



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
WAYS AND MEANS COMMITTEE
COMMITTEE
Rules

HELENE E. WEINSTEIN
Assemblywoman 41st District
Kings County

DISTRICT OFFICE
3520 Nostrand Avenue
Brooklyn, New York 11229
(718) 648-4700

ALBANY OFFICE
Room 923
Legislative Office Building
Albany, New York 12248
wamchair@nyassembly.gov
(518) 455-5462

February 6, 2023

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) 2023-24. 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 February 1, 2023. This publication is accessible on our website: www.assembly.state.ny.us/Reports/WAM/2023yellow/.

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 2023-24 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 "Helene E. Weinstein".

HELENE E. WEINSTEIN

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**A REVIEW AND ANALYSIS
OF THE
2023-24 EXECUTIVE BUDGET

YELLOW BOOK**

February 2023

**Helene E. Weinstein
Chair
Assembly Ways and Means Committee**

Prepared by the
Assembly Ways and Means Committee Staff

Blake G. Washington
Secretary to the Committee

Philip A. Fields
Director of Budget Studies

Victor E. Franco, Jr.
Director of Fiscal Studies

**A Review and Analysis
of the
2023-24 Executive Budget**

FINANCIAL PLAN	1
BUDGET SUMMARY BY PROGRAM AREA	
EDUCATION	17
HEALTH.....	33
HIGHER EDUCATION	47
HUMAN SERVICES.....	59
MENTAL HYGIENE	73
ENVIRONMENT, AGRICULTURE AND ENERGY	81
TRANSPORTATION.....	99
ECONOMIC DEVELOPMENT.....	113
PUBLIC PROTECTION.....	121
LOCAL GOVERNMENT	129
GENERAL GOVERNMENT.....	135
STATE OPERATIONS AND WORKFORCE.....	147
JUDICIARY.....	155
ECONOMY.....	157
REVENUE	165
CAPITAL AND DEBT	177
BUDGET BILLS AND HEARING SCHEDULE	189
GLOSSARY.....	211

BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The Executive Budget estimates All Funds spending for State Fiscal Year (SFY) 2023-24 of \$227.0 billion, an annual growth of 2.4 percent.
- **State Operating Funds Spending:** The Executive estimates total State Operating Funds disbursements of \$125.2 billion in SFY 2023-24, reflecting an annual growth of 2.0 percent.
- **General Fund Spending:** The Executive estimates General Fund disbursements in SFY 2023-24 of \$106.9 billion, for an annual growth of \$12.4 billion or 13.2 percent.
- **Current General Fund Budget Surplus:** The Executive proposal projects a budget surplus of \$8.7 billion in SFY 2022-23, as a result of continued growth in tax receipts and downward revisions to estimated disbursements.
- **Out-year Budget Gaps:** The Executive estimates budget gaps of \$5.7 billion in SFY 2024-25, \$9.0 billion in SFY 2025-26, and \$7.5 billion in SFY 2026-27.
- **General Fund Closing Balance:** The Executive estimates the SFY 2023-24 General Fund closing balance will be \$34.7 billion, a decrease of \$2.4 billion from the current fiscal year.
- **General Fund Reserves:** The Executive Budget also includes language that would increase deposits on Rainy Day reserves from 15 to 20 percent of State Operating Funds spending.

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 2022-23	SFY 2023-24	Difference	Percent
General Fund	94,491	106,933	12,442	13.2
State Operating Funds	122,703	125,184	2,481	2.0
State Funds	135,560	143,071	7,511	5.5
All Funds	221,564	226,991	5,427	2.4

Source: NYS Division of Budget SFY 2023-24 Executive Budget Financial Plan.

The Executive proposes an All Funds budget of \$227 billion for SFY 2023-24, representing a growth of \$5.4 billion or 2.4 percent. All Funds growth includes \$3.1 billion for School Aid, \$2 billion for Medicaid, and \$300 million for Executive agency operations.

Table 2

Executive Budget Spending (\$ in Billions)				
	SFY 2022-23	SFY 2023-24	Difference	Percent
All Funds	221.6	227.0	5.4	2.4
State Operating Funds	122.7	125.2	2.5	2.0
School Aid School Year Basis	31.3	34.4	3.1	9.9
Medicaid	25.8	27.8	2.0	7.8
Executive Agency Operations	12.3	12.6	0.3	2.4
All Other	53.3	50.4	(2.9)	(5.4)

Source: NYS Division of Budget SFY 2023-24 Executive Budget Financial Plan.

On a State Operating Funds basis the Executive Budget is estimated to be \$125.2 billion, a growth of \$2.5 billion or 2 percent. The growth is mostly driven by the increase in School Aid (\$3.1 billion), Medicaid (\$1.9 billion) and State operations (\$1.3 billion). This is offset by a significant reduction in debt service of \$5.0 billion.

General Fund spending is projected by the Executive to total at \$106.9 billion for SFY 2023-24, a 13.2 percent increase from SFY 2022-23. General Fund growth reflects \$3.3 billion in school aid, \$2.3 billion for Health Care, and \$1.5 billion to support executive agency budgets. Additionally, General Fund growth also includes \$2.1 billion in Pay-As-You-Go (PAYGO) capital spending and increased transfers to SUNY for transformational initiatives.

State Funds spending is projected at \$143.1 billion or 5.5 percent over SFY 2022-23.

Sources and Uses of Funds

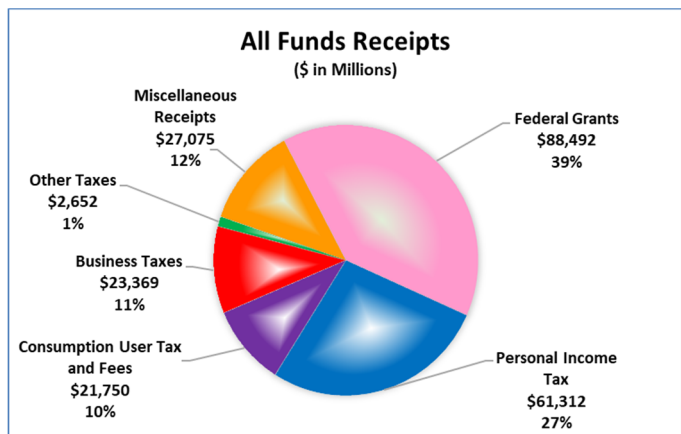


Figure 1

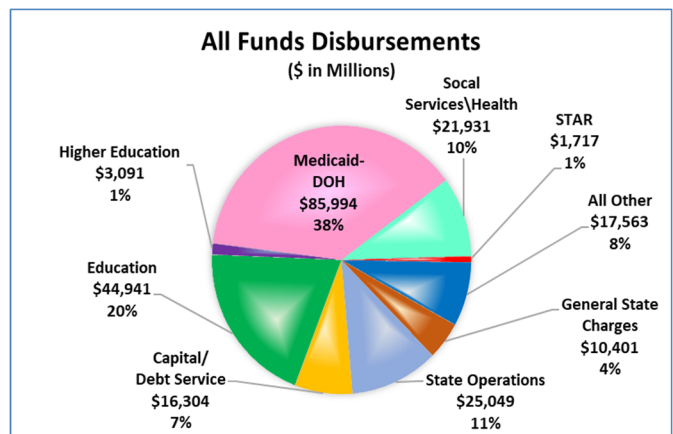


Figure 2

Federal grants and Personal Income Tax (PIT) receipts make up the largest sources of State revenue at 39 percent and 27 percent, respectively. Medicaid and Education are the most significant categories of state spending; together they account for 58 percent of the All Funds Budget.

Federal Aid

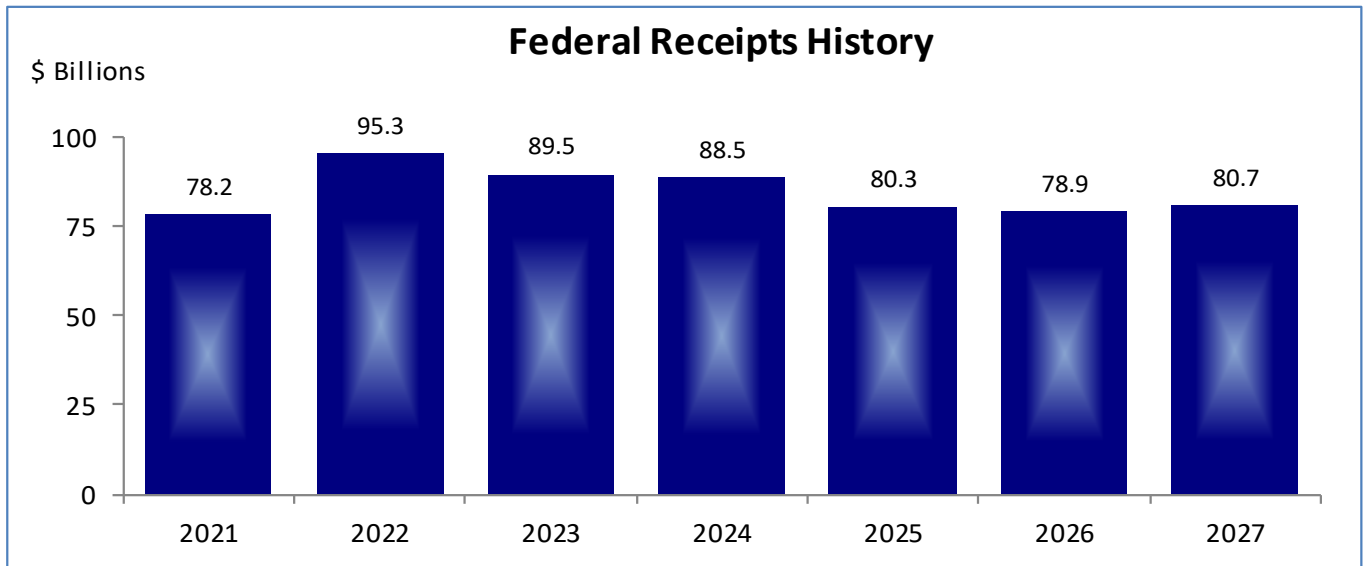


Figure 3

The Budget assumes Federal aid of \$88.5 billion in SFY 2023-24, a decrease of \$1 billion from SFY 2022-23. In SFY 2021-22, Federal aid receipts included \$12.75 billion in unrestricted aid, pursuant to the American Rescue Plan (ARP).

The Financial Plan assumes that the Federal government will fully fund the State's direct pandemic response costs. However, there is no assurance that FEMA will approve claims for the State to receive reimbursement in the amounts that are projected in the Financial Plan.

Federal Impacts to the Financial Plan

Federal Coronavirus Response Legislation and Action

The Federal Government passed several bills in response to the COVID-19 public health emergency, and New York State is estimated to receive a total of \$355 billion in Federal pandemic assistance. It is projected that a total of \$66 billion will flow through the State's Financial Plan and the balance will go directly to eligible individuals and entities. As of December 31, 2022, approximately \$47.2 billion has been received while \$40.1 billion has been disbursed.

Table 3

FEDERAL PANDEMIC ASSISTANCE LEGISLATION AND ACTION

(\$ in Millions)

Bill/Source	Total Funds Available	Funding Flowing Through the Financial Plan
CARES Act	221,163	8,219
Families First Coronavirus Response Act	84,219	19,150
American Rescue Plan ARP Act of 2021	25,307	20,155
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act of 2021	18,588	14,398
FEMA Lost Wage Assistance (Administrative Action)	4,120	4,120
Paycheck Protection Program and Health Care Enhancement Act	1,556	0
CPRSA Act	65	0
Total	355,018	66,042

The total projected amount includes \$12.75 billion in unrestricted aid provided through the ARP.

Source: SFY 2023-24 Executive Budget Financial Plan.



Federal Funds Projected Disbursements by Program Area

Federal Funds spending is expected to total \$83.9 billion in SFY 2023-24, including \$11 billion in spending related to pandemic assistance. Federal Funds spending is estimated to decrease by \$2.1 billion over SFY 2022-23 driven by decreasing pandemic assistance spending.

Table 4

FEDERAL FUNDS DISBURSEMENTS							
(\$ in Millions)							
	SFY 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27	5-Year Total
	<u>Actuals</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>	<u>Projected</u>
DISBURSEMENTS							
Medicaid	44,474	47,191	49,586	48,923	51,135	52,484	249,319
Health	8,227	8,657	9,426	10,575	11,109	11,494	51,261
Social Welfare	4,770	4,477	4,545	4,699	4,702	4,703	23,126
Education	4,601	3,941	3,940	3,857	3,857	3,857	19,452
Public Protection	1,128	1,327	1,301	1,305	1,337	1,303	6,573
Transportation	1,966	2,271	2,495	2,696	2,825	2,888	13,175
All Other ¹	1,609	1,714	1,608	1,603	1,607	1,628	8,160
Pandemic Assistance ²	12,708	16,426	11,019	3,648	134	69	31,296
Child Care Funds	987	966	445	0	0	0	1,411
Education ARP Funds	496	2,864	3,491	2,454	0	0	8,809
FFCRA/COVID eFMAP, including local passthrough	3,629	4,441	1,826	0	0	0	6,267
ARP HCBS eFMAP	0	975	1,462	0	0	0	2,437
Coronavirus Relief Fund (CRF)	2,318	0	0	0	0	0	0
Education Supplemental Appropriations Act	843	2,196	1,353	0	0	0	3,549
Lost Wages Assistance	5	0	0	0	0	0	0
Emergency Rental Assistance Program (ERAP)	1,833	602	325	0	0	0	927
Education CARES Act Funds	755	267	0	0	0	0	267
SUNY State-Operated Campuses Federal Stimulus	373	278	0	0	0	0	278
FEMA Reimbursement of Eligible Pandemic Expenses	0	800	200	0	0	0	1,000
FEMA Reimbursement of COVID Home Testing Kits	0	0	225	225	0	0	450
FEMA Local Pass-Through Funding	780	1,452	1,250	750	0	0	3,452
Coronavirus Local Fiscal Recovery Fund Non-Entitlement Pass-Through	387	387	0	0	0	0	387
Homeowner Assistance Program	75	465	0	0	0	0	465
Home Energy Assistance Program	224	335	0	0	0	0	335
Coronavirus Capital Projects Fund	0	69	69	69	69	69	345
State Small Business Credit Initiative	0	279	223	0	0	0	502
FHWA Surface Transportation Block Grant	2	50	150	150	65	0	415
Total Disbursements	79,483	86,004	83,920	77,307	76,706	78,426	402,362

¹ All Other includes housing and homeless services, economic development, mental hygiene, environment, higher education and general government areas.
² Pandemic Assistance excludes \$12.75 billion in State aid provided through the American Rescue Plan Act, as this fund is reflected as a receipt to Federal Funds and transfer to the General Fund.
Source: SFY 2023-24 Executive Budget Financial Plan.

Table 5

SFY 2023-24 EXECUTIVE BUDGET FINANCIAL PLAN				
(\$ in Millions)				
	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
	Proposed	Projected	Projected	Projected
UPDATED "BASE" BUDGET SURPLUS/(GAP) ESTIMATE	214	(7,422)	(7,829)	(5,782)
Receipts	833	627	763	252
Tax Receipts	(57)	669	853	408
Debt Service	(7)	(33)	(79)	(146)
Payment of Future Debt Service Costs	900	0	0	0
Other Receipts/Transfers	(3)	(9)	(11)	(10)
Disbursements	(2,644)	(2,363)	(2,486)	(2,490)
Local Assistance	(1,330)	(1,444)	(1,901)	(1,960)
Education	84	87	80	80
Medicaid	(1,673)	(769)	(1,396)	(1,360)
eFMAP Extension through December 31, 2023	1,248	0	0	0
Asylum Seekers Services and Assistance	(944)	(355)	0	0
Minimum Wage Indexing	(14)	(51)	(86)	(131)
MHSF/Local Share Adjustment	738	178	82	77
Mental Hygiene	(65)	(142)	(171)	(193)
Public Health/Aging	(9)	(14)	(14)	(14)
Social Services/Housing	60	(70)	(68)	(78)
Environment/Energy	(203)	(50)	(50)	(50)
Higher Education	(48)	(77)	(92)	(114)
Public Safety	(107)	(89)	(89)	(89)
Transportation	(349)	(51)	(51)	(47)
All Other	(49)	(41)	(47)	(42)
Agency Operations, including GSCs	(1,014)	(667)	(123)	(260)
Executive Agency Operations	(413)	(490)	(452)	(445)
Asylum Seekers Services and Assistance	(162)	0	0	0
Minimum Wage Indexing	(5)	(12)	(17)	(17)
State Police Recruiting Classes	(67)	(46)	(47)	(48)
SUNY Endowment Funding	(375)	(125)	0	0
Legislature/Judiciary (incl. fringe benefits)	(38)	(38)	(38)	(38)
Accelerate Retiree Health Reserve Deposits	0	0	375	225
Fringe Benefits/Fixed Costs	46	44	56	63
Transfers to Other Funds	(300)	(252)	(462)	(270)
Capital Projects	(192)	(154)	(368)	(161)
SUNY Operating	(113)	(103)	(99)	(114)
All Other	5	5	5	5
Use of/(Deposit to) Reserves	1,597	3,470	544	544
Accelerate Principal Reserve Deposits	2,448	2,926	0	0
Manage Prior/Current Year Surplus	(851)	544	544	544
BUDGET SURPLUS/(GAPS)	0	(5,688)	(9,008)	(7,476)



Prior to the recommendations included in the Executive Budget, the forecast for out-year budget gaps in the current Mid-Year Financial Plan update were estimated at a cumulative \$21 billion from SFY 2024-25 through SFY 2026-27. The Executive estimates a surplus of \$214 million in SFY 2023-24.

Since the Mid-Year Update, the gap for SFY 2022-23 has been revised downward to a balanced budget, while outyears maintaining a gap of \$5.7 billion in SFY 2024-25, \$9 billion in SFY 2025-26, and \$7.5 billion in SFY 2026-27. The gaps are the results of the downward revisions in estimated tax receipts, which have been lowered by nearly \$21 billion in comparison to the current year, Enacted Budget Financial Plan.

Use of Surplus

The Executive Budget Financial Plan projects a budget surplus of \$8.7 billion in SFY 2022-23, as a result of continued growth in tax receipts and downward revisions to estimated disbursements. The plan also projects a General Fund surplus of \$851 million in the upcoming fiscal year. DOB plans to use the surpluses as follows:

- \$5.4 billion to accelerate deposits to the State principal reserves that were planned for SFY 2023-24 (\$2.4 billion) and SFY 2024-25 (\$2.9 billion);
- \$1.6 billion to reduce outyear gaps;
- \$1 billion to the debt reduction reserve fund;
- \$900 million for debt service prepayment; and
- \$600 million to the Retiree Health Trust Fund, for a total balance of \$1.2 billion.

SFY 2023-24 One-Time Spending

The Executive proposes \$2.3 billion for non-recurring General Fund spending actions including:

- \$1.4 billion to support asylum seekers in New York City, (\$1 billion in SFY 2023-24 and the remainder in SFY 2024-25);
- \$375 million for a SUNY endowment matching program at SUNY University Centers;
- \$300 million for the MTA to address an operating deficit; and
- \$200 million for the expansion of the Energy Affordability Program to provide consumers with a discount on their monthly electric and/or gas bills.



Receipts

SFY 2023-24 Tax Actions: The Executive proposes several changes to tax law, including an extension of tax rates on the business income base of Article 9-A filers with business income tax bases over \$5 million, and extension of the capital base tax rate for certain taxpayers, prohibition of the sale of flavored tobacco products, and a \$1 per pack increase on cigarette tax.

Disbursements

The General Fund spending growth in the Executive Financial Plan primarily supports School Aid, Medicaid, and support for asylum seekers.

Local Assistance:

- **Education/School Aid:** DOB estimates that School Aid will grow to \$34.5 billion in the 2023-24 school year, including Federal prekindergarten expansion grants, representing a \$3.1 billion growth or 10 percent on a school fiscal year basis. This growth primarily reflects the State's commitment to fully fund the Foundation Aid with an increase of \$2.7 billion in Foundation Aid; \$232 million in expense-based aids; and \$125 million in State-funded full-day prekindergarten programming for four-year-old children.
- **Healthcare/Medicaid:** DOB projects Medicaid will grow by \$2.3 billion in SFY 2023-24, mostly driven by State costs to replace the phase down of pandemic-related Enhanced Federal Medical Assistance Percentage (eFMAP) enrollment and minimum wage. Medicaid spending is offset by savings resulting from the transition of the pharmacy benefit from Managed Care to Medicaid Fee-for-Service and other actions to maintain spending within the Global Cap.
- **eFMAP:** The extension of the enhanced eFMAP rate produced additional savings of \$1.2 billion in SFY 2023-24.
- **Asylum Seekers Services and Assistance:** The Executive Budget provides support to asylum seekers in New York City (\$1 billion in SFY 2023-24 and \$355 million in SFY 2024-25).
- **Environment/Energy:** The Executive provides \$200 million for the expansion of the Energy Affordability Program to provide customers with a discount on their monthly electric and/or gas bills.



- **Transportation:** The Executive Budget proposes \$349 million in transportation including \$300 million to provide one-time assistance to the MTA to address loss of revenue due to the pandemic.
- **Public Safety:** The Executive provides \$107 million in support for district attorneys, Alternatives to Incarceration (ATI) programs, the Gun Involved Violence Elimination (GIVE) program, re-entry services, and pretrial services.

Agency Operations: The Executive Budget assumes a growth of \$413 million in agency operations. This will be used to address critical services needs in housing and health reporting systems and various other important programs.

Transfers to Other Funds: The Executive Budget reflects the transfer of up to \$300 million for capital projects and SUNY Operations. The Executive Budget transfers \$192 million into capital projects to support the expansion of housing capacity, outpatient mental health services, digital transformation facilitation across the SUNY system, investment in new and renovated research buildings, laboratories, and state-of-the art instrumentation at certain SUNY University Centers, and various economic development projects. The Executive Budget also provides \$75 million to support SUNY transformational initiatives.



General Fund Reserves

Excluding the reserve for the timing of PTET/PIT credit and the reserve for monetary settlements, the Executive Budget projects \$25.9 billion in reserves at the end of SFY 2023-24, representing a \$895 million decrease from SFY 2022-23. This decrease is attributable to the planned use of \$2.2 billion from undesignated fund balance to fund certain commitments and operations in SFY 2023-24.

Table 6

Estimated General Fund Closing Balance			
(\$ in Millions)			
	SFY 2022-23	SFY 2023-24	Annual Change
Tax Stabilization Reserve Fund	1,632	1,632	0
Statutory Rainy Day Reserve Fund	4,836	4,836	0
Contingency Reserve Fund	21	21	0
Community Projects	21	18	(3)
Undesignated Fund Balance	4,123	2,150	(1,973)
Reserved for Debt Management	2,355	2,436	81
Reserved for Labor Settlements/Agency Operations	765	1,765	1,000
Reserved for Economic Uncertainties	13,070	13,070	0
General Fund Total (Excluding Monetary Settlements and	26,823	25,928	(895)
Reserved for Timing of PTET/PIT Credits	8,699	8,003	(696)
Extraordinary Monetary Settlements	1,552	725	(827)
Total General Fund Balance	37,074	34,656	(2,418)

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's current projections rely mostly on tax revenues from high income earners and an influx of pandemic-era Federal aid which is expected to decline over time. Long term risks to the financial plan include loss in tax revenue as the result of population loss, tax migration, slow population growth and remote work.

To prepare for future uncertainties, the Executive Budget proposes to use \$5.4 billion of the current year surplus to accelerate deposits to the State principal reserves that were plan for SFY 2023-24 and SFY 2024-25. By the end of SFY 2022-23, the balance in principal reserves is estimated at over



\$19.5 billion, which is equal to 15 percent of projected SFY 2024-25 State Operating Funds disbursements as outlined in the SFY 2022-23 Executive Budget.

The Executive Budget also includes language that would increase deposits on Rainy Day reserves from 15 to 20 percent of State Operating funds spending and would also increase the maximum annual deposit from three percent to 10 percent of State Operating Funds spending.

Table 7
SFY 2023-24 EXECUTIVE BUDGET
PRINCIPAL RESERVES
(\$ in Millions)

	<u>SFY 2021-22</u>	<u>SFY 2022-23</u>	<u>SFY 2023-24</u>	<u>SFY 2024-25</u>
Planned Deposits	5,018	10,554	0	0
Rainy Day Reserves	843	3,149	0	0
Economic Uncertainties	4,175	7,405	0	0
Balance At Year-End	8,984	19,538	19,538	19,538
Rainy Day Reserves	3,319	6,468	6,468	6,468
Economic Uncertainties	5,665	13,070	13,070	13,070
Estimated SOF Spending	117,404	122,703	125,184	131,497
<i>Principal Reserves % SOF</i>	8.00%	16.00%	16.00%	15.00%

The Executive proposal includes legislation that would extend, for one year, budget management tools authorized in SFY 2020-21 and SFY 2021-22 in response to COVID-19 to manage cash flow. This includes authorization to issue up to \$3 billion in short-term personal income tax (PIT) notes as well as continued authorization for a \$2 billion line of credit. The Financial Plan does not assume the use of these budget tools.



Table 8

Executive Budget Financial Plan
SFY 2023-24
(\$ in Millions)

	Executive General Fund	Executive State Operating Funds	Executive All Funds
OPENING BALANCE	<u>37,074</u>	<u>44,195</u>	<u>57,101</u>
RECEIPTS:			
Personal Income Tax	28,942	61,312	61,312
User Taxes and Fees	9,803	21,145	21,750
Business Taxes	14,546	22,730	23,369
Other Taxes	1,279	2,395	2,652
Total Taxes	<u>54,570</u>	<u>107,582</u>	<u>109,083</u>
Abandoned Property	450	450	450
ABC License Fees	71	71	71
HCRA		5,909	5,909
Investment Income	10	10	10
Licences, Fees, Etc.	580	580	580
Lottery		3,421	3,421
Medicaid		900	900
Motor Vehicle Fees	225	417	417
Reimbursements	66	66	66
State University Income		5,309	5,309
Extraordinary Settlements	33	33	33
Other Transactions	376	(1,232)	9,909
Total Miscellaneous Receipts	<u>1,811</u>	<u>15,934</u>	<u>27,075</u>
Federal Grants	2,250	2,300	88,492
Total Transfers from Other Funds	<u>45,884</u>	<u>—</u>	<u>—</u>
TOTAL RECEIPTS	<u>104,515</u>	<u>125,816</u>	<u>224,650</u>
DISBURSEMENTS:			
School Aid	28,984	33,363	41,314
Higher Education	3,091	3,091	3,091
All Other Education	2,509	2,522	3,627
STAR		1,717	1,717
Medicaid - DOH	21,496	27,300	85,994
Public Health	785	2,129	5,348
Mental Hygiene	6,274	6,467	7,113
Children and Families	1,925	1,929	3,113
Temporary & Disability Assistance	2,459	2,459	6,357
Transportation	498	5,216	7,831
Unrestricted Aid	842	842	842
All Other	4,399	2,382	8,890
Total Local Assistance Grants	<u>73,262</u>	<u>89,417</u>	<u>175,237</u>
Personal Service	10,720	15,862	16,558
Non-Personal Service	3,797	6,397	8,491
Total State Operations	<u>14,517</u>	<u>22,259</u>	<u>25,049</u>
General State Charges	8,800	10,010	10,401
Debt Service	251	3,498	3,498
Capital Projects	6,580	0	12,806
SUNY Operations	1,587		
Other Purposes	1,936	—	—
Total Transfers to Other Funds	<u>10,354</u>	<u>—</u>	<u>—</u>
TOTAL DISBURSEMENTS	<u>106,933</u>	<u>125,184</u>	<u>226,991</u>
Other Financing Sources (uses):			
Transfers from Other Funds	—	51,312	58,276
Transfers to Other Funds	—	(54,808)	(58,527)
Bonds and Note proceeds	—	0	368
Net Financing Sources	—	(3,496)	117
Excess/(Deficiency) of Receipts over Disbursements	<u>(2,418)</u>	<u>(2,864)</u>	<u>(2,224)</u>
CLOSING BALANCE	<u>34,656</u>	<u>41,331</u>	<u>54,877</u>



Table 9

	CASH DISBURSEMENTS		APPROPRIATIONS	
	BY FUNCTION		BY FUNCTION	
	ALL GOVERNMENTAL FUNDS	ALL GOVERNMENTAL FUNDS	ALL GOVERNMENTAL FUNDS	ALL GOVERNMENTAL FUNDS
	(\$ in Thousands)		(\$)	
	SFY 2022-23 Projected	SFY 2023-24 Projected	SFY 2022-23 Available	SFY 2023-24 Recommended
ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT	<u>3,934,083</u>	<u>4,452,496</u>	<u>6,790,699,274</u>	<u>2,950,614,325</u>
Agriculture and Markets, Department of	146,803	140,489	317,294,625	296,905,000
Alcoholic Beverage Control, Division of	130,182	76,031	112,461,000	83,211,000
Economic Development Capital	8,000	0		
Economic Development, Department of	375,960	303,504	103,754,346	102,898,325
Empire State Development Corporation	2,328,766	2,907,269	5,221,323,000	1,291,378,000
Energy Research and Development Authority, New York State	24,460	229,030	23,600,000	225,800,000
Financial Services, Department of	410,323	408,515	485,166,303	521,322,000
Lake Ontario Resiliency/Economic Development	15,198	0	0	0
Olympic Regional Development Authority	148,354	66,354	116,590,000	104,090,000
Power Authority, New York	3,300	10,500	43,000,000	7,500,000
Public Service Department	340,290	293,104	367,510,000	317,510,000
Regional Economic Development Program	447	0		
Strategic Capital Resource Assistance Program	0	17,700		
Strategic Investment Program	2,000	0		
PARKS AND THE ENVIRONMENT	<u>2,435,905</u>	<u>2,653,107</u>	<u>11,365,547,601</u>	<u>3,233,902,200</u>
Adirondack Park Agency	12,048	20,866	35,258,784	6,329,000
Environmental Conservation, Department of	1,994,819	2,141,233	10,655,840,510	2,517,374,200
Hudson River Park Trust	30,000	10,000	0	0
Parks, Recreation and Historic Preservation, Office of	399,038	481,008	674,448,307	710,199,000
TRANSPORTATION	<u>11,848,074</u>	<u>14,331,688</u>	<u>15,150,720,800</u>	<u>15,858,718,250</u>
Metropolitan Transportation Authority	0	1,069,000	901,768,000	892,175,000
Motor Vehicles, Department of	448,708	493,523	571,842,000	477,691,000
Transportation, Department of	11,399,366	12,769,165	13,677,110,800	14,488,852,250
HEALTH	<u>90,588,988</u>	<u>93,988,328</u>	<u>206,079,263,160</u>	<u>217,863,896,489</u>
Aging, Office for the	290,169	282,767	310,515,389	303,834,144
Health, Department of	90,249,235	93,655,888	205,711,278,771	217,502,593,345
Medicaid Inspector General, Office of the	49,584	49,673	57,469,000	57,469,000
SOCIAL WELFARE	<u>14,980,881</u>	<u>12,881,343</u>	<u>29,156,419,368</u>	<u>22,456,186,350</u>
Children and Family Services, Office of	4,661,893	3,623,459	4,313,076,909	5,815,665,450
Housing and Community Renewal, Division of	2,057,846	1,845,958	5,976,124,000	772,024,000
Human Rights, Division of	17,691	25,395	21,014,268	28,888,000
Labor, Department of	774,874	653,624	11,371,483,000	7,247,838,000
National and Community Service	17,746	18,074	30,886,181	30,905,900
Nonprofit Infrastructure Capital Investment Program	35,000	32,660	50,000,000	0
Temporary and Disability Assistance, Office of	7,415,831	6,682,173	7,393,835,010	8,560,865,000
MENTAL HYGIENE	<u>9,357,618</u>	<u>11,040,742</u>	<u>13,985,686,265</u>	<u>15,086,809,000</u>
Addiction Services and Supports, Office of	1,020,645	1,031,823	1,475,543,000	1,235,196,000
Developmental Disabilities Planning Council	4,200	4,200	4,760,000	4,760,000
Justice Center	48,676	48,763	60,897,000	61,434,000
Mental Health, Office of	3,970,197	4,650,407	5,211,085,265	6,363,191,000
People with Developmental Disabilities, Office for	4,313,900	5,305,549	7,233,401,000	7,422,228,000
PUBLIC PROTECTION/CRIMINAL JUSTICE	<u>7,728,560</u>	<u>8,014,112</u>	<u>10,998,985,365</u>	<u>15,565,748,000</u>
Correction, Commission of	3,033	3,405	3,394,190	3,861,000
Corrections and Community Supervision, Department of	3,070,734	3,042,037	3,530,595,163	3,538,856,000
Criminal Justice Services, Division of	412,808	506,428	596,137,253	659,515,000
Homeland Security and Emergency Services, Division of	2,699,053	2,543,752	4,975,324,755	9,101,516,000
Indigent Legal Services, Office of	219,524	218,573	366,544,284	366,560,000
Judicial Conduct, Commission on	7,293	8,128	7,189,000	8,128,000
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	153,793	395,385	217,194,375	331,103,000
Prosecutorial Conduct, Commission on	1,750	1,750	1,750,000	1,750,000
State Police, Division of	973,146	1,112,799	1,051,052,850	1,303,918,000
Statewide Financial System	31,972	31,970	32,031,492	32,009,000
Victim Services, Office of	155,386	149,817	217,704,003	218,464,000
HIGHER EDUCATION	<u>12,261,114</u>	<u>13,231,334</u>	<u>20,260,544,657</u>	<u>20,704,163,700</u>
City University of New York	2,217,011	2,508,213	6,109,684,663	5,712,317,300
Higher Education Facilities Capital Matching Grants Program	19,150	27,150	45,000,000	0
Higher Education Services Corporation, New York State	650,997	761,799	1,199,312,000	1,206,037,000
State University Construction Fund	0	0		
State University of New York	9,373,956	9,934,172	12,906,547,994	13,785,809,400
EDUCATION	<u>44,508,892</u>	<u>47,256,881</u>	<u>41,072,978,289</u>	<u>43,906,241,950</u>
Arts, Council on the	93,499	71,771	109,694,000	48,026,000
Education, Department of	44,415,393	47,185,110	40,963,284,289	43,858,215,950

Table 9 Continued

	CASH DISBURSEMENTS		APPROPRIATIONS	
	BY FUNCTION		BY FUNCTION	
	ALL GOVERNMENTAL FUNDS		ALL GOVERNMENTAL FUNDS	
	(\$ in Thousands)		(\$)	
	SFY 2022-23 Projected	SFY 2023-24 Projected	SFY 2022-23 Available	SFY 2023-24 Recommended
GENERAL GOVERNMENT	<u>2,602,997</u>	<u>2,664,509</u>	<u>4,393,908,376</u>	<u>4,186,247,100</u>
Budget, Division of the	67,052	61,444	50,721,000	50,184,000
Civil Service, Department of	21,385	34,691	70,907,374	84,797,000
Deferred Compensation Board	854	870	967,690	953,000
Elections, State Board of	36,028	67,474	34,409,000	67,797,000
Employee Relations, Office of	9,319	9,250	12,145,304	12,018,000
Ethics and Lobbying, Independent Commission on	7,830	7,731	7,881,231	7,787,000
Gaming Commission, New York State	348,013	198,138	497,826,000	345,826,000
General Services, Office of	425,373	389,424	1,494,666,306	1,336,823,000
Information Technology Services, Office of	754,908	911,992	944,258,974	994,026,000
Inspector General, Office of the	8,369	9,938	8,489,000	9,845,000
Labor Management Committees	39,360	40,355	25,777,490	37,793,000
Prevention of Domestic Violence, Office for	8,277	8,724	10,875,419	11,981,000
Public Employment Relations Board	3,869	6,868	7,040,143	4,974,000
State, Department of	265,385	306,197	524,924,745	520,524,000
Tax Appeals, Division of	3,058	3,306	3,306,000	3,378,400
Taxation and Finance, Department of	364,788	365,938	478,823,700	479,823,700
Veterans' Services, Division of	19,088	24,583	9,000,000	4,000,000
Welfare Inspector General, Office of	796	794	1,312,000	1,336,000
Workers' Compensation Board	219,245	216,792	210,577,000	212,381,000
ELECTED OFFICIALS	<u>4,084,278</u>	<u>4,172,817</u>	<u>4,418,076,871</u>	<u>4,609,594,505</u>
Audit and Control, Department of	209,136	194,456	518,534,000	557,564,000
Executive Chamber	18,139	23,303	18,567,668	23,303,000
Judiciary	3,261,428	3,350,167	3,295,436,188	3,417,414,242
Law, Department of	328,049	322,473	327,105,993	345,176,000
Legislature	266,773	281,672	257,661,420	265,391,263
Lieutenant Governor, Office of the	753	746	771,602	746,000
LOCAL GOVERNMENT ASSISTANCE	<u>1,204,005</u>	<u>841,776</u>	<u>841,239,826</u>	<u>834,524,826</u>
Aid and Incentives for Municipalities	1,118,437	734,923		
County-Wide Shared Services Initiative	31,000	59,000		
Miscellaneous Financial Assistance	25,465	18,750		
Municipalities with VLT Facilities	28,885	28,885		
Small Government Assistance	218	218		
ALL OTHER CATEGORIES	<u>16,031,308</u>	<u>11,462,708</u>	<u>23,671,212,000</u>	<u>22,631,414,000</u>
Arts and Cultural Facilities Improvement	10,000	40,000	40,000,000	0
Community Resiliency, Economic Sustainability and Technology	5,000	25,000	385,000,000	0
General State Charges	8,041,595	8,002,561	7,354,712,000	7,062,914,000
Local Community Assistance Program	2,000	5,000	185,000,000	0
Long-Term Debt Service	8,536,720	3,545,594	15,706,500,000	15,568,500,000
Miscellaneous	(970,818)	(1,549,871)		
Special Infrastructure Account	406,811	1,394,424		
TOTAL ALL GOVERNMENTAL FUNDS SPENDING	221,566,703	226,991,841	388,185,281,852	389,888,060,695
Miscellaneous - All State Departments and Agencies			<u>4,546,880,709</u>	<u>4,482,125,300</u>
Insurance and Securities Funds Reserve Guarantee			1,605,000,000	1,605,000,000
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			300,000,000	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			232,110,665	283,815,300
State Equipment Finance Program			100,000,000	100,000,000
World University Games			67,000,000	0
Interest on Lawyer Account			47,165,000	54,224,000
Data Analytics			25,000,000	0
Commercial Gaming Payment Reduction Offsets			10,000,000	3,750,000
Workers' Compensation Reserve			9,590,000	9,590,000
Green Thumb Program			4,541,000	5,250,000
Financial Control Board, New York State			3,497,000	3,497,000
Hudson River Valley Greenway Communities Council			381,000	495,000
Greenway Heritage Conservancy for the Hudson River Valley			225,000	250,000
Special Pay Bill			226,117,044	0
Federal and Other Appropriations			<u>18,500,000,000</u>	<u>18,500,000,000</u>
Special Federal Emergency Appropriation			10,000,000,000	10,000,000,000
Special Public Health Emergency Appropriation			6,000,000,000	6,000,000,000
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 \$34.5 billion in total GSPS for the 2023-24 School Year (SY), an increase of \$3.1 billion or 10 percent over SY 2022-23, which includes a \$232 million increase in expense-based aids.
- **Foundation Aid:** The Executive provides a total of \$24.1 billion in Foundation Aid, which is a \$2.7 billion increase supporting the final year of the three-year phase-in of the Foundation Aid formula.
- **Tutoring:** The Executive would require certain school districts to spend an aggregate \$250 million in Foundation Aid on enhanced tutoring programs for students in grades 3-8.
- **Prekindergarten:** The Executive proposes a \$125 million increase in full-day prekindergarten including a \$100 million as-of-right allocation to districts and \$25 million in competitive grants.
- **Nonpublic Schools:** The Executive Budget provides \$193 million in state support to reimburse nonpublic schools for state-mandated costs, which is a \$1.9 million decrease from SY 2022-23, and caps the state's liability to nonpublic schools. Additionally, the Executive provides \$70 million for nonpublic STEM programs, an increase of \$12 million.
- **Charter Schools:** The Executive Budget proposes eliminating the regional cap on charter schools and to permanently authorize the reissuance of any charter originally issued to a charter school that closed after July 1, 2015 due to surrender, revocation, termination or non-renewal.
- **Special Education:** The Executive Budget provides \$2.5 million for the State Education Department to study and design a new rate-setting methodology in order to streamline tuition rates for special education service providers, with recommendations presented to the Division of Budget by July 1, 2025.

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 50 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 three million students enrolled in prekindergarten through 12th grade, including more than 2.5 million children in public school districts and approximately 421,475 children in nonpublic schools. New York State currently provides more than \$31 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 10

Appropriations				
Agency	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	40,963.28	43,858.22	2,894.94	7.07

State Education Department

The Executive proposes All Funds appropriations of \$43.9 billion, an increase of \$2.9 billion or 7.1 percent above the State Fiscal Year (SFY) 2022-23 level. The Executive recommends support for 2,876 full-time equivalent (FTE) positions, which is the same level as in SFY 2022-23.



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

Under the Executive proposal, state funding for school aid would increase by \$3.1 billion to \$33.9 billion, a 9.93 percent increase over the 2022-23 School Year (SY). Total GSPS, which includes various other education grant programs, would total \$34.5 billion, an increase of \$3.13 billion or 9.97 percent over SY 2022-23.

Table 11

**Support for Public School Districts
(\$ in Millions)**

	SY 2022-23	SY 2023-24 Exec. Proposal	Change
Foundation Aid	21,334.38	24,069.09	2,734.71
Excess Cost-High Cost	588.63	544.79	(43.84)
Excess Cost-Private	363.50	420.82	57.32
Reorganization-Operating Aid	3.61	3.02	(0.59)
Textbooks (Incl. Lottery)	163.17	165.75	2.59
Computer Hardware	34.15	34.72	0.57
Computer Software	42.19	42.86	0.67
Library Materials	17.10	17.88	0.78
BOCES	1,134.71	1,176.00	41.29
Special Services	240.99	239.10	(1.89)
Transportation (Incl. Summer)	2,298.43	2,475.15	176.71
High Tax	223.30	223.30	-
Universal Pre-Kindergarten	1,003.07	1,163.63	160.56
Academic Achievement Grant	1.20	1.20	-
Supplemental Education Improvement Grant	17.50	17.50	-
Charter School Transitional Aid	47.19	51.78	4.59
Full-Day Kindergarten Conversion Aid	-	-	-
Academic Enhancement Aid	9.57	9.57	-
Supplemental Public Excess Cost	4.31	4.31	-
Building Aid/Reorganization Building	3,344.21	3,277.06	(67.15)
Total School Aid	30,871.23	33,937.55	3,066.32
Categorical Grants	305.75	307.23	1.48
Competitive Grants	176.36	197.11	20.75
FY 2023 SUFPA Expansion - Round 2	-	13.31	13.31
FY 2024 SUFPA Expansion	-	25.00	25.00
Total GSPS	31,353.34	34,480.20	3,126.86



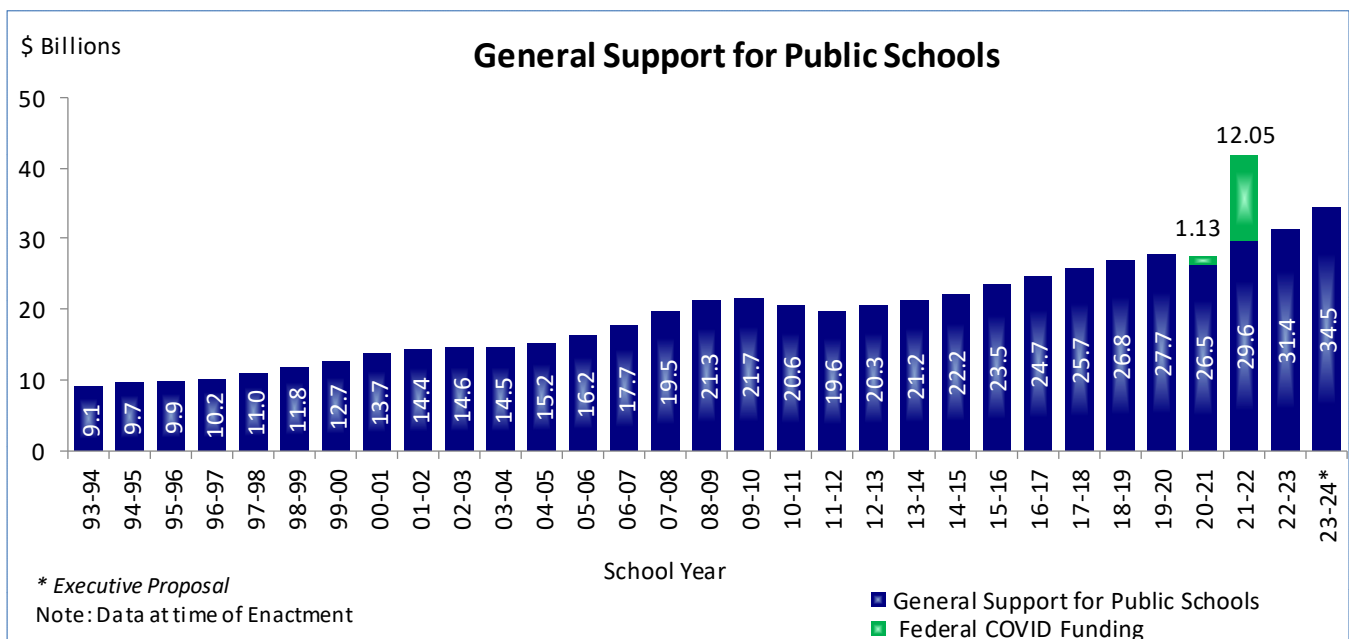


Figure 4

Foundation Aid: The Executive proposes to increase Foundation Aid by \$2.7 billion, or 12.8 percent, to a total of \$24.1 billion. This investment would reflect the final year of the three-year phase-in of the Foundation Aid Formula to fund Foundation Aid. In addition, the Executive proposal would ensure that every school district receives a minimum three percent increase in Foundation Aid.

Tutoring: The Executive proposes to create a one-year, \$250 million set-aside within Foundation Aid to establish tutoring programs in grades 3-8 for students at risk of falling behind state standards. Tutoring sessions must last at least 30 minutes in length, and be provided at least twice a week.

Community Schools: Community schools provide support to both children and parents with services both before and after school, 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 maintains present law funding for all expense-based aids, which would provide an increase of \$232 million.

Table 12

Proposed School Aid Increase (\$ in Millions)	
	SY 2023-24 Exec. Proposal
Foundation Aid	2,734.7
Expense-Based Aids	231.6
Prekindergarten	100.0
Subtotal: Formula Based Aids	3,066.3
Grant Programs and Additional Aid Changes	1.5
Major Grant Programs	
SUFPA Expansion (FY 2024)	25.0
SUFPA Expansion (FY 2023 - Round 2)	13.3
Early College High Schools	20.0
Expanded Math and Reading	0.8
Subtotal: Major Grant Programs	59.1
Year to Year School Aid Increase	3,126.8

Prekindergarten Programs (\$1.2 billion): The Executive Budget provides \$1.2 billion for Universal Pre-Kindergarten (UPK), a \$125 million increase. Of this amount, \$100 million will fund new pre-K slots at the current program level, and \$25 million is allocated to fund UPK slots at \$10,000 per pre-K slot pursuant to a competitive process. The proposal would also require districts to report on the number of unserved four-year-olds in the district.

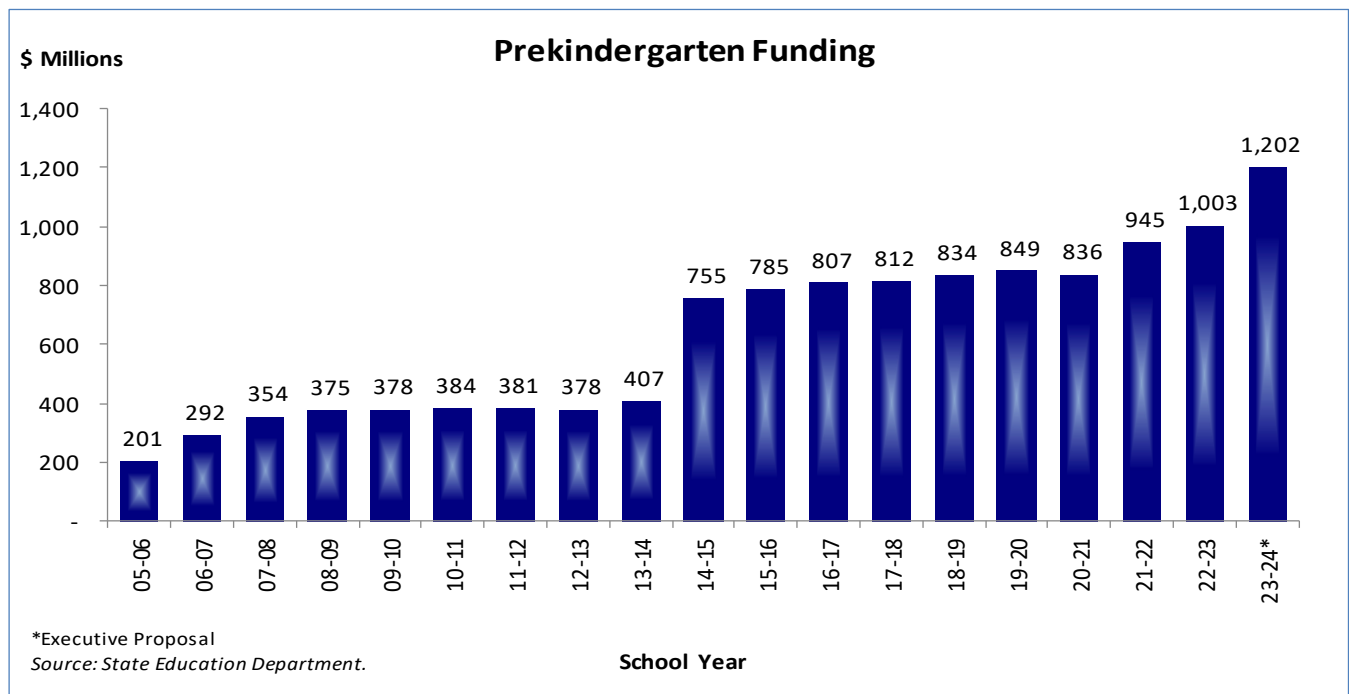


Figure 5



Early College High School Programs: The Executive Budget provides \$20 million in additional funding for Early College High School and Pathways in Technology Early College High School (PTECH) programs. Funding will provide computer science or computer hardware and software engineering education to economically disadvantaged students.

Middle School Expanded Mathematics Access: The Executive proposes \$750,000 to broaden the expanded mathematics access program to middle school students for total spending of \$2.25 million.

Culturally Responsive Education: The Executive amends a \$1 million reappropriation for Civic Education to also be used for the development of curricular guidance, education materials, and resources to support the State’s Culturally Responsive and Sustaining Education Framework.

Other Education Programs

Strategic Workforce Funding: The Executive proposes \$10 million in grants over two years for school districts, BOCES, or community colleges to work with local industry and implement strategic workforce plans that encourage job readiness in local communities. Grants would be awarded through the Regional Economic Development Councils.

My Brother’s Keeper: The Executive maintains funding of \$18 million for grant initiatives under the My Brother’s Keeper program and \$800,000 for the Office of Family and Community Engagement within SED.

Nonpublic Schools: The Executive provides \$193 million in funding for SFY 2023-24 Nonpublic School Aid, a \$1.9 million decrease from SFY 2022-23 and would limit the maximum amount of funding for nonpublic schools in any year to the appropriation. Additionally, the Executive provides:

- \$70 million for Science, Technology, Engineering, and Math (STEM) instruction, a \$12 million increase from SFY 2022-23;
- \$45 million in capital funding for nonpublic school health and safety projects; and
- \$922,000 for Academic Intervention for Nonpublic Schools.

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

The Executive makes a technical change to allow nonpublic schools to access the Governor’s Emergency Education Relief Fund as authorized in the 2022-23 Enacted Budget.

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



Charter Schools

Charter Schools Cap: The Executive Budget proposes to eliminate the regional cap on charter schools and to permanently authorize the reissuance of any charter originally issued to a charter school that closed after July 1, 2015 due to surrender, revocation, termination or non-renewal (commonly referred to as “zombie” charters). Currently, 85 charters still remain within the state cap, and 21 charters have closed since July 1, 2015.

Supplemental Tuition Payments: The Executive continues funding to school districts for reimbursement of supplemental basic tuition for charter schools at \$185 million.

New York City Charter Facilities Aid: The Executive proposal maintains funding for charter school facilities aid at \$100 million.

Teacher Training Programs

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

The Executive Budget eliminates \$21.4 million for Teacher Resource and Computer Training Centers.

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

Special Education

The Executive maintains funding of \$1.04 billion for Preschool Special Education Programs (referred to as 4410 schools).

The Executive Budget provides \$2.5 million for the SED to study and design a new rate-setting methodology in order to streamline tuition rates for special education service providers, with recommendations presented to the Division of Budget by July 1, 2025. These recommendations would consider stakeholder feedback and the rate-setting methodologies utilized by other state agencies. Additionally, these recommendations would need to be cost neutral to the state, school districts, and counties.



The Executive Budget funds Schools for the Blind and Deaf (referred to as 4201 schools) at \$105.9 million, a \$2 million decrease from SFY 2022-23. The Executive proposal also eliminates \$2.96 million in funding for five Schools for the Blind and Deaf.

Adult Career and Continuing Education Services Program

The Executive proposal maintains funding for Independent Living Centers at \$16 million and College Readers Aid at \$1 million.

The Executive proposal lowers funding for Adult Literacy Education by \$1.5 million, for a total of \$7.8 million.

Additionally, the Executive proposal maintains funding for Case Services at \$54 million, Supported Employment at \$15.2 million, and Adult Basic Education at \$1.8 million.

Cultural Education Program

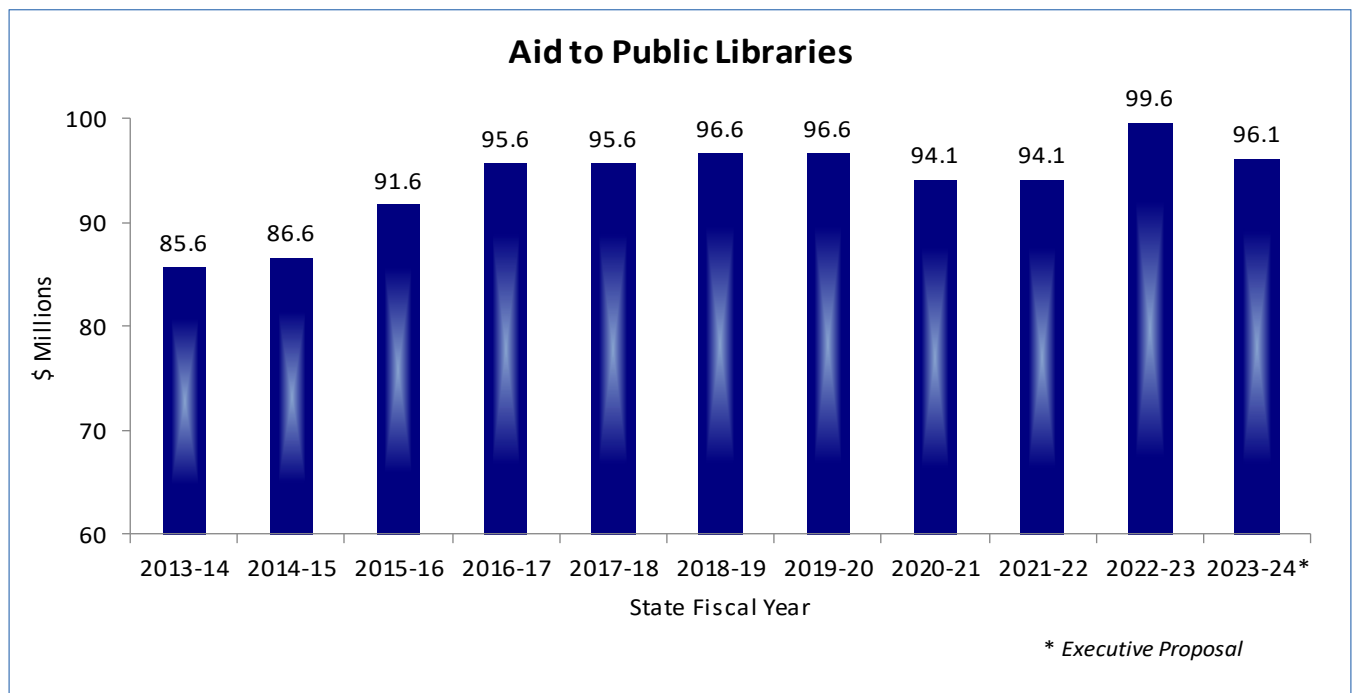


Figure 6

The Executive proposes to decrease funding for Aid to Public Libraries by \$3.5 million, providing a total of \$96.1 million. Additionally, the Executive decreases funding for Library Construction by \$20 million, for a total of \$14 million.

The Executive eliminates funding of \$375,000 for the Schomburg Center for Research in Black Culture and \$112,500 for the Langston Hughes Community Library.

The Executive proposes to fund Aid to Educational Television and Radio for a total of \$14.03 million, a decrease of \$7.8 million, reflecting the elimination of one-time funding provided in SFY 2022-23.

The Executive maintains a \$150,000 appropriation for the Statewide Summer Reading Program utilizing revenues collected from the sale of Love Your Library license plates.

Federal Programs

National School Lunch Act: The Executive proposal includes a \$165.9 million increase in appropriation authority for the federally funded National School Lunch Act.

Stronger Connections Grant (SCG) Program: The Executive proposal includes \$72.5 million in federal funding for the SCG Program, which will fund activities to support drug and violence prevention, mental health, and positive behavioral intervention programs.

Performance Learning and Assessment Networks (PLAN) Pilot: The Executive proposal includes \$3 million in federal funding for a PLAN Pilot program, which is designed to help schools explore the conditions and supports needed to transition to a research-based assessment strategy.

Other Programmatic Support

Recover from COVID Schools Program (RECOVS) Learning and Mental Health Grants: The Executive reappropriates \$100 million for the RECOVS, and delays the implementation of the two-year program to SY 2023-24. This fund helps create or expand summer learning, after-school or extended-day/year programs. It also supports the hiring of mental health professionals and the expansion of evidence-based mental health services for students and staff, including school-based services. Participating school districts are required to match the state grant with district resources.

Consortium for Worker Education (CWE) Funding: The Executive proposes \$11.5 million in funding for CWE, a \$1.5 million decrease from SFY 2022-23.

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



Empire State After-School: The Executive proposes to move \$55 million for the Empire State After-School program from the SED to the Office of Children and Family Services (OCFS), which has traditionally administered this program.

Gang Prevention Programs: The Executive amends several reappropriations for gang prevention and education programs to allow the Unified Court System to access this funding in addition to the Division of Criminal Justice Services.

The Executive Budget eliminates funding for school monitors in East Ramapo, Hempstead, Rochester and Wyandanch (\$750,000), and further eliminates an additional \$25 million for various legislative adds.



The following table summarizes funding for other elementary and secondary education programs outside of GSPS:

Table 13

Other Public Elementary and Secondary Education Programs

	SFY 2022-23	SFY 2023-24		% Change
	Enacted (\$ in Millions)	Exec. Request (\$ in Millions)	\$ Change (\$ in Millions)	
Buffalo School Health Services Grants	1.20	-	(1.20)	(100.00)
Rochester School Health Services Grants	1.20	-	(1.20)	(100.00)
Yonkers City School District	12.00	-	(12.00)	(100.00)
Garrison Union Free School District	0.18	-	(0.18)	(100.00)
Hempstead Monitors	0.18	-	(0.18)	(100.00)
Wyandanch Monitors	0.18	-	(0.18)	(100.00)
Rochester Monitors	0.18	-	(0.18)	(100.00)
Rochester Fiscal Consultant	0.15	-	(0.15)	(100.00)
East Ramapo Monitors	0.23	-	(0.23)	(100.00)
Supplemental Basic Charter School Tuition Payments	185.00	185.00	-	-
Charter Schools Facilities Aid	100.00	100.00	-	-
Competitive Grants*	231.36	197.11	(34.25)	(14.80)
RECOVS Learning and Mental Health Grant	100.00	-	(100.00)	(100.00)
Positive School Climates Pilot Program	2.00	-	(2.00)	(100.00)
High School-College-Workforce Pipeline	-	10.00	10.00	-
Community Schools Regional Technical Assistance Centers	1.20	1.20	-	-
My Brother's Keeper Initiative	18.00	18.00	-	-
Teacher Resource Centers	19.25	6.42	(12.83)	(66.66)
Targeted Prekindergarten	1.30	1.30	-	-
Children of Migrant Workers	0.09	0.09	-	-
School Lunch and Breakfast Programs	36.70	36.70	-	-
Locally Sourced Food Reimbursement	10.00	10.00	-	-
Nonpublic School Aid (MSA and CAP)	195.03	193.13	(1.90)	(0.97)
Academic Intervention Services for Nonpublic Schools	0.92	0.92	-	-
Nonpublic STEM	58.00	70.00	12.00	20.69
Nonpublic Immunization	1.00	-	(1.00)	(100.00)
Teen Health Education Account	0.12	0.12	-	-
Private Schools for the Blind & Deaf (General Fund)	107.90	105.90	(2.00)	(1.85)
Private Schools for the Blind & Deaf (Lottery)	0.02	0.02	-	-
Henry Viscardi School	0.90	-	(0.90)	(100.00)
New York School for the Deaf	0.90	-	(0.90)	(100.00)
Mill Neck Manor School for the Deaf	0.50	-	(0.50)	(100.00)
Cleary School for the Deaf	0.50	-	(0.50)	(100.00)
St. Francis de Sales School for the Deaf	0.15	-	(0.15)	(100.00)
Summer School Special Education	364.50	367.50	3.00	0.82
Preschool Special Education	1,035.00	1,035.00	-	-
Costs Associated with Section 652 of the Labor Law	17.18	17.18	-	-
Prior Year Claims/Fiscal Stabilization Grants	-	-	-	-
New York State Center for School Safety	0.47	0.47	-	-
Health Education Program	0.69	0.69	-	-
Extended School Day/School Violence Prevention	24.34	24.34	-	-
County Vocational Education and Extension Boards	0.93	0.93	-	-
Primary Mental Health Project	0.89	0.89	-	-
Math and Science High Schools	1.38	1.38	-	-
Bard High School	0.46	-	(0.46)	(100.00)
Say Yes to Education Program	0.35	0.35	-	-
Center for Autism and Related Disabilities - SUNY Albany	1.24	0.74	(0.50)	(40.32)

Note: *\$55 million for the Empire State After-School Program shifted from the SED to the OCFS budget



Other Public Elementary and Secondary Education Programs (Continued)

	SFY 2022-23 Enacted (\$ in Millions)	SFY 2023-24 Exec. Request (\$ in Millions)	\$ Change (\$ in Millions)	% Change
Postsecondary Aid to Native Americans	0.80	0.80	-	-
Summer Food Program	3.05	3.05	-	-
Consortium for Worker Education	13.00	11.50	(1.50)	(11.54)
Charter School Start Up Grants	4.84	4.84	-	-
Smart Scholars Early College High School Program	1.47	1.00	(0.47)	(31.74)
Student Mentoring and Tutoring Program	0.49	0.49	-	-
Small Government Assistance to School Districts	1.87	1.87	-	-
Educators for Students Success	0.10	-	(0.10)	(100.00)
Many Threads, One Fabric Implicit Bias Training	1.25	-	(1.25)	(100.00)
Executive Leadership Institute	0.48	-	(0.48)	(100.00)
Magellan Foundation, Inc.	0.48	-	(0.48)	(100.00)
CWE Credential Initiative	0.25	-	(0.25)	(100.00)
Teacher Diversity Pipeline Pilot	0.50	-	(0.50)	(100.00)
Bilingual Teacher Institute	0.39	-	(0.39)	(100.00)
Long Island Pre-K Initiative	0.50	-	(0.50)	(100.00)
Fund for the City of New York - Promise Project	0.30	-	(0.30)	(100.00)
Just for Kids - SUNY Albany	0.24	0.24	-	-
NYC Kids Rise, Inc.	0.65	-	(0.65)	(100.00)
United Community Schools	0.45	-	(0.45)	(100.00)
Mind Builders Creative Arts Center	0.37	-	(0.37)	(100.00)
Tax Certiorari	4.00	-	(4.00)	(100.00)
Biobus	0.40	-	(0.40)	(100.00)
Long Island Latino Teachers Association	0.04	-	(0.04)	(100.00)
Deferred Action for Childhood Arrivals	1.00	1.00	-	-
Less: Consortium for Worker Education Offset	(13.00)	(11.50)	1.50	(11.54)
Total	2,557.65	2,398.67	(158.98)	(6.22)

State Operations

The Executive proposal includes \$652.5 million in State Operations funding for SED. This is an increase of \$10.5 million from SFY 2022-23, which includes the following:

- \$7.6 million due to collectively bargained contracts;
- \$2.5 million for a special education rate setting methodology study; and
- \$400,000 to modernize the TEACH system.

The Executive proposal would eliminate \$150,000 for a fiscal consultant for the Rochester City School District.

Capital

The Executive proposal includes \$99.3 million in new capital appropriations, a \$38.4 million decrease from SFY 2022-23.



The Executive proposal includes:

- \$20.1 million in funding for Schools for Native American Reservations;
- \$5.16 million in funding for the Office of the Professions Electronic Licensing System;
- \$4.47 million in funding for the Batavia School for the Blind;
- \$3.4 million in funding for SED rehabilitation projects, a decrease of \$2.6 million from SFY 2022-23; 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 2022-23 school year to submit a contract that maintains at least the same amount of funding for the 2023-24 school year unless all the schools in the district are in good academic standing;
- require school districts who are receiving funding for prekindergarten programs for four-year olds to annually report to the Commissioner of Education data related to the number of students being served and unmet need within the school district;
- modify the date for when a school district must annually apply to the Commissioner of Education for a waiver from certain prekindergarten staffing requirements;
- require all school districts to annually submit a progress report to the Commissioner of Education on the implementation of zero-emission school buses;
- make a technical change to provide that days of remote instruction count towards attendance;
- extend the appointment of a monitor in the Rochester City School District for an additional two years;
- extend the provisions of law, for an additional five years, requiring school districts to annually submit a detailed statement of the total funding allocation for each school within the district to the Division of Budget and SED;
- enact a technical change in the calculation of Actual Value to account for the Nassau County reassessment authorized in 2021;

- make permanent the Building Aid Ratio enhancement for capital purchases for security purposes;
- freeze reimbursable aids to the lesser of the Executive proposal or updated data submitted by school districts;
- continue the authorization for the Rochester City School District to receive an advance of certain funds; and
- extend various provisions of law.



BUDGET HIGHLIGHTS: HEALTH



- **Medicaid Global Cap:** The proposed Executive budget reflects the revised Medicaid Global Cap metric enacted in the SFY 2022-23 budget to be indexed on the five-year rolling average of the CMS Medicaid Spending Annual Growth rate. The Executive proposes a \$1.36 billion or 6.3 percent increase to DOH Medicaid spending in SFY 2024. The Executive budget proposes a series of Medicaid actions to close a \$756.7 million deficit the DOH Medicaid program in SFY 2023-24.
- **Pharmacy Benefit Carve-Out:** The Executive proposes to implement the transition of the Medicaid pharmacy benefit from managed care to fee-for-service, for a state savings of \$410 million. The Executive would utilize \$368 million in savings to offset losses to 340B program participants.
- **Medicaid Rate Reimbursement Increases:** The Executive includes \$167 million to provide a five percent rate increase for nursing homes and assisted living providers.
- **Managed Long-Term Care (MLTC) Reform:** The Executive proposes to reform MLTC partial capitation plans and to competitively procure managed care organizations to achieve a state savings of \$65 million. Additionally, the Executive proposes to end supplemental funding to managed care quality pools, for a savings of \$111.8 million.
- **Comprehensive Health Insurance for CDPAP Workers:** The Executive proposes to discontinue wage parity for CDPAP workers, for a savings of \$124 million in SFY 2024-25. Additionally, the Executive proposal would provide for a state funded supplemental health insurance premium assistance to offset the elimination of wage parity in CDPAP.
- **Essential Plan:** The Executive proposes to improve Essential Plan coverage by increasing reimbursement rates for healthcare providers, increasing funding for health plans, reducing cost sharing to move closer to parity with Medicaid, and expanding the pregnancy and postpartum benefit to all women whose incomes fall between 138 and 250 percent of the federal poverty level (FPL).
- **Capital:** The Executive proposes \$1 billion in capital investment for the next round of the Statewide Health Care Facility Transformation Program, including \$500 million for IT infrastructure.

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, 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 59 area agencies on aging, as well as numerous other local programs and providers that comprise the network of services to older adults.

Table 14

Agency	Appropriations			
	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health*	205,711.28	217,502.59	11,791.31	5.73
State Office for the Aging	310.52	303.83	(6.69)	(2.15)
Office of Medicaid Inspector General	57.47	57.47	0.00	0.00

Note: *The amounts above include a 2-year Medical Assistance (Medicaid) appropriation.

Department of Health

The Executive proposes an All Funds appropriation of \$217.5 billion, an increase of \$11.79 billion or 5.73 percent from the SFY 2022-23. The Executive recommends funding support for 6,057 full-time equivalent (FTE) positions, an increase of 39 positions, predominantly to staff positions associated with recent legislation and additional resources to establish the Division of Vaccine Excellence.



Table 15

All State Agency Medicaid Expenditure Projections (\$ in Millions)				
	SFY 2022-23	SFY 2023-24	Year-to-Year Change	
			Amount	Percent
State Share	31,512	34,443	2,931	9.30
Federal Share	58,516	59,324	808	1.38
Local Share	7,865	8,908	1,043	13.26
MSA Payment	362	362	0	0.00
All Funds	98,255	103,037	4,782	4.87

Medicaid and Health Care Reform Act

Medicaid Program: The Executive Budget includes total Medicaid spending of \$103.1 billion, an increase of \$4.8 billion, or 4.9 percent from SFY 2022-23. The Executive proposes a state share increase of \$2.9 billion, or 9.3 percent, for a total of \$34.4 billion. Increased Medicaid spending is primarily driven by \$2.1 billion in increased state share spending due to the reduction in COVID eFMAP, \$1.6 billion in new enrollment costs, provider reimbursement to cover minimum wage growth, and local takeover costs.

Health Care Reform Act (HCRA) Financing: In SFY 2023-24, HCRA receipts and disbursements are projected to total \$6.4 billion, a decrease of \$180 million from SFY 2022-23.

Enrollment: The Executive projects Medicaid enrollment to peak at 7.9 million enrollees in June of 2023 and to decline over the next 12 months as enrollment attributed to the COVID-19 pandemic decreases. Heightened enrollment adds risk to out-year Medicaid spending, and will continue to place upward pressure on the Global Cap while the federal public health emergency declaration unwinds.

Medicaid Global Cap: The proposed Executive budget 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 Medicaid Spending Annual Growth rate. The Executive proposes a \$1.36 billion, or 6.3 percent, increase to Global Cap Medicaid Spending in SFY 2023-24. Medicaid spending growth is projected to exceed the Global Cap by \$454 million in SFY 2025-26 and \$526 million in SFY 2026-27. Even with increased Global Cap spending allowance, the proposed budget actions would close a \$756.7 million deficit in SFY 2023-24 and a \$930.1 million deficit in SFY 2024-25.

Affordable Care Act (ACA) eFMAP: The Executive proposes to utilize \$624 million of available enhanced federal aid in SFY 2023-24 to offset forecasted Medicaid deficits associated with increased Medicaid spending due to heightened enrollment, and a lesser amount of federal aid.



Table 16

Medicaid Global Cap Spending (\$ in Millions)					
	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
Medicaid Global Cap	21,762	23,124	24,569	26,092	27,478
Annual Change (\$)	1,190	1,362	1,445	1,523	1,386
Annual Change (%)	5.8	6.3	6.2	6.2	5.3

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 \$6.4 billion in savings in SFY 2023-24. The Executive proposal continues to utilize \$362 million from the Master Settlement Agreement payments from tobacco manufacturers to offset Medicaid expenditures.

Table 17

Medicaid Takeover - Local Savings (\$ in Millions)				
	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26
Medicaid 3% Cap	3,892	4,539	5,239	5,980
Local Growth Takeover	1,648	1,831	2,014	2,196
Total	5,540	6,370	7,253	8,176

Essential Plan: The Executive proposes an All Funds appropriation of \$8.9 billion for the Essential Plan, an increase of \$420 million or 7.3 percent from the SFY 2022-23. The Executive Budget proposes several Essential Plan actions including:

- \$100 million in SFY 2023-24 to increase reimbursement rates for providers by aligning rates across all tiers of Essential Plan coverage;
- \$52 million to reduce consumer cost sharing to move closer to Medicaid parity;
- \$7 million to expand the existing quality pool;
- increasing the insurance plan’s medical loss ratio from 85 percent to 86 percent to ensure premium revenues are spent on medical costs; and
- expand the pregnancy and postpartum benefit to all women with incomes between 138 percent and 250 percent of the FPL.

Pharmacy Benefit Carveout: The Executive proposes to save \$410 million by implementing a transition of the pharmacy benefit from managed care to fee-for-service. Additionally, the Executive would reinvest a portion of resulting savings to 340B providers including \$30 million for Ryan White Clinics,

\$125 million for Federally Qualified Health Centers, and \$212 million to increase hospital reimbursement rates by five percent.

Nursing Home Actions: The Executive proposes a \$158 million state-share investment to provide for a five percent rate increase for nursing homes and a \$9 million investment for a five percent rate increase for assisted living providers. The Executive proposes to eliminate the Nursing Home Staffing Pool for a savings of \$93.5 million.

Hospital Actions: The Executive proposes \$72 million for Disproportionate Share Hospital (DSH) payments for under and uncompensated care provided by SUNY Upstate Medical Center, SUNY Downstate Medical Center and Stony Brook University Hospital. Additionally, the Executive proposes to reduce the voluntary Indigent Care Pool for hospitals below the median Medicaid and Medicare payer mix by \$42.7 million state share.

Consumer Directed Personal Assistance Program (CDPAP): The Executive proposes to discontinue wage parity for CDPAP workers for a savings of \$124 million in SFY 2024-25. Additionally, the Executive proposal would provide CDPAP workers between 250-400 percent of the FPL state-funded supplemental premium assistance to offset the elimination of wage parity in CDPAP, for a net savings of \$77.6 million.

Preventive Care: The Executive proposes a \$53.7 million investment in preventive care programs, including:

Table 18

DOH Medicaid Preventive Care Investments	
(\$ in Millions)	
Program	SFY 2023-24 Impact
Expand Nutritionist Coverage to All	\$13.50
Improve Access to Smoking Cessation Medication	\$0.00
Increase in Supportive Housing Funding	\$15.00
Increase Reimbursement Rates for Dental Services	\$1.00
Increase Access to Dental Services for the IDD Population	\$4.60
Establish Reimbursement for CDSMP for Arthritis Management	\$0.10
Adverse Childhood Experience Screening Reimbursement	\$4.80
Ensure Medicaid Coverage of Preventive Mental Health Services	\$6.00
Statewide Coverage and Higher Reimbursement for Doulas	\$2.30
Medicaid Coverage for Spinal Muscular Atrophy Screening	\$3.70
Increased Vaccine Administration Fees	\$2.70
Total Impact	\$53.70

Managed Long Term Care (MLTC) Actions: The Executive Budget includes several MLTC proposals including providing authority for DOH to reform or competitively procure MLTC partial capitation plans, resulting in \$65 million in savings beginning in SFY 2024-25. Additionally, the Executive proposes to eliminate supplemental funding for the MLTC Quality Pool, saving \$51.8 million, and the MLTC Distressed Plan Pool, saving \$15 million. Finally, the Executive proposes to increase the MLTC partial medical loss ratio (MLR) to 89 percent, saving \$55 million in SFY 2024-25.

Managed Care Actions: The Executive Budget includes several Managed Care proposals including a requirement that plans pay claims as billed by a provider and limit the reviews of scope in good faith medical necessity disputes, costing \$7.7 million in SFY 2023-24. Additionally, the Executive plans to save \$41 million by keeping pregnancy coverage within the Essential Plan and proposes to increase the mainstream managed care MLR to 89 percent for a savings of \$12 million in SFY 2024-25. Finally, the Executive proposes to delay the implementation of Essential Plan coverage for undocumented immigrants over the age of 65, which was enacted in the SFY 2022-23 budget, for a one-time savings of \$172 million.

Primary Care: The Executive proposes a \$46.1 million investment in primary care programs, including:

Table 19
DOH Medicaid Primary Care Investments
(\$ in Millions)

Program	SFY 2023-24 Impact
Benchmark Primary Care Reimbursement to 80% of Medicare	\$17.70
Promote Telehealth Through E-Visits	\$0.80
Ensure Coverage of Primary and Urgent Care in Shelter System	\$0.00
Increase Reimbursement for School Based Health Centers	\$1.40
Establish Reimbursement for Community Health Workers	\$8.70
Integrated Licensure Standards	\$16.30
Universal Hepatitis C Screening	\$1.00
Reimburse Screening for Congenital Syphilis	\$0.20
Total Impact	\$46.10

Medicaid Buy-In Program for Working People with Disabilities: The Executive proposes to invest \$60 million annually to expand the Medicaid buy-in program by removing the age limit, increasing the resource limit to \$300,000 and the income limit for eligibility from 250 percent of the FPL to 2,250 percent of the FPL. Enrollment in this expansion will be limited to 30,000 individuals.

Other Pharmacy Actions: The Executive proposes to eliminate prescriber prevails for a savings of \$49.5 million in SFY 2024-25 and to reduce coverage for certain over-the-counter products for a savings of \$9 million.

Other Reductions: The Executive proposes a savings of \$31.5 million by recalibrating the Health Homes program to remove low and medium-acuity individuals with long-term enrollment from the program (\$30 million) and requiring that healthcare facilities notify an individual upon discharge of the possibility of placement into a Veterans Nursing Home rather than a traditional nursing home (\$1.5 million).

Other Investments: The Executive proposes an investment of \$13.5 million to increase reimbursement for transportation services and \$8.3 million to increase reimbursement rates for reproductive health providers.

Legislative Actions: The Executive proposes to fund various legislative actions from SFY 2022-23, including:

Table 20

DOH Legislative Financial Impact (\$ in Millions)	
Legislation	SFY 2023-24 Impact
Public Health:	
Living Donor Support Act	\$2.48
Home Health Aides and Nurse's Aides Training	\$0.34
Study on Postpartum Depression Screening Tests	\$0.20
SAFE Kits	\$0.14
Taxpayer Gift for Lyme and Tick-Borne Disease	\$0.11
Natural Organic Reduction Facilities	\$0.09
Total Impact:	\$3.37
Medicaid:	
Programs of All-Inclusive Care for the Elderly Licensure	\$0.30
Applied Behavioral Analyst Expansion	\$6.00
Total Impact	\$6.30

Public Health

Long Term Care Actions: The Executive proposal includes several long term care initiatives including an investment of \$7.2 million to provide respite care for caregivers of high need individuals, investing \$2.1 million in personnel to provide care for low-income adults to avoid nursing home placement, and



investing \$525,000 to establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes.

Hospitals: The Executive proposes a \$19.6 million reduction in the Health Facility Restructuring Plan (HFRP) which provides loans to financially distressed hospitals.

Emergency Medical Services (EMS): The Executive proposes \$7.6 million to increase the EMS special revenue fund in addition to providing capital equipment resources to enhance the statewide fleet of EMS vehicles including ambulances and non-transport treatment vehicles.

Reproductive Rights and Access: The Executive includes annual support of \$25 million to continue to expand abortion provider capacity within the state.

Addressing Lead Poisoning: The Executive proposes \$39.8 million to reduce the risk of lead exposure in rental properties by providing funding to defray the costs of inspections and support renovations when dangerous lead conditions are identified.

LGBTQ+ Community Funding: The Executive proposes to continue investing \$12 million in LGBTQ+ programming, including \$2 million to support the Lorena Borjas Trans Wellness and Equity Fund.

Protecting Drinking Water Quality: The Executive proposes \$10 million to create a new program under the Department of Health to assist underserved communities achieve NYS drinking water quality standards.

Reforming Certificate of Need (CON) Process: The Executive proposes to amend the CON process to provide \$2.1 million in improving the application process.

Cigarette Tax: The Executive proposes to ban the sale of flavored vaping products and all flavored tobacco products and increase the cigarette tax from \$4.35 to \$5.35 per pack.

Public Health Program: The Executive proposes \$10.07 million for various public health programs, including:



Table 21

DOH Public Health Actions (\$ in Millions)	
Program	SFY 2023-24 Impact
GPHW Saratoga County Shift	\$1.26
Establish the Division of Vaccine Excellence	\$5.24
Veterans Home Program Modernization and Strategic Plan	\$0.20
Strengthen NY Public Health Emergency Readiness Capacity	\$1.08
Strengthen Regional Health Department Infrastructure	\$3.10
Emerging Contaminants Laboratory Testing	\$2.00
Are Health Education Centers	\$2.20
Reduce AIDS Drug Assistance Program Transfer	(\$5.00)
Total Impact	\$10.07

Capital Projects

Health Care Facility Transformation Program: The Executive proposes \$1 billion in capital investments through a new round of the Statewide Health Care Facility Transformation Program, including \$500 million dedicated to enhancing healthcare IT infrastructure.

Health Reporting Systems: The Executive proposes a \$30 million Capital Program for an electronic health record connectivity program, additional capital funding for the Statewide Health Information Network for New York, and additional investments in the Hospital Electronic Response Data System.

Drinking Water Quality: The Executive proposes to invest \$2 million a year to create a new program within the DOH to assist small and underserved communities by supporting laboratory testing of municipal water samples for harmful chemicals.

Article VII

The Executive proposes Article VII language that would:

- extend the legal authorization of the Medicaid Global Cap through SFY 2025;
- extend the legal authority of various provisions of the public health and social services law;
- reauthorize provisions which are part of the Health Care Reform Act (HCRA) through March 31, 2026;



- enable the Commissioner of Health to remove certain drugs placed on the preferred drug list and eliminate prescriber prevails protections under Medicaid fee-for-service and managed care;
- extend the voluntary Indigent Care Pool (ICP) through FY 2026; establish a process for a general hospital to convert to a rural emergency hospital under Article 28 of the Public Health Law; expand eligible recipients for Vital Access Provider Assurance Program (VAPAP) funding to include entities formed under the Delivery System Reform Incentive Payment (DSRIP) program, and provide a uniform Medicaid rate increase of five percent for hospital inpatient rates;
- delay various expansions of Medicaid eligibility including for seniors and disabled individuals persons under the Essential Plan to 250 percent FPL and pregnant women up to one-year post-partum through a federal waiver;
- enable individuals who require long term care services for more than 120 days to receive services through an MLTC for four additional years, extend the moratorium on the authorization of managed long term care plans until 2027, provide performance standards which MLTCs must meet to maintain their certificate of authority, repeal the competitive procurement of entities providing fiscal intermediary services, eliminate wage parity provisions for CDPAP providers, and provide a uniform Medicaid rate increase of five percent to nursing homes and assisted living facilities;
- authorize the DOH to submit a waiver to expand eligibility for certain Medicaid services provided to individuals in a correctional institution or facility;
- amend the review period for health care affiliations before the Public Health and Health Planning Council (PHHPC) from 10 years to seven and modify the PHHPC's scope of approval for any transfer, assignment, or other disposition of interest, stock or voting rights;
- authorize the Commissioner of Health to submit a waiver to the federal government to establish expanded eligibility for New York's Medicaid Buy-in Program for Working People with Disabilities by raising income and resource limits;
- prohibit the sale of flavored tobacco or vapor products by retailers, expand the definition of vapor product and flavored product, and provide that the purchase, possession, and use of flavored products by non-retailers is not prohibited;



- establish the Statewide Health Care Facility Transformation Program V to provide \$1 billion in funding for capital projects in licensed health care facilities over a multi-year period and establish minimum funding amounts for certain health care facilities and providers;
- authorize certain community health workers, licensed mental health counselors, licensed social workers who provide services in clinics, and licensed marriage and family therapists to receive reimbursement through Medicaid;
- authorize Medicaid coverage for the care and services provided by certified nutritionists and dietitians as well as arthritis self-management training services when ordered by a health care professional;
- require the State Emergency Medical Services (EMS) Council to advise the Commissioner of Health on issues related to EMS, create a statewide comprehensive emergency medical service system plan, establish mobile integrated healthcare program for EMS agencies, and establish a new process for the approval of EMS applications for new or modified operating authority;
- authorize the DOH to develop a registry for all qualifying residential dwellings built prior to 1980, require all qualifying residential dwellings to be certified as free of lead paint hazards based on tri-annual inspections, and provide inspection requirements for lead-paint hazards;
- establish a registration process for temporary health care services agencies, create minimum standards which temporary health care services agencies must follow, and require quarterly reports from these agencies;
- require assisted living residences and enhanced assisted living residences to submit an annual report on quality measures to the DOH, require these facilities to post all service fees in their facility and on their website, and authorize the DOH to grant new classifications based on assisted living quality reporting;
- require Article 28 facilities to offer certain individuals a screening for hepatitis-C (HCV) during hospital or emergency room visits; require HCV RNA test screening during pregnancy, and require screening for syphilis of pregnant patients during the third trimester of pregnancy; and
- amend the state Schedule I and II list of controlled substances to include fentanyl analogues and fentanyl-related substances, expand the definition of “imitation controlled substance,” and provide criminal penalties for the possession and sale of imitation controlled substances.

State Office for the Aging (SOFA)

The Executive proposes an All Funds appropriation of \$303 million, a decrease of \$6.7 million or 2.15 percent from the SFY 2022-23. The Executive recommends funding to support 126 FTE positions, unchanged from the SFY 2022-23.

Cost of Living Adjustment (COLA): The Executive proposal would provide \$5.4 million to support a 2.5 percent COLA for not-for-profits that provide services on behalf of the multiple health and human services agencies, including SOFA.

Long Term Care Ombudsman Program (LTCOP): The Executive proposes a \$2.5 million investment in additional funding for LTCOP to provide additional coverage of long-term care facilities.

Private Pay: The Executive proposes Article VII legislation to decrease the income threshold to be eligible for the private pay protocol program from 400 percent of the FPL to 250 percent of the federal poverty level.

Office of the Medicaid Inspector General (OMIG)

The Executive proposes an All Funds appropriation of \$57.5 million, showing no change from the SFY 2022-23. The Executive recommends funding to support 515 FTE positions, unchanged from the SFY 2022-23.



BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Operating Support for the State University of New York (SUNY) and City University of New York (CUNY):** The Executive Budget provides \$100 million in recurring operating support, which will provide \$60 million to SUNY state-operated campuses and \$40 million to CUNY senior colleges. Additionally, \$53 million for full-time faculty is continued for both SUNY and CUNY.
- **SUNY Transformation Funding:** The Executive includes several one-time funding proposals to expand enrollment and access to SUNY campuses. These include:
 - \$200 million for a digital transformation and IT infrastructure;
 - \$200 million in capital funding for new research buildings, laboratories and instruments at SUNY Stony Brook and Buffalo; and
 - \$75 million for other initiatives that support innovation and address workforce needs.
- **State-Matching Fund for Endowment Contributions:** The Executive proposes a matching fund for contributions made to the endowments of SUNY's four university centers, providing \$1 for every \$2 of private contributions made to the endowment funds of the university centers.
- **Community College Funding Floor:** The Executive Budget would maintain the community college funding floor at 100 percent of prior year funding, preventing a \$138 million decline in support.
- **SUNY and CUNY Tuition:** The Executive Budget authorizes annual tuition increases for CUNY senior colleges and SUNY state-operated campuses by the lesser of the Higher Education Price Index or three percent and allows the tuition for SUNY's university centers to rise an additional six percent annually. This is projected to generate \$97 million in new support for SUNY and \$31 million for CUNY in the 2023-24 Academic Year (AY).
- **Opportunity Programs:** The Executive proposal would provide \$197 million to fund higher education opportunity programs administered by CUNY, SUNY and private colleges, a \$6 million decrease from SFY 2022-23.



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 360,000 full- and part-time students, and the City University of New York (CUNY) which is composed of 25 campuses educating more than 243,000 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 235,000 students attending undergraduate institutions in the state.

Table 22

Agency	Appropriations			
	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	12,906.55	13,785.81	879.26	6.81
City University of New York	6,109.68	5,712.32	(397.36)	(6.50)
Higher Education Services Corporation	1,199.31	1,206.04	6.73	0.56

State University of New York (SUNY)

The Executive proposes All Funds appropriations of \$13.8 billion, an increase of \$879.3 million or 6.8 percent from SFY 2022-23. The Executive recommends funding support for 45,880 full-time equivalent (FTE) positions, which is the same level as in SFY 2022-23.

SUNY State Operated Colleges: The Executive proposal would provide \$1.7 billion in funding for SUNY state operated colleges, an increase of \$578.8 million from SFY 2022-23. This increase includes \$75 million in nonrecurring investments to improve academic programs, increase enrollment, enhance student supports, and modernize campus or hospital operations. Additionally, \$60 million that was



provided in Academic Year (AY) 2022-23 for one-time strategic investments has been converted into recurring operating support. The Executive also continues \$53 million in funding first provided in AY 2022-23 for full-time faculty.

State-funded fringe benefits would increase by \$84.1 million to \$1.96 billion in AY 2023-24.

State Match for Endowment Contributions: The Executive proposes creating a matching fund for contributions made to the endowments of SUNY’s four university centers: Albany, Binghamton, Buffalo and Stony Brook. The fund will provide \$1 in state funds for every \$2 of private contributions to the endowment funds of the university centers, limited to up to \$500 million in total state funding. Funds could be used to support faculty employment, student financial aid, grants for research and development, or other operational support.

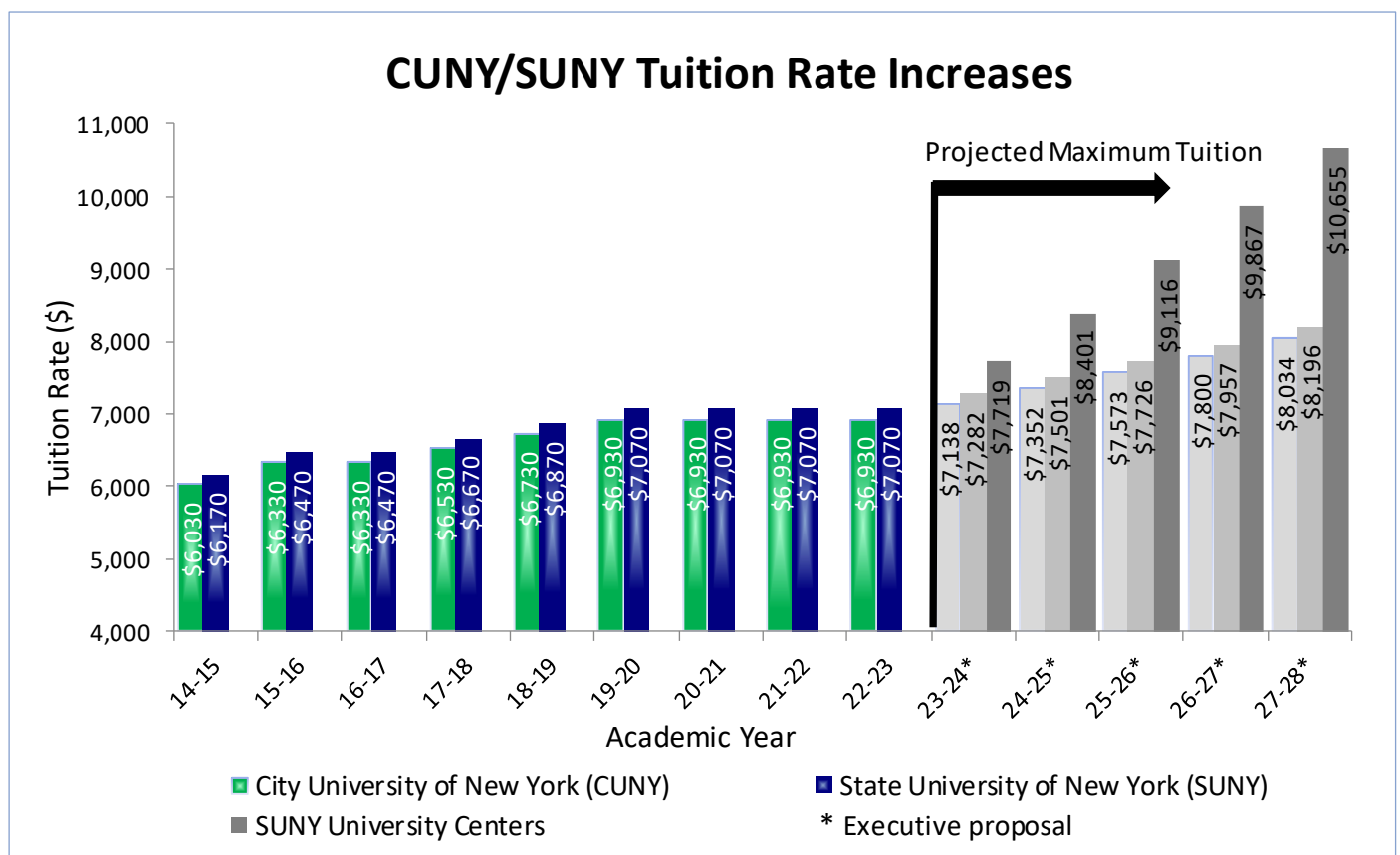


Figure 7

SUNY Tuition Increases: The Executive’s proposal would authorize SUNY to annually increase resident undergraduate tuition by the lesser of the Higher Education Price Index or three percent. In addition, the proposal would authorize SUNY to annually increase resident undergraduate tuition at SUNY University Centers up to an additional six percentage points above any tuition increases at other state operated institutions and cap such annual tuition increases at 30 percent above the tuition at other



state operated colleges. University Centers would also be authorized to increase non-resident tuition by up to 10 percent if the Board of Trustees determine that tuition is competitive with peer institutions. These actions are projected to provide \$97 million in new operating support to SUNY in AY 2023-24. The Executive also provides an additional \$13.5 million to reimburse SUNY for the TAP gap, bringing total funding to reimburse the TAP gap at SUNY to \$62.3 million.

University-Wide Programs: The Executive provides \$179.3 million for University-Wide Programs, a \$9.7 million decrease from the AY 2022-23. The Executive proposes a decrease of \$1.3 million for a total of \$42.5 million for the Educational Opportunity Program, and maintains \$72.6 million in funding for Educational Opportunity Centers, including \$6.0 million for ATTAIN labs. Additionally, the Executive recommends increasing funding for the Sea Grant Institute by \$588,200, for a total of \$1 million. The Executive proposal maintains funding for the following University-wide Programs:

- \$6.6 million for Graduate Diversity Fellowships;
- \$2.7 million for small business development centers;
- \$591,400 for the Office of Diversity and Educational Equity;
- \$500,000 for the veterinary college at Cornell;
- \$350,000 for the Hispanic Leadership Institute; and
- \$200,000 in funding for the SUNY Institute for Leadership, Diversity, and Inclusion.

The Executive's proposal reduces or eliminates funding for the following University-wide Programs:

- \$1 million from the High-Need Nursing Program, for a total of \$1 million;
- \$1 million from the Maritime Appointments Program at SUNY Maritime, for a total of \$239,600;
- \$1 million from mental health services, for a total of \$1 million;
- \$433,000 from the Immigrant Integration Research and Policy Institute at the Rockefeller Institute, eliminating funding for this program; and
- \$150,000 for the Benjamin Center at SUNY New Paltz, eliminating funding for this program.

Child Care Centers: The Executive would authorize SUNY to use existing funding to establish child care centers at additional campuses, and to also expand existing centers.

SUNY Hospitals: The Executive proposal would increase SUNY Hospitals' spending authority by \$328.46 million, for a total of \$4 billion.



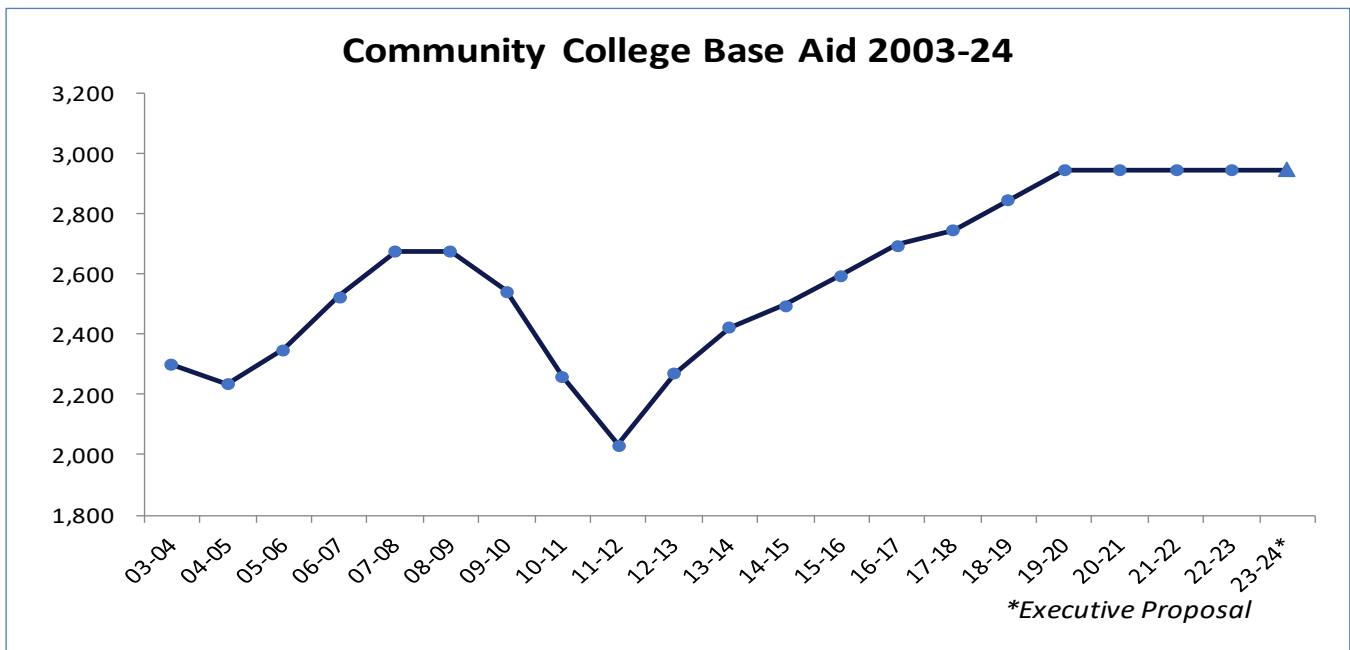


Figure 8

SUNY Community Colleges: The Executive provides \$416.6 million for community college base aid, maintaining the funding floor at 100 percent of the prior year funding for colleges facing enrollment declines. This proposal would also require community colleges to submit a restructuring plan to reduce reliance on this funding floor and would allow the Division of Budget to withhold up to 20 percent of base aid funding until such a plan is submitted.

The Executive eliminates \$150,000 for Dutchess Community College to alleviate housing and food insecurity for students and \$150,000 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 \$1.7 billion in capital appropriations, a decrease of \$7.2 million from SFY 2022-23 to support the following:

- \$650 million for the preservation of various SUNY facilities, a \$100 million increase from AY 2022-23;
- \$200 million for digital transformation and IT infrastructure;
- \$200 million for new and renovated research buildings, laboratories and instruments at SUNY Stony Brook and Buffalo;
- \$150 million in self-supported capital for SUNY hospitals, maintained at the same level as in AY 2022-23;



- \$104 million in capital for community colleges; and
- \$100 million in expansion capital for state-operated campuses.

City University of New York (CUNY)

The Executive proposes an All Funds appropriation of \$5.7 billion, a \$397.4 million or 6.5 percent decrease from SFY 2022-23. The Executive recommends support for 13,511 full-time equivalent (FTE) positions, maintaining the same levels as in SFY 2022-23.

CUNY Senior Colleges: The Executive would provide \$723.3 million in state funding for CUNY Senior Colleges, a decrease of \$5.5 million or 0.7 percent from AY 2022-23. Additionally, \$40 million that was provided in AY 2022-23 for one-time strategic investments has been converted into recurring operating support. The Executive also continues to provide \$53 million for full-time faculty from AY 2022-23.

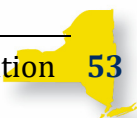
State funded fringe benefits are appropriated at \$971.8 million, which is an increase of \$35.9 million from SFY 2022-23.

The Executive proposal reduces funding for Search for Education, Elevation, and Knowledge (SEEK) by \$1.1 million, for a total of \$37 million. Additionally, the Executive reduces or eliminates funding for the following programs:

- \$1.5 million for the School of Labor and Urban Studies, for a total of \$3.7 million;
- \$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; and
- \$350,000 for the CUNY Law School W. Haywood Burns Chair in Human and Civil Rights, eliminating funding for this program.

CUNY Tuition Increases: The Executive proposal would authorize CUNY to annually increase resident undergraduate tuition moving forward up to the lesser of the Higher Education Price Index or three percent. This is projected to provide \$31 million in new operating support to CUNY in AY 2023-24. The Executive proposal also includes an additional \$3 million to reimburse CUNY for the TAP gap, bringing total funding to reimburse the TAP gap at CUNY to \$62.6 million.

Child Care Centers: The Executive would authorize CUNY to use existing funding to establish child care centers at additional campuses, and to also expand existing centers.



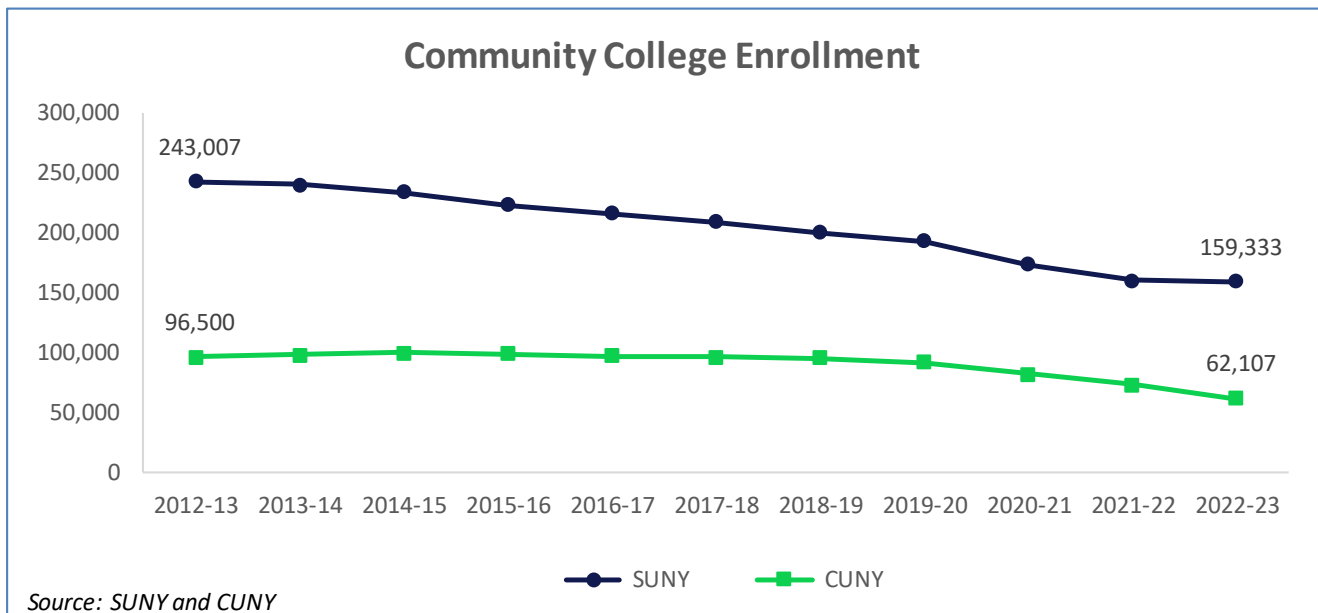


Figure 9

CUNY Community Colleges: The Executive provides \$218 million for community college base aid, which is an \$800,000 increase in appropriations from SFY 2022-23. The Executive would maintain the funding floor of 100 percent of the prior year funding for colleges facing enrollment declines. This proposal will also require community colleges to submit a restructuring plan to reduce reliance on this funding floor and would allow the Division of Budget to withhold up to 20 percent of base aid funding until such a plan is submitted.

The Executive proposal maintains funding for the following:

- \$6 million for the MTA Mobility Tax; and
- \$1.7 million for child care centers.

The Executive includes a reduction in support for College Discovery by \$54,000 to \$1.8 million.

CUNY Capital: The Executive Budget provides \$642.7 million in capital funding, a decrease of \$323.1 million from SFY 2022-23. This funding supports the following:

- \$384.2 million in critical maintenance capital, an increase of \$40 million over SFY 2022-23;
- \$100 million for capital expansion projects at various CUNY campuses;
- \$119.67 million in community college capital;
- \$22 million to fund Dormitory Authority services on behalf of CUNY; and
- \$16.8 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 \$3.5 million decrease from SFY 2022-23, which funds the following programs:

- \$46.9 million for the Higher Education Opportunity Program (HEOP), a decrease of \$1.4 million from SFY 2022-23;
- \$24.2 million for the Liberty Partnership Program, a decrease of \$738,000 from SFY 2022-23;
- \$20.9 million for the Science and Technology Entry Program (STEP), a decrease of \$636,000 from SFY 2022-23;
- \$15.8 million for the Collegiate Science and Technology Entry Program (CSTEP), a decrease of \$482,000 from SFY 2022-23; and
- \$7.9 million for the Foster Youth Initiative, a decrease of \$241,000 from SFY 2022-23.

Additionally, the Executive eliminates \$350,000 for Latino U College Access and \$200,000 in funding for On Point for College.

Unrestricted Aid to Independent Colleges and Universities (Bundy Aid): The Executive maintains \$35.1 million in funding for Bundy Aid.

The Executive also maintains \$941,000 for the High Needs Nursing Program, \$450,000 for the Teacher Opportunity Corps Program, and \$2 million to support students with disabilities.

Higher Education Services Corporation (HESC)

The Executive proposes All Funds appropriations of \$1.21 billion, a \$6.7 million increase over SFY 2022-23. The Executive recommends funding for 103 full-time equivalent (FTE) positions, unchanged from SFY 2022-23.



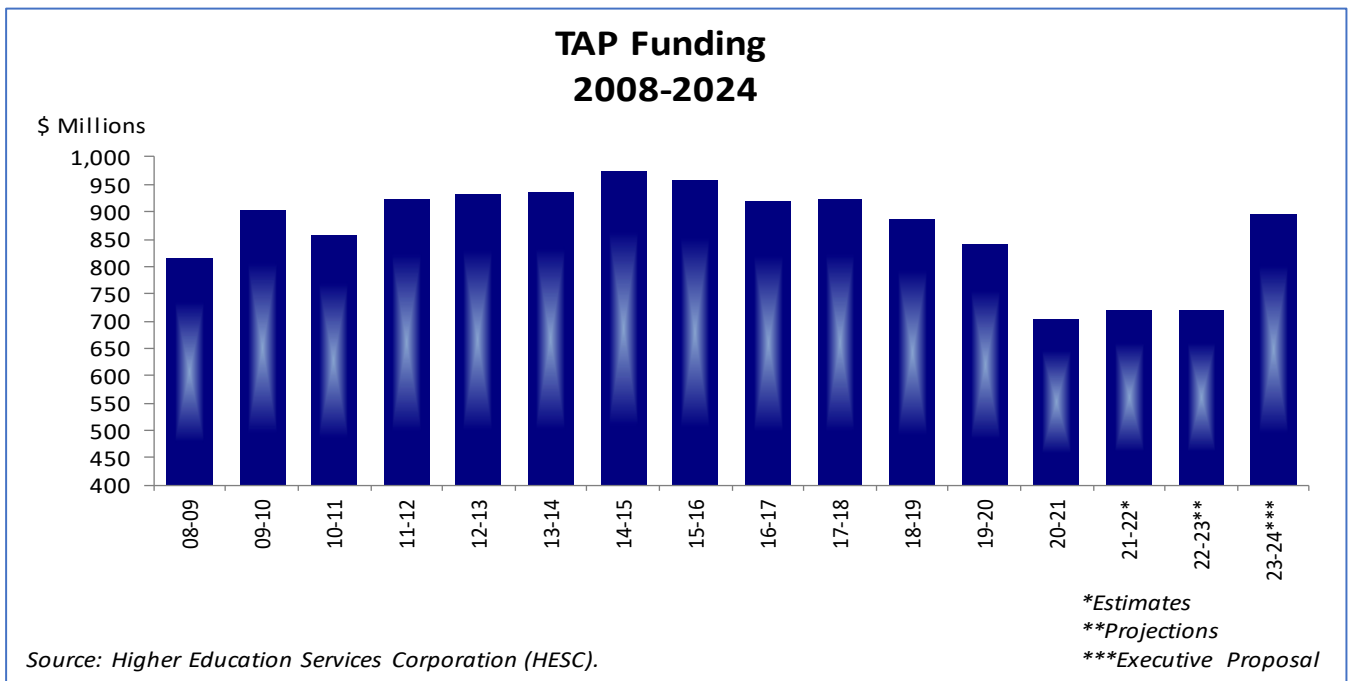


Figure 10

Tuition Assistance Program (TAP): The Executive proposes a total of \$896.6 million for TAP, the same level as last year.

Excelsior Scholarship: The Executive continues funding of \$161.9 million for the Excelsior Scholarship Program.

Enhanced Tuition Assistance (ETA): The Executive maintains funding of \$7.8 million for the ETA program for students attending independent colleges and universities.

Scholarships and Other Programs: The Executive proposal provides \$63.2 million in funding for various scholarships, a decrease of \$2.1 million from SFY 2022-23. The Executive recommends a reduction of \$2 million for the Patricia McGee Nursing Faculty Scholarship, for a total of \$3.9 million and \$50,000 for the Young Farmers Loan Forgiveness, for a total of \$150,000.

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:



- authorize SUNY to annually increase non-resident undergraduate tuition at SUNY university centers up to 10 percent through the 2027-28 academic year if the Board of Trustees determines that such increase is competitive with the tuition charged by peer institutions;
- require every SUNY and CUNY campus to provide access to medication abortion prescription drugs to all students enrolled at such campuses;
- remove the maximum cap on awards for the Liberty Partnerships Program;
- allow public accountancy firms to have up to 49 percent ownership by individuals who are not certified public accountants and require non-licensee owners to pay a \$900 fee to SED triennially;
- authorize pharmacists to prescribe and order self-administered hormonal contraceptives and emergency contraceptive drug therapy pursuant to a standardized procedure or protocol developed and approved by the Board of Pharmacy, in consultation with the DOH;
- authorize pharmacists to dispense HIV pre-exposure prophylaxis pursuant to a non-patient specific order from a physician or nurse practitioner;
- expand the tests that pharmacists are authorized to order and administer to include all tests waived under the federal Clinical Laboratory Improvement Amendments (CLIA), and make such authorization permanent;
- authorize pharmacists to prescribe and order opioid antagonists and medications to treat nicotine dependence;
- expand the Collaborative Drug Therapy Management Demonstration Program, by authorizing pharmacists to prescribe, allowing pharmacists to enter into collaborative agreements with nurse practitioners and facilities, expanding eligible facilities, removing patient consent requirements, and creating new eligibility requirements for pharmacists;
- authorize dentists to order and administer HIV and hepatitis C screening tests and diagnostic tests waived under the federal CLIA;
- authorize physicians and nurse practitioners to prescribe and order non-patient specific regimens to registered professional nurses for: the ordering of asthma self-management education and home-based asthma services, urgent or emergency treatment of asthma,



providing stool tests for colorectal cancer screenings, and ordering diabetes self-management education and support;

- authorize pharmacists to order diabetes self-management education and support, asthma self-management education and home-based asthma services, and any other services authorized by the Commissioner of Education;
- authorize physician assistants to practice without the supervision of a physician under certain conditions;
- authorize physician assistants to prescribe, dispense, order, administer and procure items, including durable medical equipment, to commence or complete a course of therapy;
- authorize physician assistants to prescribe and order non-patient specific regimens to pharmacists and registered professional nurses for administering immunizations;
- authorize school districts to employ physician assistants to perform the duties of a school health services director;
- expand the definition of practitioner under the New York State Controlled Substances Act to include physician assistants;
- expand the authorization that allows advanced home health aides to perform advanced tasks to: allow such aides to provide services without the direct supervision of a registered professional nurse, remove the requirement that registered professional nurses visit individuals receiving advanced home health aide services at least once every two weeks, and extend the sunset for six years;
- authorize certain certified nurse aides to administer medication related tasks in residential health care facilities for two years;
- authorize New York State to join the Interstate Medical Licensure Compact and Nurse Licensure Compact;
- authorize applicants for licensure in a qualified high need health care profession to request a temporary practice permit; and
- transfer oversight of certain licensed health care professions and entities providing certain professional services from SED to DOH.



BUDGET HIGHLIGHTS: HUMAN SERVICES



- **New York Housing Compact:** The Executive Budget includes proposals to build up to 800,000 units of housing over the next 10 years through local housing targets, changes to local zoning laws, and various real property tax incentives.
- **Housing Infrastructure Support and Planning Funds:** The Executive proposes a \$250 million Infrastructure Support Fund and \$20 million Planning Assistance Fund to assist localities in the creation of new housing production statewide.
- **Migrant Services and Assistance:** The Executive proposes \$1 billion in funding to assist with the costs associated with providing services to asylum seekers in New York City.
- **Child Care:** The Executive proposal includes language to increase income eligibility for subsidized child care from 300 percent of the Federal Poverty Level (FPL) to 85 percent of the state median income.
- **Minimum Wage:** The Executive proposes legislation to index the state minimum wage based on inflation metrics determined by the Consumer Price Index. Under this proposal, annual increases could be capped or paused under certain economic circumstances.
- **Foster Care Agency Support:** The Executive proposal includes \$17 million in financial support for medical staff and mental health services for foster care youth.
- **Public Assistance:** The Executive Budget proposal includes legislation that would modify work requirements for recipients who are enrolled in post-secondary education, and also allow a one-time six-month income disregard for recipients after job entry.
- **Human Services Cost of Living Adjustment (COLA):** The Executive proposes a 2.5 percent COLA for human services agencies.



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 child care subsidies for working families.

The Division of Veterans' Services 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 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 23

Appropriations				
Agency/Program	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Temporary and Disability Assistance	7,393.84	8,560.87	1,167.03	15.78
Department of Labor	11,371.48	7,247.84	(4,123.65)	(36.26)
Office of Children and Family Services	4,313.08	5,815.67	1,502.59	34.84
Division of Housing and Community Renewal	5,976.12	772.02	(5,204.10)	(87.08)
State of New York Mortgage Agency	232.11	283.82	51.71	22.28
Raise the Age	250.00	250.00	0.00	0.00
Office of National and Community Service	30.89	30.91	0.02	0.06
Division of Veterans' Services	34.77	30.00	(4.78)	(13.74)
Division of Human Rights	21.01	28.89	7.87	37.47
Office of Welfare Inspector General	1.31	1.34	0.02	1.89

Office of Temporary and Disability Assistance (OTDA)

The Executive proposes an All Funds appropriation of \$8.6 billion, an increase of \$1.2 billion or 15.8 percent over the SFY 2022-23. The increase primarily reflects a \$1 billion investment to support New York City’s costs associated with providing emergency shelter and services to migrants. The Executive recommends a workforce of 1,922 FTEs, unchanged from SFY 2022-23 workforce levels.

Public Assistance Benefits: The Executive Budget estimates a public assistance caseload of 558,000 recipients for SFY 2023-24, an increase of 27,581 recipients over SFY 2022-23.

State spending on behalf of the safety net population is anticipated to be \$538 million, a decrease of \$22 million from the SFY 2022-23. The Executive estimates federal Temporary Assistance for Needy Families (TANF) support at \$1.3 billion, an increase of \$210.6 million over the SFY 2022-23 level.

TANF Commitments: The Executive proposes an appropriation of \$1.28 billion for TANF initiatives, a decrease of \$46.7 million from SFY 2022-23. The Executive eliminates \$50 million in TANF initiatives that were enacted in SFY 2022-23. This includes moving \$28.04 million for Advantage Afterschool to the OCFS, a reduction of \$5 million from SFY 2022-23. The Executive’s proposal also includes \$18 million for additional youth employment programs for localities participating in the Gun Involved Violence Elimination (GIVE) initiative outside of New York City.



Table 24

TANF Commitments			
(\$ in Thousands)			
Category/Item	SFY 2022-23	SFY 2023-24	Change
	Enacted	Proposed	
Flexible Fund for Family Services	964,000	964,000	-
Child Care Subsidies	260,076	244,400	(15,676)
TANF Initiatives			
ACCESS- Welfare to Careers	800	0	(800)
Advantage After Schools*	33,041	0	(33,041)
ATTAIN	4,000	0	(4,000)
Career Pathways	1,425	0	(1,425)
Centro of Oneida	25	0	(25)
Facilitated Enrollment	8,488	0	(8,488)
Jewish Child Care Association	200	0	(200)
Non-residential DV	3,200	3,000	(200)
Preventive Services Initiative	785	0	(785)
Rochester-Genesee Regional TA	82	0	(82)
Summer Youth Employment	46,100	47,100	1,000
Youth Employment Program- GIVE	0	18,000	18,000
SUNY/CUNY Child Care	334	0	(334)
Wage Subsidy Program	475	0	(475)
Wheels for Work	144	0	(144)
Subtotal of TANF Initiatives	99,099	68,100	(30,999)
TANF Funding Total	1,323,175	1,276,500	(46,675)

*Funding moved to Office of Children and Family Services

The Executive’s proposal provides funding for Emergency Assistance to Needy Families with Children (EAF) at \$115.6 million, unchanged from SFY 2022-23. This includes savings of \$14.9 million associated with a 15 percent local share of EAF for New York City.

Migrant Services and Assistance: The Executive Budget includes \$1 billion to reimburse 29 percent of New York City’s costs for providing aid to migrants, including emergency shelter services and support for humanitarian emergency response and relief centers. In addition, the Executive proposal includes funding for various other support services including:

- \$162 million for National Guard operational support at relief shelters;
- \$137 million in Medicaid health care costs for services and assistance;
- \$26 million in state share of safety net public assistance for eligible recipients;
- \$25 million in emergency funding for migrants resettling outside of New York City;
- \$10 million for legal services;
- \$6 million in support for improvements to the Brooklyn Cruise Terminal Humanitarian Emergency Response and Relief Center; and
- \$5 million to provide funding for migrant resettlement programs across the state.



Empire State Supportive Housing Initiative (ESSHI): The Executive Budget provides \$210 million within OTDA for ESSHI to maintain operational support for current and new supportive housing units, an increase of \$100 million over SFY 2022-23.

Homeless Housing and Assistance Program (HHAP): The Executive’s proposal continues \$128 million in funding for the HHAP, unchanged from SFY 2022-23.

Homeless Programs: The Executive’s proposal includes \$50.8 million for the New York State Supportive Housing Program, Solutions to End Homelessness Program and operational support for AIDS housing, an increase of \$2.8 million over SFY 2022-23. The Executive’s proposal also includes \$1 million for the Emergency Homeless Services Program, unchanged from SFY 2022-23.

Eviction Prevention Legal Services: The Executive’s proposal includes \$35 million to provide tenants outside of New York City with legal services during eviction proceedings. This was previously funded under the Division of Housing and Community Renewal.

Emergency Rental Assistance Program (ERAP): The Executive Budget maintains appropriation authority of \$250 million in the event additional federal support is received.

Code Blue: The Executive Budget provides an additional \$7 million to aid local districts in their protection of homeless individuals during inclement winter weather, for a total of \$20 million in SFY 2023-24.

Summer Youth Employment Program (SYEP): The Executive proposes to increase the SYEP by \$1 million to account for the increase in minimum wage upstate.

Flexible Fund for Family Services: The Executive’s proposal includes appropriations to adjust for timing of federal funds for the Flexible Fund for Family Services in the amount of \$964 million to support the transition of the funding period for child welfare, adult protective services and domestic violence programs.

Community Initiatives: The Executive Budget eliminates \$4.7 million in legislative adds.



Article VII

The Executive proposes Article VII language that would:

- authorize a one-time disregard of earned income for public assistance recipients enrolled in educational or vocational training programs;
- require the replacement of public assistance funds stolen due to fraudulent activities and require OTDA to establish protocols and protections for public assistance recipients; and
- authorize the federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA) pass-through for 2024.

Department of Labor (DOL)

The Executive proposes All Funds appropriations of \$7.2 billion, a decrease of \$4.1 billion or 36.26 percent from the SFY 2022-23. This is primarily attributed to the decrease in unemployment insurance benefit payments resulting from the pandemic. The Executive recommends support for 2,817 FTEs, an increase of 39 over SFY 2022-23 levels.

Community Training and Career Centers: The Executive proposal appropriates \$2.25 million for the Department of Labor to remodel Career Centers into Community Training and Career Centers, with a focus on providing additional training, including in the areas of digital and financial literacy.

Unemployment Insurance (UI) Benefits: The Executive proposes an appropriation of \$6 billion for UI benefits, a decrease of \$4 billion due to continued economic recovery, which results in fewer claims.

Workforce Innovation and Opportunity Act (WIOA): The Executive proposes an increase of \$11.9 million, an increase of \$3.98 million, related to the administration and operation of employment training programs, as well as an increase of \$8 million for adult, youth, and dislocated worker employment and training.

Article VII

The Executive proposes Article VII legislation that would: that would index the minimum wage to inflation for New York City, Westchester County, and Long Island beginning on December 31, 2023, and index the minimum wage to inflation for the remainder of the state beginning in the year following the

year that the minimum wage rate equals \$15 per hour and make associated minimum wage changes for home care aides under the Public Health Law.

Office of Children and Family Services (OCFS)

The Executive proposes an All Funds appropriation of \$5.8 billion, an increase of \$1.5 billion or 34.8 percent over the SFY 2022-23. The SFY 2023-24 Executive Budget recommends a workforce of 2,886 FTEs, which remains unchanged from SFY 2022-23.

Child Care: The Executive proposes \$1.3 billion for child care, a net increase of \$198.1 million over SFY 2022-23. The Executive provides \$1.03 billion for child care subsidies and \$297.8 million for other child care purposes, including the administration of child care funds and child resource and referral agencies.

The Executive's proposal includes \$4.8 million for a new employer-supported child care pilot program for families between 85 percent and 100 percent of the state median income. Employers and families would each contribute a third of the cost for care, and state funding would support the remainder. The Executive proposal also includes \$1 million to create a new Business Navigator Program in each of the 10 Regional Economic Development Council regions to help businesses identify support options for employees in need of child care.

Child Care Workforce Retention Grants: The Executive Proposal directs \$389 million in unspent Federal funds to provide payments to child care providers for workforce expenses including payroll tax costs and recruitment activities.

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'S outside of New York City. This action would result in \$28.6 million in savings.

Human Services Cost of Living Adjustment: The Executive's proposal includes \$8.4 million in funding to provide a 2.5 percent cost of living increase for human services agencies.

Minimum Wage: The Executive proposal includes \$3.8 million in funding for state contracts to support proposed increases in the state minimum wage increases included in budget legislation.



Child Welfare: The Executive proposal increases appropriation authority for child welfare services to \$900 million to support increased claims by local social services districts and redirects \$15.9 million in federal Title XX funding towards child welfare costs.

Foster Care Agencies: The Executive proposal includes \$17 million in financial assistance for foster care agencies to assist with meeting federal requirements for mental health support services and staff, and to cover Medicaid reimbursement for voluntary agencies designated as Institutions for Mental Disease.

After School Programs: The Executive proposal moves funding for the Empire State Afterschool and Advantage Afterschool programs to the Office of Children and Family Services in the amount of \$55 million and \$28.04 million, respectively.

Post Adoption Services: The Executive proposal includes \$7 million for preventive and permanent placement services for foster families, adoptive families, and kinship families.

Program Funding Alignment: The Executive proposal includes appropriations to adjust for timing of federal funds for Child Welfare (\$900 million), Adult Protective and Domestic Violence (\$44 million), and Runaway and Homeless Youth (\$700,000) programs to align payment periods.

Youth Sports: The Executive proposal includes an additional one-time increase of \$600,000 to reflect revenues from online sports betting, for a total of \$5.6 million in SFY 2023-24.

Capital: The Executive proposal includes \$60.1 million in capital funding, a decrease of \$33.5 million from SFY 2022-23. This decrease is largely attributed to the elimination of \$50 million in one-time capital funding for child care programs, offset by an increase of \$16 million in capital investments for youth facilities.

Article VII

The Executive proposes Article VII legislation that would:

- make permanent the Close to Home initiative;
- expand eligibility for child care assistance up to 85 percent of the state’s median income and allow the OCFS to set uniform priority standards for applicants of child care assistance; and



- eliminate state reimbursement for residential CSE placements made by school districts outside of New York City and for students attending a state-operated school for the deaf and blind.

Division of Housing and Community Renewal (DHCR)

The Executive proposes All Funds appropriations of \$772 million, a decrease of \$5.2 billion or 87.1 percent from SFY 2022-23. This decrease is primarily due to the reappropriation of \$4.5 billion in capital funding associated with the five-year Housing Plan. The Executive recommends support for 671 FTEs, an increase of 46 over SFY 2022-23.

State Operations Appropriations: The Executive proposes State Operations appropriations of \$181.6 million, which is an increase of \$46.9 million or 34.8 percent over SFY 2022-23. The change is primarily due to an increase of \$40 million in federal support for the Low-Income Weatherization Program. The Executive Budget also includes \$6.5 million in additional funding to implement initiatives related to the New York Housing Compact proposals.

Aid to Localities Appropriations: The Executive proposes Aid to Localities appropriations of \$110.8 million, a decrease of \$427.5 million or 79.4 percent from SFY 2022-23. This decrease is largely due to a decrease in federal funding for the Low-Income Weatherization program, as well as the elimination of appropriations for other programs.

The Executive proposal eliminates state funding for various programs, including \$50 million for Land Banks, \$35 million for the Homeowner Protection Program (HOPP), and \$32 million for the Governor's Office of Storm Recovery. The Executive proposal also transfers \$35 million in funding for Legal Representation for Eviction to the Office of Temporary and Disability Assistance.

The Executive proposes funding for new state programs including \$20 million for the Planning Assistance Fund that will provide aid to support localities in rezoning efforts associated with the New York Housing Compact proposals.

The Executive includes \$32.5 million in federal funding for the Low-Income Weatherization Program, a decrease of \$250 million reflecting one-time funding from the federal Infrastructure Investment and Jobs Act received in SFY 2022-23. The Executive continues \$40 million in federal funding for the Small Cities Community Development Block Grant Program.

The Executive proposal eliminates \$500,000 in legislative adds.



Mortgage Insurance Fund (MIF): The Executive proposal would allocate \$90.7 million in excess reserves from the MIF to provide a continued \$12.8 million for the Neighborhood Preservation Program and \$5.4 million for the Rural Preservation Program, unchanged from SFY 2022-23. The Executive proposal also includes \$21.7 million for the Rural Rental Assistance Program. The Budget also includes \$50.8 million for homeless housing programs administered by OTDA.

Capital Appropriation Funding: The Executive proposes capital appropriations of \$479.7 million, a decrease of \$4.8 billion from SFY 2022-23. This decrease is primarily due to the reappropriation of \$4.5 billion associated with the five-year housing plan included in the SFY 2022-23 budget.

New York Housing Compact: The Executive proposal includes a series of initiatives that seeks to create 800,000 units of housing over the next 10 years. The Budget would integrate the state's \$25 billion housing plan with additional funding to support:

- \$250 million for an Infrastructure Support Fund, to support infrastructure development and improvement in localities that undertake zoning changes to increase the housing production;
- \$50 million for the Homeowner Stabilization Fund, to increase and stabilize homeownership in low-income communities of color;
- \$20 million in capital funding to assist landlords in meeting lead remediation requirements to protect tenants; and
- \$15 million in additional capital funding to assist with the statewide database of housing permit data, zoning maps and zoning requirements.

Article VII

The Executive proposes Article VII language that would:

- establish new housing growth targets in each municipality and fast-track approvals in municipalities that do not meet targets or that fail to implement certain land use actions;
- require local governments to authorize the construction of residential dwelling units within half a mile of any non-seasonal rail station;
- require municipalities to annually submit information on local zoning and data on housing production to the DHCR;



- allow the conversion of certain commercial properties within specified areas of New York City;
- authorize New York City and the Urban Development Corporation through zoning law, ordinance, or resolution or after consultation with local officials to pursue the construction of taller residential buildings by deviating from the state law capping the floor area ratio of a building;
- transfer \$90.68 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program, and homeless housing programs;
- extend the deadline for 421-a projects commenced between December 31, 2015 and June 15, 2022 by four years, from June 15, 2026 to June 15, 2030;
- establish a partial real property tax abatement for capital improvements made to certain rental and owner-occupied buildings located in the City of New York, or any city in which the multiple dwelling law applies, at local option. Alterations and capital improvements made to eligible properties completed between June 29, 2022 and June 30, 2026 would be eligible for the partial abatement for a period of not more than 20 years;
- establish a real property tax exemption for the construction of certain multi-family housing projects on previously vacant or underutilized land. The exemption would be at local option, and would apply to municipalities located outside the City of New York;
- create a real property exemption for the increase in value resulting from the addition of one or more accessory dwelling units located on certain residential properties, at local option; and
- establish the Affordable Housing from Commercial Conversions Tax Incentive Benefits (AHCC) program, which would provide a partial real property tax exemption for the conversion of commercial, manufacturing, and other non-residential buildings to residential rental buildings located in the City of New York.

State of New York Mortgage Agency (SONYMA)

The Executive proposes an All Funds appropriation of \$283.8 million, an increase of \$51.7 million or 22.3 percent over SFY 2022-23.



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 2017-18 Budget raised the age of criminal responsibility to 17 years old on October 1, 2018 and to 18 years old on October 1, 2019. The SFY 2023-24 Budget appropriates \$250 million, unchanged from SFY 2022-23, 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 \$30.9 million, an increase of \$19,719 over SFY 2022-23, relating to the increase in minimum wage. The Executive recommends support for 10 FTEs, unchanged from the SFY 2022-23 level.

Division of Veterans' Services

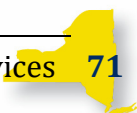
The Executive proposes an All Funds appropriation of \$30 million, a decrease of \$4.8 million or 13.7 percent from SFY 2022-23. The Executive Budget recommends a workforce of 110 FTEs which remains unchanged from SFY 2022-23.

Homeless Veterans' Housing: The Executive includes \$1.1 million to provide funding for emergency and temporary housing, as well as assistance for home repair and renovations for veterans.

Veterans' Cemetery Program: The Executive proposes \$900,000 for operations of the State Veterans' Cemetery Program in anticipation of federal funds.

Veterans' Memorial Registry: The Executive Budget includes \$500,000 to establish a searchable database of all veteran memorials in the state.

Mobile Veterans' Service Centers: The Executive proposal includes \$300,000 to establish a fleet of mobile service centers which will allow accredited Veterans Benefits Advisors to serve veterans, service members, and military families at their home or place of work.



Division of Human Rights

The Executive proposes an All Funds appropriation of \$28.9 million, an increase of \$7.9 million or 37.47 percent over SFY 2022-23. The Executive recommends support for 174 FTEs, an increase of 4 FTEs over SFY 2022-23. Increased funding would support investigation of discrimination cases as well as support for the Hate and Bias Prevention Program.

Office of the Welfare Inspector General

The Executive proposes an All Funds Appropriation of \$1.3 million, an increase of \$24,000 over SFY 2022-23. The Executive recommends support for 6 FTEs, unchanged from the SFY 2022-23 level.



BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **New Investment:** The Executive proposes \$1 billion in capital and operating assistance for mental health and community-based services consisting of \$890 million for residential beds, \$90 million for outpatient and inpatient services, as well as other initiatives.
- **Cost of Living Adjustment (COLA):** The Executive proposes adding a 2.5 percent COLA to increase wages for voluntary Mental Hygiene providers. For the Mental Hygiene agencies, it would be a total of \$188.6 million for OPWDD, OMH and OASAS.
- **Minimum Wage:** The Executive proposal would include an additional \$38 million for minimum wage increases for staff at voluntary not-for-profits licensed under OPWDD, OMH and OASAS.
- **Statewide Ombudsman Program:** The Executive proposal includes \$2 million in funding to create an ombudsman program to provide independent advocates for service recipients.
- **Investment in Opioid Addiction Services:** The Executive proposal would continue investments in various initiatives to address the opioid crisis based on the recommendations provided by the Opioid Settlement Fund Advisory Board into SFY 2023-24.
- **Children's Mental Health Programs Expansion:** The Executive proposal includes an additional \$12 million in funding to support the HealthySteps Program and Home-Based Crisis Intervention (HBCI) teams. In addition, \$10 million in funding is provided to create school-based clinics and \$5 million for High Fidelity wrap around supports.

BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$9.4 billion annually 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 Developmental Disabilities Planning Council (DDPC).

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

Appropriations				
Agency	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	7,233.40	7,422.23	188.83	2.61
Office of Mental Health	5,211.10	6,363.20	1,152.10	22.11
Office of Addiction Services and Supports	1,475.54	1,235.19	(240.35)	(16.29)
Department of Mental Hygiene	600.00	600.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	60.89	61.43	0.54	0.89
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00

Cost of Living Adjustment (COLA): The Executive proposes a 2.5 percent COLA to increase wages for voluntary mental hygiene service providers. For the mental hygiene agencies, the state share of the COLA would total \$188.6 million for OPWDD, OMH, and OASAS.

Minimum Wage: The Executive’s proposal provides an additional \$38 million for minimum wage increases for staff at voluntary not-for-profits licensed under OPWDD, OMH and OASAS. This additional funding would provide \$30.1 million for OPWDD, \$6.5 million for OMH, and \$2.7 million for OASAS.

Interagency Coordinating Council for Services to Persons who are Deaf, Blind or Hard of Hearing: The Executive includes \$250,000 to reestablish the coordinating council within the Office of the Chief Disability Officer (CDO).

Certified Community Behavioral Health Clinic (CCBHC) Expansion: The Executive proposes utilizing \$3.5 million in Medicaid funding to support establishing 26 new CCBHCs, for a total of 39 programs. CCBHCs are specially designated clinics that provide a comprehensive range of mental health and substance use services.

Office for People with Developmental Disabilities

The Executive proposes an All Funds appropriation of \$7.4 billion, an increase of \$188.83 million or 2.61 percent from SFY 2022-23. The Executive recommends support for 18,942 FTE positions, unchanged from SFY 2022-23 level.

Intensive Treatment Opportunity (ITO) Expansion: The Executive's proposal provides \$11.7 million in capital funding to support the creation of additional ITO units at the former Finger Lakes Developmental Center campus. This location would provide services to approximately 39 individuals.

Statewide Ombudsman Program: The Executive's proposal includes \$2 million in funding to create an ombudsman program to provide independent advocates for service recipients.

Community Based Service Expansions: The Executive's proposal continues \$60 million to support the creation of new service slots for individuals with developmental disabilities, including an expansion of certified housing supports and rental subsidies to individuals living in an apartment, as well as an expansion of day programs, employment options, and respite services.

Independent Living Opportunities: The Executive provides an additional \$15 million in funding to support the expansion of independent living opportunities for individuals with intellectual and developmental disabilities. The increase in funding will provide a total of \$125 million to support the development of residential opportunities.

Independent Study of the Institute for Basic Research (IBR) in Developmental Disabilities: The Executive proposes \$500,000 to support a two-year independent study assessing how IBR's functions correspond with OPWDD's strategic goals and the ability to modernize the facility.



Delegated Nursing Tasks: The Executive proposal includes a \$700,000 reduction associated with permitting certain nursing tasks to be performed by non-clinical staff of providers certified by OPWDD in non-certified community-based programs.

Article VII

The Executive proposes Article VII language that would:

- authorize the Commissioner of Health to submit a waiver to the federal government to expand eligibility for the Medicaid Buy-in Program for Working People with Disabilities;
- extend the legal authority for OPWDD to implement managed care plans through 2028; and
- authorize non-clinical direct support staff working under OPWDD certified community-based programs to perform certain nursing activities.

Office of Mental Health

The Executive proposes an All-Funds appropriation of \$6.4 billion, an increase of \$1.15 billion or 22 percent from SFY 2022-23. The Executive recommends support for 14,055 FTEs, unchanged from SFY 2022-23 level. This Executive increase includes \$1 billion to provide for 3,500 new residential beds under the following programs:

- **Residential Programs Expansion:** The Executive proposal provides \$890 million in funding to construct 3,500 new residential units for individuals with mental illness, including:
 - 500 single room occupancy beds;
 - 900 transitional stepdown beds;
 - 600 licensed apartment treatment beds;
 - 750 supportive housing beds; and
 - 750 scattered site supportive housing beds.
- **Community Step Down Units:** The Executive budget includes \$25 million in capital funds to create 60 new community step down units in New York City for individuals transitioning from inpatient facilities.
- **Outpatient Services Expansion:** The Executive budget includes \$60 million in capital funding to expand outpatient treatment throughout New York State, including:



- 12 Comprehensive Psychiatric Emergency Programs;
- 42 Assertive Community Treatment teams;
- 8 Safety Options Support (SOS) teams;
- 42 Health Homes Plus Care Managers; and
- Start-up funding and operating costs for the expansion of clinic capacity for 20 locations.

➤ **Inpatient Services Expansion:** The Executive proposal includes \$15 million in funding to support opening 1,000 inpatient psychiatric beds. This includes 850 inpatient psychiatric beds that are currently unavailable in Article 28 facilities and 150 new state-operated inpatient psychiatric beds.

988 Crisis Hotline: The Executive proposal provides an additional \$25 million, for a total of \$60 million, to increase the call center’s ability to provide support to individuals contacting the 988 Crisis Hotline. This funding is part of a two-year investment, with \$35 million in funding provided in SFY 2022-23. Individuals reaching out to the hotline will be connected to various community-based services and supports including mobile crisis services, crisis stabilization centers and crisis residences.

Suicide Prevention Programs: The Executive proposal provides \$10 million in grant funding for suicide prevention programs for high-risk youth. In addition, the Executive provides \$400,000 to FarmNet, which provides support and services to farmers and their families.

Children’s Mental Health Programs: The Executive’s proposal includes an additional \$12 million in funding to support the HealthySteps Program and Home-Based Crisis Intervention (HBCI) teams. In addition, \$10 million in funding is provided to create school-based clinics and \$5 million for High Fidelity wrap around supports.

Existing Residential Programs: The Executive budget provides \$39 million for existing community-based residential programs. This funding is a part of a \$104 million two-year investment included in the 2022-23 Enacted Budget. Funding would support access to housing for individuals in recovery.

Qualified Mental Health Associate: The Executive proposes \$700,000 to support the creation of training and requirements to develop the title of Qualified Mental Health Associate for paraprofessionals in order to expand the mental health workforce.

Intensive and Sustained Engagement Treatment (INSET) Program Expansion: The Executive proposal includes \$2.8 million to support the expansion of the INSET Program. Funding would be utilized to establish three new peer-based outreach and engagement teams for adults with serious mental illness



(SMI). This program provides mobile services to individuals who are not engaged in programs or plans for treatment and support and provides connections to treatment for individuals in a hospital, jail or individuals recently discharged or released.

Individual Placement and Supports (IPS): The Executive provides \$3.3 million to establish the IPS program. This program would assist adults with SMI and behavioral health issues find supported employment of their choosing.

Eating Disorder Program: The Executive provides \$3.1 million for the expansion of treatment for individuals with eating disorders. Funding would support the three current Comprehensive Care Centers for Eating Disorders (CCCED). OMH would work towards obtaining Medicaid coverage for residential eating disorder programs licensed under OMH.

Joseph P. Dwyer Peer-to-Peer Veterans' Support Program: The Executive's proposal would provide a \$15,000 increase in funding for the Dwyer Program to ensure that Columbia and Greene counties have the necessary financial support. The Dwyer Program provides peer-to-peer support and counseling to both veterans transitioning into civilian life and navigating PTSD, depression, and traumatic brain injury.

Article VII

The Executive proposes Article VII language that would:

- require the commissioners of OMH, OPWDD, OASAS, OTDA, and SOFA to establish a COLA and provide funding to support a 2.5 percent COLA for the 2023-2024 fiscal year;
- establish qualified mental health associates, create minimum standards and qualifications for credentialing, develop training and programs for the provision of services by such associates;
- authorize OMH and OASAS to receive and share criminal background information with each other and create a single criminal history information process for programs jointly licensed by OMH and OASAS under mental hygiene law; authorize OMH and OASAS to jointly certify community behavioral clinics; and create an indigent care program to offset the loss of revenue for a certified community behavioral health clinics resulting from uncompensated care;
- authorize OMH to develop a schedule of sanctions under the mental hygiene law of up to \$2,000 per day for any unauthorized closure of an inpatient bed of a program certified by OMH; and



- authorize the OMH and OASAS to jointly certify community behavioral health clinics and establish an indigent care program for certified community behavioral health clinics. The indigent care program provides funding to eligible providers to assist losses due to uncompensated care.

Office of Addiction Services and Supports (OASAS)

The Executive proposes an All Funds appropriation of \$1.2 billion, a decrease of \$240.3 million or 16.2 percent from SFY 2022-23. The Executive recommends support for 778 FTEs, unchanged from SFY 2022-23.

Opioid Settlement Fund: The Executive proposal appropriates \$123.6 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 into SFY 2023-24.

Opioid Stewardship Fund: The Executive proposal will continue \$200 million in funding to support efforts to mitigate the impact of opioid use disorder through statewide harm reduction initiatives.

Supportive Housing Programs: The Executive provides \$6.5 million in funding to sustain approximately 1,500 OASAS residential recovery units. Funding would support current rental and supportive services costs for existing units.

Community Health Access to Addiction and Mental Healthcare Project (CHAMP) Ombudsman Program: The Executive continues \$1.5 million in funding for the Independent Substance Use Disorder and Mental Health Ombudsman program and increases funding for behavioral health parity enforcement by \$3.5 million for a total of \$5 million.

Justice Center for the Protection of People with Special Needs

The Executive proposes an All Funds appropriations of \$61.4 million, an increase of \$537,000 or 0.89 percent from SFY 2022-23. The Executive recommends support for 470 FTEs, unchanged from the SFY 2022-23 level.

Developmental Disabilities Planning Council

The Executive proposes an All Funds appropriation of \$4.76 million, unchanged from SFY 2022-23. The Executive recommends support for 18 FTEs, unchanged from the SFY 2022-23 level.

BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Environmental Protection Fund (EPF):** The Executive proposal includes \$400 million for the EPF, comprised of \$54.3 million for solid waste programs, \$114.2 million for parks and recreation, \$186.9 million for open space programs, and \$44.7 million for climate change programs.
- **Clean Water, Clean Air, and Green Jobs Environmental Bond Act:** The Executive proposes 265 additional FTE positions across five state agencies to begin implementing the Environmental Bond Act approved by the voters in November of 2022.
- **Climate Leadership and Community Protection Act (CLCPA):** The Executive proposes Article VII legislation that would: prohibit fossil fuel equipment and building systems in new construction beginning in 2026 and to phase out the sale and installation of fossil fuel heating equipment in existing buildings beginning in 2030; initiate the development of a Cap-and-Invest Program; and authorize New York Power Authority (NYPA) to develop renewable energy generation projects.
- **Energy Affordability:** The Executive proposal includes a \$200 million capital appropriation to support the EmPower Plus program to help low-income families retrofit their homes to make them more energy efficient. Additionally, the Executive proposes a \$200 million appropriation for the Department of Public Service for the Energy Affordability Program.
- **State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, including support for the Environmental Restoration Program.
- **Clean Water Infrastructure:** The Executive proposal includes \$430 million, an increase of \$46.5 million, for the Clean Water State Revolving Fund, reflecting increased federal aid through the Infrastructure Investment and Jobs Act (IIJA). The Executive also proposes \$500 million for water infrastructure programs, for a total of \$5 billion in appropriations.
- **State Parks:** The Executive proposal includes capital funding of \$200 million in New York Works funding for state parks.



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

Agency	Appropriations			
	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	10,655.84	2,517.37	(8,138.47)	(76.38)
Office of Parks, Recreation and Historic Preservation	674.45	710.20	35.75	5.30
Department of Public Service	367.51	317.51	(50.00)	(13.61)
Department of Agriculture and Markets	317.29	296.91	(20.38)	(6.42)
Energy Research and Development Authority	23.6	225.8	202.20	856.78
Olympic Regional Development Authority	116.59	104.09	(12.50)	(10.72)
New York Power Authority	43.0	7.5	(35.50)	(82.56)
Adirondack Park Agency	35.26	6.33	(28.93)	(82.05)
Hudson River Valley Greenway Communities Council	0.38	0.50	0.11	29.92
Greenway Heritage Conservancy	0.23	0.25	0.03	11.11



Department of Environmental Conservation

The Executive proposes an All Funds appropriation of \$2.5 billion, a decrease of \$8.1 billion from the SFY 2022-23. This decrease primarily reflects one-time appropriations passed in SFY 2022-23 required to implement the Clean Water, Clean Air and Green Jobs Environmental Bond Act (“Bond Act”): a \$4.2 billion appropriation to fund projects in the first instance and a separate \$4.2 billion appropriation to reimburse the capital projects fund from bond proceeds. The year-to-year decrease is partially offset by proposed increases in administrative costs and salary increases as well as state and federal capital funding. The Executive recommends support of 3,331 FTE positions, an increase of 231 FTEs from SFY 2022-23 levels.

DEC State Operations

The Executive proposes State Operations appropriations of \$560.2 million, an increase of \$66.1 million or 13.4 percent from the SFY 2022-23. This increase funds salary increases, non-personal service costs, and the additional FTEs. Of the 231 new FTEs, 131 will support the implementation of the Bond Act, 53 to implement the CLCPA, 19 to administer federal funds, 10 to implement the proposed cap-and-invest program, 10 for a new program to clean up emerging contaminants, and eight related to the Waste Reduction and Recycling Infrastructure Act proposal.

Environmental Protection Fund

The Executive proposed \$400 million for the EPF, unchanged from SFY 2022-23. The Executive proposal would divert a portion of these funds from capital projects to personal service expenses.



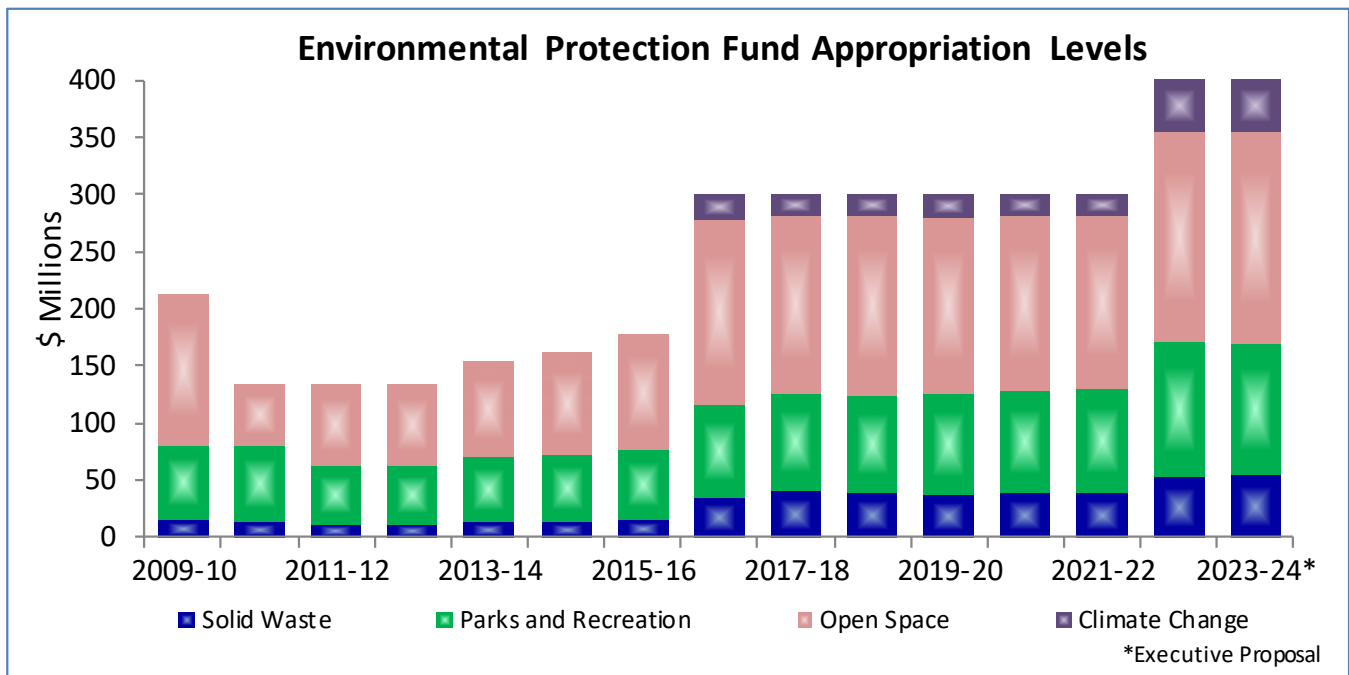


Figure 11

The EPF was created in 1993 to protect and preserve the State’s environment. There are currently 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 \$44.7 million is proposed for SFY 2023-24;
- 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 \$186.9 million for this category in SFY 2023-24;
- Parks and Recreation which provides public access to open space and economic development support for areas surrounding the open space. Funding of \$114.2 million is proposed for SFY 2023-24; and
- Solid Waste which provides funding for recycling and waste reduction. A total \$54.3 million is proposed for SFY 2023-24.

The Executive proposes to fund several new programs within the EPF, including \$1.5 million for the USGS Long Island Ground Water Study, \$500,000 for the Billion Oyster Project, \$500,000 for PBS climate change digital teaching tools, \$300,000 for the Lake Placid Adirondack Rail Trail, and \$25,000 for Staying Connected.



The Executive proposal includes funding increases within the EPF, including \$3 million for Environmental Health, \$2.6 million for State Climate Adaptation projects, \$2.5 million for Invasive Species, \$1.5 million for Fresh Connect and SNAP EBT, \$1.5 million for Soil and Water Conservation Districts, \$1.5 million for Smart Growth, and \$1 million for Oceans and Great Lakes Initiatives.

The Executive's proposal eliminates \$8 million to address overrun of the Adirondack and Catskill Parks, \$1 million for municipal electric vehicle fast chargers, and \$500,000 for Cornell CALS and ESF Applied Forestry.

The Executive proposal reduces funding for several EPF programs including a reduction of \$3 million for land acquisition, \$2 million for zoos, botanical gardens, and aquaria projects, \$1 million for municipal parks, \$1 million for environmental justice, and \$575,000 for municipal recycling.



Table 27

SFY 2023-24 Environmental Protection Fund (\$ in Thousands)				
	SFY 2022-23	SFY 2023-24		
	Enacted Budget	Executive Proposal	Change (\$)	Change (%)
CLIMATE CHANGE MITIGATION & ADAPTATION				
Greenhouse Gas Management	2,500	3,500	1,000	40
<i>Refrigeration Council Pilot*</i>	250	500	250	100
<i>Community Forests Grant Program</i>	500	1,000	1,000	-
State Climate Adaptation Projects	5,300	7,925	2,625	50
<i>Climate Coordinators*</i>	1,750	2,000	250	14
<i>Timbuctoo*</i>	2,100	2,100	-	-
<i>Cornell CALS & ESF Applied Forestry*</i>	500	-	(500)	(100)
<i>Staying Connected**</i>	-	25	25	100
<i>PBS Digital Tools**</i>	-	500	500	100
Smart Growth	3,000	4,500	1,500	50
Climate Resilient Farms Program	16,750	14,750	(2,000)	(12)
Climate Smart Community Projects	15,000	14,000	(1,000)	(7)
<i>Municipal EV Fast Chargers</i>	1,000	-	(1,000)	(100)
Subtotal, Climate Change	42,550	44,675	2,125	5.0
OPEN SPACE				
Land Acquisition	40,000	37,000	(3,000)	(8)
<i>Urban Forestry (included re-treeing*)</i>	3,200	3,200	-	-
<i>Lake Placid Adirondack Rail Trail**</i>	-	300	300	100
Albany Pine Bush Commission	3,000	3,000	-	-
LI Pine Barrens Commission	2,500	2,500	-	-
LI South Shore Estuary Reserve	1,000	1,550	550	55
Ag. Non-Point Source Pollution Control	20,000	20,000	-	-
Non-Ag Non-Point Source Pollution Control	6,200	6,200	-	-
Farmland Protection	21,000	21,000	-	-
Biodiversity Stewardship	1,750	1,975	225	13
Hudson River Estuary Plan	7,500	7,500	-	-
Finger Lake; Lake Ontario Watershed	2,500	2,500	-	-
Delaware River Basin Restoration Program**	300	-	(300)	(100)
Water Quality Improvement Program	22,000	22,000	-	-
<i>City of Long Beach Water Salt Storage*</i>	500	-	(500)	(100)
Oceans & Great Lakes Initiative	22,500	23,500	1,000	4
<i>Great Lakes Commission†</i>	60	-	(60)	(100)
<i>Billion Oyster Project, Inc.**</i>	-	500	500	-
Invasive Species	17,000	19,500	2,500	15
<i>Onondaga County*</i>	100	-	(100)	(100)
Soil & Water Conservation Districts	14,500	16,000	1,500	10
Agricultural Waste Management	1,500	1,500	-	-
Lake George Park Commission	900	900	-	-
Subtotal, Open Space	184,585	186,875	2,290	1.2
PARKS & REC				
Waterfront Revitalization	16,500	16,500	-	-
<i>Niagara River Valley Commission</i>	200	300	100	50
Municipal Parks	26,000	25,000	(1,000)	(4)
<i>Catskill Center for Conservation and Dev.</i>	150	200	50	33
<i>Westchester Riverwalk*</i>	3,500	-	(3,500)	(100)
<i>Tiffany Nature Preserve Accessibility Trail*</i>	350	-	(350)	(100)
Public Access & Stewardship	48,689	48,700	11	0
<i>Camp Santanoni Historic Area*</i>	500	-	(500)	(100)
<i>ADK/Catskill Park Overuse*</i>	8,000	-	(8,000)	(100)
<i>Visitor Use Management Framework*</i>	600	-	(600)	(100)
Hudson River Park (HRP)	4,800	3,700	(1,100)	(23)
ZBGA	20,000	18,000	(2,000)	(10)
Waterway Law Enforcement	2,000	2,300	300	15
Subtotal, Parks & Rec	117,989	114,200	(3,789)	(3.2)
SOLID WASTE				
Landfill Closure/ Gas Management†	750	300	(450)	(60)
Municipal Recycling	19,000	18,425	(575)	(3)
Secondary Marketing	650	650	-	-
Pesticide Database	1,500	1,500	-	-
Environmental Justice	13,000	12,000	(1,000)	(8)
<i>EJ Grants/Air Monitoring*</i>	4,000	4,000	-	-
<i>Center for Native Peoples & the Envmt</i>	373	746	373	-
Natural Resources Damages	1,775	1,775	-	-
Pollution Prevention Institute	4,250	4,600	350	8
Environmental Health	10,000	13,000	3,000	30
<i>Fresh Connect and Snap EBT*</i>	2,350	3,850	1,500	64
<i>USGS LI Ground Water**</i>	-	1,500	1,500	-
Brownfield Opportunity Area Grants	3,950	2,000	(1,950)	(49)
Subtotal, Solid Waste	54,875	54,250	(625)	(1.1)
TOTAL EPF	399,999	400,000	1	0.0

**23-24 New Categories; *22-23 New Categories; †programs shifted to ATL



Other DEC Capital

Water Infrastructure: The Executive Budget includes \$430 million in federal funding, an increase of \$46.5 million, for the Clean Water State Revolving Fund, reflecting increased federal funding made available through the Infrastructure and Investment Jobs Act (IIJA). This funding allows municipalities to apply for zero or low-interest loans for wastewater infrastructure and other clean water projects. The Executive Budget also includes \$60 million, an increase of \$5 million, in state matching funds. The Executive proposal for the Department of Health reflects increased federal funding through the IIJA for the Drinking Water State Revolving Fund, including new allocations for lead service line replacements and projects to address emerging contaminants in drinking water.

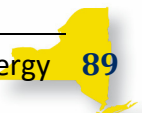
Additionally, the Executive proposal continues an annual \$500 million appropriation of state funds, for a total \$5 billion, for the Clean Water Infrastructure Act of 2017, which provides funding for numerous water infrastructure programs, including the Water Infrastructure Improvement Act (WIIA) and the Intermunicipal Water Infrastructure Grant Program. WIIA funds can be used for the required local match to loans from the State Revolving Fund. The Executive proposes to utilize this appropriation for a new \$60 million program to provide funding to municipalities to investigate and remediate sites contaminated with emerging contaminants.

New York Works: The Executive proposes \$90 million for New York Works, unchanged from the SFY 2022-23. This funding includes \$20 million to repair and upgrade the Conklingville Dam on Great Sacandaga Lake, for a total of \$60 million over three years. 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 continues to fully fund the State's Superfund Program with a \$100 million appropriation, of which 10 percent is allocated to the Environmental Restoration Program (ERP).

Capital Administration: The Executive proposal includes \$95 million for administrative purposes to support the capital program, an increase of \$7 million from SFY 2022-23, primarily reflecting the elimination of a one-time \$18 million appropriation for participation in the state's financial management system, and an increase of \$20 million in federal support from the IIJA.

Capital Programs: The Executive proposal includes funding for other capital programs, including \$74 million to match federal funding for the Army Corp of Engineers South Shore Seawall Project, \$20 million in federal funds for fish and wildlife and marine resources, \$15 million in federal funds for



lands and forests, and \$5 million for projects that benefit endangered species impacted by major renewable energy facilities.

Aid to Localities

The Executive proposal recommends \$1.87 million in appropriations to DEC for SFY 2023-24. The Executive proposal shifts level funding appropriated in the EPF in SFY 2022-23 to the Aid to Localities Budget, including the Susquehanna, Delaware, and Ohio River Basin Commissions, the Interstate Environmental Commission, the New England Interstate Commission, the Great Lakes Commission, the Adirondack Diversity Initiative, and non-hazardous landfill closure projects in Essex and Hamilton counties. Friends of the Upper Delaware River Basin is increased from \$300,000 to \$350,000.

The Executive proposal eliminates appropriations from SFY 2022-23, including \$500,000 for the Adirondack Lake Survey Corp, \$140,000 in support of The Hope Program, and \$20,000 for water quality monitoring in Setauket Harbor in Suffolk County.

Article VII

The Executive includes the following Article VII proposals that would:

- create an extended producer responsibility program for packaging and paper products;
- establish a new program to provide funding for municipalities to investigate and remediate PFAS contamination sites;
- make permanent the Youth Deer Hunting Program;
- make permanent the pesticide registration fees;
- authorize the Suffolk County Legislature to establish a wastewater management district;
- establish the bond issuance length for lead service line replacement programs and allow municipalities, school districts, and district corporations to be eligible; and
- amend the CLCPA to reference a cap and invest program to be administered pursuant to regulations and create a Climate Action Fund.



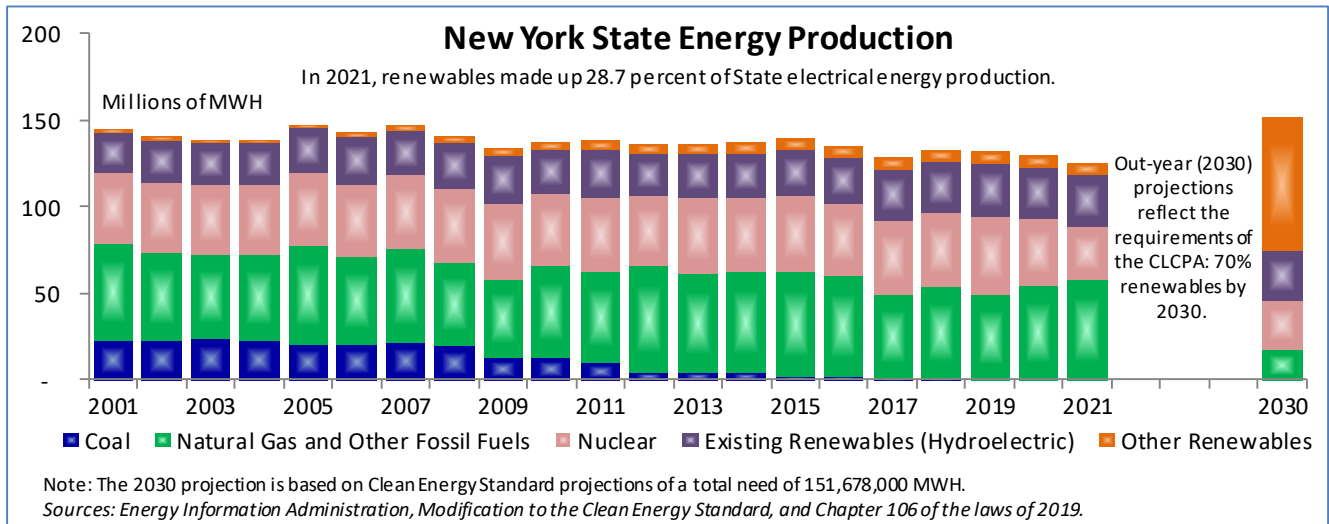


Figure 12

Department of Public Service

The Executive proposes an All Funds appropriation of \$317.5 million, a decrease of \$50 million or 13.6 percent from SFY 2022-23. This decrease reflects a one-time \$250 million appropriation made in SFY 2022-23 for the Utility Arrears Relief Program, partially offset by a new \$200 million appropriation for the Energy Affordability Program. The Executive recommends support of 528 FTEs, unchanged from SFY 2022-23 levels.

Article VII

The Executive includes legislation that would make permanent an assessment on cable television and public utilities for public health campaigns.

NYS Energy Research and Development Authority

The Executive proposes an All Funds appropriation of \$225.8 million, an increase of \$202.2 million from SFY 2022-23. This increase reflects a new \$200 million capital appropriation to support NYSERDA's EmPower Plus Program. 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, is \$25.8 million, an increase of \$2.2 million.

Table 28

NYSERDA Revenues & Expenses (\$ in Thousands)

Revenue Source	SFY 2021-22	SFY 2022-23	SFY 2023-24	Percent
Utility Surcharge Assessments	628,009	795,754	764,213	49.1%
<i>Market Development, Innovation & Research</i>	278,473	336,246	369,404	23.7%
<i>NY-Sun</i>	188,553	290,414	259,805	16.7%
<i>NY Green Bank</i>	44,252	-	-	0.0%
<i>Legacy Programs (RPS/SBC)</i>	41,292	38,065	32,989	2.1%
<i>Energy Storage</i>	31,326	77,460	27,044	1.7%
<i>EV Prize</i>	3,525	21,485	23,766	1.5%
<i>18-a funding, pursuant to Article VII</i>	22,700	22,700	22,875	1.5%
<i>Build Ready</i>	5,025	9,384	15,830	1.0%
<i>Electric Generation Cessation Mitigation</i>	12,863	-	12,500	0.8%
Zero Emissions Credits (ZECs)*	609,021	590,473	189,295	12.1%
Renewable Energy Credits (RECs)	55,543	30,262	47,141	3.0%
Regional Greenhouse Gas Initiative (RGGI)	250,634	167,394	237,518	15.2%
State Reappropriations (Ports & Bond Act)	-	20,000	107,977	6.9%
State Appropriation for West Valley	14,126	23,600	25,800	1.7%
Miscellaneous	112,297	138,271	186,047	11.9%
Total NYSERDA Revenues	1,669,630	1,765,754	1,557,991	100.0%
Expenses				
Utility Surcharge Assessment Funded Programs				
Market Development, Innovation & Research	306,430	363,013	373,608	25.6%
NY-Sun	151,144	305,156	263,455	18.1%
Energy Storage	23,117	65,215	42,700	2.9%
Energy and Environmental Analysis	6,736	7,950	7,350	0.5%
Other Programs	94,280	98,237	120,526	8.3%
Clean Energy Standard				
Zero Emissions Credits (ZECs)*	594,174	590,473	187,019	12.8%
Renewable Energy Credits (RECs- Tier 1)	15,013	33,501	53,145	3.6%
RECs - Existing Renewables (Tier 2)	-	480	578	0.0%
Offshore Wind (ORECs)	4,885	5,000	4,325	0.3%
Regional Greenhouse Gas Initiative (RGGI)	98,934	116,477	124,733	8.6%
State Funded Programs				
Port Development for Offshore Wind	-	20,000	75,000	5.1%
Bond Act (School Bus Electr & Green Buildings)	-	-	29,250	2.0%
West Valley	15,305	22,754	24,478	1.7%
Volkswagen Settlement Programs	4,282	24,315	26,230	1.8%
Salaries and Benefits	58,529	66,233	80,710	5.5%
Administration	38,685	40,905	43,675	3.0%
Total NYSERDA Expenses	1,411,514	1,759,709	1,456,782	100.0%

Source: NYSERDA 2023-24 Budget and Financial Plan

*2023-24 amount is a placeholder, ZECs pricing not yet determined.

Note: Totals may not add due to rounding.

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. These off-budget programs include energy efficiency and energy research, development, and demonstration projects.



Regional Greenhouse Gas Initiative: The RGGI Operating Plan for SFY 2023-24 allocates \$187 million, an increase of \$462,000 from SFY 2022-23. The Executive proposal includes a \$5 million transfer of RGGI proceeds from NYSERDA to the EPF.

Article VII

The Executive includes the following Article VII proposals that would:

- extend for one year the authorization for NYSERDA to receive funds from an assessment on gas and electric corporations; and
- establish parameters to prohibit the installation of fossil-fuel equipment and infrastructure in new and existing residential and commercial buildings and establish building benchmarking requirements.

New York Power Authority

The Executive proposes an All Funds appropriation of \$7.5 million, a decrease of \$35.5 million or 74.4 percent from SFY 2022-23. The decrease reflects the end of a structured repayment plan related to a previous loan of NYPA funds to the state, partially offset by \$7.5 million for the Canal Corporation for capital projects supported by canal revenues.

NYPA revenues are self-generated from the sale of energy. NYPA's 2023 operating budget is \$3.7 billion and supports 2,048 FTEs. Major components of NYPA's budget include \$1.03 billion for purchased power, \$808 million for power transmission, \$677 million for operations and maintenance, and \$520 million for fuel consumed. Additionally, the Canal Corporation has an operating budget of \$101.9 million and a capital budget of \$74 million in 2023, including the Reimagine Canals programs. NYPA's capital plan is \$3.2 billion over four years, including \$1.42 billion for transmission projects, \$662 million for generation projects, \$99.2 million for decarbonization projects, and \$312.6 million for projects on the canal. The Executive proposal includes a \$20 million transfer from NYPA to the General Fund.

Article VII

The Executive includes the following Article VII proposals that would:

- authorize NYPA to construct, own, and operate new renewable energy generating facilities; and
- extend the authorization for NYPA to procure and sell power for an additional 20 years.

Department of Agriculture and Markets

The Executive proposes an All Funds appropriation of \$296.9 million, a decrease of \$20.4 million or 6.4 percent from the SFY 2022-23. The Executive recommends support of 543 FTEs, an increase of 26 FTEs from the SFY 2022-23.

State Operations: The Executive includes \$182.4 million for State Operations, an increase of \$6.4 million or 3.7 percent from SFY 2022-23. This increase primarily reflects new appropriations required to implement legislation passed in SFY 2022-23 related to the regulation of animal shelters and funding for the Farmland Protection Program, as well as operating support for new initiatives included in the Executive proposal. The increase of 26 FTEs reflects 20 additional FTEs for the implementation of the Bond Act and six for new initiatives, including three for the Urban Farms and Community Gardens Grant Program, and three FTEs to help increase procurements from New York State agricultural producers from state and local governments.

Agricultural Programs: The Executive proposes \$47.8 million in aid to localities funding, a decrease of \$5.1 million from SFY 2022-23. This decrease primarily reflects the elimination of prior year legislative adds totaling \$9.8 million, which is partially offset with \$4.9 million in funding for new initiatives. The new initiatives include \$2 million for the promotion of local fairs, \$1 million for training and recruiting new entrants in the agricultural industry, and increased funding for existing programs.



Table 29

SFY 2023-24 Agriculture and Markets Appropriations (ATL)			
	Enacted SFY 2022-23	Executive SFY 2023-24	Year- to-Year Change (\$)
Cornell Research and Development			
Cornell Diagnostic Lab: Animal Health Surveillance and Control, Avian Disease, Cattle Health Assurance, Quality Milk Production, John's Disease, Salmonella Dublin, genomic surveillance Forensic Pathology.	8,751,000	8,270,000	(481,000)
Cornell University Berry Research	263,000	263,000	-
Cornell University Honeybee Research	152,000	152,000	-
Cornell University Maple Research	151,000	76,000	(75,000)
Cornell University Onion Research	71,000	51,000	(20,000)
Cornell University Vegetable Research	126,000	51,000	(75,000)
Cornell University Hard Cider Research	202,000	202,000	-
Cornell University Concord Grape Research	252,000	202,000	(50,000)
Cornell Malting Barley Research and Extension	353,000	303,000	(50,000)
Cornell Hops Breeding Research and Extension	300,000	-	(300,000)
Cornell Golden Nematode Program	63,000	63,000	-
Cornell Education & Outreach Programs			
Cornell University Hemp Development	1,000,000	1,000,000	-
Cornell University Agriculture in the Classroom	500,000	500,000	-
Cornell University Future Farmers of America	1,000,000	1,000,000	-
Cornell Association of Agricultural Educators	500,000	500,000	-
Cornell University Farm Family Assistance (FarmNet)	1,000,000	1,000,000	-
Cornell University Pro-dairy Program	1,463,000	1,213,000	(250,000)
Cornell University Small Farms (SFY 22-23 Veterans to Farm)	116,000	500,000	384,000
Cornell Farm Labor Specialist	401,000	202,000	(199,000)
Cornell CCE Dutchess County	100,000	-	(100,000)
Dairy Profit Teams	374,000	374,000	-
Cornell CCE Bridging the Upstate Downstate Food Network	84,000	-	(84,000)
Ag Development			
Taste NY	6,000,000	5,750,000	(250,000)
Grow NY	2,020,000	2,020,000	-
NYS Brewers	76,000	76,000	-
NYS Cider Association	76,000	76,000	-
NYS Distillers Guild	76,000	76,000	-
New York Wine and Grape Foundation	1,075,000	1,075,000	-
NY Christmas Tree Farmers	126,000	126,000	-
New York State Apple Growers Association	762,000	483,000	(279,000)
Maple Producers Association	227,000	152,000	(75,000)
Apple Research and Development Program	505,000	505,000	-
Turfgrass Environmental Stewardship	150,000	-	(150,000)
Farmland for a New Generation Resource Center & Navigator	500,000	-	(500,000)
Empire Sheep Producers	50,000	-	(50,000)
Hop Growers of New York	50,000	-	(50,000)
NY Cannabis Growers and Processor's Assn.	88,000	-	(88,000)
Northeast Organic Farming Association	150,000	-	(150,000)
Northern NY Agricultural Development	300,000	-	(300,000)
Programs for Underserved Farmers			
Cornell NYC Urban Agriculture Education and Outreach	250,000	250,000	-
Cornell Harvest NY	600,000	600,000	-
Cornell Small Farms Equitable Farm Futures	500,000	500,000	-
Pace University Pro Bono Legal Services	225,000	225,000	-
Minorities in Ag, Natural Resources, & Related Sciences	50,000	50,000	-
Farmers Market Resiliency Grant	700,000	700,000	-
Black Farmers United of NYS	200,000	100,000	(100,000)
Urban Farms and Community Gardens Grant Program	800,000	2,325,000	1,525,000
Economically and Socially Disadvantaged Farmers	4,000,000	-	(4,000,000)
Beginning Farmers	1,000,000	-	(1,000,000)
New York Farm Viability Institute			
New York Farm Viability Institute	1,850,000	1,000,000	(850,000)
New York State Berry Growers	61,000	61,000	-
NY Corn and Soybean Growers Association	76,000	76,000	-
Other Programs			
Electronic Benefits Transfer	139,000	139,000	-
Farm-To-School	1,508,000	1,508,000	-
Ag Child Care (Migrant)	10,300,000	10,300,000	-
Local Fairs	500,000	500,000	-
Tractor Rollover Protection Program	250,000	250,000	-
John May Farm Safety Fund	100,000	-	(100,000)
Pitney Meadows Community Farm	50,000	-	(50,000)
Comfort Food Community	50,000	-	(50,000)
Volunteers Improving Neighborhood Environment	75,000	-	(75,000)
Miscellaneous	250,000	-	(250,000)
New Programs			
Training and Recruitment of Food and Agricultural Workers	-	1,000,000	1,000,000
Local Fair Promotion	-	2,000,000	2,000,000
TOTAL	52,987,000	47,845,000	(5,142,000)



Capital: The Executive recommends \$46.6 million in capital funding, a decrease of \$21 million from SFY 2022-23. This decrease reflects the elimination of various capital appropriations, partially offset by \$10 million for the Food Access Expansion Grant Program to address food desserts, and \$10 million for the Scratch Kitchen Program for the development of kitchen facilities that will support the preparation of New York agricultural produce in schools.

Table 30

Agriculture and Markets Capital Appropriations			
(\$ in Thousands)			
Program	SFY 2022-23 Enacted	SFY 2023-24 Proposed	Change (\$)
Food Access Expansion Grant Program	-	10,000	10,000
Scratch Kitchen	-	10,000	10,000
State Fair Projects	28,000	9,000	(19,000)
Animal Shelters	8,000	5,000	(3,000)
Ag Child Care Facilities (Migrant)	3,200	3,200	-
GrowNYC Bronx Food Hub	4,000	-	(4,000)
Local Fairs	5,000	-	(5,000)
Cornell University Adaptive Research Farms	5,000	-	(5,000)
NYS Meat Processing Expansion	5,000	-	(5,000)
Miscellaneous Capital (State Fair)	9,415	9,415	-
Total	67,615	46,615	(21,000)

Article VII

The Executive proposes Article VII legislation that would:

- eliminate certain restrictions on the purchase of certain New York agricultural products by municipalities, boards of education and BOCES; and
- convert the Investment Tax Credit (ITC) to a fully refundable tax credit for eligible farmers for five years, through December 31, 2027. Currently, the ITC is only fully refundable for new businesses.

Office of Parks, Recreation and Historic Preservation

The Executive proposes an All Funds appropriation of \$710.2 million, an increase of \$35.8 million or 5.3 percent from SFY 2022-23. The Executive recommends support of 2,374 FTE positions, an increase of 237 FTEs from SFY 2022-23 levels.

State Operations: The Executive recommends \$353.7 million in state operations, a \$56.8 million or 19.1 percent increase from SFY 2022-23, funded with \$32.1 million from revenues generated by state

park facilities and \$24.8 million in General Fund support. This increase would primarily support salary increases and additional staffing. Of the 237 new FTEs, 89 are for the implementation of the Bond Act, 78 are for park operations, 50 are for park police, 10 are for the Empire State Trail, and the remaining 10 are for administration. This increase also includes an additional \$6 million for golf courses, and an additional \$8 million for retail stores.

Capital Funding: The Executive recommends \$200 million in New York Works funding for state parks, a decrease of \$50 million from SFY 2022-23, reflecting the elimination of a legislative add. The Executive proposal includes a \$30 million increase in the miscellaneous gifts account to accept funds on behalf of reflecting a dry Hudson Highlands State Park Preserve.

The Executive includes the following Article VII proposals that would:

- increase fees for the registration of snowmobiles in New York State; and
- enhance safety equipment requirements for rowboats, canoes, kayaks, and other pleasure vessels to bring New York State current with federal standards.

Adirondack Park Agency (APA)

The Executive proposes an All Funds appropriation of \$6.3 million, a decrease of \$28.9 million or 82 percent from SFY 2022-23. This decrease reflects the discontinuation of a one-time, \$29 million capital appropriation for the design and construction of a new APA headquarters in Ray Brook, Essex County. The Executive recommends support of 54 FTE positions, unchanged from the SFY 2022-23 levels.

Olympic Regional Development Authority

The Executive proposes an All Funds appropriation of \$104.1 million, a decrease of \$12.5 million from SFY 2022-23, reflecting a decrease in capital support.

The Executive recommends \$92.5 million in capital funding, including \$80 million to upgrade ORDA facilities and venues and \$10 million in new capital funding for energy efficiency and renovation projects, and \$2.5 million from the Office of Parks, Recreation and Historic Preservation. This appropriation would bring total capital investments at ORDA to approximately \$600 million over six years.



BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive Proposal funds the second year of the five-year DOT Capital Plan of \$32.8 billion.
- **Non-MTA Transit Capital:** The DOT Capital Plan proposal includes \$159.5 million in non-MTA transit capital assistance in SFY 2023-24. This amount includes the continuation of \$20 million for the bus electrification program and \$20 million to the rehabilitation of the light rail system in the City of Buffalo.
- **Local Capital Construction Programs:** The DOT Capital Plan proposal would continue annual appropriation levels of \$538.1 million for the Consolidated Highway Improvement Program (CHIPs) and \$39.7 million for the Marchiselli program. The Executive continues funding of \$150 million for local Pave NY, \$100 million for Extreme Winter Recovery, \$100 million for the State Touring Route program, \$200 million for local Bridge NY, and \$100 million for Operation Pave Our Potholes.
- **Transit Operating Assistance:** The Executive recommends \$9.1 billion in annual support for transit systems statewide, including the MTA. This level of support includes measures to close an MTA operating budget shortfall by increasing operating support from New York City and increasing the Payroll Mobility Tax.
- **MTA Operating Budget:** The Executive proposes new operating revenues including \$800 million derived from an increase in the Payroll Mobility Tax, \$500 million from the restructuring funding agreements with New York City, and a new \$300 million in state aid.



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 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, the CHIPs rail and aviation projects, and over 130 locally operated transit systems, including the 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. 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 carry over 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 from the time a vehicle is sold through its annual inspections and up to the moment when it is disposed. The DMV operates 27 district and branch 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.

Table 31

Appropriations				
Agency	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	13,677.11	14,488.85	811.74	5.94
Metropolitan Transportation Authority	901.77	892.18	(9.59)	(1.06)
Department of Motor Vehicles	571.84	477.69	(94.15)	(16.46)



Department of Transportation (DOT)

The Executive proposes an All Funds appropriation of \$14.49 billion, an increase of \$811.74 million from SFY 2022-23. This increase primarily supports transit operating assistance for the MTA and transit systems statewide. The Executive recommends funding to support 8,485 FTE positions, equivalent to SFY 2022-23 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 CHIPs, non-MTA capital, rail and aviation projects and is funded with federal and state receipts.

DOT Capital Plan: Consistent with the five-year Capital Plan approved in SFY 2022-23, the Executive proposes funding the second year of the five-year DOT Capital Plan at \$6.97 billion, an increase of \$326 million, or 4.9 percent. The funding for the second year of road and bridge program the capital plan is an increase of \$3.9 billion, or 13.8 percent.

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 engineering costs (15 percent); funding to municipalities for local road and bridge construction including CHIPs, Extreme Winter Recovery, Marchiselli, Pave NY, Bridge NY, the State Touring Route Program, the Pave Our Potholes Program (19 percent), and summer road maintenance (eight percent). The Capital Plan allocates four 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.

Table 32

Department of Transportation Year-to-Year Capital Plan Comparison

(\$ in Millions)

	SFY 2022-23 Enacted	SFY 2023-24 Executive	Year-to-Year \$ Change	Year-to-Year % Change
State Road and Bridge Program	3,425	3,899	474	13.8
Capital Aid to Localities	1,228	1,228	-	-
Local Pave NY	150	150	-	-
Local Bridge NY	200	200	-	-
Local Pave our Potholes	100	100	-	-
CHIPs and Marchiselli	578	578	-	-
Extreme Winter Recovery	100	100	-	-
State Route NY	100	100	-	-
Alternative Modes	426	276	(150)	(35.2)
Non-MTA Transit Capital	160	160	-	-
Passenger/Freight Rail	90	90	-	-
Aviation	177	27	(150)	(85.0)
Maintenance and Support	1,569	1,571	2	0.1
Engineering	954	954	-	-
Preventive Maintenance	503	503	-	-
Administration	85	87	2	2.4
Other Federal	26	26	-	-
Total	6,648	6,974	326	4.9

The second year of the DOT Capital Plan includes \$26.5 million for aviation, a reduction of \$150 million due to a one-time appropriation for the airport revitalization competition. The Executive proposal includes \$5 million for a new complete streets pilot program.

Dedicated Highway and Bridge Trust Fund (DHBTF): The DOT Capital Plan is funded in part from the DHBTF. The DHBTF itself 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 \$500 million 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, this shortfall would be offset in SFY 2023-24 by a \$567.4 million transfer from the General Fund. This General Fund transfer is projected to increase to \$695.8 million in SFY 2027-28.



Table 33

Dedicated Highway and Bridge Trust Fund (\$ in Millions)				
	SFY 2022-23	SFY 2023-24		
<u>Receipts</u>	Estimate	Projection	\$ Change	% Change
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,653.4	1,963.4	310.0	18.8
Miscellaneous Receipts (primarily bond proceeds)	915.8	794.5	(121.3)	(13.2)
Transfers from General Fund	486.5	567.4	80.9	16.6
Total Receipts	3,055.7	3,325.3	269.6	8.8
<u>Disbursements</u>				
Road and Bridge Capital Construction Program	584.4	587.9	3.6	0.6
Administration	82.2	79.5	(2.7)	(3.3)
State Forces Engineering	348.3	386.9	38.6	11.1
Consultant Engineering	87.1	120.1	33.0	37.9
DOT Operations	406.3	453.9	47.6	11.7
DMV Operations	326.4	366.3	40.0	12.2
Transfers for ITS	57.6	57.6	-	-
Transfer for State Debt Service	512.4	722.3	209.9	41.0
Transfer for Local Debt Service (CHIPS)	656.0	550.7	(105.3)	(16.1)
Total Disbursements	3,060.7	3,325.3	264.6	8.6

Transit Assistance: The Executive proposes \$7.9 billion in support for transit systems statewide, which is an increase of 17.5 percent, or \$1.19 billion, from SFY 2022-23. This increase reflects the on-going recovery of dedicated tax revenues from their depressed levels during the COVID-19 pandemic, as well as revenue proposals to close the MTA’s budget deficit. The Executive proposal includes a new, \$10 million pilot program to be spent over five years on non-MTA transit systems statewide. This grant program would support innovative transit mobility solutions, such as trip request and fare payment application technology, for riders facing barriers to traditional public transit, including those in transit deserts.

Of the total \$7.45 billion in transit operating assistance, \$286.6 million is provided for upstate transit systems, an increase of \$19 million or 7.1 percent from SFY 2022-23. The revenues collected in the upstate region and dedicated to upstate transit systems have decreased by \$2.5 million from SFY 2022-23 level. To provide year-to-year growth to the upstate systems, \$21.7 million is provided from the General Fund. Of the \$286.6 million in total upstate operating assistance, 40.6 percent is derived from the General Fund proceeds.

Non-MTA downstate transit systems would be provided \$522.3 million in operating assistance, an increase of \$40.1 million or 8.3 percent from SFY 2022-23. The dedicated taxes that support the non-MTA downstate transit systems have recovered and surpassed pre-pandemic levels. Of the



\$522.3 million in non-MTA downstate operating assistance, one percent is allocated from the General Fund.

Transit assistance for the MTA in SFY 2023-24 is projected at \$7.2 billion, an increase of \$1.1 billion or 18.6 percent from SFY 2022-23. The dedicated taxes that support the MTA have recovered and surpassed pre-pandemic levels, however MTA costs continue to rise faster than their revenues. Of the \$7.2 billion in MTA operating assistance, five percent is derived from the State General Fund when taking into account the \$300 million one-time General Fund subsidy in the Executive proposal. Transit assistance comprises about one-third of the MTA’s 2023 annual budget of \$19.2 billion.

MTA Resident Rebate Programs: The Executive proposal includes appropriations totaling \$19 million to support the Verrazzano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program.

Table 34

Executive Proposal: Transit Operating Assistance				
(\$ in Millions)				
	SFY 2022-23	SFY 2023-24	\$ Change	% Change
	Adjusted	Executive		
MTA				
NYC Transit Authority	2,492.9	2,651.2	158.3	6.3
Commuter Rail (MNR & LIRR)	938.1	1,011.8	73.7	7.9
Verrazzano Bridge Rebate Program	19.0	19.0	0.0	0.0
MTA (Payroll Mobility Tax and MTA Aid)	2,291.8	2,323.9	32.1	1.4
MTA (FHV Surcharge Revenue)	307.2	333.4	26.2	8.5
One-time MTA Subsidy	-	300.0	300.0	-
Proposed Payroll Mobility Tax Increase	-	537.3	537.3	-
MTA Subtotal**	6,049.0	7,176.7	1,127.7	18.6
Non-MTA Downstate Systems				
Rockland	5.2	5.7	0.4	8.5
Staten Island Ferry	50.9	55.3	4.3	8.5
Westchester	85.5	92.8	7.3	8.5
Nassau	103.4	112.2	8.8	8.5
Suffolk	40.2	43.6	3.4	8.5
NYC DOT	136.1	147.7	11.6	8.5
FORMULAS	49.4	53.6	4.2	8.5
South Fork Commuter Bus Service	0.5	0.5	0.0	0.0
Lower Hudson Transit Link	11.0	11.0	0.0	0.0
Non-MTA Downstate Systems Subtotal	482.2	522.3	40.1	8.3
Upstate Systems				
Capital District Transportation Authority (CDTA)	51.6	55.3	3.7	7.1
Central New York Regional Transportation Authority (Centro)*	43.2	46.3	3.1	7.1
Rochester Genesee Regional Transportation Authority (RGRTA)	52.5	56.2	3.7	7.1
Niagara Frontier Transportation Authority (NFTA)*	68.2	73.0	4.8	7.1
FORMULAS	52.1	55.8	3.7	7.1
Upstate Systems Subtotal	267.6	286.6	19.0	7.1
Transit Operating Assistance Total:	6,798.8	7,985.6	1,186.8	17.5

* One-time appropriations for the Centro State Fair and an NFTA study have been discontinued.

**Subtotal does not include additional proposed revenues paid directly by NYC, or out-year casino taxes and fees.

Article VII

The Executive includes the following Article VII proposals that would:

- authorize the DOT to seize the license plates of, and to impound or immobilize, any passenger-carrying motor vehicles subject to DOT's jurisdiction, due to out-of-service defects; and
- require drivers involved in a property damage crash involving no personal injury or death to immediately move their vehicles from a travel lane, within certain parameters.

Metropolitan Transportation Authority

MTA Operating Budget and Deficit Reduction Actions: The MTA has a structural deficit that predates the COVID-19 pandemic. The deficit is projected to grow as expenses outpace revenue growth, which is exacerbated by the slow return of ridership. In order to reduce the outstanding 2023-2026 operating deficits, the MTA has proposed a number of actions. Increased operating efficiencies are estimated to reduce the deficits by a total of \$1.33 billion over the 2023-2026 timeline. An additional toll increase of 1.5 percent over the four percent baseline assumption is estimated to reduce the deficits by \$350 million over four years. The MTA has proposed to repay deficit notes for a total estimated savings of \$669 million over four years. Finally, a proposal to utilize federal funds would further reduce the deficit by \$4.37 billion over four years. These actions would leave a \$600 million deficit in 2023, \$1.19 billion in 2024, \$1.24 billion in 2025, and \$1.6 billion in 2026. The 2022 deficit of \$1.9 billion was closed using federal COVID relief funds.

The Executive has proposed several additional actions to close the remaining budget deficits, including:

- \$300 million from a one-time state appropriation;
- \$800 million annually from increasing the Payroll Mobility Tax (\$537 million in SFY 2023-24);
- \$472 million annually from New York City generated by restructuring existing funding agreements between the MTA and New York City related to paratransit, discounted student MetroCards and a new PMT exemption hold-harmless payment;
- a share of casino licensing fees; and
- a portion of tax revenue from three potential casinos to generate between \$462 million and \$826 million, potentially beginning in 2026.



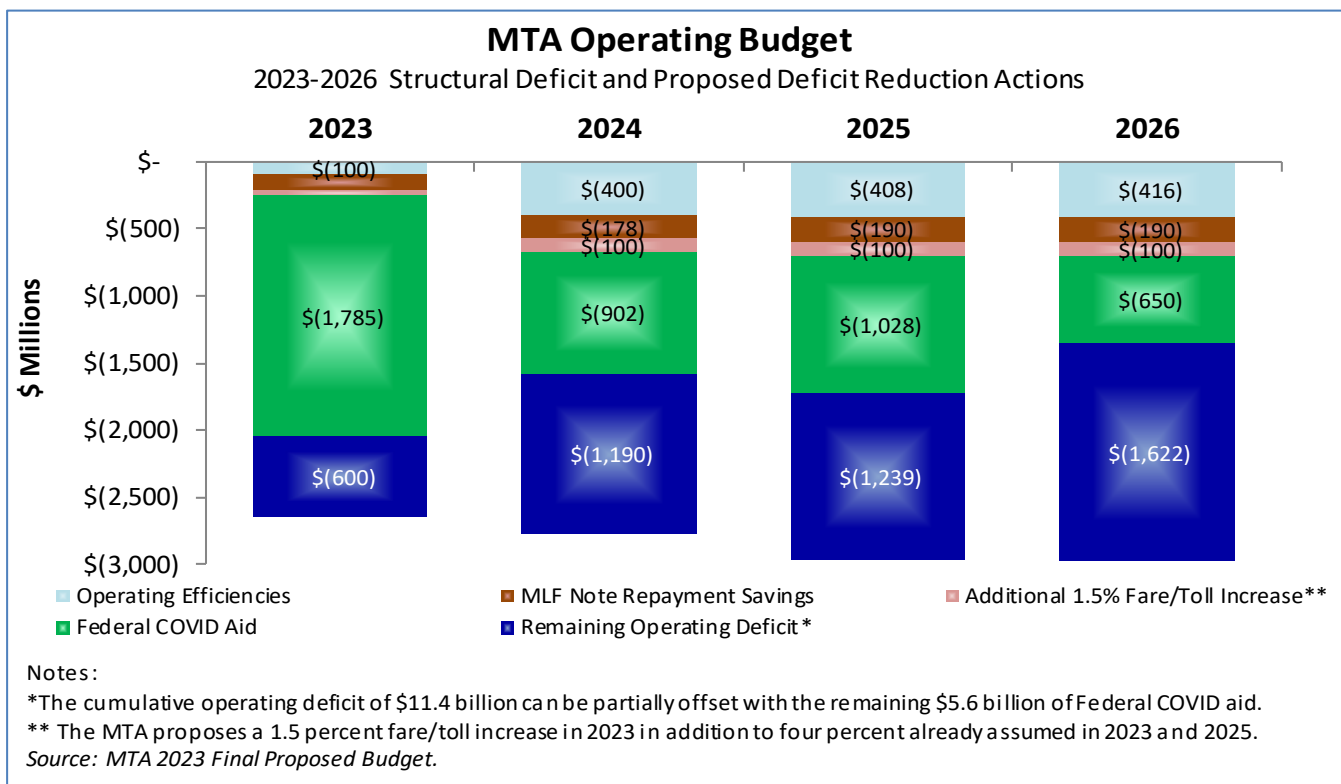


Figure 13

MTA 2020-24 Capital Plan: The MTA’s 2020-24 Capital Plan is authorized to spend \$55.4 billion. The Infrastructure Investment and Jobs Act (IIJA) will increase federal support for the MTA Capital Plan allocated by formula by almost 50 percent. The MTA, through revenue derived from its ridership, regional taxpayers and drivers, provides 65.5 percent of total funding for the Capital Plan. Federal funding accounts cover 23.5 percent, and the remaining 11 percent is split between New York City and the State of New York.

MTA Contingency Appropriation: The Executive Budget proposes contingency appropriations of \$892.2 million for SFY 2023-24.

Article VII

The Executive includes the following Article VII proposals that would:

- authorize the City of New York to establish a five-year photo enforcement demonstration program for bus operation-related traffic regulations and make permanent the current bus lane photo enforcement program authorization for the City;
- authorize the Triborough Bridge and Tunnel Authority (TBTA) to establish a five-year photo speed enforcement demonstration program;

- make permanent the authorization for municipalities to create “mass transportation capital districts” to facilitate Tax Increment Financing of MTA capital projects, and make permanent certain MTA procurement provisions;
- increase the City of New York’s funding to the MTA in relation to paratransit services, student MetroCards and the Metropolitan Commuter Transportation Mobility Tax;
- permit the MTA to expand its Owner Controlled Insurance Program to capital projects related to buses, bridges, and tunnels;
- add additional protected titles to a section of the Penal Law which increases penalties for attacking or physically injuring certain workers during the course of their duties;
- authorize a ban on persons convicted of certain crimes committed not only within but adjacent to MTA facilities, as a condition of sentencing; clarify that an individual could be banned from MTA facilities if the individual is convicted of unlawful sexual conduct or assault, against a passenger, customer, employee, or contractor of the MTA and ensure that judges have the authority to impose MTA facility bans as an element of sentencing; and
- increase the top rate of Metropolitan Commuter Transportation Mobility Tax from 0.34 percent to 0.50 percent for businesses operating within the Metropolitan Commuter Transportation District (MCTD) and increase the rate for self-employed individuals with earnings attributable to the MCTD in excess of \$50,000.

Department of Motor Vehicles

The Executive proposes an All Funds appropriation of \$477.7 million, a decrease of \$94.2 million or 16.5 percent below the SFY 2022-23. This decrease primarily reflects a reduction in costs associated with IT upgrades to improve service for both in-person and online transactions. The Executive recommends funding support of 3,228 FTEs, an increase of 200 FTEs from the prior year level.

Table 35

Department of Motor Vehicles Appropriations
(\$ in Thousands)

	SFY 2022-23 Enacted	SFY 2023-24 Executive	\$ Change	% Change
Administration Program				
DMV Seized Asset Account	400	400	-	-
Federal Seized Asset Account	1,000	1,000	-	-
Banking Service Account	5,300	5,300	-	-
DMV Equitable Sharing Agreement (Justice)	1,000	1,000	-	-
DMV Equitable Sharing Agreement (Treasury)	1,000	1,000	-	-
Administrative Adjudication Program				
Administration Adjudication Account	47,683	48,787	1,104	2.3
Clean Air Program				
Mobile Source Account	21,538	22,109	571	2.7
Compulsory Insurance Program				
Compulsory Insurance Account	11,577	11,577	-	-
Distinctive Plate Development Program				
	25	25	-	-
Governor's Traffic Safety Committee				
Highway Safety Research and Operating Grants	18,976	19,572	596	3.1
Highway Safety Programs	24,800	24,800	-	-
Highway Safety Research & Development	6,000	6,117	117	2.0
STOP DWI Program	-	-	-	-
Transportation Safety Program				
Motorcycle Safety Account	1,610	1,610	-	-
Internet Point Insurance Reduction Program	425	425	-	-
Capital (Transportation Support)	430,538	333,969	(96,569)	(22.4)
Total	571,872	477,691	(94,181)	(16.5)

Article VII

The Executive includes the following Article VII proposals that would:

- impose administrative sanctions and increase penalties on motor vehicle registrants who fail to respond to toll violation notices or pay unpaid tolls, fees, or other charges, or operate, drive or park a vehicle on toll facilities or within the congestion pricing central business district with their license plates concealed or obscured by artificial or synthetic means; and authorize police officers to seize and confiscate prohibited license plate coverings;
- extend for one year the provision of law authorizing the demonstration and testing of autonomous vehicles on public roads;
- authorize lower speed limits within the City of New York and prohibit such city from increasing speed limits by more than five miles per hour without notice and opportunity for community board comment;

- modify a provision of law that prohibits the reissuance of a driver's license following a repeat conviction for driving while intoxicated or impaired where physical injury results;
- modify the fees retained by county clerks acting as agents of the DMV, for in-person and internet transactions; and
- increase monetary penalties for tractor-trailers, tractors, truck trailers and semi-trailers parking overnight in residential neighborhoods in the City of New York, modify the content in parking ticket notices, extend the statute of limitations for a parking violation, and impose restrictions on appeals and the recovery of fines for overturned charges.

Thruway Authority

The Thruway Authority is funded primarily through various off-budget revenues, consisting of mostly tolls. The proposed 2023 Thruway Authority Budget is \$1.2 billion, an increase of 12.3 percent above the 2022. This increase largely reflects an increase in system-wide capital projects and is funded with additional Thruway Authority debt. The Budget includes: \$466.4 million for operating expenses, including a \$68.9 million reimbursement to the State Police for the cost of patrolling the Thruway; \$412.8 million in core capital program funding; and \$356.0 million for debt service. The Thruway Authority's five-year capital plan is \$1.9 billion for the 2023-27 plan period.

In December 2022, the Thruway Authority Board of Directors authorized the start of the toll adjustment process, which includes a public participation process as required in statute, and a subsequent vote by the Board to finalize approval before the proposed effective date of January 1, 2024. The toll adjustments proposed by the Thruway Authority would increase toll revenue by \$264.6 million when fully implemented in 2027.

Proposed System-wide Toll Rate Adjustments would:

- increase the base NY E-ZPass rate system-wide by five percent on January 1, 2024 and 2027;
- increase the Non-NY E-ZPass rate differential from 15 percent to 75 percent; and
- increase the Toll by Mail rate differential from 30 percent to 75 percent.



Proposed Governor Mario M. Cuomo Bridge (GMMCB) Toll Rate Adjustments would:

- increase the base NY E-ZPass passenger toll on the GMMCB by \$0.50 annually from January 1, 2024 to January 1, 2027. Commercial toll increases would be proportionate to the passenger toll increases;
- maintain the Commuter Discount rate of 40 percent off the NY E-ZPass rate for passenger vehicles that opt into the program; and
- increase the Resident Discount E-ZPass Plan for qualified Westchester and Rockland residents from 17 percent to a 20 percent discount off the NY E-ZPass rate.



BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **Belmont Park Racetrack:** The Executive proposal includes \$455 million for the renovation of the Belmont Park Racetrack, to be repaid to the state by the New York Racing Association.
- **Workforce Development:** The Executive provides up to \$180.4 million to support new workforce development efforts, extending a \$350 million workforce development initiative that began in the SFY 2022-23 Enacted Budget.
- **Regional Economic Development Council (REDC):** The Executive proposes \$225 million to support a new round of REDC awards.
- **Downtown Revitalization Initiative (DRI):** The Executive provides \$100 million for a new round of DRI grant awards.
- **NY Forward Program:** The Executive proposes up to \$100 million to support the equitable recovery of rural and smaller communities, with a focus on developing shovel-ready implementable projects. The program functions similarly to the DRI and work in partnership with REDCs and the Department of State (DOS).



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

Appropriations				
Agency	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	5,221.32	1,291.38	(3,929.95)	(75.27)
New York State Gaming Commission	497.83	345.83	(152.00)	(30.53)
Department of Economic Development	103.75	102.90	(0.86)	(0.83)
Council on the Arts	149.69	48.03	(101.66)	(67.92)

Urban Development Corporation (UDC)/Empire State Development Corporation

The Executive proposes an All Funds appropriation of \$1.3 billion, a decrease of \$3.9 billion or 75.3 percent below the SFY 2022-23, primarily reflecting a \$3.5 billion decrease in capital funding.

The Executive proposal includes \$1 billion in new capital projects appropriations under the UDC, which is \$3.46 billion below the SFY 2022-23. This reduction primarily reflects the discontinuation of various one-time capital appropriations, partially offset by a new \$455 million appropriation for the renovation of the Belmont Park Racetrack.

Table 37

Economic Development Capital Initiatives			
(\$ in Millions)			
Category/Item	SFY 2022-23	SFY 2023-24	Change
	Enacted	Exec. Request	
Belmont Park Racetrack	0.0	455.0	455.0
New York Works Fund	320.0	400.0	80.0
Regional Economic Development Councils	150.0	150.0	0.0
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	2.2	2.3	0.1
Broadband Projects (Federal Funds)	1,145.0	0.0	(1,145.0)
Regional Economic and Community Assistance	800.0	0.0	(800.0)
Buffalo Bills Stadium	600.0	0.0	(600.0)
Offshore Wind Projects	500.0	0.0	(500.0)
Long Island Investment Fund	350.0	0.0	(350.0)
ConnectALL Broadband Initiative (State Funds)	300.0	0.0	(300.0)
Restore New York Communities	250.0	0.0	(250.0)
Syracuse University Carrier Dome	20.0	0.0	(20.0)
Universal Hip Hop Museum	11.0	0.0	(11.0)
Mohawk Harbor Events Center	10.0	0.0	(10.0)
New York Hall of Science	10.0	0.0	(10.0)
Total Capital Appropriations, Urban Development	4,481.2	1,020.3	(3,460.9)
Downtown Revitalization Initiative	100.0	100.0	0.0
NY Forward Initiative	100.0	100.0	0.0
Total Appropriations, Department of State	200.0	200.0	0.0
Nonprofit Arts and Cultural Organizations	40.0	0.0	(40.0)
Program	40.0	0.0	(40.0)
GRAND TOTAL	4,721.2	1,220.3	(3,500.9)

Belmont Park Racetrack Renovation: The Executive’s proposal includes \$455 million for the renovation of the Belmont Park Racetrack, to be fully repaid to the state by the New York Racing Association (NYRA) over 20 years from NYRA’s portion of revenues derived from video lottery terminals.

Economic Development Funds: The Executive provides \$400 million in capital funding through the New York Works Economic Development Fund and provides \$26.2 million in operating support for the Empire State Development Fund. In addition, \$45 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.

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.

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

Aid to Localities

The Executive’s proposal includes \$271.1 million in aid to localities appropriations, a decrease from \$469 million below the SFY 2022-23. This reduction primarily reflects the discontinuation of the one-time, \$200 million Small Business Pandemic Relief Program and \$75 million for innovation venture debt awards for emerging small businesses, as well as a reduction in the Workforce Development Program.

Workforce Development: The Executive provides \$180.4 million for workforce development efforts, a continuation of programs initiated in SFY 2022-23.

Table 38

Workforce and Economic Development Initiatives			
(\$ in Millions)			
Category/Item	SFY 2022-23 Enacted	SFY 2023-24 Exec. Request	Total
Workforce Development Grant Program	115.0	-	115.0
Financial Burden Relief for Healthcare Workers	47.0	47.0	94.0
Caregiver Flexibility for Direct Care Workers	39.0	39.0	78.0
Workforce Development Capital Grant Program	35.0	-	35.0
Teacher Residency Program	30.0	30.0	60.0
Training Capacity Expansion for Statewide institutions	22.5	22.5	45.0
Office Workforce Development and Economic Development	20.8	-	20.8
SUNY and CUNY internships	10.0	10.0	20.0
Expansion of Alternative Teacher Certifications	10.0	10.0	20.0
Upskilling School Paraprofessionals	8.0	8.0	16.0
SUNY and CUNY apprenticeships	5.0	5.0	10.0
Expansion of Psychiatric rehabilitation Service at OMH	2.8	5.3	8.1
Employment and Training at OPWDD	2.7	0.2	2.8
Diversity in Medicine Program	1.2	2.4	3.6
Expansion of a SUNY Pre-Medical Opportunities Program	1.0	1.0	2.0
GRAND TOTAL	350.0	180.4	530.36

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 includes support for efforts to promote New York State as a tourism destination.

Article VII

The Executive proposes Article VII language that would:

- establish a new cosmetology trainee training program;
- replace the START-UP NY program with the Extended Prosperity and Innovation Campuses (EPIC) Program which would make technical changes to participant eligibility, benefits, and revise the board approval process;
- establish a matching grant program to provide funds to small businesses who have been awarded funds under the federal Small Business Innovation Research or Small Business Technology Transfer programs;
- increase the statutory cap on the amount of money the state can invest in financial institutions for the purposes of facilitating low-interest loans to businesses from \$2 million to \$6 million;
- extend the general loan powers of the Urban Development Corporation for an additional five years; and
- extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for an additional five years.

Department of Economic Development

The Executive proposes an All-Funds appropriation of \$102.9 million, a decrease of \$682,675 or 0.7 percent from the SFY 2022-23. The Executive recommends support for 165 FTE positions, which is unchanged from SFY 2022-23.

New York State Hot Spots and Incubators: The Executive provides \$5 million to support 20 hot spots and incubators throughout the state, which is unchanged from SFY 2022-23.



Centers of Excellence (COE) & Centers for Advanced Technology (CAT): The Executive proposes \$12 million in funding for COEs and \$13.6 million for CATs, which is unchanged from SFY 2022-23.

High technology matching grants programs: The Executive’s proposal includes \$12 million, an increase of \$7 million, 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.

Tourism: The Executive proposes \$7 million for the “I Love NY” Program as well as \$2.5 million for local tourism matching grants.

New York State Gaming Commission

The Executive proposes an All-Funds appropriation of \$345.8 million, a decrease of \$152 million or 30.5 percent from the SFY 2022-23. The Executive proposes a workforce of 391 FTEs, which is unchanged from SFY 2022-23.

Aid to Localities: The Executive proposes \$237 million in aid to localities, a decrease of \$153 million or 39.2 percent from the SFY 2022-23.

State Operations: The Executive proposes \$1 million in new funding for an independent racing study and continues \$100,000 in support for the Racing Fan Advisory Council.

Tribal State Compacts: The Executive’s proposal provides \$175 million for payments made pursuant to Tribal-State Compacts, a decrease of \$153 million below the SFY 2022-23. This decrease is the result of the Seneca Nation revenue share pay out to localities that occurred in SFY 2022-23.

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 2022-23.

Article VII

The Executive proposes Article VII language that would:

- authorize the New York Racing Association’s payment structure to fund the \$455 million Belmont Redevelopment Project;
- remove certain restrictions for eligible vendors who sell tickets for Quick Draw;



- enact procedures for the closure of Catskill Off-Track Betting Corporation once outstanding debts and obligations are paid;
- extend the authorized use of capital acquisition funds by the Capital Off-Track Betting Corporation for the purposes of statutory obligations, payroll, and expenditures necessary to accept wagers for one year; and
- extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year.

New York State Council on the Arts (NYSCA)

The Executive proposes an All Funds appropriation of \$48 million, a decrease of \$101.7 million or 68 percent from SFY 2022-23. The reduction reflects the discontinuation of \$50 million in COVID-19 recovery grants and \$40 million in capital support for the Arts and Cultural Facilities Improvement Program, as well as \$10 million for Regional Arts and Cultural Councils. The Executive recommends funding support of 29 FTE positions, which is unchanged from SFY 2022-23.

Article VII

The Executive proposes Article VII language to amend the New York City Musical Theatrical Production Tax Credit by extending the tax credit by two years and by increasing the overall cap on the program from \$200 million to \$300 million.



BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Gun Involved Violence Elimination (GIVE) Program:** The Executive Budget provides \$18.2 million in additional funding to GIVE for a total of \$36.4 million.
- **Youth Employment Program:** The Executive Budget provides \$37 million in additional state funding for youth employment programs operating in GIVE jurisdictions.
- **Expand Enhanced Parole Supervision Program:** The Executive Budget provides \$7.4 million in additional funding to establish a Supervision Against Violent Engagement (SAVE) Program and expand the state's response to gun violence among the parolee population in GIVE jurisdictions.
- **Reentry Services:** The Executive Budget includes \$7.7 million in additional funding to reduce repeat or further offenses by meeting the behavioral, health, employment and educational needs of individuals returning to their communities after incarceration.
- **Alternatives to Incarceration:** The Executive Budget includes \$15.7 million in additional funding to support Alternatives to Incarceration (ATI) programs, for a total of \$31.4 million.
- **Pretrial Services:** The Executive Budget provides \$20 million for pre-trial services.
- **Expand Community Stabilization Units:** The Executive Budget includes \$12.8 million in additional funding to support Community Stabilization Units.



BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$10.5 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

Appropriations				
Agency	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Division of Homeland Security and Emergency Services	4,975.32	9,101.52	4,126.20	82.93
Department of Corrections and Community Supervision	3,530.60	3,538.86	8.26	0.23
Division of State Police	1,051.05	1,303.92	252.87	24.06
Division of Criminal Justice Services	596.14	659.52	63.38	10.63
Office of Indigent Legal Services	366.54	366.56	0.02	0.01
Department of Law	327.11	345.18	18.07	5.52
Office of Victim Services	217.70	218.46	0.76	0.35
Division of Military and Naval Affairs	217.20	331.10	113.90	52.44
Interest on Lawyer Account	47.17	54.22	7.05	14.95
Office for the Prevention of Domestic Violence	10.88	12.00	1.12	10.29
Judicial Commissions	7.26	8.20	0.94	12.95
State Commission of Correction	3.40	3.90	0.50	14.71

Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$3.5 billion, an increase of \$8.3 million from the SFY 2022-23. The Executive recommends support for 26,493 FTE positions, an increase of 70 FTEs from SFY 2022-23.

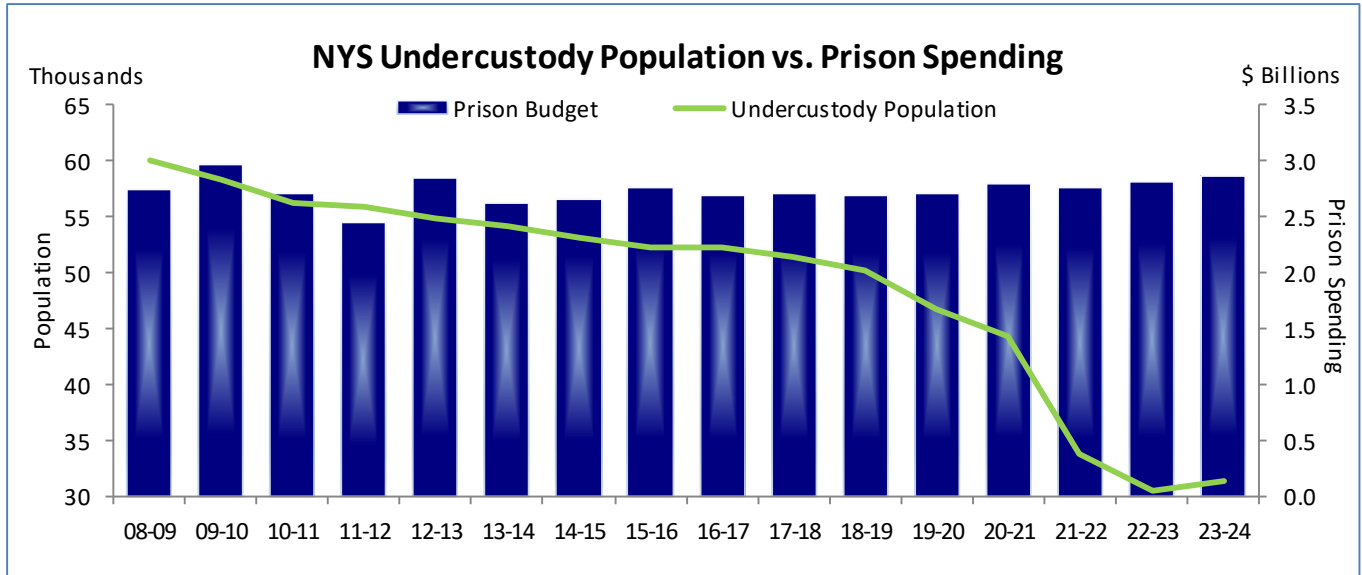


Figure 14

Article VII

The Executive proposes Article VII language that would:

- expand the use of body scanning equipment to state correctional facilities, secure or specialized secure detention facilities, or facilities for youth placed with or committed to the Office of Children and Family Services and would authorize these facilities to screen visitors as well. This proposal would also require a report to the Legislature if such technology is used in these facilities; and
- lower the age at which an individual could be appointed as a correction officer from 21 to 19 years of age.

Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$659.5 million, an increase of \$63.4 million or 17.7 percent from the SFY 2022-23 level. The Executive recommends support for 418 FTE positions, an increase of three FTEs from SFY 2022-23.

Gun Involved Violence Elimination (GIVE) Program: The Executive provides \$36.4 million, an increase of \$18.2 million, for the GIVE initiative which, supports local law enforcement efforts to stop gun violence in New York.

Reentry Services: The Executive includes \$11.5 million, an increase of \$7.7 million, to support services and programs aimed at reducing recidivism of formerly incarcerated individuals by meeting the behavioral, health, employment and educational needs of individuals returning to their communities after incarceration.

New York's Crime Analysis Center Network: The Executive provides \$18 million, an increase of \$3.1 million, to enhance state and local law enforcements' capacity to solve and prevent firearm-related crime through Gun Intelligence Centers across the state.

Local Crime Reduction Youth Justice Programs: The Executive includes \$31.1 million, an increase of \$2.5 million, for youth justice and gang prevention programs.

Pretrial Services: The Executive provides \$20 million, an increase of \$10 million, in funding to probation departments and community-based providers to expand the availability of pretrial services in localities outside of New York City.

Specialized Unit Creation: The Executive provides a \$34.5 million increase, for a total of \$47 million, for prosecutorial services to disrupt fentanyl supply chains.

Alternatives to Incarceration (ATI): The Executive includes \$15.7 million in funding to support ATI programs, for a total of \$31.4 million.

Discovery: The Executive provides \$40 million to support discovery reform by bringing to scale the staffing, services and technologies needed to ensure that criminal cases are processed effectively and efficiently.

New Prosecutors: The Executive includes \$40 million to hire new prosecutors to reduce case backlogs.

Article VII

The Executive proposes Article VII language that would:

- extend various criminal justice and public safety programs for two years and extend for two years the general formula for distribution of certain funds recovered by county district attorneys;
- remove the standard by which a judge must adhere when imposing a securing order for the statutorily defined “qualifying offenses,” requiring only that the court explain its choice of securing order; and
- make various amendments to the Concealed Carry Improvement Act, as well as make changes to provisions related to the purchase and sale of body armor, and the sale and purchase of semiautomatic rifles.

Division of Homeland Security and Emergency Services

The Executive proposes All Funds appropriations of \$9.1 billion, representing an increase of \$4.1 billion or 83.9 percent, from the SFY 2022-23. The Executive recommends a workforce of 658 FTEs, an increase of 28 FTE positions from SFY 2022-23.

Volunteer Firefighters: The Executive provides \$6.5 million in new funding to establish a training stipend fund for volunteer firefighters.

Hazard Mitigation Revolving Loan Program: The Executive provides \$15 million to establish a federal and state funded hazard mitigation revolving loan program to provide loans to local governments for eligible hazard mitigation activities.

Cyber Incident Response Team: The Executive provides \$6.6 million to expand the Cyber Incident Response Team to better protect security infrastructure in New York State.

Federal Disaster Assistance: The Executive provides \$8 billion, an increase of \$4 billion in federal disaster assistance appropriations to allow for federal reimbursement of the local share of COVID-19 pandemic response.

Domestic Incident Preparedness: The Executive includes \$565 million, a decrease of \$35 million or 6.0 percent from the SFY 2022-23, for services and expenses related to homeland security grant programs to support emergency preparedness.



Division of State Police

The Executive proposes All Funds appropriations of \$1.3 billion, an increase of \$252.9 million or 24.0 percent, over the SFY 2022-23. The Executive recommends support for 6,420 FTE positions, an increase of 407 FTE from the SFY 2022-23.

State Police Forensic Laboratory: The Executive provides \$100 million for services and expenses associated with the design, construction, reconstruction and outfitting of a forensic laboratory facility.

Expand Community Stabilization Units: The Executive includes \$12.8 million in additional funding to support Community Stabilization Units (CSUs) to address surges in crime. This measure would provide increased funding to support CSUs in up to 25 communities.

The Executive proposes Article VII language that would:

- require the Division of State Police to maintain a depository of all criminal offenses involving the discharge of firearms, shotguns, and rifles.

Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$366.6 million, an increase of \$14,000, over the SFY 2022-23. The Executive recommends support for 32 FTE positions, unchanged from the SFY 2022-23.

Department of Law

The Executive proposes All Funds appropriations of \$345.2 million, an increase of \$18.1 million or 6.0 percent, from the SFY 2022-23. The Executive recommends support for 1,903 FTE positions, an increase of 39 FTE over the previous fiscal year.

Cannabis Management Program: The Executive includes \$2.8 million for the creation of the Cannabis Management Program.

Investigation Units: The Executive provides \$14.3 million for Law Enforcement Misconduct Investigative Office (LEMIO), an increase of \$4.7 million, and \$6.3 million to the Office of Special Investigations (OSI), an increase of \$938,000, to provide for the operations of each office.

Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$331.1 million, an increase of \$113.9 million or 34 percent, from the SFY 2022-23. This reflects a \$100 million increase in state and federal capital appropriations to support a renovation of the Lexington Avenue Armory. The Executive recommends support for 394 FTE positions, an increase of two FTE from SFY 2022-23.

World Trade Center Death and Disability Benefits: The Executive Budget includes \$4 million to support the World Trade Center death and disability payments for qualifying service members.

Office for the Prevention of Domestic Violence

The Executive proposes All Funds appropriations of \$12 million, an increase of \$1.1 million from the SFY 2022-23. The Executive Budget recommends a workforce of 35 FTE positions, an increase of three FTE compared to SFY 2022-23.

Office of Victim Services

The Executive proposes All Funds appropriations of \$218.5 million, an increase of \$800,000 from the SFY 2022-23. The Executive recommends support for 96 FTE positions, unchanged from the previous year.

New York Interest on Lawyer Account

The Executive proposes All Funds appropriations of \$54.2 million, a \$7.1 million increase or 15 percent, from the SFY 2022-23. The Executive recommends support for nine FTE positions, unchanged from the SFY 2022-23.

Commission of Correction

The Executive proposes All Funds appropriations of \$3.9 million, an increase of \$500,000 or 15 percent, from the SFY 2022-23. The Executive recommends support for 44 FTE positions, unchanged from the SFY 2022-23.

Judicial Commissions

The Executive proposes All Funds appropriations of \$8.1 million, an increase of \$900,000 from SFY 2022-23. The Executive recommends support for 52 FTE positions, an increase of six FTE positions from the SFY 2022-23.

BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM) for Cities, Towns and Villages:** The Executive proposal maintains AIM funding at \$715.2 million.



BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including 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

Appropriations				
Purpose	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	754.17	754.17	0.00	0.00
Municipalities with VLT Facilities	28.89	28.89	0.00	0.00
Miscellaneous Financial Assistance	25.47	18.75	(6.72)	(26.37)
Small Government Assistance	0.22	0.22	0.00	0.00

Aid and Incentives for Municipalities (AIM)

The Executive Budget provides \$754.2 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 \$39 million for various local government efficiency programs, which is unchanged from SFY 2022-23.

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 2022-23.



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 implementation award is \$200,000 per municipality and \$1 million per consortium. These grants are supported by a \$4 million appropriation, which is unchanged from SFY 2022-23.

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, 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).

County-Wide Shared Services Initiative

The Executive proposal anticipates a disbursement of \$59 million for a one-time savings match for 34 shared services plans implemented by municipalities in fiscal year 2018. Funds for this state match are supported by a \$225 million reappropriation enacted in SFY 2018-19.

Miscellaneous Financial Assistance

The Executive proposal provides \$3.75 million in aid to Madison County 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 maintains Miscellaneous Financial Assistance aid of \$15 million to the City of Albany, which is unchanged from SFY 2022-23.

Video Lottery Terminal (VLT) Aid

The Executive proposal maintains VLT aid at \$28.9 million 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

Aid to Municipalities with Video Lottery Terminal (VLT) Facilities
(\$ in Thousands)

	SFY 2023-24 Executive Proposal
Yonkers	19,600
Batavia Downs	802
Fairgrounds (Buffalo)	1,154
Finger Lakes	2,369
Monticello	1,234
Saratoga Springs	3,101
Vernon Downs	626
Total	28,886

Source: New York State Division of Budget.

Article VII

The Executive proposes Article VII language that would:

- establish new housing growth targets in each municipality and fast-track approvals in municipalities that do not meet targets or that fail to implement certain land use actions;
- require local governments to authorize the construction of residential dwelling units within half a mile of any non-seasonal rail station;
- repeal the authorization for a \$1 million annual payment to the North Shore Water Authority from the County-Wide Shared Services Initiative;
- permit volunteer firefighters to receive “nominal” payments and still retain their volunteer status;
- provide for alternative project bidding methods for New York City;
- extend for an additional five years the Lower Manhattan Sales and Use tax exemption, the Lower Manhattan Energy Program, the Commercial Expansion Program, the Commercial Revitalization Act, and the Energy Cost Savings Program Credit; and
- establish an Office of Community and Workforce Development for New York City.



BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Public Campaign Finance Board:** The Executive proposal includes \$14.5 million for the operations of the Public Campaign Finance Board program, an increase of \$4 million. Additionally, the Executive recommends \$25 million for the payment of matching funds to participating candidates, which will first apply to the 2024 election cycle.
- **Office of Cannabis Management:** The Executive proposal includes \$62 million for the Office of Cannabis Management, an increase of \$16 million, reflecting fully annualized operating costs and the addition of 37 FTEs for roadside impaired-driving enforcement training.
- **Office for New Americans:** The Executive proposes \$43 million for legal services, mental health support, workforce development and English language learning. This includes an increase of \$23 million from SFY 2022-23 to expand programs which assist immigrants and migrants in New York State.
- **Virtual Currency Assessments:** The Executive includes \$15 million in funding to support the assessment of fees for licensed cryptocurrency companies. Funding would also be utilized to hire personnel to assist in regulating virtual currencies.
- **Office of General Services:** The Executive proposes to allow state agencies to require electronic submission of bids for commodity, service and technology contracts, including the use of electronic signatures on required documents.



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; the Joint Commission on Public Ethics (JCOPE) 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	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	1,494.67	1,336.82	(157.85)	(10.56)
Office of Information Technology Services	944.25	994.02	49.77	5.27
Department of State	523.33	520.52	(2.81)	(0.54)
Department of Audit and Control	518.53	557.56	39.03	7.53
Department of Financial Services	485.16	521.32	36.16	7.45
Department of Taxation and Finance	479.00	480.00	1.00	0.21
Workers' Compensation Board	210.58	212.38	1.80	0.85
Division of Alcoholic Beverage Control	112.46	83.21	(29.25)	(26.01)
Division of Budget	50.72	50.18	(0.54)	(1.06)
State Board of Elections	34.41	67.80	33.39	97.03
Statewide Financial System	32.03	32.01	(0.02)	(0.06)
Data Analytics	25.00	0.00	(25.00)	(100.00)
Executive Chamber	18.60	23.30	4.70	25.27
Office of the Inspector General	8.49	9.85	1.36	16.02
Commission on Ethics and Lobbying	7.90	7.80	(0.10)	(1.27)
Division of Tax Appeals	3.31	3.40	0.09	2.72
Deferred Compensation Board	0.97	0.95	(0.01)	(1.52)
Office of the Lieutenant Governor	0.77	0.75	(0.03)	(3.24)

Office of General Services

The Executive proposes an All Funds appropriation of \$1.34 billion, a decrease of \$157.9 million or 10.6 percent from SFY 2022-23. The Executive recommends support of 1,845 FTEs, which is an increase of 13 FTEs over the SFY 2022-23 level.

The Executive provides \$259.2 million in Capital Projects funding, a decrease of \$184 million from SFY 2022-23. The proposal funds initiatives such as Empire State Plaza (ESP) infrastructure projects, the rehabilitation of the Shirley Chisholm State Office Building in Brooklyn, and the replacement and restoration of various building components related to the State Capitol Building's roof and courtyard areas. This funding also includes \$17 million for the electrification of State vehicle fleets.



An increase of \$27 million in State Operations funding over the SFY 2022-23 level reflects increases to salary and fringe benefits and the 13 new FTEs. This increase in FTEs reflects 13 new positions for the Digital and Media Services Center and a shift of 40 FTEs to the Office of Information Technology Services, which is 27 less than in SFY 2022-23.

Article VII

The Executive proposes Article VII legislation that would allow state agencies to require electronic submission of bids for commodity, service, and technology contracts, including the use of electronic signatures on required documents.

Office of Information Technology Services

The Executive proposes an All Funds appropriation of \$994 million. This is an increase of \$49.8 million from SFY 2022-23, which is attributable to additional cybersecurity investments to increase State and local defense and capital funding to support the creation of an e-procurement system. The Executive recommends total support for 3,608 FTEs, an increase of 15 FTEs over the SFY 2022-23 level.

Department of State (DOS)

The Executive proposes All Funds appropriations of \$521 million, a net decrease of \$3 million or one percent below the SFY 2022-23 level. The Executive recommends support for 622 FTE positions, which reflects a net increase of 10 FTEs over the prior state fiscal year to support the Office of Renewable Energy Siting.

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

Office for New Americans: The Executive proposes \$43 million for legal services, mental health support, workforce development and English language learning. This includes an increase of \$23 million from SFY 2022-23 to expand programs which assist immigrants and migrants in New York State.

Article VII

The Executive proposes Article VII language that would:

- eliminate the requirement that condominium declarations be filed with the Department of State and instead require that a designation of service of process be filed with the Department of State;
- authorize individuals and businesses who are approved by the Department of State to perform natural organic reduction as a method of final disposition of human remains; and
- authorize any person or entity in NYS, who provides electronic communication services to customers to not comply with warrants from out-of-state law enforcement if the warrant is related to imposing penalties for healthcare services that are legal in New York, and would make it unlawful for companies to use “geofencing” at healthcare facilities for the purposes of sending targeted electronic advertisements to customers based off their location.

Department of Audit and Control

The Executive proposes All Funds appropriations of \$557.6 million, an increase of \$39 million or 7.5 percent over SFY 2022-23. This increase is attributed to general salary increases, operational growth, and new funding to further modernize the Justice Court Fund System and Retirement System. The Executive recommends support for 2,887 FTEs, an increase of 117 FTEs from the previous fiscal year.

Department of Financial Services

The Executive proposes an All Funds appropriation of \$521.3 million, an increase of \$36.2 million or 7.5 percent from SFY 2022-23. The Executive recommends support for 1,391 FTE, unchanged from the SFY 2022-23.

Virtual Currency Assessments: The Executive includes \$15 million in funding to support the assessment of fees for licensed cryptocurrency companies. Funding would also be utilized to hire personnel to assist in regulating virtual currencies.

Education Debt Consumer Assistance Program: The Executive’s proposal continues \$3 million to support the Education Debt Consumer Assistance Program (EDCAP) operated by the Community Service Society of New York (CSS). EDCAP assists student loan borrowers across New York State

effectively manage their education debt and improve their financial health by providing free one-on-one consumer assistance.

Pharmacy Benefit Managers Program: The Executive provides an increase of \$390,000 for a total of \$5.4 million in funding to continue support of the regulation of pharmacy benefit managers which was authorized by Chapter 828 of the Laws of 2021.

Entertainment Workers Demonstration Program: The Executive provides \$1 million in funding for the Entertainment Workers Demonstration Program.

Article VII

The Executive proposes Article VII language that would:

- extend until June 30, 2024, the provisions of the Physicians Excess Medical Malpractice Program;
- require health insurers to pay emergency and inpatient services claims prior to conducting a utilization review and sets forth a claims dispute resolution process;
- require health care plans to have free-standing ambulatory surgical center providers in their networks, provide that a site of service review shall constitute a utilization review, and set forth clinical review standards;
- establish the Prescription Drug Price and Supply Chain Transparency Act of 2023 and establish a Health Guarantee Fund;
- require health insurers to provide coverage for behavioral health services, provide reimbursement parity for behavioral health services via telehealth and eliminate prior authorization under certain circumstances;
- extend the Health Insurance Continuation Assistance Demonstration Project for one year;
- allow insurers to waive the requirement that an automobile be inspected prior to the issuance of a policy; and
- exempt certain entities from the definition of the terms “public corporation” and “public authority.”



Department of Taxation and Finance

The Executive proposes an All Funds appropriation of \$479.8 million, which is an increase of \$1 million, or 0.2 percent, from the SFY 2022-23. This increase would enhance the Department's ability to disburse payments to localities for applicable medical cannabis sales. The Executive recommends support for 3,785 FTEs, which is unchanged from SFY 2022-23.

Article VII

The Executive proposes Article VII legislation that would:

- amend the income definition for senior citizens, using the same definition used under the STAR program (federal adjusted gross income minus distributions from certain individual retirement accounts);
- extend the existing oil and gas fee authorization to March 31, 2027, which will allow the State to recover the cost of setting unit of production values for the oil and gas industry;
- provide for the return of any excess proceeds to the former owner(s) when a tax-delinquent property is sold;
- clarify that the adoption of the solar and wind energy system appraisal model is not subject to the State Administrative Procedure Act;
- authorize the DTF to appeal adverse Tax Appeals Tribunal decisions; and
- clarify that monies deposited by DTF must be deposited within three business days, instead of calendar days, after receipt.

Workers' Compensation Board

The Executive proposes an All Funds appropriation of \$212.4 million, an increase of \$1.8 million or 0.9 percent over the SFY 2022-23 level, attributable to general salary increases. The Executive recommends support for 1,081 FTEs, unchanged from the SFY 2022-23.



Division of Alcoholic Beverage Control (ABC)

The Executive proposes an All Funds appropriation of \$83.2 million, a decrease of \$29.2 million or 26 percent below the SFY 2022-23 level. This reduction reflects the discontinuation of a one-time appropriation of \$50 million for capital support to social equity applicants for cannabis retail licenses, which is partially offset by a new \$5 million grant program for nonprofits that support communities disproportionately affected by past state and federal drug policies.

The Executive proposes an additional appropriation increase of \$16 million to the Office of Cannabis Control, which would provide for the regulation and enforcement of adult-use cannabis. The Executive recommends support for 398 FTE positions, which is 37 FTEs above the SFY 2022-23. The additional FTEs will support roadside impaired-driving enforcement training.

Article VII

The Executive proposes Article VII legislation that would:

- direct the State Liquor Authority (SLA) to review the Alcoholic Beverage Control Law and post proposed changes on their website for public review;
- authorize the SLA to issue temporary permits to applicants with pending wholesale license applications;
- provide that pending applications for permission to make a corporate change shall be deemed approved if the SLA does not act within 90 days;
- allow a SLA license applicant to submit a required notice to a municipality and an application to the SLA on the same day; and
- provide that any new business may receive a temporary permit if no former license at the proposed location has previously been canceled, suspended, or revoked, and allow temporary retail permits to be extended for 90 days and make these provisions permanent.

Division of Budget (DOB)

The Executive proposes All Funds appropriation of \$50.2 million, a net decrease of \$537,000 from SFY 2022-23 funding level. The Executive recommends support for 292 FTEs, unchanged from SFY 2022-23.



State Board of Elections (SBOE)

The Executive proposes an All Funds appropriation of \$67.8 million, an increase of \$33.5 million, or 97 percent from the SFY 2022-23 level. The Executive recommends support for 210 FTEs, an increase of 62 FTEs from SFY 2022-23. Of the 62 additional FTEs, 54 are for the Public Campaign Finance (PCF) Program, six are for the enforcement of the PCF Program, and two are for the regulation of elections program.

The Executive proposes \$38.8 million for State Operations, an increase of \$18.4 million or 90 percent. This increase primarily reflects \$12 million in federal funding for the implementation of the Help America Vote Act, including for election security improvements. The Executive proposes \$14.5 million for Public Campaign Finance Board staff and administration, an increase of \$4 million from SFY 2022-23.

The Executive proposes \$29 million in local assistance, including the continuation of a \$4 million appropriation for local Boards of Elections for the cost of pre-paid return postage on absentee ballots and applications, and \$25 million, an increase of \$15 million, for the payment of matching funds to candidates participating in the PCF program, which will first apply to the 2024 election cycle.

Statewide Financial System (SFS)

The Executive proposes All Funds appropriations of \$32 million to support the ongoing maintenance and operating cost of SFS, a decrease of \$22,492 from SFY 2022-23. The Executive recommends support for 146 FTE positions, unchanged from SFY 2022-23.

Executive Chamber

The Executive proposes All Funds appropriations of \$24 million for the Executive Chamber to support the Office of the Governor (\$23.3 million) and the Office of the Lieutenant Governor (\$746,000), which is an increase of \$4.7 million from the SFY 2022-23 level. The Executive recommends support for 168 FTEs for the Office of the Governor, an increase of 32 FTEs from SFY 2022-23, and seven FTEs assigned to the Office of the Lieutenant Governor, unchanged from the prior year.

Office of Inspector General

The Executive Budget recommends an All Funds appropriation of \$9.8 million, an increase of \$1.4 million or 15.9 percent over SFY 2022-23. This increase supports system improvements and



general salary increases. The Executive recommends support for 80 FTEs, unchanged from SFY 2022-23.

Commission on Ethics and Lobbying

The Executive proposes an appropriation of \$7.8 million in General Fund appropriations, a decrease of \$94,231 or 1.2 percent from SFY 2022-23. The Executive recommends funding support for 68 FTE positions, an increase of 21 positions. This continues the \$2 million included for the Commission to increase staff to meet new requirements in the SFY 2022-23 Enacted Budget.

Article VII

The Executive proposes Article VII language that would stagger terms of the initial appointees to the Commission on Ethics and Lobbying in Government.

Division of Tax Appeals

The Executive proposes an All Funds appropriation of \$3.4 million, an increase of \$72,400, or 2.2 percent, from the SFY 2022-23. This increase would cover the costs of contract agreements and support agency operations. The Executive recommends support for 26 FTEs, which is unchanged from SFY 2022-23.

Deferred Compensation Board

The Executive proposes All Funds appropriations of \$953,000, a decrease of \$14,690 or 1.5 percent from SFY 2022-23. The Executive recommends support for four FTEs, unchanged from the SFY 2022-23 level.



BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **State Workforce:** The Executive Budget proposes significant increases to the state workforce, including in the Department of Environmental Conservation; Department of Motor Vehicles; Office of Parks; Recreation and Historic Preservation; the Division of State Police; Office of the State Comptroller; and Division of Civil Service, largely attributable to a restoration of staffing to pre-pandemic staffing levels and expansion of new programs.
- **Continuous Recruitment:** The Executive proposal includes \$7.8 million for the Department of Civil Service to expand continuous recruitment of state workers. Continuous recruitment exams will use a hybrid of in-person testing centers and online training and experience exams, as well as online multiple-choice exams.
- **Public Service Matters Campaign:** The Executive Budget includes \$2.3 million to establish an advertising campaign across multiple agencies in order to strengthen outreach for difficult to fill and high-need state jobs.
- **Modernize Civil Service Pay Structure:** The Executive Budget includes \$2.2 million to administratively establish a new job evaluation system in order to ensure pay equity and better align with the private sector.
- **Centers for Careers in Government:** The Executive Budget includes approximately \$2 million to establish Centers for Careers in Government across the state, where Civil Service Specialists will work with state agencies, educational institutions and community organizations to boost awareness of and recruitment in the state workforce.



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 183,249 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 resolves major labor disputes between public or private employers and employees. The Governor’s Office of Employee Relations 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			
	2022-23 Adjusted (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	7,354.71	7,062.91	(291.80)	(3.97)
Department of Civil Service	70.91	84.80	13.89	19.59
Office of Employee Relations	12.15	12.02	(0.13)	(1.05)
Public Employment Relations Board	7.04	4.97	(2.07)	(29.35)

General State Charges

The Executive proposes All Funds appropriations of \$7.1 billion, a decrease of \$291.8 million, or 3.97 percent from SFY 2022-23. 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 Budget proposes a \$394.4 million decrease from SFY 2022-23 for health insurance benefits contributions, a decrease of 7.2 percent in New York State Health Insurance Plan (NYSHIP) costs. This decrease is largely attributed to a deposit of \$600 million to the Retiree Health Benefit Trust Fund in SFY 2022-23, which offset the impact of current year projected increases associated with medical inflation and a potential increase in utilization of medical procedures previously delayed due to the pandemic.

Pensions: The Executive Budget proposes a \$232 million increase, or 12.5 percent over SFY 2022-23. This reflects higher salaries, updated actuarial assumptions, and annual cost of living adjustments (COLA).

Social Security Tax: The Executive proposes a \$33.7 million, or 3.3 percent increase over SFY 2022-23.

Workers' Compensation Benefits: The Executive proposes a net \$68 million increase in Workers' Compensation benefits for injured state employees, a 12.1 percent increase over SFY 2022-23. The increase in the current year reflects injured workers opting for lump-sum payouts at a higher rate than expected in SFY 2021-22, resulting in lower recurring costs for SFY 2022-23.

Interest Rates on Judgements: The Executive Budget proposes to change the interest rate paid by the state and other governmental jurisdictions in court judgments from a fixed nine percent rate to a variable market-based index, resulting in a state savings of \$2.5 million.

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;
- extend provisions of law waiving the income cap for retirees working in a public school or BOCES for one year, from June 30, 2023 to June 30, 2024;
- limit the value of the reserve fund of employers participating in the New York State and Local Retirement System's Contribution Stabilization Program to the value of the previous year's contribution amount, authorize use of the reserve fund when the employer contribution rate exceeds the employer graded rate, and establish program participation termination provisions;



- authorize the president of the Civil Service Commission to require the payment of interest on late payments made by certain employers for the administration of the New York State Health Insurance Plan; and
- include counties as payors for special accidental death benefits to families of deceased members of county sheriff departments and provide for the payment of such benefit to the families of employees who died prior to April 1, 2023.

Department of Civil Service

The Executive proposes All Funds appropriations of \$84.8 million, an increase of \$13.9 million, or 19.6 percent over SFY 2022-23. This reflects increased staffing for several programs aimed at modernizing the civil service system, including the expansion of continuous recruitment, the establishment of Centers for Careers in Government and the creation of a Public Service Matters advertising campaign. The Executive recommends support for 465 FTEs, an increase of 108 FTEs over SFY 2022-23.

Article VII

The Executive proposes Article VII legislation that would:

- authorize the Department of Civil Service or a municipal civil service commission to establish continuing eligible lists for any positions in the competitive class which the Department or commission deems appropriate for continuous recruitment; and
- increase the number of positions eligible to be filled through the 55-b program and allow employees holding 55-b and 55-c appointments to transfer into competitive class positions without examination.

Office of Employee Relations

The Executive proposes All Funds appropriations of \$12.02 million, a decrease of \$127,304, or 1.1 percent from SFY 2022-23. The Executive recommends support for 93 FTEs, unchanged from SFY 2022-23.



Public Employment Relations Board

The Executive proposes All Funds appropriations of \$4.97 million, a decrease of \$2.07 million, or 29.4 percent from SFY 2022-23. This decrease is due to the reappropriation of one-time capital funding that was included in the SFY 2022-2023 enacted budget. The Executive recommends support for 37 FTEs, an increase of three FTEs over SFY 2022-23. This additional staff will support the agency's role in assisting workers under the Farm Laborer's Fair Practices Act.



Table 44

Workforce Impact Summary

All Funds

FY 2022 Through FY 2024

	FY 2022 Actuals (3/31/22)	Starting Estimate (03/31/23)	Attritions	New Fills	Net Change	Ending Estimate (03/31/24)
Addiction Services and Supports, Office of	686	768	(137)	147	10	778
Adirondack Park Agency	48	54	(1)	1	0	54
Aging, Office for the	79	126	(9)	9	0	126
Agriculture and Markets, Department of	466	517	(20)	46	26	543
Alcoholic Beverage Control, Division of	174	361	(20)	57	37	398
Arts, Council on the	26	29	(3)	3	0	29
Audit and Control, Department of	2,614	2,770	(134)	251	117	2,887
Budget, Division of the	273	292	(35)	35	0	292
Children and Family Services, Office of	2,542	2,886	(424)	424	0	2,886
City University of New York	13,243	13,511	(135)	1,351	0	13,511
Civil Service, Department of	287	357	(32)	140	108	465
Correction, Commission of	36	44	(4)	4	0	44
Corrections and Community Supervision, Department of	24,950	26,423	(5,029)	5,099	70	26,493
Criminal Justice Services, Division of	372	415	(31)	34	3	418
Deferred Compensation Board	4	4	0	0	0	4
Education Department, State	2,534	2,876	(288)	288	0	2,876
Economic Development, Department of	119	165	(12)	12	0	165
Elections, State Board of	95	148	(9)	71	62	210
Employee Relations, Office of	61	93	(4)	4	0	93
Environmental Conservation, Department of	2,815	3,100	(176)	407	231	3,331
Ethics and Lobbying, Independent Commission on	46	47	(4)	25	21	68
Executive Chamber	122	136	(10)	42	32	168
Financial Control Board, New York State	10	12	(1)	1	0	12
Financial Services, Department of	1,224	1,391	(95)	95	0	1,391
Gaming Commission, New York State	323	391	(35)	35	0	391
General Services, Office of	1,685	1,832	(119)	132	13	1,845
Health, Department of	4,438	6,018	(786)	825	39	6,057
Higher Education Services Corporation, New York State	98	103	(10)	10	0	103
Homeland Security and Emergency Services, Division of	561	630	(36)	64	28	658
Housing and Community Renewal, Division of	540	625	(73)	119	46	671
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	138	170	(21)	25	4	174
Indigent Legal Services, Office of	31	32	(3)	3	0	32
Information Technology Services, Office of	2,967	3,593	(364)	379	15	3,608
Inspector General, Office of the	74	80	(5)	5	0	80
Interest on Lawyer Account	7	9	(1)	1	0	9
Judicial Conduct, Commission on	43	46	(2)	8	6	52
Justice Center for the Protection of People with Special	419	470	(67)	67	0	470
Labor Management Committees	59	71	(6)	6	0	71
Labor, Department of	2,744	2,778	(376)	415	39	2,817
Law, Department of	1,780	1,864	(96)	135	39	1,903
Lieutenant Governor, Office of the	5	7	(2)	2	0	7
Medicaid Inspector General, Office of the	405	515	(26)	26	0	515
Mental Health, Office of	12,834	14,055	(1,970)	1,970	0	14,055
Military and Naval Affairs, Division of	346	392	(44)	46	2	394
Motor Vehicles, Department of	2,942	3,028	(622)	822	200	3,228
Parks, Recreation and Historic Preservation, Office of	2,095	2,137	(163)	400	237	2,374
People with Developmental Disabilities, Office for	18,178	18,960	(2,522)	2,522	0	18,960
Prevention of Domestic Violence, Office for	24	29	(3)	9	6	35
Prosecutorial Conduct, Commission on	0	19	(2)	2	0	19
Public Employment Relations Board	29	34	(3)	6	3	37
Public Service Department	463	528	(58)	58	0	528
State Police, Division of	5,390	6,013	(178)	585	407	6,420
State University Construction Fund	136	145	(15)	15	0	145
State University of New York	44,877	45,880	(4,588)	4,588	0	45,880
State, Department of	535	612	(62)	72	10	622
Statewide Financial System	134	146	(6)	6	0	146
Tax Appeals, Division of	22	26	(2)	2	0	26
Taxation and Finance, Department of	3,413	3,785	(301)	301	0	3,785
Temporary and Disability Assistance, Office of	1,781	1,922	(160)	160	0	1,922
Transportation, Department of	7,883	8,485	(338)	338	0	8,485
Veterans' Services, Division of	85	110	(9)	9	0	110
Victim Services, Office of	81	96	(8)	8	0	96
Welfare Inspector General, Office of	6	6	(1)	1	0	6
Workers' Compensation Board	943	1,081	(56)	56	0	1,081
Total	169,340	183,249	(20,968)	22,779	1,811	185,060

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.

The Judiciary’s proposed budget request recommends All Funds appropriations of \$3.4 billion, an increase of \$121.9 million or 3.7 percent from the SFY 2022-23 level. This increase is primarily attributed to 270 new non-judicial FTE positions and funding to fill 530 current vacant positions.

Table 45

Appropriations				
Agency	2022-23 Exec Request (\$ in Millions)	2023-24 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	3,295.44	3,417.41	121.97	3.70

Judiciary Operations: The Judiciary’s budget submission increases disbursements by \$71.7 million in SFY 2023-24, reflecting increases in personal service expenses. The Judiciary’s State Operations Budget increases by \$89.1 million to hire staff to pre-pandemic levels, including filling 530 non-judicial positions and to fund 270 new non-judicial positions.

Civil Legal Services: The proposed budget includes appropriations totaling \$116 million to support civil legal services to provide a three percent Cost of Living Increase (COLA) for civil legal service providers.

Capital Projects: The Judiciary’s budget includes \$28 million, an increase of \$3 million, to support continued improvements to court technology infrastructure, including the modernization of the judiciary’s secure high-speed network, security equipment, records management, and facility renovation.



Article VII

The Executive proposes Article VII Legislation that would:

- increase the assigned counsel rates for all cases to \$158 per hour for New York City, Suffolk, Nassau, Westchester, Rockland, Putnam, Orange, Dutchess, Ulster and Sullivan counties, and \$119 for all other counties. This proposal would also increase the maximum compensation for such representation to \$10,000 for New York City and the other downstate counties, and \$7,000 for all other counties. Additionally, this proposal would remove the ability for the court to override the maximum compensation in extraordinary circumstances for representation of persons accused of a crime or parties before the family or surrogate court;
- establish the interest rate on a judgement or accrued claim to be consistent with the one-year United States treasury bill rate; and
- 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.

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 0.5 percent in 2023 and 1.7 percent in 2024, following an estimated increase of 2.1 percent in 2022.

Table 46

U.S. Economic Outlook (Percent Change)			
	2022	2023	2024
Real GDP	2.1	0.5	1.7
Consumption	2.9	1.2	1.6
Residential Investment	(10.3)	(15.1)	(1.2)
Nonresidential Investment	3.8	0.3	1.7
Exports	7.2	2.6	1.9
Imports	8.3	(1.6)	0.5
Government	(0.7)	0.9	0.5
Personal Income	2.0	4.4	4.5
Wages & Salaries	8.4	4.1	3.5
Employment	4.1	0.9	0.1
Unemployment Rate (percent)	3.6	4.3	5.0
CPI-Urban	8.0	3.9	2.8
S&P 500 Stock Price	(3.9)	(7.0)	5.5
Federal Fund Rate	1.7	4.8	4.6
Treasury Note Rate (10-year)	3.0	4.0	3.9

Note: Calendar year values are as reported in the FY 2024 NYS Executive Budget released on February 1, 2023.
Source: NYS Division of the Budget.

- The Executive projects that state private employment will grow by 0.8 percent in 2023 and 0.2 percent in 2024, after increasing an estimated 5.9 percent in 2022.

Table 47

New York State Economic Outlook (Percent Change)			
	2022	2023	2024
Employment	5.0	0.7	0.2
Private Employment	5.9	0.8	0.2
Personal Income	(0.3)	2.9	4.1
Total Wages (calendar year basis)	6.2	1.3	3.1
Base Wages	8.6	3.8	3.3
Variable Compensation	(7.5)	(16.2)	1.9
Total Wages (fiscal year basis)	2.4	2.3	3.8
New York Area CPI	6.7	4.2	3.0

Note: Values are as reported in the FY 2024 NYS Executive Budget released on February 1, 2023.
Source: NYS Division of the Budget.



BUDGET REVIEW AND ANALYSIS: ECONOMY



The National Economy: The Executive projects a mild downturn in 2023, with the U.S. economy, as measured by inflation-adjusted Gross Domestic Product (GDP), projected to grow by only 0.5 percent in 2023, following growth of 2.1 percent in 2022 (see Table 48). According to the Executive, the recession will be short-lived and shallow due partly to a historically tight labor market that continues to put upward pressure on wages and is preventing job cuts. The Executive projects real GDP to grow 1.7 percent in 2024 as economic conditions improve.

Table 48

U.S. Economic Forecast Comparison			
	2022	2023	2024
Real Gross Domestic Product (GDP) (chained 2012 dollars, percent change)			
Division of the Budget	2.1	0.5	1.7
Blue Chip Consensus	N/A	0.5	1.2
S&P Global	2.0	0.5	1.8
Moody's Analytics	2.1	1.3	2.1
Consumer Price Index (CPI) (percent change)			
Division of the Budget	8.0	3.9	2.8
Blue Chip Consensus	N/A	3.8	2.3
S&P Global	8.0	3.9	2.2
Moody's Analytics	8.0	4.0	2.4
Unemployment Rate (percent)			
Division of the Budget	3.6	4.3	5.0
Blue Chip Consensus	N/A	4.4	4.8
S&P Global	3.7	4.6	4.0
Moody's Analytics	3.6	3.9	4.0

Note: Numbers are as reported in the FY 2024 NYS Executive Budget released on February 1, 2023.
Source: NYS Division of the Budget.

- **Consumption:** The Executive projects weak growth in real consumption spending of 1.2 percent in 2023 and 1.6 percent in 2024, following an estimated 2.9 percent increase in 2022. According to the Executive, slow income growth and lower household wealth will contribute to slower growth in consumption spending in 2023. Furthermore, consumers are expected to rely on their remaining excess savings to support their spending at least in 2023.

- **Investment:** The Executive projects that private investment spending growth will slow to 0.3 percent in 2023, following an estimated 3.8 percent increase in 2022. The slowdown in growth stems from rising borrowing costs and weakening consumer demand. According to the Executive, private investment spending is projected to recover, increasing by 1.7 percent in 2024.
- **Exports and Imports:** The Executive projects that U.S. exports growth will slow to 2.6 percent in 2023, following an estimated growth of 7.2 percent in 2022, as global demand for U.S. goods and services weakens. In addition, the U.S. dollar is expected to remain strong, making U.S. goods and services more expensive. The Executive projects U.S. exports to grow 1.9 percent in 2024. The Executive projects U.S. imports to decline by 1.6 percent in 2023, following an estimated 8.3 percent increase in 2022, due primarily to falling domestic demand. The Executive forecasts U.S. imports to grow 0.5 percent in 2024.
- **Government Spending:** The Executive projects that state and local government spending, after adjusted for inflation, is projected to grow 1.3 percent in 2023, following an estimated growth of 0.6 percent in 2022, as infrastructure spending ramps up due to appropriated funds from the Infrastructure Investment and Jobs Act. The Executive projects that federal government spending, adjusted for inflation, will grow a modest 0.3 percent in 2023, after declining an estimated 2.9 percent in 2022, as lawmakers are not expected to adopt any significant fiscal restraint measures.
- **Inflation:** The Executive expects inflation to continue to decline from its current elevated level as supply-chain pressures ease and a stronger U.S. dollar makes imports cheaper and indirectly pushes down the price of domestic goods. Service price inflation is also expected to soften as consumers shift away from spending on services. In addition, the falloff in energy prices and the deceleration in food price inflation will contribute to the downturn in inflation. Inflation, as measured by the Consumer Price Index (CPI), is projected to fall to 3.9 percent in 2023, and then to 2.8 percent in 2024, after growing 8.0 percent in 2022.
- **Employment:** The Executive projects U.S. employment to grow 0.9 percent in 2023 and 0.1 percent in 2024, after growth of 4.1 percent in 2022. According to the Executive, weak labor demand in 2023 will lead to more job losses as the Federal Reserve monetary tightening to combat inflation continues. The Executive anticipates that the unemployment rate will increase to 4.3 percent in 2023 and 5.0 percent in 2024, following 3.6 percent in 2022.
- **Corporate Profits:** The Executive projects that U.S. corporate profits will decline 3.7 percent in 2023, following growth of 6.5 percent in 2022, due to weaker consumer demand, rising wages, higher borrowing costs and a struggling financial market. According to the Executive, these

costs are expected to be partly passed through to consumers, though businesses will have to absorb the rest in the form of lower corporate profits. The Executive projects that corporate profits growth will rebound to 4.3 percent in 2024.

- **Financial Markets:** The Executive projects the 10-year Treasury yield will increase to 4.0 percent in 2023 and 3.9 percent in 2024, from 3.0 percent in 2022, as the Federal Reserve continues to tighten monetary policy. The Executive projects equity prices in 2023, as measured by the S&P 500 Index, will decline 7.0 percent on an annual average basis after falling 3.9 percent in 2022, with the economy projected to slip into a mild recession. According to the Executive, equity prices are expected to increase moderately, growing 5.5 percent in 2024, aligned with the projected growth of corporate profits.

The New York State Economy: The Executive projects that State employment will grow 0.7 percent in 2023 and 0.2 percent in 2024, after growing an estimated 5.0 percent in 2022. According to the Executive, New York State employment is not expected to reach its pre-pandemic peak until 2027.

- **Personal Income:** The Executive projects total State personal income will increase 2.9 percent in 2023, after falling an estimated 0.3 percent in 2022.
- **Wages:** The Executive forecasts that wages in the State will grow 1.3 percent in 2023, following an estimated growth of 6.2 percent in 2022. The Executive projects that total bonuses in the State will fall 16.2 percent, with bonuses in the finance and insurance sector falling 19.0 percent in 2023.
- **Employment:** Total nonfarm employment in the State grew an estimated 5.0 percent in 2022, compared to growth of 4.1 percent nationwide. The Executive forecasts that State employment will grow 0.7 percent in 2023, slower than the 0.9 percent projected for the nation (see Figure 15). The Executive forecasts the unemployment rate in the State will rise from 4.5 percent in 2022 to 4.8 percent in 2023.



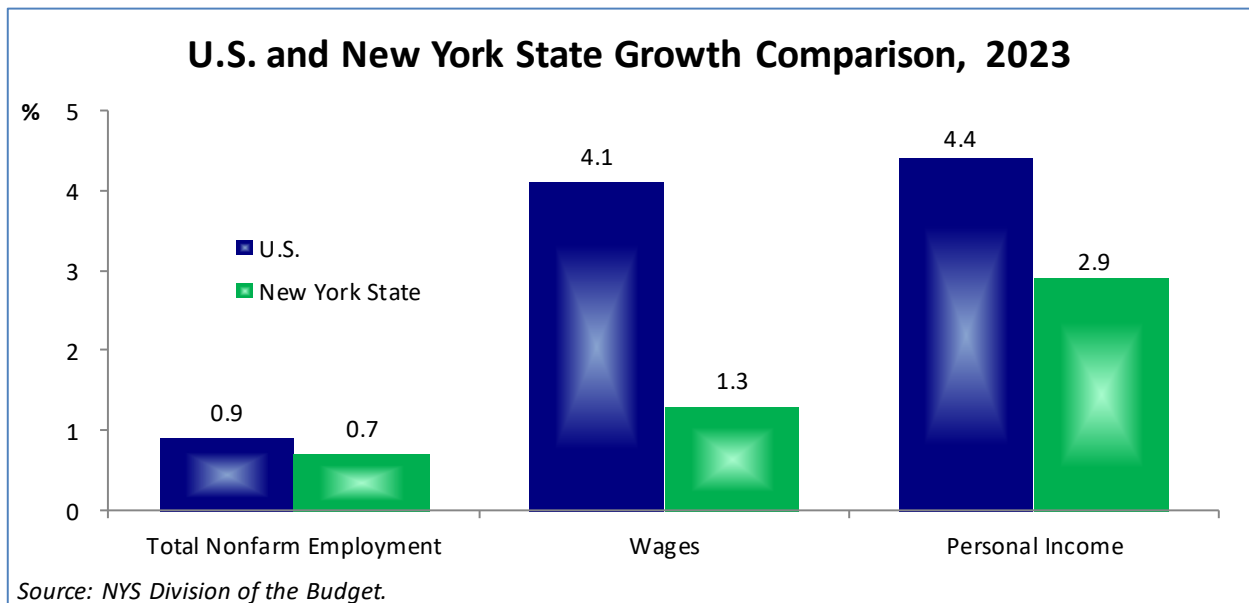


Figure 15

- **Employment by Sector:** The Executive projects that private employment in the State of New York will grow 0.8 percent in 2023, after growing an estimated 5.9 percent in 2022. In the first half of 2022, State employment in most sectors grew faster than the national average. In 2023, the leisure and hospitality, education, and healthcare and social assistance sectors are expected to grow relatively faster than other sectors (see Table 49).

Table 49

Change in New York State Employment NYS vs U.S.			
	2022		2023
	NYS	U.S.	NYS
Total	5.8	4.5	0.7
Total Private	6.8	5.1	0.8
Leisure, Hospitality and Other Services	21.0	11.9	3.9
Educational Services	4.7	6.9	2.1
Healthcare & Social Assistance Services	2.6	1.9	1.5
Wholesale Trade	4.7	3.2	1.0
Professional, Scientific and Technical Services	5.0	6.3	1.0
Management, Administrative and Support Services	8.0	4.7	0.7
Finance and Insurance	1.5	1.0	(0.4)
Utilities	0.6	(0.6)	(0.4)
Information	6.3	6.2	(0.5)
Real Estate and Rental and Leasing	3.8	5.2	(0.6)
Retail Trade	2.8	3.0	(1.0)
Construction	2.2	3.4	(1.2)
Manufacturing and Mining	3.9	3.7	(1.3)
Transportation and Warehousing	10.8	7.6	(1.4)
Government	0.4	1.3	(0.1)

Note: Data for 2022 are based on the first two quarters of 2022 compared to the same period in 2021.
Source: NYS Division of the Budget.

- **Employment by Region:** According to the Executive, all regions gained jobs in the first half of 2022. The New York City Region led the State in private employment growth at 8.8 percent, followed by the Hudson Valley Region at 5.0 percent (see Figure 16).

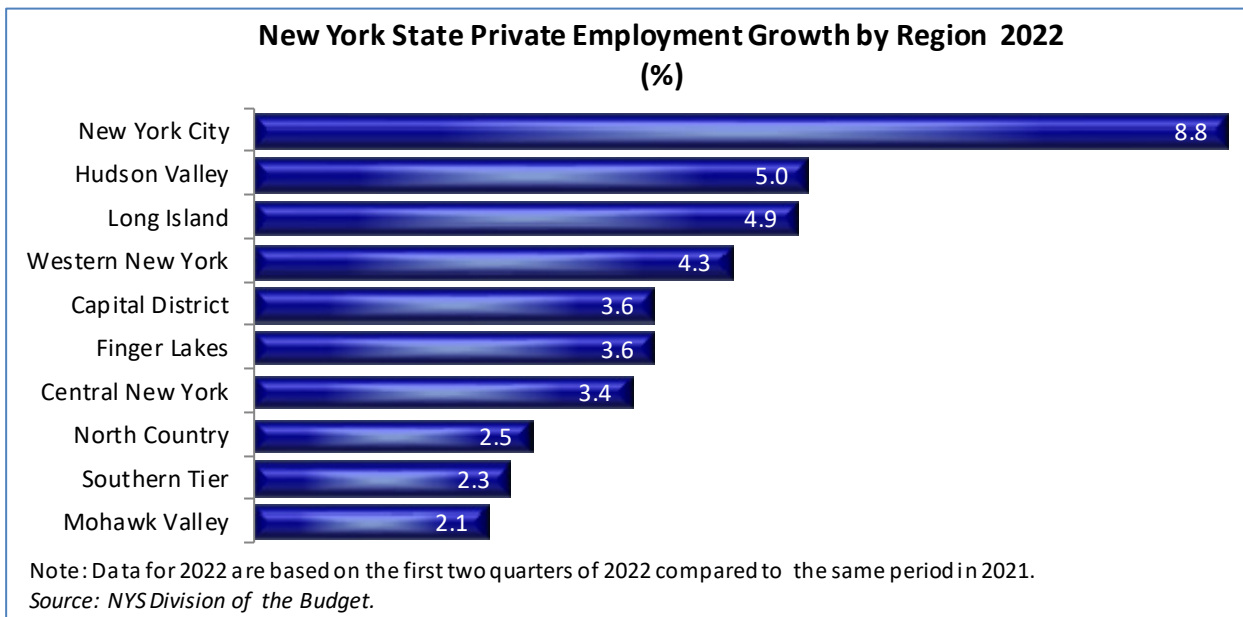


Figure 16

- **Risks:** According to the Executive, one of the major risks to the U.S. economic forecast which could push the U.S. economy into a deeper recession is if inflation is more persistent than expected, forcing the Federal Reserve to take more aggressive monetary measures. The discrepancy between labor supply and demand could lead to more upward pressure on wages. If the unemployment rate rises higher than expected, consumers would likely cut spending, leading to even weaker economic growth. In addition, weaker than expected global economic growth would adversely impact U.S. exports. On the upside, if inflation tapers quicker than expected or the rate-sensitive sectors become more responsive to rate hikes, the economic downturn may be even shorter than projected. In addition, an early end to COVID outbreaks in China or the end of the war between Ukraine and Russia could help ease supply constraints. The Executive states that all the risks to the U.S. forecast also apply to the State forecast. However, due to the importance of the financial sector to the State economy, monetary policy shifts can have an outsized impact on New York relative to the nation. In addition, the ongoing persistence of telework, the continued relocation of urban-based workers outside of the State and the decline in State population remain downside risks to State employment growth. Upside risks for the State include the potential for a more rapid and substantial return to an in-office working environment, which could propel stronger growth through higher output and employment in office support services.

BUDGET HIGHLIGHTS: REVENUE



- **Temporary Extension of Article 9-a Tax Rates for Three Years:** The Executive proposes to extend the current 7.25 percent business income tax rate for corporate franchises with a business income base over \$5 million and the capital base tax of 0.1875 percent for businesses not categorized as small businesses for three years through tax year 2026.
- **Increase the State Excise Tax on Cigarettes:** The Executive proposes to increase the excise tax on cigarettes by one dollar, from \$4.35 to \$5.35, and increase the existing use tax rate on cigarettes by the same amount.
- **Extend and Enhance the Film Tax Credit:** The Executive proposes to extend the Empire State film production and post-production credits for five years, through 2034, increase the annual aggregate cap from \$420 million to \$700 million and to increase the credit for qualified expenses from 25 percent to 30 percent.
- **Extend the New York City Musical and Theatrical Production Tax Credit:** The Executive proposes to increase the cap on the New York City Musical and Theatrical Production Tax Credit from \$200 million to \$300 million and extend the initial application deadline.
- **Enhance the Investment Tax Credit (ITC) for Farmers:** The Executive proposes to convert the ITC to a fully refundable tax credit for eligible farmers for five years through December 31, 2027. Currently, the ITC is only fully refundable for new businesses.
- **Increase the Top Metropolitan Commuter Transportation Mobility Tax Rate (MCTMT):** The Executive proposes to increase the top MCTMT tax rate, from 0.34 percent to 0.50 percent, for certain businesses in the Metropolitan Commuter Transportation District with quarterly payroll expenses of more than \$437,500.
- **Provide Financial Relief to the Metropolitan Transportation Authority:** The Executive proposes to direct any State portion of fees and recurring revenue received from the three remaining casino licenses in the downstate region to the MTA.
- **Real Property Tax Incentives for Affordable Housing Projects:** The Executive proposes to establish, enhance and extend various real property tax incentives for certain affordable housing projects across the State, including extending the completion deadline for projects vested in the expired 421-a program for four years, from June 15, 2026 until June 15, 2030.

BUDGET REVIEW AND ANALYSIS: REVENUE



Table 50

Executive Budget - All Funds Receipts					
(\$ in Millions)					
	SFY 2021-22	SFY 2022-23	% Change	SFY 2023-24	% Change
Personal Income Tax	\$70,739	\$58,371	(17.5%)	\$61,312	5.0%
User Taxes	\$19,621	\$20,535	4.7%	\$21,750	5.9%
Business Taxes	\$27,725	\$26,112	(5.8%)	\$23,369	(10.5%)
Other	\$3,053	\$3,544	16.1%	\$2,652	(25.2%)
Total Taxes	\$121,138	\$108,562	(10.4%)	\$109,083	0.5%
Miscellaneous Receipts	\$27,932	\$26,993	(3.4%)	\$27,075	0.3%
Federal Funds	\$95,307	\$89,542	(6.0%)	\$88,492	(1.2%)
Total All Funds	\$244,377	\$225,097	(7.9%)	\$224,650	(0.2%)

SFY 2022-23 All Funds Receipts Estimate

- The Executive estimates SFY 2022-23 All Funds tax receipts to total \$108.56 billion, a decrease of \$12.58 billion, or 10.4 percent, from SFY 2021-22 levels. This annual decrease mainly reflects the realization of PIT credits associated with pass-through entity tax (PTET) payments that were made in SFY 2021-22, and one-time inflation relief actions enacted in the SFY 2022-23 budget. However, this decrease has been partially offset by strong underlying growth in receipts that is broad-based and across most categories of taxation.
- Including Miscellaneous Receipts and federal funds, All Funds receipts are estimated to decrease by 7.9 percent, or \$19.28 billion, to \$225.1 billion in SFY 2022-23.

SFY 2023-24 All Funds Receipts Forecast

- The Executive forecasts SFY 2023-24 All Funds tax receipts to total \$109.08 billion, an increase of 0.5 percent, or \$521 million, from SFY 2022-23 levels. This projected increase is mainly attributable to the expiration of one-time inflation relief actions and taxpayer behavior related to the PTET.



- Including Miscellaneous Receipts and federal funds, All Funds receipts are forecast to decrease by 0.2 percent, or \$447 million, to \$224.65 billion. This modest decrease reflects ongoing economic uncertainty.

Revenue Proposals

Personal Income Tax Proposals

- **Provide Authority to Abate Interest for Taxpayers Impacted by Declared Disasters:** The Executive proposes to authorize the Commissioner of Taxation and Finance to abate the interest penalties on the underpayment of tax for certain taxpayers impacted by a presidentially or gubernatorially declared disaster when a tax deadline has not been extended.
- **Clarification of the Treatment of Limited Partners for the Metropolitan Commuter Transportation Mobility Tax (MCTMT):** The Executive proposes to amend the definition of “net earnings from self-employment” for the purposes of the MCTMT, to include limited partners who are actively engaged in the management of the partnership.
- **Modify the Investment Tax Credit (ITC) for Farmers:** The Executive Budget proposes to convert the ITC to a fully refundable tax credit for eligible farmers for five years, through December 31, 2027. Under current law, the ITC is only fully refundable for new businesses.
- **Allow Department of Tax and Finance the Right to Appeal Tax Appeals Tribunal Decisions:** The Executive proposes to give Department of Taxation and Finance (DTF) the right to appeal decisions made by the Tax Appeals Tribunal. The Tax Appeals Tribunal is an independent authority with the power to cancel assessments, invalidate regulations and reverse prior decisions of the State Tax Commission. Currently, taxpayers may appeal such decisions, but DTF is unable to.
- **Technical Correction to the Deposit Timeframe:** The Executive proposes to clarify that the Department of Taxation and Finance (DTF) has three *business* days to deposit monies received on account of the State, instead of three *calendar* days.
- **Require State S Corporation Conformity with Federal Return:** The Executive proposal would require that all corporations treated as subchapter S corporations for federal tax purposes be mandated as subchapter S corporations for New York tax purposes. Currently, only federal S corporations with investment income above 50 percent of federal gross income are treated as New York S corporations.

- **Increase the Top Metropolitan Commuter Transportation Mobility Tax Rate:** The Executive proposes to increase the top MCTMT tax rate, from 0.34 percent to 0.50 percent, for certain businesses in the Metropolitan Commuter Transportation District with quarterly payroll expenses of more than \$437,500.

Property Tax Proposals

- **Amend the Senior Citizens Real Property Tax Exemption:** The Executive proposes to amend the definition of income under the Senior Citizens Real Property Tax Exemption program by more closely aligning it with the income threshold used for the STAR Exemption program. The proposal would also give municipalities the option to treat social security benefits as income if such benefits were not included in the applicant's federal adjusted gross income.
- **Extend the Oil and Gas Fee:** The Executive proposes to extend the oil and gas fee by three years, which supports the cost of setting unit of production values for the gas and oil industry from March 31, 2024, to March 31, 2027.
- **Return Foreclosure Excess to Property Owners:** The Executive proposes to reform the tax foreclosure process by returning any excess funds, after the local government and any lien holders have been made whole, to the former owner following the sale of a property with delinquent property taxes.
- **Clarification of the Wind and Solar Valuation Model:** The Executive proposes to clarify that the solar and wind energy system appraisal model, as developed by the Department of Taxation and Finance to create a standardized statewide assessment method for solar and wind energy systems, is not subject to the State Administrative Procedure Act.
- **Update Tax Abatement Incentives for Affordable Multiple Dwellings in New York City:** The Executive proposes to establish a partial real property tax abatement for capital improvements made to certain rental and owner-occupied buildings located in the City of New York or any city in which the multiple dwelling law applies at local option. Alterations and capital improvements made to eligible properties completed between June 29, 2022 and June 30, 2026 would be eligible for the partial abatement for a period of not more than 20 years.
- **Establish a Local Option Tax Incentive for Affordable Multi-Family Housing:** The Executive proposes to establish a real property tax exemption for the construction of certain multi-family



housing projects on previously vacant or underutilized land. The exemption would be at local option, and would apply to municipalities located outside the City of New York.

- **Provide a Property Tax Exemption for Accessory Dwelling Units (ADUs):** The Executive proposes to create a real property exemption for the increase in value resulting from the addition of one or more accessory dwelling units located on certain residential properties at local option.
- **Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing:** The Executive proposes to establish the Affordable Housing from Commercial Conversions Tax Incentive Benefits (AHCC) program, which would provide a partial real property tax exemption for the conversion of commercial, manufacturing and other non-residential buildings to residential rental buildings located in the City of New York.
- **Extend the Project Completion Deadline for Vested Projects in Real Property Tax Law 421-a by Four Years:** The Executive proposes to extend the completion deadline for projects vested in the expired 421-a program for four years, from June 15, 2026 to June 15, 2030.

Consumption and Use Tax Proposals

- **Increase the State Excise Tax on Cigarettes:** The Executive proposes to increase the excise tax on cigarettes by one dollar, from \$4.35 to \$5.35, and to increase the existing use tax rate on cigarettes by the same amount.
- **Extend Tax Credits for the Phase Out of a Certain Grade of Fuel Oil:** The Executive proposes to extend, from July 1, 2022 to January 1, 2023, the Number 6 fuel oil conversion tax credit. The credit is equal to 50 percent of the cost of converting certain buildings or facilities located outside of New York City from the use of Number 6 fuel oil.
- **Make Local Sales Tax Rate Authorizations Permanent:** The Executive proposes to make permanent all current law local sales tax rate authorizations and provide the 57 counties outside of New York City, and the five cities that currently have additional tax rates, with permanent authority to impose a one percent additional rate of sales tax or their currently authorized rate, whichever is higher. These localities would be required to pass a local law every two years authorizing this additional sales tax rate.
- **Amend Motor Fuel Reporting Designation:** The Executive proposes to require distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes to the Department of

Taxation and Finance on every gallon of fuel sold, intended to capture gallons sold but not accounted for due to fluctuations in temperature.

- **Extend and Limit the Vending Machine Sales Tax Exemption to Business Enterprise Program Vendors for One Year:** The Executive proposes to extend the existing sales tax exemption for certain food and drink purchased from a vending machine for one year, through May 31, 2024. However, the extension would be limited to vending machines operated by participants in the Business Enterprise Program for blind vendors.
- **Extend Various Commercial Property and Sales Tax Incentives in New York City:** The Executive proposes to extend, for five years, various property and sales tax incentives in New York City which are currently set to expire. These programs include the Lower Manhattan sales and use tax exemption, the Energy Cost Savings Program Credit, the Lower Manhattan Energy Program, the Commercial Expansion Program and the Commercial Revitalization Program.

Business Tax Proposals

- **Extend and Enhance the Film Tax Credit:** The Executive proposes to extend the Empire State film production and post-production credits for five years, through 2034; increase the annual aggregate cap from \$420 million to \$700 million, beginning in tax year 2024 and increase the credit for qualified expenses from 25 percent to 30 percent.
- **Abatement of Penalties for Underpayment of Estimated Tax by a Corporation:** The Executive proposes to authorize the Department of Taxation and Finance (DTF) to waive or reduce penalties for the underpayment of estimated tax by a corporation under certain mitigating circumstances. Under current law, DTF is only allowed to waive or reduce the penalty for the underpayment of estimated personal income tax for taxpayers impacted by casualty, disaster or other unusual circumstances.
- **Extend the Application Deadline for COVID-19 Capital Costs Tax Credit Program:** The Executive proposes to extend, from March 31, 2023 to September 30, 2023, the application deadline for the COVID-19 Capital Costs Tax Credit Program. Under this program, small businesses with \$2.5 million or less of gross receipts are eligible for a credit of 50 percent of their qualifying costs, up to \$25,000, with a minimum credit of \$1,000.
- **Create a Tax Credit for Child Care Creation and Expansion:** The Executive proposes to establish a two-year, \$25 million refundable tax credit program for certain businesses that create or expand childcare slots for the children of their employees. The program would be available for



eligible businesses statewide, and would be administered by the Office of Children and Family Services.

- **Create a NYC Biotech Tax Credit:** The Executive proposes to authorize the City of New York to provide a tax credit for certain small- and medium-sized businesses that operate in the biotechnology industry. The City previously offered a tax credit for biotechnology companies, which expired in 2019. This proposal would reinstate that authorization for three years, through 2025.
- **Temporary Extension of Article 9-a Tax Rates for Three Years:** The Executive proposes to extend the current 7.25 percent business income tax rate for corporate franchises with a business income base over \$5 million, and the capital base tax of 0.1875 percent for businesses not categorized as small businesses, for three years through tax year 2026.
- **Historic Properties Rehabilitation Credit:** The Executive proposes to extend the historic properties rehabilitation credit for five years, through 2029.
- **Empire State Commercial Production Tax Credit:** The Executive proposes to extend the Empire State commercial production tax credit program for five years, through 2028.
- **Modify the New York City Musical and Theatrical Production Tax Credit:** The Executive proposes various changes to the New York City Musical and Theatrical Production Tax Credit, including proposals to:
 - extend the \$3 million per production cap to productions that have their first performance prior to January 1, 2025;
 - extend the initial application deadline to June 30, 2025;
 - increase the overall cap on this program from \$200 million to \$300 million; and
 - make a technical correction to ensure that successful production companies are required to make contributions to the New York State Council on the Arts Cultural Programs until December 31, 2027.
- **Make Technical Changes to Tax Law:** The Executive proposes to make technical corrections to the Tax Law to effectuate the original intent of the tax credit program for companies who

provide the transportation to individuals with disabilities, and to clarify eligibility for the brownfield redevelopment tax credit program.

- **Eliminate Congestion Surcharge Registration Requirements:** The Executive proposes to remove a congestion surcharge registration requirement, and provide that any congestion surcharge registration fees already paid would not be refundable.

Gaming Proposals

- **Authorize NYRA to Fund the Belmont Redevelopment Project:** The Executive proposes to authorize the New York Racing Association's (NYRA) \$455 million Belmont Redevelopment Project. The State would initially finance the project, through a \$455 million capital appropriation. The Executive would issue a capital loan to finance the project and NYRA would subsequently repay the State at least \$25.8 million per year from its capital expenditure funds until the amount is repaid in full.
- **Enact Procedures for An Off-Track Betting (OTB) Corporation to Terminate Operations:** The Executive proposes to establish procedures for the closure of Catskill OTB, and to establish a procedure for municipalities located in the region of Catskill OTB to continue to participate in the off-track betting market with an OTB corporation located outside the region.
- **Extend Authorized Use of Capital Funds by a Certain OTB Corporation for One Year:** The Executive proposes to extend for one year the authorized use of the capital acquisition funds by the Capital Off-Track Betting (OTB) Corporation, through March 31, 2024.
- **Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year:** The Executive proposes to extend the current pari-mutuel tax rate structure and other racing-related provisions for one year through June 13, 2024.
- **Provide Financial Relief to the Metropolitan Transportation Authority (MTA):** The Executive proposes to direct any State portion of fees and recurring revenue received from the three remaining casino licenses in the downstate region to the MTA instead of the Commercial Gaming Fund for educational purposes.



Other Tax Proposals

- **Extend Reduced Transfer Tax Rates for Qualifying REITs For Three Years:** The Executive proposes to extend the tax rate reductions for real estate investment trusts (REITs) under the New York State and New York City real estate transfer tax for three years, from September 1, 2023, to September 1, 2026.

Table 51

**SFY 2023-24: Tax and Other Revenue Actions
(\$ in Millions)**

	General Fund		All Funds	
	FY2024	FY2025	FY2024	FY2025
Providing Tax Relief to New York	-	(42)	-	(42)
Extend and Enhance the Film Tax Credit	-	-	-	-
Extend the Empire State Commercial Production Tax Credit for Five Years	-	-	-	-
Modify the Investment Tax Credit for Farmers	-	(7)	-	(7)
Extend the New York City Musical and Theatrical Production Tax Credit for Two Years	-	-	-	-
Create a Tax Credit for Child Care Creation and Expansion	-	(25)	-	(25)
Extend the Lower Manhattan Sales and Use Tax Exemption	-	(10)	-	(10)
Extend the Tax Credit for the Phase-Out of a Certain Grade of Fuel Oil for Six Months	-	-	-	-
Reform, Simplification and Other Actions	(58)	712	(127)	581
Lead the Way for A Tobacco-Free Generation - Increase the State Excise Tax on Cigarettes from \$4.35 to \$5.35	(7)	(14)	(13)	(25)
Lead the Way for A Tobacco-Free Generation - Prohibit the Sale of All Flavored Tobacco	(51)	(100)	(116)	(222)
Make Local Sales Tax Rate Authorizations Permanent	-	-	-	-
Return Foreclosure Excess to Property Owners	-	-	-	-
Simplify and Modernize the Local Senior Citizens Exemption Income Definition	-	-	-	-
Allow DTF the Right to Appeal DTA Tribunal Decisions	-	-	-	-
Provide Authority to Abate Interest for Taxpayers Impacted by Declared Disasters	-	-	-	-
Extend and Limit the Vending Machine Sales Tax Exemption to Business Enterprise Program Vendors for One Year	-	-	-	-
Extend the Tax Credit for the Rehabilitation of Historic Properties for Five Years	-	-	-	-
Amend Motor Fuel Reporting Designation	1	1	2	4
Eliminate the Congestion Surcharge Registration Requirements	-	-	-	-
Extend the Temporary Article 9-A Tax Rates for Three Years	-	810	-	810
Create the Extended Prosperity and Innovation Campuses ("EPIC") Initiative	-	(1)	-	(1)
Require S-Corporation Conformity with Federal Returns	-	15	-	15
Make Technical Changes to Tax Law	-	-	-	-
Revoke Cigarette and Tobacco Taxes Certificate of Registration for Inspection Refusal	-	-	-	-
Abatement of Penalties for Underpayment of Estimated Tax by a Corporation	-	-	-	-
Clarification of the Wind and Solar Valuation Model	-	-	-	-
Technical Correction to the Deposit Timeframe	-	-	-	-
Extend the Application Date for COVID-19 Capital Costs Tax Credit	-	-	-	-
Extend Reduced Real Estate Transfer Tax Rates for Qualifying REITs for Three Years	-	-	-	-
Gaming Initiatives	-	-	11	22
Authorize a Franchise Corporation's Payment Structure to Fund the Belmont Redevelopment Project	-	-	-	-
Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year	-	-	-	-
Enact Procedures For An Off-Track Betting Corporation To Terminate Operations	-	-	-	-
Extend Capital Acquisition Fund Flexibility for Capital OTB for One Year	-	-	-	-
Eliminate Quick Draw Restrictions	-	-	11	22
Fee Actions	-	-	-	-
Extend the Oil and Gas Fee	-	-	-	-
TOTAL REVENUE ACTIONS	(58)	670	(116)	561

Table 52

All Funds Receipts SFY 2022-23
(\$ in Millions)

	2021-22 Actual	2022-23 Estimate	Change	Percent Growth
Personal Income Tax	\$70,739	\$58,371	(\$12,368)	(17.5%)
Gross Receipts	\$81,122	\$77,124	(\$3,998)	(4.9%)
Withholding	\$53,328	\$51,888	(\$1,440)	(2.7%)
Estimated Payments	\$21,666	\$18,145	(\$3,521)	(16.3%)
Vouchers	\$14,123	\$7,887	(\$6,236)	(44.2%)
IT 370s	\$7,543	\$10,258	\$2,715	36.0%
Final Payments	\$4,519	\$5,259	\$740	16.4%
Delinquencies	\$1,609	\$1,832	\$223	13.9%
Total Refunds	\$10,383	\$18,753	\$8,370	80.6%
Prior Year Refunds	\$5,489	\$9,684	\$4,195	76.4%
Current Refunds	\$2,380	\$3,000	\$620	26.1%
Advanced Credits	\$663	\$2,822	\$2,159	325.6%
Previous Refunds	\$729	\$923	\$194	26.6%
State/City Offsets	\$1,122	\$2,324	\$1,202	107.1%
User Taxes and Fees	\$19,621	\$20,535	\$914	4.7%
Sales and Use Tax	\$17,579	\$18,852	\$1,273	7.2%
Motor Fuel Tax	\$495	\$184	(\$311)	(62.8%)
Cigarette Tax	\$958	\$886	(\$72)	(7.5%)
Vapor Tax	\$29	\$27	(\$2)	(6.9%)
Highway Use	\$142	\$139	(\$3)	(2.1%)
Alcoholic Beverage Tax	\$277	\$280	\$3	1.1%
Opioid Excise Tax	\$29	\$29	\$0	0.0%
Medical Cannabis Excise Tax	\$13	\$12	(\$1)	(7.7%)
Adult Use Cannabis Tax	\$0	\$2	\$2	100.0%
Auto Rental Tax	\$99	\$122	\$23	23.2%
Peer to Peer Car Sharing Tax	\$0	\$2	\$2	100.0%
Business Taxes	\$27,725	\$26,112	(\$1,613)	(5.8%)
Corporate Franchise	\$7,236	\$8,855	\$1,619	22.4%
Utility Tax	\$554	\$540	(\$14)	(2.5%)
Insurance Tax	\$2,453	\$2,627	\$174	7.1%
Bank Tax	\$20	\$71	\$51	255.0%
Pass-Through Entity Tax	\$16,430	\$12,948	(\$3,482)	(21.2%)
Petroleum Business Tax	\$1,032	\$1,071	\$39	3.8%
Other	\$3,053	\$3,544	\$491	16.1%
Estate and Gift	\$1,386	\$2,025	\$639	46.1%
Real Estate Transfer	\$1,640	\$1,491	(\$149)	(9.1%)
Employer Compensation Exp.	\$13	\$13	\$0	0.0%
Pari-Mutuel	\$13	\$13	\$0	0.0%
Other	\$1	\$2	\$1	100.0%
Total Taxes	\$121,138	\$108,562	(\$12,576)	(10.4%)
All Funds Misc. Receipts	\$27,932	\$26,993	(\$939)	(3.4%)
Federal Grants	\$95,307	\$89,542	(\$5,765)	(6.0%)
Total All Funds Receipts	\$244,377	\$225,097	(\$19,280)	(7.9%)

Table 53

All Funds Receipts SFY 2023-24 (\$ in Millions)

	2022-23 Estimate	2023-24 Forecast	Change	Percent Growth
Personal Income Tax	\$58,371	\$61,312	\$2,941	5.0%
Gross Receipts	\$77,124	\$75,311	(\$1,813)	(2.4%)
Withholding	\$51,888	\$52,558	\$670	1.3%
Estimated Payments	\$18,145	\$16,314	(\$1,831)	(10.1%)
Vouchers	\$7,887	\$8,007	\$120	1.5%
IT 370s	\$10,258	\$8,307	(\$1,951)	(19.0%)
Final Payments	\$5,259	\$4,830	(\$429)	(8.2%)
Delinquencies	\$1,832	\$1,609	(\$223)	(12.2%)
Total Refunds	\$18,753	\$13,999	(\$4,754)	(25.4%)
Prior Year Refunds	\$9,684	\$7,405	(\$2,279)	(23.5%)
Current Refunds	\$3,000	\$3,000	\$0	0.0%
Advanced Credits	\$2,822	\$908	(\$1,914)	(67.8%)
Previous Refunds	\$923	\$837	(\$86)	(9.3%)
State/City Offsets	\$2,324	\$1,849	(\$475)	(20.4%)
User Taxes and Fees	\$20,535	\$21,750	\$1,215	5.9%
Sales and Use Tax	\$18,852	\$19,801	\$949	5.0%
Motor Fuel Tax	\$184	\$495	\$311	169.0%
Cigarette Tax	\$886	\$721	(\$165)	(18.6%)
Vapor Excise Tax	\$27	\$27	\$0	0.0%
Highway Use	\$139	\$141	\$2	1.4%
Alcoholic Beverage Tax	\$280	\$284	\$4	1.4%
Opioid Excise Tax	\$29	\$29	\$0	0.0%
Medical Marihuana Excise Tax	\$12	\$12	\$0	0.0%
Adult Use Cannabis	\$2	\$133	\$131	6550.0%
Auto Rental Tax	\$122	\$100	(\$22)	(18.0%)
Peer to Peer Car Sharing Tax	\$2	\$7	\$5	250.0%
Business Taxes	\$26,112	\$23,369	(\$2,743)	(10.5%)
Corporate Franchise	\$8,855	\$7,650	(\$1,205)	(13.6%)
Utility Tax	\$540	\$479	(\$61)	(11.3%)
Insurance Tax	\$2,627	\$2,660	\$33	1.3%
Bank Tax	\$71	\$0	(\$71)	(100.0%)
Pass-Through Entity Tax	\$12,948	\$11,460	(\$1,488)	(11.5%)
Petroleum Business Tax	\$1,071	\$1,120	\$49	4.6%
Other	\$3,544	\$2,652	(\$892)	(25.2%)
Estate and Gift	\$2,025	\$1,257	(\$768)	(37.9%)
Real Estate Transfer	\$1,491	\$1,366	(\$125)	(8.4%)
Employer Compensation Exp.	\$13	\$14	\$1	7.7%
Pari-Mutuel	\$13	\$13	\$0	0.0%
Other	\$2	\$2	\$0	0.0%
Total Taxes	\$108,562	\$109,083	\$521	0.5%
All Funds Misc Receipts	\$26,993	\$27,075	\$82	0.3%
Federal Grants	\$89,542	\$88,492	(\$1,050)	(1.2%)
Total All Funds Receipts	\$225,097	\$224,650	(\$447)	(0.2%)

BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive capital program and financing plan totals \$21.7 billion for SFY 2023-24, an increase of \$5.5 billion or 34 percent from SFY 2022-23.
- **Debt Issuance:** The Executive proposes to issue \$9.8 billion in debt to finance new and existing capital projects in SFY 2023-24, an increase of \$3.7 billion or 62 percent from SFY 2022-23. The Executive proposes utilizing PAYGO for \$7 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 \$21.5 billion in SFY 2022-23 to \$171 million in SFY 2027-28.
- **Retiring Long-Term Obligations:** The Executive projects the retirement of \$1.6 billion of debt in SFY 2023-24.
- **Deficit Financing Authorization:** The Executive proposes to continue deficit financing provisions for an additional year to manage cashflow in SFY 2023-24, if necessary. This includes authorization to issue up to \$3 billion in short-term PIT notes as well as continued authorization for the \$2 billion line of credit.
- **Debt Reduction Reserve:** The Executive proposes to set aside \$1 billion in a debt reduction reserve for the SFY 2023-24 to be used as needed to stay within the statutory limits of the debt capacity.

BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



The Five-Year Capital Plan provides a detailed analysis of 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 2022-23 Through SFY 2027-28 (\$ in Millions)

Spending	2023	2024	2025	2026	2027	2028
Transportation	6,723	8,552	8,658	8,351	8,630	8,132
Education	336	589	550	394	203	178
Higher Education	1,467	1,989	2,229	2,133	1,879	1,786
Economic Development	2,139	3,087	2,436	1,921	1,637	1,809
Mental Hygiene	584	972	1,032	937	868	721
Parks and Environment	1,848	2,038	2,101	2,106	2,144	2,144
Health	663	1,227	1,714	1,722	1,545	819
Social Welfare	1,535	1,830	1,848	1,332	1,138	1,435
Public Protection	529	677	667	597	528	504
General Government	557	653	550	558	488	452
All Other ¹	(429)	(185)	(1,305)	(1,414)	(1,472)	(1,470)
Total	<u>15,952</u>	<u>21,429</u>	<u>20,480</u>	<u>18,637</u>	<u>17,588</u>	<u>16,510</u>
Off-Budget Spending ²	(15)	(7)	(13)	0	0	0
Net Cash Spending	<u>15,937</u>	<u>21,422</u>	<u>20,467</u>	<u>18,637</u>	<u>17,588</u>	<u>16,510</u>

¹ Accommodates potential under-spending projected to occur as a result of normal timing related to the delivery of capital.
² Represents spending for the EXCEL program which occurs directly from bond proceeds held by public authorities.

Five-Year Capital Plan

The Executive proposes a Five-Year Capital Plan that totals \$94.6 billion and prioritizes transportation and transit projects (45 percent). The proposed State Fiscal Year (SFY) 2023-24 Capital Plan totals \$21.4 billion, an increase of \$5.5 billion or 34 percent from SFY 2022-23.

New Capital Initiatives

The Executive proposes \$21.7 billion in new capital appropriations, which are projected to be committed and spent over a multi-year period on various economic development, transportation, health care, higher education, parks, environment and social welfare programs.

Table 55

New Capital Appropriations SFY 2023-24 Executive Budget (\$ in Millions)			
Transportation/Transit	8,585	Health & Mental Hygiene	3,681
DOT Capital Plan (Highway, Bridge, Aviation, Rail, & Non MTA Transit)	7,807	Mental Hygiene Program	1,663
CHIPs/Local Road and Bridge Funding	778	Wadsworth Reconstruction	967
		Health Care Capital IT	500
Parks & Environment	1,364	Health Care Facility Transformation Program V	500
Clean Water Infrastructure	500	Roswell Park Capital	51
Environmental Protection Fund	400		
Parks NY Works	200	Economic Development	1,498
State Superfund	100	Renovation of Belmont Racetrack	455
DEC NY Works	90	NYW EDF	400
South Shore Sea Wall	74	EmPower+ New York Program	200
		Downtown Revitalization Initiative (Round 7)/NY Forward	200
Education/Higher Education	2,168	Regional Economic Development Councils (Round 13)	150
SUNY/CUNY Systemwide Maintenance and Preservation	1,109	Olympic Regional Development Authority (ORDA)	93
Community College Projects	223		
SUNY/CUNY New Initiatives	200	General Government/Public Protection	1,398
SUNY Flagship Research Labs	200	Correctional Facilities (DOCCS)	481
SUNY Digital Transformation	200	State Facilities (OGS)	242
SUNY Hospitals	150	State Police Facilities	237
Non-Public Schools Capital	45	Statewide Equipment Program	100
Native American Schools Capital	20	IT Innovation Fund	131
Library Capital Grants	14	Emergency Operations Center	80
Schools for the Blind and Deaf	7	Reducing Gun Violence Capital Grants	50
		Securing Communities Against Hate Crimes	35
Social Welfare	666	Armory Maintenance	25
Ongoing Housing Programs	243	Zero Emission Vehicles	17
Supporting Growth Fund	250		
Youth Facilities	60	All Other Capital Appropriations	2,326
Expansion of Homeowner Support Program	50		
State Share of Ongoing Storm Recovery Funding	28	Total Capital Appropriations	21,686
Lead Abatement of Capital Assistance	20		
Statewide Housing Database	15		

The Executive proposes \$8.6 billion in capital obligations for transportation purposes, including \$7.8 billion to fund the DOT Capital Plan. The Executive provides \$3.7 billion in Health and Mental Hygiene programs, \$2.2 billion in Education and Higher Education projects, \$1.5 billion in Economic Development programs and \$1.4 billion in Parks and Environment.

Financing the Capital Plan for 2023-24

The Executive proposal would finance the Five-Year Capital Program through a combination of State and Federal Pay-As-You-Go (PAYGO) financing totaling \$10.7 billion and bonded resources totaling \$10.8 billion.

Table 56

Capital Program and Financial Plan Financing Sources SFY 2022-23 and SFY 2023-24 (\$ in Millions)				
Financing Source	<u>FY 2023</u>	<u>FY 2024</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Authority Bonds	7,609	10,292	2,683	35.3%
Federal Pay-As-You-Go	3,284	3,700	416	12.7%
State Pay-As-You-Go	4,837	6,971	2,134	44.1%
General Obligation Bonds	223	468	245	109.9%
Total	15,953	21,431	5,478	34.3%

State Debt Issuances Over Five Years

Table 57

State Debt Issuances Summarized By Financing Program SFY 2022-23 Through SFY 2027-28 (\$ in Millions)						
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
<u>General Obligation Bonds</u>	408	599	579	474	394	336
<u>Revenue Bonds</u>						
Personal Income Tax	5,620	6,420	5,103	5,964	6,256	6,245
Sales Tax	0	2,752	2,381	2,056	2,085	2,082
Subtotal Revenue Bonds	5,620	9,172	7,484	8,020	8,341	8,327
Total State-Supported	6,028	9,771	8,063	8,494	8,735	8,663



The SFY 2023-24 Executive Budget proposes new bond-financed capital commitments, adding \$43.7 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 cash PAYGO 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 \$9.8 billion in new bond issuances in SFY 2023-24, as follows:

- \$6.4 billion through the PIT Revenue Bond Program;
- \$2.8 billion through the Sales Tax Revenue Bond Program; and
- \$599 million in State General Obligation Bonds.

Debt Issuance projections for SFY 2023-24 have increased by \$3.7 billion or 62 percent over SFY 2022-23.

State-Supported Debt

Table 58

New York State-Supported Debt Outstanding by Program Area SFY 2023-24 (\$ in Millions)		
	<u>FY 2023-24</u>	<u>Share of Total Debt</u>
Transportation and Transit	24,346	36.5%
Education	17,056	25.6%
Economic Development & Housing	9,741	14.6%
State Facilities & Equipment	5,529	8.3%
Health & Mental Hygiene	5,001	7.5%
Environment	3,913	5.9%
STARC ¹	1,094	1.6%
Secured Hospital Beds ¹	13	0.0%
Total State-Supported Debt	66,693	100.0%

¹In FY 2022, NYS issued Personal Income Tax Bonds to refund NYC STARC debt and DASNY Secured Hospital Debt.

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

The SFY 2022-23 Enacted Budget included language to authorize DASNY and UDC to issue up to \$3 billion in personal income tax short-term notes and establish a \$2 billion line of credit to address



delays in tax receipts. These tools were not utilized. While proposed to be reauthorized in SFY 2023-24, 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 \$21.5 billion in remaining capacity in SFY 2022-23 to a low point of \$171 million in SFY 2027-28. The amount of debt outstanding is limited to four percent of state personal income.

Table 59

Debt Outstanding Subject to Cap Remaining Capacity Summary						
SFY 2022-23 through SFY 2027-28						
(\$ in Millions)						
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Mid-Year Update to the FY 2023 Financial Plan	18,906	11,989	7,393	4,144	355	(1,155)
Personal Income Forecast Adjustment	148	80	(81)	(140)	(214)	(225)
Capital Adds	0	(1,030)	(2,271)	(3,378)	(4,327)	(4,427)
Bond Sale Timing	2,040	1,961	1,878	1,791	1,701	1,621
Capital Re-Estimates	402	1,415	2,986	3,841	4,357	4,357
FY 2023 Executive Budget Financial Plan	21,496	14,415	9,905	6,258	1,872	171

The SFY 2020-21 and SFY 2021-22 Enacted Budgets included language to notwithstanding 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. Thus, 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 by 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

State-related debt outstanding is projected to total \$66.7 billion in SFY 2023-24, an increase of \$8.2 billion or 14 percent from SFY 2022-23. Over the plan, state-related debt outstanding is projected to increase to \$89 billion in SFY 2027-28.



State-related debt is defined as state-supported debt plus contractual obligations and other financing structures. 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.

State Debt Retirements

Retirement of debt has significantly impacted the state’s ability to finance its capital programs. In SFY 2023-24, state-supported debt retirements are projected at \$1.6 billion, a decrease of \$1.3 billion or 45 percent from SFY 2022-23. This decrease is largely due to prior prepayments, which resulted in the early retirement (defeasance) of \$1.9 billion of bonds that had been scheduled to retire in SFY 2023-24. Over the next five fiscal years, state-supported debt retirements are projected to average \$2.6 billion annually.

Table 60

New York State - Principal Retirement	
Period	Cumulative Percentage of Existing Debt Scheduled for Retirement as of 02/01/2023
5 Years	14%
10 Years	40%
15 Years	60%
20 Years	76%
25 Years	90%
30 Years	98%
40 Years	100%

State-Supported Debt Service

State-supported Debt Service is projected at \$3.5 billion in SFY 2023-24, a decrease of \$5.0 billion or 59 percent from SFY 2022-23. This decrease is due to the prepayment of \$7.6 billion in SFY 2021-22 of future debt service costs and an additional prepayment of \$2.9 billion anticipated in SFY 2022-23. If prepayments are excluded from debt service, state-supported debt service is projected at \$6.7 billion in SFY 2023-24.



Table 61

State Supported Debt Service

(\$ in Millions)

	SFY 2022-23	SFY 2023-24	SFY 2024-25	SFY 2025-26	SFY 2026-27
Base State Debt Service	6,666	6,653	7,415	7,818	8,273
Total Prepayment Adjustment	1,825	(3,155)	(3,145)	(2,380)	(2,860)
Prior Prepayments	(700)	(700)	(700)	0	0
FY 2022 Prepayment	(375)	(1,555)	(1,695)	(1,630)	(2,360)
FY 2023 Prepayment (FY23 Executive Add)	2,000	0	(750)	(750)	(500)
FY 2023 Prepayment (FY24 Executive Add)	900	(900)	0	0	0
Executive Budget State Debt Service	8,491	3,498	4,270	5,438	5,413

Article VII

The Executive proposes language that would:

- authorize the issuance of up to \$3 billion in short-term PIT notes;
- authorize the state to enter into a line of credit of up to \$2 billion;
- authorize any balance remaining in the debt service appropriation for Mental Hygiene facilities to make rebates necessary to protect the tax-exempt status of the bonds;
- authorize the state to increase its contribution to the Gateway Project from \$2.35 billion to \$2.85 billion;
- authorize the state to refinance and increase NYPA energy project loans of state agencies from \$200 million to \$475 million;
- authorize the extension of MTA projects to be amortized up to 50 years until March 31, 2024;
- continue to allow the state to set-aside debt service paid for in the General Debt Service Fund;
- increase authorization of DASNY to issue hospital and nursing home bonds and establish bond caps for nursing home and hospital related projects from \$17.4 billion to \$18.2 billion;
- authorize DASNY to provide services to any municipal entities who receive loans or grants through the Downtown Revitalization Initiative or NY Forward Program;
- extend authorization of DASNY to operate a PILOT program for small, minority-owned, and women-owned businesses until July 1, 2027;
- increase the Battery Park City Authority renewable and non-renewable bond capacity; and
- extend DASNY’s ability to enter into design and construction management agreements until April 1, 2028.



Settlement Fund Commitments to Capital Projects

Since SFY 2014-15, the state has received \$13.6 billion in monetary settlements primarily from financial institutions. The Executive has allocated \$8 billion for capital initiatives and \$5.6 billion to non-capital or operating purposes.

The Executive proposal gradually transfers settlement funds to the Dedicated Infrastructure Investment Fund (DIFF) 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.

Settlement resources were used to pay for \$1.3 billion of capital spending in SFY 2016-17 to support higher education, transportation and economic development. This \$1.3 billion advance from settlement funds was repaid over a two-year period, as the state reimbursed this capital spending with bond proceeds in SFY 2017-18 (\$800 million) and SFY 2018-19 (\$500 million).

The Javits Center expansion project's initial capital funding requirements were supported by settlement fund balances in the first instance, beginning in SFY 2018-19. These expenses are expected to be fully reimbursed from bond proceeds in SFY 2022-23 and SFY 2023-24.

Table 62

Use of Monetary Settlements
SFY 2015-16 Through SFY 2026-2027
(\$ in Millions)

	<u>SFY 2015-</u>							
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>Total</u>
Opening Settlement Balance in General Fund	0	2,083	1,837	1,552	725	164	9	0
Receipt of Extraordinary Monetary Settlements	13,350	68	163	34	0	0	0	13,615
Use/Transfer of Funds	11,267	314	448	861	561	155	9	13,615
Capital Purpose	<u>6,006</u>	<u>246</u>	<u>185</u>	<u>828</u>	<u>561</u>	<u>155</u>	<u>9</u>	<u>7,989</u>
Dedicated Infrastructure Investment Fund	4,643	235	676	1,085	525	146	0	7,310
Environmental Protection Fund	120	0	0	0	0	0	0	120
Mass Transit	76	5	3	1	0	0	0	85
Healthcare	167	6	6	17	11	9	9	225
Clean Water Grants	0	0	0	225	25	0	0	250
Javits Center Expansion	1,000	0	0	0	0	0	0	1,000
Bond Proceed Receipts for Javits Center Expansion	0	0	(500)	(500)	0	0	0	(1,000)
Other Purposes	<u>3,128</u>	<u>0</u>	<u>103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,231</u>
Audit Disallowance - Federal Settlement	850	0	0	0	0	0	0	850
CSX Litigation Payment	76	0	0	0	0	0	0	351
Financial Plan-General Fund Operating Purposes	1,807	0	100	0	0	0	0	1,907
Mass Transit Operating	10	0	0	0	0	0	0	10
MTA Operating Aid	194	0	0	0	0	0	0	194
Department of Law- Litigation Services Operations	186	0	3	0	0	0	0	189
OASAS Chemical Dependence Program	5	0	0	0	0	0	0	5
Reservation of Funds	<u>2,133</u>	<u>68</u>	<u>160</u>	<u>33</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,394</u>
Rainy Day Reserve	488	0	0	0	0	0	0	488
Reserve for Economic Uncertainties	1,490	68	160	33	0	0	0	1,751
Reserve for Retroactive Labor Agreements	155	0	0	0	0	0	0	155
Closing Settlement Balance in General Fund	2,083	1,837	1,552	725	164	9	0	0

Source: NYS Division of Budget.

APPROPRIATION BUDGET BILLS

- A. 3000/ S.4000 State Operations Budget Appropriation Bill
- A. 3001/ S.4001 Legislature and Judiciary Budget Appropriation Bill
- A. 3002/ S.4002 Debt Service Budget Appropriation Bill
- A. 3003/ S.4003 Aid to Localities Budget Appropriation Bill
- A. 3004/ S.4004 Capital Projects Budget Appropriation Bill
- A. 3005/ S.4005 Public Protection and General Government Article VII Bill
- A. 3006/ S.4006 Education, Labor and Family Assistance Article VII Bill
- A. 3007/ S.4007 Health and Mental Hygiene Article VII Bill
- A. 3008/ S.4008 Transportation, Economic Development and Environmental Conservation Article VII Bill
- A. 3009/ S.4009 Revenue Article VII Bill



NON-APPROPRIATION BUDGET BILLS

Section 22 of the State Finance Law requires the Executive Budget to include a list of proposed legislation submitted pursuant to Article VII of the State Constitution. In addition to the major appropriation bills, the following Article VII bills have been submitted that set forth the policy initiatives contained in the Executive Budget.

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 distribution of certain monies recovered by county district attorneys for two years.
B	Amend Various Provisions Related to Bail and Securing Orders.	This part would remove the standard by which a judge must adhere when imposing a securing order for the statutorily defined "qualifying offenses," requiring only that the court explain its choice of securing order.
C	Expand use of Body Scanning Equipment	This part would expand the use of body imaging scanning equipment to state correctional facilities, secure or specialized secure detention facilities, or facilities for youth placed with or committed to the Office of Children and Family Services. This part would also authorize these facilities screen visitors.
D	Lower Correction Officer Age Requirements	This part would lower the age at which an individual could be appointed as a correction officer from twenty-one to nineteen years of age.
E	Establish a Statewide Database of All Criminal Offenses Involving Shootings	This part would require the State Police to maintain a database of all criminal offenses involving the discharge of firearms, shotguns, or rifles.
F	Amend the Concealed Carry Improvement Act and Other Provisions Related to Body Armor and Semiautomatic Rifles	This part would make various amendments to the Concealed Carry Improvement Act, as well as make changes to provisions related to the purchase and sale of body armor and semiautomatic rifles.
G	Establish the Hazard Mitigation State Revolving Loan Fund	This part would establish a hazard mitigation state revolving loan fund to administer federal assistance with a state match via low interest loans to local governments.
H	Authorize Volunteer Fire Service Retention Payments	This part would authorize governing boards of cities, towns, villages, and fire districts to pay nominal fees to volunteer firefighters for responding to calls and completing certain training.

I	Establish Task Force to Develop Model Domestic and Gender-Based Violence Policy	This part would require the Office for the Prevention of Domestic Violence to convene a task force to develop a model domestic and gender-based violence policy for adoption by every state and county agency in New York State.
J	Expand Eligibility for World Trade Center Death and Disability Benefits to New York's Organized Militia	This part would expand eligibility for death and disability benefits to certain members of the New York State organized militia who were activated on and after September 11, 2001, to participate in World Trade Center site rescue, recovery or cleanup operations as part of such state active duty and would authorize the Division of Military and Naval Affairs to promulgate regulations for implementation.
K	Revise Alcoholic Beverage Control Law	This part would direct the State Liquor Authority (SLA) to review the Alcoholic Beverage Control Law and post an amended version of the law containing proposed changes on their website for public review.
L	Authorize SLA Temporary Wholesale Permits	This part would authorize the State Liquor Authority to issue temporary permits to applicants with pending wholesale license applications.
M	Expedite SLA Review of Corporate Changes	This part would provide those pending applications for permission to make a corporate change shall be deemed approved if the State Liquor Authority does not act within ninety days.
N	Expedite SLA Municipal Notification Process	This part would allow a State Liquor Authority license applicant to submit a required notice to a municipality and an application to the SLA on the same day.
O	Expand SLA Temporary Retail Permits	This part would provide that any new business may receive a temporary permit if no former license at the proposed location has previously been canceled, suspended, or revoked, and allow temporary retail permits to be extended for ninety days and make these provisions permanent.
P	Increase 18-b Assigned Counsel Rates	This part would increase the assigned counsel rates for all cases to \$158 per hour for downstate counties and \$119 per hour for all other counties and increase the maximum compensation for such representation to \$10,000 for downstate counties and \$7,000 for all other counties.
Q	Extend State Commission on the Restoration of the Capitol	This part would extend the authority of the State Commission on the Restoration of the Capitol for an additional five years from April 1, 2023, to April 1, 2028.
R	Authorize Electronic Bidding in State Procurement	This part would allow state agencies to require electronic submission of bids for contracts.



S	Expand Continuous Recruitment for Public Workforce	This part would allow the Department of Civil Service or a municipal commission to establish continuing eligible lists for any competitive class title which is deemed appropriate for continuous recruitment.
T	Expand 55-b and 55-c Candidate Programs	This part would increase the number of titles eligible to be filled through the 55-b program and allow employees holding 55-b and 55-c appointments to transfer into competitive class titles without examination.
U	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.
V	Extend Waiver of Retiree Income Cap for Public School Employees	This part would extend provisions of law waiving the income cap for retirees working in a public school or BOCES from 2023 to 2024.
W	Amend the Contribution Stabilization Program	This part would limit the value of the reserve fund of employers participating in the New York State and Local Retirement System's Contribution Stabilization Program, authorize use of the reserve fund when the employer contribution rate exceeds the employer graded rate, and establish program participation termination provisions.
X	Authorize NYSHIP Interest for Arrears	This part would authorize the president of the Civil Service Commission to require the payment of interest on late payments made by certain employers for the administration of the New York State Health Insurance Program (NYSHIP).
Y	Authorize Special Accidental Death Benefit for County Employees	This part would require counties to pay a special accidental death benefit to families of certain deceased employees and provide for the payment of such benefit to the families of employees who died prior to April 1, 2023.
Z	Establish Ethics Commission Staggered Terms	This part would stagger the terms of the initial appointees to the Commission on Ethics and Lobbying and Government.
AA	Extend New York City Commercial Property and Sales Tax Incentives	This part would extend various property and sales tax incentives in New York City for five years.
BB	Repeal Specific County-Wide Shared Services Initiative Payment	This part would repeal the authorization for a \$1 million annual payment to the North Shore Water Authority from the County-Wide Shared Services Initiative.

A. 3006 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	School Aid	This part would amend various provisions of Education Law related to school aid, the charter school regional cap, the reissuance of certain charter schools, prekindergarten, zero-emission school bus reporting, special education tuition-rate setting methodology study, and aid to public libraries.
B	Authorize Tuition Increases at SUNY and CUNY	This part would authorize SUNY and CUNY to annually increase resident undergraduate tuition up to the lesser of the higher education price index or 3% and authorize SUNY to charge differential tuition at SUNY's university centers.
C	Require Access to Medication Abortion Prescription Drugs at SUNY and CUNY	This part would require every SUNY and CUNY campus to provide access to medication abortion prescription drugs to all students enrolled at such campuses.
D	Eliminate Award Cap for the Liberty Partnerships Program	This part would remove the maximum cap on awards for the Liberty Partnerships Program.
E	Allow Ownership in Public Accountancy Firms	This part would allow public accountancy firms to have up to 49 percent ownership by individuals who are not certified public accountants and require non-licensee owners to pay a \$900 fee to State Education Department triennially.
F	Create the New Homes and Fast Track Approval Act	This part would establish new home targets in each municipality and fast-track approvals in localities that do not meet growth targets or that fail to implement certain land use actions.
G	Create the Transit-Oriented Development Act of 2023	This part would require local governments to authorize the construction of residential dwelling units within proximity to any non-seasonal rail station.
H	Require Submission of Local Zoning and Housing Production Data	This part would require municipalities to annually submit information on local zoning and data on housing production to the Division of Homes and Community Renewal (DHCR)
I	Amend Provisions Relating to Special Proceedings to Convey Title to Abandoned Dwellings to Cities, Towns, or Villages	This part would add language to qualify that a vacant dwelling that is not sealed and continuously guarded means that it may be entered without damaging the property and provide that a property may be found to be abandoned when it has certain property maintenance code violations.
J	Provide for Conversion of Office Spaces to Residential Housing	This part would allow the conversion of additional commercial properties within specified areas of New York City.



K	Provide for the Legalization and Conversion of Basement Dwelling Units	This part would allow New York City to establish a program to legalize illegal basement apartment units.
L	Amend New York City's Floor Area Ratio Limit on Residential Density	This part would authorize New York City and the Urban Development Corporation through zoning law, ordinance, or resolution or after consultation with local officials to pursue the construction of taller residential buildings by deviating from the state law capping the floor area ratio of a building.
M	Create New Tax Abatement Incentives for Affordable Multiple Dwellings in NYC	This part would create a new version of the J-51 abatement program related to alterations and improvements to affordable multiple dwelling buildings in New York City.
N	Establish a Local Option Tax Incentive for Affordable Multi-Family Housing	This part would allow municipalities outside of New York City to enact a local property tax exemption related to new construction of affordable multi-family housing.
O	Authorize a Property Tax Exemption for Accessory Dwelling Units	This part would authorize municipalities to adopt a property tax exemption program for residential property owners to create one or more additional residential units on their property.
P	Authorize Tax Incentive Benefits for Converting Commercial Property to Affordable Housing	This part would create an exemption program related to the conversion of commercial, manufacturing, and certain other non-residential properties into affordable multiple dwelling units.
Q	Transfer Mortgage Insurance Funds (MIF)	This part would transfer \$90.68 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program, and homeless housing programs.
R	Extend the Project Completion Deadline in (RPTL) 421-a	This part would extend the deadline to complete a vested Real Property Tax Law 421-a multiple dwelling or homeownership project by four years from 6/15/2026 to 6/15/2030.
S	Index the Minimum Wage to Inflation	This part would index the minimum wage in New York City, Westchester, and Long Island to the rate of inflation beginning on December 31, 2023 and would index the minimum wage in the remainder of New York State to the rate of inflation beginning a year after the minimum wage rate equals \$15 per hour. It would also provide for certain exceptions to the annual increases established by the Commissioner of Labor.
T	Establish New York City Community Hiring and Workforce Development Office	This part would establish a New York City Office of Community Hiring and Workforce Development related to entities contracting with the City and entities performing services under certain contracts.

U	Amend Child Care Assistance Program	This part would expand eligibility for childcare assistance to up to 85% of the state's Median Income and authorize the Office of Children and Family Services to set uniform priority standards for applicants of childcare assistance.
V	Make amendments to Committee on Special Education (CSE) Placements	This part would eliminate State reimbursement for residential CSE placements made outside of New York City and for students attending a state operated school for the deaf and blind.
W	Make Permanent the Close to Home Initiative	This part would extend the legal authority for the Close to Home initiative on a permanent basis.
X	Amend Educational and Vocational Training Programs for Public Assistance Recipients	This part would authorize a one-time disregard of earned income for public assistance recipients enrolled in educational or vocational training programs.
Y	Provide for Public Assistance Fraud Reimbursement	This part would require the replacement of public assistance funds stolen due to fraudulent activities and require the Office of Temporary and Disability Assistance to establish protocols and protections for public assistance recipients.
Z	Authorize SSI Cost of Living Adjustment Pass-through	This part would authorize the Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA) pass-through for 2024.

A. 3007 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Extend the Medicaid Global Cap	This part would extend the legal authority for the Medicaid Global Cap through SFY 2025.
B	Extend various provisions of the Public Health and Social Services laws	This part would extend the legal authority of various provisions of the Public Health Law and Social Services Law.
C	Extend the Health Care Reform Act (HCRA)	This part would extend the legal authority of various provisions under the Health Care Reform Act.
D	Amend Pharmaceutical Related Provisions	This part would eliminate prescriber prevails protections under Medicaid fee-for-service and managed care and modify the Commissioner of Health’s authority to change drugs placed on the preferred drug list.
E	Extend and Amend certain Hospital Provisions	This part would extend the legal authority for the general hospital indigent care pool (ICP) through FY 2026; establish a Rural Emergency Hospital designation; expand the Vital Access Provider Assurance Program; and increase hospital inpatient rates by 5 percent.
F	Extend the Physicians Excess Medical Malpractice Program	This part would extend until June 30, 2024, the provisions of the Physicians Excess Medical Malpractice Program.
G	Decrease Income Eligibility Threshold for Private Pay Protocol Program	This part would decrease the income threshold to be eligible for the private pay protocol program from four hundred percent of the Federal poverty level to two hundred and fifty percent of the Federal poverty level.
H	Expand Essential Plan	This part would expand eligibility under the Essential Plan to up to 250% of the Federal Poverty Level; authorize pregnant women to maintain eligibility through 1-year post-partum regardless of change to income; delay implementation of Medicaid coverage expansion for undocumented individuals age 64 and older.
I	Extend Long-Term Care Reforms	This part would extend the moratorium on the establishment of new managed long term care plans through 2027; eliminate the wage parity and the procurement process for the Consumer Directed Personal Assistance Program (CDPAP); establish a CDPAP supplemental premium assistance fund.
J	Amend Emergency Services Insurance Coverage	This part would require health insurers to pay emergency services claims prior to conducting a utilization review and sets forth a claims dispute resolution process.

K	Authorize Medicaid Eligibility Expansion	This part would authorize the DOH to submit a waiver to the federal government to expand eligibility for Medicaid coverage to certain incarcerated individuals.
L	Amend Site of Service Reviews	This part would require health care plans to have free-standing ambulatory surgical center providers in their networks, provide that a site of service review shall constitute a utilization review, and set forth clinical review standards.
M	Amend Certificate of Need Provisions	This part would modify the certificate of need application review process for the establishment of hospitals, nursing homes, and diagnostic and treatment centers.
N	Amend Medicaid Buy-In Program for People with Disabilities	This part would authorize the Commissioner of Health to submit a waiver to the federal government to expand eligibility for New York's Medicaid Buy-in Program for working people with disabilities.
O	Ban Sale of Tobacco and Vapor Products	This part would ban the sale of flavored tobacco or vapor products and expand the definition of vapor product.
P	Establish Health Care Facility Transformation Program V	This part would establish the Statewide Health Care Facility Transformation Program Part V to provide \$1B in funding for capital projects to licensed health care facilities over a multi-year period; establish minimum funding amounts for certain health care facilities and provider categories.
Q	Expand Access to Primary Care	This part would expand Medicaid coverage to include services provided by certain community health workers that serve high-risk populations.
R	Expand Access to Preventative Health Care Services	This part would expand Medicaid coverage to include arthritis self-management training services and services provided by certified nutritionists and dieticians.
S	Amend Emergency Medical Services	This part would require the State Emergency Medical Services Council to advise the Commissioner of Health on issues related to EMS; establish a statewide comprehensive emergency medical services plan; establish mobile integrated healthcare program for ESM agencies; and establish a new process for the approval of EMS applications.
T	Establish Lead Testing Requirements	This part would establish a registry for all qualifying residential dwellings built prior to 1980 and require all qualifying residential dwellings to be certified as free of lead paint hazards; establish inspection requirements for lead-paint hazards.
U	Amend Abortion Access Privacy Protections	This part would amend data privacy protections for individuals seeking abortion services by preventing individuals and companies in NYS from sharing abortion procedure information with out of state law enforcement officials.



V	Authorize Pharmacists to Prescribe Certain Contraceptives	This part would authorize pharmacists to prescribe, and order self-administered hormonal contraceptives and emergency contraceptive drug therapy pursuant to a standardized procedure or protocol developed and approved by the Board of Pharmacy, in consultation with the Department of Health.
W	Expand Scope of Practice for Certain Health Care Providers	This part would expand the scope of practice for pharmacists, dentists, physician assistants, registered nurses, advanced home health aides, and certified nurse's aides; expand and rename the collaborative drug therapy management demonstration program, authorize New York to join the Interstate Medical Licensure Compact and Nurse Licensure Compact, and authorize applicants for licensure in a qualified high need health care profession to request a temporary practice permit.
X	Establish Nurse Agency Staffing Provisions	This part would establish a registration and data reporting process for temporary health care services staffing agencies.
Y	Establish Medical Cost Provisions	This part would establish the Prescription Drug Price and Supply Chain Transparency Act of 2023 and establish a Health Guarantee Fund.
Z	Establish Assisted Living Residence Provisions	This part would require assisted living residences and enhanced assisted living residences to submit an annual report on quality measures and require the Department of Health to develop quality indicators to determine ratings of assisted living residences.
AA	Expand Epidemic Screening	This part would expand screening of Hepatitis C to all adults and pregnant persons and require third trimester pregnancy screening for syphilis.
BB	Establish Fentanyl Analogs Ban Provisions	This part would expand the state Controlled Substance Schedule to include fentanyl analogs and establish new criminal penalties for imitation of a controlled substance.
CC	Transfer Oversight and Regulation of Licensed Health Care Professions	This part would transfer oversight and regulation of licensed health care professions from the State Education Department to the Department of Health.
DD	Amend Human Services Cost of Living Adjustment	This part would establish a 2.5 percent Human Services Cost of Living Adjustment for SFY 2023-24.
EE	Extend Office for People with Disabilities (OPWDD) Managed Care	This part would extend the legal authority for the OPWDD to implement managed long term care plans.
FF	Amend OPWDD Nursing Provisions	This part would authorize direct support staff under OPWDD certified community-based programs to perform certain nursing activities by unlicensed employees.

GG	Establish Qualified Mental Health Associate Credentialing	This part would establish credentialing standards for qualified mental health associates.
HH	Authorize Licensure of Certified Community Behavioral Health Clinics and Establishment of an Indigent Care Program	This part would authorize the Office of Mental Health (OMH) and Office of Addiction Services and Supports (OASAS) to jointly certify community behavioral health clinics and establish an indigent care program for certified community behavioral health clinics.
II	Amend Behavioral Health Services Insurance Provisions	This part would require health insurers to provide coverage for behavioral health, provide reimbursement parity for behavioral health services via telehealth, and eliminate prior authorization under certain circumstances.
JJ	Authorize Penalties for Mental Hygiene Law Violations	This part would authorize an increase in monetary penalties for violations under the Mental Hygiene Law for the unauthorized closure of inpatient beds in programs certified by OMH.



A. 3008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Authorize Photo Enforcement of New York City Bus Lane and Bus Operation-Related Traffic Regulations	This part would authorize the City of New York to establish a five-year photo enforcement demonstration program for bus operation-related traffic regulations and make permanent the current bus lane photo enforcement program authorization for the City.
B	Authorize a Tri-borough Bridge and Tunnel Authority Speed Camera Demonstration Program	This part would authorize the Tri-borough Bridge and Tunnel Authority to establish a five-year photo speed enforcement demonstration program.
C	Make Permanent MTA Tax Increment Financing and Procurement Provisions	This part would permanently authorize municipalities within the Metropolitan Commuter Transportation District to establish alternative funding arrangements for capital projects that benefit their communities.
D	Increase NYC's Contribution to the MTA	This part would require New York City to fund certain expenses currently paid by the MTA.
E	Expand MTA Owner Controlled Insurance Program	This part would allow the MTA to expand its Owner Controlled Insurance Program (OCIP) related to buses, bridges, and tunnels to reduce the cost of its capital programs.
F	Amend Enforcement of Toll Violations	This part would impose administrative sanctions and increase certain penalties on motor vehicle registrants and authorize police officers to seize and confiscate prohibited license plate coverings.
G	Extend Metropolitan Transportation Authority Compulsory Arbitration	This part would extend provisions of law granting the Public Employment Relations Board authority to engage the Metropolitan Transportation Authority and its recognized employee organization in binding interest arbitration until 2025.
H	Establish Transportation Worker Assault Penalty	This part would create a Class D felony of Assault 2 nd degree when someone attacks or physically injure certain transit workers while they are performing their duties.
I	Expand Metropolitan Transit Authority Transit Bans	This part would expand the scope and circumstances for which a judge can restrict an individual from using or entering MTA property in a sentence of conditional discharge or probation.
J	Extend Autonomous Vehicle Demonstration	This part would extend, for one year, the provision of law authorizing the demonstration and testing of autonomous vehicles on public roads.

K	Authorize New York City Speed Limits	This part would authorize lower maximum speed limits within the City of New York and prohibit such City from increasing maximum speed limits without notice and opportunity for community board comment.
L	Modify Driving Under the Influence	This part would modify a provision of law that prohibits the reissuance of a driver's license following a repeat conviction for driving while intoxicated or impaired where physical injury results.
M	Modify County Clerk DMV Retention Fees	This part would modify the retention fees retained by county clerks acting as agents of the Department of Motor Vehicles, for in-person and internet transactions.
N	Modify Certain Parking Violations	This part would: increase monetary penalties for tractor-trailers, tractors, truck trailers and semi-trailers parking overnight in residential neighborhoods in the City of New York; modify the content in parking ticket notices; extend the statute of limitations for a parking violation; and impose restrictions on appeals and the recovery of fines for overturned charges.
O	Authorize Impoundment or Immobilization of Vehicles Subject to Department of Transportation (DOT) Jurisdiction	This part would authorize DOT to seize the license plates of, and to impound or immobilize, any passenger carrying motor vehicles subject to DOT's jurisdiction, due to out-of-service defects.
P	Impose Motorist Responsibility in Certain Crashes	This part would require drivers involved in a property damage crash involving no personal injury or death to immediately move their vehicles from a travel lane, within certain parameters.
Q	Increase Metropolitan Commuter Transportation Mobility Tax (MCTMT) Rate	The part would increase the top Metropolitan Commuter Transportation Mobility Tax (MCTMT) rate for businesses and self-employed individuals within the Metropolitan Commuter Transportation District (MCTD).
R	Amend Metropolitan Transportation Authority Finance Fund Provisions	This part would divert the taxes and licensing fees from the newly authorized commercial casinos to be paid to the Metropolitan Transport Authority Finance Fund.
S	Authorize DFS Regulations Related to Debit and Credit Card Transactions	This part would authorize DFS to promulgate rules and regulations relating to debit and credit card transactions and the imposition of overdraft, insufficient funds, and return deposit item fees by banking organizations.
T	Amend Condominium Declaration Filing Requirements	This part would eliminate the requirement that condominium declarations be filed with the Department of State and instead require that a designation of service of process be filed with the Department of State.



U	Extend Health Insurance Continuation Assistance Demonstration Project	This part would extend the Health Insurance Continuation Assistance Demonstration Project for one year.
V	Authorize Expanded Natural Organic Reduction	This part would enable the Department of State to authorize individuals and businesses, in addition to cemetery corporations, to perform natural organic reduction.
W	Amend Automobile Photo Inspection Requirements	This part would allow insurers to waive the requirement that an automobile be inspected prior to the issuance of a policy.
X	Amend Provisions Related to Videoconferencing for Public Bodies Serving Individuals with Disabilities	This part would permit videoconferencing for public bodies specifically serving the disability community and amend the Open Meetings Law regarding in-person participation during a declared state or local disaster emergency.
Y	Establish Cosmetology Trainee Program	This part would establish a cosmetology trainee program.
Z	Increase Authorization for DASNY to Issue Hospital and Nursing Home Project Bonds and Notes	This part would increase the authority of Dormitory Authority of State of New York (DASNY) to issue hospital and nursing home project bonds from \$17.4 billion to \$18.2 billion.
AA	Authorize DASNY to Provide Services Related to Downtown Revitalization and NY Forward Grants or Loans	This part would authorize DASNY to provide its services to municipalities and certain governmental entities who have been awarded grants or loans pursuant to the New York State Downtown Revitalization Initiative and the New York Forward Program.
BB	Extend Authorization of DASNY to Operate a PILOT Program for Small, Minority Owned, and Women Owned Businesses	This part would extend DASNY's authorization to operate a pilot program to expand contracting opportunities for small businesses and MWBEs to July 1, 2027.
CC	Create the Extended Prosperity and Innovation Campuses (EPIC) Program	This part would replace the START-UP NY program with the EPIC program which would make technical changes to participant eligibility, benefits, and revise the board approval process.
DD	Establish Small Business Grant Program	This part would establish a matching grant program to provide funds to small businesses who have been awarded funds under the federal Small Business Innovation Research or Small Business Technology Transfer programs.
EE	Increase Battery Park City Authority Bond Capacity	This part would increase the permitted amount of renewable and non-renewable outstanding debt the Battery Park City Authority can issue for the purposes of financing projects relating to infrastructure maintenance and resiliency-related work.

FF	Increase Maximum Award Available under Excelsior Linked Deposit Program	This part would increase the statutory cap on the amount of money the State can invest in financial institutions for the purposes of facilitating low-interest loans to businesses from \$2 million to \$6 million dollars.
GG	Extend Urban Development Corporation Loan Powers	This part would extend the general loan powers of the Urban Development Corporation for an additional five years.
HH	Amend Minority- and Women-Owned Business Enterprise (MWBE) Certifications and Discretionary Procurement Thresholds	This part would require the State and any municipalities that have a MWBE program to enter a memorandum of understanding regarding the acceptance of certification verification for MWBE applicants and increase the discretionary procurement purchase threshold for State MWBEs and Service-Disabled Veteran Owned Businesses (SDVOBs) from \$500,000 to \$1.5 million and for New York City MWBEs from \$1 million to \$1.5 million.
II	Amend Alternative Project Bidding Methods for New York City	This part would expand the New York City Public Works Investment Act to authorize the use of certain alternative project delivery methods.
JJ	Extend Empire State Economic Development Fund Authorization	This part would extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for an additional five years.
KK	Amend Public Construction Project Insurance Exemptions	This part would exempt certain entities from the definition of the terms “public corporation” and “public authority”.
LL	Extend DASNY Ability to Enter into Design and Construction Management Agreements	This part would extend DASNY’s ability to enter into design and construction management agreements with Dept. of Environmental Conservation and the Office of Parks, Recreation, and Historic Preservation for an additional 5 years, sunseting April 1, 2028.
MM	Increase Snowmobile Registration Fees	This part would increase fees for the registration of snowmobiles in New York State.
NN	Establish Pleasure Vessel Safety Equipment Standards	This part would amend safety equipment requirements for rowboats, canoes, kayaks, and other pleasure vessels.
OO	Amend Local Procurement of Agricultural Products Provisions	The part would eliminate certain restrictions on the purchase of certain New York agricultural products by municipalities, boards of education and BOCES.
PP	Establish the Waste Reduction and Recycling Infrastructure Act	This part would create an extended producer responsibility program for packaging and paper products.
QQ	Finance the Clean-up of “Forever Chemicals”	This part would establish a new program related to municipalities investigating and remediating PFAS contaminated sites.



RR	Make Permanent the Youth Deer Hunting Program	This part would make the pilot deer hunting program for mentored youth permanent.
SS	Make Permanent Pesticide Registration Fees	This part would make the registration fees permanent.
TT	Create the Suffolk County Water Quality Restoration Act	This part would authorize the Suffolk County Legislature to establish a wastewater management district.
UU	Establish Lead Service Line Provisions	This part would establish the bond issuance length for lead service line replacement programs and allow municipalities, school districts, and district corporations to receive federal funds.
VV	Make Permanent Utility and Cable Assessments	This part would make the authorization of certain State agencies to receive funds from assessments on cable television and public utilities permanent.
WW	Prohibit Installation of Fossil-Fuel Equipment and Building Systems	This part would prohibit the installation of fossil-fuel equipment and building systems in new building construction and establish building benchmarking requirements.
XX	Authorize New York Power Authority to Own and Operate Renewable Energy Generating Facilities	This part would authorize the New York Power Authority to construct, own, and operate new renewable energy generating facilities.
YY	Extend New York Power Authority Authorization to Procure and Sell Power	This part would extend, from 2024 to 2044, the New York Power Authority's authorization to procure and sell power.
ZZ	Extend New York State Energy Research and Development Authority Special Assessment	This part would extend for one year the authorization for the New York State Energy Research and Development Authority to receive funds from an assessment on gas and electric corporations.
AAA	Establish a Cap and Invest Program	This part would amend the Climate Leadership and Community Protection Act (CLCPA) to reference a cap and invest program to be administered pursuant to regulations and create a Climate Action Fund.

A. 3009 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Provide Authority to Abate Interest for Taxpayers Impacted by Declared Disasters	Authorize to abate interest charges on the underpayment of tax for taxpayers who are affected by a federal or State declared disaster.
B	Clarification of the Treatment of Limited Partners for the Metropolitan Commuter Transportation Mobility Tax	Clarifies the treatment of certain limited partners when imposing the MTA Mobility payroll tax so that only true limited partners are not subject to the tax.
C	Modify the Investment Tax Credit (ITC) for Farmers	Make the ITC fully refundable for eligible farmers for five years, through December 31, 2027.
D	Extend and Enhance the Film Tax Credit	Increase the annual cap of the film credit to \$700 million, extend the credits for five years, increase tax credit percentage from 25% to 30%, and make other technical changes.
E	Abatement of Penalties for Underpayment of Estimated Tax by a Corporation	Authorize to waive or reduce the penalty for underpayment of estimated tax by a corporation impacted by casualty, disaster, or other unusual circumstances.
F	Extend the Application Deadline for COVID-19 Capital Costs Tax Credit Program	Extend the application deadline for the COVID-19 Capital Costs Tax Credit Program from March 31, 2023 to September 30, 2023.
G	Create a Tax Credit for Child Care Creation and Expansion	Allow eligible business entities to receive a credit for creating and expanding childcare seats for the children of their employees.
H	Create a NYC Biotech Tax Credit	Authorize New York City to provide a biotechnology credit against the general corporation tax, unincorporated business tax, and banking corporation tax for small emerging technology companies.
I	Extend Certain Provisions of Tax Law	Subpart A: Extend several provisions of the Tax Law related to the temporary Article 9-A tax rates for three years, through tax year 2026; Subpart B: Extend the rehabilitation of historic properties credit for five years, through taxable years beginning before January 1, 2030; Subpart C: Extend the Empire State commercial production credit for five years, through tax years beginning before January 1, 2029; Subpart D: Extend the tax credit for the phase out of a certain grade of fuel oil by six



		months to January 1, 2024; and Subpart E: Extend several provision of the New York City musical and theatrical production tax credit and increase the aggregate program cap.
J	Make Technical Changes to Tax Law	Subpart A: Update provisions related to the tax credit for companies who provide transportation to individuals with disabilities; Subpart B: Amend the brownfield redevelopment tax credit; and Subpart C: Make several technical corrections to the New York State and New York City Pass-Through Entity Taxes.
K	Simplify and Modernize the Senior Citizens Real Property Tax Exemption	Simplify and modernize the definition of income for senior citizens who apply for the Senior Citizens Exemption.
L	Extend the Oil and Gas Fee	Extend the existing oil and gas fee authorization to March 31, 2027.
M	Return Foreclosure Excess to Property Owners	Provide that when a tax-delinquent property is sold, any excess proceeds shall be returned to the former owner or owners.
N	Clarification of the Wind and Solar Valuation Model	Clarifies that the adoption of the solar and wind energy system appraisal model is not subject to the State Administrative Procedure Act (SAPA).
O	Make Local Sales Tax Rate Authorizations Permanent	Make permanent authorization for counties and cities to impose additional rates of sales and compensating use taxes for two-year periods and preserve existing revenue distribution related to those additional rates.
P	Eliminate the Congestion Surcharge Registration Requirements	Repeals various antiquated congestion surcharge registration requirements.
Q	Amend Motor Fuel Reporting Designation	Require distributors of motor fuel and Diesel motor fuel to collect, report, and remit taxes on every gallon of fuel sold including the additional gallons realized due to temperature fluctuations.
R	Extend and Limit the Vending Machine Sales Tax Exemption to Business Enterprise Program Vendors for One Year	Extend the sales tax exemption for certain food and drink purchased from vending machines for one year, though May 31, 2024, but is limited to vending machines operated by participants in the Business Enterprise Program for blind vendors.
S	Increase the State Excise Tax on Cigarettes	Increase the excise tax on a pack of cigarettes sold by \$1.00 from \$4.35 to \$5.35 per pack of 20 cigarettes.

T	Revoke Cigarette and Tobacco Taxes Certificate of Registration for Inspection Refusal	Impose a civil penalty for refusal to comply with cigarette and tobacco inspections and revoke registration to sell if refused to allow such inspection.
U	Extend Reduced Transfer Tax Rates for Qualifying REITs For Three Years	Extend the tax rate reductions for real estate investment trusts (REITs) under New York State and New York City real estate transfer taxes for 3 years from September 1, 2023 to September 1, 2026.
V	Allow Department of Tax and Finance the Right to Appeal Tax Appeals Tribunal Decisions	Authorize the Department of Taxation and Finance to appeal adverse Tax Appeals Tribunal decisions.
W	Technical Correction to the Deposit Timeframe	Clarifies that monies deposited by the Department of Taxation and Finance must be deposited within three business days, instead of calendar days, after receipt.
X	Authorize a Franchised Corporation's Payment Structure to Fund the Belmont Redevelopment Project	Authorizes the New York Racing Association's payment structure to fund the \$455 million Belmont Redevelopment Project.
Y	Eliminate Quick Draw Restrictions	Remove certain restrictions for eligible vendors who sell tickets or the Quick Draw game.
Z	Enact Procedures for An Off-Track Betting Corporation to Terminate Operations	Provide for the closure of the Catskill Off-Track Betting Corporation once outstanding debts and obligations are paid. Any county who had been previously served by Catskill Off-Track Betting Corporation would be able to contract with another existing Off-Track Betting Corporation to provide such services.
AA	Extend Authorized Use of Capital Funds by a Certain Off-track Betting Corporation for One Year	Extend the authorized use of capital acquisition funds by the Capital Off-Track Betting Corporation for the purposes of statutory obligations, payroll, and expenditures necessary to accept wagers for one year through March 31, 2024.
BB	Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year	Extend the current pari-mutuel tax rates and out of state simulcasting provisions for one year through December 31, 2024.
CC	Require State S Corporation Conformity with Federal Return	Require all federal S corporations be treated as S corporations for New York purposes unless the corporation is a qualified New York manufacturer and chooses New York C corporation status.



**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
STATE FISCAL YEAR 2023-24**

DATE	TIME	TOPIC
February 6	11:30 AM	Transportation
February 7	9:30 AM	Public Protection
February 8	9:30 AM	Elementary & Secondary Education
February 9	9:30 AM	Economic Development
	2:00 PM	Taxes
February 13	11:30 AM	Human Services
February 14	9:30 AM	Environmental Conservation
February 15	9:30 AM	Local Government Officials and General Government
February 16	9:30 AM	Mental Hygiene
February 27	11:30 AM	Higher Education
February 28	9:30 AM	Health/Medicaid
March 1	9:30 AM	Housing
	2:00 PM	Workforce Development

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
AFP	American Families Plan
AG	Attorney General
AGI	Adjusted Growth Income
AI	American International Group, Inc.
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
ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Accelerated Study in Associate Program
ATI	Alternatives to Incarceration
AXA	AXA Equitable Life Insurance Company
AY	Academic Year
BANs	Bond Anticipation Notes
BBA 19	Bipartisan Budget Act of 2019
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BNPP	BNP Paribas, S.A., New York Branch
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
BTMU	Bank of Tokyo-Mitsubishi UFJ, Ltd.
CAC	Climate Action Council
CANS	Child and Adolescent Needs and Strength
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
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CFY	City Fiscal Year
CHP	Child Health Plus



Glossary of Commonly Used Acronyms

CHUBB	Chubb Group Holdings Inc. and Illinois Union Insurance Company
CIF	Community Investment Fund
CIGNA	Cigna Health and Life Insurance Company
CISO	Chief Information Security Office
CLCPA	Climate Leadership and Community Protection Act of 2019
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
COVID-19	Coronavirus Disease of 2019
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
DelAm	Delaware American Life Insurance Company
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

Glossary of Commonly Used Acronyms

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
EANS	Emergency Assistance for Nonpublic Schools
ECB	European Central Bank
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



Glossary of Commonly Used Acronyms

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
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
HFNY	Healthy Families New York
HMO	Health Maintenance Organization
HPNAP	Hunger Prevention and Nutrition Assistance Program
HRI	Health Research, Inc.
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
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
J&J	Johnson and Johnson
JOLTS	Job Openings and Labor Turnover Survey
JSOC	Joint Security Operations Center
LFY	Local Fiscal Year
LGAC	Local Government Assistance Corporation
LICH	Long Island College Hospital
LIRR	Long Island Rail Road
LLC	Limited Liability Company
LTSS	Long Term Service and Support
LWA	Lost Wages Act

Glossary of Commonly Used Acronyms

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
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
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



Glossary of Commonly Used Acronyms

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
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
PPE	Personal Protective Equipment
PPO	Preferred Provider Organization
PPP	Paycheck Protective Program
PPS	Performing Provider Systems
PS	Personal Service
PSC	Public Service Communication
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)
RBS	RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.)
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
SCB	Standard Chartered Bank
SCB NY	NY Standard Chartered Bank, New York Branch
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

Glossary of Commonly Used Acronyms

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)
TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
TIFIA	Transportation Infrastructure Finance and Innovation Act
TNC	Transportation Network Companies
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UBS	UBS Securities LLC and UBS Real Estate Securities Inc.
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

