

February 26, 2024

Dear Neighbors,

One aspect I appreciate about our district is an underlying ethos of social responsibility. This entails well-resourced schools and access to affordable housing, childcare, healthcare, and solid infrastructure. It means ensuring we have clean water, clean air, and clean energy that will sustain us for many more generations to come.

The New York State Budget is how we, as a state, enact these values in order to create a healthy, livable environment for all New Yorkers. I am committed to doing so without shifting the cost on already burdened low- and middle-income families.

What we need is a budget that invests sufficiently in the services and infrastructure that ensure a quality of life for all New Yorkers while not inequitably passing the burden onto those least able to afford it.

There will certainly be some tough decisions in the next month as we are facing a budget deficit this year, and the Comptroller has predicted deficits for future years. However, simply creating an austerity budget that makes deep hatchet cuts in spending may create momentary savings but will result not only in deferred costs, but also new costs due to the negative consequences of today's cuts. What we cannot do is sacrifice long-term solutions for short-term savings. The solution to these deficits is to make smart investments now that will prevent future increased economic needs.

We can also make strategic policy decisions that generate the revenue needed to make the investments that align with our values.

In light of these thoughts, I have highlighted below some of the budget priorities I'm championing as well as community highlights for this week. Stay tuned because this is a longer newsletter due to the budget summary. As always, it is split into clear sections so you can pick and choose what you are interested in reading.

State Budget

A note about the state budget: While the New York State Budget contains dollar amounts for projects and priorities, legislative language for initiatives that have fiscal implications are also included as part of the larger budget vote. The Governor also has the authority in current law to add policy that does not have a direct fiscal impact. Over the next 5 weeks, we will be negotiating both the numbers and the policies being considered. I'm proud to share the budget bills that I sponsor in the Assembly and will be championing for their passage in the budget.

Health / Mental Health

- A9102 EMS "TIP & TAD" would provide for Medicaid reimbursement for ambulance services when treatment in place (TIP) is administered. This adjustment is needed because currently EMS is only reimbursed if they transport an individual, even if the needed treatment can be provided on site. The bill would also give discretion to EMS to provide transportation to an alternative healthcare destination (TAD) when an emergency room or hospital bed is not available at the general hospital. This legislation would help address critical funding gaps, especially in rural and low-income areas and remove needless logistical barriers facing EMS providers. Patients would receive the treatment they need, EMS providers would receive reimbursement for their services, and we could save millions from unnecessary hospital visits.
- A7465 Pay-To-Delay would preserve access to affordable prescription drugs by banning pay-to-delay agreements between brand-name drug manufacturers and their generic competitors. Under these pay-to-delay agreements, brand-name manufacturers can charge patients extremely high prices for prescription drugs, as much as 85% higher than the price of the generic drug counterpart, and compensate the generic company for their inaction. This is a clear anti-competition tactic that leads to huge profits for pharmaceutical companies while costing billions for American consumers who are simply trying to maintain their health.
- A7591 Mental Health EOP/HEOP would establish the mental health educational opportunity (EOP) and higher education opportunity programs (HEOP). EOP/HEOP are existing successful higher education programs that offer financial aid and academic support for students from educationally or economically disadvantaged backgrounds. Building on these programs, mental health EOP/HEOP would support students from similar backgrounds who enroll in academic programs that are foundational for any mental health profession. We have a severe shortage of mental health workers in

institutional centers, schools, assisted living centers, supportive housing, prisons, higher education, hospitals and many more settings. This legislation will help build the workforce in mental health professions from diverse backgrounds.

- A4879 Mental Health Response Training would require educators to receive mental health response training to identify students in an acute mental health crisis and provide a safe and informed referral to a qualified professional. The most recent <u>CDC Youth Risk Behavior Survey</u> highlights a growing youth mental health crisis. As educators are on the front lines, we need to support them with education and training as they support students in need.
- A9201 Youth Telehealth would improve access to mental health services to youth by offering up to five mental telehealth services annually at no cost to the family. In the face of persistent shortages of mental health professionals, telehealth can increase access, and ensuring there is no initial cost, can remove a barrier for families. Access to mental health resources in a crisis can help address youth depression, decrease school absenteeism, and prevent youth suicide.

Environment

A8867 Harmful Algal Bloom Monitoring and Prevention
 Act (HABMAP) would address a critical environmental threat to our lakes and waterways by establishing a statewide program for monitoring, evaluating, preventing, and mitigating harmful algal blooms (HABS). Toxic HABS pose a growing threat to the viability and safety of our water resources, the survival of wildlife, and to the economic

stability of regions dependent on tourism and recreation. We must bring together all existing data, find and fill data gaps, and identify and implement best practices for intervention and prevention of HABS.

- A4866c Just Energy Transition Act as part of the Climate Jobs and Justice package which also includes the <u>Climate Change Superfund</u> Act and the <u>NY HEAT Act</u>. These bills and funding would be a direct investment in the implementation of our statewide climate goals from the Climate Leadership and Community Protection Act (CLCPA) and would generate up to \$2 billion annually in net revenue.
- A9170 The GAP Fund would establish the Green Affordable Preelectrification (GAP) program. There are several great NYSERDA programs like Empower+ that help income-qualifying families improve the energy efficiency of their homes and transition to all-electric. However, the home must be shovel-ready for these projects. If the home needs, for example, a new roof or mold remediation, then the home is disqualified for the NYSERDA efficiency programs. The GAP fund would provide this funding for retrofits and ensure that the lowest income homeowners in the state are not disqualified from the very programs designed to help them. The state would become more energy efficient and move toward our climate goals.

Revenue

Over the last century in the United States, there has been a precipitous decline in the overall taxes that the wealthiest Americans pay. Part of this decline is due to a disproportionate influence the wealthiest individuals and corporations have had on our American political system, leading to a decline in the total rate that the wealthiest pay in income tax. Part of the steady

decline in taxes for the wealthiest is also due to a systematic change in how income itself is defined, such that income that is primarily accrued by the wealthiest Americans are taxed at a significantly lower rate or not taxed at all. This is laid out eloquently in this economic analysis by the White House summarizing that the 400 wealthiest families in the US have an average income tax rate of only 8.2%, significantly lower than the average American household. If we are going to create a balanced budget, it must include revenue that ensures all New Yorkers pay their fair share. For this reason, I sponsor two revenue bills that I am championing for inclusion in the budget:

- A3690 Corporate Tax Reforms would raise over \$7 billion annually. The reform would create a stepped tax structure similar to existing income tax. It would continue the existing 6.5% base tax; increasing to 8% for companies making over \$2.5 million in profits; 12% for companies making over \$10 million; and 14% for companies making over \$20 million. These Corporate Tax Reforms would apply to every corporation that does business in New York, not just those headquartered in the State allowing New York to stay competitive with other states. Equally important, this proposal would *not* impact small businesses in the state. As of 2020, fewer than 0.14% of corporations reached \$1 million in profits so this bill truly focuses on the highest tier of corporations. This proposal would still keep corporate tax rates lower than neighboring states like New Jersey and Pennsylvania.
- A3252 The Billionaires Tax would raise over \$20 billion in its first year and \$1.5 billion annually thereafter by creating a tax that targets the rising value of stocks and investment portfolios that are currently taxed at a significantly lower rate than work-related earned income creating a huge tax break for the most wealthy New Yorkers. This proposal creates a yearly tax on assets that have accumulated value, requiring billionaires to pay income tax rates on their investment gains.



In addition to the bills that I sponsor, I support a variety of legislation and state-wide initiatives led by my colleagues in the Assembly and Senate. I'm also advocating to reject some of the proposals laid out in the executive budget proposed in January. Some highlights include:

Health

Support for EMS Providers

Emergency Medical Services have evolved over many decades from merely providing transport to the hospital into front line care with ambulances serving as mobile emergency rooms. Yet we have relied on volunteerism as well as severely underfunded municipal, community based, and private EMS services across the state to carry this critical service. The system is at a breaking point, and EMS services are in dire need of funding and cost-saving reforms. I support a package of legislation that will invest in this critical healthcare service through the following legislative actions:

- exempt EMS funding from the tax cap calculation so communities aren't penalized for the cost of local emergency care;
- allow volunteer firefighters and ambulance workers to claim both state income and local property tax credits;
- increase the volunteer firefighters' and ambulance workers' personal income tax credit from \$200 to \$800 for eligible individuals and from \$400 to \$1,600 for eligible married joint filers;
- create a methodology for ambulance reimbursement under Medicaid that more closely approximates the cost of providing the service

Fair Pay for Homecare

Homecare provides critical care for older adults and those with disabilities. Assisting with these activities of daily living allows many to remain in their homes safely and prevents the higher costs of entering nursing homes or other long term care facilities that are inevitably more expensive for the individual, their family, and the state. This transition also significantly reduces a person's autonomy and can result in reduced quality of life. I support ensuring that home healthcare workers receive a living wage and a cost-of-living adjustment (COLA) equal to the current inflation rate. I also support legislation that will:

- reinstate the full list of activities that are eligible for access to Medicaid reimbursed home healthcare (<u>A6346/S328</u>)
- preserve value-based programs such as the Program of All-inclusive Care of the Elderly (PACE) and Medicaid Advantage Plus (MAP) while transitioning remaining care to a fee-for-service payment model

designed to lessen administrative fees and cap profits to Managed Long-Term Care (MLTC) companies and lower cost burdens on Medicaid (A8470/S7800).

Education

Governor Hochul has proposed changes to the Foundation Aid formula that will result in funding losses for 10 school districts in our Assembly district, totaling \$2.6 million in cuts. I've heard from our school districts, and I understand they will face extremely difficult decisions, including the loss of teaching and staff positions as well as the need to raise property taxes to cover the shortfalls. A total of 337 school districts across the State face funding cuts with the adjusted formula, half of which are high needs schools.

I am advocating to reject executive proposed changes to the foundation aid formula and retain the current "Save Harmless" calculation designed to protect against the effects of fluctuating K-12 student enrollment from year to year in recognition of the fact that education has fixed costs. I am also advocating that we reject the shift from the current annual inflation adjustment to a 10-year average inflation adjustment that will single-handedly cost schools billions across the state. I will continue to champion for the funding necessary to update the antiquated formula that is still based on 2000 census data. I will continue to fight to ensure our school districts and teachers have the resources they need to educate and support all students.

Higher Education

Support for Community College Funding Community colleges provide affordable and geographically accessible higher education for individuals,

serving a variety of populations including adult learners, students who are parents, part-time students, and those seeking workforce development training. Community college enrollments are beginning to increase again post-pandemic yet the proposed executive budget would hold the base aid funding to community college at pandemic levels. To ensure continued viability of the essential education and training provided to residents in our communities, I am urging that the budget begin to raise state base aid to pre-pandemic levels.

Housing

We are in an affordable housing crisis, and while we need more housing stock, the lack of access to affordable housing is in the here and now. This lack is causing working class families to leave the state. Increasing housing stock will take years. We simply cannot build our way out of this current crisis that must be addressed immediately. According to a recent report from the NYS Comptroller, "cost is the primary driver of housing insecurity, New York consistently ranks as one of the states with the highest cost burdens, significant racial disparities exist among households suffering from housing insecurity, housing insecurity among New York's seniors exceeds the national average, evictions have been higher in New York than the national average, and New York's rate of homelessness, at about 5 per 1,000 people, was highest among states and more than double the national rate in January 2023". To provide immediate relief, I support the Housing Access Voucher Program and Good Cause Eviction legislation to increase access and affordability of New York housing. I also support financial investments in Neighborhood Preservation Companies and Rural Preservation Companies to assist rural area housing programs and the Homeowner Protection Program (HOPP) to assist first time homebuyers as well as land bank programs.



Community Resources

Local Farmers invited to discuss funding opportunities with Agriculture Support Agencies

Cornell Cooperative Extension (CCE) Tompkins will hold office hours in collaboration with <u>Tompkins County Soil and Water Conservation District</u> (SWCD) and <u>Tompkins/Cortland/Schuyler Natural Resources Conservation</u> <u>Service (NRCS)</u> on Friday, March 1 from 2 - 4 p.m. at the offices of CCE Tompkins County (615 Willow Avenue, Ithaca, NY).

Local farmers are encouraged to attend for personalized support and information about federal and state funding to implement sustainable agricultural practices on their farms. Information about the Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP) and the Climate Resilient Farming program (CRF), as well as information about funding for these programs, will also be provided during these office hours. For more information, visit Cornell Cooperative Extension's website or contact Graham Savio, CCE Tompkins Agriculture and Horticulture Issue Leader, at gs695@cornell.edu.

February Coalition for Families: Financial Well-Being

The Family Resource Connection Tompkins (through Cornell Cooperative Extension (CCE) Tompkins Family) will be hosting their monthly meeting of <u>Coalition for Families</u> this Wednesday, February 28 from 12 - 1 p.m. both in person (at the offices of CCE Tompkins County, 615 Willow Ave. Ithaca) and online via Zoom. <u>Alternatives Federal Credit Union (AFCU)</u> will present Financial Well-Being: Understanding Credit, Credit Reports, & Credit Scores. Attendees will learn more about credit, as well as products and services that can help improve their financial well-being. This event is free but <u>registration</u> is required.

In good health,

Dunc R Kelles

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