



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

THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
Ways and Means Committee

COMMITTEE  
Rules

January 26, 2026

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) 2026-27. This document is intended to provide the Members of the Committee, Members of the Assembly, and the general public with an overview of the fiscal and policy proposals that comprise the Executive Budget, as expressed in legislation submitted by the Governor on January 20, 2026. This publication is accessible on our website: <https://nyassembly.gov/Reports/WAM/2026yellow/>.

*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 2026-27 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 cursive script that reads "James Gary Pretlow".

J. Gary Pretlow

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**A REVIEW AND ANALYSIS  
OF THE  
2026-27 EXECUTIVE BUDGET  
  
YELLOW BOOK**

**January 2026**

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

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# **A Review and Analysis of the 2026-27 Executive Budget**

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# BUDGET HIGHLIGHTS: FINANCIAL PLAN



- **All Funds Spending:** The Executive Budget estimates All Funds spending for State Fiscal Year (SFY) 2026-27 at \$260 billion, an annual growth of 0.7 percent.
- **State Operating Funds Spending:** The Executive estimates total State Operating Funds disbursements of \$157.4 billion in SFY 2026-27, reflecting annual growth of 5.7 percent.
- **General Fund Spending:** The Executive estimates General Fund disbursements in SFY 2026-27 of \$126.8 billion, for an annual growth of 0.4 percent. Excluding the extraordinary transfer totaling \$7.1 billion to the Federal Unemployment Account in SFY 2025-26, the Executive estimates an increase of 9.7 percent in General Fund disbursements in SFY 2026-27.
- **General Fund Budget Surplus:** The Executive proposes projects a budget surplus of \$2.4 billion in SFY 2025-26 and \$3.5 billion in SFY 2026-27, primarily due to continued growth in Personal Income Tax (PIT) receipts. The Executive utilizes \$2.5 billion of the combined two-year surplus of \$5.9 billion to support new proposals in the SFY 2026-27 Executive Budget, with the remaining funds carried forward to mitigate outyear budget gaps beginning in SFY 2027-28.
- **Outyear Budget Gaps:** The Executive estimates budget gaps of \$6 billion in SFY 2027-28, \$9 billion in SFY 2028-29, and \$12.5 billion in SFY 2029-30.
- **General Fund Closing Balance:** The Executive estimates the SFY 2026-27 General Fund closing balance will be \$47.1 billion. This represents a decrease of \$4.9 billion from the current fiscal year and is mostly related to the refund of Pass-Through Entity Tax (PTET) collections and the use of debt management and monetary settlement reserves.



# BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



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

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

**Table 1**

	<b>Size of Budget (\$ in Millions)</b>			
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>Difference</b>	<b>Percent</b>
General Fund	126,295	126,832	537	0.4
State Operating Funds	148,813	157,366	8,553	5.7
State Funds	164,482	175,619	11,137	6.8
All Funds	258,270	260,004	1,734	0.7

*Source: NYS Division of Budget SFY 2026-27 Executive Budget Financial Plan.*

The Executive proposes an All Funds budget of \$260 billion for SFY 2026-27, an increase of \$1.7 billion or 0.7 percent over SFY 2025-26. The slight increase in All Funds spending reflects significant growth of \$3.9 billion in Medicaid and \$3.5 billion in Capital Projects, along with moderate growth in School Aid, child care assistance, All Other Assistance and Grants and Agency Operations. These increases are almost entirely offset by a \$10.4 billion decrease in Federal funding as temporary COVID-19 pandemic related recovery and assistance continues to decrease and impacts associated with the H.R. 1 bill and other Federal actions are materialized.

The State Operating Funds Budget is estimated to be \$157.4 billion, representing an increase of \$8.6 billion or 5.7 percent over SFY 2025-26. This increase is primarily driven by the growth in Medicaid,

nearly \$2 billion in higher Agency Operations costs, and increases of \$1.6 billion each for School Aid and Other Assistance and Grants.

**Table 2**

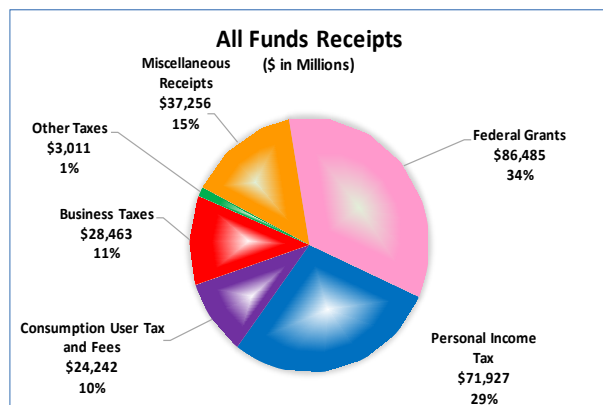
<b>Executive Budget Spending Estimates (\$ in Millions)</b>				
	<b>SFY 2025-26 Updated</b>	<b>SFY 2026-27 Projected</b>	<b>\$ Change</b>	<b>% Change</b>
<b>State Operating Funds</b>	<b>148,813</b>	<b>157,366</b>	<b>8,553</b>	<b>5.7</b>
Medicaid	34,273	38,167	3,894	11.4
School Aid (School Year Basis)	37,626	39,253	1,627	4.3
All Other Assistance and Grants	34,234	35,883	1,649	4.8
Agency Operations	38,434	40,388	1,954	5.1
Debt Service	4,246	3,675	(571)	(13.4)
<b>Federal Operating</b>	<b>91,158</b>	<b>80,806</b>	<b>(10,352)</b>	<b>(11.4)</b>
<b>Capital Projects</b>	<b>18,299</b>	<b>21,832</b>	<b>3,533</b>	<b>19.3</b>
<b>All Funds</b>	<b>258,270</b>	<b>260,004</b>	<b>1,734</b>	<b>0.7</b>

Source: NYS Division of Budget SFY 2026-27 Executive Budget Financial Plan.

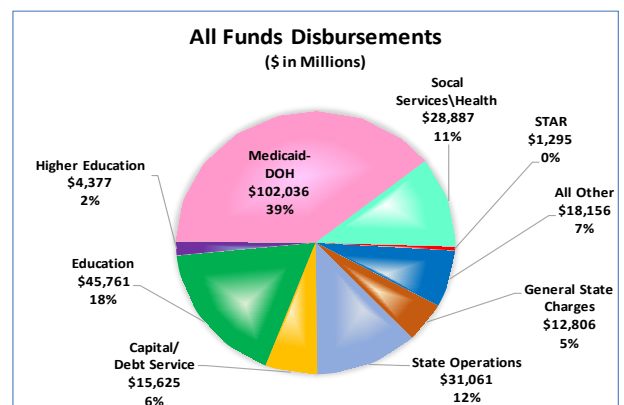
General Fund spending is projected to total \$126.8 billion in SFY 2026-27, an increase of \$537 million or 0.4 percent over SFY 2025-26. Excluding the extraordinary transfer totaling \$7.1 billion to the Federal Unemployment Account in SFY 2025-26, General Fund spending is projected to increase by 9.7 percent in SFY 2026-27. The projected growth is primarily attributable to increases of \$2.2 billion in Medicaid spending and \$1.6 billion in School Aid, along with slight to moderate increases across most other major spending areas.

State Funds spending is projected at \$175.6 billion or 6.8 percent over SFY 2025-26.

### Sources and Uses of Funds



**Figure 1**

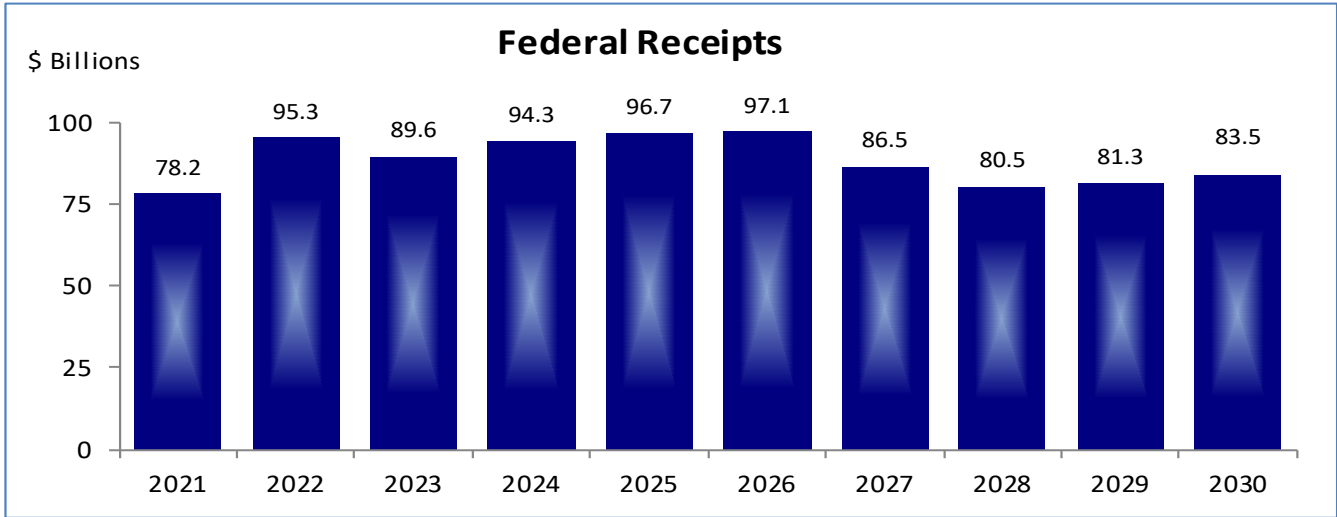


**Figure 2**



As illustrated in Figures 1 and 2, Federal grants and Personal Income Tax (PIT) receipts continue to represent the largest sources of State revenue, accounting for approximately 34 percent and 29 percent of All Funds receipts, respectively. On the spending side, Medicaid and education remain the dominant components of All Funds disbursements, together they account for roughly 57 percent of total All Funds spending, reflecting the State’s ongoing commitments to health care and education.

**Federal Aid**



**Figure 3**

The Executive proposal assumes Federal aid of \$86.5 billion in SFY 2026-27, a decrease of \$10.6 billion from SFY 2025-26. This decrease primarily reflects the projected decrease in Federal spending related to pandemic assistance, the Essential Plan (EP), Federal Emergency Management Agency (FEMA) impacts of the H.R. 1 bill, and other Federal actions.

## Federal Funds Projected Disbursements by Program Area

Federal Funds spending is expected to total \$84.4 billion in SFY 2026-27 a decrease by \$9.4 billion compared to SFY 2025-26, driven primarily by a \$3 billion in pandemic assistance spending, \$2.5 billion in FEMA and the impact of H.R. 1 bill.

**Table 3**

FEDERAL FUNDS DISBURSEMENTS (\$ in Millions)						
	SFY 2025-26 Projected	SFY 2026-27 Projected	SFY 2027-28 Projected	SFY 2028-29 Projected	SFY 2029-30 Projected	5-Year Total Projected
<b>DISBURSEMENTS</b>						
Medicaid	58,355	61,381	58,959	59,943	62,238	<b>300,876</b>
Essential Plan <sup>1</sup>	14,564	3,735	390	390	390	<b>19,469</b>
Health	3,561	3,638	3,465	3,520	3,581	<b>17,765</b>
Social Welfare	5,670	5,400	5,379	5,190	5,131	<b>26,770</b>
Education	4,387	4,387	4,387	4,387	4,387	<b>21,935</b>
Public Protection	1,337	1,303	1,301	1,302	1,302	<b>6,545</b>
Transportation	2,229	2,912	2,924	2,961	2,972	<b>13,998</b>
All Other	692	1,536	1,718	1,698	1,700	<b>7,344</b>
 Pandemic Assistance	 2,993	 93	 24	 24	 24	 <b>3,158</b>
Education ARP Funds	144	0	0	0	0	<b>144</b>
FEMA Local Pass-Through Funding	2,492	0	0	0	0	<b>2,492</b>
Coronavirus Capital Projects Fund	69	69	0	0	0	<b>138</b>
State Small Business Credit Initiative	98	24	24	24	24	<b>194</b>
FHWA Surface Transportation Block Grant	190	0	0	0	0	<b>190</b>
<b>Total Disbursements</b>	<b>93,789</b>	<b>84,386</b>	<b>78,548</b>	<b>79,416</b>	<b>81,726</b>	<b>417,860</b>
<sup>1</sup> Reflects H.R.1 policy changes to the Essential Plan. Projections do not assume the transition to the BHP under Section 1331 of the ACA that is pending CMS approval.						
Source: DOB SFY 2026-27 Executive Financial Plan.						

## Out-Year Budget Gaps

Table 4

SFY 2026-27 EXECUTIVE BUDGET FINANCIAL PLAN				
GENERAL FUND REVISIONS				
SAVINGS/(COSTS)				
(\$ in Millions)				
	SFY 2026-27 Proposed	SFY 2027-28 Projected	SFY 2028-29 Projected	SFY 2029-30 Projected
<b>MID-YEAR UPDATE SURPLUS/(GAP) ESTIMATE</b>	<b>(4,154)</b>	<b>(10,033)</b>	<b>(12,595)</b>	
Revenue Revisions	6,597	4,560	4,432	
Disbursement Revisions	1,753	1,187	831	
Use of/(Deposit to) Reserves	(1,720)	497	554	
<b>BASE SURPLUS/(GAP) ESTIMATE</b>	<b>2,476</b>	<b>(3,789)</b>	<b>(6,778)</b>	<b>(9,470)</b>
<b>Receipts</b>	<b>(2,611)</b>	<b>1,540</b>	<b>1,817</b>	<b>1,168</b>
Tax Receipts	<u>1,364</u>	<u>1,591</u>	<u>1,906</u>	<u>1,312</u>
Decouple from H.R. 1 Provisions	1,400	640	560	240
Extend Corporate Franchise Tax Rate	0	1,100	1,580	1,210
Eliminate Tax on Tipped Wages	(52)	(69)	(60)	(19)
NYC Musical & Theatrical Production Tax Credit	0	0	(100)	(50)
Child and Dependent Care Credit Reform	0	(65)	(65)	(65)
All Other	16	(15)	(9)	(4)
PTET Flexibility (Financial Plan Neutral)	(4,000)	0	0	0
Debt Service	(22)	(49)	(86)	(141)
Other Receipts/Transfers	47	(2)	(3)	(3)
<b>Disbursements</b>	<b>(3,865)</b>	<b>(3,796)</b>	<b>(4,058)</b>	<b>(4,151)</b>
Assistance and Grants	<u>(2,298)</u>	<u>(2,684)</u>	<u>(3,026)</u>	<u>(3,129)</u>
Child Care Expansion	(1,684)	(2,516)	(2,711)	(2,788)
Voluntary Providers Targeted Inflationary Increases	(176)	(176)	(176)	(176)
Higher Education	(111)	(201)	(200)	(200)
Subway Safety	(77)	0	0	0
Medical Indemnity Fund	(75)	0	0	0
Supported Housing	(71)	(71)	(71)	(71)
Medicaid	182	228	267	267
All Other	(286)	52	(135)	(161)
Agency Operations, including GSCs	<u>(278)</u>	<u>(191)</u>	<u>(158)</u>	<u>(114)</u>
Executive Operations	65	90	118	156
Judiciary (incl. fringe benefits)	(283)	(283)	(283)	(283)
Other Elected Officials	(32)	(32)	(32)	(32)
Fringe Benefits/Fixed Costs	(28)	34	39	45
Transfers to Other Funds	<u>(1,289)</u>	<u>(921)</u>	<u>(874)</u>	<u>(908)</u>
Capital Projects	(283)	(221)	(175)	(209)
SUNY Operating	(150)	(196)	(195)	(196)
Healthcare Stability Fund	(750)	(500)	(500)	(500)
All Other	(106)	(4)	(4)	(3)
<b>Use of/(Deposit to) Reserves</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Timing of PTET/PIT Credits (Financial Plan Neutral)	4,000	0	0	0
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>(6,045)</b>	<b>(9,019)</b>	<b>(12,453)</b>

Prior to the release of the Executive Budget, the Division of the Budget projected General Fund gaps of \$4.2 billion in SFY 2026-27, \$10 billion in SFY 2027-28, and \$12.6 billion in SFY 2028-29, based on the Mid-Year Financial Plan Update. These projections reflected baseline revenue assumptions and projected spending growth under current law.

In the Executive Budget Proposal, there have been upward revisions to tax receipts of \$3.8 billion and \$5.7 billion in SFY 2025-26 and SFY 2026-27, respectively. Additionally, downward revisions to spending estimates have been executed in the current year and each year of the Executive Financial Plan. As a result, the Executive now projects a combined two-year General Fund surplus of \$5.9 billion consisting \$2.4 billion in the current year and \$3.5 billion in SFY 2026-27.

The Executive Budget Financial Plan now proposes a balanced budget for SFY 2026-27, with gaps of \$6 billion in SFY 2027-28, \$9 billion in SFY 2028-29, and \$12.5 billion in SFY 2029-30.

### **Use of Budget Surplus**

The Executive Budget Financial Plan projects a General Fund surplus of \$2.4 billion in SFY 2025-26 and \$3.5 billion in SFY 2026-27, primarily due to significant upward revisions in Personal Income Tax (PIT) collections and moderate upward revisions in other tax areas, along with downward revisions in projected disbursements across all years. The Executive proposes to utilize \$2.5 billion of the combined surplus of \$5.9 billion to support new initiatives included in the Executive Budget, with the remaining funds carried forward to mitigate out year budget gaps beginning in SFY 2027-28.

These new initiatives include child care expansion, health care and capital investments, targeted inflationary adjustments for human services providers, higher education initiatives through increasing operating funds for SUNY and CUNY, and workforce and affordability programs. While certain actions are one-time in nature, most of the initiatives supported by available resources are recurring, contributing to projected General Fund gaps beginning in SFY 2027-28.

### **Revenue Actions**

The Executive Budget includes various proposals that will impact State tax collections, primarily related to the Corporate Franchise Tax (CFT). These actions include decoupling State law from recently enacted Federal tax law changes related to business expensing provisions, which is expected to preserve \$1.7 billion in CFT collections during SFY 2026-27, and temporarily extending the Enhanced Article 9-A tax rates on certain corporate franchises with a business income base over \$5 million. The Executive also proposes actions that would reduce revenues, including proposals to enhance and reform the State's Child and Dependent Care Tax Credit, and to mirror recently enacted Federal tax law changes that would eliminate income taxes on qualified tipped wages of up to \$25,000 for certain taxpayers.

## Spending Actions

The Executive Budget proposes \$3.9 billion in spending revisions. Local Assistance spending increased by \$2.3 billion, reflecting higher costs associated with childcare expansion and other assistance programs such as voluntary providers targeted inflationary increases, higher education and subway safety programs. Agency Operations spending is increased by \$278 million, driven by staff growth, compensation adjustments, and expanded investments in information technology and cybersecurity. Transfers to Other Funds increase by \$1.3 billion, reflecting changes in capital projects, higher education assistance, and debt-related obligations.

## Disbursements

General Fund disbursement growth in the Executive Budget Financial Plan reflects the impact of various Executive commitments to new spending initiatives, along with revised spending assumptions.

### **Local Assistance:**

- **Education/School Aid:** School Aid year over year growth of \$1.6 billion reflects the continued commitment to fully fund Foundation Aid, increases in expense-based reimbursement programs, childcare expansion initiative, and other education initiatives included in the Executive Budget.
- **Healthcare/Medicaid:** Medicaid spending continues to be a primary driver of Local Assistance growth. The Executive projects that DOH Medicaid disbursements will grow by \$2.2 billion in SFY 2026-27. This increase reflects updated assumptions related to medical costs increase, upward enrollment trends, reimbursement rates increase, benefit expansion and the fiscal impact of the H.R. 1 bill.
- **Other Assistance and Grants:** The growth in this category reflects expanded investments in nutrition assistance services, public safety, human services provider rate adjustments, housing affordability, and higher education affordability initiatives.

**Agency Operations:** The Executive Budget assumes an increase of \$769 million in state operations over SFY 2025-26. Agency Operations spending increase reflects workforce growth, general salary increases, rising employee health insurance costs, and various investments in mental health programs. Additional increases support higher operating costs for the Judiciary and new funding to support Attorney for the Child Program.

**Transfers to Other Funds:** Excluding the \$7.1 billion transfer to the Federal Unemployment Account in SFY 2025-26, Transfers to Other Funds is projected to decrease by \$200 million in SFY 2026-27. This reflects the one-time transfer of PAYGO resources for the Division of Housing and Community Renewal (DHCR's) Housing Program and additional operating support for SUNY four-year campuses and Downstate Hospital.

### General Fund Reserves

Excluding the reserve for the timing of PTET/PIT credits and the reserve for monetary settlements, the Executive Budget projects \$31 billion in reserves at the end of SFY 2026-27, representing a \$1.4 billion decrease from SFY 2025-26. This decrease reflects the combined effects of operating results and the planned use of available resources.

The Executive plans to transfer \$1 billion to the statutory Rainy Day Reserve from the Reserve for Economic Uncertainties, fiscal conditions permitting.

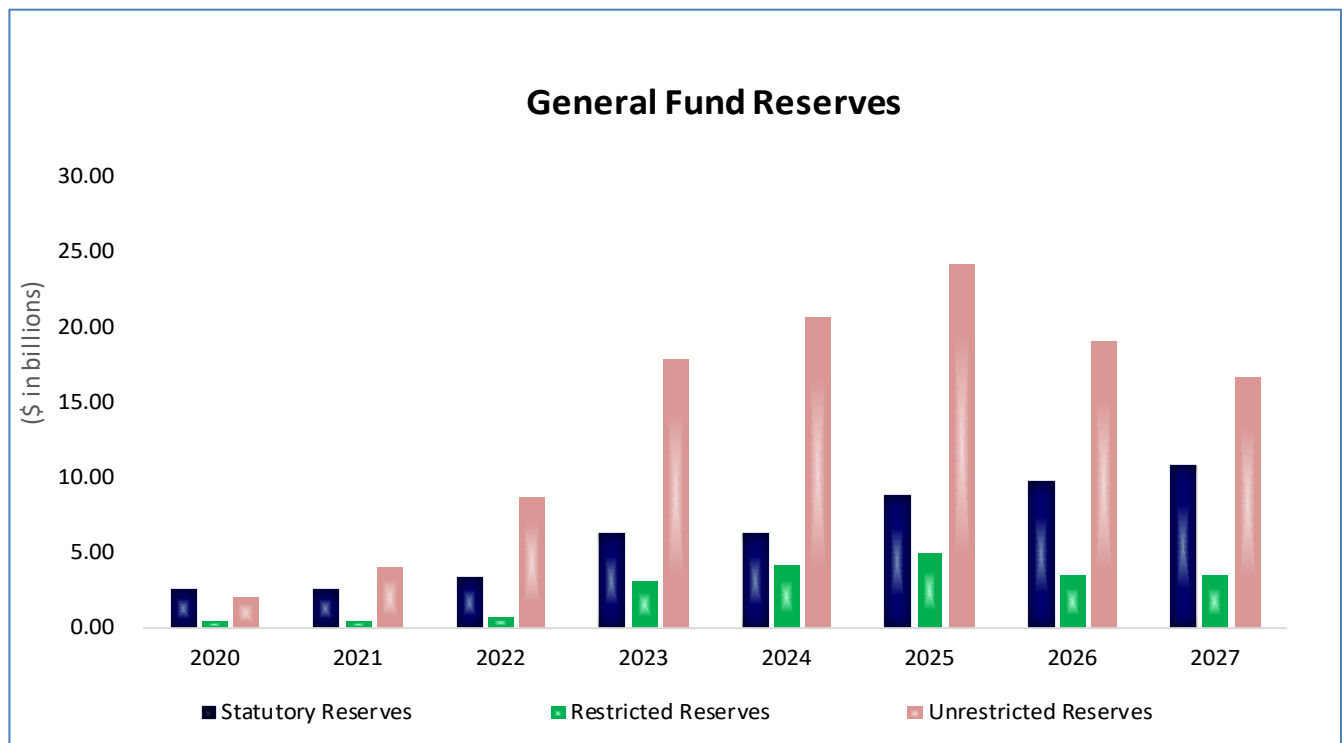
**Table 5**

<b>Estimated General Fund Closing Balance (\$ in Millions)</b>			
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>Annual Change</b>
Tax Stabilization Reserve Fund	1,618	1,618	0
Statutory Rainy Day Reserve Fund	8,138	9,138	1,000
Contingency Reserve Fund	21	21	0
Community Projects	25	25	0
Undesignated Fund Balance/Timing of Resources	14,203	12,829	(1,374)
Reserved for Debt Management	1,000	1,000	0
Reserved for Future Operational Needs	2,499	2,499	0
Reserved for Economic Uncertainties	4,847	3,847	(1,000)
<b>General Fund Total (Excluding Monetary Settlements and PTET/PIT Credits)</b>	<b>32,351</b>	<b>30,977</b>	<b>(1,374)</b>
Timing of PTET/PIT Credits	19,294	16,140	(3,154)
Extraordinary Monetary Settlements	392	25	(367)
<b>Total General Fund Balance</b>	<b>52,037</b>	<b>47,142</b>	<b>(4,895)</b>

## Budget Uncertainties and Managing Risk

The State relies on a substantial amount of federal aid for health care, education, transportation, and other programs, as well as extraordinary funding for disaster response and recovery. These funds are subject to federal policy changes, including potential modifications to eligibility, timing, or amounts of aid. Changes in federal law or appropriations could therefore adversely affect the State's Financial Plan. The Executive projections for SFY 2026-27 also rely on tax receipts from high-income earners, as well as declining pandemic-era federal assistance. Long-term risks to the Financial Plan include potential reductions in tax revenue due to population loss, tax migration, slow population growth, and shifts in work patterns, such as remote work, which could alter taxable income and consumption patterns.

To prepare for future uncertainties, the state has gradually increased the statutory and other reserves from less than \$4 billion in SFY 2020-21 to nearly \$14.6 billion in SFY 2026-27. The state has also gradually increased unrestricted reserves from \$2 billion in SFY 2020-21 to \$16.8 billion in SFY 2026-27.



**Figure 4**

Table 6

**Executive Budget Financial Plan**  
**SFY 2026-27**  
**(\$ in Millions)**

	Executive General Fund	Executive State Operating Funds	Executive All Funds
<b>OPENING BALANCE</b>	<b>52,037</b>	<b>63,086</b>	<b>70,499</b>
<b>RECEIPTS:</b>			
Personal Income Tax	34,669	71,927	71,927
User Taxes and Fees	10,887	23,615	24,242
Business Taxes	17,646	27,913	28,463
Other Taxes	1,506	2,754	3,011
Total Taxes	64,708	126,209	127,643
Abandoned Property	550	550	550
ABC License Fees	60	60	60
HCRA	—	7,424	7,424
Investment Income	1,023	1,023	1,023
Licences, Fees, Etc.	680	680	680
Lottery	—	3,525	3,525
Medicaid	—	1,080	1,080
Motor Vehicle Fees	326	538	538
Reimbursements	333	333	333
State University Income	—	6,526	6,526
Extraordinary Settlements	0	0	0
Other Transactions	201	2,554	15,517
Total Miscellaneous Receipts	3,173	24,293	37,256
Federal Grants	0	43	86,485
Total Transfers from Other Funds	54,056	—	—
<b>TOTAL RECEIPTS</b>	<b>121,937</b>	<b>150,545</b>	<b>251,384</b>
<b>DISBURSEMENTS:</b>			
School Aid	33,516	38,693	42,139
Higher Education	3,622	3,622	3,622
All Other Education	3,317	3,330	4,377
STAR	—	1,295	1,295
Medicaid - DOH	28,359	38,167	102,036
Public Health	887	2,707	6,984
Mental Hygiene	9,361	9,478	10,050
Children and Families	4,608	4,612	5,656
Temporary & Disability Assistance	2,037	2,037	6,197
Transportation	284	5,652	9,194
Unrestricted Aid	843	843	843
All Other	2,797	2,867	8,119
Total Local Assistance Grants	89,631	113,303	200,512
Personal Service	12,607	19,572	20,320
Non-Personal Service	4,048	8,413	10,741
Total State Operations	16,655	27,985	31,061
General State Charges	10,979	12,403	12,806
Debt Service	324	3,675	3,675
Capital Projects	4,644	0	11,950
SUNY Operations	1,960	—	—
Other Purposes	2,639	—	—
Total Transfers to Other Funds	9,567	—	—
<b>TOTAL DISBURSEMENTS</b>	<b>126,832</b>	<b>157,366</b>	<b>260,004</b>
<b>Other Financing Sources (uses):</b>			
Transfers from Other Funds	—	60,888	66,028
Transfers to Other Funds	—	(62,580)	(66,208)
Bonds and Note proceeds	—	0	272
Net Financing Sources	—	(1,692)	92
Excess/(Deficiency) of Receipts over Disbursements	(4,895)	(8,513)	(8,528)
<b>CLOSING BALANCE</b>	<b>47,142</b>	<b>54,573</b>	<b>61,971</b>



Table 7

	CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS (\$ in Thousands)		APPROPRIATIONS BY FUNCTION ALL GOVERNMENTAL FUNDS (\$)	
	SFY 2025-26 Projected	SFY 2026-27 Projected	SFY 2025-26 Available	SFY 2026-27 Recommended
<b>ECONOMIC DEVELOPMENT AND GOVERNMENT OVERSIGHT</b>	<b><u>3,045,624</u></b>	<b><u>3,155,030</u></b>	<b><u>3,722,232,000</u></b>	<b><u>3,240,713,325</u></b>
Agriculture and Markets, Department of	186,246	248,892	382,361,000	397,795,000
Alcoholic Beverage Control, Division of	81,655	124,880	94,563,000	132,013,000
Economic Development Capital	8,000	8,000		
Economic Development, Department of	95,649	81,483	110,512,000	105,896,325
Empire State Development Corporation	1,803,189	1,826,776	2,227,289,000	1,555,204,000
Energy Research and Development Authority, New York State	31,816	85,400	25,800,000	90,400,000
Financial Services, Department of	461,365	506,435	549,775,000	599,987,000
Lake Ontario Resiliency/Economic Development	10,250	370	0	0
Nonprofit Infrastructure Capital Investment Program	25,000	15,000	0	0
Olympic Regional Development Authority	184,154	80,354	124,390,000	114,090,000
Power Authority, New York	29,675	32,200	52,500,000	52,500,000
Public Service Department	125,330	141,945	155,042,000	192,828,000
Regional Economic Development Program	1,295	1,295	0	0
Strategic Investment Program	2,000	2,000		
<b>PARKS AND THE ENVIRONMENT</b>	<b><u>2,711,843</u></b>	<b><u>3,417,044</u></b>	<b><u>6,587,016,000</u></b>	<b><u>4,708,067,000</u></b>
Adirondack Park Agency	8,341	20,389	18,200,000	8,450,000
Environmental Conservation, Department of	1,920,189	2,396,970	4,363,217,000	3,624,871,000
Hudson River Park Trust	5,633	0	85,000,000	0
Parks, Recreation and Historic Preservation, Office of	667,680	782,185	1,070,599,000	1,024,746,000
Public Facilities Sustainability Program	10,000	17,500	50,000,000	50,000,000
Sustainable Future Program	100,000	200,000	1,000,000,000	0
<b>TRANSPORTATION</b>	<b><u>14,433,579</u></b>	<b><u>15,994,501</u></b>	<b><u>20,041,364,000</u></b>	<b><u>16,553,057,000</u></b>
Metropolitan Transportation Authority	1,310,000	1,630,266	5,127,538,000	2,244,808,000
Motor Vehicles, Department of	518,364	528,289	487,454,000	489,956,000
Transportation, Department of	12,600,743	13,830,403	14,421,399,000	13,811,920,000
Waterfront Commission	4,472	5,543	4,973,000	6,373,000
<b>HEALTH</b>	<b><u>115,908,763</u></b>	<b><u>112,310,516</u></b>	<b><u>136,802,678,251</u></b>	<b><u>137,008,891,500</u></b>
Aging, Office for the	345,818	348,760	433,926,500	435,837,500
Health, Department of	115,511,296	111,899,147	136,309,582,751	136,501,885,000
Medicaid Inspector General, Office of the	51,649	62,609	59,169,000	71,169,000
<b>SOCIAL WELFARE</b>	<b><u>15,167,569</u></b>	<b><u>15,731,228</u></b>	<b><u>32,021,662,467</u></b>	<b><u>23,280,193,300</u></b>
Children and Family Services, Office of	4,974,254	6,168,801	6,284,402,567	7,202,864,400
Housing and Community Renewal, Division of	1,853,275	2,208,176	2,485,097,000	1,055,672,000
Human Rights, Division of	31,288	35,315	39,888,000	39,888,000
Labor, Department of	672,863	671,781	15,343,323,000	7,060,277,000
National and Community Service	18,864	18,718	32,029,900	32,029,900
Nonprofit Infrastructure Capital Investment Program	0	0	0	0
Temporary and Disability Assistance, Office of	7,617,025	6,628,437	7,836,922,000	7,889,462,000
<b>MENTAL HYGIENE</b>	<b><u>14,099,664</u></b>	<b><u>15,017,227</u></b>	<b><u>7,631,628,000</u></b>	<b><u>7,715,886,000</u></b>
Addiction Services and Supports, Office of	1,080,734	1,021,868	1,261,722,000	1,334,331,000
Developmental Disabilities Planning Council	5,700	5,700	6,260,000	9,760,000
Justice Center for the Protection of People with Special Needs	56,620	57,067	63,342,000	63,112,000
Mental Health, Office of	5,451,205	6,131,363	6,294,044,000	6,298,923,000
People with Developmental Disabilities, Office for	7,505,405	7,801,229	6,260,000	9,760,000
<b>PUBLIC PROTECTION/CRIMINAL JUSTICE</b>	<b><u>10,952,264</u></b>	<b><u>8,155,500</u></b>	<b><u>17,263,070,000</u></b>	<b><u>16,892,137,000</u></b>
Correction, Commission of	6,659	6,851	7,101,000	7,201,000
Corrections and Community Supervision, Department of	3,638,611	3,470,478	4,485,071,000	4,148,432,000
Criminal Justice Services, Division of	681,679	722,077	986,583,000	952,047,000
Homeland Security and Emergency Services, Division of	3,773,938	1,334,742	9,085,126,000	9,249,070,000
Indigent Legal Services, Office of	404,633	401,803	490,385,000	490,810,000
Judicial Conduct, Commission on	9,330	9,330	9,330,000	9,330,000
Judicial Nomination, Commission on	30	30	30,000	30,000
Judicial Screening Committees, New York State	38	38	38,000	38,000
Military and Naval Affairs, Division of	1,029,344	852,337	446,065,000	306,570,000
Prosecutorial Conduct, Commission on	1,500	3,000	3,000,000	3,000,000
State Police, Division of	1,197,967	1,113,141	1,362,925,000	1,333,051,000
Statewide Financial System	35,267	36,384	35,267,000	39,767,000
Victim Services, Office of	173,268	205,289	352,149,000	352,791,000
<b>HIGHER EDUCATION</b>	<b><u>15,451,995</u></b>	<b><u>16,348,521</u></b>	<b><u>23,394,121,674</u></b>	<b><u>22,090,777,350</u></b>
City University of New York	2,842,137	2,945,030	6,585,862,050	6,374,937,050
Higher Education Facilities Capital Matching Grants Program	35,150	34,150	0	0
Higher Education Services Corporation, New York State	686,758	716,839	1,090,319,000	1,053,019,000
State University of New York	11,887,950	12,652,502	15,717,940,624	14,662,821,300
<b>EDUCATION</b>	<b><u>46,940,391</u></b>	<b><u>48,495,395</u></b>	<b><u>48,423,531,370</u></b>	<b><u>49,887,998,354</u></b>
Arts, Council on the	100,074	70,341	92,027,000	71,484
Education, Department of	46,840,317	48,425,054	48,331,504,370	49,887,926,870

Table 8

	CASH DISBURSEMENTS BY FUNCTION ALL GOVERNMENTAL FUNDS (\$ in Thousands)		APPROPRIATIONS BY FUNCTION ALL GOVERNMENTAL FUNDS (\$)	
	SFY 2025-26 Projected	SFY 2026-27 Projected	SFY 2025-26 Available	SFY 2026-27 Recommended
<b>GENERAL GOVERNMENT</b>	<b><u>2,999,247</u></b>	<b><u>3,113,838</u></b>	<b><u>5,355,298,000</u></b>	<b><u>5,311,801,000</u></b>
Budget, Division of the	41,288	39,883		
Civil Service, Department of	48,613	57,539	132,310,000	145,310,000
Deferred Compensation Board	909	1,315	1,005,000	1,397,000
Elections, State Board of	67,013	165,611	143,413,000	142,195,000
Employee Relations, Office of	8,894	13,982	15,978,000	15,978,000
Ethics and Lobbying, Independent Commission on	8,355	8,575	9,160,000	8,910,000
Gaming Commission, New York State	240,643	219,696	438,016,000	493,016,000
General Services, Office of	506,267	502,858	1,688,591,000	1,661,957,000
Information Technology Services, Office of	992,596	906,639	1,230,617,000	1,180,617,000
Inspector General, Office of the	10,791	11,752	12,013,000	12,030,000
Labor Management Committees	39,127	40,972	51,703,000	51,709,000
Prevention of Domestic Violence, Office for	12,956	13,499	19,413,000	19,963,000
Public Employment Relations Board	7,641	5,967	6,663,000	6,663,000
State, Department of	373,763	464,235	807,102,000	727,596,000
Tax Appeals, Division of	4,232	3,882	4,506,000	4,666,000
Taxation and Finance, Department of	380,121	385,371	525,188,000	527,588,000
Veterans' Services, Department of	26,722	20,575	36,218,000	31,804,000
Welfare Inspector General, Office of	747	836	1,389,000	1,389,000
Workers' Compensation Board	228,569	250,651	232,013,000	279,013,000
<b>ELECTED OFFICIALS</b>	<b><u>5,057,628</u></b>	<b><u>5,420,719</u></b>	<b><u>5,522,307,000</u></b>	<b><u>5,850,198,000</u></b>
Audit and Control, Department of	216,772	244,890	603,715,000	643,435,000
Executive Chamber	24,203	26,946	25,703,000	27,503,000
Judiciary	4,072,585	4,437,117	4,093,171,000	4,452,397,000
Law, Department of	440,476	398,859	495,022,000	413,090,000
Legislature	303,546	312,624	304,696,000	313,773,000
Lieutenant Governor, Office of the	46	283		
<b>LOCAL GOVERNMENT ASSISTANCE</b>	<b><u>867,128</u></b>	<b><u>843,028</u></b>	<b><u>829,074,107</u></b>	<b><u>812,259,107</u></b>
Aid and Incentives for Municipalities	777,542	783,941	758,172,213	758,172,213
County-Wide Shared Services Initiative	5,000	5,000	0	0
Miscellaneous Financial Assistance	54,249	23,750	405,650,000	237,500,000
Municipalities with VLT Facilities	30,119	30,119	301,195,94	301,195,94
Small Government Assistance	218	218	217,300	217,300
<b>ALL OTHER CATEGORIES</b>	<b><u>10,634,066</u></b>	<b><u>12,001,642</u></b>	<b><u>19,951,076,000</u></b>	<b><u>20,409,298,000</u></b>
Arts and Cultural Facilities Improvement	21,835	40,000	80,000,000	40,000,000
Community Resiliency, Economic Sustainability and Technology	70,000	55,000	385,000,000	0
General State Charges	9,189,584	9,827,420	8,816,076,000	9,731,298,000
Local Community Assistance Program	10,000	15,000	0	0
Long-Term Debt Service	4,287,269	3,713,934	10,670,000,000	10,638,000,000
Miscellaneous	(3,041,272)	(1,804,147)		
Special Infrastructure Account	96,650	154,435	0	0
<b>TOTAL ALL GOVERNMENTAL FUNDS SPENDING</b>	<b>258,269,761</b>	<b>260,004,189</b>	<b>326,645,058,869</b>	<b>313,761,276,936</b>
<b>Miscellaneous - All State Departments and Agencies</b>			<b><u>4,397,775,081</u></b>	<b><u>4,368,840,783</u></b>
Insurance and Securities Funds Reserve Guarantee			1,515,000,000	1,515,000,000
Health Insurance Contingency Reserve			773,854,000	773,854,000
Mental Hygiene, Department of			600,000,000	600,000,000
Public Security and Emergency Response			500,000,000	500,000,000
Health Insurance Reserve Receipts Fund			292,400,000	292,400,000
Raise the Age			250,000,000	250,000,000
Mortgage Agency, State of New York			187,597,394	218,910,383
State Equipment Finance Program			100,000,000	100,000,000
World University Games				
Interest on Lawyer Account			80,860,000	80,860,000
Data Analytics			0	0
Commercial Gaming Payment Reduction Offsets			17,000,000	17,000,000
Workers' Compensation Reserve			9,590,000	9,590,000
Green Thumb Program			6,173,000	6,644,000
Financial Control Board, New York State			3,497,000	3,496,400
Hudson River Valley Greenway Communities Council			495,000	495,000
Greenway Heritage Conservancy for the Hudson River Valley			546,000	591,000
Special Pay Bill			60,762,687	0
<b>Federal and Other Appropriations</b>			<b><u>9,500,000,000</u></b>	<b><u>9,500,000,000</u></b>
Special Federal Emergency Appropriation			7,000,000,000	7,000,000,000
Special Public Health Emergency Appropriation				
Special Emergency Appropriation			2,000,000,000	2,000,000,000
Reserve for Federal Audit Disallowances			500,000,000	500,000,000

# BUDGET HIGHLIGHTS: EDUCATION



- **General Support for Public Schools (GSPS):** The Executive proposes \$39.3 billion in total School Aid for the 2026-27 School Year (SY), an increase of \$1.6 billion or 4.3 percent. This includes an increase of \$779 million in Foundation Aid, an increase of \$561 million for Universal Prekindergarten Aid, and an increase of \$112 million in Expense-Based Aids.
- **Foundation Aid:** The Executive proposes a total of \$27.1 billion for Foundation Aid, an increase of \$779 million or 3 percent, which would include a minimum one percent year-over-year increase for all districts.
- **Universal Prekindergarten for All:** The Executive provides \$561 million for additional aid to school districts in support of the expansion of Universal Full-Day Pre-K for all four-year-olds. This would bring the minimum per-pupil funding for each district up to a minimum of \$10,000 and expands New York City's 3-K program.
- **Nonpublic School Programs:** The Executive provides \$240 million in aid to reimburse nonpublic schools for state-mandated activities, an increase of \$10 million. Additionally, the Executive provides \$90 million in health and safety capital projects, an increase of \$20 million, and maintains \$85.5 million for STEM instruction and \$5 million for Art and Music instruction.
- **High Impact Tutoring:** The Executive provides \$9 million to support individualized literacy and math tutoring for students in high-needs districts.
- **Back to Basics in Math:** The Executive provides \$4 million to promote evidence-based math instruction, including \$2 million for the NYSUT Education and Learning Trust to train educators and \$2 million for BOCES regional hub pilots to support districts in low math performance.



# 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 2.8 million students enrolled in kindergarten through 12<sup>th</sup> grade, including approximately 2.4 million children in public school districts and approximately 420,000 children in nonpublic schools. New York State currently provides more than \$37.7 billion in General Support for Public Schools (GSPS) for instructional and operational purposes, which allows school districts to provide educational services to children statewide.

Table 9

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	48,331.5	49,887.9	1,556.4	3.2

## State Education Department

The Executive proposes All Funds appropriations of \$49.9 billion, an increase of \$1.6 billion or 3.2 percent above the State Fiscal Year (SFY) 2025-26 level. The Executive recommends support for 2,934 full-time equivalent (FTE) positions, which is an increase of 18 FTE positions from the SFY 2025-26 level.

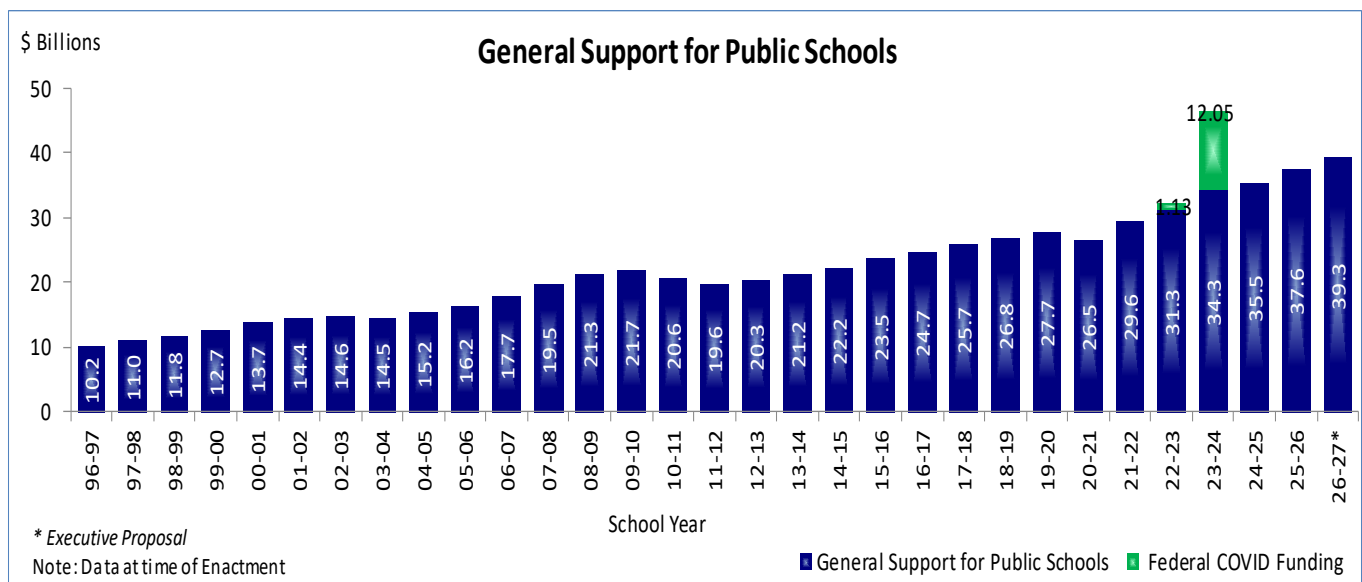
## General Support for Public Schools (GSPS): Formula Based Aids

Under the Executive proposal, total GSPS, which includes various other education grant programs, would total \$39.3 billion in school aid for School Year (SY) 2026-2027. The state funding for school aid would increase by \$1.6 billion, a 4.3 percent increase over SY 2025-26.

Table 10

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

	SY 2025-26	SY 2026-27 Exec. Proposal	Change
Foundation Aid	26,357.61	27,137.10	779.5
Excess Cost-High Cost	710.49	588.22	(122.3)
Excess Cost-Private	508.75	527.87	19.1
Reorganization-Operating Aid	4.94	4.28	(0.7)
Textbooks (Incl. Lottery)	162.09	162.31	0.2
Computer Hardware	34.08	34.78	0.7
Computer Software	41.83	41.91	0.1
Library Materials	17.03	17.49	0.5
BOCES	1,372.79	1,472.85	100.1
Special Services	307.7	312.11	4.4
Transportation (Incl. Summer)	2,734.15	2,890.75	156.6
High Tax	223.3	223.3	-
Universal Pre-Kindergarten	1,068.95	1,499.98	431.0
Academic Achievement Grant	1.2	1.2	-
Supplemental Education Improvement Grant	17.5	17.5	-
Charter School Transitional Aid	77.43	77.11	(0.3)
Full-Day Kindergarten Conversion Aid	0	3.13	3.1
Academic Enhancement Aid	9.57	9.57	-
Supplemental Public Excess Cost	4.31	4.31	-
Building Aid/Reorganization Building	3,528.26	3,478.92	(49.3)
<b>Total School Aid</b>	<b>37,182.0</b>	<b>38,504.7</b>	<b>1,322.7</b>
Categorical Grants	319.1	322.3	3.2
Competitive Grants	77.0	77.0	-
College in High School Opportunity Fund	47.5	48.6	1.1
Anticipated Additional UPK	0	130.0	130.0
1/3 Chapter 97 Potential Building Aid	0	170.2	170.2
<b>Total GSPS</b>	<b>37,625.6</b>	<b>39,252.7</b>	<b>1,627.2</b>



**Figure 5**

**Foundation Aid:** The Executive proposes increasing Foundation Aid by \$779.5 million or 3 percent, for a total of \$27.1 billion and would provide a 1 percent year-over-year minimum increase for all districts.

**Community Schools:** The Executive Budget maintains \$250 million for community schools as a set-aside within Foundation Aid. Additionally, the Executive continues \$1.2 million in funding for Community Schools Regional Technical Assistance Centers.

**Expense Based Aids:** The Executive fully funds the current statutory formulas that reimburse a portion of certain school district expenses, such as school construction, pupil transportation, and Boards of Cooperative Educational Services (BOCES) shared services. In total, these expense-based aids are projected to increase by \$112 million, or 1.1 percent, in SY 2026-27. Additionally, the Executive allocates \$170 million in anticipated Building Aid.

Table 11

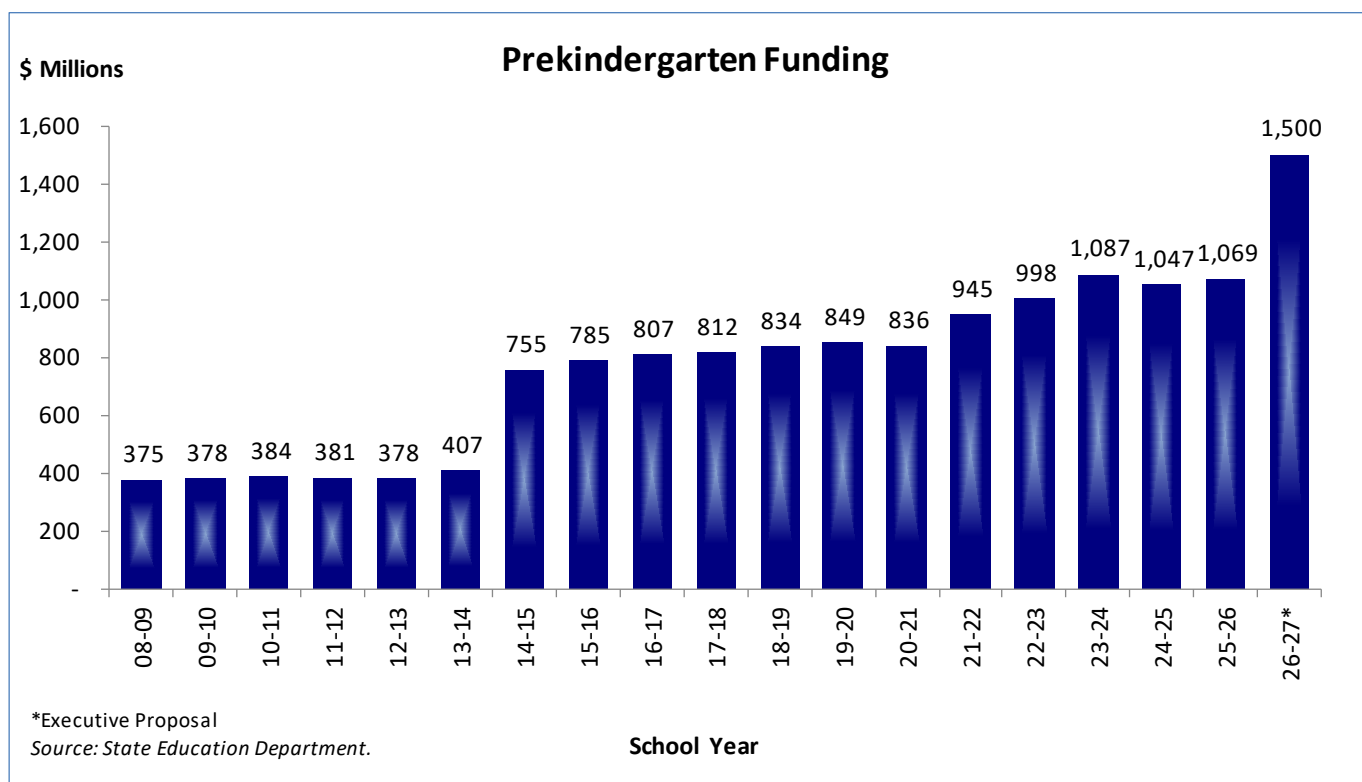
<b>Proposed School Aid Increase (\$ in Millions)</b>	
	<b>SY 2026-27 Exec. Proposal</b>
Foundation Aid	779.49
Expense-Based Aids	112.19
Prekindergarten	431.03
<b>Subtotal: Formula Based Aids</b>	<b>1,322.71</b>
<b>Grant Programs and Additional Aid Changes</b>	
<b>Major Grant Programs</b>	
1/3 Chapter 97 Potential Building Aid	170.15
Anticipated Additional UPK	130.00
Native American Education	2.91
College in High School Opportunity Fund	1.15
Homeless Pupils	0.25
<b>Subtotal: Major Grant Programs</b>	<b>304.46</b>
<b>Year to Year School Aid Increase</b>	<b>1,627.17</b>

### Universal Prekindergarten

The Executive Budget proposes a significant expansion of the UPK formula to provide universal access for four-year-olds by SY 2028-29. Total UPK aid is estimated to increase by \$561 million, or 52.5 percent, for a total of \$1.6 billion. This includes:

- providing school districts a minimum per pupil amount of \$10,000 for each four-year-old served in UPK, helping to consolidate the Universal Prekindergarten (UPK) programs and Statewide Universal Full-Day Prekindergarten (SUFDPK) programs; and
- expanding New York City's prekindergarten program for three-year-olds (3-K).





**tabl 6**

### Other Education Programs

**Universal School Lunch and Breakfast Program:** The Executive provides a total of \$395 million to reimburse the cost of school meals in SY 2026-27, and an additional \$43 million for SY 2025-26, due to higher than anticipated participation, a year-over-year increase of \$12 million.

**College in High School Opportunity Fund:** The Executive provides \$48.6 million for the College in High School Opportunity Fund, a \$12.9 million decrease. This funding includes \$2 million for a new teacher pipeline initiative.

**Nonpublic Schools:** The Executive recommends \$240.2 million in funding for Nonpublic School Aid in SY 2026-27. The Executive also provides:

- \$90 million in capital funding for nonpublic school health and safety projects, an increase of \$20 million over SFY 2025-26;
- \$85.5 million for Science, Technology, Engineering, and Math (STEM) instruction;
- \$5 million for arts and music programs; and
- \$922,000 for Academic Intervention for Nonpublic Schools, a decrease of \$500,000 from SFY 2025-26.

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

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

**High-Impact Tutoring:** The Executive provides \$9 million for high-impact tutoring programs focused on literacy and mathematics.

### **Charter Schools**

**Supplemental Tuition Payments:** The Executive provides \$195 million, a \$5 million increase, to school districts for reimbursement of supplemental basic tuition for charter schools.

**New York City Charter Facilities Aid:** The Executive proposal provides a total of \$177 million, an increase of \$32 million, to provide new and expanding charter schools with either co-located space or payment of a portion of the rental costs for private facilities.

### **Teacher Training Programs**

**Teacher Workforce Programs:** The Executive budget maintains \$30 million for a Teacher Residency Program for upskilling school paraprofessionals funded through the Urban Development Corporation (UDC).

**Math Instruction (“Back to Basics”):** The Executive provides funding for math instruction supports, including:

- \$2 million for the NYSUT Education and Learning Trust to train educators in evidence-based math instruction; and
- \$2 million for BOCES regional hub pilots to support districts with low math performance.

**Rochester and Yonkers Literacy Pilots:** The Executive includes provides \$1.5 million for a three-year pilot program to improve literacy instruction in the Rochester and Yonkers city school districts.

**Teacher-Mentor Intern:** The Executive maintains \$2 million for teacher-mentor intern programs.

**Accelerated Teacher Preparation:** The Executive provides \$1.9 million for a new accelerated teacher pathway program.

**Empire State Excellence in Teaching:** The Executive maintains \$400,000 for the Excellence in Teaching Awards.

**National Board Certification:** The Executive maintains funding for the National Board of Professional Teaching Standards Certification Program at \$368,000.

The Executive does not provide for Teacher Resource and Computer Training Centers in the 2026-27 SY, a \$15 million reduction.

### **Special Education**

The Executive provides a total of \$1.3 billion, a \$173 million increase, to fund Preschool Special Education Programs (referred to as 4410 schools).

The Executive proposal provides a total of \$437 million, a \$24 million increase, to fund summer programs for students with disabilities (referred to as 4408 schools).

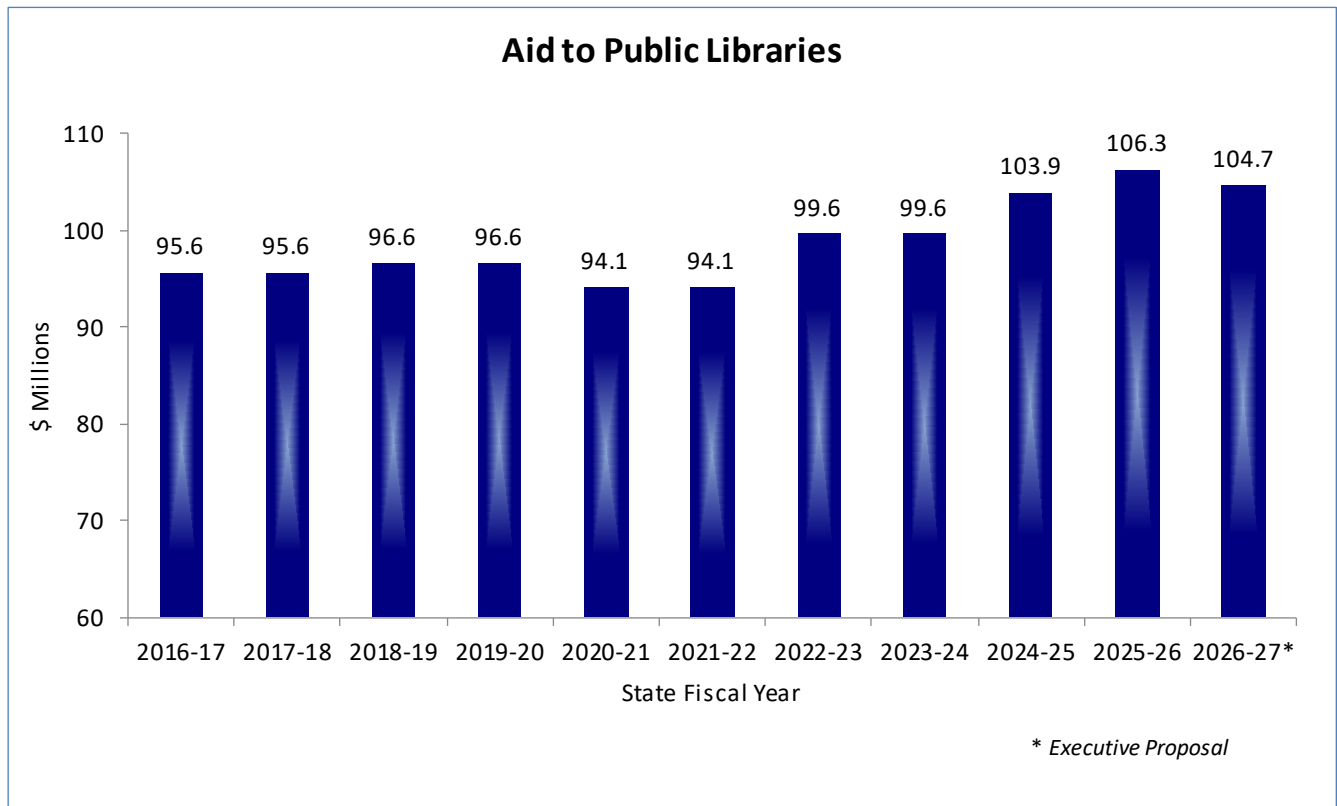
The Executive provides funding for Schools for the Blind and Deaf (referred to as 4201 schools) at \$114.9 million but eliminates \$4.9 million in funding for nine individual Schools for the Blind and Deaf.

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

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

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

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



**Figure 7**

**Libraries:** The Executive proposal provides \$104.7 million for Public Libraries, a \$1.7 million decrease.

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

The Executive reduces funding for Educational Television and Radio by \$4 million, for a total of \$14 million.

The Executive maintains \$500,000 for the Schomburg Center for Research in Black Culture.

The Executive maintains funding for the Langston Hughes Community Library, for a total of \$222,500.

The Executive proposes \$250,000 for the Statewide Summer Reading Program utilizing revenues collected from the sale of Love Your Library license plate, a \$150,000 increase.

The Executive provides \$1.5 million in funding for the Summer School for the Arts, a \$1.2 million reduction.

The Executive transfers \$12 million to support the Office of Cultural Education from the Office of Professions.

### **Other Programmatic Support**

**Consortium for Worker Education (CWE) Funding:** The Executive proposes \$11.5 million in funding for CWE, a \$1.5 million decrease from SFY 2025-26.

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

The Executive Budget eliminates funding for school monitors in East Ramapo, Hempstead, Rochester, Wyandanch, and Mount Vernon (\$925,000) and further eliminates an additional \$31 million in various legislative adds.

Table 12

### Other Public Elementary and Secondary Education Programs

	SFY 2025-26	SFY 2026-27		
	Enacted	Exec. Request	\$ Change	% Change
	(\$ in Millions)	(\$ in Millions)	(\$ in Millions)	
Buffalo School Health Services Grants	1,200,000	-	(1.20)	(100.00)
Rochester School Health Services Grants	1,200,000	-	(1.20)	(100.00)
School District Financial Hardship Grants (Tax Cert)	-	-	-	-
Yonkers City School District	12,000,000	-	(12.00)	(100.00)
Amityville Union Free School District	2,000,000	-	(2.00)	(100.00)
Hempstead Monitor	175,000	-	(0.18)	(100.00)
Wyandanch Monitor	175,000	-	(0.18)	(100.00)
Rochester Monitor	175,000	-	(0.18)	(100.00)
Mount Vernon Monitor	175,000	-	(0.18)	(100.00)
East Ramapo Monitors	225,000	-	(0.23)	(100.00)
Supplemental Basic Charter School Tuition Payments	190,000,000	195,000,000	5.00	2.63
Charter Schools Facilities Aid	145,000,000	177,000,000	32.00	22.07
College in High School Opportunity Fund	47,475,000	48,624,000	1.15	2.42
Other Competitive Grants	76,990,000	76,990,000	-	-
Literacy & Math Tutoring	-	9,000,000	9.00	-
NYSUT Ed. Trust - Evidence-Based Math Instruction	-	2,000,000	2.00	-
BOCES Regional Hub Pilots for Math	-	2,000,000	2.00	-
Rochester & Yonkers Literacy Pilot Program	-	1,500,000	1.50	-
Accelerated Teacher Preparation Pathways Prgm.	-	1,882,000	1.88	-
Community Schools Regional Technical Assistance Centers	1,200,000	1,200,000	-	-
My Brother's Keeper Initiative	28,000,000	28,000,000	-	-
Teacher Resource Centers	21,392,000	6,418,000	(14.97)	(70.00)
Distraction-Free Schools	13,500,000	-	(13.50)	(100.00)
Targeted Prekindergarten	1,303,000	1,303,000	-	-
Migrant Workers	89,000	89,000	-	-
School Lunch and Breakfast Program	340,000,000	395,000,000	55.00	16.18
School Lunch and Breakfast Program - Prior Year Claims	36,000,000	43,000,000	7.00	19.44
Locally Sourced Food Reimbursement	10,000,000	10,000,000	-	-
Nonpublic School Aid (MSA and CAP)	230,280,000	240,183,000	9.90	4.30
Academic Intervention Services for Nonpublic Schools	1,422,000	922,000	(0.50)	(35.16)
Nonpublic STEM	85,500,000	85,500,000	-	-
Nonpublic Art and Music	5,000,000	5,000,000	-	-
Teen Health Education Account	120,000	120,000	-	-
Private Schools for the Blind & Deaf (General Fund)	114,900,000	114,900,000	-	-
Private Schools for the Blind & Deaf (Lottery)	20,000	20,000	-	-
Summer School Special Education	413,000,000	437,000,000	24.00	5.81
Preschool Special Education	1,092,000,000	1,265,000,000	173.00	15.84
Costs Associated with Section 652 of the Labor Law	17,180,000	17,180,000	-	-
New York State Center for School Safety	466,000	466,000	-	-
Health Education Program	691,000	691,000	-	-
Extended School Day/School Violence Prevention	24,344,000	24,344,000	-	-
County Vocational Education and Extension Boards	932,000	932,000	-	-
Primary Mental Health Project	894,000	894,000	-	-
Math and Science High Schools	1,382,000	1,382,000	-	-
Say Yes to Education Program	350,000	350,000	-	-

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

	SFY 2025-26	SFY 2026-27		
	Enacted	Exec. Request	\$ Change	% Change
	(\$ in Millions)	(\$ in Millions)	(\$ in Millions)	
SUNY CARD	1,740,000	1,240,000	(0.50)	(28.74)
Postsecondary Aid to Native Americans	800,000	800,000	-	-
Summer Food Program	3,049,000	3,049,000	-	-
Consortium for Worker Education	13,000,000	11,500,000	(1.50)	(11.54)
Charter School Start Up Grants	4,837,000	4,837,000	-	-
Student Mentoring and Tutoring Program	490,000	490,000	-	-
Small Government Assistance to School Districts	1,868,000	1,868,000	-	-
Just for Kids - SUNY Albany	235,000	235,000	-	-
Deferred Action for Childhood Arrivals	1,000,000	1,000,000	-	-
Additional Grants to Certain School Districts ...	42,653,500	-	(42.65)	(100.00)
Less: Consortium for Worker Education Offset	(13,000,000)	(11,500,000)	1.50	(11.54)
<b>Total</b>	<b>2,973,427,500.0</b>	<b>3,207,409,000.0</b>	<b>233,981,500.0</b>	<b>7.87</b>

### State Operations

The Executive proposal includes \$743 million in State Operations funding for SED. This is an increase of \$37.6 million or 5.3 percent over SFY 2025-26. This includes:

- \$80.4 million for services and expenses of the Individuals with Disabilities Education Act, an increase of \$18.7 million;
- \$62.8 million for the Office of the Professions, an increase of \$1 million;
- \$3 million maintained to ensure continued access to the New York Virtual Electronic Library (NOVELny);
- \$2 million for additional SED staff and expenses;
- \$1 million for the expansion of UPK administration;
- \$1 million for developing materials on Responsible Digital Citizenship;
- \$864,000 for development and expansion of civics instruction for Indigenous Youth;
- \$750,000 for the new Empire AI Student Challenge Program; and
- \$500,000 in new funding for maintenance of the TeachNY website.

The Executive proposal reduces funding for the teacher certification program by \$2.3 million for a total of \$9.3 million, no longer providing additional funding for the TEACH system modernization project.

The Executive proposal eliminates \$150,000 in funding for the Rochester Fiscal Monitor.

## **Capital**

The Executive proposal includes \$193.5 million in new capital appropriations including:

- \$22.5 million for the Batavia School for the Blind;
- \$22.4 million in funding for SED administration;
- \$20.1 million in funding for Schools for Native American Reservations;
- \$3 million in funding for the Rome School for the Deaf; and
- \$1.5 million in funding for the Cultural Education Center.

The Executive proposes changes to past appropriation language for Schools for Native American Reservations that would allow for unspent funds to be allocated to the design and construction of a new St. Regis elementary school.

## **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 2025-26 school year to submit a contract that maintains at least the same amount of funding for the 2026-27 school year unless all the schools in the district are in good academic standing;
- ensure that each school district receives at least a one percent annual increase in their Foundation Aid amount;
- broaden cost allowances for building aid to include renewable energy projects;
- expand UPK to support full-day instruction for four-year old children by Fall 2028, consolidate the UPK and Statewide Universal Full Day Prekindergarten (SUFDPK) into a single program, and expand funding for three-year old children in NYC;
- extend mayoral control over the New York City education system through 2030;
- require that Expanding our Children's Education and Learning (EXCEL) projects be certified by the commissioner prior to December 31, 2028;



- direct the Commissioner of Education to provide school districts with instructional best practices in numeracy and the teaching of mathematics for grades K-5; and
- extend various provisions of law.



# BUDGET HIGHLIGHTS: HEALTH



- **Essential Plan (EP):** H.R.1 included provisions that revoke eligibility for certain lawfully present immigrants from receiving federal funding under the Essential Plan. This federal change will cause the EP to become insolvent. As a result, the Executive budget Financial Plan assumes that the EP will be terminated as of July 2026.
- **Medicaid Program:** The proposed Executive budget includes total Medicaid spending of \$122.6 billion, a decrease of \$3.4 billion or 2.7 percent. This overall decrease is primarily attributed to the loss of federal funding for the Essential Plan. The Executive proposes a state share increase of \$4.4 billion or 10 percent, for a total of \$48.5 billion. Increased state share Medicaid expenditure is primarily driven by \$2.6 billion in federal impacts requiring the shift of 486,000 lawfully present immigrants from the EP to state-funded Medicaid.
- **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 Centers for Medicare and Medicaid Services (CMS) Medicaid Spending Annual Growth rate. The Executive proposes a \$2.1 billion or 8 percent increase to Global Cap Medicaid Spending in SFY 2026-27.
- **Managed Care Organization (MCO) Tax:** Due to proposed rule changes from CMS the MCO Tax is projected to cease revenue collections in SFY 2026-27. The Executive budget proposes to utilize the remaining \$2.1 billion in previously collected receipts to effectuate \$821 million in health care investments and to offset Global Cap expenditures by \$500 million. Additionally, the Executive proposes to invest \$750 million in General Fund resources to the Healthcare Stability Fund to provide additional rate increases to hospitals and nursing homes.
- **Safety Net Transformation Program:** The Executive budget proposes an additional \$1 billion in capital support and \$330 million in operating support for hospitals submitting sustainability plans under the program.
- **Medical Indemnity Fund:** The Executive proposes \$75 million in additional funding, accompanied by proposed reforms to make reimbursement rates comparable to Medicare reimbursement rates.



# BUDGET REVIEW AND ANALYSIS: HEALTH



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

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

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

**Table 13**

Agency	Appropriations		Change (\$ in Millions)	Change (%)
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)		
Department of Health	136,309.6	136,501.9	192.3	0.1
State Office for the Aging	433.9	435.8	1.9	0.4
Office of Medicaid Inspector General	59.2	71.2	12.0	20.3

## Department of Health

The Executive proposes an All Funds appropriation of \$136.5 billion, an increase of \$192.3 million or 0.1 percent over SFY 2025-26. The Executive recommends funding support for 6,220 full-time equivalent (FTE) positions, an increase of 11 FTEs, related to proposals to increase oversight of material transactions, enforcement of taxes on vapor products, cardiac emergency readiness, the use of artificial intelligence in healthcare, and to alleviate barriers to hearing loss screenings and language acquisition services.

## Federal Impacts

**Essential Plan (EP):** The Essential Plan provides comprehensive health coverage for over 1.7 million individuals and families with income between 138 and 250 percent of the Federal Poverty Level (FPL) and for individuals up to 138 percent of the FPL who are lawfully present but do not qualify for Medicaid due to their immigration status. The state receives federal funding to operate the EP under the 1332 State Innovation Waiver based on the amount of Premium Tax Credits (PTCs) that individuals would have otherwise received under the Affordable Care Act. However, provisions included in H.R.1 enacted in July 2025 disqualifies most of the lawfully present immigrant population from receiving PTCs. Due to this, the current 1332 waiver will lose more than half its current operating revenue, rendering it insolvent beginning in July 2026.

**Table 14**

<b>H.R. 1 Impacts on Essential Plan Enrollment</b>		
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>
<b><u>Current 1332 Waiver</u></b>	1,720,756	N/A
<b><u>Federal Approval of 1331 BHP Reactivation</u></b>		
Lawfully Present Immigrants 1331 BHP Eligible	N/A	485,957
Individuals 138-200% FPL 1331 BHP Eligible	N/A	764,856
<b>Total Shifted to 1331 BHP</b>	N/A	<b>1,250,813</b>
Individuals 200-250% FPL Newly Uninsured	N/A	469,943
<b><u>Federal Denial of 1331 BHP Reactivation</u></b>		
Lawfully Present Immigrants moved to Medicaid	N/A	485,957
Individuals 138-200% FPL Impacted	N/A	764,856
Individuals 200-250% FPL Impacted	N/A	469,943
<b>Total Impacted Individuals</b>	N/A	<b>1,234,799</b>

To maintain coverage for as many EP enrollees as possible, the State has applied to CMS to terminate the 1332 waiver and reactivate the previously used 1331 Basic Health Program (BHP) effective July 1, 2026. This reactivation of the BHP would allow the state to access \$9 billion from the BHP Trust Fund to offset the loss of PTC revenue and temporarily maintain solvency of the EP for 486,000 lawfully present immigrant enrollees, and 765,000 enrollees between 138 and 200 percent of the FPL. However, returning to the BHP will reduce the EP's maximum income level from 250 to 200 percent of the FPL, resulting in loss of coverage for approximately 470,000 people, leaving EP enrollment at 1.3 million.

These 470,000 individuals would be required to obtain employer-based insurance, enroll in a Qualified Health Plan on the ACA Marketplace or become uninsured.

The reactivation of the BHP is contingent upon Federal approval, which at this time CMS has not provided. Due to volatility at the federal level, the Executive budget proposal assumes no waiver approval, resulting in \$2.6 billion in added Medicaid spending under the Global Cap. This increased spending is primarily attributable to the shift of 486,000 lawfully present immigrants to state-funded Medicaid, beginning in July 2026. Furthermore, the Executive budget assumes that the state will fully terminate the 1332 waiver for EP enrollees between 138 and 250 percent of the FPL due to the insolvency created by the loss of PTCs.

**Medicaid Work Requirements:** The Executive budget includes \$59 million in funding for the New York State of Health to support the implementation of federal Medicaid policy changes enacted under H.R.1, including new work requirements and a transition to six-month eligibility renewals for enrollees, which will increase administrative, system, and outreach demands.

**Rural Health Transformation Program:** The Executive budget includes \$212 million in federal funding awarded to New York by CMS through an application process as, enacted under H.R.1. These funds reflect the first allocation of a five-year award period and will be used to expand access to healthcare in rural areas, modernize technology, enhance workforce, and support innovative service models.

### **Medicaid and Health Care Reform Act**

**Medicaid Program:** The Executive Budget includes total Medicaid spending of \$122.6 billion, a decrease of \$3.4 billion or 2.7 percent, from SFY 2025-26. This overall decrease is primarily attributed to the loss of Federal funding for the Essential Plan. The Executive proposes a state share increase of \$4.4 billion or 10 percent, for a total of \$48.5 billion. Increased state share Medicaid expenditure is primarily driven by \$2.6 billion in federal impacts, increased minimum wage costs, medical cost increases, elevated enrollment levels, payments to financially distressed hospitals, increased drug prices and utilization of high-cost drugs, and continued growth of Managed Long Term Care utilization.

Table 15

All State Agency Medicaid Expenditure Projections (\$ in Millions)				
	SFY 2025-26	SFY 2026-27	Year-to-Year Change	
			Amount	Percent
State Share	44,052	48,455	4,403	10.0
Federal Share	72,919	65,115	(7,804)	(10.7)
Local Share	9,051	9,051	0	0.0
<b>All Funds</b>	<b>126,022</b>	<b>122,621</b>	<b>(3,401)</b>	<b>(2.7)</b>

**Medicaid Enrollment:** The Executive projects Medicaid enrollment to remain at approximately 700,000 enrollees higher than pre-pandemic levels, with a total population of 6.8 million enrollees expected through SFY 2026-27. Eligibility redeterminations following the unwind of the COVID-19 Public Health Emergency declaration were completed in June of 2024 and enrollment has normalized to reflect current economic trends but is not anticipated to significantly decline further.

**Medicaid Global Cap:** The Executive proposal reflects the revised Medicaid Global Cap metric enacted in the SFY 2022-23 budget, which indexed spending growth to the five-year rolling average of the CMS Medicaid Spending Annual Growth rate. The Executive proposes a \$2.1 billion, or 8 percent increase to Global Cap Medicaid Spending in SFY 2026-27. Due to changes to Medicaid and Essential Plan eligibility for certain lawfully present immigrants included in H.R.1, the Financial Plan assumes \$2.6 billion in additional Medicaid Global Cap spending pending CMS approval of the state's application to reactivate the 1331 BHP. The Executive proposes to offset this increased cost with \$1.9 billion in General Fund support. Future Medicaid spending is projected to exceed the Global Cap by \$3 billion in SFY 2027-28 and \$3 billion in SFY 2028-29.

Table 16

Medicaid Global Cap Spending (\$ in Millions)					
	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29	SFY 2029-30
<b>Medicaid Global Cap</b>	<b>26,459</b>	<b>28,577</b>	<b>30,707</b>	<b>32,839</b>	<b>35,051</b>
Annual Change (\$)	1,529	2,118	2,130	2,132	2,212
Annual Change (%)	6.1%	8.0%	7.5%	6.9%	6.7%
<b>Global Cap Deficit</b>	<b>0</b>	<b>0</b>	<b>2,909</b>	<b>2,923</b>	<b>2,964</b>



**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 \$9.2 billion in savings in SFY 2026-27. The Executive proposal continues to utilize \$325 million from the Master Settlement Agreement payments from tobacco manufacturers to offset the growth in local Medicaid expenditures.

**Table 17**

<b>Medicaid Takeover - Local Savings</b>				
<b>(\$ in Millions)</b>				
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>
Medicaid 3% Cap	6,126	6,789	7,401	8,435
Local Growth Takeover	2,196	2,378	2,561	2,743
<b>Total</b>	<b>8,322</b>	<b>9,167</b>	<b>9,962</b>	<b>11,178</b>

**Health Care Reform Act (HCRA) Financing:** In SFY 2026-27, HCRA disbursements are projected to total \$7.9 billion, a decrease of \$10 million from SFY 2025-26.

**Managed Care Organization (MCO) Tax:** The SFY 2024-25 enacted budget directed DOH to pursue CMS approval to establish a new provider tax on MCOs. On December 20, 2024, the state received approval for the tax from CMS, effective January 1, 2025. Pursuant to a draft rule released by CMS in May 2025 and similar provisions included in H.R.1, the MCO Tax is likely to be disallowed at the conclusion of the 2025-26 state fiscal year. As a result, the Executive budget does not assume any further collections past April 1, 2026, resulting in only five quarters of assessment receipts compared to the originally anticipated nine quarters. The Executive proposes to use the remaining \$2.1 billion in receipts to offset the Global Cap by \$500 million and to fund \$821 million in health care investments, including:

- \$330 million for the Safety Net Transformation Program;
- \$201 million for nursing homes and assisted living programs;
- \$155 million for hospital investments;
- \$50 million for increasing the Medicaid physician fee schedule;
- \$50 million for the quality pools;
- \$20 million for clinics and Federally Qualified Health Centers; and
- \$15 million for Value Based Payment.

**Healthcare Stability Fund:** The Executive proposes to invest an additional \$750 million in General Fund Support into the Healthcare Stability Fund, which houses receipts from the MCO Tax, to effectuate rate increases for both hospitals and nursing homes. Of this investment \$500 million will be recurring spending over the life of the Financial Plan.

**Managed Care Actions:** The Executive proposes a total savings of \$94.7 million by standardizing Applied Behavioral Analysis programs (\$13.7 million), carving Medicaid claims out of the state's Independent Dispute Resolution process (\$28.5 million), biomarker precision testing reforms (\$50 million), and reforming eligibility criteria for low-acuity members utilizing Health Home resources (\$2.5 million).

**Nursing Home Actions:** The Executive proposes a net investment of \$8.8 million by reducing the Nursing Home VAPAP pool by \$20 million and redirecting those resources towards a restoration of the 10 percent nursing home capital rate cut (\$28.8 million).

**Other Long Term Care Actions:** The Executive proposes a savings of \$7.5 million by limiting the personal care fee-for-service administrative reimbursement rate to 15 percent of total costs and standardizes the direct care component of rates.

**Other Actions:** The Executive proposes a savings of \$25 million by directly negotiating with drug manufacturers for certain high-cost drugs. The Executive also proposes to invest \$17.9 million in the Medicaid Enterprise Client Management System. Lastly, the Executive proposes to update Medicaid's coinsurance payment rules to ensure consistency with Medicaid's billing policy, realizing savings in the SFY 2027-28 budget.

## **Public Health**

**Medical Indemnity Fund (MIF):** The Executive proposes \$75 million in additional funding to the MIF, accompanied by proposed reforms to make reimbursement rates comparable to Medicare reimbursement rates.

**Food Insecurity:** The Executive budget proposes to invest \$127.3 million in hunger prevention programs. Specifically, the budget allocates \$72.3 million for the Hunger Prevention and Nutrition Assistance Program (HPNAP), an increase of \$15 million over SFY 2025-2026, and \$55 million for the Nourish New York program.

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

**Public Health Initiatives:** The Executive proposes \$10 million in funding to support various public health initiatives.

**Table 18**

Public Health Initiatives (\$ in Millions)	
Program	SFY 2026-27 Impact
Choose Healthy Life	\$5.9
Alliance for Donation (Donate Life New York)	\$0.3
Tax Check-Offs (Gifts for Food, Lupus Research, ALS Research)	\$1.4
Percy T. Phillips Educational Foundation of Dental Society	\$0.1
Transgender and Gender Non-Conforming Wellness and Equity Fund	\$0.5
Radiological Health Investment	\$1.3
Asbestos Safety Training Program	\$0.2
Quality of Care Improvement Account	\$0.2
Material Transactions	\$0.2
Reading and Language Acquisition Equality for Deaf Children	\$0.1
<b>Total Impact</b>	<b>\$10.0</b>

**Support Vital Records:** The Executive proposes \$7 million for the Bureau of Vital Records to digitize archival records to improve the records request process.

**Artificial Intelligence (AI) in Healthcare:** The Executive proposes \$1.5 million in funding to establish a panel of healthcare leaders to share best practices of AI in healthcare.

**Illegal Vapor Products:** The Executive proposes \$4.7 million in funding to reduce the harmful effects of flavored vaping products by properly storing and disposing products.

**Reducing Reliance on Temporary Staff:** The Executive proposes \$4.2 million to provide best practices for health providers to retain permanent staff.

**Healthcare Delivery System Reform:** The Executive proposes \$4 million to streamline Certificate of Need (CON) review to make the process more efficient.

**Cardiac Emergency Readiness:** The Executive proposes \$3.2 million to establish regional training hubs for the use of Automated External Defibrillators.

**Signed Legislation:** The Executive proposes \$7.5 million in funding to effectuate recently enacted law.

**Public Health Program Elimination:** The Executive proposes to save a total of \$13.5 million by eliminating various public health programs.

**Table 19**

<b>DOH Public Health Program Eliminations (\$ in Millions)</b>	
<b>Program</b>	<b>SFY 2026-27 Impact</b>
EQUAL Operating Support	\$3.3
EQUAL Capital	\$3.3
Enriched Housing Subsidy Program	\$0.4
Long Term Care Community Coalition	\$0.0
Coalition for the Institutionalized Aged and Disabled	\$0.1
Empire Clinical Research Investigator Program (ECRIP)	\$3.5
Minority Male Wellness and Screening Funding	\$0.03
Health Promotion Initiative Funding	\$0.43
Tick-borne Disease Program	\$0.07
Statewide Health Broadcast Program	\$0.03
Center for Liver Transplant	\$0.24
Healthy Neighborhoods Funding	\$1.50
Eliminate Section 405.4 Hospital Audits	\$0.70
<b>Total Impact</b>	<b>\$13.5</b>

### Capital Projects

**Safety Net Hospital Transformation Program:** The Executive proposes an additional \$1 billion over a multi-year period to encourage partnerships between Safety Net hospitals and private healthcare networks that focus on financial sustainability.

**Providing Local Access to Essential Sustenance (PLATES):** The Executive proposes \$10 million to support capital grants to food banks that provide emergency food assistance.

### Article VII

The Executive proposes Article VII language that would:

- extend the legal authorization of the Medicaid Global Cap through April 1, 2028;
- extend various provisions of the public health law, elder law, insurance law, education, and social services law related to health, insurance, and Medicaid initiatives;

- extend the Health Care Reform Act (HCRA), through March 31, 2029;
- eliminate several public health programs under DOH including the Enhanced Quality of Adult Living (EQUAL) program for adult care facilities, the Enriched Housing program, requirements for the Department of Health to audit hospitals for compliance with working conditions compliance plans and applicable regulations, and the Tick-Borne Disease Institute;
- make technical amendments to various sections of public health law, insurance law, and state finance law;
- expand DOH oversight over automated external defibrillators, which would include the establishment of a registration requirement of each automated external defibrillator possessed by public access providers; and eliminate the collaborative agreement requirement;
- expand reporting requirements for healthcare entities and investors in relation to proposed material transactions and authorize the department of health to conduct supplemental cost and market impact reviews for significant material healthcare transactions;
- reform reimbursement rates for non-physician services provided to enrollees in the MIF;
- allow DOH to establish a profit cap for temporary staffing agencies that provide health care services and require such agencies to report wage and benefits data to the Department;
- extend and expand applications for the community-based paramedicine pilot, authorize emergency medical technicians to practice community paramedicine, and allow general hospitals to provide off-site acute medical services in a patient's home;
- restore a ten-percent cut to nursing home capital rates and adjust the premium for the Medicaid Buy-In for Working Persons with Disabilities program to be proportional to income and match amounts approved by the federal government;
- make changes to various the Medicaid Managed Care program which would include: elimination of certain payment exceptions for Medicaid and Medicare crossover claims, establish a Centers of Excellence designation for applied behavioral analysis providers, eliminate coverage of long-term services and support benefits from the Essential plan, eliminate continuous and presumptive eligibility processes for children for Medicaid or Child Health Plus;
- increase the amount of HSF funding to support federally qualified health centers and diagnostic and treatment centers (to \$40 million) and hospitals and nursing homes (to \$1.5 billion) and allow

the commissioner and director of the budget to make additional investments from revenue within the fund, subject to the availability of fund resources and federal financial participation; and

- make changes to the retention and destruction process of sexual offense evidence kits and create a working group to address the creation of a coordinated tracking system for sexual offense evidence kits.

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

The Executive proposes an All Funds appropriation of \$435.8 million, an increase of \$1.9 million or 0.4 percent over SFY 2025-26. The Executive recommends funding to support 126 FTE positions, which is unchanged from SFY 2025-26.

**Targeted Inflationary Increase (TII):** The Executive proposes a 1.7 percent TII for multiple health and human services agencies, including \$3.92 million for SOFA.

**Neighborhood/Naturally Occurring Retirement Communities (N/NORCs):** The Executive proposes \$8 million in funding to improve health outcomes and reduce institutionalization.

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

The Executive proposes an All Funds appropriation of \$71.2 million, an increase of \$12 million or 20.3 percent over SFY 2025-26. This increase reflects shifting of program integrity staff from DOH to OMIG. The Executive recommends funding to support 549 FTE positions, an increase of four FTEs from SFY 2025-26.

# BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **Operating Support for the State University of New York (SUNY) and the City University of New York (CUNY):** The Executive Budget provides \$244 million in new additional recurring operating support, which would provide \$174 million to SUNY State-operated campuses and \$70 million to CUNY senior colleges.
- **Collective Bargaining Costs:** The Executive Budget includes \$96 million for SUNY and \$24 million for CUNY in increased employee fringe benefit funding. The Executive also provides SUNY with \$25 million to cover the lump-sum payments of retroactive costs for 2023 through 2025 under the Graduate Student Employees Union contract negotiated last year.
- **Community College Funding:** The Executive Budget maintains the Community College Base Aid Funding Floor at 100 percent of prior year funding and provides a \$12.5 million increase to expand the New York State Opportunity Promise Scholarship program to additional high-demand fields, and degree-holding students pursuing a nursing degree.
- **SUNY and CUNY Capital Investment:** The Executive Budget includes \$1.3 billion for capital projects, including \$595 million for SUNY State-operated campuses, \$314 million for CUNY senior colleges, \$150 million for SUNY hospitals, \$128 million for SUNY community colleges, and \$57 million for CUNY community colleges.
- **Opportunity Programs:** The Executive proposal provides \$197 million to fund higher education opportunity programs administered by CUNY, SUNY, and private colleges. This is a \$12 million decrease from SFY 2025-26.





# 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 387,000 full- and part-time students, and the City University of New York (CUNY) which is composed of 26 campuses educating more than 247,000 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 280,000 students attending undergraduate institutions in the State.

**Table 20**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	15,717.94	14,662.82	(1,055.12)	(6.71)
City University of New York	6,585.86	6,374.94	(210.92)	(3.20)
Higher Education Services Corporation	1,090.32	1,053.02	(37.30)	(3.42)

## State University of New York (SUNY)

The Executive proposes All Funds appropriations of \$14.7 billion, a decrease of \$1.1 billion or 6.7 percent from SFY 2025-26 primarily due to lower capital funding. The Executive recommends funding support for 50,958 full-time equivalent (FTE) positions, which is the same level as SFY 2025-26.

**SUNY State Operated Colleges:** The Executive proposal would provide \$1.6 billion in funding for SUNY State operated colleges, an increase of \$63.3 million. This amount includes \$445 million in recurring operating support, an increase of \$54 million. The Executive also continues \$53 million in funding first

provided in Academic Year 2022-23 for a new full-time faculty, and \$51.1 million for the Tuition Assistance Program (TAP) gap, a decrease of \$4.7 million.

State-funded fringe benefits are appropriated at \$2.1 billion, an increase of \$89.7 million.

**Table 21**

<b>Additional Operating Assistance (SUNY)</b>			
	<b>2025-26 Enacted (\$ in Millions)</b>	<b>2026-27 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>
Additional Operating Aid (Recurring)	391	445	54
New Full-Time Faculty	53	53	0
<b>Total Additional Operating Assistance</b>	<b>444</b>	<b>498</b>	<b>54</b>

**University-Wide Programs:** The Executive provides \$233.1 million for University-wide Programs, a \$14 million increase over Academic Year 2025-26. The Executive proposal reduces funding for the Educational Opportunity Program by \$2.6 million, for a total of \$42.5 million, and maintains the Educational Opportunity Centers for a total of \$72.6 million, including \$6 million for ATTAIN labs.

The Executive proposal provides \$35.8 million for new University-wide programs, including:

- \$20 million for the ACE and ASAP programs, an increase of \$8 million from SFY 2025-26;
- \$10.1 million for NY Career Connect Initiative;
- \$2 million for Science of Reading Micro-Credential Program at SUNY New Paltz;
- \$1.8 million for Tuition Waiver for Akwesasne Mohawk Students;
- \$1 million for Evidence-based Math Instruction Micro-Credential Program;
- \$600,000 for Emergency Aid to Students; and
- \$300,000 for Rockefeller Institute Teacher Shortage Task Force.

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

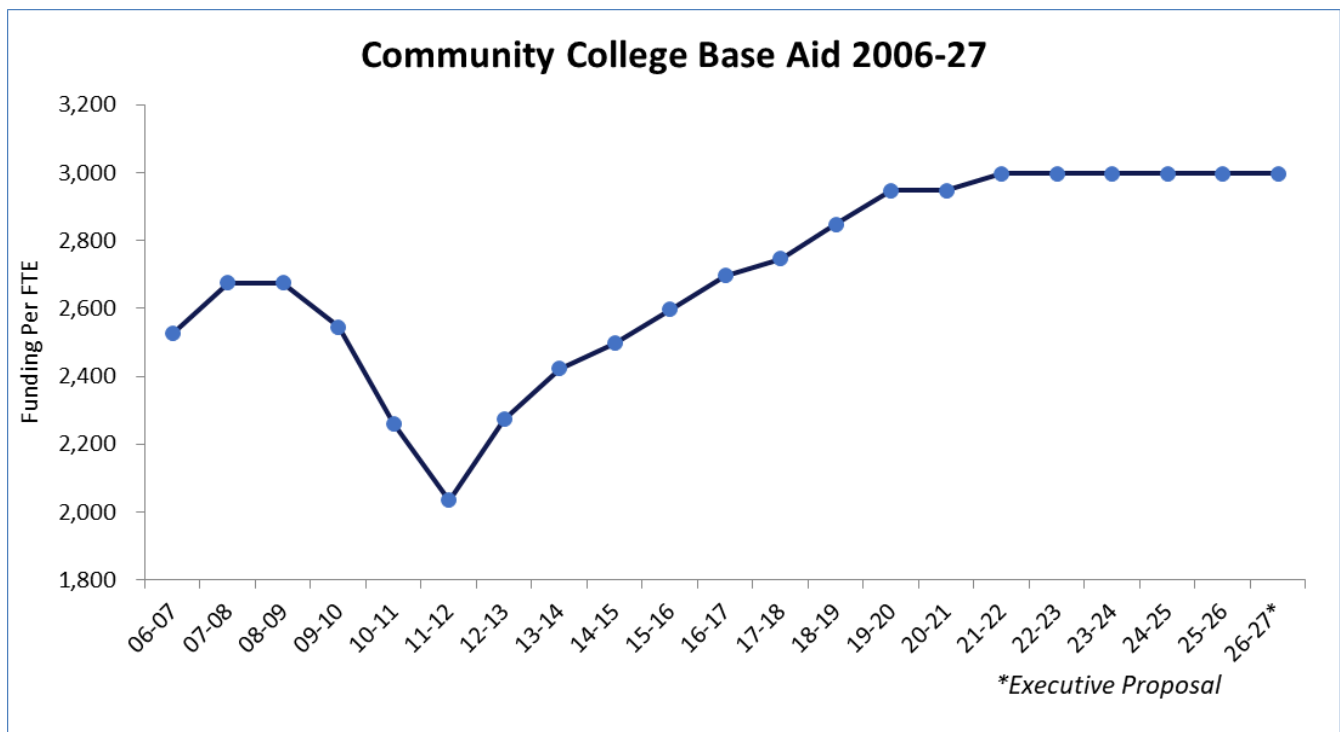
- \$2 million for the Maritime Appointments Program, for a total of \$239,600;
- \$1 million for the High-Need Nursing Program, for a total of \$1.7 million; and
- \$1 million for mental health services, for a total of \$1 million.

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

- \$750,000 for the First Responder Counseling Scholarship Program;
- \$500,000 for the University at Buffalo School of Law Public Interest State Law Program;
- \$425,000 for the Timbuctoo Climate Science Careers Summer Institute at SUNY ESF;
- \$433,000 for the Rockefeller Institute’s Immigrant Integration Research and Policy Institute;
- \$350,000 for the Black Leadership Institute;
- \$350,000 for the Asian American Native Hawaiian Pacific Islander (AANHPI) Leadership Institute;
- \$250,000 for the State University College of Technology at Farmingdale for additional operational and programmatic needs;
- \$200,000 for the University at Buffalo Regional Institute; and
- \$150,000 for the Benjamin Center at SUNY New Paltz.

**SUNY Hospitals:** The Executive proposal would increase SUNY Hospitals’ spending authority to \$5.1 billion, an increase of \$35.4 million.

The Executive provides \$68.2 million for the Long Island Veterans’ Home, an increase of \$4.9 million, and eliminates \$300,000 for the hiring and retention of nurses.



**Figure 8**

**SUNY Community Colleges:** The Executive provides \$492.4 million for SUNY Community Colleges, an increase of \$15.7 million over SFY 2025-26. This includes:

- \$433.3 million of the base aid, including \$417.3 million for the funding floor maintaining 100 percent of prior year funding and \$16 million in additional operating funds;
- \$36.7 million for the New York Opportunity Promise Scholarship in AY 2026-27, an \$8.5 million increase that would help provide expansions to eligible high-demand fields and students pursuing nursing degrees; and
- \$250,000 for the Reconnect for Foster Scholars Program, a program that would provide financial support to former foster youth who started but did not finish earning a degree and would return to their undergraduate studies.

The Executive eliminates \$300,000 for Dutchess Community College and \$200,000 for the Schenectady Community College for programs that alleviate housing and food insecurity for students.

**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 \$1.2 billion in capital appropriations, a decrease of \$1.3 billion from SFY 2025-26 to support the following:

- \$595 million for the preservation of various SUNY facilities, an increase of \$45 million from SFY 2025-26;
- \$128.1 million in capital for community colleges, a decrease of \$2.4 million; and
- \$50 million each for Downstate, Upstate, and Stony Brook hospitals, a total of \$150 million.

The Executive does not provide new funding for the following capital projects that were funded in the prior year: SUNY Downstate University Hospital modernization (\$450 million); SUNY Upstate University Hospital modernization (\$450 million); Research Facilities at SUNY State-operated campuses (\$30 million); Expansion Capital (\$60 million); and the Green Energy Loan Fund (\$25 million).

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

The Executive proposes an All Funds appropriation of \$6.4 billion, a \$210.9 million or 3.2 percent decrease from SFY 2025-26. The Executive recommends support for 13,511 full-time equivalent (FTE) positions, maintaining the same levels as in SFY 2025-26.

**CUNY Senior Colleges:** The Executive would provide \$1.1 billion in state funding for CUNY Senior Colleges, an increase of \$28.1 million. The Executive provides \$335 million in recurring general operating support, an increase of \$36 million. The Executive also continues \$53 million in funding first provided in Academic Year 2022-23 for new full-time faculty, and \$52.4 million for the Tuition Assistance Program (TAP) gap, a decrease of \$3.2 million.

State funded fringe benefits are appropriated at \$1.1 billion, an increase of \$23.6 million.

**Table 22**

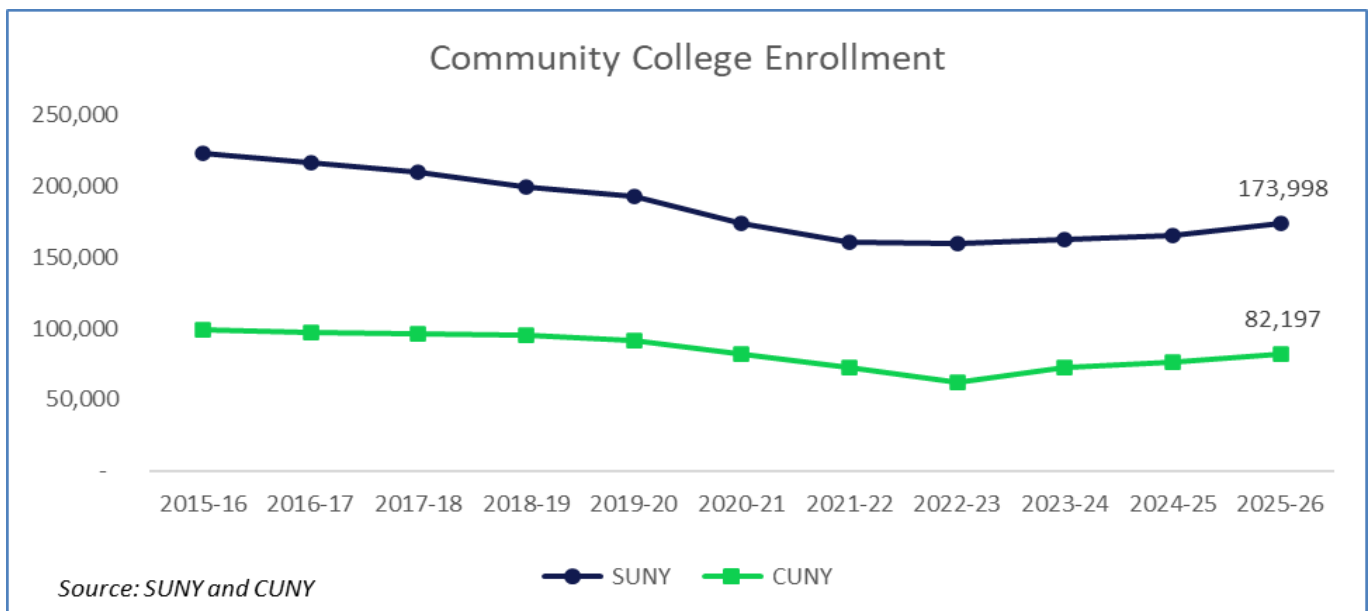
<b>Additional Operating Assistance (CUNY)</b>			
	<b>2025-26 Enacted (\$ in Millions)</b>	<b>2026-27 Exec Request (\$ in Millions)</b>	<b>Change (\$ in Millions)</b>
Additional Operating Aid (Recurring)	299	335	36
New Full-Time Faculty	53	53	0
<b>Total Additional Operating Assistance</b>	<b>352</b>	<b>388</b>	<b>36</b>

The Executive proposal provides \$10.4 million for new programs, including:

- \$6.8 million for the New York Career Connect Initiative;
- \$1 million for Evidence-Based Math Instruction Micro-Credential programs;
- \$1 million for Science of Reading Micro-Credential programs at Brooklyn College;
- \$1 million for Medgar Evers College to improve accessibility for students;
- \$400,000 for emergency aid to students; and
- \$200,000 for Charles B. Rangel Public Service Scholarship program.

The Executive proposal reduces funding for Search for Education, Elevation, and Knowledge (SEEK) by \$2.3 million, for a total of \$37 million. Additionally, the Executive reduces or eliminates funding for the following programs:

- \$4 million for the CUNY School of Medicine, for a total of \$27.8 million;
- \$2.5 million for the School of Labor and Urban Studies, for a total of \$5.7 million;
- \$1.2 million for the CUNY Black Male Initiative;
- \$1 million for mental health services, for a total of \$1 million;
- \$1 million for the expansion of nursing programs, for a total of \$2 million;
- \$750,000 for the Du Bois Bunche Center for Public Policy at Medgar Evers College;
- \$500,000 for the CUNY Graduate School of Public Health and Health Policy – Sexual and Reproductive Justice Hub;
- \$500,000 for the CUNY-sponsored midwifery program;
- \$350,000 for the Asian American/Asian Research Institute;
- \$350,000 for the CUNY Law School W. Haywood Burns Chair in Human and Civil Rights;
- \$300,000 for the Center for Byzantine and Modern Greek Studies at Queens College;
- \$250,000 for the CUNY Medgar Evers College Dr. John L. Flateau Chair in Election Data Analysis and Research; and
- \$150,000 for the model New York State session project.



**Figure 9**

**CUNY Community Colleges:** The Executive provides \$271.5million for CUNY Community Colleges, an increase of \$9.1 million over SFY 2025-26. This includes:

- \$228.7 million in base aid, including \$218 million for the funding floor maintaining 100 percent of prior year funding, and \$10.7 million additional operating funds;
- \$22.8 million for the New York Opportunity Promise Scholarship in AY 2026-27, \$4 million increase that would help provide expansions to eligible high-demand fields and students pursuing nursing degrees; and
- \$250,000 for the Reconnect for Foster Scholars Program, a program that would provide financial support to former foster youth who started but did not finish earning a degree and would return to their undergraduate studies.

The Executive provides \$13.5 million for CUNY's obligation for the MTA Mobility Tax, an increase of \$2 million.

The Executive reduces funding for College Discovery by \$108,000, for a total of \$1.8 million.

**CUNY Capital:** The Executive Budget provides \$421.1 million in capital funding, which is a decrease of \$161.3 million from SFY 2025-26, which includes:

- \$314.2 million in critical maintenance capital;
- \$57.3 million in community college capital;
- \$30.6 million to fund Dormitory Authority services on behalf of CUNY; and
- \$18.9 million to support the CUNY Construction Fund.

The Executive does not provide new funding for the following capital projects that were funded in the prior year: Research Facilities at CUNY Senior colleges (\$133 million); and Expansion Capital (\$85 million).

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

The Executive proposal includes \$115.7 million for opportunity programs funded through SED, a \$7.1 million decrease from SFY 2025-26, which funds the following programs:

- \$46.9 million for the Higher Education Opportunity Program (HEOP), a decrease of \$2.9 million from SFY 2025-26;
- \$24.2 million for the Liberty Partnership Program, a decrease of \$1.5 million from SFY 2025-26;
- \$20.9 million for the Science and Technology Entry Program (STEP), a decrease of \$1.3 million from SFY 2025-26;
- \$15.8 million for the Collegiate Science and Technology Entry Program (CSTEP), a decrease of \$964,000 from SFY 2025-26; and
- \$7.9 million for the Foster Youth Initiative, a decrease of \$483,000 from SFY 2025-26.

**Unrestricted Aid to Independent Colleges and Universities (Bundy Aid):** The Executive provides \$16.1 million in Bundy Aid to eligible institutions with endowments less than \$750 million, a \$229,000 decrease.

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

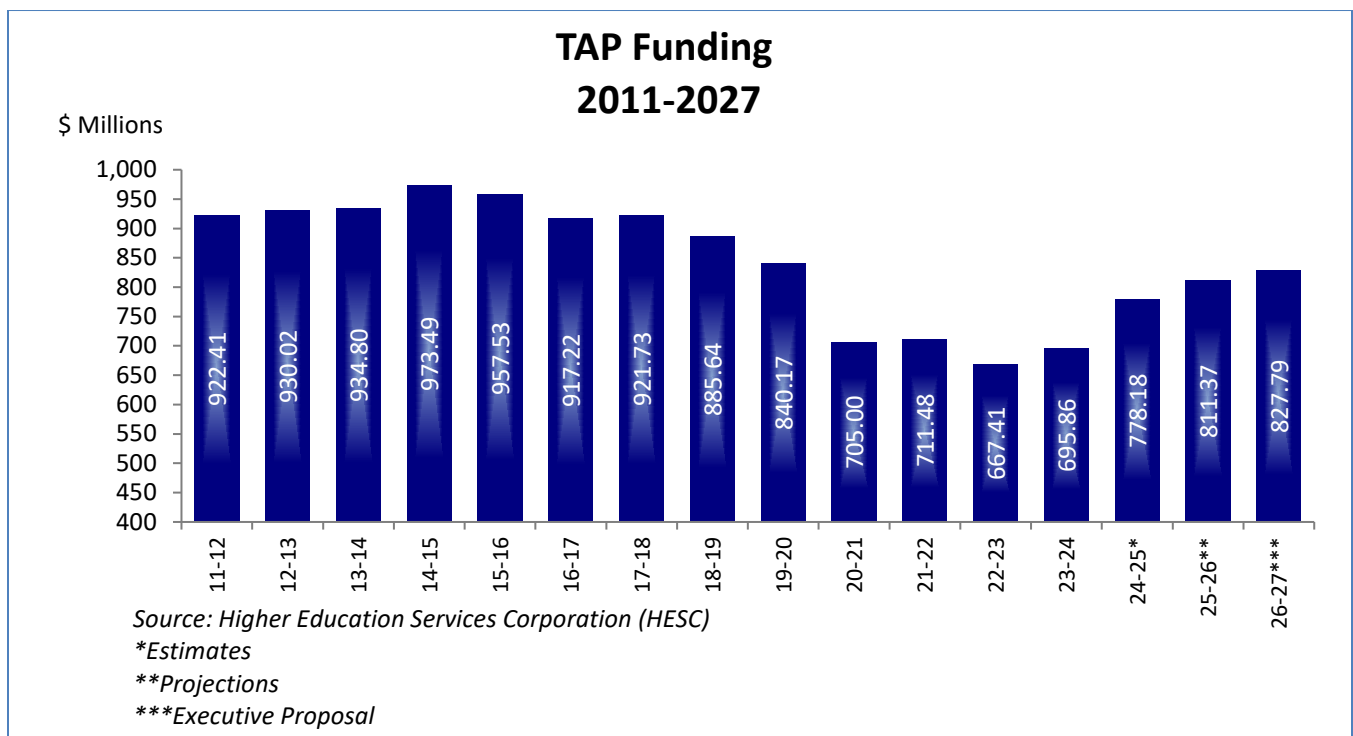


The Executive reduces funding to support students with disabilities by \$2 million, for a total of \$2 million. Additionally, the Executive eliminates:

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

### Higher Education Services Corporation (HESC)

The Executive proposes All Funds appropriations of \$1.1 billion, a \$37.3 million decrease from SFY 2025-26. The Executive maintains support for 138 FTEs, unchanged from SFY 2025-26.



**Figure 10**

**Tuition Assistance Program (TAP):** The Executive proposes a total of \$827.8 million for TAP, a decrease of \$22.7 million from SFY 2025-26.

**Excelsior Scholarship:** The Executive provides funding of \$107.3 million for the Excelsior Scholarship Program, a decrease of \$5.1 million from SFY 2025-26.

**Enhanced Tuition Assistance (ETA):** The Executive provides funding of \$2 million for the ETA program for students attending independent colleges and universities, a decrease of \$1.8 million from SFY 2025-26.

**Scholarships and Other Programs:** The Executive proposal provides \$65.5 million in funding for various scholarships, an increase of \$10.5 million over SFY 2025-26, and provides funds for the following programs:

- \$4 million for Masters-in-Education Teacher Incentive Scholarship Program, an increase of \$1 million expanded to include early childhood education, and transfers, the program from the State Education Department to HESC;
- \$3.9 million for the Patricia McGee Nursing Faculty Scholarship, a decrease of \$1 million from SFY 2025-26;
- \$1.1 million for the “Get a Shot to Make Your Future” vaccine incentive scholarships, a decrease of \$1.4 million from SFY 2025-26;
- \$150,000 for the Young Farmers Loan Forgiveness, a decrease of \$50,000 from SFY 2025-26; and
- \$50,000 for the child welfare scholarship program, a decrease of \$100,000 from SFY 2025-26.

State Operations for HESC is decreased by \$19.6 million, due to shifting costs to the General Fund and the federal termination of the NYGEAR UP program.

### **Other Higher Education Initiatives**

The Executive does not provide funding for another round of Higher Education Facilities Capital Matching Grants Program.

### **Article VII**

The Executive includes the following Article VII proposals that would:

- extend, for three years, the authorization for SUNY and CUNY to set differential non-resident undergraduate and graduate tuition rates at state-operated institutions and senior colleges;
- direct the SUNY Board of Trustees to promulgate rules and regulations establishing certain exceptions for the submission of certificates of residence by students attending community college;
- expand the New York Opportunity Promise Scholarship to students with prior postsecondary degrees pursuing an associate’s degree in nursing;
- expand the NYS Master’s-in-Education Teacher Incentive Scholarship Program to students in master’s programs leading to careers as early childhood educators;

- authorize the lease of certain lands at SUNY Farmingdale and SUNY Stonybrook for the purposes of developing, constructing, maintaining, and operating multi-purpose facilities to support housing needs and related amenities;
- expand the scope of practice for several health care professionals, including physician assistants, certified nurse aides, and medical assistants, and transfer certain oversight of medical professionals and professional business entities from the State Education Department to the New York State Department of Health.



# BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Child Care Subsidies:** The Executive provides an additional \$803.5 million for the Child Care Assistance Program (CCAP), including new carve-outs of \$475 million for New York City, and \$155 million for rest of state counties, in addition to base funding.
- **New York City 2-Care:** The Executive proposal includes \$73 million to create a child care assistance program for two-year olds. The program is expected to serve 2,000 children in its first year, and 30,000 at full implementation.
- **Child Care Pilot Programs:** The Executive provides \$66 million to create new child care pilot programs for children up to three years of age in Monroe, Dutchess, and Broome counties.
- **Affordable Housing:** The Executive proposes \$250 million for the construction and preservation of affordable housing to supplement the current five-year housing plan.
- **Empire State Supportive Housing Initiative:** The Executive includes an additional \$60 million in operating support for supportive housing units, for a total of \$300 million.
- **MOVE-IN NY:** The Executive proposal includes \$100 million to support the construction of factory-built and modular homes.
- **Office of Children and Family Services (OCFS):** The Executive budget provides an additional \$34 million to assist OCFS in overseeing the expansion of child care programs. This will allow the Office to hire an additional 54 full-time equivalents (FTEs) in SFY 2026-27.
- **Wage Theft Enforcement:** The Executive includes \$5.1 million to support district attorneys in rural counties to take on additional wage theft investigation cases.
- **Office of Child Care and Early Education:** The Executive budget includes \$1.5 million for the creation of the Office of Child Care and Early Education to oversee the launch of the 2-Care program, as well as the implementation of universal childcare.
- **Electronic Benefits Transfer (EBT) Cards:** The Executive provides additional resources to the Office of Temporary and Disability Assistance (OTDA) to begin the implementation of chip-enabled EBT cards to limit the theft of SNAP benefits.



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

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

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

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

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

Table 23

Agency/Program	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Temporary and Disability Assistance	7,836.9	7,889.5	52.5	0.7
Office of Children and Family Services	6,284.4	7,202.9	918.5	14.6
Department of Labor	15,343.3	7,060.3	(8,283.0)	(54.0)
Division of Housing and Community Renewal	2,485.1	1,055.7	(1,429.4)	(57.5)
Raise the Age	250.0	250.0	0.0	0.0
State of New York Mortgage Agency	187.6	218.9	31.3	16.7
Division of Human Rights	39.9	39.9	0.0	0.0
Office of National and Community Services	32.0	32.0	0.0	0.0
Department of Veterans' Services	36.2	31.8	(4.4)	(12.2)
Office of Welfare Inspector General	1.4	1.4	0.0	0.0

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

The Executive proposes an All Funds appropriation of \$7.9 billion, an increase of \$52.5 million or 0.7 percent above the State Fiscal Year (SFY) 2025-26. The Executive recommends a workforce of 2,053 FTEs, unchanged from SFY 2025-26 workforce levels.

**Public Assistance Benefits:** The Executive Budget estimates a public assistance caseload of 722,013 recipients for SFY 2026-27, an increase of 8,504 recipients over SFY 2025-26. State spending for the Safety Net population is anticipated to be \$823.5 million, reflecting an increase of \$16.8 million over SFY 2025-26. The Executive estimates Federal Temporary Assistance for Needy Families (TANF) support at \$1.1 billion, which is a decrease of \$6 million from SFY 2025-26 levels.

**TANF Commitments:** The Executive proposes an appropriation of \$1.6 billion for TANF initiatives, an increase of \$3.6 million from SFY 2025-26. The Executive eliminates \$12.1 million in TANF initiatives from SFY 2025-26. The Executive proposal includes \$42 million for additional youth employment programs for localities participating in the Gun Involved Violence Elimination (GIVE) initiative outside of New York City, and \$17.2 million for Local Social Services District case management support.



Table 24

TANF Commitments			
(\$ in Thousands)			
Category/Item	SFY 2025-26 Enacted	SFY 2026-27 Proposed	Change
Flexible Fund for Family Services	964,000	964,000	-
Child Care Subsidies	483,630	497,900	14,270
<b>TANF Initiatives</b>			
ACCESS- Welfare to Careers	800	0	(800)
ATTAIN	4,100	0	(4,100)
Career Pathways	1,425	0	(1,425)
Centro of Oneida	25	0	(25)
Jewish Child Care Association	200	0	(200)
Local District Case Management	17,200	17,200	0
Non-residential DV	3,200	3,000	(200)
Preventive Services Initiative	785	0	(785)
Rochester-Genesee Regional TA	82	0	(82)
Summer Youth Employment	56,500	53,000	(3,500)
Youth Employment Program- GIVE	40,600	42,000	1,400
SUNY/CUNY Child Care	334	0	(334)
Wage Subsidy Program	475	0	(475)
Wheels for Work	144	0	(144)
Subtotal of TANF Initiatives	125,726	115,200	(10,526)
<b>TANF Funding Total</b>	<b>1,573,500</b>	<b>1,577,100</b>	<b>3,600</b>

The Executive proposal provides funding for Emergency Assistance to Needy Families with Children (EAF) at \$280.5 million, unchanged from SFY 2025-26. This includes savings of \$34.8 million associated with a 15 percent local share of EAF for New York City.

**Supplemental Nutrition Assistance Program (SNAP) Quality Control:** The Executive provides \$70 million to pay a penalty to the federal government due to an increase in the state's payment error rate (PER) relative to other states.

**Electronic Benefits Transfer (EBT) Cards:** The Executive provides \$16.8 million to cover the state share of the implementation of chip enabled EBT cards for long-term cardholders to limit the loss of SNAP and Public Assistance benefits through theft and fraud.

**Empire State Supportive Housing Initiative (ESSHI):** The Executive Budget provides \$300 million within OTDA for ESSHI to maintain operational support for current and new supportive housing units, an increase of \$60 million from SFY 2025-26. This increase would support the operating expenses of newly created units.

**Homeless Housing and Assistance Program (HHAP):** The Executive proposal provides \$153 million in funding for HHAP, unchanged from SFY 2025-26.

**Homeless Programs:** The Executive proposal includes \$74.2 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 2025-26. The Executive proposal also includes \$1 million for the Emergency Homeless Services Program, remaining unchanged from SFY 2025-26.

**Summer Youth Employment Program (SYEP):** The Executive eliminates \$5 million in additional Legislative adds for the SYEP, offset by an increase of \$1.5 million in base funding for minimum wage increases, resulting in a net decrease of \$3.5 million, for a total of \$53 million.

**Legal Representation for Eviction:** The Executive eliminates \$13.3 million to provide legal representation for evictions in New York City and provides \$35 million for eviction representation in rest of state localities, reflecting a decrease of \$6.7 million from SFY 2025-26.

**Low Income Weatherization:** The Executive budget eliminates \$25 million in one-time appropriation authority for the Weatherization Assistance Program (WAP). This action was to replace lost authority due to a transfer of funds from WAP to the Home Energy Assistance Program (HEAP).

**Community Initiatives:** The Executive Budget eliminates \$26.3 million in various programs, including \$10 million for the Shelter Arrears Eviction Forestallment (SAEF) Program and \$5 million for the refugee resettlement program.

## **Article VII**

The Executive proposes Article VII legislation that would authorize the Federal Supplemental Security Income (SSI) Cost of Living Adjustment (COLA) pass-through for 2027.

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

The Executive proposes an All Funds appropriation of \$7.2 billion, an increase of \$918.5 million or 14.6 percent from SFY 2025-26. This increase is largely due to new investments in child care. The SFY 2026-27 Executive Budget recommends a workforce of 3,040 FTEs, an increase of 57 FTEs over SFY 2025-26 levels. The Executive provides an additional \$34 million to provide increased staffing levels for the Office to oversee the expansion of child care programs. The new funding would support 54 FTEs. The Executive also provides \$1.5 million for the creation of the Office of Child Care and Early Education. The Office would be staffed by 3 FTEs and would be responsible for the implementation of universal child care programs.

**Child Care:** The Executive proposes \$3.6 billion for child care, a net increase of \$930.3 million over SFY 2025-26. The Executive provides \$3 billion for child care subsidies, including:

- \$159.3 million in additional base subsidy funding;
- \$475 million in additional subsidies for New York City, which must be matched one-for-one with local funds; and
- \$155 million in additional subsidies for rest of state counties, which would not require any additional local match. Counties would be able to receive an additional 22 percent of their base subsidy allocation or \$250,000, whichever is greater.

The Executive also provides \$573 million for other child care purposes, including the administration of child care funds and child resource and referral agencies. The Executive includes the following new funding:

- \$73 million to begin 2-Care in New York City, a contractual child care program for two-year-olds. Rates would be negotiated between New York City and child care providers, with no cost to families. This program would serve 2,000 children in the first year ; and
- \$66 million for the creation of new child care pilot programs in Broome, Dutchess, and Monroe counties for children up to three years of age.

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

**Child Care Zoning Initiative:** The Executive provides \$1 million to assist localities in modifying zoning laws to facilitate the construction or expansion of child care centers.

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

**Afterschool Programs:** The Executive proposal includes \$116.1 million, an increase of \$3.8 million over SFY 2025-26, to cover the increase in minimum wage.

**OCFS Medicaid:** The Executive proposal includes \$160 million, an increase of \$41 million over SFY 2025-26. This increase is to shift the local share of Medicaid expenses from the Department of Health (DOH) budget to various agency budgets including OCFS.

**Child Welfare:** The Executive appropriates \$959 million for child welfare services, an increase of \$59 million over SFY 2025-26 to align with spending trends.

**Foster Care Block Grant:** The Executive appropriates \$421.9 million for the Foster Care Block Grant, an increase of \$7.6 million over SFY 2025-26 to align with spending trends. This increase includes \$572,000 to fully reimburse Local Social Services Districts outside of New York City for providing new luggage to foster youth.

**Adult Protective/Domestic Violence:** The Executive appropriates \$85.5 million for adult protective services and victims of domestic violence, an increase of \$20.5 million over SFY 2025-26 to align with spending trends.

**Detention Capital:** The Executive proposal includes \$10 million in SFY 2026-27, which is an increase of \$5 million over SFY 2025-26, to align with spending trends.

**Targeted Inflationary Increase (TII):** The Executive proposal includes \$9.8 million in funding to provide a 1.7 percent TII for human services agencies.

**Commission for the Blind:** The Executive provides \$51.1 million in All-Funds appropriations for the New York State Commission for the Blind, a \$1 million increase over SFY 2025-26. This increase is due to additional federal funding available for this purpose.

## **Article VII**

The Executive proposes Article VII legislation that would:

- increase the licensure and registration period for child day care centers and group family day care program from four to six years; authorize OCFS to set new training standards for child care staff and volunteers;
- increase the time frame for reimbursement for certain expenses incurred during the private adoption process;
- authorize specialized secure detention facilities for adolescent offenders and facilities for youth placed under OCFS to use body scanners to screen individuals for contraband; and
- eliminate state reimbursement for Committee on Special Education (CSE) residential placements made by school districts outside of New York City and for students attending a state-operated school for the deaf and the blind.

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

The Executive proposes an All Funds appropriation of \$7.1 billion, a decrease of \$8.3 billion or 54 percent from SFY 2025-26. This decrease reflects a return to regular funding levels following an \$8 billion appropriation in SFY 2025-26 to satisfy the state's Unemployment Insurance Trust Fund debt. The Executive recommends support for 2,942 FTEs, unchanged from SFY 2025-26 levels.

**Unemployment Insurance (UI) Benefits:** The Executive proposes an appropriation of \$6 billion for UI benefits, an \$8 billion decrease from SFY 2025-26. The Executive also eliminates \$250 million in appropriation authority to pay interest on the Unemployment Insurance Trust Fund debt, which was paid off in full in June of 2025.

**Criminal Wage Theft Investigation:** The Executive proposes \$5.1 million for a grant program to support district attorneys in conducting criminal wage theft investigations.

**Census Planning Commission:** The Executive proposes \$3 million for the establishment of a State Census Planning Commission. The commission would be responsible for planning, outreach and funding to localities to complete the Local Update of Census Addresses.

**Workforce Innovation and Opportunity Act (WIOA):** The Executive includes \$89.5 million in federal funding related to the administration and operation of employment training programs, an increase of \$3.7 million, as well as \$204.6 million for adult, youth and dislocated worker employment and training, a decrease of \$4.1 million.

**Community Initiatives:** The Executive eliminates \$28.6 million in various labor programs funded in SFY 2025-26.

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

The Executive proposes All Funds appropriations of \$1.1 billion, a decrease of \$1.4 billion or 57.5 percent from SFY 2025-26. This decrease is primarily due to the elimination of \$1 billion in one-time capital funding in SFY 2025-26 to support the City of Yes for Housing Opportunity Program in New York City. The Executive recommends support for 676 FTEs, unchanged from the SFY 2025-26 level.

**State Operations Appropriations:** The Executive proposes State Operations appropriations of \$151.5 million, which is unchanged from SFY 2025-26.

**Aid to Localities Appropriations:** The Executive proposes Aid to Localities appropriations of \$196 million, a decrease of \$34.8 million or 15.1 percent from SFY 2025-26. This decrease is due to the elimination of funding for various housing programs, including \$10 million in operating support for Mitchell-Lama developments.

**Manufactured Home Parks Revolving Loan Fund:** The Executive proposal provides \$6 million to create a revolving loan fund for repairs at manufactured home parks.

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

The Executive proposal eliminates \$20.8 million in various programs.

**Mortgage Insurance Fund (MIF):** The Executive proposal would allocate \$117.8 million in excess reserves from the MIF to provide \$12.8 million for the Neighborhood Preservation Program, a reduction of \$6 million, and \$5.4 million for the Rural Preservation Program, a reduction of \$2.7 million from SFY 2025-26. The Executive proposal also includes \$25.4 million for the Rural Rental Assistance Program, an increase of \$1.9 million. The Budget also includes \$74.2 million for homeless housing programs

administered by OTDA, an increase of \$17.8 million. The Executive eliminates \$5 million to assist non-profit affordable housing owners in joining insurance captives.

**Capital Appropriation Funding:** The Executive proposes Capital appropriations of \$708.2 million, a decrease of \$1.4 billion from SFY 2025-26. This decrease is primarily due to the elimination of \$1 billion in one-time funding for the City of Yes for Housing Opportunity Program.

**Housing Plan:** The Executive proposes \$250 million for the construction and preservation of affordable housing to begin the next five-year housing plan ahead of schedule.

**MOVE-IN NY:** The Executive includes \$100 million to support the construction of factory-built and modular homes, an increase of \$50 million from SFY 2025-26.

**Resilient and Ready Program:** The Executive Budget includes \$50 million for emergency home repairs after natural disasters, unchanged from SFY 2025-26.

**Table 25**

<b>DHCR Capital Program Eliminations</b>	
<b>(\$ in Millions)</b>	
<b>Program</b>	<b>Amount</b>
New York City Housing Authority*	(225)
Mitchell-Lama NYC*	(110)
Public Housing Program	(75)
Land Banks	(40)
Vacant Apartment Repair	(40)
Infill Housing Program	(30)
Mitchell-Lama ROS	(30)
New York Housing for the Future-Co-Op Program*	(25)
New York Housing for the Future-Rental Program*	(25)
Small Rental Housing Development Initiative	(10)
USDA 515 Rental Properties Preservation Program	(10)
Farmworker Housing Program	(5)
Green Affordable Pre- Electrification Program	(2)
<b>Total Eliminations</b>	<b>(627)</b>
<i>* Monies appropriated as part of the City of Yes Program</i>	
<i>Source: SFY 2026-27 Executive Budget</i>	

## **Article VII**

The Executive Budget contains Article VII language that would transfer \$117.8 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program, and homeless housing programs.

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

The Executive proposes an All Funds appropriation of \$218.9 million, an increase of \$31.3 million or 16.7 percent from SFY 2025-26.

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 2026-27 Budget appropriates \$250 million, unchanged from SFY 2025-26, 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 \$32 million, unchanged from SFY 2025-26. The Executive recommends support for 10 FTEs, unchanged from the SFY 2025-26 level.

### **Department of Veterans' Services**

The Executive proposes an All Funds appropriation of \$31.8 million, a decrease of \$4.4 million or 12.2 percent from SFY 2025-26. This decrease is primarily attributable to the elimination of \$3.6 million in legislative initiatives. The Executive Budget recommends a workforce of 110 FTEs, which remains unchanged from SFY 2025-26.

### **Division of Human Rights**

The Executive proposes an All Funds appropriation of \$39.9 million and recommends support for 282 FTEs, unchanged from SFY 2025-26 levels.



## **Office of the Welfare Inspector General**

The Executive proposes an All Funds appropriation of \$1.4 million, which is unchanged from SFY 2025-26. The Executive recommends support for six FTEs, unchanged from the SFY 2025-26 level.



# BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Targeted Inflationary Increase (TII):** The Executive proposes a 1.7 percent TII to provide operational support and wage increases for voluntary mental hygiene service providers. For the mental hygiene agencies, the state share of the TII is comprised of a total investment of \$162.2 million with \$95.1 million allocated to Office for People with Developmental Disabilities (OPWDD), \$55.7 million allocated to Office of Mental Health (OMH), and \$11 million allocated to Office of Addiction Services and Support (OASAS).
- **OMH Supportive Housing:** The Executive includes \$64.8 million in funding to increase residential capabilities within the Office of Mental Health. Specifically, the budget includes \$38 million to increase stipends for scattered-site Supportive Housing units and \$26.8 million to increase rates for Single Room Occupancy (SRO) units.
- **OASAS Supportive Housing:** The Executive proposal includes \$6.4 million to increase rates for OASAS supportive housing programs to maintain adequate housing capacity.
- **Minimum Wage:** The Executive proposal includes an additional \$53.5 million for minimum wage increases for staff authorized by OMH, OPWDD, and OASAS.
- **Teen Mental Health First Aid Training:** The Executive proposes \$17.5 million to expand the Teen Mental Health First Aid Training Program to be available to all tenth grade students in the State.
- **Opioid Settlement Fund:** The Executive budget includes \$101.9 million from the Opioid Settlement Fund. Funding would be utilized to continue investments in various initiatives to address the opioid crisis based on the recommendations provided by the Opioid Settlement Fund Advisory Board.
- **New Service Opportunities:** The Executive proposal includes \$60 million to fund OPWDD priority program reforms and new service opportunities. These funds leverage federal resources for a gross increase of \$120 million annually.



# BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York provides an All Funds appropriation of approximately \$18 billion to support its mental hygiene agencies, which include the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Addiction Services and Supports (OASAS), the Justice Center for the Protection of People with Special Needs, and the State Council on Developmental Disabilities.

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

**Table 26**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	10,145.8	10,339.0	193.1	1.9
Office of Mental Health	6,294.1	6,298.9	4.8	0.1
Office of Addiction Services and Supports	1,261.7	1,344.3	82.6	6.5
Department of Mental Hygiene	600.0	600.0	0.0	0.0
Justice Center for the Protection of People with Special Needs	63.3	63.1	(0.2)	(0.4)
State Council on Developmental Disabilities	6.3	9.8	3.5	55.9

## Multi Agency

**Targeted Inflationary Increase (TII):** The Executive proposes a 1.7 percent TII to increase wages for voluntary mental hygiene service providers. For the mental hygiene agencies, the state share of the TII is composed of a total investment of \$162.2 million with \$95.1 million allocated to OPWDD, \$55.7 million allocated to OMH, and \$11 million allocated to OASAS.

**Minimum Wage:** The Executive proposes an additional \$53 million for minimum wage increases for staff at voluntary not-for-profits licensed under OPWDD, OMH and OASAS. Of this amount, \$39.3 million is allocated for OPWDD, \$7.6 million for OMH, and \$6.9 million for OASAS.

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

The Executive proposes an All Funds appropriation of \$10.3 billion, an increase of \$193.1 million or 1.9 percent over SFY 2025-26. This increase is primarily attributable to growth of local share Medicaid spending and funding to support the 1.7 percent TII. The Executive recommends support for 19,125 full-time equivalent (FTE) positions, an increase of 10 FTEs from SFY 2025-26 levels, primarily attributed to the Data Strategy and Management expansion.

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

**Data Strategy and Management Expansion:** The Executive proposes \$1.5 million to expand data strategy and management capabilities for OPWDD, including 10 FTEs to support the project.

**Family Care Rates:** The Executive proposes \$500,000 to enhance Family Care Rates by five percent.

### **Office of Mental Health**

The Executive proposes an All Funds appropriation of \$6.3 billion, an increase of \$4.8 million or 0.1 percent over SFY 2025-26. This increase is largely offset by a \$160 million reduction in one-time capital funding for forensic inpatient expansions at State facilities. The Executive recommends support for 15,902 FTEs, an increase of one FTE over SFY 2025-26 levels, primarily related to increased staffing for mental health supports for Indigenous youth.

**Behavioral Health Supportive Housing:** The Executive includes \$64.8 million in funding to increase residential capabilities within OMH. Specifically, the budget includes \$38 million to increase stipends for scattered-site supportive housing units and \$26.8 million to increase rates for Single Room Occupancy (SRO) units.

**Teen Mental Health First Aid Training:** The Executive proposes \$17.5 million to expand the Teen Mental Health First Aid Training Program to be available to all tenth graders in New York State.

**LGBTQ+ Behavioral Health:** The Executive proposes \$1.8 million to ensure access to behavioral health services for LGBTQ+ youth.

**Expand Youth Safe Spaces:** The Executive proposes \$500,000 to designate two additional community organizations as Youth Safe Spaces.

**Indigenous Youth Mental Health:** The Executive proposes \$664,000 to support mental health care access for Indigenous youth.

**Schools of Distinction in Prevention Designation:** The Executive proposes \$100,000 for OMH to establish a Schools of Distinction in Prevention designation. Funds will be distributed to schools that meet criteria in mental health and substance use prevention efforts for technical assistance and implementation grants.

## **Article VII**

The Executive proposes Article VII language that would:

- require the Commissioners of the Office of Mental Health (OMH), the Office of Addiction Services and Supports (OASAS), the Office for People with Developmental Disabilities (OPPWDD), the Office of Temporary and Disability Assistance (OTDA), the Office of Children and Family Services (OCFS), and Director of the State Office for the Aging (SOFA) to establish and fund a 1.7 percent Targeted Inflationary Increase (TII) for SFY 2026-27; and
- authorize the Commissioner of OMH and OASAS to jointly license integrated behavioral health services and develop joint regulations that would include licensing standards and requirements necessary for the operation of an integrated behavioral health program.

## **Office of Addiction Services and Supports (OASAS)**

The Executive proposes an All Funds appropriation of \$1.3 billion, an increase of \$82.6 million or 6.5 percent over SFY 2025-26. This increase is primarily attributable to funding to support the 1.7 percent TII and \$31.5 million in additional appropriation authority for the Opioid Settlement Fund. The Executive recommends support for 812 FTEs, unchanged from SFY 2025-26.

**Opioid Settlement Fund (OSF):** The Executive proposal appropriates \$101.9 million from OSF receipts. Funding would be utilized to continue various initiatives to address the opioid crisis based on the recommendations provided by the OSF Advisory Board. The Executive proposal does not account for additional settlement agreements anticipated to increase receipts for the OSF. The Executive will update the receipts once the disbursement schedule for those funds are finalized.

**Behavioral Health Supportive Housing:** The Executive proposal includes \$6.4 million to increase rates for OASAS supportive housing programs to maintain adequate housing capacity.

**First Responders Mental Health:** The Executive proposal includes \$1 million to establish a First Responder Behavioral Health Center of Excellence to develop peer-led behavioral health programming and supports.

**Building Community with GRACE:** The Executive proposes \$250,000 to support the Guided Recovery Action through Congregational Engagement (GRACE) program, providing resources for faith-based leaders to identify substance use disorder signs and connect individuals and families to care.

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

The Executive proposes an All Funds appropriation of \$63.1 million, a decrease of \$230,000 or 0.4 percent from SFY 2025-26. The Executive recommends support for 501 FTEs, unchanged from SFY 2025-26 levels.

**Adult Home Advocacy Program:** The Executive proposes to save \$230,000 by eliminating the Adult Home Advocacy Program.

### **Article VII**

The Executive proposes Article VII language that would:

- eliminate the Adult Home and Residency Advocacy Program under the Justice Center.

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

The Executive proposes an All Funds appropriation of \$9.8 million, an increase of \$3.5 million or 55.9 percent over SFY 2025-26. The Executive recommends support for 18 FTEs, unchanged from SFY 2025-26 levels.



# BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Clean Water Infrastructure:** The Executive proposes \$750 million for water infrastructure programs, an increase of \$250 million from SFY 2025-26 to support water infrastructure projects that promote housing preservation and development.
- **Coastal Resiliency and Water Infrastructure Protection:** The Executive proposal includes \$668 million for the state and local share of United States Army Corp of Engineers (USACE) projects for coastal resiliency and water infrastructure protection.
- **Environmental Protection Fund (EPF):** The Executive proposal includes \$425 million for the EPF, level funding from SFY 2025-26.
- **State Superfund Program:** The Executive proposal includes \$125 million for the state's Superfund Program, unchanged from SFY 2025-26.
- **EmPower Plus:** The Executive proposal includes \$50 million for NYSERDA's EmPower Plus program, a continuation of funding included in the SFY 2025-26 Enacted budget within the Sustainable Future Fund.
- **Excelsior Power Program:** The Executive proposal includes \$33 million to provide utility ratepayers who utilize smart thermostats with a \$25 monthly bill credit for one year.
- **Tariff Relief for Farmers:** The Executive proposes \$30 million in direct payments to specialty crop growers, livestock producers and dairy farmers to offset rising costs caused by tariffs.
- **State Parks:** The Executive proposal includes capital funding of \$215 million in non-recurring appropriations, including: \$75 million for the New York Building Recreational Infrastructure for Communities, Kids and Seniors (NYBRICKS) program; \$75 million for the creation of a new High Falls State Park in Rochester; \$58 million for projects in Denny Farrell Riverbank State Park, Lake Welch Beach at Harriman State Park and Montauk Downs State Park; and \$7 million for projects celebrating the 250th anniversary of the American Revolution.



# 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 220 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 17 generating facilities, including the Niagara Falls Power Plant. NYPA continues to maintain and operate the Canal Corporation.

**Table 27**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	4,363.2	3,624.9	(738.4)	(16.9)
Office of Parks, Recreation and Historic Preservation	1,070.6	1,024.7	(45.8)	(4.3)
Department of Agriculture and Markets	382.4	397.8	15.4	4.0
Department of Public Service	155.0	192.8	37.8	24.4
Olympic Regional Development Authority	124.4	114.1	(10.3)	(8.3)
Energy Research and Development Authority	25.8	90.4	64.6	250.4
New York Power Authority	52.5	52.5	0.0	0.0
Public Facilities Sustainability Program	50.0	50.0	0.0	0.0
Adirondack Park Agency	18.2	8.5	(9.8)	(53.6)
Greenway Heritage Conservancy	0.5	0.6	0.0	8.2
Hudson River Valley Greenway Communities Council	0.5	0.5	0.0	0.0
Sustainable Future Program	1,000.0	0.0	(1,000.0)	100.0
Hudson River Park Trust	85.0	0.0	(85.0)	100.0

### Department of Environmental Conservation

The Executive proposes an All Funds appropriation of \$3.6 billion, a decrease of \$738.4 million or 16.9 percent from SFY 2025-26. This decrease primarily reflects the elimination of a \$1.7 billion one-time capital appropriation for the Fire Island to Montauk Point Project, partially offset by \$668 million for the

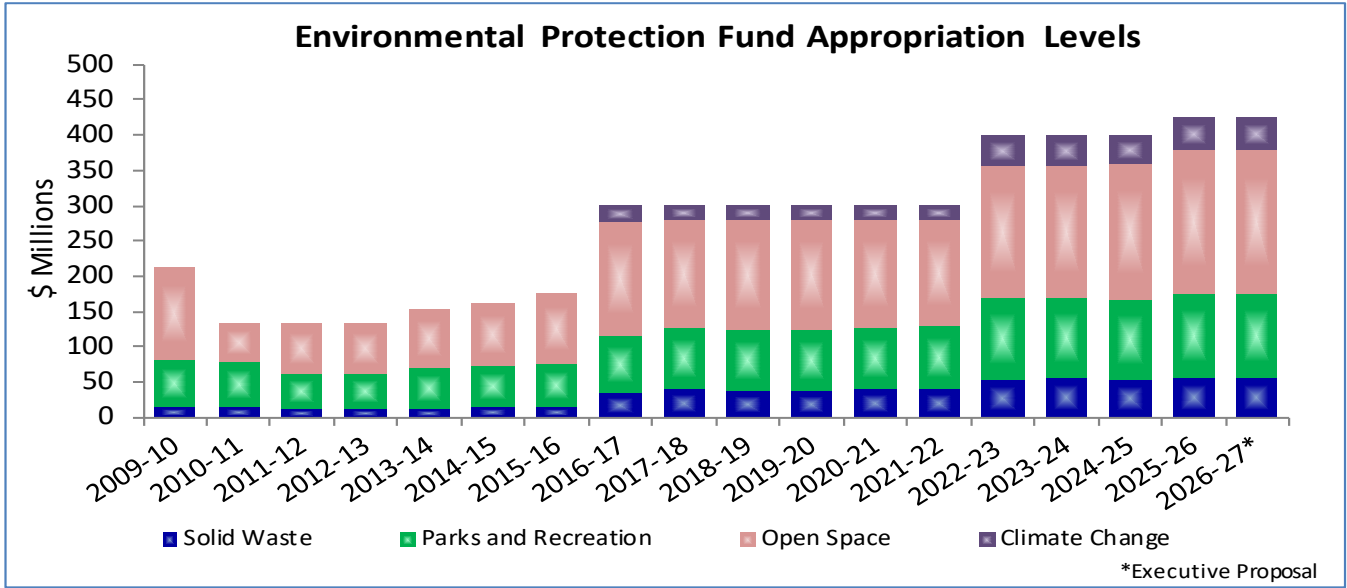
state and local share of several United States Army Corp of Engineers (USACE) projects for coastal resiliency and water infrastructure protection, as well as a \$250 million dollar increase to water infrastructure funding. The Executive recommends support of 3,416 FTE positions, an increase of 45 positions from the SFY 2025-26 level.

**DEC State Operations**

The Executive proposes State Operations appropriations of \$650.5 million, an increase of \$4.4 million or 0.7 percent over SFY 2025-26. This increase includes \$3.9 million to support 45 new FTEs to work in permitting programs agency-wide.

**Environmental Protection Fund**

The Executive proposes \$425 million for the EPF, unchanged from SFY 2025-26. The EPF is fully funded, including a proposal to authorize a \$125 million transfer of funds from the General Fund to the EPF, unchanged from last year, to accommodate the \$425 million appropriation level initiated in the SFY 2025-26 budget.



**Figure 11**

The Executive proposes two new programs within the EPF, as well as several funding increases to existing programs. New programs include \$1 million for DEC to provide services that support climate resilience and restoration projects to implement the NYS Adaptation and Resilience Plan, as well as a new \$750,000 suballocation for the Long Island Watershed Program to address nitrogen pollution and protect groundwater sources.

Increases to EPF programs in the Executive Proposal include \$650,000 for Soil and Water Conservation Districts, \$500,000 for Public Access and Stewardship, \$200,000 for Agricultural Non-Source Pollution Control, \$200,000 for the Niagara River Valley Commission, \$150,000 for the Friends Group Capacity Grants, \$100,000 for Smart Growth, \$100,000 for the Long Island South Shore Estuary, \$50,000 for Lake George Park Commission, \$25,000 for the Cornell Land Classification List of Soils, and \$25,000 for Staying Connected.

The Executive proposes eliminating \$300,000 for the New York Protected Areas Database from the EPF and shifts the cost to DEC State Operations. The Executive proposal eliminates \$1.5 million in one-time funding for visitor use management projects in five Adirondack towns. The Executive proposal eliminates a number of legislative adds including \$1 million for municipal fast chargers; \$1 million for a Carrying Capacity Study on Saranac Chain of Lakes; \$500,000 for Teatown Lake; \$500,000 for Grassland Bird Conservation Centers; \$250,000 for the Adirondack Mountain Club Visitor Centers; \$200,000 for the Adirondack Watershed Institute; \$200,000 for the Atmospheric Sciences Research Center; and \$200,000 for Save the Great South Bay.

The Executive proposal reduces funding for several EPF programs, including reductions of \$1.7 million for Municipal Recycling, including \$2.5 million for the Food Waste Diversion suballocation; \$2 million for Adirondack and Catskill Park Overuse; \$1 million for Survey of Climate and Adirondack Lake Ecosystems (SCALE); \$500,000 for the Mohawk River Action Plan; \$400,000 for Resiliency Planting; \$400,000 for the Climate Resilient Farms Program, including \$500,000 for the Agricultural Forestry suballocation; \$300,000 for the Hudson River Park Trust; and \$200,000 for Water Quality Improvement Programs.

Table 28

SFY 2026-27 Environmental Protection Fund (\$ in Thousands)				
	2025-26 Enacted Budget	SFY 2026-27 Executive Proposal	Change (\$)	Change (%)
<b>CLIMATE CHANGE MITIGATION &amp; ADAPTATION</b>				
Greenhouse Gas Management	2,400	2,400	-	-
Vermont Investment Corporation*	250	250	-	-
State Climate Adaptation Projects	6,600	6,600	-	-
Timbuctoo	1,250	1,250	-	-
Resiliency Planting	500	100	(400)	(80)
Smart Growth	3,800	3,900	100	3
Climate Resilient Farms Program	19,500	19,100	(400)	(2)
Cornell Soil Health Program	500	500	-	-
Agricultural Forestry	500	-	(500)	(100)
Climate Smart Community Projects	12,000	12,000	-	-
Municipal EV Fast Chargers	1,000	-	(1,000)	(100)
Farmers Market Resiliency Grant Program	700	700	-	-
Climate Resilience/Restoration Projects**	-	1,000	1,000	100
<b>Subtotal, Climate Change</b>	<b>45,000</b>	<b>45,700</b>	<b>700</b>	<b>2</b>
<b>OPEN SPACE</b>				
Land Acquisition	42,000	42,000	-	-
Building Removal/Site Cleanup*	500	500	-	-
Open Space Grant Program*	200	200	-	-
Grassland Bird Conservation Centers*	500	-	(500)	(100)
Albany Pine Bush Commission	3,100	3,100	-	-
LI Pine Barrens Commission	2,500	2,500	-	-
LI South Shore Estuary Reserve	2,000	2,100	100	5
Ag. Non-Point Source Pollution Control	18,500	18,700	200	1
Non-Ag Non-Point Source Pollution Control	6,000	6,000	-	-
Farmland Protection	25,000	25,000	-	-
Cornell Land Classification & List of Soils	150	175	25	17
Capacity Building Grants*	1,000	1,000	-	-
Biodiversity Stewardship	1,850	1,850	-	-
Cary Institute	200	200	-	-
Adirondack Watershed Institute	200	-	(200)	(100)
Atmospheric Sciences Research Center	200	-	(200)	(100)
Hudson River Estuary Plan	7,500	7,500	-	-
Mohawk River	1,500	1,000	(500)	(33)
Finger Lake; Lake Ontario Watershed	3,500	3,500	-	-
Lake Erie Watershed Protection	250	250	-	-
Water Quality Improvement Program	25,300	25,100	(200)	(1)
Suffolk County	4,500	4,500	-	-
Nassau County Sewage Outfall Pipe	5,000	5,000	-	-
Long Island Watershed Program**	-	750	750	100
Center for Clean Water at Stony Brook	1,000	1,000	-	-
Groundwater Contaminant Removal*	1,000	1,000	-	-
Save the Great South Bay	200	-	(200)	(100)
Oceans & Great Lakes Initiative	24,600	24,600	-	-
Peconic Bay Estuary	750	750	-	-
Billion Oyster Project, Inc.	500	500	-	-
Invasive Species	18,550	18,550	-	-
Soil & Water Conservation Districts	18,000	18,650	650	4
Agricultural Waste Management	1,900	1,900	-	-
Lake George Park Commission	900	950	50	6
Urban Farms and Community Garden Grants	2,325	2,325	-	-
<b>Subtotal, Open Space</b>	<b>203,775</b>	<b>204,575</b>	<b>800</b>	<b>0</b>
<b>PARKS &amp; REC</b>				
Waterfront Revitalization	14,275	14,275	-	-
Inner City/Underserved	10,500	10,500	-	-
Niagara River Valley Commission	300	500	200	67
Municipal Parks	26,000	26,000	-	-
Inner City/Underserved	13,000	13,000	-	-
Paul Smith's College	250	250	-	-
SUNY ESF	250	250	-	-
Catskill Center for Conservation and Dev.	250	250	-	-
Teatown Lake*	500	-	(500)	(100)
Public Access & Stewardship	50,075	50,575	500	1
Friends Group Capacity Grants	2,500	2,650	150	6
Camp Santanoni Historic Area	750	750	-	-
NY Protected Areas Database	300	-	(300)	(100)
ADK/Catskill Park Overuse	10,000	8,000	(2,000)	(20)
Adirondack Mountain Club HPIC	250	-	(250)	(100)
Visitor Use Projects in Five ADK Towns*	1,500	-	(1,500)	(100)
SCALE	2,000	1,000	(1,000)	(50)
Carrying Capacity Study for Saranac Lake*	1,000	-	(1,000)	(100)
Hudson River Park (HRP)	4,400	4,100	(300)	(7)
ZBGA	21,500	21,500	-	-
Waterway Law Enforcement	2,300	2,300	-	-
<b>Subtotal, Parks &amp; Rec</b>	<b>118,550</b>	<b>118,750</b>	<b>200</b>	<b>0</b>
<b>SOLID WASTE</b>				
Landfill Closure/ Gas Management	300	300	-	-
Municipal Recycling	21,300	19,600	(1,700)	(8)
Food Waste Diversion	5,000	2,500	(2,500)	(50)
Secondary Marketing	650	650	-	-
Pesticide Database	1,500	1,500	-	-
Environmental Justice	14,300	14,300	-	-
Natural Resources Damages	1,775	1,775	-	-
Pollution Prevention Institute	4,600	4,600	-	-
Environmental Health	11,250	11,250	-	-
Brownfield Opportunity Area Grants	2,000	2,000	-	-
<b>Subtotal, Solid Waste</b>	<b>57,675</b>	<b>55,975</b>	<b>(1,700)</b>	<b>(3)</b>
<b>TOTAL EPF</b>	<b>425,000</b>	<b>425,000</b>	<b>-</b>	<b>-</b>

\*\*2026-27 New Categories; \*2025-26 New Categories.

## ***Other DEC Capital***

The Executive proposes capital appropriations of \$3 billion, a decrease of \$751.7 million or 20.2 percent from SFY 2025-26. This decrease primarily reflects the elimination of a \$1.7 billion one-time capital appropriation in the SFY 2025-26 budget for the Fire Island to Montauk Point Project. This reappropriated funding supported the non-federal share of the project and is expected to cover the life of the United States Army Corps of Engineers (USACE) project timeline. This decrease is partially offset by \$668 million for the state and local share of several USACE projects for coastal resiliency and water infrastructure protection, a \$250 million dollar increase to water infrastructure funding, and a new \$30 million appropriation for the Erie County Department of Environment and Planning for the Transit Road Corridor sanitary sewer project. The Executive proposal also includes \$5.5 million for plugging oil and gas wells, an increase of \$4.5 million from last year.

**Sustainable Future Program Elimination:** The Executive does not propose funding for the Sustainable Future Program, which is a reduction of \$1 billion from last year. In SFY 2025-26 this program funded climate mitigation and adaptation capital projects to help implement the Climate Leadership and Community Protection Act (CLCP), including:

- \$200 million for NYPA renewable energy projects;
- \$200 million for SUNY thermal energy network projects;
- \$150 million to the Division of Housing and Community Renewal for energy efficiency projects and weatherization;
- \$100 million for zero emission school buses and related infrastructure;
- \$50 million for the Clean Green Schools program;
- \$50 million for the Empower+ program (the Executive budget proposes \$50 million for this program within the NYSERDA budget);
- \$50 million for Electric Vehicle (EV) fast chargers for medium and heavy duty vehicles and fleet vehicles;
- \$50 million for the Charge Ready NY program; and
- \$150 million for any of the above purposes.

**Water Infrastructure:** The Executive proposal includes \$750 million for water infrastructure, reflecting an increase of \$250 million over SFY 2025-26, bringing total water infrastructure appropriations to \$6.8 billion since 2017. The additional \$250 million includes \$200 million for water infrastructure projects that promote housing preservation and development statewide and \$50 million to promote housing preservation in rural communities.

Of the \$750 million, \$500 million is for the Clean Water Infrastructure Act of 2017 (CWIA), unchanged from last year. These funds go towards numerous water infrastructure programs, including the Water



Infrastructure Improvement Act (WIIA) and the Intermunicipal Water Infrastructure Grant Program, as well as a new program to provide state assistance for the testing and remediation of emerging contaminants in private drinking water wells. WIIA funds can be used for the required local match to loans from the State Revolving Fund. The Executive Budget includes \$471 million in federal funding and \$89 million in state matching funds for the Clean Water State Revolving Fund, unchanged from SFY 2025-26. The Executive proposal for the Department of Health includes federal funding and state matching funds for the Drinking Water State Revolving Fund.

**New York Works:** The Executive proposes \$90 million for New York Works, unchanged from SFY 2025-26. This funding includes \$5 million for the Albany Pine Bush Preserve Commission and a new \$1.5 million carve-out for renovations and improvements at the Camp Santanoni Historic Area. New York Works funding also supports capital projects on state lands and buildings, such as constructing or renovating campgrounds, dams, fish hatcheries, and air monitoring equipment.

**State Superfund Program:** The Executive proposal includes \$125 million for the State Inactive Hazardous Waste Disposal Program (Superfund), unchanged from SFY 2025-26, including support for the Environmental Restoration Program.

**Capital Administration:** The Executive proposal includes \$152.5 million for administrative purposes to support the capital program, which is an increase of \$25 million from SFY 2025-26. This increase reflects a new \$25 million appropriation for IT expenses related to the Smart Access permitting software, a consolidated platform for applicants and government agencies to follow the progress of permits and environmental reviews. The Executive proposal includes a \$70 million federal appropriation of Infrastructure Investment and Jobs Act (IIJA) funds, remaining unchanged from SFY 2025-26.

**Public Facilities Sustainability Program:** The Executive proposal includes \$50 million for the decarbonization of state buildings pursuant to Executive Order 22, unchanged from SFY 2025-26.

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

The Executive proposal recommends \$12.1 million in Aid to Localities funding, which is an increase of \$8.9 million, including a new \$10 million Resilient and Adaptive Communities Program for grants to non-governmental organizations. This increase is partially offset by the elimination of legislative initiatives from SFY 2025-26, including \$150,000 for the Jamaica Bay – Rockaway Parks Conservancy; \$140,000 for the Hope Program; and \$120,000 for the Adirondack Diversity Initiative.

## **Article VII**

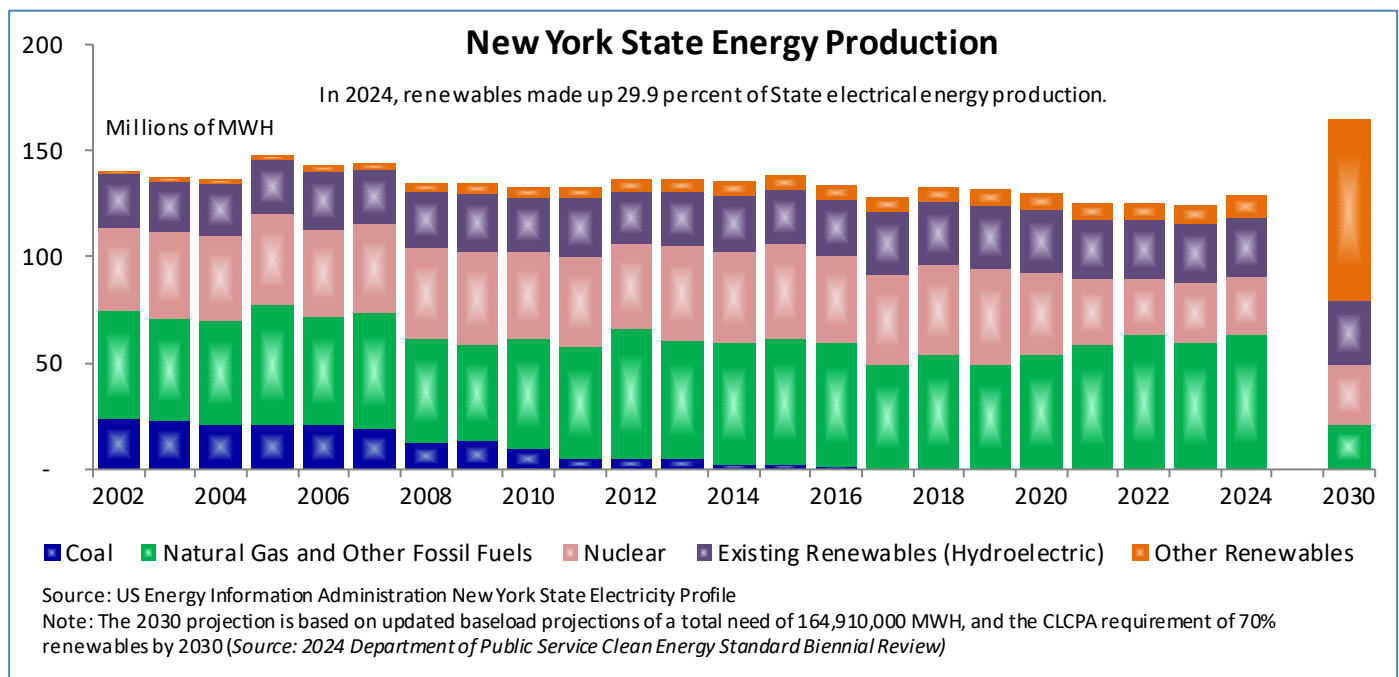
The Executive proposes Article VII language that would:

- exempt certain projects, including housing and accompanying non-residential uses, child care facilities, bike paths, and public infrastructure from environmental review and establish deadlines for the review and processing of all state and local permits and authorizations; and,
- remove limits on the rebates available through the Municipal Zero-Emission Vehicle (ZEV) Grant Program.

The Executive also includes a proposed constitutional amendment that would authorize the public or private sale of three decommissioned correctional facilities, located on Adirondack Forest Preserve Land. As a requirement, additional land within the Adirondack Park would have to be acquired.

## **Department of Public Service (DPS)**

The Executive proposes an All Funds appropriation of \$192.8 million, an increase of \$37.8 million or 24.4 percent over SFY 2025-26. This increase primarily reflects a new \$33 million appropriation for the Excelsior Power Program, which would provide utility ratepayers who utilize smart thermostats with a \$25 monthly bill credit for one year. The Executive also proposes the consolidation of several State Operations appropriations from various agencies within DPS. The appropriations relate to utilizing funds from assessments on cable television and public utilities for agency expenses from Public Service Commission proceedings and total \$4.8 million. The Executive recommends support of 628 FTEs, unchanged from SFY 2025-26 levels.



**Figure 12**

## **Article VII**

The Executive budget proposes Article VII language that would:

- require utilities, as part of a rate case, to submit an alternative ‘budget constrained’ rate proposal tied to the rate of inflation and disclosure of executive compensation and allow the PSC to institute certain performance-based incentive targets;
- extend, by three months, the maximum time allowed for consideration of utility rate cases and allow the PSC to establish multi-year rate plans;
- require the PSC to develop an energy affordability index to identify energy burden among residential customers; require utility reporting on energy burden; and allow the PSC to install an independent affordability monitor within a utility that fails to meet certain energy burden criteria; and
- prohibit a utility corporation from terminating service for tenants residing in multiple dwelling units where the landlord is responsible for bill payments and authorize procedures to commence lien actions against the affected property for the amount of the unpaid utility bills.

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

The Executive proposes an All Funds appropriation of \$90.4 million, an increase of \$64.6 million from SFY 2025-26. This increase reflects two new appropriations including \$50 million for the Empower+ Program and \$5 million for the Mechanical Insulation Grant Program, created pursuant to a chapter of the laws of 2025. There is also an increase, from \$25.8 million to \$35.4 million, for the federal match for West Valley, a former reprocessing facility for used nuclear fuel that is being decontaminated by the U.S. Department of Energy.

Table 29

### NYSERDA Revenues & Expenses (\$ in Thousands)

Revenue Source	SFY 2024-25	SFY 2025-26	SFY 2026-27	Share
Utility Surcharge Assessments				
Market Development, Innovation & Research	275,239	363,957	318,526	11.6%
Energy Efficiency / Building Electrification	-	33,759	190,489	6.9%
NY-Sun	277,064	232,071	372,136	13.6%
Energy Storage	16,653	62,281	124,952	4.6%
EV Prize	6,141	20,830	19,645	0.7%
18-a funding, pursuant to Article VII	28,725	28,725	28,725	1.0%
Electric Generation Cessation Mitigation	18,483	15,640	15,640	0.6%
Zero Emissions Credits (ZECs)*	506,923	530,332	259,513	9.5%
Renewable Energy Credits (RECs)	218,835	139,637	435,813	15.9%
Regional Greenhouse Gas Initiative (RGGI)	465,708	305,412	514,387	18.7%
State (Re)appropriations				
NYS Bond Act	-	35,387	92,260	3.4%
Port Development for Offshore Wind	-	148,429	60,332	2.2%
State Appropriation for West Valley	18,162	25,800	34,557	1.3%
Sustainable Future Program	-	-	33,182	1.2%
Miscellaneous	242,077	275,771	243,637	8.9%
<b>Total NYSERDA Revenues</b>	<b>2,221,974</b>	<b>2,228,315</b>	<b>2,744,559</b>	<b>100.0%</b>
<b>Expenses</b>				
Utility Surcharge Assessment Funded Programs				
Market Development, Innovation & Research	325,784	397,789	274,856	11.1%
Energy Efficiency / Building Electrification	-	28,755	151,246	6.1%
NY-Sun	332,802	233,101	309,249	12.5%
Energy Storage	12,499	57,993	103,200	4.2%
Other Programs	218,609	195,230	144,558	5.8%
Clean Energy Standard				
Zero Emissions Credits (ZECs)*	500,427	529,713	255,285	10.3%
Renewable Energy Credits (RECs- Tiers 1, 2, 4 and ORECs)	67,652	102,524	414,994	16.8%
Regional Greenhouse Gas Initiative (RGGI)	104,854	269,394	412,232	16.7%
State Funded Programs				
Bond Act (School Bus Electr & Green Buildings)	5,712	30,945	86,404	3.5%
Port Development for Offshore Wind	-	147,500	60,000	2.4%
West Valley	16,743	24,409	32,627	1.3%
Sustainable Future Program	-	-	33,000	1.3%
Volkswagen Settlement Programs	8,056	12,730	7,610	0.3%
Salaries and Benefits	91,870	101,710	111,900	4.5%
Administration	45,006	55,931	76,372	3.1%
<b>Total NYSERDA Expenses</b>	<b>1,730,014</b>	<b>2,187,724</b>	<b>2,473,533</b>	<b>100.0%</b>

Source: Draft NYSERDA FY 2026-27 Budget and Financial Plan. 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. Appropriations shown in the NYSERDA table for the Environmental Bond Act of 2022, offshore wind port development, and the Sustainable Future Program were made in previous state budgets.

**Regional Greenhouse Gas Initiative (RGGI):** The RGGI Operating Plan for SFY 2026-27 allocates \$641.5 million, an increase of \$60 million or 9.4 percent over SFY 2025-26, due to higher revenues. The plan allocates \$110 million in SFY 2025-26 and \$120 million in SFY 2026-27 for Empower+, thus stabilizing program funding through that period. The plan allocates \$36 million for large scale generation projects, including advanced nuclear generation. The Operating Plan also establishes that for RGGI revenues exceeding projected levels over the next three years, 34 percent would be allocated to offset costs for ratepayer funded NYSERDA programs. The Executive proposal includes a \$5 million transfer of RGGI proceeds from NYSERDA to the EPF, unchanged from last year.

## **Article VII**

The Executive proposes Article VII language that would:

- modify the Green Jobs-Green New York Program which provides low-cost financing for energy efficiency measures, to increase the allowed loan amount and payback period, and revise loan transfer and recording requirements; and,
- extend for one year the authorization for NYSERDA to receive funds from an assessment on gas and electric utilities.

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

The Executive proposes an All Funds appropriation of \$52.5 million, unchanged from SFY 2025-26. This funding consists of two capital appropriations for the Canal Development Program, including \$50 million supported by the General Fund and \$2.5 million supported by revenues generated by the Canal.

NYPA revenues are self-generated from the sale of energy and use of transmission lines. NYPA's 2026 operating budget is \$3.5 billion and supports 3,062 FTEs, including 537 FTEs at the Canal Corporation. Major components of NYPA's budget include \$1.2 billion for power transmission, \$746.9 million for purchased power, \$734.5 million for operations and maintenance and \$287.6 million for fuel consumed. NYPA's Capital Plan is \$4.5 billion over four years, including \$1.6 billion for transmission projects, \$1.2 billion for renewable energy development projects, \$673.5 million for projects at existing generation facilities, \$86.5 million for decarbonization projects and \$297.4 million for projects on the canal including the Revitalize the Canals program. Additionally, the authority is projecting to spend

approximately \$1.3 billion on Energy Efficiency Services projects for its customers. Within the \$1.2 billion in capital funding over four years for renewable energy development projects, the NYPA budget for 2026 allocates \$236.3 million, an increase of \$174 million from 2025.

The Executive proposal includes a \$10 million transfer from NYPA to the General Fund, unchanged from last year and a \$25 million transfer from NYPA to the General Fund for use by the Department of Labor's Office of Just Energy Transition for workforce training programs related to renewable energy, also unchanged from last year. NYPA's four-year plan also includes \$10 million annually for nuclear workforce training.

### **Department of Agriculture and Markets (AGM)**

The Executive proposes an All Funds appropriation of \$397.8 million, an increase of \$15.4 million or 4 percent over SFY 2025-26. The Executive recommends support of 656 FTEs, unchanged from SFY 2025-26.

**State Operations:** The Executive proposes \$232.2 million, an increase of \$23.1 million or 11 percent over SFY 2025-26 levels. This increase reflects a \$20 million shift of special revenue funds, pursuant to an Article VII proposal, from the Urban Development Corporation (UDC) related to the administration of dairy promotion orders and agricultural product marketing orders. The remainder of the increase reflects operating cost increases.

**Agricultural Programs:** The Executive proposes \$84 million in Aid to Localities funding, an increase of \$22.4 million from SFY 2025-26. This increase primarily reflects a new \$30 million appropriation for direct payments to farmers adversely affected by tariffs, as well as increases to certain programs including \$890,000 for Agricultural Child Care, \$500,000 for Local Fair promotion, \$400,000 for FarmNet, \$217,250 for the New York State Cider Association, and \$150,000 for the John May Farm Safety Fund. These increases are partially offset by the elimination of prior year legislative adds totaling \$9.8 million.

Table 30

SFY 2026-27 Agriculture and Markets Appropriations (ATL)				
	Enacted SFY 2025-26	Executive SFY 2026-27	Year- to-Year Change (\$)	
Cornell Research and Development				
Cornell Diagnostic Lab - Animal Health Surveillance & Control	8,970,000	8,270,000	(700,000)	
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 Agrivoltaics Study	500,000	-	(500,000)	
Cornell Integrated Pest Management/Bioeconomy	4,250,000	4,250,000	-	
Cornell University Ruminant Center	375,000	375,000	-	
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	1,400,000	400,000	
Cornell University Pro-dairy Program	1,463,000	1,338,000	(125,000)	
Cornell University Small Farms	500,000	500,000	-	
Cornell Farm Labor Specialist	702,000	702,000	-	
Dairy Profit Teams	374,000	374,000	-	
Cornell CCE Dutchess County	50,000	-	(50,000)	
Cornell Pro-Livestock	250,000	-	(250,000)	
Cornell CCE Bridge the Upstate Downstate Food Network Divide	50,000	-	(50,000)	
Cornell University 4H	250,000	250,000	-	
NYCAM/Cornell Workforce Development	75,000	-	(75,000)	
Ag Development				
Taste NY	5,800,000	5,800,000	-	
Grow NY	2,020,000	2,020,000	-	
NYS Brewers	100,000	76,000	(24,000)	
NYS Cider Association	108,750	326,000	217,250	
NYS Distillers Guild	100,000	76,000	(24,000)	
New York Wine and Grape Foundation	1,225,000	1,075,000	(150,000)	
NY Christmas Tree Farmers	126,000	126,000	-	
New York State Apple Growers Association	1,241,500	483,000	(758,500)	
Maple Producers Association	251,000	152,000	(99,000)	
Apple Research and Development Program	505,000	505,000	-	
Empire Sheep Producers	75,000	-	(75,000)	
Hop Growers of New York	100,000	-	(100,000)	
Farmland for a New Generation Resource Center & Navigator	700,000	-	(700,000)	
Hudson Valley AgriBusiness Development Corporation	200,000	-	(200,000)	
Grow NYC Food Access Sites	850,000	-	(850,000)	
Northeast Organic Farming Association	200,000	-	(200,000)	
Turfgrass Environmental Stewardship	200,000	-	(200,000)	
Cannabis Association of NY (CANY)	100,000	-	(100,000)	
Cannabis Farmers Alliance	100,000	-	(100,000)	
CNY Lyme and Tick-Borne Disease Alliance	50,000	-	(50,000)	
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	-	
Black Farmers United of NYS	200,000	100,000	(100,000)	
Economically and Socially Disadvantaged Farmers	1,000,000	-	(1,000,000)	
Beginning Farmers	1,000,000	-	(1,000,000)	
New York Farm Viability Institute				
New York Farm Viability Institute	2,150,000	1,000,000	(1,150,000)	
New York State Berry Growers	61,000	61,000	-	
NY Corn and Soybean Growers Association	125,000	76,000	(49,000)	
Other Programs				
Electronic Benefits Transfer	139,000	139,000	-	
Farm-To-School	1,508,000	1,508,000	-	
Ag Child Care (Migrant)	10,410,000	11,300,000	890,000	
Local Fairs	550,000	500,000	(50,000)	
Training and Recruitment of Food and Agricultural Workers	1,000,000	1,000,000	-	
On-Farm Health and Safety / Tractor Rollover (MIB Hospital)	1,250,000	1,250,000	-	
Local Fair Promotion	2,000,000	2,500,000	500,000	
John May Farm Safety Fund	300,000	450,000	150,000	
Pitney Meadows Community Farm	50,000	-	(50,000)	
Comfort Food Community	50,000	-	(50,000)	
Volunteers Improving Neighborhood Environment	75,000	-	(75,000)	
New Programs				
Tariff Relief Payments to Farmers		30,000,000	30,000,000	
TOTAL	61,587,250	83,970,000	22,382,750	



**Capital:** The Executive recommends \$61.6 million in capital funding, a decrease of \$30 million from SFY 2025-26. This decrease is attributable to various projects at the State Fairgrounds, as well as the elimination of legislative initiatives of \$5 million for meat processing grants and animal shelters. These decreases are partially offset by a \$5 million appropriation for capital projects at local fairgrounds and a \$5 million increase for the Dairy Farm Modernization Grant Program that provides grants for on-farm milk storage capacity and milk cooling and transfer systems, bringing total funding to \$49 million over three years. The Executive proposes a new carve-out of \$2.5 million for Cornell University’s College of Agriculture and Life Sciences for Cornell AgriTech research farms and forests statewide.

**Table 31**

<b>Agriculture and Markets Capital Appropriations (\$ in Thousands)</b>				
<b>Program</b>	<b>SFY 2024-25 Enacted</b>	<b>SFY 2025-26 Enacted</b>	<b>SFY 2026-27 Executive</b>	<b>Change (\$)</b>
Dairy Farm Modernization Grant Program	24,000	10,000	15,000	5,000
Meat Processing Grants Program	-	5,000	-	(5,000)
Scratch Kitchen	10,000	10,000	10,000	-
State Fair Projects	9,000	44,000	14,000	(30,000)
Local Fairs	-	-	5,000	5,000
Animal Shelters	5,000	10,000	5,000	(5,000)
Cornell Industrial Hemp Processing	5,000	-	-	-
Long Island Seafood Processing Grants	5,000	-	-	-
Ag Child Care Facilities (Migrant)	3,200	3,200	3,200	-
Cornell Veterinary Diagnostic Lab	19,500	-	-	-
Miscellaneous Capital (State Fair)	9,415	9,415	9,415	-
<b>Total</b>	<b>90,115</b>	<b>91,615</b>	<b>61,615</b>	<b>(30,000)</b>

## **Article VII**

The Executive proposes Article VII language that would:

- transfer administration of dairy and other agricultural marketing orders from UDC back to AGM; and
- maintain full refundability for eligible farmers under the Investment Tax Credit program, for an additional five years, through 2032.

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

The Executive proposes an All Funds appropriation of \$1 billion, a decrease of \$45.8 million or 4.3 percent from SFY 2025-26. This primarily reflects decreased capital funding related to the elimination of one-time capital appropriations in the SFY 2025-26 budget. The Executive recommends support of 2,469 FTE positions, unchanged from prior year levels.

**State Operations:** The Executive recommends \$409.2 million in State Operations, an increase of \$12.1 million or 3 percent over SFY 2025-26. The increase is for operating cost growth, as well as new security measures at State parks.

**Aid to Localities:** The Executive recommends \$26.6 million in Aid to Localities funding, a decrease of \$5.4 million from SFY 2025-26, reflecting the elimination of legislative initiatives.

**Capital Funding:** The Executive recommends \$588.9 million in capital funding, a decrease of \$52.5 million or 8.2 percent from SFY 2025-26. This decrease reflects the elimination of \$90 million for the New York Statewide Investment in More Swimming (NY SWIMS) and \$67.5 million for the New York Places for Learning and Youth Socialization (NY PLAYS) programs. The Executive proposes \$75 million for a second round of funding for New York Building Recreational Infrastructure for Communities, Kids, and Seniors (NY BRICKS), a reduction of \$25 million from last year. The Executive also eliminates a \$10 million legislative program for Zoos, Botanical Gardens, and Aquaria.

Reductions are partially offset by new funding including \$75 million for High Falls State Park in Rochester, \$58 million for Denny Farrell Riverbank State Park, Lake Welch Beach at Harriman State Park, and Montauk Downs State Park, and \$7 million for the New York History Preservation and Resource Center on Peebles Island State Park. The Executive recommends \$200 million in core New York Works Capital funding for projects at State Parks statewide, unchanged from last year.

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

The Executive proposes an All Funds appropriation of \$8.5 million, a decrease of \$9.8 million or 54 percent from SFY 2025-26. This decrease primarily reflects the elimination of a one-time capital appropriation of \$10 million in the SFY 2025-26 budget for a new headquarters in Saranac Lake, which was made in addition to \$29 million appropriated in 2022 for the same purpose. The Executive recommends support of 59 FTE positions, unchanged from the SFY 2025-26 levels.

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

The Executive proposes an All Funds appropriation of \$114.1 million, a decrease of \$10.3 million from SFY 2025-26. The Executive recommends \$100 million in capital funding, which is a reduction of \$10 million from SFY 2025-26. This includes \$75 million to upgrade ORDA facilities and venues and \$25 million in capital funding for energy efficiency and renovation projects at ski facilities, including Belleayre Mountain Ski Center. This appropriation would bring total capital investments for ORDA to approximately \$890 million over nine years. The Executive also eliminates a \$300,000 legislative add for event planning.



# BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive proposal provides \$6.1 billion for the fifth year of the five-year DOT Capital Plan. This brings the five-year total to \$34.5 billion, a 25.3 percent increase from plans adopted in the previous five years.
- **Local Capital Construction Programs:** The DOT Capital Plan includes appropriation levels of \$648.1 million for the Consolidated Highway Improvement Program (CHIPs); \$39.7 million for the Marchiselli Program; \$200 million for local Bridge NY; \$150 million for local Pave NY; \$140 million for the State Touring Route Program; \$100 million for Extreme Winter Recovery; and \$100 million for Operation Pave Our Potholes. These levels reflect the continuation of a \$50 million legislative addition from SFY 2025-26 for CHIPs.
- **Non-MTA Transit Capital:** The DOT Capital Plan includes \$200 million in non-MTA transit capital assistance, an increase of \$80 million above the previously approved fifth year funding level.
- **Transit Operating Assistance:** The Executive recommends \$9.6 billion in annual support for transit systems statewide, including the MTA, reflecting an increase of 5 percent from SFY 2025-26.
- **Subway Safety:** The Executive proposes \$25 million, an increase of \$5 million, for the MTA's Subway Co-Response Outreach Teams (SCOUT) Program, increasing the number of SCOUT teams from 10 to 15, pairing MTA Police officers with clinical staff from the NYC Department of Homeless Services to engage individuals in crisis and connect them to care, treatment, or shelter. The Executive continues to provide \$77 million to support NYPD patrols in the subway.



# BUDGET REVIEW AND ANALYSIS: TRANSPORTATION



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

The MTA maintains a fleet of 5,700 buses and 6,400 subway cars, which operate on an infrastructure of 2,200 miles of track. MTA ridership increased roughly 7 percent from 2024 to 2025, reaching nearly 1.9 billion trips on the subways, buses and railroads, a record-high since 2019. 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. The DMV operates 27 offices and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. The DMV Traffic Violations Bureau helps to adjudicate traffic infractions.

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

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

**Table 32**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	14,421.4	13,811.9	(609.5)	(4.2)
Metropolitan Transportation Authority	5,127.5	2,244.8	(2,882.7)	(56.2)
Department of Motor Vehicles	487.5	490.0	2.5	0.5
Waterfront Commission	5.0	6.4	1.4	28.2

## Department of Transportation (DOT)

The Executive proposes an All Funds appropriation of \$13.8 billion, a decrease of \$609.5 million or 4.2 percent from SFY 2025-26. This decrease primarily reflects the planned reduction in obligations for the fifth year of the 5-year DOT capital plan, including the elimination of a one-time, \$800 million appropriation in SFY 2025-26 to restore DOT purchasing power over the final two years of the capital plan. The Executive recommends funding to support 8,499 FTE positions, an increase of four FTEs from SFY 2025-26, to work in design and construction.

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:** The Executive proposal provides \$6.1 billion on an obligations basis for the fifth year of the five-year, \$34.5 billion DOT Capital Plan, a decrease of \$881 million from SFY 2025-26. This decrease reflects the planned reduction for the final year of the plan which front loaded obligations, and a one-time, \$800 million inflation adjustment in SFY 2025-26. In total, the 2023-27 five-year capital plan is 25.3 percent larger than the previous five years.

The fifth year of the 2023-27 DOT Capital Plan includes \$200 million for non-MTA transit capital, an increase of \$80 million above the previously approved fifth year funding level. The Executive proposal eliminates a \$26 million legislative initiative for the Niagara Frontier Transportation Authority light rail system and a \$20 million annual appropriation to support electric bus procurement.

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

- 19 percent of funding to municipalities for local roads and bridge construction including CHIPs, Extreme Winter Recovery, Marchiselli, Pave NY, Bridge NY, the State Touring Route Program and the Pave our Potholes Program;
- 14 percent of funds for engineering costs;
- 7 percent of funding for summer road maintenance; and



- 4.8 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 33**

<b>Department of Transportation Capital Plan</b> <b>Five-Year Plan to Five-Year Plan Change</b> <b>(\$ in Millions)</b>				
	<b>2018-22 Total</b>	<b>2023-27 Total</b>	<b>Plan to Plan \$ Change</b>	<b>Plan to Plan % Change</b>
<b>State Road and Bridge Program</b>	<b>16,716</b>	<b>18,173</b>	<b>1,457</b>	<b>9</b>
<b>Capital Aid to Localities</b>	<b>3,999</b>	<b>6,639</b>	<b>2,640</b>	<b>66</b>
Local Pave NY	550	750	200	36
Local Bridge NY	500	1,000	500	100
Local Pave our Potholes	-	500	500	-
CHIPs and Marchiselli	2,489	3,229	740	30
Extreme Winter Recovery	360	500	140	39
State Route NY	100	660	560	560
<b>Alternative Modes</b>	<b>1,120</b>	<b>1,661</b>	<b>541</b>	<b>48</b>
Non-MTA Transit Capital	569	930	362	64
Passenger/Freight Rail	359	449	90	25
Aviation	193	283	90	47
<b>Maintenance and Support</b>	<b>5,677</b>	<b>7,988</b>	<b>2,311</b>	<b>41</b>
Engineering	3,183	4,900	1,717	54
Preventive Maintenance	1,970	2,517	547	28
Administration	398	440	42	11
Other Federal	127	131	5	4
<b>Total</b>	<b>27,513</b>	<b>34,461</b>	<b>6,949</b>	<b>25.3</b>

**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 \$400 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, there is an annual transfer from the General Fund which is projected to increase to \$1.2 billion in SFY 2030-31.

Table 34

Dedicated Highway and Bridge Trust Fund (\$ in Millions)				
	SFY 2025-26 Estimate	SFY 2026-27 Projection	\$ Change	% Change
<b><u>Receipts</u></b>				
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,926.9	1,907.3	(19.6)	(1.0)
Miscellaneous Receipts (primarily bond proceeds)	1,073.8	702.1	(371.7)	(34.6)
Transfers from General Fund	146.3	191.2	44.8	30.6
<b>Total Receipts</b>	<b>3,147.1</b>	<b>2,800.6</b>	<b>(346.5)</b>	<b>(11.0)</b>
<b><u>Disbursements</u></b>				
Road and Bridge Capital Construction Program	609.4	610.0	0.6	0.1
Administration	78.0	82.3	4.3	5.5
State Forces Engineering	452.3	508.9	56.6	12.5
Consultant Engineering	123.4	126.8	3.4	2.8
DOT Operations	487.2	493.3	6.1	1.3
DMV Operations	355.6	355.1	(0.4)	(0.1)
Transfers for ITS	57.6	57.6	-	-
Transfer for State Debt Service	315.5	236.8	(78.7)	(24.9)
Transfer for Local Debt Service (CHIPS)	400.1	329.8	(70.3)	(17.6)
<b>Total Disbursements</b>	<b>2,878.9</b>	<b>2,800.7</b>	<b>(78.2)</b>	<b>(2.7)</b>

**Transit Assistance:** The Executive proposes \$9.6 billion in support for transit systems statewide, including the MTA, which is an increase of \$460.3 million or five percent over SFY 2025-26. This increase reflects higher dedicated tax revenues and general fund support for the upstate transit systems.

Of the total \$9.6 billion in transit operating assistance, \$369.5 million is provided for upstate transit systems, an increase of \$20.1 million or 5.8 percent over SFY 2025-26. The revenues collected in the upstate region and dedicated to upstate transit systems are projected to remain flat in SFY 2026-27. To provide the proposed \$20.1 million in year-to-year growth to the Upstate systems, matching the MTA's 5.8 percent on-budget operating assistance growth, an increase in General Fund support of \$16.6 million is provided. Of the \$369.5 million in total upstate operating assistance, \$194.9 million or 53 percent, is allocated from the General Fund.

Non-MTA downstate transit systems would be provided \$619.9 million in operating assistance, an increase of \$43 million or 7.4 percent over SFY 2025-26. The Executive proposes \$500,000 for the South Fork Commuter Bus Service, eliminating a legislative initiative of \$250,000 from SFY 2025-26. The Executive proposes \$19.4 million for the Lower Hudson Transit Link, an increase of \$8.4 million, to accommodate a new operating contract. The dedicated taxes that support the non-MTA downstate transit systems have recovered and surpassed pre-pandemic levels. Of the \$619.9 million in non-MTA downstate operating assistance, \$5.3 million or 0.8 percent is allocated from the General Fund.

Transit assistance for the MTA in SFY 2026-27 is projected at \$8.6 billion, an increase of \$389.1 million or 4.7 percent over SFY 2025-26. This increase reflects higher dedicated tax revenues. Of the \$8.6 billion in MTA operating assistance, 3.8 percent is derived from the state General Fund. Transit assistance comprises 40 percent of the MTA’s 2026 annual budget of \$21.3 billion.

### Other Operating Assistance

- The Executive proposal includes \$30 million for the Gateway Development Commission, an increase of \$10 million, for the state share of annual operating expenses.
- The Executive proposal includes \$1.75 million for the Ogdensburg Bridge and Port Authority for operating assistance, a decrease of \$750,000 from the SFY 2025-26 level.

**Table 35**

<b>Executive Proposal: Transit Operating Assistance</b> <b>(\$ in Millions)</b>				
	<b>SFY 2025-26 Adjusted</b>	<b>SFY 2026-27 Executive</b>	<b>\$ Change</b>	<b>% Change</b>
<b>MTA</b>				
Dedicated Tax Funds (on-budget)	4,188.5	4,430.9	242.4	5.8
Verrazzano Bridge Rebate Program	26.0	26.0	-	-
SCOUT Program	20.0	25.0	5.0	25.0
MTA (Payroll Mobility Tax and MTA Aid)	3,675.4	3,803.5	128.0	3.5
MTA (FHV Surcharge Revenue)	334.5	348.1	13.6	4.1
<b>MTA Subtotal</b>	<b>8,244.4</b>	<b>8,633.5</b>	<b>389.1</b>	<b>4.7</b>
<b>Non-MTA Downstate Systems</b>				
Rockland	6.4	6.9	0.5	7.4
Staten Island Ferry	62.4	67.1	4.6	7.4
Westchester	104.8	112.6	7.8	7.4
Nassau	126.7	136.2	9.4	7.4
Suffolk	49.3	53.0	3.7	7.4
NYC DOT	166.8	179.2	12.4	7.4
FORMULAS	60.5	65.0	4.5	7.4
<b>Non-MTA Downstate Systems Subtotal</b>	<b>576.9</b>	<b>619.9</b>	<b>43.0</b>	<b>7.4</b>
South Fork Commuter Bus Service	0.75	0.5	(0.25)	(33.3)
Lower Hudson Transit Link	11.0	19.4	8.4	76.4
<b>Upstate Systems</b>				
Capital District Transportation Authority (CDTA)	69.2	73.2	4.0	5.8
Central New York Regional Transportation Authority (Centro)*	57.2	60.5	3.3	5.8
Rochester Genesee Regional Transportation Authority (RGRTA)	68.5	72.5	3.9	5.8
Niagara Frontier Transportation Authority (NFTA)	89.0	94.1	5.1	5.8
FORMULAS	65.5	69.3	3.8	5.8
<b>Upstate Systems Subtotal</b>	<b>349.4</b>	<b>369.5</b>	<b>20.1</b>	<b>5.8</b>
<b>Transit Operating Assistance Total:</b>	<b>9,182.5</b>	<b>9,642.8</b>	<b>460.3</b>	<b>5.0</b>

## **Article VII**

The Executive proposes Article VII legislation that would:

- expand existing penalties related to assault against certain transportation workers to include additional workers and locations; require license suspension for assault in the second degree or assault in the third degree when committed against highway workers; establish a new crime of menacing a highway worker, a class E felony; and establish a new crime of intrusion into an active work zone, a class B misdemeanor with a fine of \$250-500 and/or imprisonment not to exceed three months;
- expand the locations where the New York State Department of Transportation (DOT), Thruway Authority, Triborough Bridge and Tunnel Authority and State Bridge Authority can utilize photo speed violation monitoring systems in highway construction or maintenance work areas by including any real property owned, controlled, or under the jurisdiction of such agency and authorities; and
- authorize the Commissioner of Transportation to transfer and convey certain state-owned real property in the Town of Babylon, Suffolk County.

## **Metropolitan Transportation Authority**

**MTA Operating Budget:** The MTA's operating budget is balanced through 2026 with a 0.7 percent deficit projected in 2027. The forecast assumes a planned four percent fare and toll increase in 2027 and an extension in 2027 of NYC's 80 percent paratransit contribution to the MTA, compared to 50 percent. The MTA has received \$1.5 billion in one-time, state-directed casino licensing fees, which it allocates as \$500 million annually in 2026-2028.

The SFY 2026-27 Executive proposal includes \$25 million, an increase of \$5 million, to expand MTA's Subway Co-Response Outreach Teams (SCOUT) Program, increasing the number of SCOUT teams from 10 to 15.

**MTA 2025-29 Capital Plan:** The MTA's \$68.4 billion 2025-29 Capital is fully funded, reflecting \$35.7 billion from actions taken in the SFY 2025-26 State budget, including MTA operating efficiencies, restructuring the Payroll Mobility Tax (PMT) and redirecting existing state funds for the Empire State Complex project to the 2025-29 Capital Plan.

The SFY 2026-27 Executive proposal includes \$75 million in capital funding for the MTA, including \$25 million for the cost of preliminary engineering associated with the extension of the Second Avenue

Subway project west along 125<sup>th</sup> Street and \$50 million for design work related to the improvement of Jamaica Station.

**MTA Contingency Appropriation:** The Executive Budget proposes contingency appropriations of \$2.2 billion for SFY 2027-28, in the event that there is no budget agreement in the spring of 2027.

## **Article VII**

The Executive proposes Article VII language that would:

- extend the ability for municipalities and the MTA to establish “mass transportation capital districts” to facilitate tax increment financing for ten years; and
- authorize the MTA to pursue environmental review under the State Environmental Quality Review Act (SEQRA) in two stages for the Second Avenue Subway – West Project.

## **Department of Motor Vehicles**

The Executive proposes an All Funds appropriation of \$490 million, an increase of \$2.5 million or 0.5 percent over SFY 2025-26. This primarily reflects a \$1.8 million increase for costs associated with the Governor’s Traffic Safety Committee and a \$672,000 increase for the services and expenses associated with the adjudication of traffic infractions. The Executive recommends funding support of 3,228 FTEs, consistent with the prior year level.

Table 36

<b>Department of Motor Vehicles Appropriations</b> <b>(\$ in Thousands)</b>				
	SFY 2025-26 Enacted	SFY 2026-27 Executive	\$ Change	% Change
<b>Internet Point Insurance Reduction Program</b>	425	425	-	-
<b>Administration Program</b>				
DMV Equitable Sharing Agreement (Justice)	1,000	1,000	-	-
DMV Equitable Sharing Agreement (Treasury)	1,000	1,000	-	-
Federal Seized Asset Account	1,000	1,000	-	-
Banking Service Account	5,300	5,300	-	-
<b>Administration Adjudication Program</b>	48,787	49,459	672	1.4
<b>Clean Air Program</b>	23,189	23,189	-	-
<b>Compulsory Insurance Program</b>	11,577	11,577	-	-
<b>Distinctive Plate Development Program</b>	25	25	-	-
<b>DMV Seized Asset Program</b>	400	400	-	-
<b>Governor's Traffic Safety Committee</b>				
Highway Safety Research and Operating Grants	25,772	27,502	1,730	6.7
Highway Safety Research & Development	6,000	6,000	-	-
Highway Safety Programs	24,900	25,000	100	0.4
<b>Motorcycle Safety Program</b>	1,610	1,610	-	-
<b>Capital - Transportation Support</b>	336,469	336,469	-	-
<b>Total</b>	<b>487,454</b>	<b>489,956</b>	<b>2,502</b>	<b>0.5</b>

## Article VII

The Executive proposes Article VII legislation that would:

- extend, for two years, provisions related to the increase of certain Department of Motor Vehicles (DMV) fees, the deposit of such fees into the Dedicated Highway and Bridge Trust Fund and the payment of certain DMV costs out of such Fund;
- extend, for two years, the Internet Point Insurance Reduction Program (I-PIRP);
- require certain motorcycle license applicants to successfully complete a motorcycle rider safety course;
- authorize the City of New York to establish a five-year intelligent speed assistance device pilot program to limit motor vehicle speeds of vehicles operated by persons convicted of speeding or found liable for speed camera violations within the City; and

- extend, for two years, the provision of law authorizing the demonstration and testing of autonomous vehicles on public roads and authorize the deployment, outside of New York City, of autonomous vehicles to carry passengers for-hire in compliance with parameters established by this part.

### **Thruway Authority**

The Thruway Authority is funded through various off-budget revenues, consisting of mostly tolls. The 2026 Thruway Authority budget is \$1.5 billion, an increase of 6.1 percent over 2025 which largely reflects an increase in system-wide capital projects. The budget includes: \$533 million for operating expenses, including a \$71 million reimbursement to the State Police for the cost of patrolling the Thruway; \$520 million for capital projects and equipment; and \$405 million for debt service. Toll adjustments previously approved by the Thruway Authority Board include \$0.50 round trip increases on January 1, 2026, and 2027 on the Governor Mario M. Cuomo Bridge, as well as a five percent increase systemwide effective January 1, 2027. The Thruway Authority's five-year Capital Plan is \$2.79 billion for the 2026-2030 plan period, an increase of \$860 million or 45 percent since the approval of a multi-year toll adjustment plan in 2023.

### **New York Waterfront Commission**

The Executive proposes an All Funds appropriation of \$6.4 million for SFY 2026-27, an increase of \$1.4 million or 28.1 percent over SFY 2025-26. This increase reflects a shift of costs for leasing office space on-budget. The Executive recommends funding support of 32 FTEs, consistent with the prior year level. Of the All Funds appropriation, \$4.4 million is provided from the General Fund and \$1.9 million is from revenue generated at the Port.





# BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **Rochester-Monroe Transformation Initiative:** The Executive proposes a total of \$300 million for economic development initiatives in the City of Rochester and County of Monroe, including \$75 million for renovations at High Falls State Park.
- **Continuation of Various Competitive Grant Programs:** The Executive proposes various levels of support for pre-existing competitive grant programs, including the Regional Economic Development Councils (REDCs) (\$150 million), Downtown Revitalization Initiative (DRI) (\$100 million), NY Forward Program (\$100 million), and the Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) Program (\$100 million).
- **Quantum Technology:** The Executive proposes \$100 million to support the SUNY Stony Brook Quantum Research and Innovation Hub, as well as \$60 million to establish Quantum Technology Commercialization Hubs.
- **Bolstering Biotech Initiative:** The Executive includes \$65 million to support biotech innovation and the life sciences sector.
- **Job Retention and Investment in Nassau County:** The Executive proposal includes \$38.5 million to support businesses headquartered in Nassau County which provide technological innovation and financial services.
- **Downstate Semiconductor Chip Design Center:** The Executive proposal includes \$25 million to establish a downstate semiconductor manufacturing and chip design center.
- **Saving Performance Arts Program and Cultural Experiences (SPACE):** The Executive includes \$10 million to support nonprofit performing arts organizations with venue retention and acquisition.



# 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 37**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	2,247.3	1,555.2	(692.1)	(30.8)
New York State Gaming Commission	438.0	493.0	55.0	12.6
Department of Economic Development	106.6	105.9	(0.7)	(0.7)
Council on the Arts	92.0	71.5	(20.5)	(22.3)

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

The Executive proposes an All Funds appropriation of \$1.6 billion, a decrease of \$692.1 million or 30.8 percent below SFY 2025-26, primarily reflecting a \$726.2 million decrease in capital funding.

### ***Urban Development Corporation Capital***

The Executive proposal includes \$1.2 billion in capital projects appropriations under the UDC, a decrease of \$726.2 million from SFY 2025-26. This decrease primarily reflects the elimination of funding for various capital initiatives and certain legislative initiatives.

Table 38

Economic Development Capital Initiatives (\$ in Millions)			
Category/Item	SFY 2025-26 Enacted	SFY 2026-27 Exec. Request	Change
New York Works Fund	400.0	400.0	0.0
Rochester-Monroe Transformation Initiative	0.0	225.0	225.0
Regional Economic Development Councils	150.0	150.0	0.0
POWER-UP	100.0	100.0	0.0
SUNY Stony Brook Quantum Research Hub	0.0	100.0	100.0
Quantum Technology Commercialization Hubs	0.0	60.0	60.0
County Partnerships Grants Program	50.0	50.0	0.0
Job Retention and Investment in Nassau County	0.0	38.5	38.5
Downstate Semiconductor Chip Design Center	0.0	25.0	25.0
Saving Performance Arts and Cultural Experiences (SPACE)	0.0	10.0	10.0
Market New York	8.0	8.0	0.0
Retention of Professional Football in Western New York	2.4	6.0	3.6
NY Kicks Investment Fund	0.0	5.0	5.0
Pace University Performing Arts Center	5.0	5.0	0.0
Industrial Hemp Initiative	0.0	2.0	2.0
Championing Albany's Potential Initiative	335.0	0.0	(335.0)
Redevelopment of Underutilized Sites for Housing (RUSH)	250.0	0.0	(250.0)
Onondaga County Water Authority	116.0	0.0	(116.0)
FAST-NY	100.0	0.0	(100.0)
Empire AI Consortium	90.0	0.0	(90.0)
Rochester Riverside Convention Center	59.6	0.0	(59.6)
Fordham Landing South	55.0	0.0	(55.0)
Long Island Infrastructure (Suffolk County)	50.0	0.0	(50.0)
FIFA World Cup	20.0	0.0	(20.0)
Town of Tonawanda Raw Water Project	20.0	0.0	(20.0)
Non-profit Cultural Institutions	20.0	0.0	(20.0)
Universal Hip Hop Museum	20.0	0.0	(20.0)
Brooklyn Public Library	13.2	0.0	(13.2)
American Museum of Natural History	10.0	0.0	(10.0)
Children's Museum of Manhattan	10.0	0.0	(10.0)
Metropolitan Museum of Art	10.0	0.0	(10.0)
Queens Museum	8.5	0.0	(8.5)
Mount Vernon Armory	5.0	0.0	(5.0)
Empire State Youth Orchestra	3.0	0.0	(3.0)
<b>Total Capital Appropriations, Urban Development Corp.</b>	<b>1,910.7</b>	<b>1,184.5</b>	<b>(726.2)</b>
Downtown Revitalization Initiative	100.0	100.0	0.0
NY Forward Initiative	100.0	100.0	0.0
<b>Total Appropriations, Department of State</b>	<b>200.0</b>	<b>200.0</b>	<b>0.0</b>
Nonprofit Arts and Cultural Organizations	80.0	40.0	(40.0)
<b>Total Arts and Cultural Facilities Improvement Program</b>	<b>80.0</b>	<b>40.0</b>	<b>(40.0)</b>
<b>GRAND TOTAL</b>	<b>2,190.7</b>	<b>1,424.5</b>	<b>(766.2)</b>

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

**Rochester-Monroe Transformation Initiative:** The Executive provides \$225 million for economic development initiatives in the City of Rochester and County of Monroe.

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

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

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

**Quantum Technology:** The Executive provides \$100 million in capital funding to support the SUNY Stony Brook Quantum Research and Innovation Hub, as well as \$60 million to establish Quantum Technology Commercialization Hubs.

**County Partnerships Grant Program:** The Executive provides \$50 million to support site development and other costs related to county infrastructure projects.

**Job Retention and Investment in Nassau County:** The Executive provides \$38.5 million to support facilities of businesses headquartered in Nassau County that provide technological innovation and financial services.

**Downstate Semiconductor Chip Design Center:** The Executive provides \$25 million in capital support to establish a downstate semiconductor manufacturing and chip design center.

**Saving Performance Arts and Cultural Experiences (SPACE) Program:** The Executive provides \$10 million to support nonprofit performing arts organizations with venue retention and acquisition.

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

**Launch the New York Kicks Investment Fund:** The Executive provides \$5 million in capital funding for the development of youth soccer facilities in disadvantaged communities, for a total of \$6 million.

**Industrial Hemp Initiative:** The Executive provides \$2 million in capital funding to establish a research and development consortium for industrial hemp.

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

The Executive proposal includes \$370.7 million in aid to localities appropriations, an increase of \$34.1 million over SFY 2025-26. This increase primarily reflects the inclusion of new economic development initiatives, a \$250,000 increase to the Entrepreneurial Assistance Program, and a \$1.3 million increase in support for the retention of professional football in Western NY, partially offset by a \$3 million reduction in ON-RAMP funding and the elimination of legislative adds.

**Workforce Development:** The Executive provides \$188.4 million for workforce development efforts, a net decrease of \$3 million from SFY 2025-26. This reduction reflects a decrease of \$3 million in funding for the ON-RAMP initiative.

**Table 39**

<b>Workforce and Economic Development Initiatives (\$ in Millions)</b>			
<b>Category/Item</b>	<b>SFY 2025-26 Enacted</b>	<b>SFY 2026-27 Exec. Request</b>	<b>Change</b>
Financial Burden Relief for Healthcare Workers	47.0	47.0	0.0
Caregiver Flexibility for Direct Care Workers	39.0	39.0	0.0
Teacher Residency Program	30.0	30.0	0.0
Training Capacity Expansion for Statewide institutions	22.5	22.5	0.0
One Network for Regional Advanced Manufacturing Partnership Initiative (ON-RAMP)	14.0	11.0	(3.0)
Expansion of Psychiatric rehabilitation Service at OMH	10.3	10.3	0.0
Employment and Training at OPWDD	10.2	10.2	0.0
SUNY and CUNY internships	10.0	10.0	0.0
SUNY and CUNY apprenticeships	5.0	5.0	0.0
Diversity in Medicine Program	2.4	2.4	0.0
Expansion of a SUNY Pre-Medical Opportunities Program	1.0	1.0	0.0
<b>GRAND TOTAL</b>	<b>191.4</b>	<b>188.4</b>	<b>(3.0)</b>

**New York State Tourism:** The Executive proposes to maintain \$15 million in total support for the continuation of the Market NY Program, which is unchanged from SFY 2025-26. In addition, the Executive provides funding for various efforts to promote New York State as a tourism destination.

**Economic Development Funds:** The Executive provides \$26.2 million in operating support for the Empire State Development Fund. In addition, \$47 million would be provided to finance certain economic development efforts, including the Open for Business Program, Global NY initiatives and trade missions, as well as advertising programs.

**Bolstering Biotech Initiative:** The Executive provides \$65 million to support biotech innovation and the life sciences sector.

**Assistive Technology Center:** The Executive includes \$5 million to establish an Assistive Technology Innovation Center.

**FIFA World Cup:** The Executive provides \$5 million in support for marketing and tourism related to the 2026 FIFA World Cup.

**Innovation Venture Competition Program:** The Executive provides \$5 million in loans and grants for an innovation venture competition program in Western NY.

**Launch the New York Kicks Investment Fund:** The Executive provides \$1 million in operating funding for the development of youth soccer facilities in disadvantaged communities, for a total of \$6 million.

**Fashion Innovation Center:** The Executive includes \$60,000 in grants and loans to support the Fashion Innovation Center.

## **Article VII**

The Executive proposes Article VII language that would:

- extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for one year, until July 1, 2027; and
- extend the general loan powers of the Urban Development Corporation for one year, until July 1, 2027.

## **Department of Economic Development**

The Executive proposes an All-Funds appropriation of \$105.9 million, a decrease of \$0.7 million or 0.7 percent from SFY 2025-26. This reduction primarily reflects the elimination of legislative initiatives, partially offset by the inclusion of \$5 million to support the Manufacturing Modernization Program. The Executive recommends support for 160 FTE positions, which is unchanged from SFY 2025-26.



**New York State Hot Spots and Incubators:** The Executive provides \$5 million to support 10 hot spots and 20 incubators throughout the State, which is unchanged from SFY 2025-26.

**Centers of Excellence (COE) & Centers for Advanced Technology (CAT):** The Executive proposes \$12 million in funding for COEs and \$13.6 million for CATs, for a total decrease of \$3.9 million from SFY 2025-26, reflecting the elimination of legislative initiatives.

**High technology matching grants programs:** The Executive proposal includes \$12 million in funding for technology matching grants programs which is unchanged from SFY 2025-26. This includes 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 \$2.5 million for the “I Love NY” Program, as well as \$2.5 million for local tourism matching grants.

**Manufacturing Modernization Program:** The Executive proposes \$5 million to support new technology adoption for small and mid-sized manufacturers.

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

The Executive proposes an All-Funds appropriation of \$493 million, an increase of \$55 million over SFY 2025-26. The Executive proposes a workforce of 396 FTEs, which remains unchanged from SFY 2025-26 levels.

**Aid to Localities:** The Executive proposes \$373.8 million for aid to localities appropriations, an increase of \$55 million over SFY 2025-26.

**State Operations:** The Executive proposes a total appropriation of \$119.2 million, which is unchanged from SFY 2025-26. This includes \$100,000 for continuation of the Racing Fan Advisory Council.

**Tribal State Compacts:** The Executive proposal provides \$306 million for payments made pursuant to Tribal-State Compacts, an increase of \$55 million over SFY 2025-26.

**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 2025-26.

## **Article VII**

The Executive proposes Article VII language that would:

- modify the existing pari-mutuel tax rate structure in New York State;
- extend Capital District OTB's authorization to use capital acquisition funds for one year;
- make various provisions relating to pari-mutuel simulcasting permanent; and
- extend certain licensing exemptions for workers at the Belmont Stakes held in Saratoga for one year.

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

The Executive proposes an All Funds appropriation of \$71.5 million, a decrease of \$20.5 million or 22.3 percent from SFY 2025-26. This reduction primarily reflects the elimination of a \$20 million legislative initiative for NYSCA's grantmaking program and a \$500,000 legislative initiative for Small and Mid-Sized Arts Organizations Stabilization Grants, partially offset by \$250,000 for the Music Grant Fund. The Executive recommends funding support of 41 FTE positions, which is unchanged from SFY 2025-26.

## **Article VII**

The Executive proposes Article VII language that would take excess funds from the Musical Instrument Revolving Fund and apply them to the newly created Music Grant Fund.

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

NYSCA directs capital grant awards through the Arts and Cultural Facilities Improvement Program. The Executive proposes an All Funds appropriation of \$40 million, a decrease of \$40 million or 50 percent from SFY 2025-26, which reflects the elimination of a \$40 million legislative initiative.

## BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **National Guard Operating Support:** The Executive provides \$535 million for the continued deployment of the National Guard to support the operations of correctional facilities throughout the state.
- **Establish Electronic Health Records in Correctional Facilities:** The Executive provides \$35.8 million in capital funding to support the creation of an electronic health records system for those who are incarcerated.
- **Enhanced Subway Safety:** The Executive provides \$77 million to increase police presence on New York City subway platforms and trains, including police patrols on every overnight train.
- **Law Enforcement Technology Funding:** The Executive provides \$50 million in continued funding for Law Enforcement Technology (LETECH) grants to assist local law enforcement agencies prevent and solve crimes.
- **Securing Communities Against Hate Crimes (SCAHC):** The Executive provides \$35 million in continued funding for the next round of the SCAHC program.
- **State Emergency Operations Center:** The Executive provides \$150 million in capital to construct a new State Emergency Operations Center to coordinate the state's efforts in safeguarding New York's communities from disasters and emergencies.
- **Protecting Civil Rights and Federal Accountability:** The Executive includes language to restrict civil immigration enforcement at designated sensitive locations, including hospitals, schools, daycares and houses of worship, absent a judicial warrant, and to create a cause of action against federal officers for constitutional violations that applies identical legal standards, defenses, and immunities applicable to state and local officials under 42 U.S.C. § 1983.



## BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



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

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

Table 40

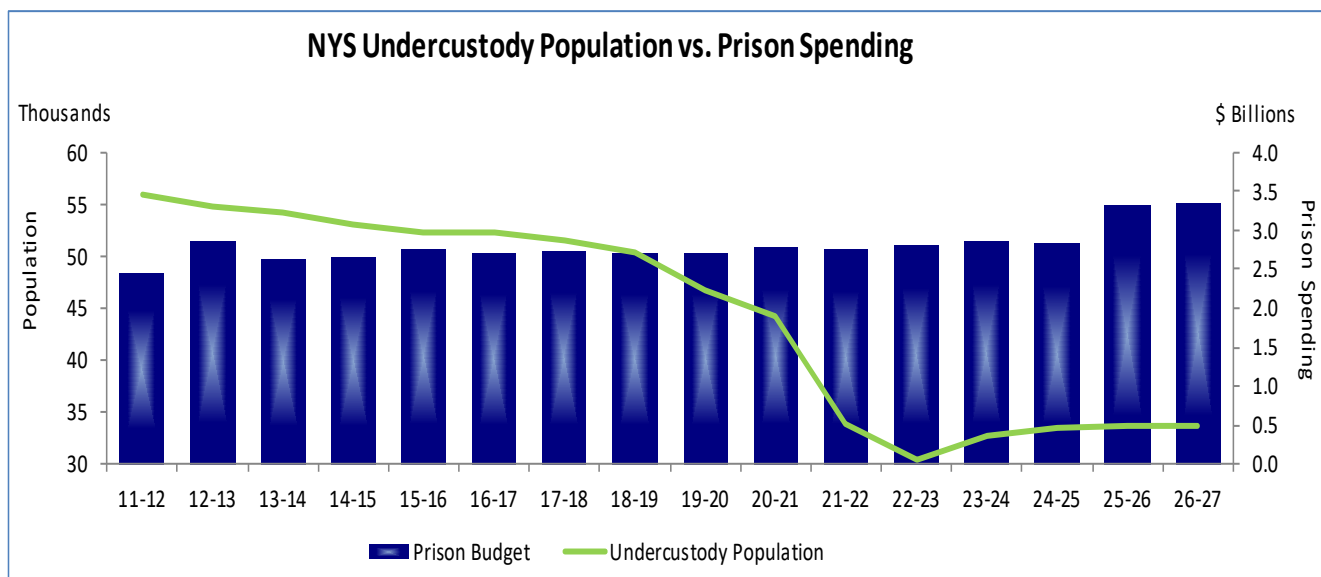
Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Division of Homeland Security and Emergency Services	9,085.1	9,249.1	163.9	1.8
Department of Corrections and Community Supervision	4,485.0	4,148.4	(336.6)	(7.5)
Division of State Police	1,362.9	1,333.1	(29.9)	(2.2)
Division of Criminal Justice Services	986.6	952.1	(34.5)	(3.5)
Office of Indigent Legal Services	490.4	490.8	0.4	0.1
Department of Law	495.0	413.1	(81.9)	(16.6)
Office of Victim Services	352.1	352.8	0.7	0.2
Division of Military and Naval Affairs	446.1	306.6	(139.5)	(31.3)
Interest on Lawyer Account	80.9	80.9	0.0	0.0
Office for the Prevention of Domestic Violence	19.4	20.0	0.6	2.8
Commission on Judicial Conduct	9.3	9.3	0.0	0.0
State Commission of Correction	7.1	7.2	0.1	1.4

### Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$4.2 billion, a decrease of \$336.6 million or 7.5 percent from SFY 2025-26, reflecting the elimination of \$400 million in one-time investments for fixed camera installations. The Executive recommends support for 25,578 FTE positions, an increase of 33 FTEs over SFY 2025-26, including 18 FTEs for recruitment expansion and 15 FTEs for a body-worn camera Freedom of Information Law (FOIL) unit.

**National Guard Operating Support:** The Executive provides \$535 million to continue the deployment of the National Guard to support the operations of correctional facilities throughout the State.

**Establish Electronic Health Records in Correctional Facilities:** The Executive provides \$35.8 million in capital to support the creation of an electronic health records system for the incarcerated population.



**Figure 13**

### Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$952 million, a decrease of \$34.5 million or 3.5 percent from the SFY 2025-26 level. The Executive recommends support for 651 FTE positions, an increase of 24 FTEs over SFY 2025-26, including 15 FTEs for the Westchester County Crime Analysis Center, five FTEs to support forensic investigations at crime labs and four FTEs to administer a new accreditation program for law enforcement academies.

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

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

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

**Crime Labs Funding:** The Executive provides \$6.7 million to upgrade DNA and drug analysis technology, increase forensic staffing and bolster statewide accreditation standards.

**Crime Analysis Center:** The Executive provides \$4.5 million to expand the Crime Analysis Center network by establishing a new center in Westchester County.

## Article VII

The Executive proposes Article VII legislation that would:

- expand criminal liability related to firearms to include pistol converters and 3-D printed and illegal firearms; establish a working group to determine the technological feasibility of blocking technology for 3-D printers and prohibit the sale of a 3-D printer unless equipped with blocking technology;
- establish various new crimes relating to the use of drones including unlawful use of a drone in the second degree, a class A misdemeanor; establish a new crime of unlawful use of a drone in the first degree, a class E felony; and aggravated unlawful use of a drone, which would be a class D felony;
- expand the definition of fraudulent insurance act to include staged motor vehicle accidents, lower the dollar amount threshold to hold someone criminal liability for various insurance and healthcare fraud, and remove the one-year time frame to meet the thresholds for healthcare fraud;
- make changes to the Motor Vehicle Theft and Insurance Fraud Prevention Board including, adding new members, removing certain members voting authority, removing meeting rules and allow meetings at the call of the chairperson, shifting operational authority, and making conforming changes to the State Finance Laws;
- extend temporary orders of protection when a defendant fails to appear and require notification that the order remains in effect until their subsequent appearance;
- allow a designated special witness to testify before a grand jury by video conference, provided the witness swears they are alone and not using any materials; and modify the procedures to introduce a business record as evidence in a grand jury proceeding ;
- prohibit public demonstrations within 25 feet of entrances and exits of places of worship or healthcare facilities when done with the intent to alarm and annoy;
- designate schools, higher education institutions, specified service locations, health care facilities, and houses of worship as sensitive locations protected from civil immigration enforcement; and
- establish a new crime of aggravated harassment of a rent regulated tenant, which would be a class D felony.



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

The Executive proposes All Funds appropriations of \$9.2 billion, an increase of \$163.9 million or 1.8 percent over SFY 2025-26. The Executive recommends a workforce of 770 FTEs, unchanged from SFY 2025-26.

**State Emergency Operations Center:** The Executive provides \$150 million in capital to construct a new State Emergency Operations Center to coordinate the state's efforts in safeguarding communities from disasters and emergencies.

**Strengthening Statewide Urban Search and Rescue Capacity:** The Executive provides \$5.3 million to create a new Federal Type 1 Urban Search and Rescue team through the Division of Homeland Security and Emergency Services (DHSES) partnering with local first responders during disaster and rescue operations.

The Executive proposes Article VII language that would:

- extend the suspension of the \$1.5 million annual deposit to the Emergency Services Revolving Loan Fund for three years; and
- authorize the Governor to enter into additional interstate and international emergency management assistance compacts. It would permit New York to participate in the Northern Emergency Management Assistance Compact and an international compact with New England states and Eastern Canadian provinces, with legislative ratification deemed upon gubernatorial certification.

## **Division of State Police**

The Executive proposes All Funds appropriations of \$1.3 billion, a decrease of \$29.9 million or 2.2 percent below SFY 2025-26. The Executive recommends support for 6,528 FTEs, an increase of seven FTEs from the prior fiscal year, to create an auto-insurance fraud unit.

**Comprehensive Plan for Drones:** The Executive Budget includes \$5 million for State Police to pilot drones as first responders as well as language to regulate the use of drones statewide.

**Auto Insurance Fraud:** The Executive provides \$2 million for State Police to investigate auto insurance fraud.

The Executive proposes Article VII language that would:

- require the State Police to establish a uniform paid leave policy for members involved in critical incidents, including incidents resulting in death or serious physical injury, including at least 20 days for primary members and 10 days for other directly involved members.

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

The Executive proposes All Funds appropriations of \$490.8 million, an increase of \$425,000 or 0.1 percent over SFY 2025-26. The Executive recommends support for 62 FTE positions, unchanged from the SFY 2025-26 level.

### **Department of Law**

The Executive proposes All Funds appropriations of \$413.1 million, a decrease of \$81.9 million or 16.6 percent below the SFY 2025-26 level, attributable to elimination of one-time Juul Settlement funding. The Executive recommends support for 2,312 FTE positions, an increase of 35 FTE positions over the previous fiscal year to increase staffing in various programs.

### **Division of Military and Naval Affairs**

The Executive proposes All Funds appropriations of \$306.6 million, a decrease of \$139.5 million or 31.3 percent below the SFY 2025-26, related to the elimination of one-time funding for the construction of a new 42<sup>nd</sup> Infantry Division Headquarters. The Executive Budget recommends support for 439 FTE positions, unchanged from SFY 2025-26.

The Executive proposes Article VII language to:

- permanently authorize the Recruitment Incentive and Retention Program (RIRP), which provides tuition payments for eligible service members enrolled at least half-time at an accredited college or university.

### **Office for the Prevention of Domestic Violence**

The Executive proposes All Funds appropriations of \$20 million, an increase of \$550,000 or 2.8 percent over SFY 2025-26. The Executive Budget recommends a workforce of 53 FTEs, an increase of seven positions compared to SFY 2025-26, to support the continued implementation of various domestic prevention initiatives.

### **Office of Victim Services**

The Executive proposes All Funds appropriations of \$352.8 million, an increase of \$642,000 from SFY 2025-26. The Executive recommends 110 FTE positions, an increase of one FTE position from SFY 2025-26.

**At-Risk Victim Assistance Programs:** The Executive provides \$642,000 to support fiscally at-risk and survivor led programs with a new technical assistance initiative.

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

The Executive proposes All Funds appropriations of \$80.9 million, unchanged from the prior fiscal year. The Executive recommends support for 11 FTE positions, unchanged from the SFY 2025-26 level.

### **Commission of Correction**

The Executive proposes All Funds appropriations of \$7.2 million, an increase of \$100,000 or 1.4 percent, from SFY 2025-26. The Executive recommends a workforce of 72 FTEs, an increase of 10 FTEs from SFY 2025-26. This increase reflects a technical adjustment to align the Commission's FTEs with their approved staffing level as provided for in the SFY 2025-26 Enacted Budget.

### **Commission on Judicial Conduct**

The Executive proposes All Funds appropriations of \$9.3 million, unchanged from the prior fiscal year. The Executive recommends support for 56 FTE positions, unchanged from the SFY 2025-26 level.



# BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives for Municipalities (AIM) for Cities, Towns and Villages:** The Executive maintains AIM funding at \$715.2 million.
- **Temporary Municipal Assistance (TMA) for Cities, Towns and Villages:** The Executive proposes to maintain \$50 million in funding for Temporary Municipal Assistance for an additional year.
- **Miscellaneous Financial Assistance (MFA) for the City of Albany:** The Executive maintains \$20 million in funding for the City of Albany.



# BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



The Executive Budget provides aid to local governments through various programs including the AIM Program, which functions as unrestricted aid, as well as other programs to promote and assist the efforts of local governments to merge, consolidate and share services.

**Table 41**

Purpose	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	758.2	758.2	0.0	0.0
Temporary Municipal Assistance	50.0	50.0	0.0	0.0
Miscellaneous Financial Assistance	40.6	23.8	(16.8)	(41.4)
Municipalities with VLT Facilities	30.1	30.1	0.0	0.0
Small Government Assistance	0.2	0.2	0.0	0.0

## Aid and Incentives for Municipalities (AIM)

The Executive provides \$758.2 million in unrestricted aid to local governments, which includes \$715.2 million in unrestricted AIM for cities (excluding New York City), towns and villages, and \$43 million for various local government efficiency programs, which is unchanged from SFY 2025-26.

## Temporary Municipal Assistance

The Executive provides \$50 million in additional unrestricted aid to local governments that receive AIM funding, with Buffalo, Rochester, Syracuse, and Yonkers receiving \$5 million each, which is unchanged from SFY 2025-26.

## **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 2025-26.

**Local Government Efficiency Grant Program (LGEG):** This program provides competitive grants to local governments to help cover costs associated with efficiency projects, including planning and implementation of function consolidations, as well as shared or cooperative services. The maximum planning award is \$20,000 per municipality and \$100,000 per grant, and the maximum implementation award is \$250,000 per municipality and \$1.25 million per grant. These grants are supported by an \$8 million appropriation, which is unchanged from SFY 2025-26.

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

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

### **Miscellaneous Financial Assistance**

The Executive proposal provides \$3.8 million in aid to Madison County, unchanged from SFY 2025-26, to reflect the opening of the Oneida Nation's Point Place Casino. Madison County does not currently receive as of right share of the negotiated percentage of the net drop from gaming devices the state currently receives pursuant to tribal compacts.

The Executive proposes \$20 million in Miscellaneous Financial Assistance aid to the City of Albany, which is unchanged from SFY 2025-26. The Executive eliminates \$15 million in Miscellaneous Financial Assistance to the County of Monroe.



**Video Lottery Terminal (VLT) Aid**

The Executive proposes VLT aid at \$30.1 million, which is unchanged from SFY 2025-26, 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 42**

<b>Aid to Municipalities with Video Lottery Terminal (VLT) Facilities (\$ in Thousands)</b>	
	<b>SFY 2026-27 Executive Proposal</b>
Yonkers	19,600
Batavia Downs	802
Fairgrounds (Buffalo)	1,154
Finger Lakes	2,369
Newburgh	2,469
Saratoga Springs	3,101
Vernon Downs	626
<b>Total</b>	<b>30,121</b>

*Source: New York State Division of the Budget.*

**Article VII**

The Executive proposes Article VII language that would increase the total number of land banks authorized from 35 to 45.



## BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Office for New Americans:** The Executive includes \$74 million, an increase of \$8.3 million over State Fiscal Year 2025-26, to support the Office for New Americans (ONA) within DOS, which works to assist newcomers to New York State, by providing free legal services, workforce development training, mental health support, workforce development and English language learning.
- **Workers' Compensation Fraud:** The Executive includes \$17 million to assist district attorneys in establishing and staffing workers' compensation fraud units.
- **Office of Cannabis Management Capital:** The Executive includes \$17 million for an integrated licensing and case management system within the Office of Cannabis Management (OCM).
- **Community Grants Reinvestment Fund:** The Executive includes \$25 million, an increase of \$20 million, for grants to communities disproportionately impacted by past drug policy enforcement.
- **Public Campaign Finance Board:** The Executive proposal includes \$100 million for the payment of matching funds to participating candidates, unchanged from SFY 2025-26.



# BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



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

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

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

Table 43

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	1,688.6	1,662.0	(26.6)	(1.6)
Office of Information Technology Services	1,230.6	1,180.6	(50.0)	(4.1)
Department of State	807.1	727.6	(79.5)	(9.9)
Department of Audit and Control	603.7	643.4	39.7	6.6
Department of Financial Services	549.8	600.0	50.2	9.1
Department of Taxation and Finance	525.2	527.6	2.4	0.5
Workers' Compensation Board	232.0	279.0	47.0	20.3
State Board of Elections	143.4	142.2	(1.2)	(0.8)
Division of Alcoholic Beverage Control	94.6	132.0	37.4	39.5
Division of Budget	51.1	50.5	(0.6)	(1.2)
Statewide Financial System	35.3	39.8	4.5	12.8
Executive Chamber	25.7	27.5	1.8	7.0
Office of the Inspector General	12.0	12.0	0.0	0.1
Commission on Ethics and Lobbying	9.2	8.9	(0.3)	(2.7)
Division of Tax Appeals	4.5	4.7	0.2	3.6
Deferred Compensation Board	1.0	1.4	0.4	39.0
Office of the Lieutenant Governor	1.2	1.2	0.0	0.0

### Office of General Services

The Executive proposes an All Funds appropriation of \$1.7 billion, a decrease of \$26.6 million or 1.6 percent below State Fiscal Year (SFY) 2025-26. The Executive recommends support for 2,055 full-time equivalents (FTEs), which is an increase of 31 FTEs over the SFY 2025-26 level.

The Executive provides \$460.4 million in Capital Projects funding, a decrease of \$48.5 million below SFY 2025-26, reflecting adjustments to the timing of cash flows across several projects.

An increase of \$21.8 million in State Operations funding over the SFY 2025-26 level reflects contractual service increases in the Executive Direction Program and Real Property Management Program, as well as 16 additional FTE positions within the Executive Direction Program and 15 additional FTEs within the Real Property Management Program.

## **Article VII**

The Executive proposes Article VII language that would:

- increase various state procurement and discretionary buying thresholds to \$300,000; and
- extend various procurement stewardship provisions in State Finance Law for five years.

## **Office of Information Technology Services**

The Executive proposes an All Funds appropriation of \$1.2 billion, a decrease of \$50 million or 4.1 percent from SFY 2025-26. Primarily attributed to a reduction in one time spending for data center equipment. The Executive recommends support for 4,158 FTEs, which is unchanged from SFY 2025-26.

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

The Executive proposes All Funds appropriations of \$727.6 million, a decrease of \$79.5 million or 9.9 percent below the SFY 2025-26 level. The decrease is primarily attributable to the elimination of \$90 million in support for community and civic engagement programs. The Executive recommends support for 700 FTE positions, which remains unchanged from the prior state fiscal year.

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

**Office for New Americans (ONA):** The Executive includes \$74 million to support the (ONA) within the (DOS), which works to assist newcomers to New York State to fully participate in the state's civic and economic life by providing free legal services, workforce development training, mental health support, workforce development and English language learning.

**Public Authorities Reporting Information System (PARIS):** The Executive provides \$6 million for modernizing the Public Authorities Reporting Information System (PARIS), the online reporting system through which public authorities submit required information and reports to the Authorities Budget Office (ABO) and the Office of the State Comptroller (OSC).

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

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

**Alex R. Jimenez NYS Military Immigrant Legacy Program:** The Executive proposes shifting the Alex R. Jimenez NYS Military Immigrant Legacy Program, which assists veterans and their families in securing legal immigration status, from the Department of Veterans' Services (DVS) to the Department of State (DOS).

## **Article VII**

The Executive proposes Article VII legislation that would:

- require providers of AI systems generating synthetic content to apply provenance data to synthetic content produced or modified by such system and make such provenance data available to the public; establish minimum requirements for the type of provenance data that must be applied to content, such as the time and date the content was created or modified and the type of device or system used for such creation or modification; and prohibit online platforms from removing or disassociating provenance data from content uploaded to the platform unless required by law;
- require operators of online platforms to establish default settings for users under the age of 18 that prevent users from messaging, tagging, viewing media or location of users under the age of 18 that they are not connected with on such online platform; prohibit online platforms from providing AI companion features to users under the age of 18; require parental approval of all connection requests sent to users under the age of 13; and establish mechanisms that enable parents of users under the age of 13 to set spending limits on online platforms and view financial records of such users under the age of 13; and
- prohibit retail sellers from advertising a discounted or reduced price unless the former price is the actual price of the product offered to the public.



## Department of Audit and Control

The Executive proposes All Funds appropriations of \$643.4 million, an increase of \$39.7 million or 6.6 percent over SFY 2025-26. This increase in funding reflects general salary increases, increased IT operational costs, and increases in workload in the Office of Unclaimed Funds. This also includes \$14.2 million in new capital funding to support upgrades in IT infrastructure and the expansion of the Department's data center. The Executive recommends support for 2,940 FTEs, an increase of 13 FTEs from SFY 2025-26.

## Department of Financial Services (DFS)

The Executive proposes an All Funds appropriation of \$600 million, an increase of \$50.2 million or 9.1 percent from SFY 2025-26. The Executive recommends support for 1,493 FTEs, an increase of 52 FTEs over SFY 2025-26. This increase in FTEs is attributable to the need to undertake enhanced regulatory actions related to the insurance industry and establish state oversight of other commercial entities.

- **Office of Digital Innovation, Governance, Integrity and Trust (DIGIT):** The Executive budget includes \$21.2 million to establish the DIGIT Office within DFS. Funding would be used to hire 32 additional FTEs to study and regulate emerging technologies such as the data broker industry and developers of AI frontier models.
- **Education Debt Consumer Assistance Program (EDCAP):** The Executive budget includes a \$3 million increase for the EDCAP program, for total funding of \$6 million in SFY 2026-27.

## Article VII

The Executive proposes Article VII language that would:

- require data brokers doing business in New York to annually register with DFS and publicly disclose their privacy policies on their website; and establish deletion requirements and processes data brokers must adhere to regarding deletion of personal consumer information, including the requirement to delete a consumer's personal information within 45 days of receiving a deletion request;
- add the Empire Plan to the Emergency Medical Services and Surprise Billing Law, remove Medicaid from this law, and amend the criteria used by the independent dispute resolution entity for what is considered a reasonable fee;

- extend the Physicians Excess Medical Malpractice Program until June 30, 2027, require participating providers to pay 50 percent of their excess coverage premium, and restructure payments to insurers from one annual payment into two installments over two fiscal years;
- change all references to “substance use disorder” to “substance-related and addictive disorder” in order to expand insurance coverage of substance use disorder to include coverage of other addictions (i.e. gambling);
- require that property and casualty insurers provide a written explanation of a premium increase automatically when the total policy premium increase is in excess of 10 percent or at the request of the insured in any other circumstance;
- require certain homeowners’ insurance companies to refile their homeowners’ insurance rates with the DFS if they had an actual loss ratio below a benchmark loss ratio specified by the DFS in regulation;
- require homeowners’ insurance and commercial property insurance companies to provide discounts for certain risk mitigation measures and report on such discounts annually to the Department;
- narrow the definition of a serious injury and limit non-economic damages able to be recovered by someone who was injured while operating a motor vehicle illegally or who was at greater fault for the accident;
- extend the time an insurer has to report suspected fraudulent claims to the Department and allow an insurer to issue a denial or assert a defense after the 30 day payment requirement has elapsed;
- require insurers that provide policies for loss of or damage to multi-family residential properties file an annual report with the Department that includes information on such policies;
- require that the consumer guide to health insurers issued by the Department include additional information about the amount and outcomes of pre-authorization for each insurer, increase the transitional period for new enrollees of a health plan from 60 days to 90 days or for the duration of a pregnancy and postpartum care, require plans to publish their formulary drug list publicly, and limit utilization review to once per year for treatment of a chronic health condition;

- require insurers to provide discounts on motor vehicle insurance premiums for motor vehicles equipped with a dashboard camera;
- extend until June 30, 2029 the requirement that motor vehicle insurers refund to their policyholders a share of excess profits;
- extend the Health Insurance Continuation Assistance Demonstration Project for one year to July 1, 2027; and
- codify consigner release standards while strengthening disclosure and transparency requirements regarding private student loan terms.

### **Department of Taxation and Finance**

The Executive proposes an All Funds appropriation of \$527.6 million, which is an increase of \$2.4 million or 0.5 percent, from the SFY 2025-26 level. The Executive recommends support for 3,898 FTEs, which is an increase of 66 FTEs from SFY 2025-26 levels to support the Department's audit program, as well as to bolster enforcement activities related to vapor product sales.

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

The Executive proposes an All Funds appropriation of \$142.2 million, a decrease of \$1.2 million or 0.9 percent from the SFY 2025-26 level. This decrease primarily reflects a \$2.4 million reduction of a federal grant, as well as the elimination of legislative initiatives. These reductions are partially offset by an increase in operating costs for the Public Campaign Finance (PCF) Board as well as a \$502,000 increase in operating costs. The Executive recommends support for 228 FTEs, unchanged from SFY 2025-26.

The Executive proposes \$37.2 million for State Operations, a decrease of \$218,000 or 0.6 percent from SFY 2025-26. The decrease primarily reflects the reduction, from \$3.4 million to \$1 million, of a Federal HAVA grant for election technology and security. This decrease is offset by a \$1.6 million increase in operating costs for the (PCF) Board, as well as a \$502,000 increase in operating costs for the SBOE.

The Executive proposes \$105 million in local assistance, a decrease of \$1 million from SFY 2025-26. The decrease reflects the elimination of a \$1 million legislative initiative for costs related to elections held in 2025. The Executive proposal includes \$5 million to local boards of elections for the costs of prepaid postage and \$100 million for the payment of matching funds to candidates participating in the PCF program, unchanged from SFY 2025-26.

## **Article VII**

The Executive proposes Article VII legislation that would:

- establish felony and misdemeanor penalties for voter intimidation, deception, or obstruction; and
- require political communications using materially deceptive media to include provenance data and prohibit the distribution of such media within 90 days of an election, without the written consent of any depicted individual, and with the intent to influence the result of an election.

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

The Executive proposes an All Funds appropriation of \$132 million, an increase of \$37.4 million or 39.5 percent above the SFY 2025-26 level. The Executive recommends support for 466 FTE positions, an increase of 11 FTEs over SFY 2025-26 levels to enhance administration and enforcement efforts.

Within the Division of Alcoholic Beverage Control, the Executive proposes an All Funds appropriation of \$110.1 million for the Office of Cannabis Management, an increase of \$37 million over SFY 2025-26, reflecting an increase of \$20 million for the Community Grants Reinvestment Fund and \$17 million in capital funding for an integrated licensing and case management system. The Executive recommends support for 274 FTE positions, which is unchanged from SFY 2025-26.

## **Article VII**

The Executive includes Article VII proposals that would:

- extend the authority of the State Liquor Authority to issue temporary retail and liquidator permits for one year to October 12, 2027;
- enact multiple reforms to the Alcoholic Beverage Control Law relating to the manufacture, wholesale and retail of alcoholic beverages;
- authorize the State Liquor Authority to create several new license types in Alcoholic Beverage Control Law; and
- establish a new on-premises retail license to allow dining and dancing in certain establishments.

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

The Executive proposes an All Funds appropriation of \$50.5 million, a decrease of \$620,000 or 1.2 percent from SFY 2025-26. The Executive recommends support for 292 FTEs, which is unchanged from SFY 2025-26.

**Membership Dues:** The Executive proposes \$620,000 in savings by eliminating non-personal service for certain membership dues.

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

The Executive proposes All Funds appropriations of \$39.8 million to support the ongoing maintenance and operating cost of SFS, an increase of \$4.5 million over SFY 2025-26. The Executive recommends support for 147 FTE positions, unchanged from SFY 2025-26.

### **Executive Chamber**

The Executive proposes All Funds appropriations of \$27.5 million for the Executive Chamber to support the Office of the Governor (\$24.8 million), which is an increase of \$1.8 million or 7 percent over SFY 2025-26. The Executive recommends support for 168 FTEs for the Office of the Governor which is unchanged from SFY 2024-25.

**Administrative Costs:** The Executive proposes \$1.8 million in additional funding for the Executive Chamber to cover increased personal service costs.

### **Office of Inspector General**

The Executive proposes All Funds appropriations of \$12 million, an increase of \$17,000 or 0.1 percent over SFY 2025-26. The Executive recommends support for 107 FTEs, an increase of two FTEs from the SFY 2025-26 level.

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

The Executive proposes an All Funds appropriation of \$8.9 million, a decrease of \$250,000 or 2.7 percent from SFY 2025-26. The Executive recommends support for 68 FTEs, which is unchanged from SFY 2025-26.

## **Article VII**

The Executive proposes Article VII legislation that would:

- extend the effectiveness of the State’s procurement lobbying law by delaying its sunset date from July 31, 2026, to July 31, 2031, and would amend the State Finance Law to increase the contract value threshold that triggers procurement lobbying restrictions from \$15,000 to \$50,000;
- expand ethics training requirements to include both lobbyists and their clients, transition the training requirement from once every three years to once per biennial period beginning in the SFY 2027-28 biennium, and authorize COELIG to impose late fees of up to \$25 per day for failure to timely complete required training;
- modernize and simplify the annual financial disclosure statement by eliminating outdated questions, revising definitions, adjusting reporting thresholds from \$1,000 to \$2,000, and updating the table of value categories to improve clarity and usability. It would also make conforming changes to filing, posting, and redaction requirements to better align disclosure obligations with current ethics guidance and practice; and
- convert lobbyist registration from a biennial to an annual fee structure beginning April 1, 2026, and increase the registration fee to \$250 per year for each calendar year a registration remains in effect. It would also authorize the Commission on Ethics and Lobbying in Government to impose late filing fees of up to \$25 per day, with a reduced cap for first-time filers, effective immediately.

## **Division of Tax Appeals**

The Executive proposes an All Funds appropriation of \$4.7 million, an increase of \$160,000 or 3.6 percent over the SFY 2025-26 level. This increase would cover the costs of contract agreements and support agency operations. The Executive recommends support for 29 FTEs, which is unchanged from 2025-26 levels.

## **Deferred Compensation Board**

The Executive proposes All Funds appropriations of \$1.4 million, an increase of \$400,000 or 39 percent over SFY 2025-26. The Executive recommends support for six FTEs, an increase of two FTEs from the previous fiscal year, to support the administration of the New York State Deferred Compensation State Plan and align with increases in employee participation.

## **Workers' Compensation Board**

The Executive proposes an All Funds appropriation of \$279 million, an increase of \$47 million or 20.3 percent over SFY 2025-2026. The Executive recommends support for 1,112 FTEs, unchanged from SFY 2025-26 levels.

**Fight Workers' Compensation Fraud:** The Executive provides \$17 million for the establishment and staffing of workers' compensation fraud units within district attorneys' offices.

**IT Business Process:** The Executive provides \$30 million for the acquisition and development of technological equipment and software.

## **Article VII**

The Executive proposes Article VII legislation that would:

- authorize the collection of additional funding to support dedicated workers' compensation fraud units within local district attorney's offices; and
- authorizes all medical providers not on an exclusion list to treat workers' compensation claimants, as well as eliminate statewide practice committees for podiatrists, chiropractors, and psychologists.





# BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **Medicare Part B Income-Related Monthly Adjustment Amount (IRMAA) Subsidy:** The Executive proposes to eliminate the IRMAA reimbursement for high income State retirees. This proposal is estimated to provide \$14 million in savings in State Fiscal Year 2026-27.
- **Updating the State's Surprise Billing Law:** The Executive proposes \$28.8 million in New York State Health Insurance Plan (NYSHIP) savings by including the Empire Plan under the New York State Emergency Medical Services and Surprise Billing Law. The Executive also proposes changes to the arbitration criteria for the state's independent dispute resolution entity (IDRE) related to private firms and out-of-network providers, while also removing Medicaid managed care plans from the independent dispute resolution (IDR) process.
- **Market-Based Interest Rate on Court Judgements:** The Executive proposes to change the interest rate paid by the State and other governmental entities from a fixed nine percent rate to a variable market-based index, resulting in savings of \$2.5 million.



# 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 194,990 state employees in Executive agencies.

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

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

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

**Table 44**

Agency	Appropriations			
	2025-26 Adjusted (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	8,816.1	9,731.3	915.2	10.4
Department of Civil Service	132.3	145.3	13.0	9.8
Office of Employee Relations	16.0	16.0	0.0	0.0
Public Employment Relations Board	6.7	6.7	0.0	0.0

## General State Charges

The Executive proposes an All Funds appropriation of \$9.7 billion, an increase of \$915.2 million or 10.4 percent over SFY 2025-26. Fringe benefits are appropriated within General State Charges for

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

**Health Insurance Benefits:** The Executive proposes \$5.9 billion for health insurance benefits contributions, an increase of \$316 million or 5.6 percent over SFY 2025-26 in New York State Health Insurance Plan (NYSHIP) costs. This increase is largely attributed to increases in the rising cost of healthcare, including costs associated with certain prescription drugs and out-of-network services, as well as new technologies and medicine.

**Pensions:** The Executive proposes \$3 billion, an increase of \$239 million or 8.7 percent over SFY 2025-26. This increase reflects the state's growing workforce and salary increases and is partially offset by the prepayment of the annual pension obligation for the prior fiscal year, resulting in recurring interest savings of \$121 million.

**Social Security Tax:** The Executive proposes \$1.3 billion, an increase of \$43 million or 3.5 percent over SFY 2025-26. This increase reflects general salary increases adherent to collective bargaining agreements and State workforce growth.

**Workers' Compensation Benefits:** The Executive proposes \$643 million, a net increase of \$37 million or 6.1 percent in Workers' Compensation benefits for injured state employees, over SFY 2025-26. The increase reflects growth in claims and medical inflation.

## **Article VII**

The Executive proposes Article VII legislation that would:

- end reimbursement of the Income-Related Monthly Adjustment (IRMAA) amount to high income state retirees starting in January 2026. It establishes a premium refund for all retirees who retired between January 1, 1983 and January 1, 2012 and for retirees who retired after January 1, 2012 and were in salary grade 9 or below.

## **Department of Civil Service**

The Executive proposes All Funds appropriations of \$145.3 million, which is an increase of \$13 million or 9.8 percent over SFY 2025-26. This reflects continued support for several programs aimed at modernizing the civil service system, as well as increased costs of the Employee Health Services Division. The Executive recommends support for 582 full-time equivalents (FTEs), which remains unchanged from SFY 2025-26.

### **Office of Employee Relations**

The Executive proposes All Funds appropriations of \$16 million, which remains unchanged from SFY 2025-26. The Executive recommends support for 107 FTEs, unchanged from the prior fiscal year.

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

The Executive proposes All Funds appropriations of \$6.7 million, which is unchanged from SFY 2025-26. The Executive recommends support for 41 FTEs, unchanged from the previous year.

Table 45

<b>Workforce Impact Summary</b> <b>All Funds</b> <b>FY 2025 Through FY 2027</b>						
	<b>FY 2025 Actuals (03/31/25)</b>	<b>Starting Estimate (03/31/26)</b>	<b>Attritions</b>	<b>New Fills</b>	<b>Net Change</b>	<b>Ending Estimate (03/31/27)</b>
Addiction Services and Supports, Office of	758	812	(80)	80	0	812
Adirondack Park Agency	53	59	(2)	2	0	59
Aging, Office for the	90	126	(12)	12	0	126
Agriculture and Markets, Department of	559	656	(20)	20	0	656
Alcoholic Beverage Control, Division of	364	455	(52)	63	11	466
Arts, Council on the	30	41	(4)	4	0	41
Audit and Control, Department of	2,688	2,927	(400)	413	13	2,940
Budget, Division of the	292	292	(30)	30	0	292
Children and Family Services, Office of	3,076	2,983	(508)	565	57	3,040
City University of New York	13,434	13,511	(1,350)	1,350	0	13,511
Civil Service, Department of	448	582	(74)	74	0	582
Correction, Commission of	47	62	(5)	15	10	72
Corrections and Community Supervision, Department of	19,197	25,545	(2,603)	2,636	33	25,578
Criminal Justice Services, Division of	482	627	(52)	76	24	651
Deferred Compensation Board	4	4	0	2	2	6
Developmental Disabilities, State Council on	0	18	0	0	0	18
Education Department, State	2,756	2,916	(292)	310	18	2,934
Economic Development, Department of	127	160	(10)	10	0	160
Elections, State Board of	157	228	(19)	19	0	228
Employee Relations, Office of	83	107	(11)	11	0	107
Environmental Conservation, Department of	3,302	3,371	(176)	221	45	3,416
Ethics and Lobbying, Independent Commission on	55	68	(3)	3	0	68
Executive Chamber	157	168	(10)	10	0	168
Financial Control Board, New York State	11	12	(2)	2	0	12
Financial Services, Department of	1,379	1,441	(101)	153	52	1,493
Gaming Commission, New York State	313	396	(26)	26	0	396
General Services, Office of	1,800	2,024	(243)	274	31	2,055
Health, Department of	5,405	6,209	(740)	751	11	6,220
Higher Education Services Corporation, New York State	96	138	(13)	13	0	138
Homeland Security and Emergency Services, Division of	715	770	(48)	48	0	770
Housing and Community Renewal, Division of	662	676	(35)	35	0	676
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	205	282	(26)	26	0	282
Indigent Legal Services, Office of	50	62	(4)	4	0	62
Information Technology Services, Office of	3,851	4,158	(211)	211	0	4,158
Inspector General, Office of the	101	105	(14)	16	2	107
Interest on Lawyer Account	8	11	0	0	0	11
Judicial Conduct, Commission on	47	56	(3)	3	0	56
Justice Center for the Protection of People with Special	492	501	(28)	28	0	501
Labor Management Committees	71	77	(5)	5	0	77
Labor, Department of	3,042	2,942	(236)	236	0	2,942
Law, Department of	2,016	2,277	(137)	172	35	2,312
Lieutenant Governor, Office of the	0	10	(1)	1	0	10
Medicaid Inspector General, Office of the	538	545	(26)	30	4	549
Mental Health, Office of	14,458	15,901	(1,181)	1,182	1	15,902
Military and Naval Affairs, Division of	400	439	(30)	30	0	439
Motor Vehicles, Department of	3,122	3,228	(264)	264	0	3,228
Parks, Recreation and Historic Preservation, Office of	2,473	2,469	(142)	142	0	2,469
People with Developmental Disabilities, Office for	18,793	19,115	(1,466)	1,476	10	19,125
Prevention of Domestic Violence, Office for	42	46	(5)	12	7	53
Prosecutorial Conduct, Commission on	4	19	(2)	2	0	19
Public Employment Relations Board	33	41	(6)	6	0	41
Public Service Department	556	628	(55)	55	0	628
State Police, Division of	5,912	6,521	(267)	274	7	6,528
State University Construction Fund	137	145	(15)	15	0	145
State University of New York	49,376	50,958	(5,096)	5,096	0	50,958
State, Department of	723	700	(74)	74	0	700
Statewide Financial System	142	147	(7)	7	0	147
Tax Appeals, Division of	26	29	0	0	0	29
Taxation and Finance, Department of	3,685	3,832	(304)	370	66	3,898
Temporary and Disability Assistance, Office of	1,931	2,053	(178)	178	0	2,053
Transportation, Department of	8,570	8,495	(1,103)	1,107	4	8,499
Veterans' Services, Division of	99	110	(14)	14	0	110
Victim Services, Office of	105	109	(11)	12	1	110
Waterfront Commission	25	32	(4)	4	0	32
Welfare Inspector General, Office of	7	6	(1)	1	0	6
Workers' Compensation Board	1,023	1,112	(106)	106	0	1,112
<b>Total</b>	<b>180,603</b>	<b>194,546</b>	<b>(17,943)</b>	<b>18,387</b>	<b>444</b>	<b>194,990</b>

# BUDGET REVIEW AND ANALYSIS: JUDICIARY



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

Table 46

Agency	Appropriations			
	2025-26 Exec Request (\$ in Millions)	2026-27 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	4,093.2	4,452.4	359.2	8.8

The Judiciary's proposed budget request recommends All Funds appropriations of \$4.5 billion, an increase of \$359.2 million or 8.8 percent from the State Fiscal Year (SFY) 2025-26 level. The Judiciary recommends support for 17,600 full-time-equivalent (FTE) positions, an increase of 900 FTE positions from the SFY 2025-26 level.

**Judiciary Operations:** The Judiciary's budget submission increases disbursements by \$364.5 million in SFY 2026-27, reflecting increases in personal service expenses related to the annualization of legislatively authorized judgeships, judicial salary increases, and non-judicial staffing increases. The General Fund State Operations Budget is increased by \$151.3 million to increase personnel and provide overtime pay to address backlogs and support other case processing needs. This would include funding for 900 new non-judicial positions.

**Civil Legal Services:** The proposed budget includes appropriations totaling \$179.5 million, an increase of \$29.5 million or 19.7 percent from the SFY 2025-26 level, to support civil legal services to provide meaningful access to the courts for low-income and underserved New Yorkers.

**Capital Projects:** The Judiciary’s budget includes \$60 million in capital appropriations, an increase of \$10 million or 20 percent, from the prior fiscal year. This will support continued improvements to court technology infrastructure, courthouse safety, and facility renovations.

## **Article VII**

The Executive proposes Article VII Legislation that would:

- establish a New York State equivalent to the federal Bivens actions permissible under 42 U.S.C. §1983, allowing individuals within the state to sue federal agents for deprivation of rights in New York state courts; and
- establish the interest rate on a judgement or accrued claim consistent with the one-year United States treasury bill rate.



# 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 1.9 percent in both 2026 and 2027 following an estimated 2 percent increase in 2025. The Executive forecast is 0.2 percentage points lower than the Blue Chip Consensus projection for both 2026 and 2027.

**Table 47**

<b>U.S. Economic Forecast Comparison</b>			
	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Real Gross Domestic Product (GDP)</b> (chained percent change)			
Division of the Budget	2.0	1.9	1.9
Blue Chip Consensus	1.9	2.1	2.1
<b>Consumer Price Index (CPI)</b> (percent change)			
Division of the Budget	2.6	3.2	2.8
Blue Chip Consensus	2.8	2.8	2.5
<b>Unemployment Rate</b> (percent of the labor force)			
Division of the Budget	4.3	4.5	4.3
Blue Chip Consensus	4.3	4.6	4.4
Note: Numbers are as reported in the <i>FY 2027 NYS Executive Budget Economic and Revenue Outlook</i> released on January 20, 2026. Source: NYS Division of the Budget.			

- The Executive projects that State private employment will grow by 0.2 percent in 2026 and 0.5 percent in 2027, after increasing an estimated 0.3 percent in 2025. The Executive forecasts State personal income to grow by 4.1 percent in 2026, following an estimated 4.2 percent increase in 2025, driven by strong growth in cash bonuses.

**Table 48**

<b>New York State Economic Outlook</b>			
	<b>2025</b>	<b>2026</b>	<b>2027</b>
Employment	0.4	0.2	0.5
Private Employment	0.3	0.2	0.5
Personal Income	4.2	4.1	3.6
Total Wages	5.2	4.7	3.7
Composite CPI of New York State	3.4	3.4	3.0
Note: Calendar year values are as reported in the <i>FY 2027 NYS Executive Budget Economic and Revenue Outlook</i> released on January 20, 2026. Source: NYS Division of the Budget.			



# BUDGET REVIEW AND ANALYSIS: ECONOMY



**The National Economy:** The Executive projects inflation-adjusted GDP to grow by 1.9 percent in both 2026 and 2027, slightly below the estimated 2 percent growth rate in 2025. According to the Executive, this growth reflects continued resilience in consumer spending and business investment, even amid shifting trade policy, a re-acceleration of inflation, the longest federal government shutdown in U.S. history, and a cooling labor market.

**Table 49**

U.S. Economic Outlook			
	2025	2026	2027
Real Gross Domestic Product (GDP)	2.0	1.9	1.9
Consumption	2.5	1.4	1.7
Residential Investment	(2.0)	(1.2)	1.8
Nonresidential Investment	4.2	3.6	3.6
Exports	1.2	1.5	2.0
Imports	2.7	(2.1)	1.8
Government	1.2	0.1	0.3
Personal Income	4.9	3.6	3.7
Wages & Salaries	4.9	3.6	3.5
Employment	0.9	0.4	0.5
Unemployment Rate (percent)	4.3	4.5	4.3
Consumer Price Index-Urban	2.6	3.2	2.8
Corporate Profits*	2.7	0.9	3.6
S&P 500 Stock Price	14.5	6.5	0.6
Federal Funds Rate	4.2	3.4	3.1
Treasury Note Rate (10-year)	4.3	4.1	4.3
Notes: Calendar year values are as reported in the FY 2027 NYS Executive Budget Economic and Revenue Outlook released on January 20, 2026.			
* Includes inventory valuation and capital consumption adjustments.			
Source: NYS Division of the Budget.			

- **Consumption:** The Executive projects that real consumption spending growth will moderate in 2026 and 2027, slowing from an estimated 2.5 percent in 2025 to 1.4 percent in 2026, before edging up to 1.7 percent in 2027. This moderation is attributed to softening labor market conditions and diminishing support from households' savings. The Executive notes that these growth rates fall below historical norms, marking a clear slowdown from the strong post-pandemic rebound. The Executive asserts that consumer spending has been supported by

high- income households who have benefited disproportionately from the strong performance of equity markets. At the same time, lower- and middle-income households are facing tightening financial conditions, rising delinquency rates and heightened sensitivity to price increases for essential goods.

- **Investment:** The Executive projects that business fixed investment growth will normalize at 3.6 percent in both 2026 and 2027, down from an estimated 4.2 percent increase in 2025. This deceleration reflects moderating high-tech investment, softening consumer spending and rising real borrowing costs.
- **Exports and Imports:** The Executive projects that U.S. export growth will rise to 1.5 percent in 2026 and 2 percent in 2027, up from an estimated 1.2 percent in 2025. U.S. import growth is estimated at 2.7 percent in 2025, followed by a projected decline of 2.1 percent in 2026, before rebounding to 1.8 percent in 2027.
- **Government Spending:** The Executive anticipates a slowdown in inflation-adjusted government spending, projecting growth to decelerate from an estimated 1.2 percent in 2025, to a mere 0.1 percent in 2026, then edging up to 0.3 percent in 2027. The Executive highlights significant challenges facing federal spending amid an expanding federal debt, emphasizing the urgent need to address fiscal imbalances.
- **Personal Income:** According to the Executive, U.S. personal income growth is forecast to slow from an estimated 4.9 percent in 2025 to 3.6 percent in 2026, before edging up to 3.7 percent in 2027. This outlook reflects continued easing in employment gains and a moderation of wage growth. The Executive projects that wage growth will decelerate from an estimated 4.9 percent in 2025 to 3.6 percent in 2026 and 3.5 percent in 2027. Non-wage income sources, including interest and dividend incomes, are also expected to soften due to lower interest rates and weaker corporate earnings. In addition, rental income has been weakened by a moderation in market rents.
- **Employment:** The Executive projects U.S. employment growth to slow from 0.9 percent in 2025 to 0.4 percent in 2026, before rising slightly to 0.5 percent in 2027. Early signs of labor market cooling were driven by slower hiring rather than a surge in layoffs in 2025. However, the Executive posits that layoffs at corporations began to increase in late 2025 as hiring continued to soften. Technological advancements and contractions in federal employment have further contributed to slower employment growth. At the same time, the Executive anticipates that the unemployment rate will increase to 4.5 percent 2026, up from 4.3 percent in 2025.

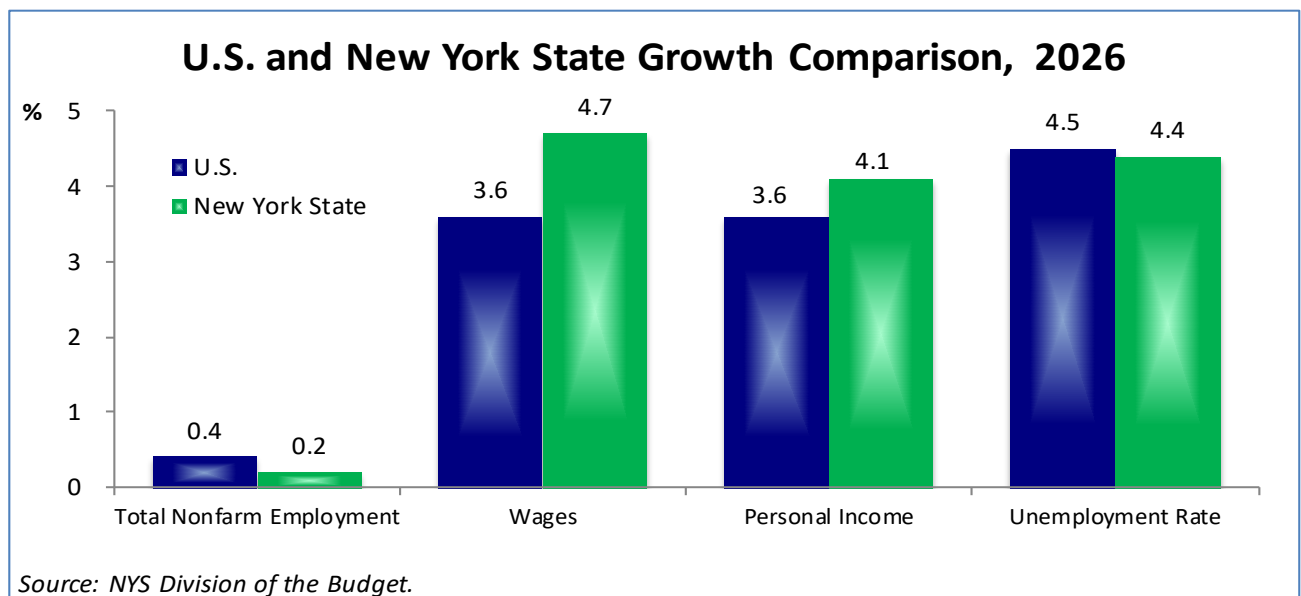
- **Inflation:** The Executive projects that inflation, as measured by the CPI, will increase from 2.6 percent in 2025 to 3.2 percent in 2026, before moderating to 2.8 percent in 2027. According to the Executive, the rise in inflation in 2026 reflects tariff hikes that have raised prices for imported consumer goods, raw materials and intermediate inputs used domestically. Tax cuts are also expected to add inflationary pressure by injecting additional liquidity into the economy, boosting consumer and business demand. While these factors may slow progress toward the Federal Reserve’s 2 percent inflation target, the Executive remains optimistic that CPI inflation will trend closer to the target rate beyond 2027.
- **Corporate Profits:** The Executive projects that U.S. corporate profits will increase by 0.9 percent in 2026 and by 3.6 percent in 2027, following an estimated growth of 2.7 percent in 2025.
- **Financial Markets:** The Executive expects short-term interest rates to follow the Federal Funds rate downward in 2026 and 2027, while long-term rates are projected to remain elevated due to rising inflation expectations and larger anticipated budget deficits. The Executive predicts that the 10-year Treasury yield will fall to 4.1 percent in 2026 from 4.3 percent in 2025, before rising back to 4.3 percent in 2027. The Federal Funds rate is projected at 3.4 percent in 2026 and 3.1 percent in 2027, down from 4.2 percent in 2025. The Executive anticipates that the Federal Reserve will pause rate cuts until June 2026, following three consecutive reductions that began in September 2025. The Executive projects equity prices, as measured by the S&P 500, to decelerate, rising 6.5 percent in 2026 and just 0.6 percent in 2027, after a 14.5 percent increase in 2025.

**The New York State Economy:** The Executive projects that State nonfarm employment will grow by 0.1 percent in SFY 2025-26 and 0.3 percent in SFY 2026-27, following an estimated 2.3 percent in SFY 2024-25. Private employment is projected to remain flat in in SFY 2025-26 and grow 0.3 percent in SFY 2026-27, after an estimated 2.4 percent increase in SFY 2024–25. These modest gains reflect slower hiring rather than an uptick in layoffs. Policy and business uncertainty, driven by tariff announcements and ongoing trade disputes, has contributed to a more cautious approach to workforce expansion. At the same time, technological advancements continued to improve efficiency and reduce labor needs in certain sectors.

Table 50

New York State Economic Forecast			
	SFY 2024-25	SFY 2025-26	SFY 2026-27
Total Nonfarm Employment	2.3	0.1	0.3
Private	2.4	0.0	0.3
Personal Income	5.3	4.5	3.4
Total Wages	7.3	5.2	3.5
Without Bonus	5.9	3.1	3.3
Bonus	18.0	19.5	4.6
Finance and Insurance Bonuses	27.5	25.9	4.9
Composite CPI of New York State	3.6	3.4	3.4
Source: NYS Division of the Budget, FY 2027 NYS Executive Budget Economic and Revenue Outlook released on January 20, 2026.			

- **Personal Income:** The Executive projects that total State personal income growth will slow from an estimated 5.3 percent in SFY 2024-25 to 4.5 percent in SFY 2025-26, and further to 3.4 percent in SFY 2026-27. This deceleration reflects moderating economic conditions and a cooling labor market.
- **Wages:** The Executive projects that wages in the State will grow by 5.2 percent in SFY 2025-26, following an estimated growth of 7.3 percent in SFY 2024-25. The Executive projects that total bonuses in the State will grow by 19.5 percent in SFY 2025-26, with bonuses in the finance and insurance sector growing by 25.9 percent. The Executive expects wage growth to slow to 3.5 percent in SFY 2026-27, reflecting weaker growth in bonuses.
- **Employment:** On a calendar year basis, total nonfarm employment in the State grew an estimated 0.4 percent in 2025, compared with 0.9 percent growth nationwide. The Executive forecasts that State employment will grow 0.2 percent in 2026, slower than the 0.4 percent projected for the nation. The unemployment rate in New York State is expected to be at 4.4 percent in 2026, compared to 4.5 percent for the nation. The unemployment rate in the State is forecast to remain at 4.4 percent in 2027.
- **Capital Gains:** According to the Executive, net capital gains realizations are estimated to have rebounded with growth of 54.9 percent in tax year 2024, following an 18.8 percent decline in 2023. The Executive forecasts that realizations growth slowed to 18.9 percent in 2025, then will ease further to 3.3 percent in 2026 and 0.8 percent in 2027.
- **Inflation:** The Executive projects the Composite CPI of New York State to increase 3.4 percent in both SFY 2025-26 and SFY 2026-27, following 3.6 percent growth in SFY 2024-25.



**Figure 14**

- **Risks:** According to the Executive, the U.S. economy faces several downside risks, including tariff and regulatory changes, geopolitical conflicts, and potential energy-market disruptions. These factors could raise business costs, strain supply chains, and increase financial volatility, especially given high equity valuations and rising federal debt. If these pressures intensify, investment and consumption may weaken, pushing growth below potential and adding upward pressure on inflation.

According to the Executive, many risks to the U.S. forecast also apply to the State, but the State faces additional challenges due to its unique economic structure. The financial sector's critical role in the State's economy makes it particularly vulnerable to monetary policy changes and financial market fluctuations, which could reduce Wall Street profits, bonuses, and tax revenues, with spillover effects on professional and local service industries. The State also faces ongoing challenges in commercial real estate, as elevated office vacancies, flat rents, and rising operating costs continue to pressure building owners and related sectors, particularly in New York City. Prolonged weakness in office, retail, and hotel markets could slow hiring and investment.

On the upside, a faster pace of office-to-residential conversions may help reduce excess inventory and support commercial property values. Additionally, housing initiatives and new investments in semiconductors, biotechnology, and artificial intelligence could provide lasting economic benefits to the State's economy.





# 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 2029.
- **Decouple from certain H.R. 1 Provisions:** In response to recent federal tax law changes related to business expensing provisions, the Executive proposes to decouple New York State tax law and the New York City Administrative Code from the amended tax treatment of research and experimental expenditures, as well as the newly enacted immediate expensing of certain qualified production property provisions.
- **Enhance and Reform the Child and Dependent Care Tax Credit:** The Executive proposes to make various reforms to the State's Child and Dependent Care Tax Credit by decoupling from the federal credit and replacing it with a standalone and simplified credit beginning in tax year 2026. The reformed structure would enhance the overall benefit and increase the progressivity of the credit.
- **Eliminate Income Taxes on Tipped Wages:** The Executive proposes to exclude up to \$25,000 of qualified tips from New York Adjusted Gross Income for certain taxpayers with incomes below \$150,000 (and \$300,000 for joint filers), beginning in tax year 2026. This change aligns New York with recently enacted federal tax changes included in H.R. 1.
- **Enhance the New York City Musical and Theatrical Production Tax Credit:** The Executive proposes to increase the aggregate amount available for the New York City Musical and Theatrical Production Tax Credit by \$150 million for productions with initial performances on or after December 1, 2025.
- **Retain Deductibility of Certain Charitable Contributions:** In response to recent federal actions, the Executive proposes to ensure donations made to certain institutions that have lost their federal tax-exempt status, but maintain New York State tax exemption status, remain tax deductible for New York State tax purposes.



# BUDGET REVIEW AND ANALYSIS: REVENUE



Table 51

Executive Budget - All Funds Receipts (\$ in Millions)					
	SFY 2024-25	SFY 2025-26	% Change	SFY 2026-27	% Change
Personal Income Tax	\$61,201	\$67,900	10.9%	\$71,927	5.9%
User Taxes	\$22,352	\$23,561	5.4%	\$24,242	2.9%
Business Taxes	\$31,373	\$30,738	(2.0%)	\$28,463	(7.4%)
Other	\$2,586	\$3,007	16.3%	\$3,011	0.1%
<b>Total Taxes</b>	<b>\$117,512</b>	<b>\$125,206</b>	<b>6.5%</b>	<b>\$127,643</b>	<b>1.9%</b>
Miscellaneous Receipts	\$34,761	\$39,982	15.0%	\$37,256	(6.8%)
Federal Funds	\$96,713	\$97,072	0.4%	\$86,485	(10.9%)
<b>Total All Funds</b>	<b>\$248,986</b>	<b>\$262,260</b>	<b>5.3%</b>	<b>\$251,384</b>	<b>(4.1%)</b>

## State Fiscal Year (SFY) 2025-26 All Funds Receipts Estimate

- The Executive estimates SFY 2025-26 All Funds tax receipts to total \$125.2 billion, an increase of \$7.7 billion or 6.5 percent from SFY 2024-25 levels. This annual increase primarily reflects an increase in Personal Income Tax (PIT) collection and Sales and Use Tax collections, along with a slight increase in Other Taxes.
- Including Miscellaneous Receipts and federal funds, the Executive estimates All Funds receipts to increase by 5.3 percent or \$13.3 billion, to \$262.3 billion in SFY 2025-26.

## SFY 2026-27 All Funds Receipts Forecast

- The Executive forecasts SFY 2026-27 All Funds tax receipts to total \$127.6 billion, an increase of 1.9 percent or \$2.4 billion from SFY 2025-26 levels. This projected increase is mainly attributable to continued strength in PIT collections, and actions proposed by the Executive related to the Corporate Franchise Tax (CFT). These actions include decoupling State law from recently enacted federal tax law changes related to business expensing provisions, which is expected to increase CFT collections by \$1.7 billion in SFY 2026-27.

- Including Miscellaneous Receipts and federal funds, All Funds receipts are forecast to decrease by 4.1 percent or \$10.9 billion, to \$251.4 billion. This moderate decrease is almost entirely attributable to a projected 10.9 percent decrease in federal funds, along with a projected 6.8 percent increase in Miscellaneous Receipts.

## **Revenue Proposals**

### **Personal Income Tax Proposals**

- **Enhance and Reform the Child and Dependent Care Credit:** The Executive proposes to make various reforms to the State's Child and Dependent Care Tax Credit by decoupling from the federal credit and replacing it with a standalone and simplified credit beginning in tax year 2026. The reformed structure would enhance the overall benefit and increase the credit's progressivity. However, eligibility would be limited to full-year residents.
- **Eliminate Income Taxes on Tipped Wages:** The Executive proposes to exclude up to \$25,000 of qualified tips from New York Adjusted Gross Income for certain taxpayers with incomes below \$150,000 (\$300,000 for joint filers), beginning in tax year 2026. This change aligns New York with recently enacted federal tax changes included in H.R. 1.
- **Enact Pass-Through Entity Tax Flexibility:** The Executive proposes to extend the deadline for entities to elect in the Pass-Through-Entity-Tax (PTET) from March 15<sup>th</sup> to September 15<sup>th</sup> of the applicable tax year, and make conforming changes to estimated payment deadlines.
- **Retain Deductibility of Certain Charitable Contributions:** In response to recent federal actions, the Executive proposes to ensure contributions made to certain institutions that have lost their federal tax-exempt status, but maintain New York State tax exemption status, remain tax deductible for New York State purposes.

### **Consumption and Use Tax Proposals**

- **Impose Tax on Nicotine Products:** The Executive proposes to define and include "alternative nicotine product" within the definition of "tobacco products" and impose the existing 75 percent wholesale tax on certain tobacco products on such "alternative nicotine products". These products would include noncombustible products, other than vapor products, which contain nicotine but not tobacco and are intended for human consumption. Furthermore, the proposal would direct an additional \$50 million in tobacco products tax revenue to HCRA beginning in SFY 2027-28.

- **Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement:** The Executive proposes to impose a tax of \$0.55 per unit of vapor imported to or manufactured in the State by a vapor products distributor, in addition to the existing 20 percent tax imposed on the retail sale of vapor products. The proposal would authorize the Department of Tax and Finance to create a registry of vapor products that may be sold in the State, and require vapor product manufacturers to apply annually to have their products listed. Finally, the proposal would establish a new \$300 certification of registration fee for vapor product distributors, which would need to be renewed annually, and expand civil and criminal penalties for vapor product tax violations.
- **Modify the Vendor Registration Program:** The Executive proposes to authorize the Department of Tax and Finance to begin a sales tax vendor re-registration program, which would be conducted in phases over four years and be completed by December 31, 2030. Additionally, the proposal would establish a Sales and Use Tax penalty and interest discount program to incentivize sales tax vendors with outstanding debts to pay off their liabilities before the re-registration program begins. The program would grant a full penalty abatement and a 50 percent reduction of accrued interest for sales tax vendors who pay off their liabilities in full by December 31, 2026.
- **Establish a Sales Tax Exemption for Electric Vehicle (EV) Charging Stations:** The Executive proposes to exempt from sales tax the retail sale of electricity sold to end users from commercial EV charging stations. Additionally, the proposal would clarify that the wholesale purchase of electricity by an operator of a commercial EV charging station will be subject to sales tax.
- **Extend the Sales Tax Vending Machine Exemption for Three Years:** The Executive proposes to extend the existing sales tax exemption for certain food and drink purchased from a vending machine for three years through May 31, 2029.
- **Extend the Residential Energy Storage Exemption for Two Years:** The Executive proposes to extend the existing Residential Energy Storage Tax exemption for two years until June 1, 2028.

## Business Tax Proposals

- **Standardize the Definition of Farmer for Certain Tax Credits:** The Executive proposes to amend the Tax Law to create a uniform definition of “eligible farmer” for purposes of determining eligibility under the following farm-related tax credits: the Agricultural Property Tax Credit; the Farm Workforce Retention Credit; the Farm Employer Overtime Credit; and the credit for Farm Donations to Food Pantries.
- **Extend the Temporary 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 2029.

- **Decouple New York State from Certain H.R. 1 Provisions:** The Executive proposes to decouple New York State law from certain recently enacted federal tax law provisions relating to the tax treatment of research and experimental expenditures and the immediate expensing of certain qualified production property. This proposal would retroactively apply to tax years beginning on or after January 1, 2025, and would maintain \$1.7 billion in revenue in SFY 2026-27.
- **Decouple New York City from Certain H.R. 1 Provisions:** The Executive proposes to decouple the New York City Administrative Code from recently enacted federal tax law provisions relating to the tax treatment of research and experimental expenditures, the immediate expensing of certain qualified production property, certain business interest limitations, and certain equipment expensing limits. This proposal would retroactively apply to tax years beginning on or after January 1, 2025, and would maintain the City's business tax base.
- **Extend the Commercial Security Tax Credit for Three Years:** The Executive proposes to extend the Commercial Security Tax Credit for an additional three years through 2028.
- **Enhance the New York City Musical and Theatrical Production Tax Credit:** The Executive proposes to increase the aggregate amount available for the New York City Musical and Theatrical Production Tax Credit by \$150 million for productions with initial performances on or after December 1, 2025. This increase is necessary to accommodate new applicants since the current pool of \$400 million is fully committed.
- **Amend the Petroleum Business Tax (PBT) Filing Deadline:** The Executive proposes to require certain commercial vessel operators to file PBT returns on an annual basis, instead of monthly under current law.
- **Extend Refundability of the Investment Tax Credit for Farmers:** The Executive proposes to maintain full refundability for eligible farmers under the Investment Tax Credit program, for an additional five years through 2032.

### **Real Property Tax/School Tax Relief (STAR) Proposals**

- **Simplify the STAR Income Definition:** The Executive proposes to make various technical changes to improve and streamline the administration of STAR exemptions and credits.

- **Extend the Telecommunications Assessment Ceiling Program:** The Executive proposes to extend the Statewide Telecommunications Assessment Ceiling Program for four years.
- **Expand and Extend the Rent Increase Exemption for Senior Citizens and People with Disabilities:** The Executive proposes to extend the Senior Citizen Rent Increase Exemption (SCRIE) and the Disability Rent Increase Exemption (DRIE) programs for an additional two years, increase the maximum income eligibility thresholds for each program from \$50,000 to \$75,000 in New York City and authorize increased income eligibility thresholds outside New York City at local option.
- **Preserve and Improve More Rent Regulated Housing:** The Executive proposes to reestablish and modify the J-51 program, to provide a real property tax abatement for 100 percent of the certified reasonable costs of alterations and improvements made to certain rental and owner-occupied buildings located in New York City. Alterations and improvements made to eligible properties completed between June 30, 2026 and June 30, 2036 would be eligible for the abatement for a period of not more than 20 years. Additionally, the proposal would include certain rent stabilization, anti-harassment and reporting requirements.

## Gaming Proposals

- **Make Technical Amendments to Pari-Mutuel Tax Reform:** The Executive proposes to modify the existing Pari-Mutuel Tax rate structure in New York State.
- **Extend Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for One Year:** The Executive proposes to extend Capital District OTB's authorization to use capital acquisition funds for one year.
- **Permanently Extend Certain Pari-Mutuel Tax and Simulcasting Provisions:** The Executive proposes to make various provisions relating to pari-mutuel simulcasting permanent.
- **Extend Certain Seasonal Employee Licensing Requirements:** The Executive proposes to extend certain licensing exemptions for workers at the Belmont Stakes held in Saratoga for one year.

## Other Tax Proposals

- **Extend Reduced Transfer Tax Rates for Qualifying Real Estate Investment Trusts (REITs) for Three Years:** The Executive proposes to extend the tax rate reductions for REITs under the New York State and New York City Real Estate Transfer Tax for three years from September 1, 2026 to September 1, 2029.

**Table 52**

<b>SFY 2026-27: Tax and Other Revenue Actions</b>				
<b>(\$ in Millions)</b>				
	<b>General Fund</b>		<b>All Funds</b>	
	<b>FY2027</b>	<b>FY2028</b>	<b>FY2027</b>	<b>FY2028</b>
<b>Personal Income Tax</b>	<b>(52)</b>	<b>(134)</b>	<b>(52)</b>	<b>(134)</b>
Enhance and Reform the Child and Dependent Care Credit	-	(65)	-	(65)
Eliminate Income Taxes on Tipped Wages	(52)	(69)	(52)	(69)
Retain Deductibility of Certain Charitable Contributions	-	-	-	-
Standardize the Definition of Farmer for Certain Tax Credits	-	-	-	-
Extending the Refundability of Investment Tax Credit for Farmers	-	-	-	-
<b>Business Taxes</b>	<b>(2,320)</b>	<b>2,085</b>	<b>(2,320)</b>	<b>2,085</b>
Extend the Temporary Article 9-A Tax Rates for Three Years	-	1,320	-	1,320
Decouple from Certain H.R.1 Provisions	1,680	770	1,680	770
Enact PTET Flexibility*	(4,000)	-	(4,000)	-
Enhance the NYC Musical and Theatrical Production Tax Credit	-	-	-	-
Amend the Petroleum Business Tax (PBT) Filing Deadline for Commercial Vessel Operators	-	-	-	-
Extend the Commercial Security Tax Credit for Three Years	-	(5)	-	(5)
<b>Consumption/Use Taxes</b>	<b>16</b>	<b>37</b>	<b>16</b>	<b>37</b>
Impose Tax on Alternative Nicotine Products	18	44	18	44
Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement	-	-	-	-
Modify the Vendor Registration Program	6	6	6	6
Establish a Sales Tax Exemption for EV Charging Stations	-	-	-	-
Extend the Sales and Use Tax Vending Machine Exemption for Three Years	(8)	(10)	(8)	(10)
Extend the Sales and Use Tax Exemption for Residential Energy Storage for Two Years	-	-	-	-
Extend the Alternative Fuels Exemption for Five Years	-	(3)	-	(3)
<b>Other Actions</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>
Enact STAR Program Technical Corrections	-	-	-	-
Extend Reduced Transfer Tax Rates for Qualifying Real Estate Investment Trusts for Three Years	-	-	-	-
Expanding the Rent Increase Exemption for Senior Citizens and Persons with Disabilities	-	-	-	-
Extend the Telecom Assessment Ceiling Program for Four Years	-	-	-	-
Impose Penalties on Ethics Training Non-Compliance	1	1	1	1
Increase the Lobbyist Registration Fee	-	1	-	1
<b>Gaming Initiatives</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Make Technical Amendments to Pari-Mutuel Reform	-	-	-	-
Extend Authorized Use of Capital Funds by a Certain Off-track Betting Corporation for One Year	-	-	-	-
Permanently Extend Certain Pari-Mutuel Tax and Simulcasting Provisions	-	-	-	-
Extend Certain Horse Racing Seasonal Employee Licensing Requirements	-	-	-	-
<b>TOTAL REVENUE ACTIONS</b>	<b>(2,355)</b>	<b>1,990</b>	<b>(2,355)</b>	<b>1,990</b>

\*Proposal is Financial Plan neutral.



Table 53

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

	2024-25 Actual	2025-26 Estimate	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$61,201</b>	<b>\$67,900</b>	<b>\$6,699</b>	<b>10.9%</b>
<b>Gross Receipts</b>	<b>\$77,736</b>	<b>\$86,960</b>	<b>\$9,224</b>	<b>11.9%</b>
Withholding	\$59,827	\$65,171	\$5,344	8.9%
Estimated Payments	\$12,299	\$15,049	\$2,750	22.4%
Vouchers	\$7,444	\$9,192	\$1,748	23.5%
IT 370s	\$4,855	\$5,857	\$1,002	20.6%
Final Payments	\$3,661	\$4,621	\$960	26.2%
Delinquencies	\$1,949	\$2,119	\$170	8.7%
<b>Total Refunds</b>	<b>\$16,535</b>	<b>\$19,060</b>	<b>\$2,525</b>	<b>15.3%</b>
Prior Year Refunds	\$9,705	\$11,637	\$1,932	19.9%
Current Refunds	\$3,394	\$3,500	\$106	3.1%
Advanced Credits	\$803	\$877	\$74	9.2%
Previous Refunds	\$1,263	\$1,495	\$232	18.4%
State/City Offsets	\$1,370	\$1,551	\$181	13.2%
<b>User Taxes and Fees</b>	<b>\$22,352</b>	<b>\$23,561</b>	<b>\$1,209</b>	<b>5.4%</b>
Sales and Use Tax	\$20,350	\$21,547	\$1,197	5.9%
Motor Fuel Tax	\$487	\$486	(\$1)	(0.2%)
Cigarette Tax	\$798	\$737	(\$61)	(7.6%)
Vapor Tax	\$21	\$19	(\$2)	(9.5%)
Highway Use	\$138	\$135	(\$3)	(2.2%)
Alcoholic Beverage Tax	\$269	\$268	(\$1)	(0.4%)
Opioid Excise Tax	\$21	\$23	\$2	9.5%
Medical Cannabis Excise Tax	\$4	\$3	(\$1)	(25.0%)
Adult Use Cannabis Tax	\$125	\$194	\$69	55.2%
Auto Rental Tax	\$137	\$148	\$11	8.0%
Peer to Peer Car Sharing Tax	\$2	\$1	(\$1)	(50.0%)
<b>Business Taxes</b>	<b>\$31,373</b>	<b>\$30,738</b>	<b>(\$635)</b>	<b>(2.0%)</b>
Corporate Franchise	\$8,676	\$7,837	(\$839)	(9.7%)
Utility Tax	\$516	\$503	(\$13)	(2.5%)
Insurance Tax	\$3,006	\$2,835	(\$171)	(5.7%)
Bank Tax	\$333	\$84	(\$249)	(74.8%)
Pass-Through Entity Tax	\$17,781	\$18,470	\$689	3.9%
Petroleum Business Tax	\$1,061	\$1,009	(\$52)	(4.9%)
<b>Other</b>	<b>\$2,586</b>	<b>\$3,007</b>	<b>\$421</b>	<b>16.3%</b>
Estate and Gift	\$1,301	\$1,588	\$287	22.1%
Real Estate Transfer	\$1,257	\$1,387	\$130	10.3%
Employer Compensation Exp.	\$15	\$18	\$3	20.0%
Pari-Mutuel	\$11	\$13	\$2	18.2%
Other	\$2	\$1	(\$1)	(50.0%)
<b>Total Taxes</b>	<b>\$117,512</b>	<b>\$125,206</b>	<b>\$7,694</b>	<b>6.5%</b>
All Funds Misc. Receipts	\$34,761	\$39,982	\$5,221	15.0%
Federal Grants	\$96,713	\$97,072	\$359	0.4%
<b>Total All Funds Receipts</b>	<b>\$248,986</b>	<b>\$262,260</b>	<b>\$13,274</b>	<b>5.3%</b>

Table 54

All Funds Receipts SFY 2026-27 (\$ in Millions)				
	2025-26 Estimate	2026-27 Forecast	Change	Percent Growth
<b>Personal Income Tax</b>	<b>\$67,900</b>	<b>\$71,927</b>	<b>\$4,027</b>	<b>5.9%</b>
<b>Gross Receipts</b>	<b>\$86,960</b>	<b>\$91,070</b>	<b>\$4,110</b>	<b>4.7%</b>
Withholding	\$65,171	\$67,395	\$2,224	3.4%
Estimated Payments	\$15,049	\$16,646	\$1,597	10.6%
Vouchers	\$9,192	\$9,635	\$443	4.8%
IT 370s	\$5,857	\$7,011	\$1,154	19.7%
Final Payments	\$4,621	\$4,857	\$236	5.1%
Delinquencies	\$2,119	\$2,172	\$53	2.5%
<b>Total Refunds</b>	<b>\$19,060</b>	<b>\$19,143</b>	<b>\$83</b>	<b>0.4%</b>
Prior Year Refunds	\$11,637	\$11,431	(\$206)	(1.8%)
Current Refunds	\$3,500	\$3,500	\$0	0.0%
Advanced Credits	\$877	\$1,073	\$196	22.3%
Previous Refunds	\$1,495	\$1,400	(\$95)	(6.4%)
State/City Offsets	\$1,551	\$1,739	\$188	12.1%
<b>User Taxes and Fees</b>	<b>\$23,561</b>	<b>\$24,242</b>	<b>\$681</b>	<b>2.9%</b>
Sales and Use Tax	\$21,547	\$22,155	\$608	2.8%
Motor Fuel Tax	\$486	\$487	\$1	0.2%
Cigarette Tax	\$737	\$717	(\$20)	(2.7%)
Vapor Excise Tax	\$19	\$19	\$0	0.0%
Highway Use	\$135	\$136	\$1	0.7%
Alcoholic Beverage Tax	\$268	\$267	(\$1)	(0.4%)
Opioid Excise Tax	\$23	\$20	(\$3)	(13.0%)
Medical Marihuana Excise Tax	\$3	\$3	\$0	0.0%
Adult Use Cannabis	\$194	\$284	\$90	46.4%
Auto Rental Tax	\$148	\$153	\$5	3.4%
Peer to Peer Car Sharing Tax	\$1	\$1	\$0	0.0%
<b>Business Taxes</b>	<b>\$30,738</b>	<b>\$28,463</b>	<b>(\$2,275)</b>	<b>(7.4%)</b>
Corporate Franchise	\$7,837	\$9,141	\$1,304	16.6%
Utility Tax	\$503	\$534	\$31	6.2%
Insurance Tax	\$2,835	\$3,026	\$191	6.7%
Bank Tax	\$84	\$0	(\$84)	(100.0%)
Pass-Through Entity Tax	\$18,470	\$14,800	(\$3,670)	(19.9%)
Petroleum Business Tax	\$1,009	\$962	(\$47)	(4.7%)
<b>Other</b>	<b>\$3,007</b>	<b>\$3,011</b>	<b>\$4</b>	<b>0.1%</b>
Estate and Gift	\$1,588	\$1,484	(\$104)	(6.5%)
Real Estate Transfer	\$1,387	\$1,495	\$108	7.8%
Employer Compensation Exp.	\$18	\$19	\$1	5.6%
Pari-Mutuel	\$13	\$12	(\$1)	(7.7%)
Other	\$1	\$1	\$0	0.0%
<b>Total Taxes</b>	<b>\$125,206</b>	<b>\$127,643</b>	<b>\$2,437</b>	<b>1.9%</b>
All Funds Misc Receipts	\$39,982	\$37,256	(\$2,726)	(6.8%)
Federal Grants	\$97,072	\$86,485	(\$10,587)	(10.9%)
<b>Total All Funds Receipts</b>	<b>\$262,260</b>	<b>\$251,384</b>	<b>(\$10,876)</b>	<b>(4.1%)</b>

## BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive Capital Program and Financing Plan totals \$21.8 billion for State Fiscal Year (SFY) 2026-27, an increase of \$3.5 billion or 19.3 percent from SFY 2025-26.
- **Debt Issuance:** The Executive proposes to issue \$11.4 billion in debt to finance new and existing capital projects in SFY 2026-27, an increase of \$3.7 billion or 48.8 percent from SFY 2025-26. The Executive proposes to continue utilizing Pay-As-You-Go (PAYGO) for \$17.8 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 planned period. Remaining capacity under the cap declines from \$23.7 billion in SFY 2025-26 to \$351 million in SFY 2030-31.
- **Retiring Long-Term Obligations:** The Executive projects the retirement of \$1.2 billion of debt in SFY 2026-27.
- **Deficit Financing Authorization:** The Executive proposes to continue deficit financing provisions to manage cashflow in SFY 2026-27, if necessary. This includes permanent authorization to issue up to \$3 billion in short-term Personal Income Tax (PIT) notes.



# BUDGET REVIEW AND ANALYSIS: CAPITAL AND DEBT



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

**Table 55**

## Capital Spending by Function Capital Program and Financing Plan SFY 2025-26 through SFY 2030-31 (\$ in Millions)

Spending	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29	SFY 2029-30	SFY 2030-31
Transportation and Transit	8,486	9,754	9,169	9,050	8,937	8,982
Education	375	478	341	291	245	221
Higher Education	1,912	2,208	2,577	2,531	2,411	2,395
Economic Development	1,873	2,006	2,254	2,234	2,269	2,210
Mental Hygiene	823	1,055	1,009	997	968	973
Parks and Environment	2,001	2,700	2,748	2,705	2,798	2,762
Health	1,002	1,457	1,489	1,544	1,322	1,028
Housing and Social Welfare	1,840	2,110	2,250	2,012	1,327	1,319
Public Protection	755	696	713	695	705	639
General Government	667	673	675	616	642	523
All Other <sup>1</sup>	(1,433)	(1,302)	(928)	(948)	(920)	(1,501)
<b>Total</b>	<b><u>18,301</u></b>	<b><u>21,835</u></b>	<b><u>22,297</u></b>	<b><u>21,727</u></b>	<b><u>20,704</u></b>	<b><u>19,551</u></b>
Off-Budget Spending <sup>2</sup>	(4)	(4)	(4)	(4)	(4)	0
<b>Net Cash Spending</b>	<b><u>18,297</u></b>	<b><u>21,831</u></b>	<b><u>22,293</u></b>	<b><u>21,723</u></b>	<b><u>20,700</u></b>	<b><u>19,551</u></b>

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

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

Source: NYS Division of the Budget.

## The Five-Year Capital Plan

The Executive proposes a \$106.1 billion Five-Year Capital Plan that prioritizes transportation and transit (43 percent). The Executive State Fiscal Year (SFY) 2026-27 Capital Plan totals \$21.8 billion, an increase of \$3.5 billion or 19.3 percent from SFY 2025-26.

## New Capital Initiatives

The Executive Budget proposes \$19.9 billion in new capital appropriations, all of which are projected to be committed and spent over a multi-year period for various economic development, transportation, health care, higher education, parks, environment and social welfare programs.

**Table 56**

<b>New Capital Appropriations SFY 2026-27 Executive Budget (\$ in Millions)</b>			
<b><u>Transportation/Transit</u></b>	<b><u>6,111</u></b>	<b><u>Health/Mental Hygiene</u></b>	<b><u>1,751</u></b>
State DOT Obligations (Year 5)	4,908	Safety Net Transformation Program	1,000
CHIPs/Other Local Funding	928	Mental Hygiene Programs	680
Non-MTA Transit	200	Roswell Park Capital	51
Jamaica Train Station	50	Reproductive Health Care Improvement Program	10
2nd Ave Subway (125th St)	25	NY PLATES	10
<b><u>Parks &amp; Environment</u></b>	<b><u>2,669</u></b>	<b><u>Economic and Community Development</u></b>	<b><u>1,466</u></b>
Clean Water Infrastructure	750	NYW EDF	400
Army Corps Coastal Projects	668	Rochester Economic Development	225
Environmental Protection Fund	425	DRI (Round 10)/NY-Forward	200
OPRHP	340	REDC (Round 16)	150
State Superfund	125	Stony Brook: Quantum Research Hub	100
DEC NY Works	90	POWER UP (Year 2 of \$300 million Program)	100
NY BRICKS	75	ORDA	100
EO22 Implementation	50	Quantum Technology Hubs	60
EmPower+	50	NYPA Canal Development	50
DEC Permitting System	25	County Partnership Grants	50
State Fairgrounds	21	Semiconductor Chip Design Center	25
Dairy Modernization	15	Local EcDev Project Tracking	6
NY SPACE (Performing Arts)	10		
Scratch Kitchens	10	<b><u>General Government/Public Protection</u></b>	<b><u>1,845</u></b>
County Fairs	5	DOCCS	603
NY KICKS	5	State Facilities (OGS)	443
Animal Shelters	5	Emergency Operations Center	150
		State Police Facilities	145
<b><u>Education/Higher Education</u></b>	<b><u>1,453</u></b>	IT Innovation Fund	131
SUNY/CUNY Senior Colleges Maintenance	909	Statewide Equipment Program	100
SUNY/CUNY Community Colleges	185	Judiciary	60
SUNY Hospitals	150	Law Enforcement Technology Grants	50
Non-Public Schools Capital	90	DMNA Armories	45
NYSCA	40	SCAHC	35
Library Capital Grants	34	WCB IT Modernization	30
Schools for the Blind and Deaf	25	Zero Emission Vehicles	17
Native American Schools Capital	20	OCM Licensing IT System	17
		OSC IT Modernization	12
<b><u>Social Welfare</u></b>	<b><u>921</u></b>	Urban Search and Rescue	5
Ongoing and Additional Housing Programs	461	Rensselaer Technology Park Data Center	2
Affordable Housing (Expedited Projects)	250		
MOVE-IN NY (Prefabricated Homes)	100	<b><u>All Other Capital Appropriations</u></b>	<b><u>3,708</u></b>
Youth Facilities	60		
Resilient and Ready Program	50	<b><u>Total Capital Appropriations</u></b>	<b><u>19,924</u></b>

Source: NYS Division of the Budget.

The Executive proposes \$6.1 billion in capital appropriations for transportation purposes, including \$4.9 billion to fund the DOT Capital Plan. An additional \$1.5 billion is provided for economic development, including \$400 million for New York Works Economic Development Fund, \$225 million for Rochester Economic Development Investments and \$200 million for Round 10 of the Downtown Revitalization Initiative (DRI) and NY Forward.

#### Financing the Capital Plan for SFY 2026-27

The Executive proposal would finance the Five-Year Capital Program through a combination of State and Federal PAYGO financing totaling \$10.6 billion and bonded resources totaling \$11.3 billion for SFY 2026-27.

Table 57

<b>Capital Program and Financial Plan</b> <b>Financing Sources</b> <b>SFY 2025-26 and SFY 2026-27</b> <b>(\$ in Millions)</b>				
<b>Financing Source</b>	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>Annual Change</b>	<b>Annual % Change</b>
Authority Bonds	8,090	10,970	2,880	35.6%
Federal Pay-As-You-Go	2,753	3,680	927	33.7%
State Pay-As-You-Go	7,157	6,879	(278)	(3.9%)
General Obligation Bonds	303	307	4	1.3%
<b>Total</b>	<b>18,303</b>	<b>21,836</b>	<b>3,533</b>	<b>19.3%</b>
<i>Source: NYS Division of the Budget.</i>				

## State Debt Issuances Over Five Years

Table 58

<b>State Debt Issuances Summarized By Financing Program SFY 2025-26 through SFY 2030-31 (\$ in Millions)</b>						
	<u>SFY 2025-26</u>	<u>SFY 2026-27</u>	<u>SFY 2027-28</u>	<u>SFY2028-29</u>	<u>SFY 2029-30</u>	<u>SFY 2030-31</u>
<b><u>General Obligation Bonds</u></b>	<b>403</b>	<b>307</b>	<b>337</b>	<b>432</b>	<b>322</b>	<b>315</b>
<b><u>Revenue Bonds</u></b>						
Personal Income Tax	6,041	8,287	7,896	7,821	7,005	6,160
Sales Tax	1,186	2,762	2,632	2,607	2,335	2,053
<b>Subtotal Revenue Bonds</b>	<b>7,227</b>	<b>11,049</b>	<b>10,528</b>	<b>10,428</b>	<b>9,340</b>	<b>8,213</b>
<b>Total State-Supported</b>	<b><u>7,630</u></b>	<b><u>11,356</u></b>	<b><u>10,865</u></b>	<b><u>10,860</u></b>	<b><u>9,662</u></b>	<b><u>8,528</u></b>

*Source: NYS Division of the Budget.*

The SFY 2026-27 Executive Budget proposes new bond-financed capital commitments, adding \$51.3 billion of new debt over the five-year plan period. These capital spending increases are partially offset by PAYGO issuances and bond sale adjustments. The SFY 2026-27 proposed Capital Plan will continue to include \$17.8 billion in cash PAYGO, which will be used to fund capital projects instead of issuing debt, primarily higher cost taxable debt. Changes in the State's available debt capacity reflect personal income forecast adjustments, debt amortizations and bond sale adjustments.

The Executive estimates \$11.4 billion in new bond issuances in SFY 2026-27, as follows:

- \$8.3 billion through the PIT Revenue Bond Program;
- \$2.8 billion through the Sales Tax Revenue Bond Program; and
- \$307 million in State General Obligation Bonds.

Projected debt issuances for SFY 2026-27 have increased by \$3.7 billion or 48.8 percent over SFY 2025-26. This increase is primarily due to increased capital spending projected for transportation, housing and economic development projects during SFY 2026-27.



## State-Supported Debt

Table 59

New York State-Supported Debt Outstanding by Program Area SFY 2025-26 and SFY 2026-27 (\$ in Millions)			
Program Area	SFY 2025-26	SFY 2026-27	Share of Total Debt
Economic Development & Housing	7,984	9,811	13.6%
Education	15,710	17,153	23.8%
Environment	4,139	5,297	7.3%
Health & Mental Hygiene	4,700	5,715	7.9%
State Facilities and Equipment	5,058	6,097	8.4%
Transportation and Transit	23,458	27,178	37.7%
STARC <sup>1</sup>	572	572	0.8%
Gateway Development Commission	187	360	0.5%
<b>Total State-Supported Debt</b>	<b>61,808</b>	<b>72,183</b>	<b>100.0%</b>
<sup>1</sup> In SFY 2021-22, DASNY issued Personal Income Tax Bonds to refund NYC STARC debt. <i>Source: NYS Division of the Budget.</i>			

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

The SFY 2026-27 Executive Budget includes language to authorize DASNY and UDC to permanently issue up to \$3 billion in PIT short-term notes. However, the Executive Financial Plan does not assume the use of these provisions.

## Debt Affordability

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Capital Plan, declining from \$23.7 billion in remaining capacity in SFY 2025-26 to its lowest point of \$351 million in SFY 2030-31. The amount of debt outstanding is limited to four percent of State personal income.

Table 60

<b>Debt Outstanding Subject to Cap Remaining Capacity Summary SFY 2025-26 through SFY 2029-30 (\$ in Millions)</b>					
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>	<b>SFY 2029-30</b>
<b>Mid-Year Update to the SFY 2025-26 Financial Plan</b>	<b>22,195</b>	<b>14,615</b>	<b>8,157</b>	<b>2,290</b>	<b>268</b>
Personal Income Forecast Update	59	697	756	818	873
Bond Sales & Other Adjustments	1,161	951	524	269	268
Capital Re-estimates	303	314	1,064	1,923	2,085
Capital Adds	0	(444)	(750)	(1,416)	(2,163)
<b>Executive Budget</b>	<b>23,718</b>	<b>16,133</b>	<b>9,751</b>	<b>3,884</b>	<b>1,331</b>
Technical Amendment to Debt Reform Act <sup>2</sup>	(291)	(71)	(18)	44	66
<b>SFY 2026-27 Executive Budget with Proposed Amendment</b>	<b>23,427</b>	<b>16,062</b>	<b>9,733</b>	<b>3,928</b>	<b>1,397</b>
<sup>1</sup> Does not include debt issued in SFY 2020-21 and SFY 2021-22 because the debt cap was temporarily suspended in response to the COVID-19 pandemic, pursuant to Chapter 56 of the Laws of 2020 and Chapter 59 of the Laws of 2021.					
<sup>2</sup> Legislation included as part of the SFY 2026-27 Executive Budget would amend the Debt Reform Act to include refunding bonds.					
Source: NYS Division of the Budget.					

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

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.

**Table 61**

<b>State-Related Debt Outstanding SFY 2025-26 and SFY 2026-27 (Other State Debt Obligations in Addition to State-Supported) (\$ in Millions)</b>		
	<b>SFY 2025-26 Enacted</b>	<b>SFY 2026-27 Projected</b>
<b>State-Supported Debt</b>	<b>61,621</b>	<b>71,823</b>
<b>Other State Financings</b>		
Gateway Development Corporation	187	360
<b>Total State-Related Debt</b>	<b>61,808</b>	<b>72,183</b>

*Source: NYS Division of the Budget.*

State-related debt outstanding is projected to total \$72.2 billion in SFY 2026-27, an increase of \$10.4 billion or 16.8 percent from SFY 2025-26. Over the plan, State-related debt outstanding is projected to increase to \$99 billion in SFY 2030-31 or an average increase of 10 percent annually.

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

State-related debt outstanding has decreased significantly since the State has not issued debt under these auspices in recent years, focusing instead on the issuance of PIT and sales tax revenue bonds, as well as general obligation bonds. However, the State intends to fund its commitment to the Gateway Hudson Tunnel Project with a USDOT RRIF loan, adding \$360 million of State-related debt in SFY 2026-27.

**State Debt Retirements**

Retirement of State-related debt has significantly impacted the State’s ability to finance its capital programs. In SFY 2026-27, State-related debt retirements are projected to be \$1.2 billion, a decrease of \$47 million or 3.9 percent from SFY 2025-26. This decrease is largely due to prior prepayments, which resulted in early retirement of \$3.8 billion of bonds that had been scheduled to retire in SFY 2026-27. Over the next five years, retirement of State-related debt is projected to increase, averaging \$2.9 billion annually.

**Table 62**

<b>Rapidity of New York State Debt Retirements</b>	
<b>Period</b>	<b>Cumulative Percentage of Existing Debt to be Retired<sup>1</sup></b>
5 Years	13%
10 Years	36%
15 Years	56%
20 Years	73%
25 Years	90%
30 Years	98%
40 Years	100%
<sup>1</sup> Existing debt outstanding calculated as of December 31, 2025. <i>Source: NYS Division of Budget.</i>	

## State-Supported Debt Service

State-related Debt Service is projected at \$3.7 billion in SFY 2026-27, a decrease of \$571 million or 13.4 percent from SFY 2025-26. This decrease is the result of \$2.8 billion in prepayments of future debt service costs in SFY 2025-26 and additional prepayments in previous fiscal years. Adjusting for prepayments, State-supported debt service is projected at \$7.5 billion in SFY 2026-27.

**Table 63**

<b>State-Supported Debt Service</b>					
<b>SFY 2025-26 through SFY 2029-30</b>					
<b>(\$ in Millions)</b>					
	<b>SFY 2025-26</b>	<b>SFY 2026-27</b>	<b>SFY 2027-28</b>	<b>SFY 2028-29</b>	<b>SFY 2029-30</b>
<b>Base State Debt Service</b>	<b>6,656</b>	<b>7,485</b>	<b>7,953</b>	<b>8,554</b>	<b>8,587</b>
<b>Total Prepayment Adjustment</b>	<b>(2,410)</b>	<b>(3,810)</b>	<b>(2,500)</b>	<b>(2,500)</b>	<b>(2,000)</b>
Prior Prepayments	(2,880)	(3,060)	(2,500)	(2,000)	0
SFY 2024-25 Prepayment	(2,280)	0	0	(500)	0
SFY 2025-26 Prepayment	2,750	(750)	0	0	(2,000)
<b>Executive Budget State Debt Service</b>	<b>4,246</b>	<b>3,675</b>	<b>5,453</b>	<b>6,054</b>	<b>6,587</b>

*Source: NYS Division of the Budget.*

## Article VII

The Executive proposes language that would:

- authorize the permanent issuance of up to \$3 billion in short-term PIT notes;
- authorize an increase to specified bond caps;
- authorize the New York State Comptroller to transfer amounts from the Special Revenue Account or Enterprise Fund to the General Fund in an amount not to exceed the principal and interest due to NYPA by SUNY and CUNY;
- authorize an amendment to the Debt Reform Act to include refunding bonds in its debt calculations; and
- extend the authority of the Dormitory Authority of the State of New York (DASNY) to create certain subsidiaries for an additional two years, through July 1, 2028.

## Settlement Fund Commitments to Capital Projects

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

**Table 64**

<b>Use of Monetary Settlements</b> <b>SFY 2014-15 through SFY 2027-28</b> <b>(\$ in Millions)</b>					
	SFY 2015- 2025 Actuals	SFY 2025-26	SFY 2026-27	SFY 2027-28	Total
<b>Opening Settlement Balance in General Fund</b>	<b>0</b>	<b>732</b>	<b>392</b>	<b>25</b>	<b>0</b>
<b>Receipt of Extraordinary Monetary Settlements</b>	<b>13,645</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,645</b>
<b>Use/Transfer of Funds</b>	<b>12,913</b>	<b>340</b>	<b>367</b>	<b>25</b>	<b>13,645</b>
<b>Capital Purpose</b>	<b>7,358</b>	<b>340</b>	<b>270</b>	<b>22</b>	<b>7,990</b>
Dedicated Infrastructure Investment Fund	5,855	215	220	20	6,310
Environmental Protection Fund	120	0	0	0	120
Mass Transit	81	4	0	0	85
Healthcare	218	1	4	2	225
Clean Water Grants	84	120	46	0	250
Javits Center Expansion	1,000	0	0	0	1,000
<b>Other Purposes</b>	<b>3,131</b>	<b>0</b>	<b>97</b>	<b>3</b>	<b>3,231</b>
Audit Disallowance - Federal Settlement	850	0	0	0	850
CSX Litigation Payment	76	0	0	0	76
Financial Plan-General Fund Operating Purposes	1,807	0	97	3	1,907
Mass Transit Operating	10	0	0	0	10
MTA Operating Aid	194	0	0	0	194
Department of Law- Litigation Services Operations	189	0	0	0	189
OASAS Chemical Dependence Program	5	0	0	0	5
<b>Reservation of Funds</b>	<b>2,424</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,424</b>
Rainy Day Reserve	488	0	0	0	488
Reserve for Economic Uncertainties	1,781	0	0	0	1,781
Reserve for Retroactive Labor Agreements	155	0	0	0	155
<b>Closing Settlement Balance in General Fund</b>	<b>732</b>	<b>392</b>	<b>25</b>	<b>0</b>	<b>0</b>

Source: NYS Division of the Budget.

Effective in SFY 2025-26, the State no longer separately tracks settlement payments. Settlements above \$100 million will be set aside in the General Fund Reserve for Economic Uncertainties and smaller receipts will be utilized annually for general operations consistent with past practice prior to the extraordinary levels that began in SFY 2014-15.





## APPROPRIATION BUDGET BILLS

A.10000/ S.9000	State Operations Budget Appropriation Bill
A.10001/ S.9001	Legislature and Judiciary Budget Appropriation Bill
A.10002/ S.9002	Debt Service Budget Appropriation Bill
A.10003/ S.9003	Aid to Localities Budget Appropriation Bill
A.10004/ S.9004	Capital Projects Budget Appropriation Bill
A.10005/ S.9005	Public Protection and General Government Article VII Bill
A.10006/ S.9006	Education, Labor and Family Assistance Article VII Bill
A.10007/S.9007	Health and Mental Hygiene Article VII Bill
A.10008/ S.9008	Transportation, Economic Development and Environmental Conservation Article VII Bill
A.10009/ S.9009	Revenue Article VII Bill

**A.10005 - PUBLIC PROTECTION AND GENERAL GOVERNMENT**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Make the Recruitment Incentive and Retention Program Permanent	This part would make the Recruitment Incentive and Retention Program for certain national guard and militia members permanent.
B	Extend Suspension of the Emergency Services Revolving Loan Fund	This part would extend the suspension of the \$1.5 million annual deposit to the Emergency Services Revolving Loan Fund for three years.
C	Enhance Criminal Liability for Firearms	This part would establish criminal liability for pistol converters and possession of digital firearm manufacturing codes, and require the establishment of a working group to determine the technological feasibility of blocking technology for 3-D printers.
D	Establish Criminal Liability for the Use of Drones	This part would establish various new crimes relating to the use of drones, including unlawful use of a drone in the second degree (class A misdemeanor), unlawful use of a drone in the first degree (class E felony), and aggravated unlawful use of a drone (class D felony).
E	Reform Sexual Offense Evidence Retention Process	This part would reform the sexual offense evidence kit retention process and establish a workgroup to address the establishment of a coordinated tracking system for sexual offense evidence kits.
F	Enhance Penalties for Insurance Fraud	This part would expand the definition of “fraudulent insurance act” to include staging a motor vehicle accident and decreases the monetary threshold to hold someone criminally liable for insurance fraud.
G	Modify the Motor Vehicle Theft and Insurance Fraud Prevention Board	This part would revise the composition of the Motor Vehicle Theft and Insurance Fraud Prevention Board and remove voting rights of certain board members.
H	Extend Temporary Orders of Protection	This part would extend temporary orders of protection when a defendant fails to appear in court and require notification to defendants when an order of protection is issued.

I	Authorize Video Conferencing in Certain Grand Jury Proceedings	This part would permit a designated special witness to testify in a grand jury proceeding using video conferencing technology and establish procedures for such testimony. This part would also allow business records to be admitted as evidence when made in the regular course of business.
J	Establish Emergency Management Assistance Compacts	This part would authorize New York State to enter into emergency management assistance compacts with other states and Canada.
K	Ensure Safe Access to Worship and Healthcare	This part would prohibit any person, acting with the intent to alarm or annoy, from demonstrating within 25 feet of the entrances or exits of a place of worship or healthcare facility, including any adjoining public ways or sidewalks.
L	Establish the Sensitive Locations Protection Act	This part would designate schools, institutes for higher education, approved service locations, health care facilities, and houses of worship as sensitive locations protected from civil immigration enforcement absent a judicial warrant.
M	Establish the New York State Bivens Act	This part would establish a cause of action to allow individuals to bring civil claims against federal officials, acting under color of law, for violations of rights secured by the United States Constitution, and would apply the same liability standards, defenses, and remedies used in actions against state and local officials.
N	Extend Temporary Retail Permit Authority	This part would extend the authority of the State Liquor Authority to issue temporary retail permits for one year, until October 12, 2027.
O	Enact Reforms to the Alcoholic Beverage Control Law	This part would enact multiple reforms to the Alcoholic Beverage Control Law relating to the manufacture, wholesale and retail of alcoholic beverages.
P	Expand Alcoholic Beverage Control Licenses and Types	This part would authorize the State Liquor Authority to create several new license types in Alcoholic Beverage Control Law.
Q	Establish Dine and Dance Liquor License	This part would establish a new on-premises retail license to allow dining and dancing in certain establishments.
R	Establish Criminal Penalties for Voter Intimidation, Deception or Obstruction	This part would establish felony and misdemeanor penalties for voter intimidation, deception, or obstruction.

S	Enhance Restrictions on Materially Deceptive Media in Political Communication	This part would require political communications using materially deceptive media to include provenance data and would prohibit the distribution of such media under certain circumstances.
T	Reform the Emergency Medical Services and Surprise Billing Law	This part would add the Empire Plan to the Emergency Medical Services and Surprise Billing Law, remove Medicaid from this law, and amend the criteria used by the independent dispute resolution entity for what is considered a reasonable fee.
U	Impose Lobbyist Ethics Training Late Fees	This part would authorize the Commission on Ethics and Lobbying in Government to impose late fees of up to \$25 per day on lobbyists and clients who fail to timely complete required ethics training.
V	Update Financial Disclosure Form	This part would update the annual financial disclosure statement by revising definitions, thresholds, and reporting categories.
W	Establish Grant Program to Support Workers' Compensation Fraud Units	This part would authorize the collection of additional funding to support dedicated workers' compensation fraud units within local district attorney's offices.
X	Expand Medical Providers Authorized to Treat Workers' Compensation Claimants	This part would authorize all medical providers not on an exclusion list to treat workers' compensation claimants.
Y	Increase State Procurement Thresholds	This part would increase various state procurement and discretionary buying thresholds to \$300,000.
Z	Increase Lobbyist Registration Fees	This part would increase the lobbyist registration fee to \$250, require annual registration, and allow the Commission on Ethics and Lobbying in Government to impose late-filing fees.
AA	Establish State Police Critical Incident Paid Leave	This part would require the Superintendent of State Police to establish a paid critical incident leave policy for state police officers.
BB	Extend Procurement Lobbying Restrictions	This part would extend procurement lobbying restrictions for five years and increase the minimum procurement contract threshold for such restrictions from \$15,000 to \$50,000.

CC	Extend the Procurement Stewardship Act	This part would extend various procurement stewardship provisions in State Finance Law for five years.
DD	Modify Market-Based Interest Rate on Court Judgments	This part would adjust the interest rate applied to judgments and accrued claims to be based on the one-year U.S. Treasury bill rate yield instead of a fixed percentage.
EE	End IRMAA Reimbursement	This part would end reimbursement of the Income-Related Monthly Adjustment Amount (IRMAA) to retirees effective January 1, 2026 and establish a premium refund for retirees who retired between January 1, 1983 and January 1, 2012 and those who retired after January 1, 2012 who were in salary grade 9 or below.
FF	Transfers, Temporary Loans, and Amendments to Miscellaneous Capital/Debt Provisions, Including Bond Caps	This part would authorize the administration of funds and accounts included in the SFY 2026-27 Executive Budget, and propose modifications. Specifically it would authorize temporary loans and accounts, authorize the transfers and deposits of funds to and across various accounts, extend various provisions of laws in relation to capital projects and certain certifications, authorize modifications to various debt provisions and modify various bond authorizations necessary to implement the budget.

**A.10006 - EDUCATION, LABOR AND FAMILY ASSISTANCE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Amend School Aid Provisions	This part would amend various provisions of the Education Law related to school aid, mayoral control over the New York City education system, and Universal Pre-K.
B	Establish Instructional Best Practices for the Teaching of Mathematics	This part would direct the Commissioner of Education to provide school districts with instructional best practices in the teaching of mathematics.
C	Expand New York Opportunity Promise Scholarship Eligibility	This part would expand eligibility under the New York Opportunity Promise Scholarship to students with prior degrees who are pursuing an associate's degree in nursing.
D	Provide for Certain Exceptions Related to Certificate of Residence Submissions	This part would direct SUNY and CUNY to promulgate rules and regulations related to the late submission of a certificate of residence to a community college.
E	Extend the Differential Tuition Rate Authorization for Non-Resident SUNY and CUNY Students	This part would extend the authorization for SUNY and CUNY to set differential non-resident undergraduate and graduate tuition rates at state-operated institutions and senior colleges for three years.
F	Expand the New York State Masters-in-Education Teacher Incentive Scholarship Program	This part would expand the New York State Masters-in-Education Teacher Incentive Scholarship Program to students in master's programs leading to careers as early childhood educators.
G	Establish the New York State Music Grant Fund	This part would establish the Music Grant Fund to provide assistance in the form of grants to non-profit symphony orchestra and other non-profit musical entities.
H	Modify Licensing and Training Requirements for Child Care	This part would increase the licensure and registration period for child day care centers and group family day care programs from four to six years and authorize the New York State Office of Children and Family Services to promulgate regulations on training requirements for child care staff and volunteers.

I	Modify Reimbursement for Expenses in Private Adoptions	This part would increase the time frame for reimbursement for certain expenses incurred during the private adoption process.
J	Authorize Body Scanners in Youth Detention and Justice Facilities	This part would authorize secure detention facilities for adolescent offenders and facilities for youth placed with the New York State Office of Children and Families to use body imaging screening equipment.
K	Eliminate Reimbursement for Residential CSE Placements	This part would eliminate state reimbursement for Committee on Special Education (CSE) residential placements made by school districts outside of New York City and for students attending a state-operated school for the deaf and blind.
L	Authorize SSI COLA Pass-Through	This part would authorize the federal Supplemental Security Income (SSI) cost-of-living adjustment (COLA) pass-through for 2027.
M	Authorize MIF Transfer	This part would transfer \$117.75 million in excess Mortgage Insurance Fund (MIF) reserves for the Neighborhood and Rural Preservation Programs, the Rural Rental Assistance Program, and homeless housing programs.
N	Increase the Number of Land Banks	This part would increase the number of land banks authorized by law from 35 to 45.
O	Reform J-51 Program	This part would make various reforms to the existing J-51 program to help preserve, update, and maintain rent regulated housing in New York City.
P	Establish the Crime of Aggravated Harassment of a Rent Regulated Tenant	This part would establish a new crime of aggravated harassment of a rent regulated tenant, which would be a class D felony.

**A.10007 - HEALTH AND MENTAL HYGIENE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Extend the Medicaid Global Cap	This part would extend the legal authority for the Medicaid Global Cap for two years, until April 1, 2028.
B	Extend Provisions of Law Related to Medicaid and Other Health Initiatives	This part would extend various provisions of the Public Health Law, Elder Law, Insurance law, Education Law, and Social Services Law related to Medicaid and other health initiatives.
C	Extend the Health Care Reform Act (HCRA)	This part would extend the Health Care Reform Act (HCRA) for three years, until March 31, 2029.
D	Modify the Physicians Excess Medical Malpractice Program	This part would extend the Physicians Excess Medical Malpractice Program until June 30, 2027, require participating providers to pay 50% of their excess coverage premium, and restructure payments to insurers from one annual payment into two installments over two fiscal years.
E	Eliminate Certain DOH Programs	This part would eliminate several public health programs under the New York State Department of Health (DOH) including the Enhanced Quality of Adult Living (EQUAL) program for adult care facilities, certain audits of hospital compliance with staffing standards, and the Tick-Borne Disease Institute.
F	Provide Various Technical Amendments	This part would make technical amendments to various sections of the Public Health Law, Insurance Law, and State Finance Law.
G	Expand Oversight of AEDs	This part would expand the New York State Department of Health's oversight over automated external defibrillators (AEDs).
H	Expand Reporting for Material Transactions	This part would expand reporting requirements for healthcare entities in relation to proposed material transactions.
I	Reform MIF Reimbursement Rates	This part would reform reimbursement rates for non-physician services provided to enrollees in the Medical Indemnity Fund (MIF).



J	Establish Profit Cap	This part would authorize the New York State Department of Health to establish a profit cap for temporary staffing agencies providing health care services.
K	Extend and Expand Community Paramedicine	This part would extend and expand the community paramedicine pilot program and allow general hospitals to provide off-site acute medical services in a patient's home.
L	Modify Long-Term Care Provisions	This part would restore 10% to nursing home capital rates and adjust the premium for the Medicaid Buy-In for Working Persons with Disabilities program to be proportional to income.
M	Modify Medicaid Managed Care Provisions	This part would make various changes to Medicaid managed care, including elimination of certain payment exceptions for Medicaid and Medicare crossover claims, elimination of long-term services and supports under the Essential Plan, and elimination of continuous eligibility for Medicaid for children ages 0-6.
N	Expand Scope of Practice and Transfer Oversight of Certain Health Care Professions and Professional Entities	This part would expand the scope of practice for several health care professionals, including physician assistants, certified nurse aides, and medical assistants, and would transfer certain oversight of medical professionals and professional business entities from the State Education Department to the New York State Department of Health.
O	Increase Healthcare Stability Fund Investments	This part would increase the amount of funding to support federally qualified health centers, hospitals, and nursing homes, and would allow the Commissioner of Health and Division of Budget to make additional investments from the fund, subject to the availability of resources and federal financial participation.
P	Establish Targeted Inflationary Increases	This part would establish 1.7% targeted inflationary increases for certain human services agencies.
Q	Integrate Behavioral Health Services	This part would authorize the New York State Office of Mental Health and the Office of Addiction Services and Supports to jointly license integrated behavioral health services programs.

R	Expand Substance Use Disorder Treatment Coverage to Other Addictions	This part would expand insurance coverage for substance use disorders to include coverage for other substance-related and addictive disorders, such as problem gambling.
S	Eliminate Adult Home Advocacy and Resident Council Programs	This part would eliminate the Adult Home and Resident Council programs under the Justice Center for the Protection of People with Special Needs.

**A.10008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Extend Dedicated Highway and Bridge Trust Fund Revenue and Cost	This part would extend the increase and disposition of certain Department of Motor Vehicles (DMV) fees into, and payment of DMV costs from, the Dedicated Highway and Bridge Trust Fund for two years.
B	Extend the IPIRP	This part would extend the Internet Point Insurance Reduction Program (IPIRP) for two years.
C	Increase Motorcycle Operation Safety	This part would require certain motorcycle license applicants to successfully complete a motorcycle rider safety course approved by the Department of Motor Vehicles.
D	Establish an Intelligent Speed Assistance Device Pilot Program	This part would authorize the City of New York to establish a five-year pilot program requiring any person convicted of speeding or found liable for a school zone speed camera violation to install intelligent speed assistance devices in any motor vehicle they own or operate.
E	Authorize the Operation of Autonomous Motor Vehicles	This part would extend the authorization for demonstration and testing of autonomous vehicles on public roads for two years and authorize the use of autonomous vehicles to transport passengers for hire outside the City of New York.
F	Enhance Transportation Worker Protections	This part would expand existing penalties related to assault against certain transportation workers to include additional workers and locations.
G	Expand the Use of Work Zone Speed Cameras	This part would expand the authorization for the New York State Department of Transportation, Thruway Authority, Triborough Bridge and Tunnel Authority, and State Bridge Authority to utilize work zone speed cameras on any real property owned, controlled, or under their jurisdiction.
H	Extend MTA Tax Increment Financing	This part would extend the Metropolitan Transportation Authority (MTA) Tax Increment Financing authority for an additional ten years.

I	Revise SEQRA for the Second Ave Subway Project	This part would allow the Metropolitan Transportation Authority (MTA) to conduct its State Environmental Quality Review Act (SEQRA) reviews for the Second Avenue Subway project in two separate phases.
J	Transfer of Authority to Administer Agricultural Marketing Orders	This part would transfer the administration of dairy and other agricultural marketing orders from Empire State Development Corporation back to the New York State Department of Agriculture and Markets.
K	Extend Refundability of the Investment Tax Credit for Farmers	This part would extend the refundability provisions of the investment tax credit for farmers for five years.
L	Modify the Green Jobs-Green New York Program	This part would modify the Green Jobs-Green New York program to increase the maximum loan amount, extend the loan payback period, revise loan transfer and recording requirements.
M	Extend the NYSERDA Special Assessment	This part would extend the authorization of the New York State Energy and Research Development Authority (NYSERDA) to receive funds from an assessment on gas and electric utilities for one year.
N	Enhance Information in Utility Rate Cases	This part would require utility rate cases to include additional information, including executive compensation, and provide a proposal that would limit rate increases to the rate of inflation.
O	Revise Utility Rate Case Timing	This part would extend the maximum time allowed for consideration of utility rate cases and allow the Public Service Commission to establish multi-year rate plans.
P	Identify and Monitor Utility Energy Burden	This part would require the Public Service Commission to establish residential customer energy burden criteria, including when gas and electric utilities may be required to install an independent affordability monitor.
Q	Protect Tenants from Utility Shutoffs	This part would allow utilities to place a lien on a delinquent landlord's property as a method of collecting arrears.

R	Revise SEQRA Requirements	This part would amend the State Environmental Quality Review Act (SEQRA) to exempt certain projects from review, including housing and accompanying non-residential uses, child-care facilities, bike paths, and public infrastructure, and establish process deadlines for all state and local permits and authorizations.
S	Remove Limits for Municipal Zero-Emission Vehicle Rebates	This part would remove minimum and maximum rebate limits from the municipal Zero-Emission Vehicle (ZEV) Grant Program.
T	Extend DASNY Authorization to Form Subsidiaries	This part would extend the authorization of the Dormitory Authority of the State of New York (DASNY) to form subsidiaries for the purpose of taking over defaulted property for two years.
U	Authorize SUNY and DOT to Convey Certain State-Owned Lands	This part would authorize SUNY Farmingdale and SUNY Stony brook to lease certain lands and for the Department of Transportation (DOT) to convey and transfer certain lands in the Town of Babylon, Suffolk County to support housing needs.
V	Extend the Empire State Economic Development Fund	This part would extend the authorization for the Urban Development Corporation to administer the Empire State Economic Development Fund for one year.
W	Extend the Urban Development Corporation Loan Powers	This part would extend the general loan powers of the Urban Development Corporation for one year.
X	Preserve and Apply Provenance Data	This part would require online platforms to preserve and apply provenance data to content created or modified by artificial intelligence systems.
Y	Implement Online Safety Features for Minors	This part would require operators of online platforms to implement default safety settings relating to minors, including restricting interactions with adults, limiting access to artificial intelligence companion features, and enabling parental controls over online spending.
Z	Prohibit Misleading Sales Discounts	This part would prohibit a seller from advertising a reduction in price of an item unless the former price is the actual price of the product offered for sale to the public.
AA	Regulate Data Brokers	This part would require data broker entities to register with the Department of Financial Services.

BB	Require Explanation of Insurance Premium Increases	This part would require that property and casualty insurers provide a written explanation of a premium increase automatically when the total policy premium increase is in excess of 10% or at the request of the insured.
CC	Establish a Homeowners' Insurance Benchmark Loss Ratio	This part would require certain homeowners' insurance companies to refile their homeowners' insurance rates with the Department of Financial Services (DFS) if they had an actual loss ratio below a benchmark loss ratio specified by DFS in regulation.
DD	Require Property and Casualty Insurance Risk Mitigation Discounts	This part would require homeowners' insurance and commercial property insurance companies to provide discounts for certain risk mitigation measures and report on such discounts annually to the Department of Financial Services.
EE	Limit Litigation in Motor Vehicle Accidents	This part would narrow the definition of serious injury and limit non-economic damages available to be recovered by a person injured while operating a motor vehicle illegally or found at greater fault for the accident.
FF	Extend Timelines for Investigating and Reporting Insurance Fraud	This part would extend the amount of time an insurer shall report suspected fraudulent claims to the Department of Financial Services and allow an insurer to issue a denial or assert a defense after the 30-day payment requirement has elapsed.
GG	Require Reporting for Insurers of Multi-Family Housing	This part would require insurers that provide policies for loss of or damage to multi-family residential properties to file an annual report with the Department of Financial Services that includes information on such policies.
HH	Modify Prior Authorization	This part would require the Department of Financial Services to include additional information for consumers about the amount and outcomes of pre-authorization for each insurer, increase the transitional period for new enrollees of a health plan from 60 days to 90 days or for the duration of a pregnancy and postpartum care, require plans to publish their formulary drug list, and limit utilization review to once per year for treatment of a chronic health condition.

II	Require Motor Vehicle Insurance Discounts for Dashboard Cameras	This part would require insurers to provide discounts on motor vehicle insurance premiums for motor vehicles equipped with a dashboard camera.
JJ	Require Disclosure for Private Education Loans	This part would impose certain disclosure and transparency requirements on lenders regarding private education loan terms.
KK	Extend Motor Vehicle Insurance Excess Profit Law	This part would extend the requirement that motor vehicle insurers refund to their policyholders a share of excess profits for three years.
LL	Extend the Health Insurance Continuation Assistance Demonstration Project	This part would extend the Health Insurance Continuation Assistance Demonstration Project for one year.

**A.10009 - REVENUE**

<b>PART</b>	<b>DESCRIPTION</b>	<b>SUMMARY</b>
A	Enhance and Reform the Child and Dependent Care Credit	This part would create a standalone Child and Dependent Care credit decoupled from the federal credit starting in Tax Year 2026. This part retains certain provisions from the State's pre-2025 credit but enhances the overall benefit and increases the credit's progressive structure.
B	Eliminate Income Taxes on Tipped Wages	This part would allow taxpayers with incomes below \$150,000 (or \$300,000 for joint filers) to deduct up to \$25,000 of Qualified Tips from their state personal income taxes. This part incorporates by reference the provisions of 26 U.S.C § 224 as enacted by the Federal H.R. 1 in 2025.
C	Retain Deductibility of Certain Charitable Contributions	This part would retain the deductibility of certain charitable contributions if an organization's tax-exempt status is revoked federally. This part applies only to such organizations that remain in compliance with IRC § 501(c)(3) and if the revocation was unrelated to its charitable mission.
D	Standardize the Definition of Farmer for Certain Tax Credits	This part would create a simplified and uniform definition of "eligible farmer" to facilitate eligibility determinations for certain farm-related credits.
E	Extend the Temporary Article 9-A Tax Rates for Three Years	This part would extend the Article 9-A tax rates for an additional three years through tax year 2029. The state will continue imposing a 7.25 percent rate on corporate franchises with a business income base exceeding \$5 million. The current 0.1875 percent capital base tax on businesses not categorized as small businesses will also be extended.
F	Decouple from Certain H.R. 1 Provisions	This part would prevent the State from adopting certain recently enacted federal tax laws regarding research and experimental (R&E) expenditures by decoupling from federal law. This part would maintain the standard depreciation deductions for qualified production property allowed by federal law before the enactment of H.R. 1; not allow taxpayers to deduct 100% of domestic R&E expenditures immediately nor retroactively; decouple from the IRC's deductions for domestic R&E expenditures; and align the State's treatment of domestic and foreign R&E expenditures.



G	Decouple NYC from Certain H.R. 1 Provisions	This part would decouple New York City Administrative Code from the same provisions of H.R. 1 as the State would in Part F regarding (R&E) expenditures. Additionally, New York City would further decouple from recently enacted H.R. 1 provisions regarding the computation of adjusted taxable income and deduction limits for expensing qualifying equipment and/or software.
H	Enact Pass-Through Entity Tax Flexibility	This part would change the PTET and NYC PTET election deadline from March 15 <sup>th</sup> to September 15 <sup>th</sup> . This would allow entities formed after March 15 <sup>th</sup> to make PTET elections through September 15 <sup>th</sup> and establishes a payment schedule based on when such election is made.
I	Extend the Commercial Security Tax Credit for Three Years	This part would extend the Commercial Security Tax Credit program for three years through tax year 2028.
J	Enhance the New York City Musical and Theatrical Production Tax Credit	This part would increase the aggregate amount available for the New York City Musical and Theatrical Production credit from \$400 million to \$550 million. This increase would only apply to NYC musical and theatrical production companies whose first performance was on or after December 1, 2025.
K	Impose Tax on Alternative Nicotine Products	This part would classify “alternative nicotine products” as tobacco products and impose the 75 percent tobacco products excise tax on such products. This part would subject “alternative nicotine products” to the State’s tax administration and enforcement mechanisms.
L	Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement	This part would impose a \$0.55 per unit tax on vapor product distributors when such products are first imported into or manufactured in the State. This would be in addition to the existing 20% tax currently imposed on retail sales of vapor products. This part would also require dealers and distributors to receive certifications; create a registry of vapor products that may be sold; define unregistered vapor products as contraband; impose recordkeeping requirements; create enforcement mechanisms for the Tax Department; and expand penalties for violations.
M	Extend Reduced Transfer Tax Rates for Qualifying Real Estate Investment Trusts for Three Years	This part would extend the reduced transfer tax rates for REITs for three years from September 1, 2026 to September 1, 2029.

N	Modify the Vendor Registration Program	This part would authorize the Department of Taxation and Finance to begin a multi-phase sales tax vendor re-registration program to be completed by December 31, 2030. Additionally, this part would incentivize delinquent vendors with penalty abatements and interest reductions for vendors who pay off their full liability by December 31, 2026, and a penalty and interest discount program for vendors who pay off their liabilities before the re-registration program begins.
O	Establish a Sales Tax Exemption for EV Charging Stations	This part would establish a sales tax exemption for the retail sale of electricity from commercial electric vehicle charging stations.
P	Extend the Sales and Use Tax Vending Machine Exemption for Three Years	This part would extend the vending machine sales and use tax exemption for three years through May 31, 2029.
Q	Extend the Residential Energy Storage Exemption for Two Years	This part would extend the sales tax exemption for residential energy storage for two years until June 1, 2028.
R	Amend the Petroleum Business Tax Filing Deadline for Commercial Vessel Operators	This part would require non-exempt commercial vessel operators to file tax returns annually on or by March 20 <sup>th</sup> instead of requiring monthly filings.
S	Extend the Alternative Fuels Exemption for Five Years	This part would extend the alternative fuel tax exemptions for five years until September 1, 2031.
T	Streamline STAR Program	This part would make various technical changes to improve and streamline the administration of STAR exemptions and credits.
U	Extend the Telecommunications Assessment Ceiling Program	This part would extend the statewide telecommunications assessment ceiling program for four years.
V	Increase Income Eligibility Thresholds for SCRIE and DRIE	This part would extend the Senior Citizen Rent Increase Exemption (SCRIE) and the Disability Rent Increase Exemption (DRIE) programs for an additional two years, increase the maximum income eligibility thresholds for each program from \$50,000 to \$75,000 in New York City, and authorize increased income eligibility thresholds outside New York City at local option.
W	Amend and Simplify the Pari-Mutuel Tax Rate Structure	This part would modify the existing pari-mutuel tax rate structure in New York State.
X	Extend Authorized Use of Capital Funds by Capital District OTB	This part would extend Capital District OTB's authorization to use capital acquisition funds for one year.

Y	Make Pari-Mutuel Simulcasting Provisions Permanent	This part would make various provisions relating to pari-mutuel simulcasting permanent.
Z	Exempt Certain Horse Racing Licensing Requirements	This part would extend certain licensing exemptions for workers at the Belmont Stakes held in Saratoga for one year.



## PROPOSED CONSTITUTIONAL AMENDMENT

PART	DESCRIPTION	SUMMARY
	Authorize the Sale of Certain Decommissioned Adirondack Correctional Facilities	This concurrent resolution would authorize the public or private sale of three decommissioned correctional facilities, located on Adirondack Forest Preserve Land, in exchange for the acquisition of additional land within the Adirondack Park.



**JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET  
STATE FISCAL YEAR 2026-27**

<b>DATE</b>	<b>TIME</b>	<b>TOPIC</b>
January 27	12:30 PM	Agriculture & Markets/Parks & Recreation
January 28	9:30 AM	Environmental Conservation/Energy
January 29	9:30 AM	Elementary/Secondary Education
February 3	9:30 AM	Transportation
February 4	9:30 AM	Mental Hygiene
February 5	9:30 AM	Human Services
February 10	9:30 AM	Health/Medicaid
February 11	9:30 AM	Local Government/General Government
February 12	9:30 AM	Public Protection
February 24	9:30 AM	Higher Education
February 25	9:30 AM	Labor/Workforce Development
	2:00 PM	Housing
February 26	9:30 AM	Economic Development/Arts
	2:00 PM	Taxes

**FORECAST OF RECEIPTS**

On or before February 28	Release of revenue receipts by the Fiscal Committees of the Legislature
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*Hearings will be held in the Hamilton Room (Hearing Room B) in the Legislative Office Building, Albany*





## **Glossary of Commonly Used Acronyms**

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

## **Glossary of Commonly Used Acronyms**

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

## **Glossary of Commonly Used Acronyms**

EBT	Electronic Benefit Transfer
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
GILTI	Global Intangible Low-Taxed Income
GIVE	Gun Involved Violence Elimination
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work

## Glossary of Commonly Used Acronyms

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

## **Glossary of Commonly Used Acronyms**

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
NYSWIMS	New York Statewide Investment in More Swimming
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCA	Office of Court Administration
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control
OMH	Office of Mental Health
OMIG	Office of Medicaid Inspector General
OPEB	Other Post-Employment Benefits
OPRHP	Office of Parks, Recreation and Historic Preservation
OPWDD	Office for People with Developmental Disabilities
ORDA	Olympic Regional Developmental Authority
ORP	Optional Retirement Program
OSC	Office of the State Comptroller

## Glossary of Commonly Used Acronyms

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
PPO	Preferred Provider Organization
PS	Personal Service
PSC	Public Service Commission
P-TECH	Pathways in Technology Early College High School
PTET	Pass-Through Entity Tax
PwC	PricewaterhouseCoopers LLP
QCEW	Quarterly Census of Employment and Wages
QHP	Qualified Health Plan (NYSOH)
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Council
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RHY	Runaway Homeless Youth
RPCI	Roswell Park Cancer Institute
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SED	State Education Department
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SHU	Special Housing Unit
SICG	Statewide Interoperable Communications Operations Grant Awards
SNA	Safety Net Assistance
SNAP	Supplemental Nutrition Assistance Program
SOF	State Operating Funds
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STEM	Science, Technology, Engineering, Math
STIP	Short-Term Investment Pool

## **Glossary of Commonly Used Acronyms**

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