Utility Tax	\$551	\$561	\$10	1.8%
Insurance Tax	\$2,829	\$2,934	\$105	3.7%
Bank Tax	\$106	\$106	\$0	2455.6%
Pass-Through Entity Tax	\$15,968	\$13,467	(\$2,501)	(15.7%)
Petroleum Business Tax	\$1,062	\$1,015	(\$47)	(4.4%)
<b>Other</b>	<b>\$2,598</b>	<b>\$2,747</b>	<b>\$149</b>	<b>5.7%</b>
Estate and Gift	\$1,377	\$1,438	\$61	4.4%
Real Estate Transfer	\$1,192	\$1,278	\$86	7.2%
Employer Compensation Exp.	\$15	\$15	\$0	0.0%
Pari-Mutuel	\$12	\$15	\$3	25.0%
Other	\$2	\$1	(\$1)	(50.0%)
<b>Total Taxes</b>	<b>\$115,419</b>	<b>\$112,098</b>	<b>(\$3,321)</b>	<b>(2.9%)</b>
All Funds Misc Receipts	\$32,755	\$38,740	\$5,985	18.3%
Federal Grants	\$98,502	\$93,091	(\$5,411)	(5.5%)
<b>Total All Funds Receipts</b>	<b>\$246,676</b>	<b>\$243,929</b>	<b>(\$2,747)</b>	<b>(1.1%)</b>

# BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive Capital Program and Financing Plan totals \$21.2 billion, an increase of \$4.1 billion or 24.3 percent over SFY 2024-25.
- **Debt Issuance:** The Executive proposes to issue \$9.9 billion in debt to finance new and existing capital projects, an increase of \$4 billion or 69.2 percent over SFY 2024-25. The Executive proposes utilizing \$13.6 billion in cash resources to finance capital projects over the course of the plan, reducing the need for new debt issuances.
- **Debt Outstanding:** State-supported debt outstanding is projected to remain under the statutory debt cap over the plan period. Remaining capacity under the cap declines from \$25.1 billion in SFY 2024-25 to \$441 million in SFY 2029-30.
- **Retiring Long-Term Obligations:** The Executive projects the retirement of \$1.5 billion of debt in SFY 2025-26.
- **Deficit Financing Authorization:** The Executive proposes to continue deficit financing provisions for an additional year to manage cashflow. This includes authorization to issue up to \$3 billion in short-term Personal Income Tax (PIT) notes.

# BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



The Five-Year Capital Plan provides a detailed analysis on capital projects, as well as information on debt affordability, bond caps, public authority debt, and other financing sources.

**Table 54**

## Capital Spending by Function Capital Program and Financing Plan SFY 2024-25 through SFY 2029-30 (\$ in Millions)

Spending	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29	SFY 2029-30
Transportation and Transit	7,564	8,937	9,403	9,137	9,032	8,919
Education	431	458	389	267	225	150
Higher Education	1,786	2,361	2,350	2,316	2,222	2,135
Economic Development	2,033	2,458	2,103	2,079	1,933	1,961
Mental Hygiene	657	837	1,078	1,074	1,070	1,036
Parks and Environment	2,066	2,414	2,427	2,505	2,454	2,451
Health	732	1,146	1,160	1,229	1,189	1,051
Housing and Social Welfare	1,894	2,197	2,074	2,059	1,649	912
Public Protection	622	814	710	621	606	611
General Government	578	680	586	637	580	606
All Other <sup>1</sup>	(1,318)	(1,116)	(841)	(1,281)	(1,359)	(1,628)
<b>Total</b>	<b><u>17,045</u></b>	<b><u>21,186</u></b>	<b><u>21,439</u></b>	<b><u>20,643</u></b>	<b><u>19,601</u></b>	<b><u>18,204</u></b>
Off-Budget Spending <sup>2</sup>	(13)	0	0	0	0	0
<b>Net Cash Spending</b>	<b><u>17,032</u></b>	<b><u>21,186</u></b>	<b><u>21,439</u></b>	<b><u>20,643</u></b>	<b><u>19,601</u></b>	<b><u>18,204</u></b>

<sup>1</sup> All Other category includes spending for Statewide elected offices, equipment, grants for local and community projects, and a spending offset that accounts for potential under-spending projected to occur as a result of normal timing related to the delivery of capital projects.

<sup>2</sup> Represents spending for the EXCEL program which occurs directly from bond proceeds held by public authorities.

Source: NYS Division of Budget.

### The Five-Year Capital Plan

The Executive proposes a \$101.1 billion Five-Year Capital Plan that prioritizes transportation and transit (45 percent). The Executive's SFY 2025-26 Capital Plan totals \$21.2 billion, an increase of \$4.1 billion or 24.3 percent over SFY 2024-25.

## New Capital Initiatives

The Executive Budget proposes \$27 billion in new capital appropriations, all of which are projected to be committed and spent over a multi-year period for various economic development, transportation, health care, higher education, parks, environment and social welfare programs.

**Table 55**

<b>New Capital Appropriations SFY 2025-26 Executive Budget (\$ in Millions)</b>			
<b><u>Transportation/Transit</u></b>	<b>9,916</b>	<b><u>Social Welfare</u></b>	<b>1,959</b>
State DOT Obligations (Year 4)	6,013	City of Yes for Housing Opportunity Program	1,025
MTA	3,000	Ongoing and Additional Housing Programs	472
CHIPs/Other Local Funding	878	RUSH-NY (Year 2)	250
Modernize Rail Service	25	Child Care Capital Construction Grants	100
		Youth Facilities	62
		Resilient and Ready Program	50
<b><u>Parks &amp; Environment</u></b>	<b>2,761</b>	<b><u>Economic and Community Development</u></b>	<b>1,585</b>
Sustainable Future Program	1,000	NYW EDF	400
Clean Water Infrastructure	500	City of Albany Capital Investments	335
Environmental Protection Fund	400	DRI (Round 9)/NY-Forward	200
Parks NY Works	200	REDC (Round 15)	150
State Superfund	125	ORDA	110
NY BRICKS	100	FAST NY	100
DEC NY Works	90	POWER UP (Year 1 of \$300 million Program)	100
NY PLAYS	68	Empire AI	90
HRPT Pier 76	85	NYPA Canal Development	50
State Fairgrounds	53	Long Island Transformation Projects	50
NY SWIMS	50		
EO22 Implementation	50		
SUNY Green Revolving Loan Fund	25		
Scratch Kitchens	10	<b><u>General Government/Public Protection</u></b>	<b>2,031</b>
Animal Shelters	5	DOCCS (Inc. \$400 million to expedite CCTV installation)	966
		State Facilities (OGS)	492
		State Police Facilities	145
<b><u>Education/Higher Education</u></b>	<b>2,303</b>	IT Innovation Fund	131
SUNY Hospitals	800	Statewide Equipment Program	100
SUNY State-Operated Campuses	550	DMNA Armories	60
SUNY/CUNY Innovation Fund	333	Reducing Gun Violence Capital Grants	50
CUNY Senior Colleges	284	SCHAC	35
SUNY/CUNY Community Colleges	165	Volunteer Fire Department Grants	25
Non-Public Schools Capital	70	Zero Emission Vehicles	17
NYSCA	40	Joint Special Ops Command (DCJS)	10
Library Capital Grants	34		
Native American Schools Capital	20		
Schools for the Blind and Deaf	7		
		<b><u>All Other Capital Appropriations</u></b>	<b>4,370</b>
<b><u>Health /Mental Hygiene</u></b>	<b>2,031</b>	<b><u>Total Capital Appropriations</u></b>	<b>26,956</b>
Safety Net Transformation Program	1,000		
Mental Hygiene Programs	965		
Roswell Park Capital	51		
Reproductive Health Centers Security Grants	15		

Source: NYS Division of Budget.

The Executive proposes \$9.9 billion in capital appropriations for transportation purposes, including \$6 billion to fund the DOT Capital Plan. An additional \$1.6 billion is provided for economic development, including \$400 million for NYW EDF, \$335 million for the city of Albany Capital Investments and \$200 million for Round 9 of the Downtown Revitalization Initiative (DRI) and NY Forward.

**Financing the Capital Plan for SFY 2025-26**

The Executive proposal would finance the Five-Year Capital Program through a combination of State and Federal Pay-As-You-Go (PAYGO) financing totaling \$11.9 billion and bonded resources totaling \$9.3 billion for SFY 2025-26.

**Table 56**

<b>Capital Program and Financial Plan                      Financing Sources                      SFY 2024-25 and SFY 2025-26                      (\$ in Millions)</b>				
<b>Financing Source</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Annual Change</b>	<b>Annual % Change</b>
Authority Bonds	5,672	8,925	3,253	57.4%
Federal Pay-As-You-Go	3,412	3,916	504	14.8%
State Pay-As-You-Go	7,595	7,941	346	4.6%
General Obligation Bonds	368	403	35	9.5%
<b>Total</b>	<b>17,047</b>	<b>21,185</b>	<b>4,138</b>	<b>24.3%</b>

*Source: NYS Division of Budget.*

**Summary of State Debt Issuances Over Five Years**

**Table 57**

<b>State Debt Issuances                      Summarized By Financing Program                      SFY 2024-25 through SFY 2029-30                      (\$ in Millions)</b>						
	<u>SFY 2024-25</u>	<u>SFY 2025-26</u>	<u>SFY 2026-27</u>	<u>SFY 2027-28</u>	<u>SFY 2028-29</u>	<u>SFY 2029-30</u>
<b>General Obligation Bonds</b>	458	413	298	313	395	395
<b>Revenue Bonds</b>						
Personal Income Tax	2,709	7,079	8,197	7,573	7,232	7,055
Sales Tax	2,656	2,360	2,732	2,524	2,411	2,352
<b>Subtotal Revenue Bonds</b>	5,365	9,439	10,929	10,097	9,643	9,407
<b>Total State-Supported</b>	<b>5,823</b>	<b>9,852</b>	<b>11,227</b>	<b>10,410</b>	<b>10,038</b>	<b>9,802</b>

*Source: NYS Division of Budget.*

The SFY 2025-26 Executive Budget proposes new bond-financed capital commitments, adding \$51.3 billion of new debt over the five-year plan period. These capital spending increases are partially offset by PAYGO issuances and bond sale adjustments. The SFY 2025-26 proposed Capital Plan will continue to include \$13.6 billion in cash PAYGO, which will be used to fund capital projects instead of issuing debt, primarily higher cost taxable debt. Changes in the State’s available debt capacity reflects personal income forecast adjustments, debt amortizations, and bond sale adjustments.

The Executive estimates \$9.9 billion in new bond issuances in SFY 2025-26, as follows:

- \$7.1 billion through the PIT Revenue Bond Program;
- \$2.4 billion through the Sales Tax Revenue Bond Program; and
- \$413 million in State General Obligation Bonds.

Projected debt issuances for SFY 2025-26 have increased by \$4 billion or 69.2 percent over SFY 2024-25. This increase is primarily due to increased capital spending projected for transportation, housing, and economic development projects during SFY 2025-26.

### State-Supported Debt

**Table 58**

<b>New York State-Supported Debt Outstanding by Program Area SFY 2024-25 and SFY 2025-26 (\$ in Millions)</b>			
<b>Program Area</b>	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>Share of Total Debt</b>
Economic Development & Housing	7,268	9,270	14.3%
Education	15,170	16,393	25.3%
Environment	3,489	4,277	6.6%
Health & Mental Hygiene	4,403	5,390	8.3%
State Facilities and Equipment	4,886	5,275	8.1%
Transportation and Transit	20,729	23,726	36.6%
STARC <sup>1</sup>	572	572	0.9%
<b>Total State-Supported Debt</b>	<b>56,517</b>	<b>64,903</b>	<b>100.0%</b>

<sup>1</sup> In SFY 2021-22, DASNY issued Personal Income Tax Bonds to refund NYC STARC debt.  
Source: NYS Division of Budget.

State-supported debt includes debt paid by State resources and therefore has a direct budgetary impact on the State Financial Plan.

The SFY 2024-25 Enacted Budget included language to authorize DASNY and UDC to issue up to \$3 billion in personal income tax short-term notes. The \$3 billion PIT short-term notes authorization was not utilized. The SFY 2025-26 Executive Budget includes language to authorize DASNY and UDC to issue up to \$3 billion in personal income tax short-term notes. However, the Executive Financial Plan does not assume the use of these provisions.

**Debt Affordability**

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Capital Plan, declining from \$25.1 billion in remaining capacity in SFY 2024-25 to its lowest point of \$441 million in SFY 2029-30. The amount of debt outstanding is limited to four percent of State personal income.

**Table 59**

<b>Debt Outstanding Subject to Cap Remaining Capacity Summary SFY 2024-25 through SFY 2028-29 (\$ in Millions)</b>					
	<b>SFY 2024-25</b>	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>
<b>Mid-Year Update to the SFY 2024-25 Financial Plan</b>	<b>24,029</b>	<b>18,804</b>	<b>12,090</b>	<b>8,068</b>	<b>5,318</b>
Personal Income Forecast Adjustment	123	216	267	298	327
Capital Adds	0	(1,606)	(2,909)	(4,247)	(5,885)
Bond Sales & Other Adjustments	(47)	(51)	(54)	(58)	(21)
Capital Re-Estimates	1,000	1,972	2,885	3,008	3,121
<b>SFY 2025-26 Executive Budget Financial Plan</b>	<b>25,105</b>	<b>19,335</b>	<b>12,279</b>	<b>7,069</b>	<b>2,860</b>
<sup>1</sup> Does not include debt issued in SFY 2020-21 and SFY 2021-22 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021. <i>Source: NYS Division of Budget.</i>					

The SFY 2020-21 and 2021-22 Enacted Budgets included language to not withstand certain provisions of the Debt Reform Act for all bonds issued in both fiscal years, to allow for flexibility in managing the State’s financing needs at the height of a global pandemic. Therefore, all debt issuances for SFY 2020-21 and SFY 2021-22 did not count against the statutory debt cap; furthermore, refunding and refinancing of such debt will not count towards the debt cap. The SFY 2022-23 Executive Budget reinstated the Debt Reform Act for State-supported debt issued in SFY 2022-23.

To calculate the debt cap, the State uses personal income estimates published the Bureau of Economic Analysis (BEA). The BEA revises these estimates on a quarterly basis and such revisions impact the debt cap.

**State-Related Debt**

**Table 60**

<b>State-Related Debt Outstanding (Other State Debt Obligations in Addition to State-Supported) (\$ in Millions)</b>		
	<b>SFY 2024-25 Enacted</b>	<b>SFY 2025-26 Projected</b>
<b>State-Supported Debt</b>	<b>56,517</b>	<b>64,903</b>
<b>Other State Financings</b>		
Gateway Development Corporation	35	187
<b>Total State-Related Debt</b>	<b>56,552</b>	<b>65,090</b>

*Source: NYS Division of Budget.*

State-related debt outstanding is projected to total \$65.1 billion in SFY 2025-26, an increase of \$8.5 billion or 15.1 percent from SFY 2024-25. Over the plan, State-related debt outstanding is projected to increase to \$96.3 billion in SFY 2029-30, or an average increase of 10.1 percent annually.

State-related debt is defined as state-supported debt plus the following debt obligations: Contingent Contractual Obligation (i.e.: DASNY/MCFFA Secured Hospital Program) and other financing structures (i.e. MBBA Prior Year School Aid Claims and Gateway Hudson Tunnel Project RRIF Loans). Contingent contractual obligations debt is paid by non-state resources in the first instance. State appropriations are provided in the event non-state funds are insufficient to pay the debt.

State-related debt outstanding has decreased significantly since the State has not issued debt under these auspices in recent years, focusing instead on the issuance of personal income tax and sales tax revenue bonds, as well as general obligation bonds. However, the State intends to fund its commitment to the Gateway Hudson Tunnel Project with a USDOT RRIF loan, adding \$187 million of State-related debt in SFY 2024-25.



## State Debt Retirements

Retirement of state-related debt has significantly impacted the State’s ability to finance its capital programs. In SFY 2025-26, state-related debt retirements are projected to be \$1.5 billion, an increase of \$869 million or 146.3 percent over SFY 2024-25. This increase is largely due to prior prepayments, which resulted in early retirement of \$2.5 billion of bonds that had been scheduled to retire in SFY 2025-26. Over the next five years, retirement of state-related debt is projected to increase, averaging \$2.1 billion annually.

**Table 61**

<b>Rapidity of New York State Debt Retirements</b>	
<b>Period</b>	<b>Cumulative Percentage of Existing Debt to be Retired<sup>1</sup></b>
5 Years	9%
10 Years	36%
15 Years	56%
20 Years	75%
25 Years	91%
30 Years	98%
40 Years	100%

<sup>1</sup> Existing debt outstanding calculated as of January 1, 2025.  
*Source: NYS Division of Budget.*

## State-Supported Debt Service

State-related Debt Service is projected at \$2.3 billion in SFY 2025-26, a decrease of \$845 million or 27.0 percent from SFY 2024-25. This decrease is the result of \$2 billion in prepayments of future debt service costs in SFY 2024-25 and additional prepayments in previous fiscal years. Adjusting for prepayments, State-supported debt service is projected at \$6.7 billion in SFY 2025-26.

**Table 62**

<b>State-Supported Debt Service</b>					
<b>(\$ in Millions)</b>					
	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29
<b>Base State Debt Service</b>	<b>6,358</b>	<b>6,698</b>	<b>7,681</b>	<b>8,098</b>	<b>8,706</b>
<b>Total Prepayment Adjustment</b>	<b>(3,195)</b>	<b>(4,380)</b>	<b>(3,060)</b>	<b>(2,500)</b>	<b>(2,500)</b>
Prior Prepayments	(3,695)	(2,380)	(2,860)	(2,000)	0
SFY 2024-25 Prepayment	(1,500)	(500)	(200)	(500)	(2,000)
SFY 2025-26 Prepayment	2,000	(1,500)	0	0	(500)
<b>Executive Budget State Debt Service</b>	<b>3,163</b>	<b>2,318</b>	<b>4,621</b>	<b>5,598</b>	<b>6,206</b>

*Source: NYS Division of Budget.*

**Related Article VII**

The Executive proposes language that would:

- authorize the issuance of up to \$3 billion in short-term PIT notes;
- authorize the New York State Comptroller to transfer amounts from the Special Revenue Account or Enterprise Fund to the General Fund in an amount not to exceed the principal and interest due to the New York Power Authority by SUNY and CUNY;
- authorize the New York State Comptroller to transfer \$25 million from various State Bond Funds to the General Debt Service Fund to redeem or defease outstanding State bonds;
- authorize the separate deposition of monies received from the Roswell Park Cancer Institute Corporation and its subsidiaries from the Department of Health Income Fund;
- authorize the New York State Housing Finance Agency and the New York State Environmental Facilities Corporation to issue revenue bonds;
- extend the authorization of the Dormitory Authority of the State of New York to enter into design and construction agreements with the Department of Environmental Conservation and the Office of Parks, Recreation, and Historical Preservation for two years;
- extend the authorization of the Private Activity Bond Allocation Act for three years;
- authorize the Dormitory Authority of the State of New York to provide services to libraries chartered by the board of regents or incorporated under the not-for-profit corporation law;

- authorize the Dormitory Authority of the State of New York to provide planning, design, construction, and procurement services to counties, cities, towns, and villages, as well as grant administration services to the Department of Environmental Conservation;
- authorize certain New York State and local authorities to create a pure or captive insurance company; and
- authorize the State to redeem General Obligation (GO) bonds not yet redeemable if the redemption price provides a benefit to the State.

### **Settlement Fund Commitments to Capital Projects**

The State has received \$13.6 billion in monetary settlements from SFY 2014-15 through SFY 2023-24, primarily from financial institutions and other entities for violations of State laws. The Executive has allocated \$8 billion for capital initiatives and \$3.2 billion to non-capital or operating purposes.

**Table 63**

**Use of Monetary Settlements**  
**SFY 2014-15 through SFY 2027-28**  
(\$ in Millions)

	SFY 2015- 2024 Actuals	SFY 2024-25	SFY 2025-26	SFY 2026-27	SFY 2027-28	Total
<b>Opening Settlement Balance in General Fund</b>	<b>0</b>	<b>1,110</b>	<b>690</b>	<b>413</b>	<b>46</b>	<b>0</b>
<b>Receipt of Extraordinary Monetary Settlements</b>	<b>13,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,645</b>
<b>Use/Transfer of Funds</b>	<b>12,535</b>	<b>420</b>	<b>277</b>	<b>367</b>	<b>46</b>	<b>13,645</b>
<b>Capital Purpose</b>	<b>6,980</b>	<b>420</b>	<b>277</b>	<b>270</b>	<b>43</b>	<b>7,990</b>
Dedicated Infrastructure Investment Fund	5,489	345	215	220	41	6,310
Environmental Protection Fund	120	0	0	0	0	120
Mass Transit	81	3	1	0	0	85
Healthcare	206	12	1	4	2	225
Clean Water Grants	84	60	60	46	0	250
Javits Center Expansion	1,000	0	0	0	0	1,000
<b>Other Purposes</b>	<b>3,131</b>	<b>0</b>	<b>0</b>	<b>97</b>	<b>3</b>	<b>3,231</b>
Audit Disallowance - Federal Settlement	850	0	0	0	0	850
CSX Litigation Payment	76	0	0	0	0	76
Financial Plan-General Fund Operating Purposes	1,807	0	0	97	3	1,907
Mass Transit Operating	10	0	0	0	0	10
MTA Operating Aid	194	0	0	0	0	194
Department of Law- Litigation Services Operations	189	0	0	0	0	189
OASAS Chemical Dependence Program	5	0	0	0	0	5
<b>Reservation of Funds</b>	<b>2,424</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,424</b>
Rainy Day Reserve	488	0	0	0	0	488
Reserve for Economic Uncertainties	1,781	0	0	0	0	1,781
Reserve for Retroactive Labor Agreements	155	0	0	0	0	155
<b>Closing Settlement Balance in General Fund</b>	<b>1,110</b>	<b>690</b>	<b>413</b>	<b>46</b>	<b>0</b>	<b>0</b>

*Source: NYS Division of Budget.*

The Executive's proposal gradually transfers settlement funds to the Dedicated Infrastructure Investment Fund (DIIF) for the use of capital projects over the next several years. The balance of settlement funds will remain in the General Fund, allowing the State to maintain a larger cash balance.

Effective in SFY 2024-25, the State no longer separately tracks settlement payments. Settlements above \$25 million will be set aside in the General Fund Reserve for Economic Uncertainties and smaller receipts will be utilized annually for general operations consistent with past practice prior to the extraordinary levels that began in SFY 2014-15.

## APPROPRIATION BUDGET BILLS

A.3000/ S.3000	State Operations Budget Appropriation Bill
A.3001/ S.3001	Legislature and Judiciary Budget Appropriation Bill
A.3002/ S.3002	Debt Service Budget Appropriation Bill
A.3003/ S.3003	Aid to Localities Budget Appropriation Bill
A.3004/ S.3004	Capital Projects Budget Appropriation Bill
A.3005/ S.3005	Public Protection and General Government Article VII Bill
A.3006/ S.3006	Education, Labor and Family Assistance Article VII Bill
A.3007/S.3007	Health and Mental Hygiene Article VII Bill
A.3008/ S.3008	Transportation, Economic Development and Environmental Conservation Article VII Bill
A.3009/ S.3009	Revenue Article VII Bill

A.3005 – PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
A	Extend Various Criminal Justice and Public Safety Programs	This part would extend various criminal justice and public safety programs and the general formula for the distribution of certain monies recovered by county district attorneys for two years.
B	Reform Discovery	This part would amend prosecutors' disclosure requirements of discovery material, amend procedures related to certificates of compliance, include sanctions for discovery violations, and reduce timeframes for grand jury testimony disclosure.
C	Eliminate Barriers to Public Safety Recruitment	This part would eliminate the state residency requirement for state corrections officer, eliminate the maximum hiring age for law enforcement officers, and increase the mandatory retirement age from 60 to 63.
D	Establish the Crime of Domestic Violence	This part would establish a new crime of Domestic Violence, which would be a class A misdemeanor.
E	Enhance Merit Time	This part would authorize the Commissioner of the Department of Corrections and Community Supervision (DOCCS) to designate additional programs and achievements for which merit time may be granted to eligible incarcerated individuals.
F	Remove Statute of Limitations for Sex Trafficking	This part would remove the criminal and civil statute of limitations for sex trafficking and sex trafficking of a child and allow civil claims by individuals under 18 to be brought until they reach the age of 55.
G	Enhance Victim Services	This part would increase compensation for certain victims, expand funeral and cleanup reimbursements, simplify definitions for disabled victims, and remove additional eligibility barriers.
H	Increase Reimbursement Rates for Forensic Exams and Anti-HIV Treatment	This part would raise reimbursement rates for forensic exams and anti-HIV treatment to ensure better access to critical care for sexual assault survivors.
I	Expand Support for Survivors of Gender-Based Violence	This part would require local social services departments to waive public assistance eligibility requirements for survivors of gender-based violence in certain instances.
J	Codify Gender-Based Violence Workplace Policies	This part would codify Executive Order 17 which requires state agencies, authorities, vendors, and contractors to adopt workplace policies on gender-based violence.
K	Require Local Governments to Report Cybersecurity Incidents	This part would require all municipalities to report cyber security incidents to the Division of Homeland Security and Emergency Services within 72 hours.

L	Enhance Crimes Involving Digitization of Images	This part would amend offenses relating to sexual performance by a child to include images created or altered by digitization, including, but not limited to, artificial intelligence.
M	Modify the Crime of Sex Trafficking to Include Intellectual Disabilities	This part would amend the offense of sex trafficking to include those who intentionally advance or profit from prostitution of an individual with certain disabilities.
N	Enhance MTA Transit Ban	This part would allow judges, during sentencing for a crime involving assault against a passenger, customer, or employee, to ban an individual from entering or using the facilities of the Metropolitan Transportation Authority (MTA) system.
O	Enhance Criminal Trespass and Burglary Statutes	This part would amend the definition of “building” for the purposes of criminal trespass and burglary offenses to include structures used for the business of transporting persons.
P	Create New Crime of Aggravated Transportation Offense	This part would create the crime of Aggravated Transportation Offense.
Q	Extend Temporary Retail Permit Authority	This part would extend the authority of the State Liquor Authority to issue Temporary Retail permits for one year.
R	Increase Bonding for the New York City Transitional Finance Authority	This part would increase the bonding limit for the New York City Transitional Finance Authority from \$27.5 billion to \$30.5 billion.
S	Modify the NYC Industrial and Commercial Abatement Program (ICAP)	This part would modify the New York City Industrial and Commercial Abatement Program by removing parking facilities from eligibility, designating Governor’s Island as a special abatement area, and aligning the program with decarbonization goals.
T	Modify Market Interest Rate on Judgments and Accrued Claims	This part would establish the interest rate on a judgment or accrued claim consistent with the one-year United States treasury bill rate.
U	End IRMAA Reimbursement	This part would end reimbursement of the Income-Related Monthly Adjustment Amount (IRMAA) to retirees effective January 1, 2025, and establish a premium refund for retirees who retired between January 1, 1983 and January 1, 2012 and those who retired after January 1, 2012 who were in salary grade 9 or below.
V	Extend the Waiver of Civil Service Examination Fees	This part would extend the waiver of civil service examination fees for two years.
W	Establish an Optional Payment for Newly Hired State Employees	This part would establish an optional payment for state employees hired after July 1, 2026 which would be recovered over the first 14 pay periods.
X	Require Cybersecurity Awareness Training for Government Workers	This part would require annual cybersecurity awareness training for state and local employees who use technology as part of their job duties.

Y	Authorize Construction Manager as Constructor	This part would authorize certain state agencies to use the Construction Manager as Constructor alternative project delivery method with pre-qualified vendors.
Z	Expand New York City's Authorization to Use Certain Alternative Procurement Methods	This part would expand New York City's authorization to use the Construction Manager Build and Progressive Design-Build procurement methods to include a wider range of agencies and projects.
AA	Authorize Medical Residents and Fellows to Treat Workers' Compensation Claimants	This part would allow medical residents and fellows to treat workers' compensation claimants under supervision.
BB	Expand Medical Providers Authorized to Treat Workers' Compensation Claimants	This part would allow acupuncturists, chiropractors, nurse practitioners, occupational therapists, physical therapists, physician assistants, podiatrists, psychologists, and social workers to treat workers' compensation claimants without supervision.
CC	Authorize Payment of Workers' Compensation Medical Bills	This part would allow employers to pay workers' compensation medical bills without an admission of liability for up to one year.
DD	Require Health Insurance to Cover Treatment When Workers' Compensation Claims are Denied or Contested	This part would require health insurance plans to cover treatment for injured workers when their workers' compensation claim is denied or being contested.



A.3006 – EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	Amend School Aid Provisions	This part would amend various provisions of the Education Law related to school aid, dual-enrollment programs, and transportation expenses.
B	Provide Universal School Meals	This part would require that all school breakfast and lunch meals be served at no cost to students in all public, charter, and non-public schools.
C	Prohibit Internet-Enabled Devices During the School Day	This part would require each school district, board of cooperative educational services, and charter school to adopt a policy prohibiting the use of internet-enabled devices during the school day.
D	Consolidate Financial Aid Programs for Part-Time Students	This part would consolidate existing part-time student financial aid programs into the Part Time Tuition Assistance Program (PT-TAP) and expand eligibility.
E	Modify the Administration of the Excelsior Scholarship Program	This part would modify the administration of awards and payments under the Excelsior Scholarship Program.
F	Create the New York Opportunity Promise Scholarship	This part would create the New York Opportunity Promise Scholarship to cover the cost of tuition, fees, books, and supplies for students between the ages of 22 and 55 pursuing associate degrees in high demand fields.
G	Enhance Protections Against Home Appraisal Discrimination	This part would prohibit discriminatory practices in real estate appraisal services and direct that a portion of the fines collected go to the Anti-Discrimination in Housing Fund.
H	Prohibit Algorithm Rent Setting	This part would establish that the use of an algorithm or algorithmic device to adjust residential rental price levels is unlawful collusion.
I	Expand Security Deposit Protections to Rent Regulated Tenants	This part would provide rent regulated tenants with security deposit protections that are currently provided to other tenants.
J	Modify Certification of Abandoned Properties	This part would allow for an outstanding building code violation that has the potential to injure, endanger, or unreasonably annoy the health and safety of others to serve as a basis for a determination that a vacant dwelling is abandoned.
K	Establish a Property Tax Exemption for Properties Sold or Leased to Low-Income Households	This part would allow localities to adopt a property tax exemption for certain residential properties subject to government, nonprofit, or community agreements and sold or leased to qualified low-income households.

L	Reduce Shelter Rent Taxes for Mitchell-Lama Developments	This part would reduce property taxes for Mitchell-Lama developments to no more than 5% of the annual shelter rent or carrying charges for projects located in New York City and at local option for projects located outside New York City.
M	Expand the Redevelopment Inhibited Property Tax Exemption	This part would make the Redevelopment Inhibited Property Exemption available statewide.
N	Authorize MIF Transfer	This part would transfer \$98.026 million in excess Mortgage Insurance Fund (MIF) reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program, and homeless housing programs.
O	Eliminate Reimbursement for Residential CSE Placements	This part would eliminate state reimbursement for Committee on Special Education (CSE) residential placements made by school districts outside of New York City and for students attending a state-operated school for the deaf and blind.
P	Establish a Certified Child Care Substitute System	This part would authorize the establishment of childcare support centers to place substitute caregivers at child day care centers and other childcare programs.
Q	Establish the BABY Benefit	This part would expand monthly benefits for public assistance recipients by establishing benefit payments to pregnant people through the duration of the pregnancy and a one-time benefit upon the birth of a new child.
R	Authorize SSI COLA Pass-Through	This part would authorize the federal Supplemental Security Income (SSI) cost-of-living adjustment (COLA) pass-through for 2026.
S	Extend Appointment of Temporary Operators	This part would extend through 2028 the legal authority of the Office of Temporary Disability Assistance and the Office of Children and Family Services to appoint a temporary operator for emergency shelters that have seriously endangered or jeopardized shelter residents.
T	Expand the Healthy Terminals Act	This part would require the Department of Labor to set wage and benefit rates for employees preparing airplane food at JFK International Airport and LaGuardia Airport.
U	Limit Liquidated Damages in Certain Frequency of Pay Violations	This part would revise certain violations relating to frequency of wage payment requirements for employers of manual workers.
V	Recover Stolen Wages	This part would authorize the Department of Labor to issue warrants to county sheriffs to order the seizure of assets of an employer that has committed wage theft.
W	Increase Penalties for Child Labor Violations	This part would increase civil penalties for employers who commit child labor law violations and creates two new crimes, Criminally Negligent Homicide of a Child Worker and Endangering the Welfare of a Child Worker.

X	Digitize Youth Working Papers	This part would require an electronic database for youth working papers.
Y	Expand Eligibility for the Gold Star Annuity	This part would expand eligibility for the Department of Veterans' Services' Gold Star Annuity benefit to include spouses and minor children of any service member who died while on active duty.
Z	Update Human Rights Complaint Process and Establish a Complaints Fund	This part would authorize the Division of Human Rights to designate a required form and procedures for making, signing, and filing complaints and would establish the Discrimination Complaints Escrow Fund to help compensate complainants.
AA	Require New York State Museum Report	This part would require the State Education Department to annually report on the operations of the New York State Museum.

PART	DESCRIPTION	SUMMARY
A	Extend the Medicaid Global Cap	This part would extend the legal authority for the Medicaid Global Cap for two years, until April 1, 2027.
B	Extend Provisions of Law Related to Medicaid and Other Health Initiatives	This part would extend various provisions of the Public Health Law, Mental Hygiene Law, Insurance Law, State Finance Law, and Social Services Law related to various Medicaid and other health initiatives.
C	Modify Medicaid Pharmacy Provisions	This part would eliminate prescriber prevails protections under the Medicaid program.
D	Modify Hospital Provisions	This part would eliminate certain voluntary upper payment limit payments and discontinue the state's indigent care pool payments for NYC Health + Hospitals.
E	Modify Managed Care Provisions	This part would eliminate the Independent Dispute Resolution process for the Medicaid program, shift the payment model for long term nursing home stays from managed care to a fee-for-service model, and authorize the Commissioner of Health to impose enhanced penalties on managed care organizations for breach of the model contract and failure to meet performance standards.
F	Create Managed Care Organization Tax	This part would require the payment and remittance of the managed care organization provider tax and require that funds be deposited into the Healthcare Stability Fund to increase Medicaid reimbursement.
G	Modify Physicians Excess Medical Malpractice Program	This part would extend the Physicians Excess Medical Malpractice Program until June 30, 2026, require participating providers to pay 50% of their excess coverage premium, and restructure payments to insurers from one annual payment into two installments over two fiscal years.
H	Eliminate Certain DOH Programs	This part would eliminate several public health programs under the Department of Health (DOH) including the Enhanced Quality of Adult Living (EQUAL) program for adult care facilities, the Empire Clinical Research Investigator Program (ECRIP), and the Tick-borne Disease Institute.
I	Eliminate the Electronic Death Registry System (EDRS) Fee	This part would eliminate the electronic death registration system fee.

J	Modify the Deadline for Statewide Health Care Facility Transformation Program III and IV	This part would retroactively extend the deadline for awards made under the Statewide Health Care Facility Transformation Program from December 31, 2022 to February 28, 2023.
K	Modify Authority for Temporary Operators for Hospitals and Adult Care Facilities	This part would expand the authority of temporary operators of hospitals or adult care facilities to takeover in certain circumstances and extend the length and number of terms such operators may serve.
L	Modify Medical Debt Provisions	This part would allow patient consent for payment of medical services to be obtained by a provider at any time.
M	Expand Hospital Reporting Requirements	This part would require general hospitals to report information on community benefit expenses to the Commissioner of Health on an annual basis.
N	Expand the Spinal Cord Injury Research Program	This part would expand the scope of research projects administered by the Spinal Cord Injury Research Board to include treatments and health-related quality of life improvements.
O	Modify Opioid Provisions	This part would expand the state Controlled Substance Schedule, authorize providers to distribute a three-day supply of certain controlled substances for the purpose of maintenance or detoxification treatment, and authorize emergency medical technicians (EMTs) to order certain controlled substances to relieve withdrawal symptoms.
P	Enhance Maternal and Reproductive Health	This part would require hospitals to provide abortion care in emergency situations when necessary to stabilize the patient upon patient consent and would allow prescription labels for abortion medications to include the name or address of the prescribing health care facility instead of the name of the prescriber.
Q	Expand Access to Infertility Treatment	This part would add iatrogenic infertility treatment as a covered service under the Medicaid program and would require the Commissioner of Health to establish a grant program to fund uncompensated health care services related to infertility.
R	Enhance EMS	This part would classify emergency medical services (EMS) as an essential service and require reporting to DOH on local emergency medical services to evaluate quality and accessibility.
S	Expand Reporting for Material Transactions	This part would expand reporting requirements for healthcare entities in relation to proposed material transactions.
T	Require Sexual Assault Forensic Examiners	This part would require hospitals to have sexual violence response coordinators and sexual assault forensic examiners on staff 24/7.

U	Provide Access to Vital Records	This part would establish procedures for requesting and providing genealogical records by DOH, increase the fee for birth certificates to \$45, allow DOH to charge fees for retrieving records used in genealogical requests, and increase processing fees for vital records requests to \$30.
V	Expand Scope of Practice and Transfer Oversight and Regulation of Certain Health Care Professions	This part would expand the scope of practice for physician assistants, certified nurse aides, medical assistants, pharmacists, and pharmacy technicians and would transfer oversight and regulation of certain licensed health care professions from the State Education Department to DOH.
W	Authorize New York State to Enter the Interstate Nurse Licensure Compact	This part would authorize New York State to join the Interstate Nurse Licensure Compact.
X	Expand Dental Hygienist Scope of Practice	This part would expand the scope of practice for dental hygienists and authorize dental hygienists to engage in collaborative practice agreements with dentists
Y	Establish Hospital at Home	This part would allow general hospitals to provide off-site acute medical services in a patient's home.
Z	Make the Preferred Source Program Permanent	This part would make the Preferred Source Program permanent.
AA	Make Time Limited Demonstration Programs Permanent	This part would make the authority for the Office of Mental Health (OMH), Office of Addiction Services and Supports (OASAS), and Office for People with Developmental Disabilities (OPWDD) to design and implement time-limited demonstration programs permanent.
BB	Make Temporary Operator Authority for OMH and OPWDD Facilities Permanent	This part would make the legal authority for OMH and OPWDD to appoint temporary operators permanent.
CC	Extend OPWDD Managed Care Authority	This part would extend the legal authority for the OPWDD to implement managed long term care plans.
DD	Allow Consent by Homeless Youth	This part would allow homeless youth under the age of 18 to consent to receive behavioral health care services.
EE	Expand Involuntary Treatment Provisions	This part would expand the eligibility criteria for involuntary treatment and emergency assessment and care, expand the types of practitioners authorized to determine the need for involuntary treatment, expand the categories of individuals authorized to file a petition for Assisted Outpatient Treatment, require hospitals and comprehensive psychiatric emergency programs to notify community providers, expand the eligibility criteria for Assisted Outpatient Treatment, and require hospitals to notify community based providers when their client has been admitted or discharged.

FF	Targeted Inflationary Increases	This part would establish 2.1% targeted inflationary increases for certain human services programs for State Fiscal Year (SFY) 2025-26.
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A.3008 – TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Clarify Authority to Suspend Longshore Workers	This part would amend the Waterfront Commission Act to clarify its authority to temporarily suspend longshore worker registrations.
B	Expand CENTRO Service Area	This part would add Cortland County to the formula providing local shares to the Central New York Regional Transportation Authority (CENTRO), thereby allowing State Transportation Operating Assistance (STOA) to be paid for mass transportation services provided in Cortland County.
C	Extend Online Pre-Licensing Courses	This part would extend the pre-licensing course internet pilot program for five years.
D	Enhance Process to Remove Abandoned and Unattended Vehicles	This part would increase the value of an abandoned vehicle that a municipality may take ownership of and decrease the amount of time that a vehicle without plates may be left unattended on any highway or public place.
E	Modify Laws Related to Intoxicated and Drug-Impaired Driving	This part would add or modify various provisions relating to driving while intoxicated or impaired, including, but not limited to: roadside field testing; oral and bodily fluid collection; drug recognition expert (DRE) evaluations; implied consent, refusal, court-ordered chemical tests, and administration of compulsory chemical tests; and sanctions including suspension and revocation of licenses and civil penalties.
F	Prohibit Parking Close to Crosswalks Near New York City Elementary Schools	This part would prohibit New York City from allowing motor vehicles to stop, stand, or park within 20 feet of a crosswalk located near elementary school grounds.
G	Classify Certain Bicycles with Electric Assist as Mopeds	This part would define class three bicycles with electric assist weighing 100 pounds or more as limited use motorcycles, also known as mopeds.
H	Authorize New York City to Establish Speed Limits in Bicycle Lanes and Bicycle Paths	This part would authorize New York City to establish maximum speed limits in bicycle lanes and bicycle paths.
I	Extend MTA Tax Increment Financing Authority	This part would extend the Metropolitan Transportation Authority (MTA) Tax Increment Financing authority for 10 years.
J	Extend MTA's Use of Compulsory Arbitration	This part would extend provisions of law granting the Public Employment Relations Board authority to engage the MTA and its recognized employee organization in binding interest arbitration until 2027.



K	Extend MTA Property Valuation Agreements	This part would extend the MTA's ability to obtain temporary or permanent use, control, or possession of vacant and underdeveloped real property owned by New York City for capital projects included in its capital plan, through December 31, 2030.
L	Make NYC's Contribution to MTA Paratransit Permanent	This part would require New York City to continue to fund 80% of the MTA's paratransit program permanently.
M	Provide Funding for MTA Capital Plan	This part would require New York State to provide \$3 billion and New York City to provide \$3 billion to the MTA to fund the 2025-2029 MTA Capital Plan.
N	Authorize Weigh-in-Motion Photo Enforcement	This part would authorize certain State agencies and public authorities to establish permanent programs to enforce motor vehicle weight and axle weight restrictions through the use of weigh-in-motion photo enforcement systems.
O	Expand the New York City Bus Lane Camera Program	This part would expand the New York City bus lane camera program by authorizing the use of bus lane cameras to enforce laws prohibiting motor vehicles from obstructing traffic at intersections.
P	Impose a Surcharge on Construction Permits in New York City	This part would impose a surcharge on construction permits issued in New York City for obstructing or closing a street, curb lane, or sidewalk for construction-related purposes.
Q	Expand and Make Permanent the Work Zone Speed Camera Law	This part would modify various provisions of the work zone speed camera law including, but not limited to, increasing monetary penalties, repealing a public hearing requirement, removing courts from the adjudication process, and making the law permanent. This part would also authorize work zone speed camera programs by the Triborough Bridge and Tunnel Authority and the New York Bridge Authority.
R	Enhance Transportation Worker Protections	This part would expand existing penalties related to assault against certain transportation workers to include additional workers and locations.
S	Extend Health Insurance Continuation Assistance Demonstration Project	This part would extend the Health Insurance Continuation Assistance Demonstration Project to July 1, 2026.
T	Indemnification Authority of ORDA	This part would allow the Olympic Regional Development Authority (ORDA) to enter into agreements for defense and indemnification provisions with other ski facilities.
U	Require Additional Safety Features for AI Companion Technology	This part would create additional safety features relating to consumer use of artificial intelligence (AI) companion technology.

V	Standardize Returns and Refunds	This part would establish minimum refund policy standards for certain retailers.
W	Strengthen Subscription Cancellation and Renewal Protections	This part would require subscription services to provide a clear conspicuous notice to consumers outlining the terms of the subscription renewal prior to renewing a subscription.
X	Personalized Pricing Transparency and Anti-Discrimination	This part would require businesses to notify consumers when pricing is established using algorithms based of individual's personal consumer data and would prohibit sellers from engaging in price discrimination based on personal consumer data.
Y	Authorize DFS to License and Regulate "Buy Now, Pay Later" Loans	This part would grant the Department of Financial Services (DFS) authority to license and regulate authority over "Buy Now, Pay Later" loans and promulgate rules and regulations to enhance consumer protections.
Z	Enhance Pharmacy Benefit Manager Rebate Reporting	This part would require pharmacy benefit managers to annually publish data related to rebate contracts.
AA	Prevent Adult and Elderly Financial Exploitation	This part would establish procedures for financial institutions to identify and temporarily hold transactions suspected of defrauding or exploiting disabled individuals and individuals age 65 and older.
BB	Expand For-Hire Vehicle Group Insurance	This part would allow owners of for-hire vehicles with a seating capacity of less than eight passengers to obtain a group auto insurance policy.
CC	Authorize For-Hire Vehicle Insurance Rate Approval	This part would authorize DFS to promulgate regulations authorizing certain for-hire vehicle insurance rate increases without prior approval.
DD	Require For-Hire Vehicle Insurance Rate Filing	This part would require insurers providing coverage to for-hire vehicles to submit rates to the Superintendent of DFS for prior approval by August 1, 2025 and every three years thereafter.
EE	Extend the Empire State Economic Development Fund	This part would extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for an additional three years.
FF	Extend Urban Development Corporation Loan Powers	This part would extend the general loan powers of the Urban Development Corporation for an additional three years.
GG	Extend DASNY Authority to Provide Services to DEC and OPRHP	This part would extend the ability of the Dormitory Authority of the State of New York (DASNY) to enter into design and construction management agreements with the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation, and Historical Preservation (OPRHP) for two years.

HH	Extend the Authorization of the Private Activity Bond Allocation Act	This part would extend the Private Activity Bond Allocation Act, which establishes an alternative formula for allocating the bond volume ceiling on the issuance of certain tax-exempt bonds, for three years.
II	Enhance DASNY Services for Libraries	This part would authorize DASNY to provide financing and construction services for all public libraries in New York State.
JJ	Expand DASNY Authority to Provide Services to Certain Local Governments	This part would authorize DASNY to provide planning, design, procurement, and construction management services to all counties, cities, towns, and villages in New York State.
KK	Extend the MWBE Program	This part would extend provisions of the law related to the New York State Minority- and Women-Owned Business Enterprise (MWBE) program for two years.
LL	Increase Linked Deposit Program	This part would increase the amount available on deposit for the Linked Deposit program from \$460 million to \$1 billion.
MM	Increase Discretionary Purchasing Thresholds for MWBEs and SDVOBs	This part would increase the discretionary purchasing thresholds for State-certified MWBEs and service-disabled veteran-owned businesses (SDVOBs) from to \$750,000 to \$1.5 million.
NN	Authorize Captive Insurance for Public Benefit Corporations	This part authorizes certain public benefit corporations to form a captive insurance company.
OO	Expand Farmland Protection	This part would expand the scope of farmland protection initiatives and increase the maximum financial assistance that can be received for implementing such initiatives.
PP	Extend and Expand the Waste Tire Management Fee	This part would extend the Waste Tire Management and Recycling fee by five years and expand the program to include tires purchased online, through mail order, and by resellers.
QQ	Extend the Youth-Mentored Deer Hunting Program	This part would extend the pilot deer hunting program for mentored youth for five years.
RR	Revise and Refinance the State Superfund Program	This part would refinance and make programmatic changes to the State Inactive Hazardous Waste Disposal Program (Superfund).
SS	Prohibit the Sale of Firefighting Protective Equipment that Contains PFAS	This part would prohibit the sale and manufacture of firefighting personal protective equipment (PPE) that contains intentionally added PFAS and clarify the recall procedures for firefighting foam that contains PFAS.
TT	Remove AG Approval of Conservation Easements and Provide Exemptions to Real Estate Transfer Tax	This part would remove the requirement that state acquisition of conservation easements be approved by the Attorney General and exempt certain entities from real estate transfer taxes.
UU	Extend DEC Regulatory Authority over Horseshoe Crabs	This part would extend the authority of DEC to manage crabs and horseshoe crabs through regulation for four years.

VV	Extend and Increase the NYSERDA Special Assessment	This part would increase, and extend for one year, the authorization for the New York State Energy and Research Development Authority (NYSERDA) to receive funds from an assessment on gas and electric utilities.
WW	Regulate Energy Services Companies Customer Deposits	This part would require Energy Services Companies (ESCOs) to remit unclaimed customer deposits and refunds to the Office of the State Comptroller.
XX	Extend Certain Utility and Cable Assessments	This part would extend the authorization of certain state agencies to receive funds from assessments on cable television and public utilities until 2030.
YY	Increase Penalties on Excavators Who Fail to Notify Utilities	This part would increase penalties on excavators who fail to provide notice to utilities before digging near pipelines, conduits, and cables.
ZZ	Permit Interagency Tax Data Sharing for Climate Act Implementation	This part would allow the Department of Taxation and Finance to share tax data from fossil fuel businesses with DEC and NYSERDA to facilitate implementation of the Climate Leadership and Community Protection Act.

A. 3009 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Enact a One-Time Inflation Refund	This part would establish a one-year \$3 billion inflation refund credit for certain taxpayers filing jointly with incomes below \$300,000 and single filers with incomes below \$150,000. This credit would be in the amount of \$500 for eligible joint filers and \$300 for eligible single filers, and would be provided as advanced payment in the fall of 2025.
B	Provide a Middle-Class Tax Cut and Extend the Temporary Personal Income Tax (PIT) High Income Surcharge for Five Years	This part would provide low- and middle-income tax credit for taxpayers with incomes below \$323,000, for \$1 billion in tax relief when fully phased-in over two years. This part would also extend the current PIT High Income Surcharge for an additional five years, through Tax Year 2032.
C	Enhance the Empire State Child Credit for Three Years	This part would enhance the Empire Child Tax Credit for three years. The maximum credit for children under four would be increased to \$1,000 for Tax Years 2025-2027, and the maximum credit for children 4-16 would be increased to \$500 for Tax Years 2026 and 2027.
D	Extend and Double the Low-Income Housing Credits	This part would extend the State’s low income housing tax credit for four years, through 2029, and increase the yearly aggregate amount allocable by \$30 million each year beginning in 2025.
E	Amend the State Historic Property Tax Credits	This part would allow the transferability of credits if approved by the Office of Parks, Recreation, and Historic Preservation, and exempt certain affordable housing projects from current geographic limitations under the program.
F	Waiting Period Restriction and Limit Deductions on Institutional Real Estate Investors	This part would prohibit certain institutional investors from purchasing a single or two-family home in the first 75 days it is on the market and prohibit certain institutional investors from claiming certain tax deductions relating to an investment in a single or two-family home.
G	Establish the CATALIST NY Program	This part would establish the Companies Attracting Talent to Advance Leading Innovations and Scale Technologies (CATALIST) NY Program, which would allow certain small businesses that have completed a NYS incubator program to provide a PIT benefit for up to eight newly hired full time employees.
H	Extend and Amend the Excelsior Jobs Program	Subpart A: Extend the Excelsior Jobs Program for ten years, from 2029 to 2039; create a new tax credit for certain large scale R&D projects; sunset the current Employee Training Incentive Program (ETIP) on December 31, 2028; and establish a new Semiconductor Manufacturing Workforce Training Program. Subpart B: Enhance benefits under the Jobs Retention Tax Credit Program and expand eligibility to include certain emergency-impacted small businesses.

I	Extend and Amend the Film Tax Credit	This part would extend the Empire State film production and post-production credits for an additional two years, through 2036; remove the tiered payout structure for new applicants; enhance the post-production tax credit program; provide an additional ten percent tax credit for certain recurring productions; remove certain restrictions on above-the-line qualified costs; and create a new \$100 million Empire State Independent Film Production program.
J	Make a Technical Change to the Newspaper and Broadcast Media Jobs Program	This part would clarify that the \$300,000 credit cap under the Newspaper and Broadcast Media Jobs program applies to each eligible subsidiary or affiliate of a parent company, and not the parent company and its subsidiaries and affiliates combined.
K	Amend the Digital Gaming Media Production Credit Program	This part would allow the unused portion of the current \$5 million aggregate annual cap of tax credits allowed under the Digital Gaming Media Production Credit program to be carried forward and added to the aggregate amount of credits available in future years.
L	Extend the New York City Musical and Theatrical Production Credit for Two Years	This part would increase the aggregate annual cap on the New York City Musical and Theatrical Production Tax Credit from \$300 million to \$400 million, and extend the initial application deadline for two years, through 2027.
M	Clarify Taxpayer Notification and Protest Rights	This part would establish that the protest and hearing rights afforded to taxpayers are the same whether the taxpayer is informed through mailed communication or electronic communications via the Department of Taxation and Finance's (DTF) is Online Services System.
N	Improve the Tax Warrant Process	This part would establish that the filing of a tax warrant at the Department of State by DTF would establish the State's lien priority, instead of the filing of a tax warrant at a county clerk, while still requiring DTF to file a copy of such tax warrant with a county clerk.
O	Simplify the STAR Income Definition	This part would make various changes to the income and age eligibility rules for the STAR program, including: require only one resident of a property to be 65 or older to qualify for Enhanced STAR; clarify income eligibility rules so only the income of owners who primarily reside on the property is considered; allow property owners not required to file income tax returns to maintain their benefit, under certain conditions; set July 1st, instead of December 31st, as the residency date for STAR credit income eligibility purposes; and, clarify the eligibility determination process and protest provisions so they conform across all variations of the STAR program.
P	Eliminate Duplicative IDA Sales Tax Exemption Reporting Requirement	This part would eliminate the requirement for agents and project operators appointed by Industrial Development Agencies (IDAs) to annually report the value of all state and local sales and use taxes exempted during the previous calendar year.
Q	Enact Pass-Through Entity Tax Flexibility	This part would extend the deadline for entities to elect in the Pass Through Entity Tax from March 15th to September 15th of the applicable tax year.
R	Increase the Article 9-A Estimated Tax Threshold	This part would increase the threshold at which corporate tax filers are required to make estimated payments, from \$1,000 to \$5,000.
S	Establish a Tax Credit for Organ Donation	This part would create a new tax credit of up to \$10,000 for organ donation expenses not reimbursed by a donor's health insurance.

T	Make Permanent the Estate Tax Three-Year Gift Addback Rule	This part would extend permanently the requirement that gifts that are taxable for federal gift tax purposes, and that are made within three years of death, are taxable for State purposes.
U	Expand the Credit for Employment of Persons with Disabilities	This part would increase the maximum credit allowed under the Employment of Persons with Disabilities program from \$2,100 to \$5,000.
V	Reporting of Federal Partnership Adjustments	This part would establish reporting requirements for partnerships that were subject to federal partnership audit changes or administrative adjustment requests, and require the payment of any resulting tax due to New York.
W	Eliminate NYC PIT for Certain Filers	This part would create a PIT credit for certain low-and middle-income New York City taxpayers with at least one dependent, which would eliminate New York City PIT liability for qualified taxpayers under a certain income threshold, and provide a reduced credit for qualified taxpayers within \$5,000 of such income threshold.
X	Amend the NYC Relocation and Employment Assistance Program	This part would authorize New York City to provide a tax credit to certain out-of-state businesses that relocate to eligible buildings by July 1, 2028 and extend the existing Relocation and Employment Assistance Program (REAP) until July 2030.
Y	Extend the Clean Heating Fuel Credit for Three Years	This part would extend the Clean Heating Fuel tax credit for three years, through Tax Year 2028.
Z	Extend the Alternative Fuels and Electric Vehicle Recharging Property Credit for Three Years	This part would extend the Alternative Fuels and Electric Vehicle Recharging Property credit for three years, through Tax Year 2028.
AA	Extend the Sales Tax Vending Machine Exemption for One Year	This part would extend the existing sales tax exemption for food and drink purchased from a vending machine for one year, until May 31, 2026.
BB	Extend the Workers with Disabilities Tax Credit for Three Years	This part would extend the Workers with Disabilities tax credit for three years, through Tax Year 2028.
CC	Extend the Hire a Vet Credit for Three Years	This part would extend the Hire-a-Vet tax credit for three years, through Tax Year 2028.
DD	Extend the Musical and Theatrical Production Credit for Four Years	This part would extend the Musical and Theatrical Production credit for regions outside New York City for an additional four years, until January 1, 2030.

EE	Extend the Financial Institution Data Match System for Five Years	This part would extend for five years current provisions authorizing DTF to use the financial institution data match system for State collection of past-due fixed and final tax debts, as well as allow the Department to serve warrantless income executions on individual tax debtors and if necessary, on the employers of such debtors.
FF	Amend and Simplify the Pari-Mutuel Tax Rate Structure	This part would modify the existing pari-mutuel tax rate structure in New York State.
GG	Temporarily Extend the Lowered Casino Slot Tax Rates	This part would extend the current reduced tax rates for slot machine gross gaming revenues for the current four upstate casinos until from April 1, 2026 until June 30, 2028.
HH	Extend Authorized Use of Capital Funds by a Certain Off-track Betting Corporation for One Year	This part would extend Capital Off-track Betting Corporation's authorization to use Capital Acquisition Funds for one year.
II	Conduct a Study of Thoroughbred Fetlock Joint Injury Detection Through Advanced Imaging	This part would fund a study by the Cornell University College of Veterinary Medicine of the thoroughbred fetlock joint through advanced imaging, utilizing \$2 million from the New York Racing Association and an additional one percent market origin fee imposed on out-of-state advance deposit wagering providers.



JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2025-26

DATE	TIME	TOPIC
January 27	1:00 PM	Agriculture & Markets/Parks & Recreation
January 28	9:30 AM	Environmental Conservation/Energy
January 29	9:30 AM	Elementary/Secondary Education
February 4	9:30 AM	Local Government
February 5	9:30 AM	Mental Hygiene
February 6	9:30 AM	Transportation
February 11	9:30 AM	Health
February 12	9:30 AM	Human Services
February 13	9:30 AM	Public Protection
February 25	9:30 AM	Higher Education
February 26	9:30 AM	Labor/Workforce Development
	2:00 PM	Economic Development/Arts
February 27	9:30 AM	Housing
	2:00 PM	Taxes

FORECAST OF RECEIPTS

On or before February 28                      Release of revenue receipts by the Fiscal  
Committees of the Legislature

*Hearings will be held in the Hamilton Room (Hearing Room B) in the Legislative Office Building, Albany*

## **Glossary of Commonly Used Acronyms**

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
AGI	Adjusted Growth Income
AIHP	American Indian Health Program
AIM	Aid and Incentives for Municipalities
AJP	American Jobs Plan
ALICO	American Life Insurance Company
ALP	Assisted Living Program
AMI	Area Median Income
AML	Anti-Money Laundering
AMTAP	Additional Mass Transportation Assistance Program
AP	Advanced Placement
APCD	All-Payer Claims Databases
ARP	American Rescue Plan Act of 2021
ASAP	Accelerated Study in Associate Program
ATI	Alternatives to Incarceration
AY	Academic Year
BANs	Bond Anticipation Notes
BBA 19	Bipartisan Budget Act of 2019
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BOCES	Boards of Cooperative Educational Services
BOA	Brownfield Opportunity Area
BofA	Bank of America
BofAML	Bank of America Corporation and Merrill Lynch, Pierce, Fenner and Smith Incorporated
BSA	Bank Security Act
CAC	Climate Action Council
CAP	Comprehensive Attendance Policy
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CBO	Congressional Budget Office
CBPP	Center for Budget and Policy Priorities
CBTC	Communications-Based Train Control
CCO	Care Coordination Organizations
CDPAP	Consumer Directed Personal Assistance Program
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CFY	City Fiscal Year
CHP	Child Health Plus
CIF	Community Investment Fund
CISO	Chief Information Security Office
CIT	Crisis Intervention Team
CLCPA	Climate Leadership and Community Protection Act of 2019
CMS	Centers for Medicare & Medicaid Services

## Glossary of Commonly Used Acronyms

COLA	Cost-of-Living Adjustment
COVID-19	Coronavirus Disease
CPI	Consumer Price Index
CPRA	Certified Peer Recovery Advocates
CPRSA	Coronavirus Preparedness and Response Supplemental Appropriations Act
CRF	Coronavirus Relief Fund
CRRSA	Coronavirus Response and Relief Supplemental Appropriations Act
CSEA	Civil Service Employees Association
CSR	Cost Sharing Reduction
CSX	CSX Transportation, Inc.
CTH	Close to Home
CTI	Critical Time Intervention
CUCF	City University Construction Fund
CUNY	City University of New York
CUT	Corporation and Utilities Act
CW/CA	Clean Water/Clean Air
CY	Calendar Year
DA	District Attorney
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DC-37	District Council 37
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DFS	Department of Financial Services
DHBTF	Dedicated Highway and Bridge Trust Fund
DHCR	Division of Housing and Community Renewal
DHR	Division of Human Rights
DHSES	Division of Homeland Security and Emergency Services
DIIF	Dedicated Infrastructure Investment Fund
DMNA	Division of Military and Naval Affairs
DMV	Department of Motor Vehicles
DOB	Division of the Budget
DOCCS	Department of Corrections and Community Supervision
DOH	Department of Health
DOS	Department of State
DOT	Department of Transportation
DS	Debt Service
DSH	Disproportionate Share Hospital
DSRIP	Delivery System Reform Incentive Payment
DTF	Department of Taxation and Finance
DUA	Drug Utilization Review
DVA	Division of Veterans Affairs
EAF	Emergency Assistance to Needy Families
EBT	Electronic Benefit Transfer
ECB	European Central Bank

## **Glossary of Commonly Used Acronyms**

ECEP	Employer Compensation Expense Program
EDF	Economic Development Fund
eFMAP	Enhanced Federal Medical Assistance Percentage
EI	Early Intervention
EISEP	Expanded In-Home Services for the Elderly Program
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage
ERAP	Emergency Rental Assistance Program
ERS	Employees' Retirement System
ESCO	Energy Service Company
ESD	Empire State Development
ESEA	Elementary and Secondary Education Act
ESG	Environmental, Social, and Governance
ESPRI	Empire State Poverty Reduction Initiative
ESSA	Every Student Succeeds Act
ESSER	Elementary and Secondary School Emergency Relief Fund
ESSHI	Empire State Supportive Housing Initiative
FA	Family Assistance
FAST	Fixing America's Surface Transportation
FEMA	Federal Emergency Management Agency
FFCRA	Families First Coronavirus Response Act
FFP	Federal Financial Participation
FFY	Federal Fiscal Year (October 1 through September 30)
FHWA	Federal Highway Administration
FMAP	Federal Medical Assistance Percentage
FMR	Fair Market Rent
FOMC	Federal Open Market Committee
FPG	Fortis Property Group
FRB	Financial Restructuring Board
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GASBS	Governmental Accounting Standards Board Statement
GDP	Gross Domestic Product
GEER	Governor's Emergency Education Relief
GFOA	Governor's Finance Officers Association
GILTI	Global Intangible Low-Taxed Income
GIVE	Gun Involved Violence Elimination
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
GSI	General Salary Increases

## Glossary of Commonly Used Acronyms

HALT	Humane Alternative to Long Term Solitary Confinement Act
HASA	HIV/AIDS Services Administration
HCBS	Home and Community-Based Services
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HERRC	Humanitarian Emergency Response and Relief Centers
HFNY	Healthy Families New York
HMO	Health Maintenance Organization
HPNAP	Hunger Prevention and Nutrition Assistance Program
HUT	Highway Use Tax
IAAF	Interim Access Assurance Fund
IBR	Institute for Basic Research in Development Disabilities
ICP	Indigent Care Payments
ICR	Institutional Cost Reports
IDEA	Individuals with Disabilities in Education Act
IDR	Independent Dispute Resolution
IGT	Intergovernmental Transfers
IJA	Infrastructure Investment and Jobs Act
IMD	Institutions for Mental Disease
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change of the United Nations
IPO	Initial Public Offering
IRA	Inflation Reduction Act
IRMAA	Income-Related Monthly Adjustment Amount
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
JOLTS	Job Openings and Labor Turnover Survey
JSOC	Joint Security Operations Center
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LIRR	Long Island Rail Road
LLC	Limited Liability Company
LTSS	Long Term Service and Support
LWA	Lost Wages Act
MAT	Medication-Assisted Treatment
M/C	Management/Confidential
MCO	Medicaid Managed Care Organizations
MCTD	Metropolitan Commuter Transportation District
MHSF	Mental Hygiene Stabilization Fund
MIF	Mortgage Insurance Fund
MLF	Municipal Liquidity Facility
MLTC	Managed Long Term Care

## **Glossary of Commonly Used Acronyms**

MOE	Maintenance of Effort
MRT	Medicaid Redesign Team
MRT II	Medicaid Redesign Team II
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
MTOAF	Mass Transportation Operating Assistance Fund
NAIRU	Non-Accelerating-Inflation Rate of Unemployment
NANY	Nurses Across New York
NBER	National Bureau of Economic Research
NCS	Office of National and Community Service
NIPA	National Income and Product Accounts
NMS	New Medical Site
NPS	Non-Personal Service
N-PCL	Not-for Profit Corporation Law
NYC	New York City
NYH	New York Health Equity Reform
NYPA	New York Power Authority
NYS	New York State
NYSCOPBA	New York State Correctional Officers and Police Benevolent Association
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System
NYSOH	New York State of Health
NYSPIA	New York State Police Investigators Association
NYSTA	New York State Thruway Authority
NYSTPBA	Police Benevolent Association of the New York State Troopers
NYSWIMS	New York Statewide Investment in More Swimming
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCA	Office of Court Administration
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control
OMH	Office of Mental Health
OMIG	Office of Medicaid Inspector General
OPEB	Other Post-Employment Benefits
OPRHP	Office of Parks, Recreation and Historic Preservation
OPWDD	Office for People with Developmental Disabilities
ORDA	Olympic Regional Developmental Authority
ORP	Optional Retirement Program
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PAYGO	Pay-As-You-Go
PBA	Police Benevolent Association
PBANYS	Police Benevolent Association of New York State
PBM	Pharmacy Benefit Manager

## Glossary of Commonly Used Acronyms

PBT	Petroleum Business Tax
PEF	Public Employees Federation
PFRS	Police and Fire Retirement System
PHE	Public Health Emergency
PI	Personal Income
PIA	Police Investigators Association
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PMT	Payroll Mobility Tax
PPO	Preferred Provider Organization
PS	Personal Service
PSC	Public Service Commission
P-TECH	Pathways in Technology Early College High School
PTET	Pass-Through Entity Tax
PwC	PricewaterhouseCoopers LLP
QCEW	Quarterly Census of Employment and Wages
QHP	Qualified Health Plan (NYSOH)
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Council
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RHY	Runaway Homeless Youth
RPCI	Roswell Park Cancer Institute
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SED	State Education Department
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SHU	Special Housing Unit
SICG	Statewide Interoperable Communications Operations Grant Awards
SNA	Safety Net Assistance
SNAP	Supplemental Nutrition Assistance Program
SOF	State Operating Funds
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STEM	Science, Technology, Engineering, Math
STIP	Short-Term Investment Pool
STOA	Statewide Mass Transportation Operating Association
SUFPK	Statewide Universal Full-Day Prekindergarten
SUCF	State University Construction Fund
SUD	Substance Use Disorders
SUNY	State University of New York
SY	School Year (July 1 Through June 30)

## **Glossary of Commonly Used Acronyms**

TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
THU	Transition to Home Units
TNC	Transportation Network Companies
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UCS	Unified Court System
UI	Unemployment Insurance
URI	Upstate Revitalization Initiative
U.S.	United States
UUP	United University Professions
VAP	Vital Access Provider
VAPAP	Vital Access Provider Assurance Program
VBP QIP	Value Based Payment Quality Improvement Program
VDC	Voluntary Defined Contribution
VLT	Video Lottery Terminal