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ALBANY

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January 25, 2021

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) 2021-22. 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 19, 2021. This publication is accessible on our website: www.assembly.state.ny.us/Reports/WAM/2021yellow/.

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 2021-22 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 "Helene E. Weinstein".

HELENE E. WEINSTEIN

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**A REVIEW AND ANALYSIS
OF THE
2021-22 EXECUTIVE BUDGET**

YELLOW BOOK

January 2021

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

Prepared by the
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A Review and Analysis of the 2021-22 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) 2021-22 at \$192.9 billion, an annual growth of 0.1 percent.
- **State Operating Funds Spending:** The Executive's estimate of 1.2 percent growth in State Operating Funds remains below its 2.0 percent spending benchmark with anticipated total disbursements of \$103.4 billion.
- **General Fund Spending:** The Executive estimates General Fund disbursements of \$82.0 billion in SFY 2021-22, for an annual growth of \$7.2 billion or 9.6 percent.
- **Closing the SFY 2020-21 and SFY 2021-22 Budget Gaps:** The Executive budget closes a combined budget gap of \$15 billion over state fiscal years 2020-21 (\$4.8 billion) and 2021-22 (\$10.2 billion). The Executive Budget eliminates these gaps with spending reductions totaling \$4.3 billion in SFY 2020-21 and \$3.5 billion in SFY 2021-22; other savings actions of \$522 million for SFY 2020-21; and new revenue sources estimated at \$6.7 billion for SFY 2021-22.
- **Out-year Budget Gaps:** After gap-closing actions, the Executive Budget assumes out-year gaps of \$2.9 billion in SFY 2022-23; \$6.0 billion in SFY 2023-24; and \$8.6 in SFY 2024-25.
- **Unrestricted Federal Aid:** The Executive Financial Plan is greatly dependent upon the receipt of federal aid to address the impacts of the COVID-19 pandemic, and assumes an estimate of \$6 billion in unrestricted Federal aid apportioned evenly across SFYs 2021-22 and 2022-23. Federal receipts in excess of this amount would be utilized to offset reductions assumed in the Executive Budget.
- **Budget Reductions:** The Executive includes language authorizing the Director of the Division of the Budget to make automatic across-the-board reductions as of August 31, 2021, if the state receives less than \$3 billion in unrestricted Federal aid in the upcoming state fiscal year.
- **General Fund Reserves:** The Executive estimates the SFY 2021-22 General Fund closing balance at \$5.7 billion, a decrease of \$1.5 billion from the current year.

BUDGET REVIEW AND ANALYSIS: FINANCIAL PLAN



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

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

Table 1

Size of Budget (\$ in Millions)				
	SFY 2020-21	SFY 2021-22	Difference	Percent
General Fund	74,747	81,960	7,213	9.6
State Operating Funds	102,186	103,405	1,219	1.2
State Funds	114,367	118,783	4,416	3.9
All Funds	192,730	192,943	213	0.1

Source: NYS Division of Budget SFY 2021-22 Executive Budget Financial Plan.

The Executive proposes a \$192.9 billion budget for SFY 2021-22, representing All Funds growth of \$213 million or 0.1 percent.

Total State Funds spending is projected at \$118.8 billion or 3.9 percent over SFY 2020-21.

The Executive estimates total General Fund spending at \$82.0 billion for SFY 2021-22, a 9.6 percent increase from SFY 2020-21. General Fund growth is impacted by several transactions that lower spending including: the shift of \$3 billion of certain health and public safety payroll costs to the Federal Coronavirus Relief Fund (CRF), five quarters of a higher Federal share of Medicaid expenses (eFMAP); and the deferral of non-Medicare Federal Insurance Contributions Act (FICA/Social Security) payments.

Sources and Uses of Funds

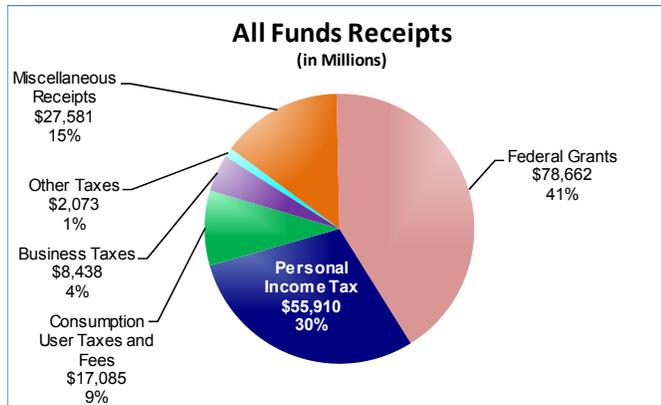


Figure 1

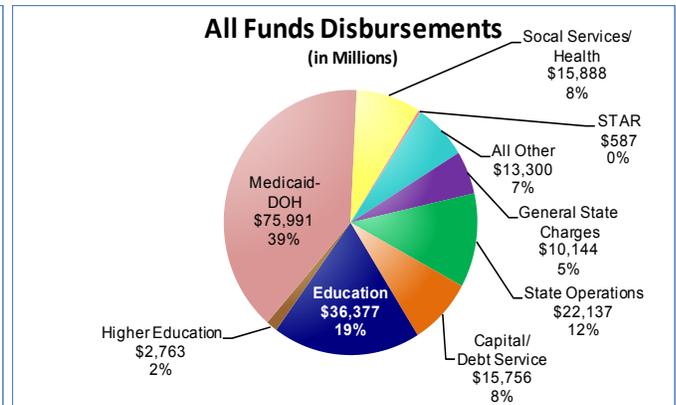


Figure 2

Federal Grants and Personal Income Tax (PIT) receipts make up the largest sources of State revenue at 41 percent and 30 percent, respectively. Medicaid and education are the most significant categories of state spending; together they account for 58 percent of the All Funds Budget.

Federal Aid

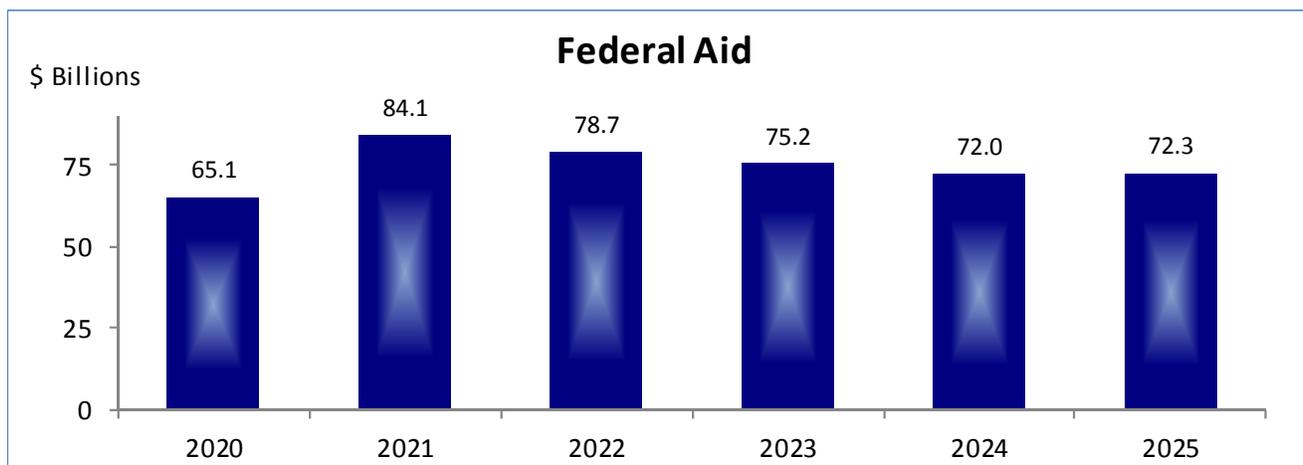


Figure 3

The Budget assumes Federal aid of \$78.7 billion in SFY 2021-22, a decrease of \$5.4 billion from SFY 2020-21. The decrease in Federal aid is related to the elimination of the one-time Coronavirus Relief Fund (\$5.1 billion), lower Medicaid expenditures, and \$4.2 billion lost wage assistance; offset by an increase of \$3.1 billion in education aid, and \$801 million for the state's portion of Rental Assistance Program.

The SFY 2021-22 Budget assumes an amount of \$6 billion in new, unrestricted federal aid in SFYs 2021-22 and 2022-23, apportioned evenly among the two fiscal years.



The Financial Plan continues to assume that the Federal government will fully fund the State's direct pandemic response costs, and projects a total \$1 billion will become eligible for reimbursement by FEMA over State Fiscal Years 2021-22 through 2023-24.

Table 2

Estimated Federal COVID-19 Relief in New York by Programmatic Area & Primary Recipient						
(\$ in Millions)						
	New York State	New York Authorities	Local Governments	Healthcare Providers	Airports, Private Entities, Individuals & Other	Total Award
Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020						
Epidemiology	34		25			59
Healthcare	6					6
Subtotal	40	0	25	0	0	65
Families First Coronavirus Response Act						
Labor	4,265				42,600	46,865
eFMAP	5,564					5,564
Agriculture					224	224
Other	20			150		170
Subtotal	9,849	0	0	150	42,824	52,823
CARES Act						
Business					57,667	57,667
Recovery Rebate					16,000	16,000
Healthcare	3		1	11,763	86	11,853
Coronavirus Relief Fund	5,136		2,408			7,544
Transportation	47	4,427			411	4,885
Education	1,781				446	2,227
Food	362				850	1,212
Housing	61	198	453			712
Community Development	214		349			563
Other	999		52		397	1,448
Subtotal	8,603	4,625	3,263	11,763	75,857	104,111
Paycheck Protection Program and Health Care Enhancement Act						
Epidemiology	704		809			1,513
Subtotal	704	0	809	0	0	1,514
Coronavirus Response and Relief Supplemental Appropriations Act, 2021						
Recovery Rebate					9,700	9,700
Education	5,344				610	5,954
Transportation	429	4,329			105	4,863
Epidemiology	740		555			1,295
Housing	801		482			1,283
Other	621		9	10	509	1,149
Subtotal	7,935	4,329	1,046	10	10,924	24,244
Grand Total	27,131	8,953	5,144	11,924	129,606	182,756

The Federal government has taken several legislative and administrative actions intended to stabilize the financial markets; extend aid to businesses; support the public health; address loss of income; and reimburse state governments for direct costs of response to the COVID-19 pandemic. An estimated \$182.8 billion from five Federal COVID-19 response bills has been awarded to the State of New York to date, of which approximately \$27.1 billion is assumed in the New York State Financial Plan. The balance of funding (\$155.6 billion) is provided directly to individuals, businesses and other entities, and does not flow through the State's Financial Plan.

Coronavirus Relief Fund (\$5.1 billion): The State has been directly awarded \$5.1 billion from the CRF for specific pandemic response costs; \$3 billion was utilized in SFY 2020-21 for certain public health and safety personnel costs as well as other direct pandemic response costs.

Education: CRRSA Federal Funding Allocation (\$4.3 billion) and CARES (\$1.2 billion): The Executive Budget includes \$4.3 billion in Elementary and Secondary School Emergency Relief funds that were allocated to New York from the Federal Government. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) allocates \$3.6 billion in funding to school districts and charter schools in proportion to their federal Title I awards. The Elementary and Secondary Emergency Relief fund (ESSER) and funds from the Governor's Emergency Education Relief (GEER) program would be allocated to school districts of low and average wealth (\$395 million and \$73 million, respectively). The State Education Department would retain \$5 million to support program administration. The CRRSA also provided \$249 million in dedicated GEER funds to support pandemic-related services and assistance to nonpublic schools, with \$1 million provided to SED for program administration.

During SFY 2020-21, the State received \$1.2 billion in CARES Act to offsets state spending, and to otherwise provide school districts with current law levels of support.

Higher Education: CRRSA (\$1.6 billion) CARES (\$999 million): CRRSA provides support for student financial aid in the same amount allocated under the CARES Act, and the remainder is provided in institutional operating support.

Emergency Rental Assistance Program (\$1.28 billion): The Budget includes a \$1.28 billion for the Emergency Rental Assistance Program, supported entirely by federal funds. Funding will support future rent and rental arrears payments for households that have experienced financial hardship, are at risk of homelessness or housing instability, and have incomes that are lower than 80 percent of the area median income (AMI). Priority will be given to those who have been out of work for ninety days or more, and whose have income is at or below 50 percent of AMI. The proposal also includes a hardship fund for those who are undocumented.



Health/Medicaid (eFMAP): The Federal government has provided various grants to New York providers to address the COVID-19 pandemic. These grants include an emergency 6.3 percent increase in eFMAP during the declared state of emergency, providing savings to the State of \$3.5 billion in SFY 2020-21 and \$995 million in SFY 2021-22; \$969 million of eFMAP for the local governments share of Medicaid; \$1.4 billion for testing, laboratory capacity, and contact tracing; and \$11.9 billion in Provider Relief Fund grants.

Transportation (\$9.74 billion): Federal aid for transportation and public transit authorities is estimated at \$9.74 billion. The CARES Act provided \$4.89 billion to the State including \$4 billion to the MTA and remainder to other public transit operating assistance. The CRRSA Act is estimated to provide \$4.86 billion for public transit systems.

Federal aid received under COVID-19 response legislation is spent over multiple state fiscal years such as eFMAP, CRF, loss wages assistance, and education funding. (Table 3)

Table 3

FEDERAL FUNDS DISBURSEMENTS					
(\$ in Millions)					
	SFY 2020-21	SFY 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25
	Current	Proposed	Projected	Projected	Projected
DISBURSEMENTS					
Medicaid	44,976	46,876	46,798	47,701	47,861
eFMAP, including local passthrough	4,236	1,210	0	0	0
Health	7,155	8,027	8,173	8,083	8,030
Social Welfare	4,680	4,686	4,687	4,689	4,691
Education	3,862	3,873	3,857	3,857	3,857
Transportation	1,645	1,573	1,573	1,573	1,573
Public Protection	1,732	1,333	1,335	1,306	1,298
Coronavirus Relief Fund	3,947	1,193	0	0	0
Lost Wages Assistance	4,200	0	0	0	0
Education CARES Act Funds	842	360	0	0	0
Education Supplemental Appropriations Act	0	3,104	1,221	0	0
Emergency Rental Assistance Program	0	801	0	0	0
All Other ¹	1,087	1,122	1,116	1,110	1,097
Total Disbursements	78,363	74,160	68,761	68,319	68,407

¹All Other includes housing and homeless services, economic development, mental hygiene, parks, environment, higher education, and general government areas.

The Executive Budget proposal includes a Federal emergency contingency appropriation of \$35 billion to provide authority for the disbursement of unforeseen funds received from the Federal government; this is an increase of \$10 billion over SFY 2020-21.

Budget Management Tools

The SFY 2020-21 Enacted Budget provided the following provisions to ensure the budget remained in balance while the state and nation responded to the economic, financial, and social effects of the COVID-19 public health emergency:

- Authorization to allow the Director of the Division of Budget to reduce General Fund and special revenue appropriations to maintain a balanced budget if a General Fund imbalance occurred during prescribed measurement periods. Under this provision, the Legislature would be provided 10 days to respond to an Executive reduction plan. If no alternative plan was provided, the executive reduction plan would take effect. To date, this authority has not been utilized.
- The Director of the Division of Budget was also authorized to delay or withhold payments in response to the impact of the COVID-19 public health emergency if a financial plan imbalance occurred. The Division of Budget is required to provide notification of withheld amounts at the beginning of each month. Beginning in June 2020, DOB withheld roughly 20 percent of certain local aid payments, with roughly \$2.9 billion in payments withheld through December 2020 (Table 4). Due to an improved receipts forecast, payments are now projected to be reduced by only five percent and amounts that have been withheld in excess of the five percent are anticipated to be reconciled and repaid in the final quarter of the current fiscal year.
- Authorization for the State to utilize certain short-term liquidity facilities including up to \$8 billion in short-term PIT notes and a line of credit of up to \$3 billion. The State issued \$4.5 billion in short-term PIT notes projected to be paid back by the end of the current fiscal year.
- The Authorization to suspend certain provisions of the Debt Reform Act for all bonds issued in SFY 2020-21 to allow for flexibility in managing the state's financing needs during the COVID-19 pandemic. Specifically, all debt issued in SFY 2020-21 will not count against the statutory debt cap and debt is authorized to be issued for non-capital purposes.

The SFY 2021-22 Executive Budget proposes to include similar provisions:

- Authorization for the Director of the Division of the Budget to make across-the-board reductions beginning August 31, 2021, if the State receives less than \$3 billion in unrestricted Federal aid.



- The continuation of the authorization to access up to \$11 billion in the above mentioned short-term liquidity facilities; except that the line of credit would be authorized for a three year period instead of one year.
- The extension of the exemption of debt issued in SFY 2021-22 from all provisions of the Debt Reform Act, including the limitation on the maximum bond maturity of 30 years.

State Aid Withholdings

Beginning in June 2020, DOB withheld roughly 20 percent of certain local aid payments, with roughly \$2.9 billion in payments withheld through December 2020. Due to an improved receipts forecast, payments are now projected to be reduced by only five percent and amounts that have been withheld in excess of the five percent are anticipated to be reconciled and repaid in the final quarter of the current fiscal year.

Education: Year to date payment withholdings in Education total \$809 million. This includes \$372 million in school aid, \$131.7 million in excess cost aid, \$99.6 million in BOCES aid and \$205.7 million in other non-statutory contracts.

Higher Education: Payments withheld are estimated at \$585 million, with roughly \$271 million withheld for CUNY senior colleges and a total of \$289.5 million reduction in TAP, Excelsior and Opportunity programs.

Mental Hygiene: Withholdings are estimated at \$125 million including \$17 million in OMH non-residential programs. Additional withholdings are identified in community services, adult services, child and youth services, community treatment services, and prevention support programs, for a total of \$99.1 million.

Transportation: Withholdings are estimated to total \$628 million. The reduction is mainly on non 18-b transit operating aid and the mobility tax.

Unrestricted Aid: Withholdings are estimated to total of \$122 million in unrestricted aid, with \$118.4 million estimated to be withheld in AIM for various towns, cities and villages.

In addition, DOB expects to withhold payments in Medicaid/public health (\$251 million), human services/housing (\$369 million), public safety/general government (\$27 million) and economic development (\$12 million) but the details have not been identified.



Table 4

**Payments Withheld
(\$ in Millions)**

Program Area	YTD Withholdings
Education	(809.0)
School Aid	(372.0)
BOCES Aid	(99.6)
Excess Cost Aid	(131.7)
All Other Non-Statutory Contracts <i>4410 Payments (\$71 million), Universal Pre-k (\$66.4 million), Summer School for Disabled Students (\$21.3 million), Library Aid (\$18.2 million), Mandated Services (\$16.3 million), Education of Native American Students (\$9.1 million)</i>	(205.7)
Higher Education	(585.0)
City University of New York - Senior Colleges	(270.7)
City University of New York	(20.2)
Bundy Aid	(4.6)
All Other Non-Statutory Contracts <i>TAP, Excelsior, Opportunity Programs</i>	(289.5)
Medicaid/Public Health - Non-Statutory	(251.0)
Mental Hygiene	(125.0)
OMH Non-Residential - Upstate October 2020 Quarter	(11.0)
OMH Non-Residential - NYC October 2020 Quarter	(6.2)
OASAS - Non-Residential - ROS - October 2020 Quarter	(3.7)
OASAS - Non-Residential - NYC October 2020 Quarter	(2.2)
OPWDD - ROS - October 2020 Quarter	(0.5)
OASAS State Aid Letters	(2.2)
All Other Non-Statutory Contracts <i>Community Services, Adult Services, Child & Youth Services, Community Treatment Services, Prevention Support</i>	(99.1)
Human Services/Housing - Non-Statutory	(369.0)
Transportation	(628.0)
MTA	(9.4)
Non-MTA Downstate Transit Systems - not NYC	(0.4)
Non-MTA Downstate Transit Systems - NYC	(0.4)
Upstate Transit Systems	(0.8)
MTA MMTOA 18-b	(9.1)
Upstate Systems GF 18-b	(0.6)
Downstate non-MTA Systems MMTOA 18-b NYC	(0.4)
Downstate non-MTA Systems MMTOA 18-b ROS	(0.4)
MTA GF 18-b	(0.3)
Upstate Systems PTOA 18-b	(0.2)
Non-MTA Downstate Systems GF 18-B	(0.1)
MTA MMTOA 18-b	(9.1)
Upstate Systems GF 18-b	(0.6)
Downstate non-MTA Systems MMTOA 18-b NYC	(0.4)
Downstate non-MTA Systems MMTOA 18-b ROS	(0.4)
MTA GF 18-b	(0.3)
Upstate Systems PTOA 18-b	(0.2)
Downstate non-MTA Systems GF 18-b NYC	(0.1)
Downstate non-MTA Systems GF 18-b ROS	(0.04)
MTA MMTOA 18-b	(9.10)
Downstate non-MTA Systems MMTOA 18-b NYC	(0.42)
Downstate non-MTA Systems MMTOA 18-b ROS	(0.38)
MTA GF 18-b	(0.29)
Upstate Systems GF 18-b	(0.11)
Downstate non-MTA GF 18-b NYC	(0.05)
Upstate PTOA 18-b	(0.04)
Downstate non-MTA GF 18-b ROS	(0.04)
All Other Non-Statutory Contracts <i>Non- 18b Transit Operating Aid, Mobility Tax</i>	(584.40)
Unrestricted Aid	(122.0)
Citizens Empowerment Tax Credit (CETC)	(1.0)
Aid to Municipalities with Video Lottery Gaming Facilities (VLT) - Non-Yonkers	(2.0)
Small Government Assistance	(0.4)
AIM	(118.4)
September AIM - Cities	(4.1)
September AIM - Towns	(1.0)
September AIM - Villages	(0.7)
Buffalo	(19.7)
Yonkers	(19.5)
Rochester	(17.6)
Syracuse	(12.4)
Lackawanna	(1.2)
Auburn	(1.0)
Watertown	(0.9)
White Plains	(0.6)
Long Beach	(0.6)
Corning	(0.3)
Amsterdam	(0.1)
Rensselaer	(0.1)
October AIM - Cities	(1.3)
December AIM - Cities	(37.2)
All Other Non-Statutory Contracts	(0.2)
Public Safety - Non-Statutory Contracts	(27.0)
Economic Development - Non-Statutory Contracts	(12.0)
Total	(2,928.0)

Note: YTD withholdings include data through December 2020.



Closing the SFY 2020-21 and 2021-22 Budget Gaps

Table 5

SFY 2021-22 EXECUTIVE BUDGET					
GENERAL FUND BUDGETARY BASIS OF ACCOUNTING					
SAVINGS/(COSTS)					
(\$ in Millions)					
	SFY 2020-21	SFY 2021-22	SFY 2022-23	SFY 2023-24	SFY 2024-25
	Current	Proposed	Projected	Projected	Projected
MID-YEAR UPDATE BUDGET SURPLUS/(GAP)	0	(8,725)	(9,743)	(9,419)	(10,721)
Unallocated Budget Balance Reductions	(8,180)	(8,000)	(8,000)	(8,000)	(8,000)
Revenue Revisions	3,408	6,524	7,219	6,584	6,471
REVISED SURPLUS/GAP	(4,772)	(10,201)	(10,524)	(10,835)	(12,250)
Receipts¹	522	6,698	5,929	2,501	1,573
Personal Income Tax/STAR	45	1,978	1,897	1,761	1,101
Local District Funding Adjustment	0	1,352	1,292	1,233	1,178
Other Taxes	0	(52)	(141)	(99)	(146)
Miscellaneous Receipts	17	14	(16)	(16)	(16)
Federal Aid	0	3,000	3,000	0	0
Debt Service Transfers	61	491	(25)	(543)	(708)
Non-Tax Transfers	399	(85)	(78)	165	164
Disbursements¹	4,250	3,503	1,723	2,341	2,076
Local Assistance	2,208	<u>3,102</u>	<u>1,966</u>	<u>1,888</u>	<u>1,590</u>
Enhanced FMAP Extension	497	995	0	0	0
Proposed Savings/Revisions	1,711	2,107	1,966	1,888	1,590
Agency Operations/Fringe Benefits:	1,520	<u>710</u>	<u>(391)</u>	<u>226</u>	<u>43</u>
Fund Eligible Expenses from CRF	2,476	0	0	0	0
Pandemic Expenses/FEMA Reimbursement	(1,000)	600	200	200	0
Proposed Savings/Revisions	44	110	(591)	26	43
Debt Service Transfers	(1)	47	39	25	12
Capital Projects Transfers	464	(480)	(45)	(54)	(87)
Other Transfers	59	124	154	256	518
Reclassification of Debt Service Reimbursement	0	0	0	0	0
Transfers From PIT Revenue Bond Tax Fund	0	(1,494)	(1,609)	(1,741)	(1,781)
Non-Tax Transfers	<u>0</u>	<u>1,455</u>	<u>1,589</u>	<u>1,721</u>	<u>1,777</u>
Transfers from Dedicated Highway Bridge Tax Fund	0	1,175	1,332	1,384	1,471
Transfers from Mental Hygiene Services Fund	0	280	257	337	306
Local Assistance: HCRA/HEAL Transfers	0	39	20	20	4
MIDYEAR UPDATE BUDGET SURPLUS/(GAPS)	0	0	(2,872)	(5,993)	(8,601)

¹ Accounting reclassifications that have no net impact on the General Fund balance are shown separately.

Prior to release of the Executive Budget, the Division of Budget estimated General Fund budget gaps of \$8.2 billion in SFY 2020-21 and \$16.7 billion in SFY 2021-22. Due to an increase in the receipts forecast, the current year budget gap has been reduced to \$4.8 billion (a \$3.4 billion change) and the SFY 2021-22 budget has been reduced to \$10.2 billion (a \$6.5 billion change) for SFY 2021-22, leaving a

combined gap of \$15 billion. The Executive Budget proposal includes recommendations that would eliminate the entire two-year General Fund gap with spending reductions totaling \$4.3 billion in SFY 2020-21 and \$3.5 billion in SFY 2021-22, and new revenue sources estimated at \$522 million for SFY 2020-21 and \$6.7 billion for SFY 2021-22.

Prior to the recommendations included in the Executive Budget, the forecast for out-year gaps through SFY 2024-25 was estimated at a cumulative \$38.6 billion. The Executive budget Financial Plan proposes balanced budgets for SFY 2020-21 and SFY 2021-22; with a gap of \$2.9 billion in SFY 2022-23, \$6.0 billion in SFY 2023-24 and \$8.6 billion in SFY 2024-25.

- **New Revenue Resources:** The plan includes new revenues associated with the PIT high-income tax rate which is projected at \$1.5 billion in SFY 2021-22, and a one year delay of middle class tax cuts (\$394 million).
- **Local District Funding Adjustment:** The Executive Budget uses federal relief funds to offset state spending to school districts by \$1.35 billion in SFY 2021-22.
- **Federal Aid:** The Executive assumes receipt of \$6 billion in unrestricted Federal aid apportioned evenly across SFYs 2021-22 and 2022-23.
- **Transfers:** Revised debt service spending estimates provide General Fund savings in the current fiscal year (\$61 million) and SFY 2021-22 (\$491 million). Additionally, excess balances created by reduced spending in Special Revenue Funds are proposed to be transferred to the General Fund which is estimated at \$399 million in the current fiscal year. An estimated \$110 million in SFY 2021-22 receipts would result from the acquisition of Affinity by Molina, a managed care organization.
- **Local Assistance:** The Executive Budget gap-closing plan reduces local assistance spending by \$2.2 billion in SFY 2020-21 and \$3.1 billion in SFY 2021-22; including the following actions:
 - **eFMAP:** A recent extension of the enhanced eFMAP rate produced additional savings of \$497 million in SFY 2020-21 and \$995 million in SFY 2021-22;
 - **Education:** A reduction of \$693 million for school districts through the consolidation and reduction of certain expense-based aids into a new block grant;



- **Health Care:** Savings of \$1.2 billion in SFY 2020-21 is mainly attributed to the reduction of rates paid to managed care and long-term care insurance carriers based on lower health care utilization, use of available IGT balances, and unspent VAPAP funds to offset costs and other revisions. Savings of \$600 million in SFY 2021-22 is mainly achieved from across the board reductions and use of available resources to support spending; and
 - **Other Local Assistance:** Cash disbursement have been reduced by five percent for most local aid programs in the current year and are proposed to remain flat in SFY 2021-22. These reductions, in addition to spending revisions and re-estimates, amount to savings of \$991 million in SFY 2020-21 and \$1.3 billion in SFY 2021-22.
- **Agency Operations:** The SFY 2020-21 Mid-Year Financial Plan assumed a ten percent reduction to state agency operations. The Executive Budget assumes that the State will continue to withhold planned general salary increases through SFY 2021-22, with repayment budgeted in SFY 2022-23. Additional savings of \$2.5 billion is achieved in the current fiscal year by charging certain public health and safety personnel costs to the CRF and additional savings are achieved in the out years with the assumption of 100 percent FEMA reimbursement. The Executive Budget also reflects savings from the reduction of excess capacity in the mental health and prison systems.
- **Capital Transfers:** The Executive Budget reflects lower than expected capital spending in the current fiscal year, and projects reimbursement of prior year capital spending to produce an estimated savings of \$464 million. Increased costs of \$480 million in SFY 2021-22 reflects the timing of bond proceed reimbursements and additional costs associated with New York City security and national guard deployment, supportive housing, and the Judiciary's capital budget request.



General Fund Reserves

The Executive Budget projects \$5.7 billion in reserves at the end of SFY 2021-22, representing a \$1.5 billion decrease from SFY 2020-21. This decrease is attributable to the transfer of \$959 million in settlement funds for capital purposes allocated in previous budgets. Excluding monetary settlements, the General Fund balance is estimated at \$4.5 billion, a decrease of \$548 million due to the use of undesignated fund balances.

Table 6

Estimated General Fund Closing Balance (\$ in Millions)			
	SFY 2020-21	SFY 2021-22	Annual Change
Tax Stabilization Reserve Fund	1,258	1,258	0
Statutory Rainy Day Reserve Fund	1,218	1,218	0
Contingency Reserve Fund	21	21	0
Community Projects	15	15	0
Reserved for Economic Uncertainties	1,490	1,490	0
Reserved for Debt Management	500	500	0
Undesignated Fund Balance	550	2	(548)
General Fund Total (Excluding Monetary Settlements)	5,052	4,504	(548)
Extraordinary Monetary Settlements	2,185	1,226	(959)
Total General Fund Balance	<u>7,237</u>	<u>5,730</u>	<u>(1,507)</u>



Table 7

Executive Budget Financial Plan
SFY 2021-22
(\$ in Millions)

	Executive General Fund	Executive State Operating Funds	Executive All Funds
OPENING BALANCE	<u>7,237</u>	<u>12,182</u>	<u>15,516</u>
RECEIPTS:			
Personal Income Tax	27,368	55,910	55,910
User Taxes and Fees	7,666	16,492	17,085
Business Taxes	6,019	7,831	8,438
Other Taxes	1,077	1,954	2,073
Total Taxes	<u>42,130</u>	<u>82,187</u>	<u>83,506</u>
Abandoned Property	450	450	450
ABC License Fees	66	66	66
HCRA	—	5,516	5,516
Investment Income	43	43	43
Licences, Fees, Etc.	479	479	479
Lottery	—	3,267	3,267
Medicaid	—	941	941
Motor Vehicle Fees	246	465	465
Reimbursements	70	70	70
State University Income	—	4,974	4,974
Extraordinary Settlements	0	0	0
Other Transactions	413	1,199	11,310
Total Miscellaneous Receipts	<u>1,767</u>	<u>17,470</u>	<u>27,581</u>
Federal Grants	3,000	3,052	78,662
Total Transfers from Other Funds	<u>33,556</u>	<u>—</u>	<u>—</u>
TOTAL RECEIPTS	<u>80,453</u>	<u>102,709</u>	<u>189,749</u>
DISBURSEMENTS:			
School Aid	23,300	26,692	33,316
Higher Education	2,763	2,763	2,763
All Other Education	2,096	2,109	3,061
STAR	—	587	587
Medicaid - DOH	17,011	22,867	75,991
Public Health	475	1,595	4,214
Mental Hygiene	3,348	3,354	3,633
Children and Families	1,478	1,482	2,400
Temporary & Disability Assistance	1,288	1,288	5,641
Transportation	107	3,503	6,191
Unrestricted Aid	667	667	667
All Other	2,038	1,540	6,442
Total Local Assistance Grants	<u>54,571</u>	<u>68,447</u>	<u>144,906</u>
Personal Service	9,131	13,914	14,595
Non-Personal Service	2,450	4,899	7,542
Total State Operations	<u>11,581</u>	<u>18,813</u>	<u>22,137</u>
General State Charges	8,689	9,769	10,144
Debt Service	424	6,376	6,376
Capital Projects	4,222	0	9,380
SUNY Operations	1,226	—	—
Other Purposes	1,247	—	—
Total Transfers to Other Funds	<u>7,119</u>	<u>—</u>	<u>—</u>
TOTAL DISBURSEMENTS	<u>81,960</u>	<u>103,405</u>	<u>192,943</u>
Other Financing Sources (uses):			
Transfers from Other Funds	—	38,017	42,619
Transfers to Other Funds	—	(39,103)	(42,649)
Bonds and Note proceeds	—	0	413
Net Financing Sources	—	<u>(1,086)</u>	<u>383</u>
Excess/(Deficiency) of Receipts over Disbursements	<u>(1,507)</u>	<u>(1,782)</u>	<u>(2,811)</u>
CLOSING BALANCE	<u>5,730</u>	<u>10,400</u>	<u>12,705</u>

Settlement Funds

The State has received a total of \$13.4 billion in settlement funds from financial institutions since SFY 2014-15; including \$600 million in SFY 2020-21. The Executive estimates \$1.2 billion would remain unspent at the end of SFY 2021-22. These additional funds have been set aside for economic uncertainties, bringing the balance reserve for this purpose to approximately \$1.5 billion.

Table 8

Summary of Settlements Between Regulators and Financial Institutions								
(\$ in Millions)								
	SFY 2014-15	SFY 2015-16	SFY 2016-17	SFY 2017-18	SFY 2018-19	SFY 2019-20	SFY 2020-21	Total
Monetary Settlements Known/Expected	4,942	3,605	1,317	805	1,186	895	600	13,350
Agricultural Bank of China	0	0	215	0	0	0	0	215
Bank Hapoalim	0	0	0	0	0	0	220	220
Bank Leumi	130	0	0	0	0	0	0	130
Bank of America	300	0	0	0	0	0	0	300
Bank of America Merrill Lynch	0	0	0	0	42	0	0	42
Bank of Tokyo Mitsubishi	315	0	0	0	0	0	0	315
Barclays	0	670	0	0	15	0	0	685
BNP Paribas	2,243	1,348	0	350	0	0	0	3,941
Department of Financial Services (DFS)	2,243	0	0	350	0	0	0	2,593
Assets Forfeiture (DANY)	0	1,348	0	0	0	0	0	1,348
Citigroup (State Share)	92	0	0	0	0	0	0	92
Commerzbank	610	82	0	0	0	0	0	692
Credit Agricole	0	459	0	0	0	0	0	459
Credit Suisse AG	715	30	0	135	0	0	0	880
Deutsche Bank	0	800	444	0	205	0	150	1,599
FedEx	0	0	0	0	26	0	0	26
Goldman Sachs	0	50	190	0	55	0	150	445
Google/YouTube	0	0	0	0	0	34	0	34
Habib Bank	0	0	0	225	0	0	0	225
Intesa Sanpaolo	0	0	235	0	0	0	0	235
Mashreq Bank	0	0	0	0	40	0	0	40
Mega Bank	0	0	180	0	0	0	0	180
MetLife Parties	50	0	0	0	20	0	0	70
Morgan Stanley	0	150	0	0	0	0	0	150
MUFG Bank	0	0	0	0	0	33	0	33
Ocwen Financial	100	0	0	0	0	0	0	100
RBS Financial Products Inc.	0	0	0	0	100	0	0	100
Societe Generale SA	0	0	0	0	498	0	0	498
Standard Chartered Bank	300	0	0	0	40	322	0	662
Unicredit	0	0	0	0	0	506	0	506
UBS	0	0	0	0	41	0	0	41
Volkswagen	0	0	32	33	0	0	0	65
Wells Fargo	0	0	0	0	65	0	0	65
Western Union	0	0	0	60	0	0	0	60
Other Settlements	87	16	21	2	39	0	80	245
Enacted Use of Available Settlements	275	5,665	2,125	1,934	1,368	1,384	600	13,350
Capital Purposes	0	4,550	1,960	1,205	125	250	0	8,089
Thruway Stabilization Program	0	1,285	700	0	0	0	0	1,985
Penn Station Access	0	250	0	0	0	0	0	250
Infrastructure Improvements	0	115	0	0	0	0	0	115
Broadband Initiative	0	500	0	0	0	0	0	500
Hospitals	0	400	0	0	0	0	0	400
Transit-Oriented Development	0	150	0	0	0	0	0	150
Resiliency, Mitigation, Security, and Emergency Response	0	150	0	0	0	0	0	150
Municipal Restructuring	0	150	0	0	0	0	0	150
Southern Tier/Hudson Valley Farm Initiative	0	50	0	0	0	0	0	50
Upstate Revitalization	0	1,500	170	0	0	0	0	1,670
Transportation Capital Plan	0	0	200	0	0	0	0	200
Municipal Consolidation Competition	0	0	20	0	0	0	0	20
Housing and Homeless Plan	0	0	640	0	0	0	0	640
Economic Development	0	0	85	0	0	0	0	85
Empire State Poverty Reduction Initiative	0	0	25	0	0	0	0	25
Transfer to Environmental Protection Fund	0	0	120	0	0	0	0	120
MTA Capital Plan	0	0	0	65	0	0	0	65
Non MTA Transit	0	0	0	20	0	0	0	20
Buffalo Billion	0	0	0	400	0	0	0	400
Downtown Revitalization	0	0	0	100	0	0	0	100
Security and Emergency Response Preparedness	0	0	0	100	0	0	0	100
Health Care Capital grants	0	0	0	200	125	0	0	325
Life Sciences	0	0	0	320	0	0	0	320
Clean Water infrastructure	0	0	0	0	0	250	0	250
Other Purposes:								
Audit Disallowance - Federal Settlements	0	850	0	0	0	0	0	850
Department of Law - Litigation Services Operations	0	10	63	27	80	6	0	186
Settlements Budgeted in Financial Plan	275	250	102	461	719	0	0	1,807
OASAS Chemical Dependence Programs	0	5	0	0	0	0	0	5
CSX Payment	0	0	0	76	0	0	0	76
Mass Transit Operation Aid	0	0	0	10	0	0	0	10
MTA Operating Aid	0	0	0	0	194	0	0	194
Reserves								
Rainy Day Reserve	0	0	0	0	250	238	0	488
Reserve for Economic Uncertainties	0	0	0	0	0	890	600	1,490
Reserve for Retroactive Labor Settlement	0	0	0	155	0	0	0	155



BUDGET HIGHLIGHTS: EDUCATION



- **Coronavirus Response and Relief Supplemental Appropriations Act (CRSSA) Federal Funding Allocation (\$4.3 billion):** The Executive proposal includes \$4.3 billion in Elementary and Secondary School Emergency Relief funds that were allocated to New York through federal COVID-19 relief legislation. These funds are statutorily allocated to school districts, charter schools, and nonpublic schools.

- **School Aid Changes:** The Executive proposes the following changes to school aid:
 - consolidation of 11 expense-based aids into a single “Services Aid” block grant, and a reduction of funding to this new category by \$683 million;

 - elimination of the \$1.13 billion Pandemic Adjustment that was instituted in the 2020-21 School Year and replacement with a \$1.35 billion Local District Funding Adjustment. This proposal would reduce funding to school districts by the lesser of their STAR payment or the amount of federal stimulus funding the district is expected to receive. The funding reduction would be taken against a school district’s STAR payment; and

 - reimbursement of pandemic-related transportation costs.

- **Elimination of Teacher Support Programs:** The Executive proposes the elimination of the Teachers of Tomorrow Program (\$25 million), Teacher Mentor Intern Program (\$2 million), and the National Board program (\$400,000).

- **Elimination of Prior Year Claims:** The Executive proposes to eliminate \$18.7 million in funding for school districts’ prior year claims and would expunge all claims currently in the queue.

- **Charter Schools:** The Executive proposal would reduce charter school tuition rates in the 2021-22 School Year in proportion to school districts’ combined reduction in expense-based aid and Local District Funding Adjustment as a percentage of their total General Fund spending. The Executive also proposes to eliminate State reimbursement to New York City for the State share of charter school facilities aid.

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, and administers a host of other educational programs. These programs include special education services, cultural education, higher and professional education, vocational rehabilitation, as well as adult career and continuing education services. SED’s primary mission is to raise the knowledge, skills, and opportunities of all the people in New York State.

New York State has approximately three million students enrolled in prekindergarten through 12th grade, including over 2.5 million children in public school districts, and approximately 377,000 children in nonpublic schools. New York State provides more than \$29 billion in General Support for Public Schools for instructional and operational purposes, allowing school districts to provide educational services to children statewide.

Table 9

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	38,763.72	39,368.25	604.53	1.56

Table 10

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State Education Department	36,345.50	37,420.15	1,074.65	2.96

State Education Department

The Executive proposes All Funds appropriations of \$39.4 billion, an increase of \$604.5 million or 1.6 percent above the State Fiscal Year (SFY) 2020-21 level. The Executive recommends support for 2,650 full-time equivalent (FTE) positions, which is unchanged from SFY 2020-21 workforce levels.



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

Table 11

Support for Public School Districts (\$ in Millions)			
	SY 2020-21	SY 2021-22 Exec. Proposal	Change
Foundation Aid	18,411.79	18,411.79	-
Community Schools Aid	250.00	250.00	-
Services Aid	3,725.29	3,332.76	(392.53)
Excess Cost - High Cost	619.77	666.93	47.16
Excess Cost - Private	395.72	440.80	45.08
Reorganization Operating Aid	5.37	4.49	(0.88)
Full Day Kindergarten Conversion Aid	2.49	1.40	(1.09)
Universal Prekindergarten	836.12	848.61	12.49
Building Aid/Reorg	3,055.20	3,063.08	7.88
Pandemic Adjustment	(1,130.65)	-	1,130.65
Local District Funding Adjustment	-	(1,352.36)	(1,352.36)
Total State Funded School Aid	25,921.10	25,417.50	(503.60)
Federal CARES Act	1,133.62	-	(1,133.62)
Federal COVID-19 Supplemental	-	3,851.69	3,851.69
Total School Aid with Federal Funds	27,054.72	29,269.19	2,214.47
Categorical Grants	300.25	288.63	(11.62)
Competitive Grants	230.11	230.11	-
Total GSPS	27,585.08	29,787.93	2,202.85

Under the Executive proposal, state funding for school aid would be reduced by \$503.6 million to \$25.4 billion or 1.95 percent. When federal stimulus funding is taken into account, total school aid grows to \$29.3 billion, which is a \$2.2 billion or an 8.2 percent increase from the 2020-21 School Year (SY). Total GSPS, which takes into account various other education grant programs, totals \$29.8 billion in SY 2021-22, an increase of \$2.2 billion or 8.0 percent from SY 2020-21.

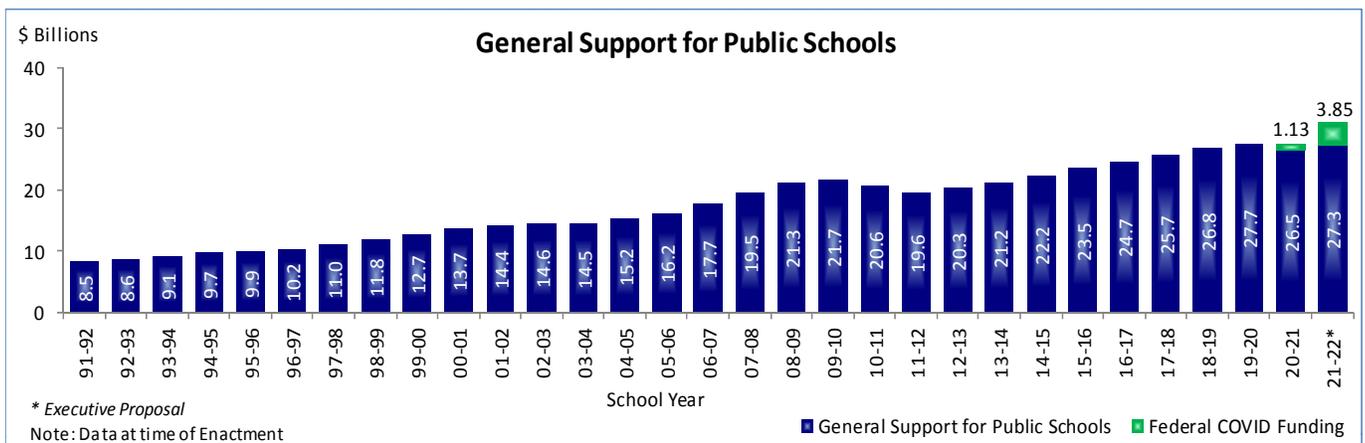


Figure 4

CRRSA Federal Funding Allocation (\$4.3 billion): The Executive Budget includes \$4.3 billion in Elementary and Secondary School Emergency Relief funds that were allocated to New York from the federal government. The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) allocates \$3.6 billion in funding to school districts and charter schools in proportion to their federal Title I awards. The Elementary and Secondary Emergency Relief fund (ESSER) and the Governor’s Emergency Education Relief (GEER) funds would be allocated to school districts of low and average wealth (\$395 million and \$73 million, respectively). The State Education Department would retain \$5 million to support program administration. The CRRSA also provided \$249 million in dedicated GEER funds to support pandemic-related services and assistance to nonpublic schools, with \$1 million provided to SED for program administration.

Table 12

CRRSA Act Federal Funding Allocation (\$ in Millions)			
	ESSER	GEER	Total
Major School Districts	\$3,779	\$73	\$3,852
Charter Schools	\$216	-	\$216
Non-Major School Districts	\$2	-	\$2
Nonpublic Schools	-	\$249	\$249
SED Administration	\$5	\$1	\$6
Total	\$4,002	\$323	\$4,325

Source: 2021-22 NYS Executive Briefing Book.

Local District Funding Adjustment (\$1.35 billion): The Executive eliminates the \$1.13 billion pandemic adjustment that was instituted in the 2020-21 School Year and replaces it with a \$1.35 billion local district funding adjustment. This proposal would reduce funding to school districts by the lesser of their STAR payment, or the amount of federal stimulus funding districts are expected to receive.

Foundation Aid: The Executive proposes to maintain Foundation Aid at 2020-21 levels, for a total of \$18.4 billion.

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

Expense Based Aid Consolidation: The Executive proposal would consolidate 11 expense-based aid categories into a single Services Aid block grant and would fund Services Aid at \$3.3 billion, a reduction of \$683 million from present law. Categorical aids that would be incorporated into Services Aid are as follows:

- Textbook Aid
- Computer Software Aid
- BOCES Aid
- Special Services Aid
- High Tax Aid
- Transportation and Summer Transportation Aid
- Library Materials Aid
- Computer Hardware Aid
- Supplemental Public Excess Cost
- Academic Enhancement Aid
- Charter School Transitional Aid

Transportation Aid Pandemic Related Costs: The Executive proposal would make costs related to the delivery of school meals, instructional materials, and internet connectivity during the Spring 2020 closure eligible for Transportation Aid.

Prior Year Claims: The Executive proposes to eliminate \$18.7 million in funding for school districts' prior year claims. In addition, the Executive proposal expunges all claims currently in the queue, totaling \$303 million.

The Executive would also eliminate the \$26.4 million fiscal stabilization grant that is paid annually to New York City to help fund the debt service on previous state funding commitments.

Prekindergarten Programs (\$848 million): The Executive Budget continues the statutory consolidation of various prekindergarten programs into Universal Prekindergarten (UPK) and provides \$848.61 million for UPK.



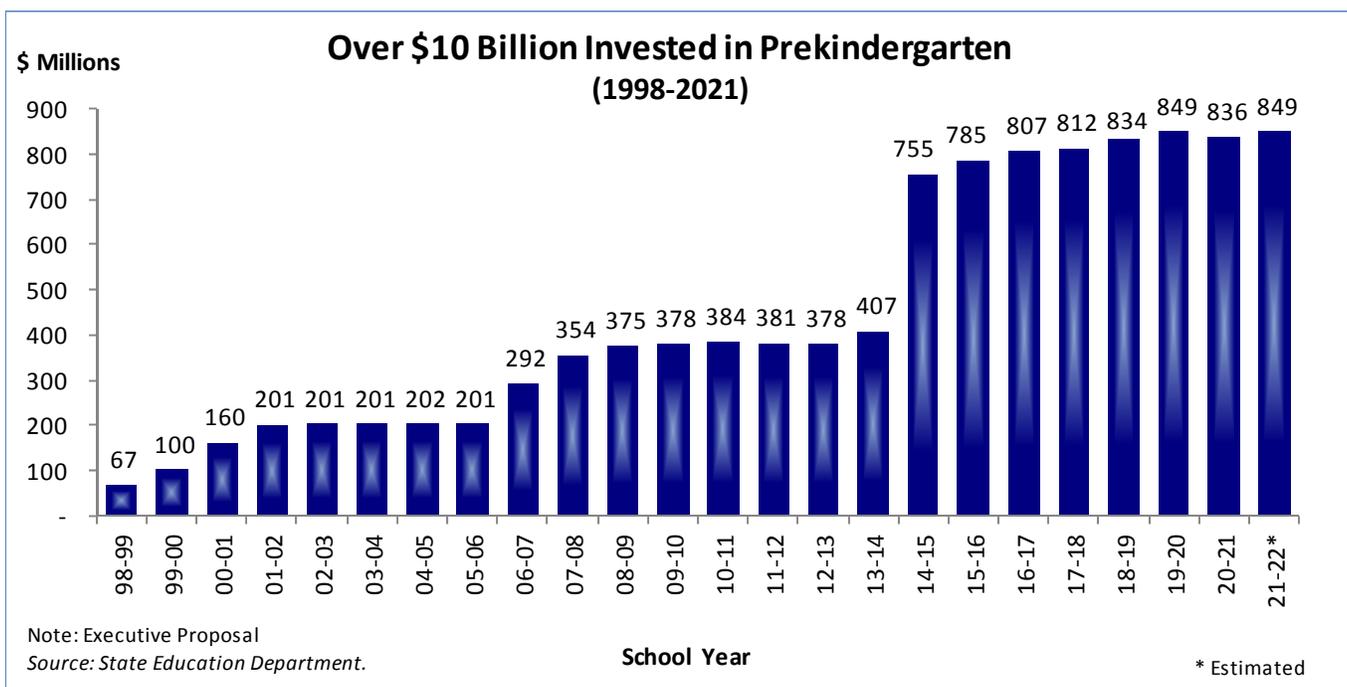


Figure 5

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

Nonpublic Schools: The Executive proposes that 2020-21 Nonpublic School Aid payments, provided through Mandated Services Aid (MSA) and the Comprehensive Attendance Program (CAP), would occur in June 2021 instead of March 2021. Nonpublic School Aid for 2020-21 would continue at its enacted funding level of \$193 million, which reimburses schools’ 2019-20 expenses, and schools would be held harmless from aid losses due to the Spring 2020 school closures. The Executive provides \$189.1 million for SFY 2021-22 Nonpublic School Aid, a decrease of \$3.8 million, or two percent, from SFY 2020-21. The Executive proposal includes \$904,000 for Academic Intervention for Nonpublic Schools Aid in SFY 2021-22, a decrease of \$14,000 or 2 percent. The Executive would also establish statutory claiming and payment deadlines and would cap the state’s liability to nonpublic schools to annually appropriated funding levels.

Additionally, the Executive Budget provides \$29.4 million for nonpublic STEM programs, a decrease of \$600,000 from SFY 2020-21. The Executive also continues \$15 million in capital for nonpublic school health and safety projects. The Executive proposal discontinues \$1 million in increased reimbursement for immunization document checks.

The Executive continues funding for the Office of Religious and Independent Schools at \$800,000.

Teacher Programs

The Executive proposal discontinues support for the following teacher programs:

- \$25 million for the Teachers of Tomorrow program;
- \$14.3 million for Teacher Resource Centers;
- \$2 million for the Teacher-Mentor Intern program; and
- \$400,000 for the National Board for Professional Teaching Standards.

Charter Schools

Charter School Tuition: The Executive proposes to reduce charter school tuition rates for the 2021-22 school year in proportion to a school districts combined reductions in expense-based aids and the local district funding adjustment.

Supplemental Tuition Payments: The Executive proposes to lower the state reimbursement to school districts for Supplemental Tuition Payments by half the amount districts save due to any charter school tuition adjustment. This change is estimated to reduce payments to school districts by \$35 million.

New York City Charter Facilities Aid: The Executive proposes to eliminate state reimbursement to New York City for the cost of charter school rental assistance. Elimination of this state reimbursement is estimated to generate \$47 million of savings to the State in SFY 2021-22.

Adult Career and Continuing Education Services Program

The Executive proposal reduces Independent Living Centers by \$500,000 for a total of \$13.36 million and maintains SFY 2020-21 Enacted Budget funding levels for Case Services at \$54 million. Furthermore, the Executive proposes to continue funding College Readers Aid at \$294,000 and Supported Employment at \$15.16 million. Additionally, the Executive maintains funding for Adult Basic Education at \$1.84 million.

The Executive proposes to decrease funding for Adult Literacy Education by \$1.5 million, for a total of \$6.3 million.



Special Education

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

The Executive Budget maintains funding for Private Schools for the Blind and Deaf (referred to as 4201 schools) at \$103.9 million. However, the Executive discontinues funding for individual schools:

- \$903,000 for the Henry Viscardi School;
- \$903,000 for the New York School for the Deaf;
- \$500,000 for the Mill Neck Manor School for the Deaf; and
- \$500,000 for the Cleary School for the Deaf.

The Executive continues to provide \$17.2 million in funding to support direct salary and related fringe benefit costs associated with minimum wage increases.

Cultural Education Program

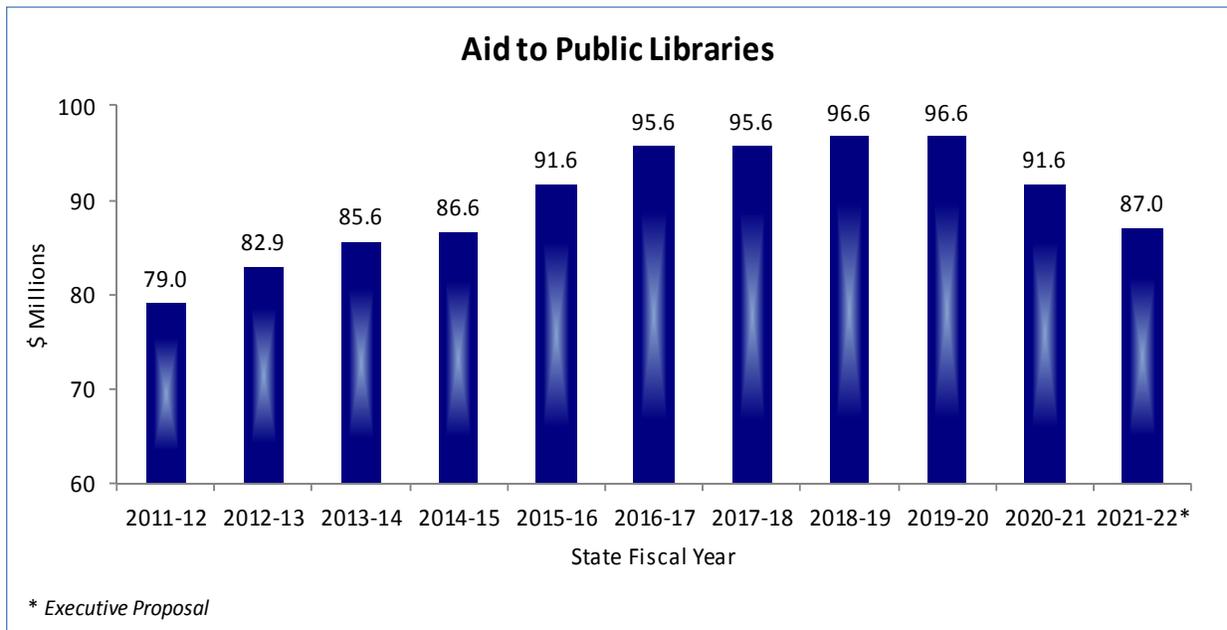


Figure 6

The Executive proposes to decrease funding for Aid to Public Libraries by \$4.6 million, providing a total of \$87 million. Additionally, the Executive proposes to maintain funding for library construction at \$14 million. Funding of \$250,000 for the Schomburg Center for Research in Black Culture and \$75,000 for the Langston Hughes Community Library is eliminated.

The Executive proposal decreases funding for Educational Television and Radio by \$700,000, for total program funding of \$13.3 million.

Other Programmatic Support

The Executive maintains support for the administration of the high school equivalency diploma exam at \$5.16 million and the Smart Scholars Early College High School program at \$1.47 million.

The Executive proposal would maintain \$2.3 million to subsidize the cost of reduced-price meals, making such meals free for students.

The Executive proposal would reduce the carve-out for the Consortium for Worker Education by \$1.5 million to \$11.5 million.

The Executive proposal would maintain funding of \$13.84 million for school health services to students in the Big Four City school districts (Yonkers, Buffalo, Rochester, and Syracuse) and \$18.5 million for Bilingual Education programs.

Additionally, the Executive would maintain funding for the Bus Driver Safety Program at \$400,000.

The Executive Budget discontinues funding for the following programs:

- \$2 million for the East Ramapo School District;
- \$500,000 for the CWE Credentialing Initiative;
- \$500,000 for the Teacher Diversity Pipeline Pilot;
- \$500,000 for the Long Island Pre-K Initiative;
- \$475,000 for the Executive Leadership Institute;
- \$475,000 for the Magellan Foundation, Inc.;
- \$461,000 for Bard High School Early College, Queens;
- \$450,000 New York City Community Learning Schools Initiative;
- \$385,000 for the Bilingual Teacher Institute;
- \$200,000 for the Cornell Cooperative Extension – Sullivan County;
- \$175,000 for the Rochester School District monitors;
- \$87,500 for the Hempstead School District monitor; and
- \$87,500 for the Wyandanch School District monitor.

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

Table 13

Other Public Elementary and Secondary Education Programs				
	SFY 2020-21	SFY 2021-22		
	Enacted	Exec. Request	\$ Change	% Change
	(\$ in Millions)	(\$ in Millions)	(\$ in Millions)	
Buffalo School Health Services Grants	1.20	0.00	(1.20)	(100.00)
Rochester School Health Services Grants	1.20	0.00	(1.20)	(100.00)
Supplemental Basic Charter School Tuition Payments	161.00	132.00	(29.00)	(18.01)
Charter Schools Facilities Aid	50.00	0.00	(50.00)	(100.00)
Competitive Grants	245.11	230.11	(15.00)	(6.12)
East Ramapo Central School District	2.00	0.00	(2.00)	(100.00)
Yonkers City School District	12.00	0.00	(12.00)	(100.00)
Hempstead Monitors	0.09	0.00	(0.09)	(100.00)
Wyandanch Monitors	0.09	0.00	(0.09)	(100.00)
Rochester Monitors	0.18	0.00	(0.18)	(100.00)
Community Schools Regional Technical Assistance Centers	1.20	1.20	0.00	0.00
My Brother's Keeper Initiative	18.00	18.00	0.00	0.00
Targeted Prekindergarten	1.30	1.30	0.00	0.00
Teacher Resource Centers	14.26	0.00	(14.26)	(100.00)
Children of Migrant Workers	0.89	0.89	0.00	0.00
Lunch/Breakfast Programs	36.70	36.70	0.00	0.00
Locally Sourced Food Reimbursement	10.00	10.00	0.00	0.00
Nonpublic School Aid	193.12	189.26	(3.86)	(2.00)
Academic Intervention Services for Nonpublic Schools	0.92	0.90	(0.02)	(1.95)
Nonpublic STEM	30.00	35.00	5.00	16.67
Nonpublic Immunization	1.00	0.00	(1.00)	(100.00)
Teen Health Education Account	0.12	0.12	0.00	0.00
Private Schools for the Blind & Deaf (General Fund)	103.90	103.90	0.00	0.00
Private Schools for the Blind & Deaf (Lottery)	0.02	0.02	0.00	0.00
Henry Viscardi School	0.90	0.00	(0.90)	(100.00)
New York School for the Deaf	0.90	0.00	(0.90)	(100.00)
Mill Neck Add	0.50	0.00	(0.50)	(100.00)
Cleary School for the Deaf	0.50	0.00	(0.50)	(100.00)
Summer School Special Education	364.50	364.50	0.00	0.00
Preschool Special Education	1035.00	1035.00	0.00	0.00
Costs Associated with Section 652 of the Labor Law	17.18	17.18	0.00	0.00
Prior Year Claims/Fiscal Stabilization Grants	45.07	0.00	(45.07)	(100.00)
New York State Center for School Safety	0.47	0.47	0.00	0.00
Health Education Program	0.69	0.69	0.00	0.00
Extended School Day/School Violence Prevention	24.34	24.34	0.00	0.00
County Vocational Education and Extension Boards	0.93	0.93	0.00	0.00
Primary Mental Health Project	0.89	0.89	0.00	0.00
Math and Science High Schools	1.38	1.38	0.00	0.00
Bard High School	0.46	0.00	(0.46)	(100.00)
Say Yes to Education Program	0.35	0.35	0.00	0.00
Center for Autism and Related Disabilities - SUNY Albany*	1.24	0.74	(0.50)	(40.32)

*Note: *An additional \$500,000 in federal funding is provided to support the Center for Autism and Related Disabilities in SUNY Albany.*

Other Public Elementary and Secondary Education Programs (Continued)

	SFY 2020-21	SFY 2021-22	\$ Change (\$ in Millions)	% Change
	Enacted (\$ in Millions)	Exec. Request (\$ in Millions)		
Postsecondary Aid to Native Americans	0.80	0.80	0.00	0.00
Summer Food Program	3.05	3.05	0.00	0.00
Consortium for Worker Education	13.00	11.50	(1.50)	(11.54)
Charter School Start Up Grants	4.84	4.84	0.00	0.00
Smart Scholars Early College High School Program	1.47	1.47	0.00	0.00
Student Mentoring and Tutoring Program	0.49	0.49	0.00	0.00
Small Government Assistance to School Districts	1.87	1.87	0.00	0.00
New York City Community Learning Schools Initiative	0.45	0.00	(0.45)	(100.00)
Center for Education Innovation	0.08	0.00	(0.08)	(100.00)
Executive Leadership Institute	0.48	0.00	(0.48)	(100.00)
Magellan Foundation, Inc.	0.48	0.00	(0.48)	(100.00)
CWE Credential Initiative	0.50	0.00	(0.50)	(100.00)
Teacher Diversity Pipeline Pilot	0.50	0.00	(0.50)	(100.00)
Bilingual Teacher Institute	0.39	0.00	(0.39)	(100.00)
Long Island Pre-K Initiative	0.50	0.00	(0.50)	(100.00)
Cornell Cooperative Extension - Sullivan County	0.20	0.00	(0.20)	(100.00)
Just for Kids - SUNY Albany	0.24	0.24	0.00	0.00
National Association of Social Workers - NYC Chapter	0.15	0.00	(0.15)	(100.00)
Deferred Action for Childhood Arrivals	1.00	1.00	0.00	0.00
Less: Consortium for Worker Education Offset	(13.00)	(11.50)	1.50	(11.54)
Total	2,397.07	2,219.63	(177.44)	(7.40)

State Operations

The Executive proposal includes \$612.2 million in State Operations funding for SED. This is an increase of \$619,000 from SFY 2020-21 due to an increase in Federal Food and Nutrition Services funding.

Capital

The Executive proposal includes \$41 million to update the SED State Aid system. This would partially be funded by a transfer from the School Capital Facilities Financing Reserve Fund of excess reserve balances related to bonds that were fully retired.

The Executive proposal includes \$7.6 million in funding for minor rehabilitation and maintenance of State Education Department facilities.

The Executive proposal includes \$7.85 million in capital funding to support the SED e-licensure program.

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 2020-21 SY to submit a contract for the 2021-22 SY unless all schools within the district are identified as being in “good standing” academically;
- provide that a charter that has been surrendered, revoked, terminated or not renewed after July 1, 2015 may be reissued and that such reissuance would not be counted toward the statewide charter cap and regional charter cap;
- authorize a school district, private school, or Board of Cooperative Educational Services (BOCES) to apply to SED for a waiver from certain special education requirements provided that federal compliance is maintained and the waiver would enhance student achievement and opportunities through an innovative program;
- cap the SY 2020-21 pandemic adjustment at the total amount of school aid a district is receiving; and
- extend various provisions of law.



BUDGET HIGHLIGHTS: HEALTH



- **Extension of the Medicaid Global Cap:** The Executive proposal continues the cap on Medicaid spending through the Department of Health (DOH) and limits these expenditures to \$23.17 billion in SFY 2021-22 and \$25.23 billion in SFY 2022-23.
- **Medicaid Redesign Team (MRT):** The Executive proposes to advance a package of MRT initiatives that would provide a \$411 million reduction in state spending.
- **Nourish NY:** The Executive proposal would increase funding for the Nourish NY program, which helps people who are food insecure to access nutritious food from New York farmers, by \$25 million, for a total of \$60 million.
- **Essential Plan:** The Executive proposal would eliminate premiums for Essential Plan coverage for more than 400,000 New Yorkers earning between \$39,300 and \$52,400 for a family of four. The Executive also proposes \$420 million in rate enhancements paid to insurers who cover Essential Plan enrollees and \$200 million to establish an Essential Plan Quality Pool.
- **Expand Telehealth:** The Executive proposal includes a series of changes to enhance and provide additional flexibility for reimbursement and the provision of services through telehealth. In addition, the Executive proposes to increase training opportunities, establish a pilot program to facilitate telehealth for vulnerable populations, require insurers to offer virtual emergency services, and allow insurers to utilize telehealth for certain care management requirements.
- **Public Indigent Care Pool (ICP):** The Executive proposal would discontinue the State funded portion of the Public ICP, a reduction of \$65.4 million.
- **340B Reimbursement Fund:** The Executive proposal would establish a \$102 million supplemental payment pool for community health clinics to reinvest a portion of the savings from the fee-for-service pharmacy benefit carve out related to the 340B Drug Pricing Program.
- **Nursing Home Staffing:** The Executive proposes to increase the Nursing Home Quality Pool, create regulations that would govern the review and approval of any contracted staffing arrangements between nursing homes and certain staffing agencies, and limit Medicaid reimbursement to include only staffing costs related to contractual arrangements that comply with regulatory requirements.

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 and Elderly Pharmaceutical Insurance Coverage (EPIC) programs. In addition to its health insurance programs, DOH promotes and supervises public health activities throughout the State, pursues efforts to reduce infectious diseases, directs a variety of emergency preparedness initiatives, and oversees all health care facilities in the State.

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

The State Office for the Aging (SOFA) provides programs and services for New Yorkers 60 years of age and older. SOFA provides leadership and direction to 59 Area Agencies on Aging, as well as to numerous local programs and providers that comprise the network of services to older adults.

Table 14

Agency	Appropriations			
	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health*	161,196.85	188,046.73	26,849.88	16.66
State Office for the Aging	274.77	271.64	(3.13)	(1.14)
Office of Medicaid Inspector General	52.61	55.24	2.63	5.00

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

Table 15

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Health	78,658.76	82,982.81	4,324.05	5.50
State Office for the Aging	245.64	245.38	(0.26)	(0.11)
Office of Medicaid Inspector General	47.98	46.56	(1.42)	(2.96)

Department of Health

The Executive proposes an All Funds appropriation of \$188.05 billion, an increase of \$26.85 billion or 16.66 percent from the SFY 2020-21 level. The Executive recommends funding support for 5,418 full-time equivalent (FTE) positions, a decrease of 261 positions, predominantly associated with the State’s continued assumption of local Medicaid administration and the movement of FTE positions to the Office of Cannabis Management (OCM).

Table 16

All State Agency Medicaid Expenditure Projections				
(\$ in Millions)				
	SFY 2020-21	SFY 2021-22	Year-to-Year Change	
			Amount	Percent
State Share	22,374	27,324	4,950	22.12
Federal Share	53,605	53,547	(58)	(0.11)
Local Share	7,331	7,207	(124)	(1.69)
MSA Payment	362	362	0	0.00
All Funds	83,672	88,440	4,768	5.70

Medicaid and Health Care Reform Act

Medicaid Program: The Executive Budget includes total Medicaid spending of \$88.44 billion, an increase of \$4.77 billion or 5.7 percent from SFY 2020-21. The Executive proposes a State share increase of \$4.95 billion or 22.12 percent, for a total of \$27.32 billion.

Health Care Reform Act (HCRA) Financing: In SFY 2021-22, HCRA receipts and disbursements are projected to total \$6.2 billion, an increase of \$308 million from SFY 2020-21.



Medicaid Global Cap: The Executive proposes the continuation of a Medicaid spending cap which limits growth in the DOH State Funds Medicaid spending to a 10-year rolling average of the medical component of the Consumer Price Index, currently estimated at 2.9 percent. The Executive proposes to extend the global cap for two additional years, and to cap SFY 2021-22 DOH Medicaid expenditures at \$23.17 billion and SFY 2022-23 expenditures at \$25.23 billion.

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 \$4.82 billion in savings in SFY 2021-22. To partially support the State cost of this takeover, the Executive utilizes \$362 million in proceeds from the Master Settlement Agreement with tobacco manufacturers.

Table 17

Medicaid Takeover - Local Savings				
(\$ in Millions)				
	SFY 2020-21	SFY 2021-22	SFY 2022-23	SFY 2023-24
Medicaid 3% Cap	3,185	3,353	3,531	3,720
Local Growth Takeover	1,283	1,465	1,648	1,831
Total	4,468	4,818	5,179	5,551

Essential Plan: The Executive Budget proposal would eliminate \$20 premiums for Essential Plan coverage for more than 400,000 New Yorkers earning between \$39,300 and \$52,400, for a family of four. The Executive also proposes \$420 million in rate enhancements to insurers who cover Essential Plan enrollees. These rate enhancements are expected to be passed from the insurers to providers. In addition, the Executive proposes \$200 million to establish an Essential Plan Quality Pool.

Medicaid Redesign Team (MRT): The Executive Budget proposal continues the savings actions enacted over the past 10 years, including: cost containment initiatives recommended by the MRT in Phase I; additional recommendations that developed through the MRT Workgroup process; the elimination of scheduled Medicaid inflationary rate increases; and actions recommended by the MRT II.

In addition to continuing the initiatives that have been implemented over the past several years, the Executive proposes a series of new MRT initiatives including:

- **Base Reductions:** The Executive budget includes a combined reduction of \$213.29 million, including proposals to reduce Managed Care rates due to lower utilization during the COVID-19 pandemic (\$33.12 million); a reduction in Managed Long Term Care rates due to lower

utilization during the COVID-19 pandemic (\$20 million); reduced spending attributable to minimum wage (\$50.17 million); and an off-set to State-only Medicaid costs with the Healthcare Transformation funding (\$110 million).

- **Mainstream Managed Care (MMC) Reductions:** Recommended actions include a total reduction of \$64.4 million, including proposals to reduce the remaining Mainstream Managed Care (MMC) Quality Pool payments by 50 percent (\$60 million); and to recoup funding resulting from reconciliation for the SFY 2017-18 MMC Medical Loss Ratio (\$4.4 million).
- **Hospital Reductions:** A reduction of \$180.52 million is recommended, including proposals to reduce the Vital Access Provider Assurance Program (\$99 million); discontinue the Public Indigent Care Pool (\$65.4 million); reduce the hospital capital rate add-on (\$8.5 million); and discontinue the Value Based Payment readiness funding (\$7.62 million).
- **Long Term Care Reductions:** An aggregate reduction of \$116.6 million is provided, including proposals to discontinue the Managed Long-Term Care (MLTC) Quality Pool payments (\$51.75 million); reduce spending related to Electronic Visit Verification (\$20 million); reduce the Workforce Recruitment and Retention Fund by an additional 25 percent (\$22.5 million); and recoup funding resulting from reconciliation for the SFY 2017-18 MLTC Medical Loss Ratio (\$22.35 million).
- **Pharmacy Reductions:** A reduction of \$15.4 million, including proposals to eliminate prescriber prevails (\$6.7 million) and reduce coverage for over the counter (OTC) drugs (\$8.7 million).
- **Other Reductions:** A reduction of \$216.79 million, including proposals to implement a one percent across-the-board reduction (\$94 million); return non-distressed providers to a two-week payment lag (\$75 million); reduce Medicaid rates for the Office for People with Developmental Disabilities (OPWDD) programs by one percent (\$6.98 million); expand the Medical Respite Pilot Program (\$1.31 million); and establish a comprehensive telehealth reform package (\$39.5 million).
- **Nursing Home Staffing:** The Executive proposes to increase the Nursing Home Quality Pool, create regulations that would govern the review and approval of any contracted staffing arrangements between nursing homes and certain staffing agencies that provide or arrange for direct care staff, and limit Medicaid reimbursement to include only staffing costs related to contract arrangements that comply with the regulatory requirements.

Public Health

Early Intervention (EI): The Executive proposes a series of reductions totaling \$11.9 million through changes to the EI program to require that EI services provided via teletherapy be paid at the existing facility-based rate (\$1 million), eliminate back-to-back group services for a child on the same day, limit the size of a group session to six children, and limit the number of children having a one-to-one aide in a group session to four (\$1.1 million); and no longer authorize back-to-back extended sessions of special instruction or other EI services on the same day for the same child's Individualized Family Service Plan (\$9.8 million).

Nourish NY Program: The Executive proposes a \$25 million increase in funding for the Nourish NY Program, which helps people who are food insecure to access nutritious food from New York farmers, for a total \$60 million in program funding.

General Public Health Work (GPHW) Reduction: The Executive proposes to reduce the reimbursement rate for non-emergency expenditures above the base grant for New York City from 20 to 10 percent, for a total reduction of \$20 million.

Program Shifts: The Executive proposes to transfer the appropriation for the Family Planning Program from DOH to the Department of Financial Services (DFS), and for the Enough is Enough Program from DOH to the Office to End Domestic Violence and Gender-Based Discrimination.

Public Health Program Elimination: The Executive proposes a \$31.99 million reduction for various public health programs.

Table 18

SFY 2021-22 Executive Budget DOH Public Health Program Elimination	
Program	SFY 2021-22 Elimination
New York State Stem Cell (NYSTEM) Program	\$12.84
Enhancing the Quality of Adult Living (EQUAL)	\$6.53
Spinal Cord Research Program	\$2.43
Empire Clinical Research Investigator Program (ECRIP)	\$3.45
Infertility Program	\$1.91
Public Health Alzheimer's Programs	\$1.37
Rabies Prevention Program	\$1.34
Hospital Audits	\$1.00
Health Promotions Initiative	\$0.43
Enriched Housing Subsidy Program	\$0.38
Maternal and Early Childhood Foundation Program	\$0.23
Tick Disease Prevention Program	\$0.07
Long Term Care Community Coalition Program	\$0.03
Total Reductions	\$31.99

Medical Indemnity Fund (MIF): The Executive proposes to reinstate \$52 million in payments to the MIF.

Physician's Excess Medical Malpractice: The Executive proposes to restructure payments for the Physician's Excess Medical Malpractice Program by splitting policy year payments over two years and reducing future Excess Medical Malpractice payments by half, for a total reduction of \$51.1 million.

Eliminate Electronic Prescribing Exceptions: The Executive proposes to remove most exceptions to the electronic prescribing (ePrescribing) system, for a reduction of \$500,000 in FY 2021-22 and \$1.2 million in each subsequent year.

Center for Liver Transplant: The Executive proposes to reduce funding for the Center for Liver Transplant by 10 percent, for a savings of \$25,200.

Health Facility Restructuring Pool (HFRP): The Executive proposes to reduce transfers from the HFRP to the Dormitory Authority of the State of New York by \$10 million. This program provides funding for not-for-profit general hospitals, diagnostic and treatment centers, and nursing homes to help them develop strategies for long-term financial stability.

Rural Health: The Executive proposes to reduce funding to the Rural Health Network Development and Health Care Access Program by \$3.2 million

AIDS Drug Assistance Program (ADAP): The Executive proposes a one-time reduction to ADAP of \$5 million in SFY 2021-22.

Capital Projects

Capital Financing for Essential Health Care Providers: The Executive proposes to continue \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, working capital and other non-capital projects.

Drinking Water State Revolving Fund (DWSRF) State Match: The Executive proposes to create a \$15 million annual appropriation for the DWSRF State match, which is a requirement for the receipt of federal funds.



Article VII

The Executive proposes language that would:

- extend the Medicaid Global Cap for an additional year, from SFY 2021-22 until SFY 2022-23;
- allow the Commissioner of Health to eliminate Medicaid drug coverage for certain OTC medications and eliminate protections for a practitioner's ability to prescribe specific medications under the Medicaid Program, known as prescriber prevails;
- establish a 340B Reimbursement Fund, subject to federal financial participation (FFP), with an annual proportionate distribution of \$102 million for voluntary non-profit or publicly sponsored clinics that were and continue to remain enrolled in the 340B Program;
- reduce hospital capital funding for inpatient expenses by an additional 5 percent, for a total reduction of 10 percent, and eliminate Disproportionate Share Hospital (DSH) funding for major public hospitals;
- reduce funding for Medicaid rate increases to support worker recruitment and retention by 50 percent in multiple areas including: personal care service workers, certified home health agencies (CHHAs), long term home health care programs, AIDS home care programs, hospice programs, and managed long term care (MLTC) plans;
- expand where telehealth services can be delivered; promote increased access to information through the Statewide Health Information Network (SHIN-NY); establish an interstate licensure program that would authorize certain out of state practitioners to provide telehealth services to patients in New York; require private insurance plans to offer an adequate telehealth network; and require health care providers to inform their patients if they provide telehealth services;
- authorize the establishment of a Medical Respite Pilot Program to provide temporary room and board to homeless individuals with certain health conditions that require treatment or care, but do not require a hospital level of care;
- eliminate Essential Plan premiums for enrollees with income levels at or below 200 percent of the Federal Poverty Level;
- require the Commissioner of Health, in cooperation with the Superintendent of the Department of Financial Services, to apply for federal waiver authority for the New York State of Health Marketplace;

- reduce General Public Health Works (GPHW) reimbursement for core public health services paid for by New York City by 10 percent;
- eliminate the Empire Clinical Research Investigator Program (ECRIP) and the Stem Cell and Spinal Cord Research Grant Programs;
- eliminate prescriber exemptions from the requirement to issue prescriptions electronically, except in instances of emergencies, or at the discretion of the Commissioner of Health;
- eliminate certain public health programs within the Department of Health, including the Enhanced Quality of Adult Living Program, the Hospital Audit Program, and the Enriched Housing Program; and
- extend or make permanent various provisions of public health law including: bad debt and charity care allowances for certified home health agencies; contracting with State transportation managers or brokers; limitations on reimbursement for CHHAs and long-term home health programs; elimination of hospital and nursing home reimbursement trend factors; financing of certain health care capital projects; regulatory waivers under DSRIP; enhanced reimbursement under the Medical Indemnity Fund (MIF); issuance of certificates of public advantage; the Nurse Practitioner Modernization Act; and the Health Facility Cash Assessment Program.

State Office for the Aging

The Executive proposes an All Funds appropriation of \$271.64 million, which is a decrease of \$3.13 million or 1.14 percent from the SFY 2020-21 level. The Executive recommends funding to support of 95 FTE positions, unchanged from the SFY 2020-21 level.

Cost of Living Adjustment (COLA): The Executive's proposal would eliminate the statutory SFY 2021-22 cost of living adjustment increase to generate a savings of \$2 million.

Address Service Capacity Needs: The Executive proposal continues a \$15 million investment to fund community-based (non-medical) supports for seniors in New York.



Office of the Medicaid Inspector General (OMIG)

The Executive proposes an All Funds appropriation of \$55.24 million, which is an increase of \$2.63 million or 5 percent from the SFY 2020-21 level. The Executive recommends funding to support 515 FTE positions, an increase of 70 FTE positions from the SFY 2020-21 level.

BUDGET HIGHLIGHTS: HIGHER EDUCATION



- **State University of New York (SUNY) and City University of New York (CUNY) Operating Support:** The Executive proposal would reduce SUNY and CUNY operating support to each institution by five percent, or \$46 million for SUNY and \$26 million for CUNY.
- **SUNY/CUNY Tuition:** The Executive proposal would authorize a tuition rate increase of no more than \$200 per year through Academic Year (AY) 2024-25. The proposal would also allow institutions that confer doctoral degrees to have a higher tuition rate than other colleges.
- **Financial Aid Eligibility:** The Executive proposes to extend financial aid eligibility for students who were unable to complete academic requirements due to the COVID-19 pandemic.
- **SUNY and CUNY Capital Funding:** The Executive proposal includes \$1.17 billion in capital funding to support capital projects on the SUNY and CUNY campuses.
- **Opportunity Programs:** The Executive proposal maintains prior year funding for various opportunity programs.
- **Program Approval:** The Executive proposal would change the current degree program approval process at SED for institutions of higher education.
- **Bundy Aid:** The Executive proposes to eliminate \$35.1 million in unrestricted aid to independent colleges and universities (Bundy Aid).

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 394,000 students, and the City University of New York (CUNY) which is composed of 25 campuses educating 275,000 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 hospitals, 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 New York’s Tuition Assistance Program (TAP), which provides financial assistance to some 263,000 students attending undergraduate institutions in the state.

Table 19

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	11,913.84	11,584.94	(328.90)	(2.76)
City University of New York	5,339.71	4,870.18	(469.53)	(8.79)
Higher Education Services Corporation	1,139.47	1,115.41	(24.06)	(2.11)

Table 20

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
State University of New York	8,557.21	8,732.94	175.73	2.05
City University of New York	2,448.76	1,596.46	(852.30)	(34.81)
Higher Education Services Corporation	799.55	827.20	27.65	3.46

State University of New York (SUNY)

The Executive proposes All Funds appropriations of \$11.6 billion, a decrease of \$328.3 million or 2.8 percent from SFY 2020-21. The Executive recommends funding support of 46,708 full-time equivalent (FTE) positions, which is unchanged from SFY 2020-21.

SUNY State Operated Colleges: The Executive proposal would provide \$967.7 million in funding for SUNY State Operated Colleges, a decrease of \$48.9 million in General Fund support from SFY 2020-21. This decrease is primarily due to an unallocated \$46.4 million reduction in operating support that would be distributed based on a plan by the SUNY chancellor and approved by the SUNY Board of Trustees. The Executive proposal would continue \$4 million in funding for open educational resources.

State-funded fringe benefits would decrease by \$55.4 million to \$1.83 billion.

Tuition: The Executive proposal would allow a tuition rate increase of up to \$200 a year through Academic Year (AY) 2024-25. The \$1.92 billion SUNY tuition appropriation assumes a \$50 million increase in tuition revenues from this proposed increase. The Executive proposal would also allow the four University Centers and the five doctoral granting SUNY institutions to increase their tuition above that of the other SUNY schools while staying within the above stated limits. In addition, SUNY schools would be able to set a lower rate of tuition for certain certificate programs.

SUNY Hospitals: The Executive proposal would increase SUNY Hospitals' spending authority by \$249.7 million for a total of \$3.5 billion.



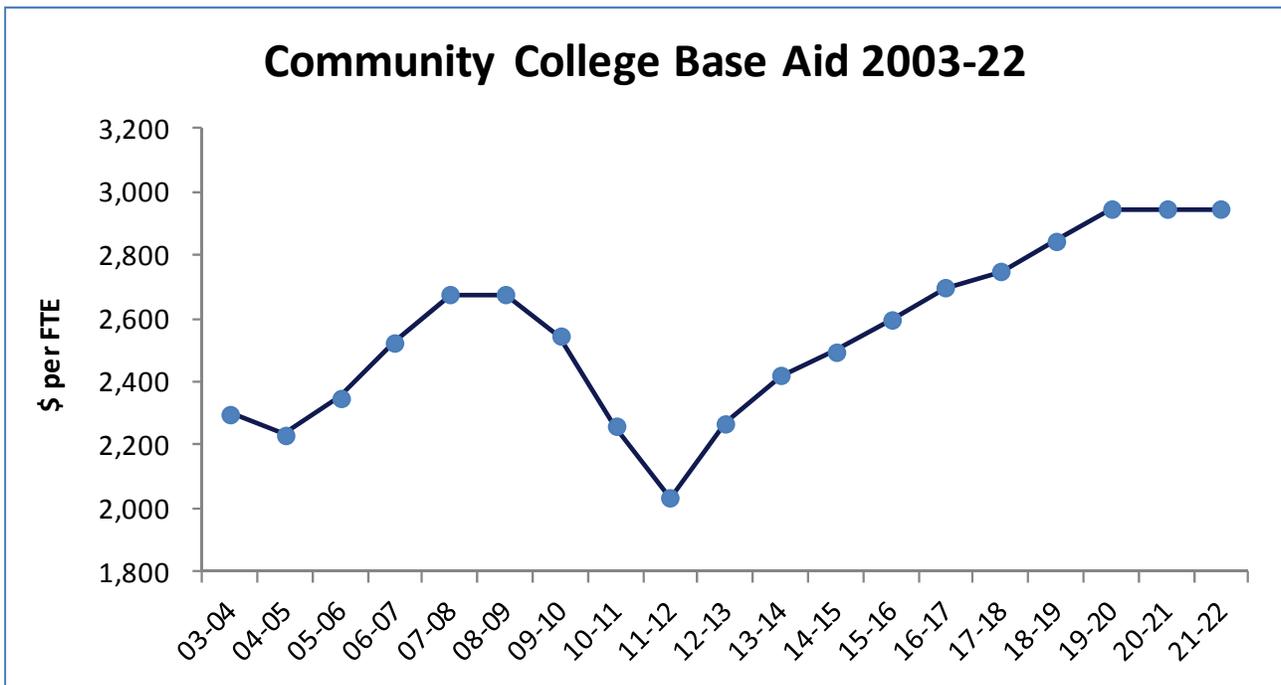


Figure 7

Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,947 per FTE student, maintaining the same level of FTE support as AY 2020-21. The Executive includes \$398.2 million to support Base Aid, which is a decrease of \$33.0 million from AY 2020-21, due to enrollment decreases.

The Executive decreases support for rental aid by \$579,000, for total funding of \$11.0 million. The Executive also decreases support for SUNY Community College child care by \$1.1 million for a total of \$1.0 million.

University-Wide Programs: The Executive funds SUNY University-Wide programs at \$154.8 million, and maintains funding for the Educational Opportunity Program, for a total of \$32.2 million, and for Education Opportunity Centers and ATTAIN labs for a total of \$62.0 million. University-wide programs are reduced by a total of \$2.5 million, reflecting the following:

- a \$700,000 decrease to small business development centers, for a total of \$1.97 million of net support;
- a \$600,000 decrease to Graduate Diversity Fellowships, for a total of \$6.0 million of net support;
- elimination of \$500,000 for telehealth mental health services;
- a \$250,000 decrease for the Veterinary College at Cornell, for a total of \$250,000 of net support;

- elimination of \$200,000 in funding for the SUNY Institute for Leadership, Diversity, and Inclusion;
- a \$150,000 decrease to the Hispanic Leadership Institute, for a total of \$200,000 of net support; and
- elimination of \$100,000 in funding for the Benjamin Center.

SUNY Capital: The Executive provides \$1.0 billion in capital appropriations to support the following:

- \$550 million for preservation of various SUNY facilities, which is the same as SFY 2020-21 funding levels;
- \$150 million in total funding to the three SUNY Hospitals: Upstate University, Stony Brook University, and Downstate University;
- \$14.6 million to provide the State’s 50 percent share of projects at SUNY community colleges;
- \$192.5 million for the costs of certain maintenance and operations personnel;
- \$75 million to support dormitory rehabilitation projects; and
- \$25.1 million to support the SUNY Construction Fund.

City University of New York (CUNY)

The Executive proposes an All Funds appropriation of \$4.87 billion, a decrease of \$467.3 million or 8.8 percent below SFY 2020-21 levels. The Executive recommends funding support of 13,476 full-time equivalent positions, which is unchanged from SFY 2020-21.

CUNY Senior Colleges: The Executive would provide \$526 million in funding for CUNY Senior Colleges, a decrease of \$28.0 million or 5 percent from SFY 2020-21. This decrease is primarily due to an unallocated \$26.2 million reduction in operating support that would be distributed based on a plan by the CUNY chancellor and approved by the CUNY Board of Trustees.

State funded fringe benefits are appropriated at \$868.2 million, which is unchanged from SFY 2020-21 levels.

The Executive reduces funding to the School of Labor and Urban Studies by \$1.5 million for a total of \$2.18 million.



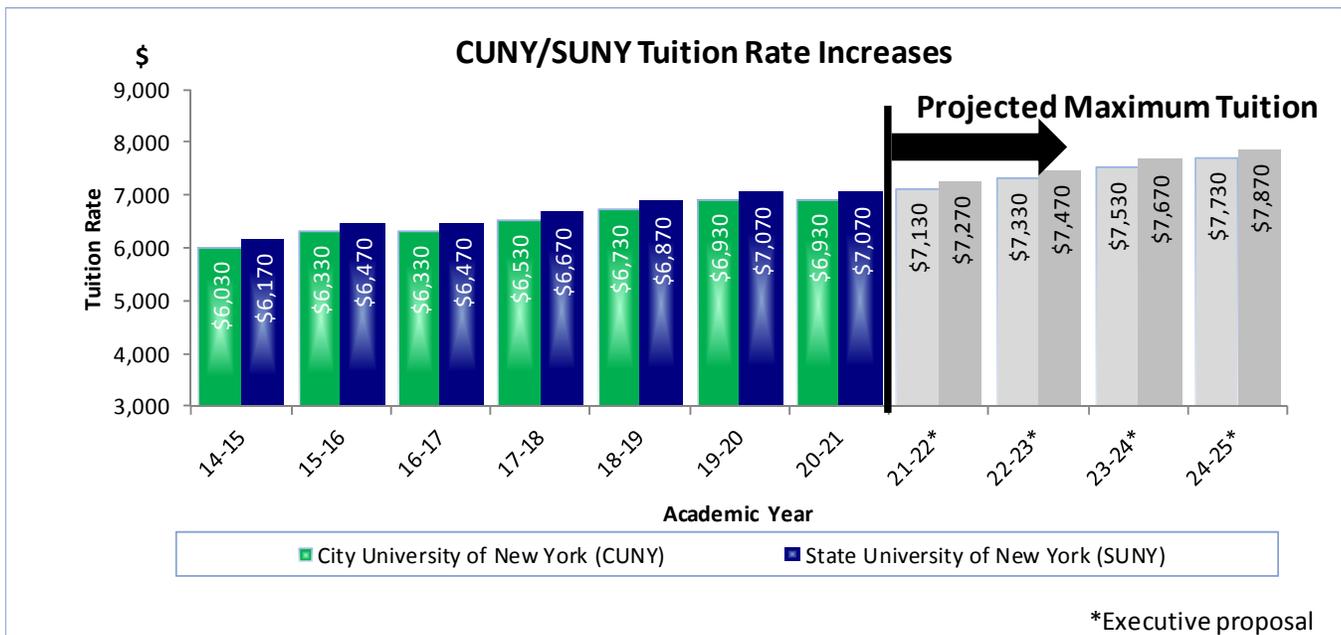


Figure 8

Tuition: The Executive proposal would allow a tuition rate increase of up to \$200 a year through AY 2024-25. CUNY is expected to receive \$1.4 billion in tuition, which assumes a \$33 million increase in tuition revenues from this proposed increase. The Executive proposal would also allow doctoral granting CUNY institutions to increase their tuition above that of the other CUNY schools while staying within the above stated limits. In addition, CUNY schools would be able to set a lower rate of tuition for certain certificate programs.

SEEK: The Executive maintains funding for the Search for Education, Elevation and Knowledge (SEEK) program at \$28.1 million, which is unchanged from SFY 2020-21 levels.

Community College Base Aid: The Executive proposal would continue funding Community College Base Aid at \$2,947 per full-time equivalent (FTE) student, maintaining the same level of FTE support as AY 2020-21. The Executive includes \$215.3 million to support Base Aid, which is a decrease of \$9.95 million from AY 2020-21, due to enrollment decreases.

The Executive decreases support for the following programs:

- elimination of \$2.5 million for the Accelerated Study in Associates Program;
- \$902,000 decrease for CUNY community college child care for a total of \$813,000 in net support;
- \$447,000 decrease for rental aid for a total of \$8.5 million in net support; and
- elimination of \$250,000 for the CUNY Pipeline program.

The Executive Budget maintains funding for the College Discovery program for a total of \$1.35 million.

CUNY Capital: The Executive Budget appropriates \$356.7 million in capital funding to support the following initiatives:

- \$284 million for critical maintenance projects at various CUNY campuses;
- \$35.4 million to provide for the State’s 50 percent share of projects at CUNY community colleges;
- \$21 million to fund Dormitory Authority services on behalf of CUNY; and
- \$15.98 million to support the CUNY Construction Fund.

Federal Funding

Both the CARES Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) provided funding for students and institutions of higher education. The Federal funding was allocated as follows:

Table 21

Federal Stimulus Allocations for Higher Education							
(\$ in Millions)							
	CARES Act			CRRSAA			Two Bill
	Student Awards	Institution Awards	Total CARES Act	Student Awards	Institution Awards	Total CRRSAA	Total Funding
SUNY State Operated Colleges	93	93	186	93	207	300	486
SUNY Community Colleges	56	56	111	56	167	222	333
Total SUNY Funding	149	149	297	149	374	522	819
CUNY Senior Colleges	118	118	237	118	337	455	692
CUNY Community Colleges	39	39	79	39	129	169	248
Total CUNY Funding	157	157	316	157	466	624	940
Private, Not-for-Profit	154	154	308	156	328	484	792
Proprietary Colleges	36	36	72	48	-	48	120
Other Public/BOCES	3	3	6	3	7	10	16
Total	499	499	999	513	1,175	1,688	2,687

Source: Division of the Budget



Other Opportunity Programs Appropriated in the State Education Department (SED)

The Executive Budget maintains funding for opportunity programs within SED for a total of \$87.7 million:

- \$35.5 million for the Higher Education Opportunity Program (HEOP);
- \$18.4 million for the Liberty Partnership Program;
- \$15.8 million for the Science and Technology Entry Program (STEP);
- \$12.0 million for the Collegiate Science and Technology Entry Program (CSTEP); and
- \$6 million for the Foster Youth Initiative.

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

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

Higher Education Services Corporation (HESC)

The Executive proposes an All Funds appropriation of \$1.1 billion, which is a decrease of \$24.0 million or 2.1 percent below SFY 2020-21 levels. The Executive recommends funding support of 139 FTE positions, which is unchanged from SFY 2020-21.

Tuition Assistance Program (TAP): The Executive Budget appropriates \$846.6 million for TAP, a decrease of \$13.1 million from SFY 2020-21, mostly due to enrollment declines. TAP continues to provide funding for the Senator Jose Peralta NYS DREAM Act.

Excelsior Scholarship: The Executive funds the Excelsior Scholarship program at \$130.0 million, which is a \$1.1 million decrease from SFY 2020-21. This decrease is due to the number of students expected to qualify for the scholarship in the next academic year.

Enhanced Tuition Assistance (ETA): The Executive provides \$7.75 million for the ETA program for students attending independent colleges and universities, which is a \$1.15 million increase from SFY 2020-21.

Scholarships and Other Programs: The Executive Budget provides \$63.2 million for various scholarships, which is a \$7 million net decrease from SFY 2020-21 to align the appropriation with projected need. The proposal maintains funding for the Patricia McGee nursing scholarship, the social worker loan forgiveness program, and a loan forgiveness program for farmers.

Financial Aid Eligibility: The Executive proposes extending state financial aid eligibility for any 2019-20 and 2020-21 AY award recipient who was not able to complete a semester, quarter or term because of the COVID-19 pandemic. This flexibility would apply to all HESC administered scholarship programs including TAP and Excelsior.

Other Higher Education Initiatives

Higher Education Capital Matching Grants Program (HECap): The Executive proposal does not include additional support for HECap for SFY 2021-22.

College Choice Tuition Savings Program: The Executive proposes \$675,000 in funding to support program administration, in line with SFY 2020-21 funding levels.

Article VII

The Executive includes the following Article VII proposals that would:

- extend SUNY and CUNY’s authorization to increase resident undergraduate tuition by up to \$200 annually through the 2024-2025 AY;
- provide differential tuition for SUNY university centers and SUNY and CUNY doctoral degree granting institutions;
- allow SUNY and CUNY to establish lower tuition rates for high demand certificate programs;
- extend the current state Maintenance of Effort for SUNY and CUNY through AY 2024-25;
- extend for two years the tuition rate that SUNY and CUNY are authorized to receive from the state for Excelsior Scholarship recipients, and provide that such rate shall reset annually thereafter;
- extend SUNY and CUNY’s procurement authorizations for an additional five years and authorize SUNY to purchase services through a consortium;
- extend for five years tuition benefits for eligible members of New York state military forces to attend college in New York State;



- provide that certain approved curricula or programs of study at public and not-for-profit colleges and universities that have met certain criteria shall be deemed registered by SED 30 days after notification of such approval;
- allow public accountancy firms to have ownership of up to 49 percent by individuals who are not licensed as certified public accountants or public accountants and require non-licensee owners to pay an annual \$300 fee to SED. These fees are estimated to raise \$1.5 million in SFY 2021-22;
- authorize pharmacists to prescribe, direct limited-service labs and administer tests, and act as a referring healthcare provider for diabetes self-management and asthma self-management training;
- authorize pharmacists to administer immunizations recommended by the Centers for Disease Control;
- expand Collaborative Drug Therapy Management to include nurse practitioners and non-Article 28 facilities, create new eligibility requirements, and make such program permanent;
- eliminate the indefinite licensure of physicians; require criminal history background checks and fingerprints prior to licensure; expand the definition of professional misconduct; authorize immediate publication of charges against physicians; increase Commissioner of Health discretion as it relates to disclosure of Office of Professional Misconduct investigations; and
- require additional information to be reported by physicians for the NYS Physician Profile and combine the reporting process with the licensure/registration process.

BUDGET HIGHLIGHTS: HUMAN SERVICES



- **Rental Assistance:** The Executive proposal includes \$1.3 billion for the Emergency Rental Assistance Program, which was recently authorized through federal COVID-19 relief legislation. Funding would support households in rental arrears that are at risk of homelessness or housing instability and have income lower than 80 percent of the area median income. This proposal includes a hardship fund for those who are undocumented.
- **Supportive Housing:** The Executive budget includes \$250 million to continue the commitment to create 20,000 units of supportive housing over 15 years.
- **Child Care:** The Executive proposes to target \$40 million in federal funds to cap copays for families receiving child care subsidies at 20 percent of their income above the poverty level.
- **Raise the Age:** The Executive proposes \$250 million in continued funding for Raise the Age, and proposes to eliminate reimbursement for the cost of maintaining unoccupied beds.
- **Unemployment Insurance (UI) Reform:** The Executive proposal includes reforms to the unemployment insurance system, including modernization of technology and new benefit calculations for partial UI based on the number of hours actually worked over the course of a week.
- **Consolidating the Community Optional Preventative Services (COPS) and Supervision and Treatment Services for Juveniles Programs (STSJP) Programs:** The Executive proposes to consolidate these two programs and reduce total funding by 20 percent.
- **COVID Recovery Workforce Initiative:** The Executive proposal includes \$50 million for career training and funding for small businesses impacted by COVID-19 to retrain and hire employees.
- **Paid Leave for COVID Vaccination:** The Executive proposal includes language to allow public and private employees up to four hours of paid time off for vaccinations.
- **Committee on Special Education (CSE):** The Executive proposal would make permanent the elimination of a state share for CSE placements outside of New York City in SFY 2020-21.
- **Closure of Youth State Facilities:** The Executive proposes legislation to amend the one-year closure notice requirement to move expeditiously to close four youth facilities.

BUDGET REVIEW AND ANALYSIS: HUMAN SERVICES



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

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

The Division of Veterans' Services assists and advocates on behalf of veterans throughout the State.

The Department of Labor protects the rights of the workforce and promotes employment opportunities for out-of-work individuals. The Division of Housing and Community Renewal creates and maintains opportunities for affordable housing.

The Division of Human Rights addresses discrimination against protected classes in education, employment, housing, and public accommodations. The Office of National and Community Service utilizes grants to promote various services including assistance to individuals with disabilities and disaster preparedness. Pay for Success initiatives seek to encourage community nonprofit service providers and philanthropic and private sector organizations to perform services usually associated with government institutions.

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



Table 22

Appropriations				
Agency/Program	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Labor	61,874.88	62,051.91	177.04	0.29
Office of Temporary and Disability Assistance	5,871.70	7,253.45	1,381.74	23.53
Office of Children and Family Services	4,070.04	4,486.05	416.01	10.22
Division of Housing and Community Renewal	309.36	646.51	337.15	108.98
Raise the Age	250.00	250.00	0.00	0.00
State of New York Mortgage Agency	216.27	232.80	16.53	7.64
Pay for Success	69.00	0.00	(69.00)	(100.00)
Office of National and Community Service	30.77	30.77	0.00	0.00
Division of Veterans' Services	21.53	19.53	(2.00)	(9.31)
Division of Human Rights	18.15	18.15	0.00	0.00
Office of Welfare Inspector General	1.31	1.31	0.00	0.00

Table 23

Disbursements				
Agency/Program	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Labor	4,765.49	647.36	(4,118.14)	(86.42)
Office of Temporary and Disability Assistance	5,236.84	5,964.94	728.11	13.90
Office of Children and Family Services	3,193.44	2,849.24	(344.20)	(10.78)
Division of Housing and Community Renewal	836.39	933.17	96.78	11.57
Raise the Age	148.00	123.00	(25.00)	(16.89)
State of New York Mortgage Agency	0.00	0.00	0.00	0.00
Pay for Success	0.33	0.00	(0.33)	(100.00)
Office of National and Community Service	16.99	17.31	0.32	1.88
Division of Veterans' Services	15.73	15.58	(0.15)	(0.95)
Division of Human Rights	14.31	13.94	(0.37)	(2.59)
Office of Welfare Inspector General	0.77	0.75	(0.02)	(1.95)

Office of Temporary and Disability Assistance (OTDA)

The Executive proposes an All Funds appropriation of \$7.25 billion, an increase of \$1.38 billion or 23.5 percent over the SFY 2020-21 level. This increase reflects additional funding for projected public assistance caseload increases due to the impacts of COVID-19, and federal funding for a new Emergency Rental Assistance Program. The Executive recommends funding support for 1,864 full-time equivalent (FTE) employees, a decrease of 123 FTEs from SFY 2020-21.

Public Assistance Benefits: The Executive Budget estimates a public assistance caseload of 558,000 recipients for SFY 2020-21, an increase of 22,205 recipients from SFY 2020-21.

State spending on behalf of the Safety Net population is anticipated at \$599.8 million, an increase of \$3.8 million from the SFY 2020-21 level. The Executive estimates federal Temporary Assistance for Needy Families (TANF) support for benefits at \$1.36 billion, an increase of \$128 million from the SFY 2020-21 level.

TANF Commitments: The Executive proposes an appropriation of \$1.25 billion for TANF initiatives, a decrease of \$213.2 million from SFY 2020-21 including the elimination of \$19.76 million in TANF initiatives that were enacted in SFY 2020-21. The Executive proposal also includes \$45 million for Summer Youth Employment, unchanged from SFY 2020-21, and funding for the Non-Residential Domestic Violence Program in the amount of \$3 million, unchanged from SFY 2020-21.

Table 24

TANF Initiatives (\$ in Thousands)		
	SFY 2020-21	SFY 2021-22
Category/Item	Enacted	Proposed
Flexible Fund for Family Services	964,000	964,000
Child Care Subsidies	408,395	214,943
TANF Initiatives		
Access - Welfare to Careers	800	0
Advantage After Schools	33,041	28,041
ATTAIN	2,000	0
Career Pathways	1,425	0
Centro of Oneida	25	0
Facilitated Enrollment	8,488	0
Jewish Child Care Association	200	0
Non-Residential DV	3,000	3,000
Preventive Services Initiative	785	0
Rochester-Genesee Regional TA	82	0
Summer Youth Employment	45,000	45,000
SUNY/CUNY Child Care	334	0
Wage Subsidy Program	475	0
Wheels for Work	144	0
Subtotal of TANF Initiatives	95,799	76,041
TANF Funding Total	1,468,194	1,254,984

The Executive proposal provides funding for Emergency Assistance to Needy Families (EAF) at \$262.2 million, unchanged from SFY 2020-21. This includes savings of \$34.8 million associated with an assumed 15 percent local share of EAF payable by New York City.

Emergency Rental Assistance Program: A new \$1.28 billion is included for the Emergency Rental Assistance Program, supported entirely by federal funds. Funding would support future rent and rental arrears payments for households that have experienced financial hardship, are at risk of homelessness or housing instability, and have income lower than 80 percent of the area median income (AMI). Priority would be given to those who have been out of work for 90 days or more, and who have income at or below 50 percent of AMI. The proposal also includes a hardship fund for those who are undocumented.

Homeless Programs: The Executive proposal includes \$45.2 million for the New York State Supportive Housing Program, Solutions to End Homelessness Program, and Operational Support for AIDS Housing, an increase of \$2.5 million over SFY 2020-21. The proposal eliminates \$15 million for the New York City Rental Assistance Program and \$5 million for the Rest of State Rent Cap Pilot Program due to lack of utilization. These funds have been reappropriated from prior years. The Executive proposal also includes \$60.5 million for Homeless Housing Programs, an increase of \$51 million from SFY 2020-21, and \$1 million for the Emergency Homeless Services Program, unchanged from last year.

Homeless Housing and Assistance Program: The Executive proposal continues \$128 million in funding for the Homeless Housing and Assistance Program (HHAP), unchanged from SFY 2020-21. Of this amount, \$5 million would continue to be made available for supportive housing for homeless veterans, and \$64 million would support the \$250 million commitment to continue 20,000 units of supportive housing over 15 years. Funding for this program is split between OTDA and the Division of Housing and Community Renewal.

Additional Public Service Programs: The Executive proposes \$700 million for the Supplemental Security Income (SSI) Program, unchanged from SFY 2020-21.

Local Reductions: The Executive includes a reduction of \$4.4 million to various programs from their SFY 2020-21 levels. This includes the Adult Homeless Shelter Reimbursement (\$3.45 million), Code Blue (\$650,000), Public Homes (\$250,000), the HIV/AIDS Welfare-to-Work Program (\$58,000), and the Formerly Incarcerated Services Pilot (\$10,000).

Legislative Initiatives: The Executive eliminates \$2.9 million in Legislative Initiatives including funding for refugee resettlement agencies (\$1 million), a reduction in the Disability Advocacy Program (\$1.5 million), and funds to resettle people from Puerto Rico and the U.S. Virgin Islands (\$350,000).



Article VII

The Executive proposes Article VII language that would:

- authorize an increase to the Federal SSI COLA in 2022, which provides for a COLA increase of \$2 to \$16 depending on living arrangement;
- transfer the administration of the Gifts to Food Banks funds from OTDA to DOH; and
- streamline the process of transferring unclaimed child support funds to the Office of the State Comptroller's Office of Unclaimed Funds.

Office of Children and Family Services (OCFS)

The Executive proposes an All Funds appropriation of \$4.49 billion, an increase of \$416 million or 10.2 percent over the SFY 2020-21 level. The Executive recommends funding support for 2,514 FTEs, a decrease of 285 FTEs from SFY 2020-21 levels related to proposed youth facility closures.

Child Care: The Executive proposes \$1.48 billion for child care, a net increase of \$322.6 million from SFY 2020-21 levels. The Executive provides \$832 million for child care subsidies and \$643 million for other child care purposes including the administration of child care funds and child care resource and referral agencies. Included in these amounts is an increase of \$500 million for additional anticipated federal funding related to COVID-19.

The Executive proposes Article VII language to cap child care copays to no more than 20 percent of a family's income above the poverty line, at an estimated cost of \$40 million. The Executive provides \$4 million for professional development for child care employees, a decrease of \$220,000 from SFY 2020-21. The Executive also eliminates funding for Facilitated Enrollment in OCFS (\$1.5 million) and OTDA (\$8.48 million) as well as TANF funding for SUNY/CUNY child care (\$334,000).

Support for Child Care Deserts: The Executive proposes to utilize \$6 million in federal funding for start-up grants to create new child care programs and to provide wage supports for those programs located in child care deserts as identified by the Regional Economic Development Councils.

Human Services Local Assistance: The Executive proposes a five percent reduction in local assistance to multiple programs including Child Care, Child Welfare Services, Foster Care, Adoption Subsidies, Adult Protective and Domestic Violence Services, Flexible Domestic Violence Fund, Secure and Non-Secure Detention, Detention Reconciliation and Capital, Post-Placement Care, Runaway and

Homeless Youth, Kinship Services, Home Visiting and Youth Development Program. This action would result in \$69.4 million in General Fund savings.

Closure of Youth Facilities: The Executive proposes language to reduce the statutory one-year closure notice requirement to six months in order to close four youth facilities, due to low capacity. This action would result in a savings of \$10.9 million in SFY 2021-22.

Consolidating the Community Optional Preventative Services (COPS) and Supervision and Treatment Services for Juveniles Program (STSJP): The Executive proposes to consolidate these two programs into a single program, with a plan to be developed by OCFS. The Executive proposes to reduce total funding by 20 percent, resulting in a savings of \$2.7 million in SFY 2021-22.

Consolidate Community Multi-Services Offices: The Executive proposes to consolidate programs in Central New York and New York City. These programs oversee the rehabilitation and re-entry of youth who have been placed in residential programs. The consolidation would result in the elimination of two offices and three satellite offices, resulting in a \$1.8 million savings in SFY 2021-22.

Permanent Elimination of Committee on Special Education 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 Committees on Special Education outside of New York City. This action would result in \$28 million in savings.

Legislative Initiatives: The Executive proposes a decrease of \$29.4 million for various children and families' initiatives funding in SFY 2020-21, including funding for various human services initiatives (\$6.7 million), Settlement Houses (\$2.45 million), Safe Harbour (\$2 million) and the Kinship Program (\$1.05 million).

Article VII

The Executive proposes Article VII legislation that would:

- authorize the closure of four underutilized OCFS Youth Facilities in 2021 and waive the one-year closure notice requirement for such facilities;
- eliminate the state reimbursement permanently for residential Committee on Special Education (CSE) placements made by school districts outside of New York City and certain placements for the blind and deaf;



- make permanent the provisions that combine funding for the Youth Development Program and the Special Delinquency Prevention Program;
- authorize the OCFS to contract with BOCES permanently to provide certain educational services to youth in OCFS juvenile justice facilities;
- enact various provisions of law required to comply with the federal Family First Prevention Services Act regarding the placement of youth in a qualified residential treatment program (QRTP);
- require local social services districts to establish differential response programs that would serve as an alternative to child protective services for select allegations of maltreatment; and
- limit the co-payment for families receiving child care subsidies to no more than 20 percent of their income above the poverty level and reduce unnecessary and duplicative administrative burdens on child care providers.

Department of Labor

The Executive proposes All Funds appropriations of \$62.05 billion, an increase of \$177 million or 0.29 percent over the SFY 2020-21 level. This increase is primarily due to a new Enterprise Fund to support potential unemployment insurance interest costs, the creation of the COVID-19 Recovery Workforce Initiative, and funding for the Labor Contact Center to address the high demand in unemployment calls. The Executive recommends support for 2,695 FTEs, a reduction of 292 from SFY 2020-21.

Unemployment Insurance (UI) Benefits: The Executive proposes an appropriation of \$60 billion to support the increase in UI claims due to COVID-19. The Executive also includes a deficiency appropriation of \$11 billion for SFY 2020-21 to bring the current fiscal year UI Benefit Fund levels to \$71 billion.

Workforce Innovation and Opportunity Act (WIOA): The Executive proposes \$236.3 million for WIOA, unchanged from the SFY 2020-21 level.

COVID-19 Recovery Workforce Initiative: The Executive proposes \$50 million for the creation of a COVID-19 Recovery Workforce Initiative. The initiative would provide career training and funding for small businesses impacted by COVID-19.

Community Initiatives: The Executive proposes a decrease of \$12.1 million, reflecting the elimination of various labor programs funded in SFY 2020-21, including support for the Displaced Homemaker Program (\$1.62 million), New York Committee on Occupational Safety and Health (\$350,000), Rochester Building Trades Pre-Apprenticeship Program (\$200,000), the Sexual Harassment Prevention Program at Cornell's School of Industrial Labor Relations (\$150,000), and the Criminal Records Discrimination Program at Cornell's School of Industrial Labor Relations (\$50,000).

Article VII

The Executive proposes Article VII legislation that would:

- modify the calculation of unemployment insurance benefits for partially unemployed workers based on the amount of wages earned by the claimant each week;
- require public and private employers to provide each employee with up to four hours of paid leave for each COVID-19 vaccine injection, for up to two instances; and
- extend prevailing wage requirements to covered renewable energy projects in accordance with Sections 220 and 220-b of the New York State Labor Law.

Division of Housing and Community Renewal (DHCR)

The Executive proposes All Funds appropriations of \$646.5 million, an increase of \$337.6 million or 109 percent over SFY 2020-21. The increase is due to the inclusion of capital funding for additional supportive housing and the Governor's Office of Storm Recovery, as well as the shifting of the Rural Rental Assistance Program from the Mortgage Insurance Fund (MIF) to the General Fund. The Executive recommends support for 612 FTE positions, which is a reduction of 164 FTEs from SFY 2020-21.

Housing Programs: The Executive proposal includes funding for affordable housing, capital improvements to housing stock, rental subsidies and rental assistance. For these purposes, the Executive proposal recommends \$252.7 million from several sources, including the off-budget Mortgage Insurance Fund and off-budget Housing Finance Agency resources. These funds are committed as follows:



Table 25

Proposed Housing Program Allocations			
Program	SFY 2020-21 (\$ in Millions)	SFY 2021-22 (\$ in Millions)	Change (\$ in Millions)
Affordable Housing Corporation	26.0	26.0	0.0
Access to Home	1.0	1.0	0.0
Public Housing Modernization Program	6.4	6.4	0.0
Low Income Housing Trust Fund	44.2	44.2	0.0
Homes for Working Families Program	14.0	14.0	0.0
Housing Opportunities for the Elderly	1.4	1.4	0.0
Rural Rental Assistance Program	21.0	21.6	0.6
Main Street Program	4.2	4.2	0.0
Neighborhood Preservation Program/Rural Preservation Program	18.2	18.2	0.0
Manufactured Home Advantage Program	5.0	5.0	0.0
Homeowner Protection Program	10.0	0.0	(10.0)
Homeless Housing: NYSSHP/STEHP/AIDS Housing	42.6	45.1	2.5
New York City Adult Shelters	0.0	65.6	65.6
Total	194.0	252.7	58.7

Mortgage Insurance Fund (MIF): The Executive proposal allocates \$63.4 million from the MIF, a decrease of \$40.5 million below SFY 2020-21. This decrease is due to a shift of funds for the Rural Rental Assistance Program from the MIF to the General Fund as well as the elimination of \$10 million for the Homeowner Protection Program and a \$12 million grant to the City of Albany. This is partially offset by a \$2.5 million increase in funding to support the New York State Supportive Housing program, the Solutions to End Homelessness Program (STEHP), and operational support for the AIDS Housing Program administered by OTDA. Total funding for these programs is \$45.1 million. The Executive continues funding of \$18.2 million for the Neighborhood Preservation Program (NPP) and the Rural Preservation Program (RPP).

Housing Finance Agency (HFA) Resources: The Executive proposal allocates \$65.6 million in resources from the HFA to support adult homeless shelters in New York City. This program would be administered by the Office of Temporary and Disability Assistance.

State Operations Appropriations: The Executive proposes State Operations appropriations of \$116.2 million, which is unchanged from SFY 2020-21. The Executive continues funding to support the enforcement and administration of the rent laws by the Office of Rent Administration (ORA), including \$5.5 million for the Tenant Protection Unit (TPU).

The Executive proposal also continues funding of \$21.9 million for the Office of Housing Preservation, which is responsible for ensuring that buildings are in compliance with Section 8 rules and regulations, physical codes, standards, and income eligibility requirements.

Aid to Localities Appropriations: The Executive proposes Aid to Localities appropriations of \$112.1 million, an increase of \$21.6 million or 23.9 percent above SFY 2020-21. This increase is exclusively due to the shift of the Rural Rental Assistance program from the MIF to the General Fund. The Executive continues \$15 million in funding for the Housing Development Fund and \$40 million in federal funding for the Small Cities Community Development Block Grant Program and \$32.5 million in federal funding for the Low-Income Weatherization Program.

Capital Appropriation Funding: The Executive proposal continues funding for the fifth year of a five-year \$2.2 billion affordable housing plan. Additionally, \$186 million is appropriated for additional supportive housing capital, which when combined with \$64 million earmarked in OTDA would provide a total of \$250 million in new capital for supportive housing. The Executive also proposes \$130 million in new funding for the Governor’s Office of Storm Recovery.

State of New York Mortgage Agency (SONYMA)

The Executive proposes an All Funds appropriation of \$216.2 million, a decrease of \$1.1 million or 0.50 percent from SFY 2020-21 levels to reflect statutorily required guarantee payments.

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, application fees, insurance premiums, and investment proceeds.

Article VII

The Executive includes the following Article VII proposals that would:

- expand the authority of the State of New York Mortgage Agency (SONYMA) to purchase mortgage loans from a broader pool of lenders, purchase mortgages secured by new construction loans, and modify its mortgages to assist financially distressed mortgagors;
- temporarily provide for the conversion of certain vacant and underutilized commercial and hotel spaces in areas of New York City for affordable housing purposes;
- clarify that not-for-profit housing development finance companies subject to a regulatory agreement are exempt from sales tax; and



- prohibit late rental fees and charges for the period between March 20, 2020 to May 1, 2021. The Executive also includes language that would allow landlords and tenants to enter into a written agreement for renters to use their security deposits to pay rent.

Raise the Age

The SFY 2017-18 Budget raised the age of criminal responsibility to age 17 on October 1, 2018 and to age 18 on October 1, 2019. The SFY 2021-22 Budget appropriates \$250 million, unchanged from SFY 2020-21, to support reforms such as comprehensive diversion, probation, and programming services for 16- and 17-year-old youth in the juvenile justice system. The Executive proposes to limit reimbursement payments to Non-Profit Voluntary Agency Providers to only actual placements, eliminating reimbursement for unoccupied beds.

Office of National and Community Service

The Executive proposes an All Funds appropriation of \$30.8 million, unchanged from the SFY 2020-21 levels. The Executive recommends support for 10 FTEs, unchanged from the SFY 2020-21 level.

Pay for Success Contingency Reserve

The Executive eliminates the \$69 million appropriation for Pay for Success from SFY 2020-21 but maintains \$59 million in reappropriations.

Division of Human Rights

The Executive proposes an All Funds appropriation of \$18.15 million, unchanged from SFY 2020-21. The Executive recommends support for 149 FTEs, unchanged from the SFY 2020-21.

Article VII

The Executive proposes Article VII language that would:

- expand the Human Rights Law's anti-discrimination provisions, which afford protection against discrimination for members of protected groups, to include for-profit educational institutions; and
- expand the Human Rights Law to clarify that discrimination on the basis of citizenship and immigration status is unlawful in New York State.

Division of Veterans' Services

The Executive proposes an All Funds appropriation of \$19.5 million, a decrease of \$2 million or 9.3 percent from SFY 2020-21. The Executive recommends support for 90 FTEs, unchanged from SFY 2020-21.

Veterans' Call-in Line: The Executive proposes to reestablish call-in line to connect veterans directly to Veterans Benefit Advisors. The agency would no longer participate in the Human Services Call Center operated by the Office of Children and Family Services, resulting in a reduction of \$79,000 in annual costs.

Community Initiatives: The Executive eliminates \$1.9 million for various veterans programs funded in SFY 2020-21 including support for NYS Defenders Association Veterans Defense Program (\$500,000), Legal Services of the Hudson Valley Veterans and Military Families Advocacy Project (\$330,000), Clear Path for Veterans (\$250,000), Helmets to Hardhats (\$200,000), North Country Veterans Association (\$100,000), the SAGE Veterans Project (\$150,000), and the Vietnam Veterans Of America New York State Council (\$50,000).

Article VII

The Executive proposes Article VII language that would expand the availability of veterans' treatment courts.

Office of the Welfare Inspector General

The Executive proposes an All Funds appropriation of \$1.3 million, unchanged from SFY 2020-21 levels. The Executive recommends support for six FTEs, unchanged from the SFY 2020-21 level.



BUDGET HIGHLIGHTS: MENTAL HYGIENE



- **Office of Addiction and Mental Health Services:** The Executive proposes to integrate the Office of Mental Health (OMH) and the Office of Addiction Services and Supports (OASAS) to create the new Office of Addiction and Mental Health Services (OAMHS).
- **Crisis Stabilization Centers:** The Executive proposes to create behavioral health crisis stabilization centers to streamline stabilization and reintegration of individuals experiencing a mental health crisis. These centers would accept all admissions without referral, including drop-offs by law enforcement and other first responders.
- **OPWDD Residential Program Management:** The Executive proposes to transition individuals into appropriate residential settings based on their level of need, including state- and voluntary-operated programs. This would result in a net reduction in spending of \$22.7 million.
- **Independent Living Opportunities:** The Executive provides an additional \$15 million in funding to support the expansion of independent living opportunities for individuals with intellectual and developmental disabilities.
- **OPWDD Medicaid Rate Reduction:** The Executive proposes to reduce the fee-for-service Medicaid rate for OPWDD programs by one percent or \$10.5 million.
- **Adult Home Transition:** The Executive provides an additional \$9.7 million to support the transition of certain individuals out of adult homes in New York City to a more integrated setting.
- **Jail-Based Substance Use Disorder Treatment and Transition Services Program:** The Executive proposes a 50 percent reduction in funding for jail-based substance use disorder treatment, resulting in a decrease of \$1.9 million.

BUDGET REVIEW AND ANALYSIS: MENTAL HYGIENE



The State of New York spends approximately \$5.6 billion annually to support its mental hygiene agencies, which include the Office for People with Developmental Disabilities (OPWDD), the Office of Mental Health (OMH), the Office of Addiction Services and Supports (OASAS), the Justice Center for the Protection of People with Special Needs, and the Developmental Disabilities Planning Council (DDPC).

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

Table 26

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	5,002.47	4,942.09	(60.38)	(1.21)
Office of Mental Health	4,467.46	4,435.57	(31.89)	(0.71)
Office of Addiction Services and Supports	824.61	918.95	94.34	11.44
Department of Mental Hygiene	600.00	600.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	58.57	57.94	(0.63)	(1.08)
Developmental Disabilities Planning Council	4.76	4.76	0.00	0.00

Table 27

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office for People with Developmental Disabilities	1,919.68	3,012.28	1,092.60	56.92
Office of Mental Health	3,057.46	3,227.20	169.74	5.55
Office of Addiction Services and Supports	619.42	644.75	25.33	4.09
Department of Mental Hygiene	0.00	0.00	0.00	0.00
Justice Center for the Protection of People with Special Needs	46.11	44.73	(1.38)	(2.99)
Developmental Disabilities Planning Council	4.20	4.20	0.00	0.00

Minimum Wage: The Executive Budget includes \$38.5 million in funding for staff at not-for-profit providers associated with the increase in the State’s minimum wage, including \$31.6 million for OPWDD, \$1.8 million for OASAS, and \$5.1 million for OMH.

Cost of Living Adjustment (COLA): The Executive would defer the human services COLA for one year, reducing spending by \$26.9 million for OPWDD, \$15 million for OMH, and \$4.3 million for OASAS.

Office for People with Developmental Disabilities (OPWDD)

The Executive proposes an All Funds appropriation of \$4.9 billion, a decrease of \$60.4 million or 1.2 percent, from SFY 2020-21. The Executive recommends support for 18,584 full-time equivalent (FTE) positions, an increase of 12 FTEs from SFY 2020-21.

Community Based Expansion Services: The Executive proposal includes an increase of \$53.4 million to support the creation of new services for individuals with developmental disabilities, including an expansion of certified housing supports and rental subsidies to individuals living in an apartment, as well as an expansion of day programs, employment options, and respite services.

Care Coordination Organization (CCO) Rates: The Executive proposal would adjust CCO rates to reflect actual spending, resulting in a reduction of \$20.8 million.

OPWDD Residential Program Management: The Executive proposes to transition individuals into appropriate residential settings based on their level of need, by authorizing OPWDD to manage residential programs. Those new to OPWDD residential services would be offered the most integrated setting, including Supportive Individualized Residential Alternatives (IRA), supervised IRAs, Family Care,



and rent-subsidized apartments with wrap-around Community Habilitation supports. State-operated residential capacity would be used to support individuals who have the most intensive needs. In addition, OPWDD would assist in transitioning individuals living in State-operated residences to appropriate voluntary programs. This would allow OPWDD to provide services to young adults with intensive needs who have aged out of residential schools. This would result in a net reduction of \$22.7 million.

Independent Living Opportunities: The Executive provides an additional \$15 million in funding to support the expansion of independent living opportunities for individuals with intellectual and developmental disabilities.

OPWDD Withholding: The Executive proposes to reduce local assistance payments for non-Medicaid payments under the Office for People with Developmental Disabilities (OPWDD) by five percent, for a reduction of \$12 million.

OPWDD Medicaid Rate Reduction: The Executive proposes to reduce the fee-for-service Medicaid rates for OPWDD programs by 1 percent, or \$10.5 million.

Eliminate Residential Reserve for Replacement (RRR) Allowance: The Executive proposes to eliminate \$6.1 million in funding for the RRR Allowance. Currently, providers receive monthly payments to fund building repairs, and the Executive proposal would make such payments subject to review and approval of OPWDD.

Create the Division of Developmental Disabilities Research Program: The Executive proposes to consolidate the New York Institute for Basic Research in Developmental Disabilities (IBR) and the New York State Psychiatric Institute (NYSPI), which both conduct research in brain development and disorders. This would result in a net reduction of \$1 million.

Program Eliminations: The Executive proposes the elimination of \$440,000 in targeted grants to community-based providers.

Article VII

The Executive proposes Article VII language that would:

- extend the authority of the Office for People with Developmental Disabilities (OPWDD) and the Office of Mental Health (OMH) facility directors to act as representative payees to use funds for the cost of a resident's care and treatment for three years;

- extend the authority for OPWDD and OMH to appoint temporary operators for five years; and
- authorize the NYS Institute for Basic Research in Developmental Disabilities (IBR) to be designated as an entity under the NYS Psychiatric Institute (NYSPI) and allow for the transfer of employees from IBR to NYSPI.

Office of Mental Health (OMH)

The Executive proposes an All Funds appropriation of \$4.4 billion, a decrease of \$31.9 million or 0.71 percent from SFY 2020-21. The Executive recommends support for 13,246 FTEs, a decrease of 446 FTEs from SFY 2020-21 level.

State Operated Facility Downsizing: The Executive proposes a \$22 million reduction related to the elimination of 200 residential beds from State-operated psychiatric facilities. The Executive would also defer the requirement to reinvest the savings resulting from downsizings for one year.

State Operated Residential Facility Downsizing and Reinvestment: The Executive Budget includes a \$4 million reduction related to the elimination of 100 residential beds from State-operated facilities. These savings would be partially offset by an increase of \$2 million to support 100 new beds in facilities operated by voluntary providers.

Reduction in Cost of Outside Medical Care: The Executive proposes to reduce transportation costs related to outside medical care for patients in inpatient psychiatric centers by \$3 million. Currently, OMH pays for the transport of patients for medical treatment. Instead, this proposal would allow OMH to pay an increased rate to have medical providers deliver services in the psychiatric facility.

OMH Withhold: The Executive proposes to reduce funding for local assistance payments by five percent, or \$17.2 million, for non-residential programs under the Office of Mental Health.

Adult Home Transitions: The Executive provides an additional \$9.7 million in funding to support individuals transitioning out of adult homes in New York City to more integrated settings.

Rockland Children's Psychiatric Center (PC) Conversion: The Executive proposal would convert the Rockland Children's Psychiatric Center into a voluntary-operated center for children and youth who require brief and intensive community-based care, including residential treatment. This would result in savings of \$8 million.



Eliminate Regional Planning Consortiums (RPCs) Funding: The Executive proposes to eliminate funding for RPCs by \$1.5 million. Currently, RPCs are a network of 11 regional boards, comprised of community stakeholders that help to advise local agency activities.

Eliminate Self-Directed Care (SDC) Demonstration Program: The Executive proposes to eliminate \$400,000 in funding for the SDC Demonstration program, which assists individuals in Health and Recovery Plans (HARP) to develop action plans intended to improve their overall health.

Delay in Suicide Prevention Funding: The Executive proposes to delay \$1 million in spending for the suicide prevention program for veterans, first responders, and law enforcement from the 2020-21 Enacted Budget.

Program Eliminations: The Executive proposes the elimination of \$6.4 million in targeted grants to community-based providers.

Article VII

The Executive proposes Article VII language that would:

- create the Office of Addiction and Mental Health Services (OAMHS) through the integration of OMH and OASAS effective on January 1, 2022;
- extend the use of time-limited demonstration programs that provide specialized inpatient psychiatric units for children and adults, until March 31, 2024;
- extend the requirement for the Office of Mental Health (OMH) to reinvest savings from inpatient psychiatric bed closures into community-based mental health services for three years;
- suspend notification and community reinvestment requirements for the closure of a facility operated by OMH; authorize OMH to close, consolidate, reduce, transfer, or otherwise redesign services of hospitals, other facilities, and programs operated by the Office; and require any transfer of an employee to be in accordance with Civil Service Law. The authority provided under these provisions would expire on March 31, 2022;
- modify the authority for the Commissioner of OMH to impose fines related to a service provider's non-compliance with terms of its operating certificate;
- authorize the Commissioner of OMH to establish fees related to processing applications for the issuance of operating certificates;

- create crisis stabilization centers and authorize OMH and OASAS to jointly license and operate such centers;
- provide authority for law enforcement and other first responders to transport an individual to a crisis stabilization center;
- add new criteria for renewal of an Assisted Outpatient Treatment (AOT) court order;
- add criteria that would allow involuntary commitment for an individual with a mental illness; and
- authorize the Commissioners of the Department of Health (DOH), OMH, and OASAS to establish integrated comprehensive outpatient service centers.

Office of Addiction Services and Supports (OASAS)

The Executive proposes an All Funds appropriation of \$918.9 million, an increase of \$94.3 million or 11.4 percent from SFY 2020-21. The Executive recommends support for 700 FTEs, which is unchanged from the SFY 2020-21 level.

HIV Early Intervention Services: The Executive proposes to eliminate funding for HIV early intervention services, which would result in a decrease of \$3.5 million. Currently, OASAS contracts with 11 providers to provide HIV testing, counseling, and referral services.

New York City Department of Education (DOE) Substance Abuse Prevention and Intervention Specialists (SAPIS): The Executive proposes a 20 percent reduction in funding for SAPIS, which would result in a decrease of \$3.4 million.

Jail-Based Substance Use Disorder Treatment and Transition Services Program: The Executive proposes a 50 percent reduction in funding for jail-based substance use disorder treatment programs, resulting in a decrease of \$1.9 million.

College Coalition Initiative: The Executive proposes to reduce funding for the College Coalition Initiative by 50 percent, or \$1.2 million. This program supports substance abuse prevention services on 20 SUNY and CUNY campuses across the State.



Eliminate Regional Addiction Resource Centers: The Executive proposes to eliminate \$903,000 in funding for Regional Addiction Resource Centers. Currently, there are nine centers that assist individuals and their families in identifying and accessing local resources for prevention, treatment and recovery.

Reduction of Day Rehabilitation Funding: The Executive proposes reducing funding for outpatient rehabilitation services by 50 percent, or \$826,000.

Public Awareness Campaign Funding: The Executive proposes to reduce funding for the Public Awareness campaign by \$500,000.

Program Eliminations: The Executive proposes the elimination of \$3.5 million in grants to community-based providers.

Article VII

The Executive proposes Article VII language that would authorize the Office of Addiction Services and Supports (OASAS) to establish practice standards for addiction professionals and set fees for credentialing, licensing, certifying, or authorizing addiction professionals and service providers.

Justice Center for the Protection of People with Special Needs

The Executive proposes All Funds appropriations of \$57.9 million, a decrease of \$636,000 or 1.1 percent from SFY 2020-21. The Executive recommends support for 420 FTEs, unchanged from the SFY 2020-21 level.

Adult Home Advocacy Program: The Executive proposes to eliminate State funding for the Adult Home Advocacy Program, which would result in a reduction of \$230,000.

Article VII

The Executive proposes Article VII language that would eliminate the requirement that the Justice Center administer the Adult Home Advocacy Program.

Developmental Disabilities Planning Council (DDPC)

The Executive proposes an All Funds appropriation of \$4.76 million, unchanged from SFY 2020-21. The Executive recommends support for 18 FTEs, unchanged from the SFY 2020-21 level.

BUDGET HIGHLIGHTS: ENVIRONMENT, AGRICULTURE AND ENERGY



- **Broadband Affordability:** The Executive Proposal includes Article VII legislation that would require internet service providers to offer a \$15 per-month internet plan to any household eligible for free or reduced-price lunch through the National School Lunch Program or whose household income is below 185 percent of the federal poverty level.
- **Environmental Protection Fund (EPF):** The Executive proposal maintains funding for the EPF at \$300 million, which is comprised of \$40.6 million for solid waste programs; \$88.4 million for parks and recreation; \$151.4 million for open space programs; and \$19.6 million for climate change programs.
- **State Superfund Program:** The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, including funding for the Environmental Restoration Program.
- **Clean Water Infrastructure:** The Executive proposes \$500 million for water infrastructure programs for a total of \$4 billion in appropriations. This appropriation is part of a \$5 billion commitment over five years.
- **State Parks:** The Executive proposal maintains capital funding of \$110 million in New York Works funding for state parks in SFY 2021-22 as part of a \$440 million commitment over four years.
- **Olympic Regional Development Authority:** The Executive proposal includes \$105 million in capital funding for the Olympic Regional Development Authority, a decrease of \$42 million from SFY 2020-21. This funding includes \$92.5 million for projects in preparation of hosting the 2023 World University Games, \$10 million for critical maintenance and energy efficiency upgrades, and \$2.5 million from the Office of Parks, Recreation and Historic Preservation



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 protecting 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, and 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 for the management of energy research, development, and demonstration programs funded by assessments on gas and electric utilities.

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

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

Table 28

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	7,769.50	1,813.65	(5,955.84)	(76.66)
Office of Parks, Recreation, and Historic Preservation	489.16	484.94	(4.22)	(0.86)
Department of Agriculture and Markets	195.45	178.61	(16.84)	(8.62)
Olympic Regional Development Authority	158.59	116.59	(42.00)	(26.48)
Department of Public Service	106.23	104.34	(1.89)	(1.78)
New York Power Authority	129.00	86.00	(43.00)	(33.33)
Energy Research and Development Authority	18.20	20.5	2.30	12.64
Adirondack Park Agency	6.03	4.95	(1.09)	(18.03)
Hudson River Valley Greenway Communities Council	0.32	0.32	0.00	0.00
Greenway Heritage Conservancy	0.20	0.20	0.00	0.00
Hudson River Park Trust	0.00	0.00	0.00	0.00

Table 29

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Environmental Conservation	1,392.82	1,553.49	160.66	11.54
Office of Parks, Recreation, and Historic Preservation	360.34	340.15	(20.19)	(5.60)
Department of Agriculture and Markets	95.31	99.09	3.78	3.97
Olympic Regional Development Authority	142.65	127.54	(15.11)	(10.59)
Department of Public Service	90.04	84.30	(5.74)	(6.38)
New York Power Authority	65.68	0.50	(65.18)	(99.24)
Energy Research and Development Authority	21.57	23.13	1.56	7.23
Adirondack Park Agency	5.45	5.77	0.32	5.97
Hudson River Valley Greenway Communities Council	0.00	0.00	0.00	0.00
Greenway Heritage Conservancy	0.00	0.00	0.00	0.00
Hudson River Park Trust	8.00	18.00	10.00	125.00

Department of Environmental Conservation

The Executive proposes an All Funds appropriation of \$1.81 billion, a decrease of \$5.96 billion from the State Fiscal Year (SFY) 2020-21 level. This decrease primarily reflects the elimination of \$6 billion of appropriations required to implement the proposed \$3 billion Environmental Bond Act of 2020. The Bond Act that was included in the 2020-21 Enacted Budget was subsequently withdrawn. The Executive recommends support of 2,940 full time equivalent (FTE) positions, an increase of 16 FTEs from SFY 2020-21 levels.

Of the \$1.81 billion in All Funds appropriations, the Executive proposes \$463.30 million for DEC State Operations and \$1.35 billion in capital appropriations. Of the capital appropriations, approximately \$1 billion would be provided as grants to municipalities, not-for-profit organizations and universities through the Environmental Protection Fund (EPF), the Clean Water State Revolving Fund, and water infrastructure projects. The balance of capital appropriations are for state projects such as State Superfund cleanups, flood control projects, and improvements to DEC lands or facilities.

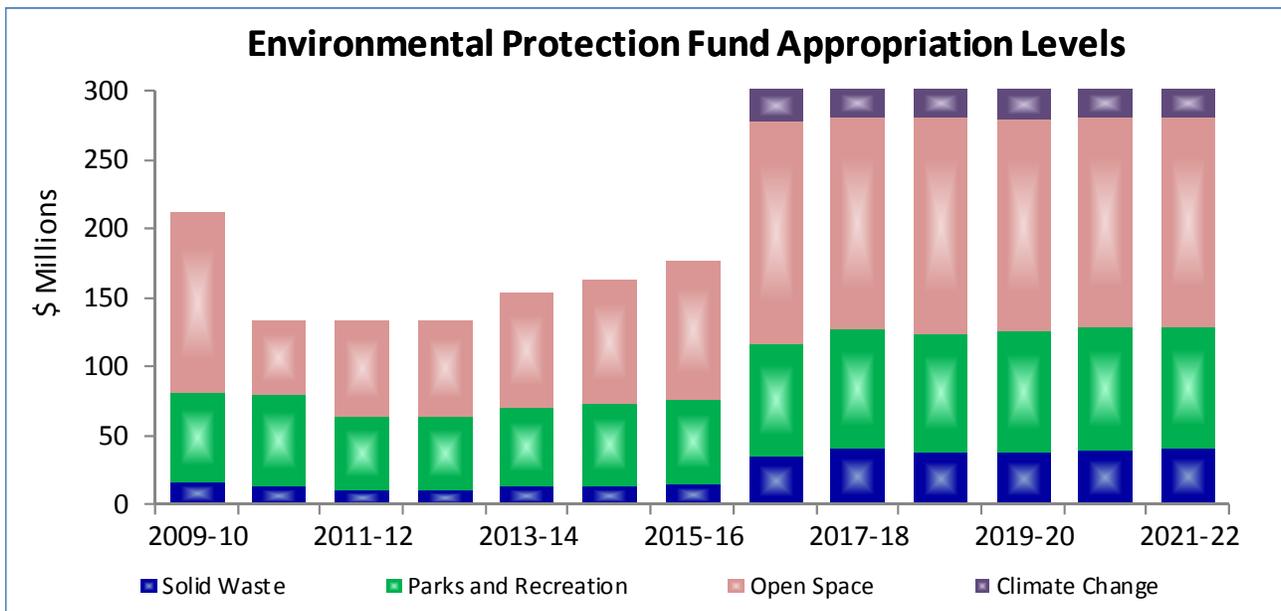


Figure 9

The EPF was created in 1993 to protect and preserve the State’s environment. There are currently four categories of funding in the EPF:

- The Climate Change Mitigation and Adaptation category provides funding to limit the impact of climate change, and funding of \$19.6 million is proposed for SFY 2021-22.
- The Open Space category provides funding for open space land conservation projects, biodiversity stewardship and research, agricultural and farmland protection activities, and for non-point source abatement and control projects. The Executive proposes \$151.4 million for this category for SFY 2021-22.
- The Parks and Recreation category provides public access to open space and economic development support for areas surrounding the open space, and funding of \$88.4 million is proposed for SFY 2021-22.
- The Solid Waste category provides funding for recycling and waste reduction, and \$40.6 million in funding is proposed for SFY 2021-2022.

The Executive proposes to increase several programs within the EPF, including \$1.5 million for Land Trust Conservations Easements, \$1.26 million for Public Access and Stewardship, \$1 million for Soil and Water Conservation Districts, and \$1 million for Environmental Justice.

The Executive proposal also makes several funding reductions within the EPF, the largest of which include: Land Acquisition; Zoos, Botanical Gardens and Aquariums (ZGBA); and Farmland Protection.



Table 30

SFY 2021-22 Environmental Protection Fund (\$ in Thousands)				
	SFY 2020-21	SFY 2021-22		
	Enacted Budget	Executive Proposal	Change (\$)	Change (%)
CLIMATE CHANGE MITIGATION & ADAPTATION				
Greenhouse Gas Management	1,500	1,800	300	20.0
State Climate Adaptation Projects	1,000	800	(200)	(20.0)
Smart Growth	2,000	2,000	-	-
Climate Resilient Farms Program	4,500	4,700	200	4.4
Climate Smart Community Projects	10,150	10,300	150	1.5
<i>Community Forests Grant Program*</i>	500	500	-	-
<i>Groundwork Hudson*</i>	50	-	(50)	(100.0)
Subtotal, Climate Change	19,150	19,600	450	2.3
OPEN SPACE				
Land Acquisition	31,000	30,000	(1,000)	(3.2)
<i>Lake George Park Commission</i>	200	-	(200)	(100.0)
<i>Land Trust Conservation Easements*</i>	1,500	3,000	1,500	100.0
Albany Pine Bush Commission	2,675	2,675	-	-
LI Pine Barrens Commission	2,000	2,000	-	-
Environmental Commissions	1,086	1,085	(1)	(0.1)
LI South Shore Estuary Reserve	900	900	-	-
Ag. Non-Point Source Pollution Control	18,000	18,000	-	-
Non-Ag Non-Point Source Pollution Control	6,000	6,000	-	-
Farmland Protection	18,000	17,000	(1,000)	(5.6)
Biodiversity Stewardship	1,350	1,350	-	-
Hudson River Estuary Plan	6,500	6,500	-	-
Finger Lake; Lake Ontario Watershed	2,300	2,300	-	-
Lake Erie Watershed Protection	250	250	-	-
Water Quality Improvement Program	18,600	19,000	400	2.2
<i>Town of Hempstead Marine Laboratory</i>	350	-	(350)	(100.0)
<i>Scajaquada Creek Cleanup*</i>	1,000	-	(1,000)	(100.0)
<i>Chautauqua Lake Association*</i>	150	150	-	-
<i>Chautauqua Lake Partnership*</i>	95	95	-	-
Oceans & Great Lakes Initiative	18,750	18,000	(750)	(4.0)
Invasive Species	13,238	13,300	62	0.5
<i>Golden Nematode (moved from Ag)*</i>	-	62	62	100.0
<i>Eradication</i>	5,750	5,750	-	-
<i>Nassau County Aquatic Weed Harvester*</i>	300	1,800	1,500	500.0
Soil & Water Conservation Districts	10,500	11,500	1,000	9.5
Agricultural Waste Management	1,500	1,500	-	-
Subtotal, Open Space	152,649	151,360	(1,289)	(0.8)
PARKS & REC				
Waterfront Revitalization	14,000	14,250	250	1.8
<i>Inner City/Underserved</i>	9,000	9,000	-	-
Municipal Parks	19,500	19,500	-	-
<i>Inner City/Underserved</i>	10,000	10,000	-	-
<i>East River Esplanade</i>	1,000	-	(1,000)	(100.0)
<i>Catskill Visitors Center*</i>	150	150	-	-
Public Access & Stewardship	34,400	35,665	1,265	3.7
<i>Camp Santanoni Historic Area Restoration*</i>	250	-	(250)	(100.0)
<i>NY Protected Areas Database*</i>	55	18	(37)	(67.3)
<i>Essex County Shuttle Service*</i>	1,200	800	(400)	(33.3)
Hudson River Park (HRP)	3,200	4,000	800	25.0
ZBGA	16,000	13,000	(3,000)	(18.8)
Waterway Law Enforcement	2,000	2,000	-	-
Subtotal, Parks & Rec	89,100	88,415	(685)	(0.8)
SOLID WASTE				
Landfill Closure/ Gas Management	764	800	36	4.7
Municipal Recycling	15,312	15,300	(12)	(0.1)
Secondary Marketing	200	200	-	-
Pesticide Database	1,800	1,800	-	-
Environmental Justice	7,000	8,000	1,000	14.3
Natural Resources Damages	2,025	2,025	-	-
Pollution Prevention Institute	4,000	4,000	-	-
Environmental Health	6,500	6,500	-	-
<i>Fresh Connect</i>	625	625	-	-
Brownfield Opportunity Area Grants	1,500	2,000	500	33.3
Subtotal, Solid Waste	39,101	40,625	1,524	3.9
TOTAL EPF	300,000	300,000	-	-

*20-21 New Categories

Other DEC Capital

New York Works: The Executive proposes \$75.25 million for New York Works, an increase of \$20 million from the SFY 2020-21 level. This increase reflects the first half of a \$40 million project to repair and upgrade the Conklingville Dam on Great Sacandaga Lake. 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.

Natural Resource Damages Fund: The Executive proposal includes a \$26 million appropriation for the Natural Resource Damages Fund in anticipation of damages paid by Northrop Grumman related to contamination at the Northrop Grumman Bethpage Facility located in Nassau County. As part of a broader agreement, the Natural Resource Damages Fund would receive \$104.4 million to advance cleanup, water supply, and aquifer protection projects to address the toxic groundwater plume threatening Long Island's sole source aquifer.

State Superfund Program: The Executive proposal continues to fully fund the State's Superfund Program with a \$100 million appropriation, of which 10 percent is allocated to the Environmental Restoration Program (ERP).

DEC State Operations

The Executive proposes State Operations appropriations of \$463.3 million, a decrease of \$1.41 million or 0.3 percent from the SFY 2020-21 level. Reductions totaling \$6.62 million from the deferral of a 2 percent general salary increase are largely offset by the transfer of 9 FTEs of the Lake George Park Commission, which had been within the Department of State (DOS) totaling \$2.1 million; 7 new FTEs to help administer the Climate Leadership and Community Protection Act (CLCPA) totaling \$650,000; and \$1.5 million related to increased hunting license revenue.

DEC Aid to Localities

The Executive proposal eliminates appropriations from SFY 2020-21 totaling \$430,000, including \$20,000 for water quality monitoring in Setauket Harbor in Suffolk County and \$265,000 in support of Sustainable South Bronx.



Article VII

The Executive includes the following Article VII proposals that would:

- revise existing hunting authorizations including decreasing the hunting age to 12 from 14, allowing for the increased use of crossbows, and modifying hunting seasons;
- codify regulations previously proposed by the Department of Environmental Conservation including plastic bag thickness and construction;
- revise the boundaries of a previously authorized alienation of certain municipal parkland for the Bay Park Conveyance Project in Nassau County;
- allow certain Brownfield project developers adversely impacted by the COVID-19 pandemic, to receive additional time for project completion;
- authorize an alienation of State forest land for a renewable energy project developed by Alle-Catt Wind Energy LLC;
- extend until 2023 the authority of certain local governments to enforce certain bottle bill law provisions; and
- authorize the Commissioner of the Department of Environmental Conservation to establish uniform standards and conditions to expedite the environmental approval of residential rezoning projects within one-half mile of Long Island Rail Road or the Metro-North Railroad stations outside of New York City.

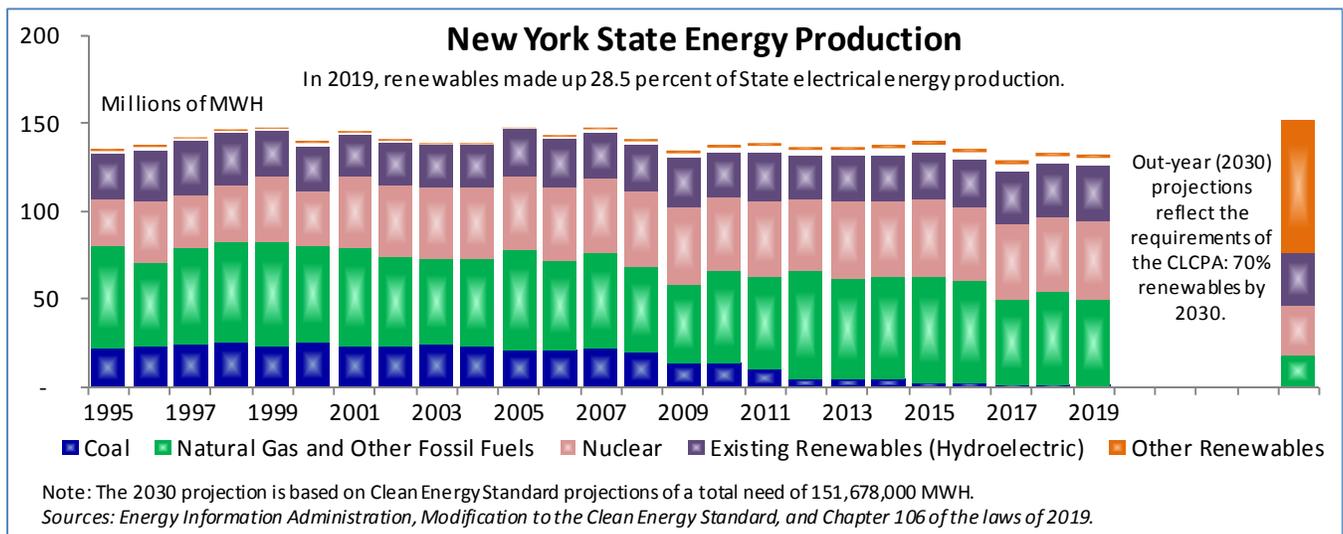


Figure 10

Department of Public Service (DPS)

The Executive proposes an All Funds appropriation of \$104.3 million, a decrease of \$1.9 million or 1.8 percent from SFY 2020-21 levels. The Executive recommends support of 476 FTEs, unchanged from SFY 2020-21 levels. DPS is primarily funded from an assessment on public utility companies rather than the General Fund.

Article VII

The Executive includes the following Article VII proposals that would:

- require internet service providers to offer a \$15 per-month internet plan to any household eligible for free or reduced-price lunch through the National School Lunch Program or whose household income is below 185 percent of the federal poverty level;
- make technical amendments relating to the Office of Renewable Siting;
- authorize building owners to deduct certain types of renewable energy credits from New York City building emission requirements; and
- prohibit the termination of utility, phone, television and broadband service to residential and certain small business customers in the event of a declared state disaster emergency in relation to an event negatively impacting the state’s long-term economic future.

NYS Energy Research and Development Authority (NYSERDA)

The Executive proposes an All Funds appropriation of \$20.5 million, an increase of \$2.3 million or 12.6 percent from SFY 2020-21. This \$20.5 million capital appropriation is 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 31

NYSERDA Revenues & Expenses				
(\$ in Thousands)				
Revenue Source	SFY 2019-20	SFY 2020-21	SFY 2021-22	Percent
Zero Emissions Credits (ZECs)	528,346	541,037	590,473	37.0%
Renewable Energy Credits (RECs)	5,613	9,096	45,825	2.9%
Utility Surcharge Assessments	568,910	530,745	700,571	43.9%
<i>Market Development, Innovation & Research</i>	<i>226,809</i>	<i>195,798</i>	<i>295,578</i>	<i>18.5%</i>
<i>NY-Sun</i>	<i>126,809</i>	<i>80,933</i>	<i>152,007</i>	<i>9.5%</i>
<i>NY Green Bank</i>	<i>20,678</i>	<i>155,534</i>	<i>105,800</i>	<i>6.6%</i>
<i>Other Utility Surcharge Assessments</i>	<i>195,226</i>	<i>98,480</i>	<i>147,187</i>	<i>9.2%</i>
Regional Greenhouse Gas Initiative (RGGI)	112,024	128,448	149,187	9.3%
State Appropriation for West Valley	15,043	18,200	20,500	1.3%
Loan Interest (Green Bank and GJGNY)	26,351	30,988	33,907	2.1%
Miscellaneous	80,154	53,309	56,784	3.6%
Total NYSERDA Revenues	1,336,441	1,311,823	1,597,247	100%
Expenses				
Zero Emissions Credits (ZECs)	537,742	541,188	590,473	40.0%
Renewable Energy Credits (RECs)	8,175	14,413	23,603	1.6%
RECs - Existing Renewables (Tier 2)	-	-	22,222	1.5%
Offshore Wind (Clean Energy Standard)		1,325	4,885	0.3%
Market Development, Innovation & Research	212,169	230,427	299,284	20.3%
Regional Greenhouse Gas Initiative (RGGI)	69,865	93,618	106,076	7.2%
West Valley	14,126	16,589	18,794	1.3%
Energy and Environmental Analysis	4,856	7,950	8,497	0.6%
NY-Sun	111,779	96,602	140,413	9.5%
Other Programs	202,353	106,162	156,350	10.6%
Salaries and Benefits	56,808	60,219	62,349	4.2%
Administration	37,089	39,098	41,644	2.8%
Total NYSERDA Expenses	1,254,962	1,207,591	1,474,590	100.0%

Source: NYSERDA 2021-22 Budget and Financial Plan (Draft)*
 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 are not appropriated in the Executive Budget, with the exception of the State share for West Valley. These off-budget programs include energy efficiency and energy research, development, and demonstration projects.

In October 2020 the Public Service Commission (PSC) adopted modifications to the 2016 Clean Energy Standard, which is implemented by NYSERDA. The modifications include two new programs, a competitive Tier 2 program to further support New York’s legacy renewable resources and a Tier 4 program for renewable energy projects which directly support New York City.

Regional Greenhouse Gas Initiative (RGGI): NYSERDA’s Board will consider the RGGI Operating Plan Amendment for 2021 at their January 2021 meeting, which if approved would allocate RGGI funds to several new programs, including \$21.5 million for ChargeNY; \$13 million for low-carbon solutions in schools, public housing, and other public buildings within disadvantaged communities; \$6 million to enable customers of NYPA and municipal power companies to participate in NY-Sun; and \$2 million for priority population workforce development. The Executive Budget continues annual transfers of RGGI proceeds from NYSERDA, including \$23 million to the General Fund to support existing green energy tax credits, \$5 million to the EPF, and \$913,000 to the General Fund to offset New York State’s debt service requirements for West Valley.

Article VII

The Executive includes the following Article VII proposals that would:

- extend for one year the authorization for NYSERDA to receive funds from an assessment on gas and electric corporations;
- increase the statutory cap on the Electric Generation Facility Cessation Mitigation Fund from \$69 million to \$140 million; and
- authorize the New York State Energy Research and Development Authority to create subsidiaries to develop project sites for the Build-Ready Program.

New York Power Authority (NYPA)

The Executive proposes an All Funds appropriation of \$86 million, a decrease of \$43 million or 33 percent from SFY 2020-21 levels. The decrease reflects a structured repayment plan between the State and NYPA for a previous fund transfer. The final payment is scheduled for SFY 2022-23.

NYPA revenues are self-generated from selling energy. NYPA’s 2021 operating budget is \$2.5 billion and supports 2,048 FTEs. Major components of NYPA’s budget include \$692 million for purchased power, \$642 million for power transmission, and \$549 million for operations and maintenance. Additionally, the Canal Corporation has an operating budget of \$88 million and supports 482 FTEs.



NYPA's capital plan totals \$2.8 billion over four years and focuses on transmission lines, customer services projects, and NYPA headquarters update. These amounts also include \$161 million for the Canal Corporation.

The Executive proposal includes a \$20 million transfer from NYPA to the General Fund.

Article VII

The Executive includes the following article VII proposals that would:

- authorize the New York Power Authority to create a pure captive insurance company;
- increase the amount of Recharge New York power available to not-for-profits and small businesses; and
- permit the Long Island Power Authority to restructure debt.

Department of Agriculture and Markets

The Executive proposes an All Funds appropriation of \$178.6 million, a decrease of \$16.8 million or 8.6 percent from the SFY 2020-21 level. This decrease primarily reflects the discontinuation of a one-time, \$10 million capital appropriation for the State Fair and legislative initiatives. The Executive recommends support of 467 FTEs, unchanged from the SFY 2020-21 level.

State Operations: The Executive includes \$121.8 million for State Operations, a decrease of \$2.49 million or 2 percent from SFY 2020-21.

Agricultural Programs: The Executive proposes \$27.4 million in aid to localities funding, a decrease of \$4.36 million from SFY 2020-21 related to the elimination of prior year funding initiatives.

Capital: The Executive recommends \$9.42 million in capital funding, a decrease of \$10 million from SFY 2020-21. This decrease is a result of the Executive proposal to discontinue a capital appropriation for the State Fair.

Table 32

SFY 2021-22 Aid to Localities Appropriations (Agriculture) (\$ in Thousands)

	Enacted SFY 2020-21	Executive SFY 2021-22	Year to Year Change (\$)
Cornell Diagnostic Lab			
"Core" Diagnostic Lab	4,632,000	4,425,000	(207,000)
NYS Cattle Health Assurance Program	360,000	360,000	-
Quality Milk Production Services Program	1,174,000	1,174,000	-
Cornell University Johne's Disease Program	480,000	480,000	-
Cornell University Rabies Program	200,000	50,000	(150,000)
Cornell University Avian Disease Program	252,000	252,000	-
Cornell University Salmonella Dublin Program	50,000	-	(50,000)
Cornell Research and Development			
Cornell University Berry Research	260,000	260,000	-
Cornell University Honeybee Research	150,000	150,000	-
Cornell University Maple Research	75,000	75,000	-
Cornell University Onion Research	70,000	50,000	(20,000)
Cornell University Vegetable Research	100,000	50,000	(50,000)
Cornell University Hard Cider Research	200,000	200,000	-
Cornell University Concord Grape Research	250,000	200,000	(50,000)
Hop Evaluation and Field Testing Program	350,000	300,000	(50,000)
Cornell Golden Nematode Program (shifted to EPF)	62,000	-	(62,000)
Cornell Education & Outreach Programs			
Cornell University Agriculture in the Classroom	380,000	380,000	-
Cornell University Future Farmers of America	842,000	842,000	-
Association of Agricultural Educators	416,000	416,000	-
Cornell University Farm Family Assistance	782,000	664,000	(118,000)
Cornell University Pro-dairy Program	1,201,000	1,201,000	-
Cornell University Veterans to Farm	115,000	115,000	-
Cornell Farm Labor Specialist	200,000	200,000	-
Dairy Profit Teams	370,000	370,000	-
New York Farm Viability Institute			
New York Farm Viability Institute	1,050,000	800,000	(250,000)
New York State Berry Growers	60,000	60,000	-
NY Corn and Soybean Growers Association	75,000	75,000	-
Ag Development			
Grow NY	2,000,000	2,000,000	-
NYS Brewers	75,000	75,000	-
NYS Cider Association	75,000	75,000	-
NYS Distillers Guild	75,000	75,000	-
New York Wine and Grape Foundation	1,073,000	1,073,000	-
NY Christmas Tree Farmers	125,000	125,000	-
New York State Apple Growers Association	614,000	478,000	(136,000)
Maple Producers Association	246,000	150,000	(96,000)
Apple Research and Development Program	500,000	500,000	-
Turfgrass Environmental Stewardship	125,000	-	(125,000)
Northern NY Agricultural Development	300,000	-	(300,000)
Other Programs			
Electronic Benefits Transfer	138,000	138,000	-
Farm-To-School	750,000	750,000	-
Ag Child Care (Migrant)	9,275,000	8,275,000	(1,000,000)
Local Fairs	420,000	420,000	-
Tractor Rollover Protection Program	250,500	125,000	(125,500)
Farmland for a New Generation Resource Center	200,000	-	(200,000)
Farmland for a New Generation Regional Navigator	200,000	-	(200,000)
Harvest NY	300,000	-	(300,000)
Red Hook Farms Initiative	40,000	-	(40,000)
Urban Agriculture Education/Outreach (NYC CCE)	250,000	-	(250,000)
New York Organic Farmers Association (NOFA)	80,000	-	(80,000)
Agricultural Programs Lump	500,000	-	(500,000)
TOTAL	31,767,500	27,408,000	(4,359,500)

Office of Parks, Recreation and Historic Preservation

The Executive proposes an All Funds appropriation of \$484.9 million, a decrease of \$4.2 million or 0.9 percent from SFY 2020-21 levels. The Executive recommends support of 1,981 FTE positions, unchanged from SFY 2020-21 levels.

Capital Funding: The Executive recommends \$226.9 million in capital funding, unchanged from SFY 2020-21, including the maintenance of \$110 million in New York Works funding for state parks as part of a \$440 million commitment over four years.

State Operations: The Executive recommends \$248.7 million in state operations, a \$4 million or 1.6 percent decrease from SFY 2020-21.

Adirondack Park Agency

The Executive proposes an All Funds appropriation of \$4.9 million, a decrease of \$1.1 million or 18 percent from SFY 2020-21 levels. This decrease primarily reflects the elimination of a capital appropriation of \$1 million to renovate the Adirondack Park Agency's headquarters in Ray Brook, Essex County. The Executive recommends support of 49 FTE positions, unchanged from the SFY 2020-21 levels.

Olympic Regional Development Authority

The Executive proposes an All Funds appropriation of \$116.6 million, a decrease of \$42 million or 26.5 percent from SFY 2020-21 levels. This decrease reflects a \$42 million reduction in capital appropriations.

The Executive recommends \$105 million in capital funding, including \$92.5 million for projects in preparation of hosting the 2023 World University Games, \$10 million for critical maintenance and energy efficiency upgrades, and \$2.5 million from the Office of Parks, Recreation and Historic Preservation. This appropriation would bring total capital investments at ORDA to \$397.5 million over five years.

BUDGET HIGHLIGHTS: TRANSPORTATION



- **Department of Transportation (DOT) Capital Plan:** The Executive Proposal would fully fund the second year of the \$11.9 billion, two-year DOT capital plan that began in SFY 2020-21. This is a \$3 billion, or 33.8 percent increase in spending over the final two years of the 2015-19 capital plan.
- **Non-MTA Transit Capital and System Bus Fleet Electrification:** The Executive proposal provides \$124.5 million in non-MTA transit capital assistance, including the second installment of \$20 million as part of a five-year, \$100 million capital plan for five transit systems to electrify 25 percent of their bus fleets by 2025.
- **Continued Funding of Local Capital Construction Programs:** The DOT Capital Plan proposal would continue appropriation levels of \$438.1 million for the Consolidated Highway Improvement Program (CHIPs) and \$39.7 million for the Marchiselli program. The Executive continues funding of \$100 million for the Bridge NY program and \$100 million for PAVE NY, distributed through the CHIPs formula.
- **Transit Operating Assistance:** The Executive recommends \$5.7 billion in annual support for transit systems, including the MTA, reflecting a decrease of nine percent from the SFY 2020-21 Enacted Budget.



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, the Consolidated Highway Improvement Program (CHIPs), rail and aviation projects, and over 130 locally operated transit systems, including the MTA.

The Metropolitan Transportation Authority (MTA) maintains a fleet of 5,700 buses and 6,400 subway cars, which operate on an infrastructure of 2,200 miles of track. MTA ridership increased 54 percent between 1995 and 2016 reaching an all-time high of 2.7 billion people riding on its subways, buses, and railroads, a number that subsequently declined amid ongoing service issues. Additionally, the MTA’s nine bridges and tunnels carry over 300 million vehicles annually.

The Department of Motor Vehicles (DMV) is responsible for registering and issuing titles for vehicles, issuing driver licenses and non-driver identification cards, and regulating the motor vehicle industry from the time a vehicle is sold through its annual inspections and up to the moment when it is disposed. The DMV operates 27 district and branch offices and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. The DMV Traffic Violations Bureau helps to adjudicate traffic infractions.

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

Table 33

Agency	Appropriations			
	2020-21 Adjusted (\$ in Millions)	2021-2022 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	11,908.57	10,653.20	(1,255.37)	(10.54)
Metropolitan Transportation Authority	4,022.66	848.25	(3,174.41)	(78.91)
Department of Motor Vehicles	450.58	455.98	5.40	1.20

Table 34

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-2022 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Transportation	8,774.91	9,657.25	882.34	10.06
Metropolitan Transportation Authority	1,270.00	1,534.40	264.40	20.82
Department of Motor Vehicles	422.73	433.55	10.82	2.56

Department of Transportation (DOT)

The Executive proposes an All Funds appropriation of \$10.65 billion, a decrease of \$1.26 billion from SFY 2020-21 levels. Approximately half of this reduction is related to decreases in dedicated tax revenues that support transit operating assistance funding for mass transit systems statewide. The other half of this reduction reflects the second year of the DOT capital plan, including the discontinuation of a one-time appropriation of \$100 million for the Airport Revitalization Competition, the discontinuation of \$65 million in support for Extreme Winter Recovery, and the timing of engineering services for DOT capital projects. The Executive recommends maintaining funding to support 8,182 full-time equivalent (FTE) positions.

The DOT budget has two main components: transit assistance and capital expenditures. Transit assistance is primarily funded by dedicated transportation tax revenue and distributed to over 130 mass transit authorities around 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, rail, and aviation projects and is primarily funded through the Dedicated Highway and Bridge Trust Fund.

DOT Capital Plan: The Executive proposal maintains the second year of the two-year DOT capital plan of \$11.9 billion on an obligations basis, an increase of \$3 billion or 33.8 percent above the final two years of the 2015-19 capital program. This increase is predominantly related to the core Road and Bridge capital program, with the other plan components maintained at current funding levels. The Federal government has extended, through September 2021, the Fixing America’s Surface Transportation (FAST) Act, providing \$3.6 billion in Federal Funding over two years. The remaining \$8.3 billion is funded by the State.

Approximately 62 percent of capital plan spending is on road and bridge maintenance and construction and the associated consultant engineering and right-of-way costs. Other major components include



engineering costs (14.6 percent); funding to municipalities for local road and bridge construction including the CHIPs and Marchiselli programs, Pave NY and Bridge NY (11.9 percent); and summer road maintenance (6.7 percent). The Capital Plan also allocates 4.48 percent of funding to all other modes of transportation, including rail, aviation, and non-MTA transit systems, virtually unchanged from the previous capital plan.

Table 35

Department of Transportation Two-Year Capital Plan Comparison				
(\$ in Thousands)				
	SFY 2018-20	SFY 2020-22	\$ Change	% Change
Road and Bridge Program	5,220,835	7,383,000	2,162,165	41.4
Local Pave NY / Bridge NY	400,000	400,000	-	-
Engineering	988,700	1,739,000	750,300	75.9
Preventive Maintenance	780,500	800,000	19,500	2.5
Aviation	33,000	133,000	100,000	303.0
Rail	143,600	143,600	-	-
Non-MTA Capital	209,000	255,000	46,000	22.0
CHIPs and Marchiselli	1,085,600	1,020,600	(65,000)	(6.0)
Other Federal	50,600	50,600	-	-
Total	8,911,835	11,924,800	3,012,965	33.8%

The second year of the two-year capital plan is \$5.82 billion on an obligations basis, and would provide:

- \$3.61 billion in general support for the core Road and Bridge capital program;
- \$438.1 million to improve State and local bridges through CHIPs and \$39.7 million for the Marchiselli program;
- \$104.5 million to support non-MTA mass transit, including funding for the Niagara Frontier Transportation Authority (NFTA) passenger rail system;
- \$100 million each for Pave NY and Bridge NY;
- \$71.8 million for rail;
- \$20 million to support the second installment of a five-year, \$100 million initiative for five transit systems to electrify 25 percent of their bus fleets by 2025. The five systems are: Capital District Transportation Authority (CDTA), Rochester-Genesee Transportation Authority (RGRTA), Niagara Frontier Transportation Authority (NFTA), Westchester County’s Bee-Line Bus System and the Suffolk County Transit System; and
- \$16.5 million in aviation funding.

Dedicated Highway and Bridge Trust Fund (DHBTF): The DOT Capital Plan is funded largely from the DHBTF. The DHBTF itself is funded through dedicated transportation taxes and fees, as well as through bond proceeds, federal funds and a General Fund transfer. The largest sources of dedicated tax

revenue are the Petroleum Business Tax (PBT), Motor Fuel Tax, and fees collected by the DMV which contribute approximately \$500 million annually toward the DOT capital program, net of DMV operating costs. Dedicated taxes and fee revenues are projected to increase by 9.6 percent from current year levels and then remain flat, while debt service costs related to the DOT Capital Plan continue to grow. As a result, to maintain full support of the second year of the DOT Capital Plan, a funding shortfall would be offset in SFY 2021-22 by a \$363.3 million transfer from the General Fund. This General Fund transfer is projected to increase to \$729 million in SFY 2024-25.

Table 36

Dedicated Highway and Bridge Trust Fund
(\$ in Millions)

	SFY 2020-21	SFY 2021-22		
	Estimate	Projection	\$ Change	% Change
Receipts				
Dedicated Taxes (including Motor Vehicle Fees, Petroleum Business Tax, Motor Fuel Tax, Highway Use Tax, Auto Rental Tax, Corporation & Utility Tax)	1,820.6	1,995.3	174.7	9.6
Miscellaneous Receipts (primarily bond proceeds)	581.7	638.0	56.3	9.7
Transfers from Federal Funds	401.7	401.7	-	0.0
Transfers from General Fund	711.8	363.3	(348.5)	(49.0)
Total Receipts	3,515.8	3,398.3	(117.5)	(3.3)
Disbursements				
Road and Bridge Capital Construction Program	580.9	599.9	19.0	3.3
Administration	84.3	82.2	(2.1)	(2.5)
State Forces Engineering	526.2	531.1	4.9	0.9
Consultant Engineering	206.0	193.1	(12.9)	(6.3)
DOT Operations	332.6	325.8	(6.8)	(2.0)
DMV Operations	313.7	324.6	10.9	3.5
Transfers for ITS	57.6	57.6	0.0	0.0
Transfer for State Debt Service	893.9	624.9	(269.0)	(30.1)
Transfer for Local Debt Service (CHIPS)	518.7	656.6	137.9	26.6
Total Disbursements	3,514.0	3,395.7	(118.3)	(3.4)

Transit Assistance: The Executive proposes \$5.72 billion in support for transit systems statewide, which is a decrease of 15.6 percent or \$1.06 billion from SFY 2020-21. This decrease reflects fund transfers to the General Fund and lower projected dedicated tax revenues in SFY 2021-22 due to the impacts of the COVID-19 pandemic. This level of funding is 1.0 percent below the SFY 2019-20 level.

Table 37

**Mass Transit Dedicated Revenue Transfers to General Fund
(\$ in Thousands)**

Fund	Transit Recipients	Transfer
Mass Transportation Operating Assistance Fund (MMTOA)	MTA / Non-MTA Downstate	\$107,474
Dedicated Mass Transportation Trust Fund, Transit Account	MTA	\$22,557
Metropolitan Transportation Authority Financial Assistance Fund (Mobility Tax Account)	MTA	\$12,552
New York Central Business District Trust Fund	MTA	\$6,552
Mass Transportation Operating Assistance Fund (PTOA)	Upstate Transit	\$4,721
Dedicated Mass Transportation Trust Fund, Commuter Rail Account	MTA	\$3,985
Dedicated Mass Transportation Trust Fund, Non-MTA Account	Upstate Transit	\$2,372
Total Dedicated Transit Revenue Transferred to the General Fund		\$160,213

The Executive proposes to transfer \$160 million in dedicated tax revenues from multiple funds that support transit systems into the General Fund in SFY 2021-22. Each transfer comprises between four and five percent of anticipated fund disbursements.

Of the total \$5.72 billion in transit operating assistance, \$214.0 million is provided for upstate transit systems, a decrease of \$22.1 million, or 9.4 percent, from the SFY 2020-21 Enacted Budget. Reductions in State transit operating assistance, as well as reduced farebox revenues and other sources of revenue impacted by COVID-19, are offset by \$118 million in additional federal funding from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) that was enacted in December 2020.

Non-MTA downstate transit systems are provided \$329.8 million in operating assistance, a decrease of \$63.9 million or 16.2 percent from SFY 2020-21. The dedicated taxes that support the Non-MTA downstate transit systems were impacted more significantly by COVID-19 than those that support the upstate systems, and are projected to recover more slowly. Non-MTA downstate transit systems are expected to receive a portion of the additional Federal coronavirus relief allocated to the MTA region from the CRRSAA.

The Executive proposal maintains \$11 million in funding for the Lower Hudson Transit Link which provides express bus service across the Mario M. Cuomo Bridge.

Table 38

Executive Proposal: Transit Operating Assistance
 (\$ in Millions)

	SFY 2019-20 Actual	SFY 2020-21 Enacted	SFY 2021-22 Proposal	\$ Change	% Change
MTA					
NYC Transit Authority	1,964.2	2,190.1	1,878.3	(311.8)	(14.2)
Commuter Rail (MNR & LIRR)	713.1	804.7	678.7	(126.0)	(15.7)
Verrazzano Bridge Rebate Program	13.8	13.8	13.8	0.0	0.0
MTA (Payroll Mobility Tax and MTA Aid)	2,080.5	2,212.8	1,943.2	(269.6)	(12.2)
MTA (FHV Surcharge Revenue)	311.0	385.0	312.8	(72.2)	(18.8)
Mansion Tax (Directed to Operating)	0.0	376.1	189.8	(186.4)	(49.5)
Internet Sales Tax (Directed to Operating)	0.0	150.0	144.9	(5.1)	(3.4)
MTA Subtotal	5,082.6	6,132.5	5,161.6	(971.0)	(15.8)
Non-MTA Downstate Systems					
Nassau	74.4	86.5	72.4	(14.0)	(16.2)
NYC DOT	97.9	113.8	95.4	(18.5)	(16.2)
Rockland	3.8	4.4	3.7	(0.7)	(16.2)
Staten Island Ferry	36.6	42.6	35.7	(6.9)	(16.2)
Suffolk	28.9	33.6	28.2	(5.5)	(16.2)
Westchester	61.5	71.5	59.9	(11.6)	(16.2)
FORMULAS	35.5	41.3	34.6	(6.7)	(16.2)
Non-MTA Downstate Systems Subtotal	338.5	393.7	329.8	(63.9)	(16.2)
Lower Hudson Transit Link	11.0	11.0	11.0	0.0	0.0
South Fork Commuter Bus Service	0.5	0.5	0.5	0.0	0.0
Upstate Systems					
Capital District Transportation Authority (CDTA)	40.7	42.4	38.5	(4.0)	(9.4)
Central New York Regional Transportation Authority (CNYRTA)	37.2	38.7	35.1	(3.6)	(9.4)
Niagara Frontier Transportation Authority (NFTA)	58.6	61.1	55.4	(5.7)	(9.4)
Rochester Genesee Regional Transportation Authority (RGRTA)	45.1	47.0	42.6	(4.4)	(9.4)
FORMULAS	44.8	46.7	42.3	(4.4)	(9.4)
Upstate Systems Subtotal	226.5	236.1	214.0	(22.1)	(9.4)
Transit Operating Assistance Total	5,659.0	6,773.8	5,716.8	(1,057.0)	(15.6)

Transit assistance for the MTA in SFY 2021-22 is projected at \$5.16 billion, a decrease of \$971 million or 15.8 percent from SFY 2020-21. Transit assistance comprises 28 percent of the MTA’s 2021 annual budget of \$18.42 billion.

MTA Resident Rebate Programs: The Executive proposal includes appropriations totaling \$13.8 million to support the Verrazzano Narrows Bridge Staten Island Resident Rebate Program and its companion Commercial Rebate Program.

The Executive includes Article VII proposals that would:

- increase the penalties imposed for violations of laws or regulations prohibiting the operation of certain motor vehicles on highways or parkways and for violations relating to vehicle height; require notification to commercial, bus and rental drivers of the prohibition of operating commercial motor vehicles on parkways; and regulate the use of global positioning systems (GPS) on such vehicles; and



- expand crimes committed against highway workers, motor vehicle inspectors, motor carrier inspectors, employees of the Department of Motor Vehicles (DMV), and county clerks performing motor vehicle transactions on behalf of DMV; prohibit motorists from intruding into active work zones, and create a work zone safety and outreach program; modify laws relating to the moving of vehicles, cargo and debris following crashes; and increase penalties for persons convicted of failing to exercise due care to avoid hitting a pedestrian or bicyclist and causing physical injury.

Metropolitan Transportation Authority

MTA Operating Budget: Ridership on the MTA system remains low due to the COVID-19 pandemic, impacting farebox revenues in the current and out-years of the financial plan. Incorporating current “worst case” estimates for farebox revenues and the addition of \$4 billion in anticipated Federal Relief, the MTA faces potential budget gaps of \$470 million in 2021 and of \$3.8 billion in 2022.

Table 39

MTA Operating Budget			
"Worst Case" Fare and Toll Revenue Scenario			
(\$ in Millions)			
Calendar Year	2020	2021	2022
Revenues - "Worst Case" Fare/Toll Receipts	10,488	10,049	13,401
Expenses	17,309	18,416	19,280
Deficit	(6,821)	(8,367)	(5,879)
Gap Closing Measures			
Federal Relief	4,009	4,000	-
Municipal Liquidity Facility Deficit Borrowing	2,900	-	-
Direct Capital Lockbox to Operating	424	476	-
Transformation Plan Savings	-	430	472
Direct Committed to Capital to Operating	187	181	120
Additional Agency Savings	259	601	498
Service Reductions	-	-	1,274
Use of OPEB Trust Fund, General Reserve, FEMA	507	220	-
Fare/Toll Increases (assumes 4%, 3/1/2021)	-	145	267
Permanent Wage Freeze for Year 2022	-	-	309
Cost Adjustments/Other	(165)	59	(369)
Carryover from Prior Year	485	1,785	(470)
Subtotal Gap Closing Measures	8,606	7,897	2,101
Surplus / (Deficit) Remaining in Worst Case Scenario	1,785	(470)	(3,778)
*The MTA's allocation from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA) is estimated.			

MTA 2020-24 Capital Plan: The MTA's 2020-24 Capital Plan is \$54.8 billion, however, with the exception of federally funded projects, it is largely delayed while the MTA awaits the recovery of farebox and dedicated tax revenues as well as further federal aid. The MTA, through revenue derived from its ridership, regional taxpayers and drivers, provides 75 percent of total funding for the Capital Plan.

MTA Contingency Appropriation: The Executive Budget proposes contingency appropriations of \$848.3 million for SFY 2021-22.

The Executive includes the following Article VII proposals that would:

- amend the penal law to make the intentional use of a toll facility without payment a misdemeanor and would make it a violation to drive on a toll road with an obscured license plate;
- modify the MTA's bidding and procurement processes by permitting it to use existing government contracts and allowing for requests for proposals using design-build;
- require public utility companies to bear the costs of utility relocation work related to MTA capital projects;
- allow contractors, when performing certain work in connection with a transportation facility under an agreement with the MTA or New York City Transit Authority, to occupy the streets of the City of New York for the purposes of performing such work; and
- establish new crimes for the assault or aggravated harassment of certain transit workers.

Department of Motor Vehicles

The Executive proposes an All Funds appropriation of \$455.8 million, an increase of \$5.4 million or 1.2 percent above the SFY 2020-21 level. This increase primarily reflects higher operating costs related to COVID-19 and an increase in certain revenues. The Executive recommends funding support of 2,899 FTEs, unchanged from prior year levels, to continue to implement the REAL-ID Act, a cyclical increase in license renewals and the implementation of the Driver's License Access and Privacy Act of 2019 (the Green Light Law).



Table 40

Department of Motor Vehicles Appropriations					
(\$ in Thousands)					
	SFY 2019-20 Enacted	SFY 2020-21 Enacted	SFY 2021-22 Executive	\$ Change	% Change
Administration Program					
DMV Seized Asset Account	400	400	400	-	-
Federal Seized Asset Account	1,000	1,000	1,000	-	-
Banking Service Account	5,300	5,300	5,300	-	-
DMV Equitable Sharing Agreement (Justice)	1,000	1,000	1,000	-	-
DMV Equitable Sharing Agreement (Treasury)	1,000	1,000	1,000	-	-
Administrative Adjudication Program					
Administration Adjudication Account	44,103	44,103	45,852	1,749	4.0
Clean Air Program					
Mobile Source Account	20,623	20,623	21,271	648	3.1
Compulsory Insurance Program					
Compulsory Insurance Account	9,807	9,807	10,873	1,066	10.9
Distinctive Plate Development Program					
	24	24	24	-	-
Governor's Traffic Safety Committee					
Highway Safety Research and Operating Grants	14,493	14,493	14,493	-	-
Highway Safety Programs	22,200	22,200	22,200	-	-
Highway Safety Research & Development	6,000	6,000	6,000	-	-
STOP DWI Program	375	375	-	(375)	(100.0)
Transportation Safety Program					
Motorcycle Safety Account	1,610	1,610	1,610	-	-
Internet Point Insurance Reduction Program	425	425	425	-	-
Capital (Transportation Support)	267,525	322,222	324,538	2,316	0.7
Total	395,885	450,582	455,986	5,404	1.2

The Executive includes Article VII proposals that would:

- extend, for two years, provisions of law relating to traffic and parking violation surcharges;
- modify and extend for five years the law authorizing the demonstration and testing of autonomous vehicles on public roads, including language to replace statutory demonstration and testing parameters with regulatory administration of the program; create an Interagency Group on Autonomous Vehicle Technology; and modify the law to allow the operation of a motor vehicle with no hands on the steering wheel if a driving automation system is engaged; and
- establish a mandatory, non-refundable \$1 DMV technology fee to be imposed on all motor vehicle, motorcycle, historic motorcycle, snowmobile and vessel registration, reregistration and registration renewal transactions, as well as on all original, duplicate and renewal learner's

permit, driver's license and non-driver identification card transactions. This fee would be deposited into the Dedicated Highway and Bridge Trust Fund.

Thruway Authority

The Thruway Authority is funded primarily through various off-budget revenues, consisting of mostly tolls. The 2021 Thruway Authority Budget is \$1.1 billion, a reduction of 1.2 percent from 2020. This includes: \$374.3 million in core capital program funding; \$360.4 million for operating expenses, including a \$63.5 million reimbursement to the State Police for the cost of patrolling the Thruway; and \$338.7 million for debt service.

The Executive includes the following Article VII proposals that would:

- permit electronic bidding for Thruway Authority contracts; and
- increase the monetary threshold for procurement contracts that are subject to board approval from \$15,000 to \$50,000.

BUDGET HIGHLIGHTS: ECONOMIC DEVELOPMENT



- **Consolidation of the Centers of Excellence (COE) and Centers of Advance Technology (CAT) Programs:** The Executive proposal would eliminate the COE program, effective April 1, 2023, and consolidate funding for the two programs into a single \$19 million competitive program.
- **Regional Economic Development Council (REDC):** The Executive provides \$750 million to support a new round of REDC awards. Similar to previous years, the REDC plans to make available \$225 million for grants and tax relief, and \$525 million will be allocated through the Consolidated Funding Application.
- **New York Works Economic Development Fund:** The Executive provides \$220 million to support projects that create, expand, retain or attract new jobs and businesses.
- **Downtown Revitalization Initiative (DRI):** The Executive provides \$100 million in support of a new round of DRI awards.

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 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 41

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	482.65	468.01	(14.64)	(3.03)
New York State Gaming Commission	432.51	424.35	(8.16)	(1.89)
Department of Economic Development	90.20	83.24	(6.96)	(7.72)
Council on the Arts	46.98	46.88	(0.10)	(0.21)

Table 42

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Urban Development Corporation	1,647.18	1,897.71	250.53	15.21
New York State Gaming Commission	239.03	169.67	(69.36)	(29.02)
Department of Economic Development	84.32	70.35	(13.97)	(16.57)
Council on the Arts	46.20	45.45	(0.75)	(1.62)

Urban Development Corporation (UDC)/Empire State Development Corporation

The Executive proposes an All Funds appropriation of \$468 million, a decrease of \$14.64 million, or 3 percent, below the SFY 2020-21 level.

Capital: The Executives proposal includes \$380.43 million in new capital projects appropriations under UDC, an increase of \$74,000 above the SFY 2020-21 level.

Regional Economic Development Councils (REDC): The Executive provides \$150 million in capital support for a new round of REDC competitive awards. To date, the Executive has announced nine rounds of REDC awards totaling approximately \$6.9 billion.

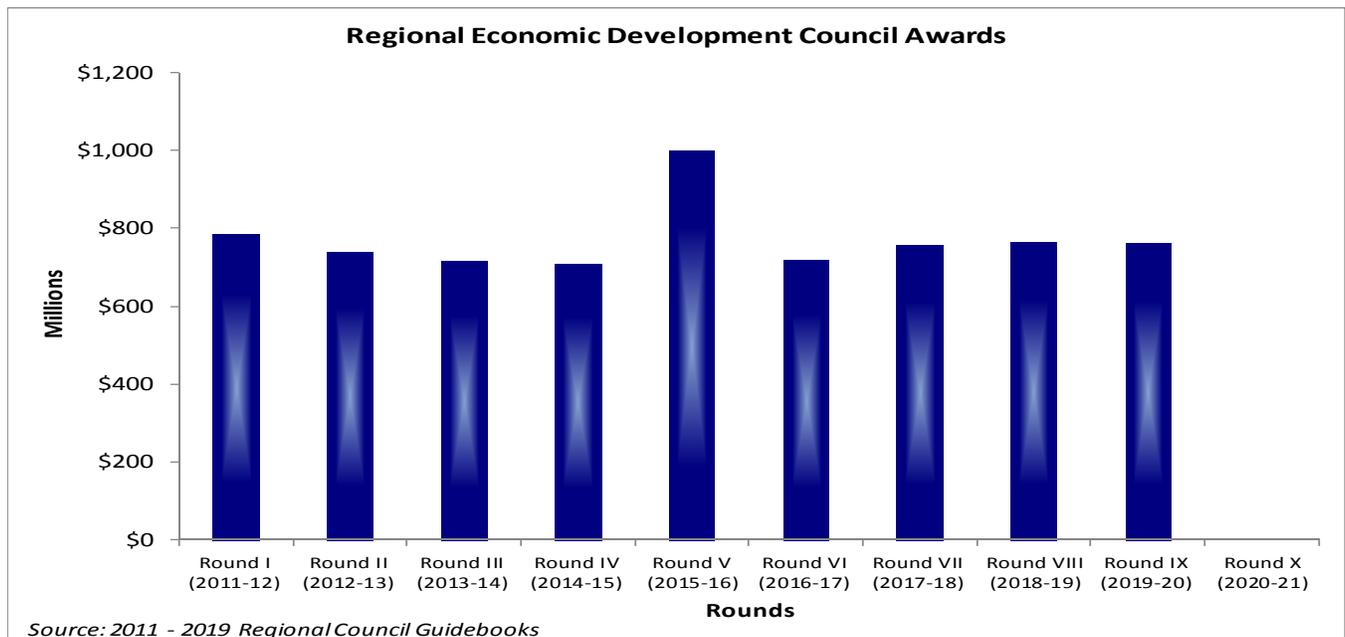


Figure 11



Downtown Revitalization Initiative (DRI): The Executive provides \$100 million for a new round of DRI competitive awards. To date, the Executive has announced four rounds of DRI awards totaling \$400 million. The program is administered through the Department of State.

Table 43

Downtown Revitalization Initiative Awardees					
Region	Round 1 SFY 2016-17	Round 2 SFY 2017-18	Round 3 SFY 2018-19	Round 4 SFY 2019-20	Round 5 SFY 2020-21
Western New York	Jamestown	Olean	Lockport	Niagara Falls Bridge District	No Awards Issued In 2020
Finger Lakes	Geneva	Batavia	Penn Yan	Seneca Falls	
Southern Tier	Elmira	Watkins Glen	Owego	Hornell	
Central New York	Oswego	Cortland	Auburn	Fulton	
Mohawk Valley	Oneonta	Rome	Amsterdam	Utica	
North Country	Plattsburgh	Watertown	Saranac Lake	Potsdam	
Capital Region	Glens Falls	Hudson	Albany	Schenectady	
Mid Hudson	Middletown	Kingston	New Rochelle	Peekskill	
New York City	Jamaica	Bronx	Downtown Brooklyn	Staten Island	
Long Island	Westbury	Hicksville (Oyster Bay)	Central Islip	Baldwin	

Note: Each selected municipality received a \$10m award.
 Source: Urban Development Corporation (UDC); Department of State (DOS).

Western New York Football: The Executive provides a total of \$7.04 million, an increase of \$74,000 to cover contractual obligations for the retention of the Buffalo Bills in Western New York.

Economic Development Funds: The Executive provides \$220 million in capital funding through the New York Works Economic Development Fund and provides \$26.18 million in operating support for the Empire State Development Fund. In addition, \$42.5 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 for the START-UP NY program.

Article VII

The Executive proposes Article VII language that would:

- extend the general loan powers of UDC, from July 1, 2021 to July 1, 2024;
- extend the authorization of UDC to administer the Empire State Economic Development Fund, from July 1, 2021 to July 1, 2024; and
- provide tax credits to small businesses and restaurants that rehire full-time equivalent (FTE) employees and a tax credit for New York City musical and theatrical productions that were substantially affected by COVID-19 Executive Order requirements.

Department of Economic Development

The Executive proposes an All Funds appropriation of \$83.24 million, a decrease of \$6.96 million, or 7.7 percent, below the SFY 2020-21 level. The Executive recommends support for 135 FTE positions, which is unchanged from SFY 2020-21.

Consolidation of the Centers of Excellence (COE) and Centers of Advance Technology (CAT) Programs:

The Executive proposal would eliminate the COE Program, effective April 1, 2023, and convert the COE program into the CAT program funded at \$19 million.



Table 44

Comparison of Centers of Excellence (COE) and Centers for Advanced Technology (CAT) Programs		
Higher Education Institution	Centers of Excellence	Centers for Advanced Technology
Alfred University		<ul style="list-style-type: none"> Center for Advanced Ceramic Technology
Binghamton University	<ul style="list-style-type: none"> Small Scale Systems Integration and Packaging Center (S3IP) 	<ul style="list-style-type: none"> Integrated Electronics Engineering Center (IEEC) Center for Flexible Hybrid Medical Device Manufacturing (FlexMed) at Binghamton University
City University of New York		<ul style="list-style-type: none"> Center for Advanced Technologies in Sensors for Exploration of Natural Systems and Environments (ASRC CAT)
Clarkson University		<ul style="list-style-type: none"> Center for Advanced Materials Processing (CAMP)
Clarkson University/SUNY ESF	<ul style="list-style-type: none"> Center of Excellence in Healthy Water Solutions 	
Cornell University		<ul style="list-style-type: none"> Center for Life Science Enterprise
Cornell AgriTech	<ul style="list-style-type: none"> Center of Excellence for Food and Agriculture 	
New York Medical College	<ul style="list-style-type: none"> Center of Excellence in Precision Medicine and Responses to Bioterrorism and Disasters 	
New York University	<ul style="list-style-type: none"> Center of Excellence in Digital Game Development 	
New York University Polytechnic School of Engineering		<ul style="list-style-type: none"> Center for Advanced Technology in Telecommunications and Distributed Information Systems (CATT)
Rensselaer Polytechnic Institute	<ul style="list-style-type: none"> Center of Excellence in Digital Game Development 	<ul style="list-style-type: none"> Center for Future Energy Systems (CFES)
Rochester Institute of Technology	<ul style="list-style-type: none"> Center of Excellence in Digital Game Development Center of Excellence in Advanced & Sustainable Manufacturing (COE-ASM) 	<ul style="list-style-type: none"> Additive Manufacturing and Multifunctional Printing (AMPrint) Center
Stony Brook University	<ul style="list-style-type: none"> Center of Excellence in Wireless and Information Technology (CEWIT) Advanced Energy Research and Technology Center (AERTC) 	<ul style="list-style-type: none"> Center for Biotechnology (CFB) Center for Integrated Electric Energy Systems (CIEES)
SUNY Polytechnic Institute	<ul style="list-style-type: none"> Center of Excellence in Nanoelectronics and Nanotechnology (CENN) 	<ul style="list-style-type: none"> Center for Advanced Technology in Nanomaterials and Nanoelectronics (CATN2)
Syracuse University	<ul style="list-style-type: none"> Center of Excellence in Environmental and Energy Systems 	<ul style="list-style-type: none"> Center for Advanced Systems and Engineering (CASE)
University at Albany	<ul style="list-style-type: none"> Center of Excellence in Weather and Climate Analytics 	
University at Buffalo	<ul style="list-style-type: none"> Center of Excellence in Materials Informatics (CMI) Center of Excellence in Bioinformatics and Life Sciences (CBLS) 	<ul style="list-style-type: none"> Center for Advanced Technology in Big Data & Health Sciences
University of Rochester	<ul style="list-style-type: none"> Center of Excellence in Data Science 	<ul style="list-style-type: none"> Center for Emerging and Innovative Sciences (CEIS)

New York State Tourism: The Executive proposes to maintain \$15 million in total support for the continuation of the Market NY Program. In addition, \$2.45 million is allocated to provide local tourism matching grants, which is a decrease of \$1.37 million from the SFY 2020-21 level.

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

Agritourism: The Executive proposes \$3.97 million to promote local agritourism, as well as promotion of New York produced food and beverage products, which is unchanged from the prior year.

Article VII

The Executive proposes Article VII language to eliminate COEs and temporarily designate them as CATs until April 1, 2023. This proposal would also establish a process for the COEs to apply and potentially become designated as CATs.

New York State Gaming Commission

The Executive proposes an All Funds appropriation of \$424.35 million, a decrease of \$8.16 million, or 1.89 percent, below the SFY 2020-21 level. The Executive proposes a workforce of 391 FTEs, a decrease of four FTEs from SFY 2020-21.

Agency Operations: The Executive proposes \$103.35 million for agency operations, a decrease of \$10.16 million below the SFY 2020-21 level.

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 2020-21.

Tribal State Compacts: The Executive proposal appropriates \$259 million for payments made pursuant to Tribal-State Compacts, an increase of \$2 million above the SFY 2020-21 level.

Article VII

The Executive proposes Article VII language that would:

- repeal the State admissions tax provisions related to certain racing activities and would instead impose the State sales tax on such admissions;



- authorize mobile sports wagering, with a platform provider(s) chosen by the Gaming Commission through a competitive bidding process, and would create a process for casinos to petition for a lower slot-tax rate of not lower than 25 percent;
- authorize the Gaming Commission to issue a request for information regarding the three unawarded gaming facility licenses;
- remove certain restrictions for eligible vendors who sell tickets for the Quick Draw game;
- remove restrictions on the number of daily drawings for certain lottery games;
- transfer the responsibilities and duties of the Office of the Gaming Inspector General under the Gaming Commission to the Office of the State Inspector General;
- extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year; and
- suspend racing support payments made by certain gaming facilities to relevant horsemen and breeders while such gaming facility and video lottery gaming facility are operating under COVID-19 restrictions, and provide how payments owed from the period of January 1, 2020 until February 28, 2020 are to be made.

New York State Council on the Arts (NYSCA)

The Executive proposes an All Funds appropriation of \$46.88 million, a decrease of \$100,000 or 0.2 percent from the SFY 2020-21 level. The Executive recommends funding support of 27 FTE positions, which is unchanged from SFY 2020-21.

BUDGET HIGHLIGHTS: PUBLIC PROTECTION



- **Indigent Legal Services Expansion:** The SFY 2017-18 Budget established a multi-year plan to improve the quality of public defense services statewide. The Executive Budget includes \$200 million to support the fourth year of implementation of the Statewide *Hurrell-Harring* initiative, an increase of \$50 million from SFY 2021-22.
- **State Police Body Cameras:** The Executive Budget provides \$8 million to fund the implementation of a new law that requires New York State Police officers to use body cameras while on patrol.
- **Police Reform:** The Executive Budget includes legislation to modify hiring standards for police officers, require all law enforcement agencies to become accredited with the Department of Criminal Justice Services (DCJS), establish decertification standards for police officers who engage in misconduct, authorize the attorney general to appoint a monitor to oversee any police department that does not submit and certify a Police Reform and Reinvention Collaborative Plan by April 1, 2021 as mandated by Executive Order 203. It also includes language to authorize the Division of Budget to withhold state funds from any municipality with a police department that fails to submit and certify such a plan.
- **Office to End Domestic and Gender-Based Violence:** The Executive Budget would rename the Office for the Prevention of Domestic Violence and would expand the office's mandate to address gender-based violence by encouraging collaboration among agencies and service providers and simplifying survivor interactions with the State.
- **Prison Closures:** The Executive proposal includes legislation to expedite the prison closure process by authorizing the closure of up to three prisons upon 90 days' notice instead of the statutory one year notice requirement.

BUDGET REVIEW AND ANALYSIS: PUBLIC PROTECTION



The State of New York spends approximately \$10.7 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), 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 supervise criminal offenders 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 45

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	3,389.74	3,381.43	(8.31)	(0.25)
Division of Homeland Security and Emergency Services	1,563.91	4,968.81	3,404.90	217.72
Division of State Police	1,014.28	1,022.28	8.00	0.79
Division of Criminal Justice Services	363.91	323.99	(39.92)	(10.97)
Department of Law	282.45	266.45	(16.00)	(5.66)
Division of Military and Naval Affairs	306.11	146.11	(160.00)	(52.27)
Office of Victim Services	211.99	211.99	0.00	0.00
Office of Indigent Legal Services	261.27	311.27	50.00	19.14
Interest on Lawyer Account	47.10	47.10	0.00	0.00
Judicial Commissions	6.09	6.09	0.00	0.00
Office to End Domestic and Gender-Based Violence*	5.78	10.51	4.73	81.83
State Commission of Correction	2.96	2.96	0.00	0.00

*Presently known as the Office for the Prevention of Domestic Violence.

Table 46

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Department of Corrections and Community Supervision	3,858.34	2,953.37	(904.97)	(23.45)
Division of Homeland Security and Emergency Services	1,678.19	1,239.89	(438.30)	(26.12)
Division of State Police	1,114.63	897.47	(217.16)	(19.48)
Division of Criminal Justice Services	256.32	276.82	20.50	8.00
Department of Law	248.98	236.84	(12.14)	(4.88)
Division of Military and Naval Affairs	192.96	229.57	36.61	18.97
Office of Victim Services	131.73	132.53	0.80	0.61
Office of Indigent Legal Services	213.43	226.46	13.03	6.11
Interest on Lawyer Account	22.09	22.1	0.01	0.05
Judicial Commissions	6.33	6.51	0.18	2.84
Office to End Domestic and Gender-Based Violence*	3.08	8.02	4.94	160.39
State Commission of Correction	2.51	2.47	(0.04)	(1.59)

*Presently known as the Office for the Prevention of Domestic Violence.

Department of Corrections and Community Supervision

The Executive proposes All Funds appropriations of \$3.38 billion, a decrease of \$8.31 million or 0.25 percent from the SFY 2020-21 level. The Executive recommends support for 26,847 FTE positions, a decrease of 800 FTEs from SFY 2020-21.

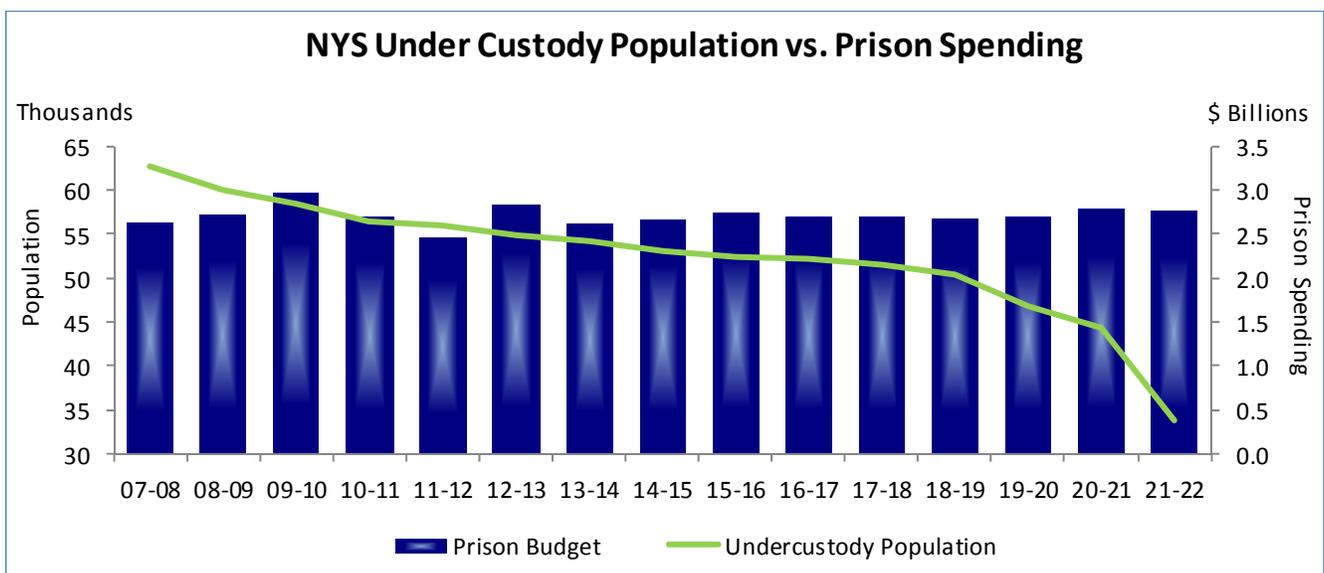


Figure 12



Downsizing the Prison System: The Executive proposal includes language to authorize the Governor to more expeditiously close an unspecified number of State correctional facilities, provided at least 90 days' notice is given to the Speaker of the Assembly and Temporary President of the Senate. The planned reduction of excess prison capacity is estimated to produce savings of \$30 million in SFY 2021-22.

Housing of State-Ready Offenders: The Executive proposal includes additional appropriation authority of \$5 million for services and expenses of localities for housing state-ready felony offenders.

Correctional Services Commissary Account: The Executive proposal includes \$5 million in additional appropriation authority for the Commissary Enterprise Fund, for a total of \$55 million.

Capital Spending: The Executive increases capital appropriations by \$12 million related to the SFY 2017-18 accounting reclassification of certain FTEs from state operating capital funding. Reappropriation authority had previously been used to fund this transfer.

Article VII

The Executive proposes legislation to allow for 90-days notice for correctional facility closures and extends the repeal date to March 31, 2023.

Division of Criminal Justice Services

The Executive proposes All Funds appropriations of \$323.99 million, a decrease of \$39.92 million or 10.97 percent from SFY 2020-21. The Executive recommends support for 403 FTE positions, an increase of seven FTEs from SFY 2020-21.

Law Enforcement Accreditation Program: The Executive Budget provides \$1.1 million in state operations support and 7 FTEs to expand the Law Enforcement Accreditation Program, which ensures standardization for law enforcement background checks.

Police Reform and Reinvention Collaborative Plan: Executive Order 203 was signed in June 2020 and requires all local governments and police departments to develop plans to modernize their policing policies. The Executive includes appropriation language to authorize the Division of Budget to withhold State funds from any municipality with a police department that fails to submit and certify such a plan by April 1, 2021. The Executive also includes language to allow for the appointment of a monitor to oversee any police department that fails to submit a plan, and the expense would be borne by the non-compliant locality.

Local Assistance Reductions and Eliminations: The Executive proposes the elimination of \$16.05 million in various General Fund programs that provide grants to localities and not-for-profits for criminal justice related activities.

Criminal Justice Discovery Compensation Account: The Executive proposal continues \$40 million in spending authority to support local expenses related to the implementation of reforms to the process of discovery in criminal cases. Additionally, language is included to allow for up to \$5 million to be made available for state and local crime reduction, as well as youth justice and gang prevention programs, which may include street outreach, crime analysis, research and violence reduction programs.

Legal Services Assistance Fund (LSAF) Allocations: The Executive proposes the elimination of LSAF support for specific programs, but includes a lump sum appropriation of \$4.2 million for the purposes noted below (Table 44).

Table 47

Legal Services Assistance Fund Allocations			
Program	SFY 2020-21	SFY 2021-22	Change (\$)
Aid to Prosecution	\$12,549,000	\$12,549,000	\$0
HESC Loan Forgiveness Program	\$2,430,000	\$2,430,000	\$0
Civil Legal Service Grants	\$2,830,000	\$0	(\$2,830,000)
Civil Legal Service Grants	\$0	\$4,200,000	\$4,200,000
Domestic Violence and Veterans Legal Services	\$770,000	\$0	(\$770,000)
Indigent Parolee Program	\$600,000	\$0	(\$600,000)
Legal Action Center	\$180,000	\$180,000	\$0
Grand Total	\$19,359,000	\$19,359,000	\$0

Article VII

The Executive proposes Article VII legislation:

- to enact the “New York State Professional Policing Act of 2021.” Under this proposal, law enforcement agencies would be required to comply with background check standards that include a criminal history check, a mental health exam, prior employment history and review of previous police officer misconduct. It would require agencies to become accredited for the purpose of standardizing background checks. It would define conduct that would result in permanent decertification, mandate reporting of misconduct, and require sharing of



information sharing of serious misconduct by officers. It would require agencies to collect demographic data with respect to persons appointed as police officers, including but not limited to racial and gender characteristics.

The Executive proposes Article VII Legislation that would:

- allow for the appointment of a monitor to oversee any police agency who fails to comply with Executive Order 203 titled “New York State Police Reform and Reinvention Collaborative” by April 1, 2021, until such time as the agency is in compliance;
- require the Office of Court Administration (OCA), working in conjunction with DCJS, to collect and include data on the issuance of orders of protection for family offenses in the report that they issue every six months relating to pretrial release and detention. It would also require OCA to provide a monthly report to DCJS and the Office to End Domestic and Gender-Based Violence on new orders of protection delineated by county;
- extend various criminal justice and public safety programs for two years and extend for two years the general formula for distribution of certain funds recovered by county district attorneys;
- repeal the criminalization of loitering for purposes of prostitution statute to eliminate discriminatory policing of transgender New Yorkers;
- remove the label “incorrigible” in the Family Court Act and Education Law to ensure that young individuals are not labeled as someone who cannot be corrected or rehabilitated;
- clarify in statute when a gun must be reported to the criminal gun clearinghouse and require all state and local law enforcement agencies in the state to opt-in to Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF's) crime gun trace data sharing program; require the test firing of certain guns, or submission of information regarding certain ammunition cartridges, for entry into the National Integrated Ballistic Information Network; and require each gun seized or recovered by law enforcement to be run through the National Crime Information Center (NCIC) system to determine if it has been reported stolen;
- establish virtual arraignments statewide to provide for electronic appearance at arraignment in every county in the state; and
- create an Arrest Warrant Prohibitor to prohibit the purchase of a firearm, rifle or shotgun by individuals who are the subject of an outstanding warrant for a serious offense or felony.

Division of Homeland Security and Emergency Services

The Executive proposes All Funds appropriations of \$4.97 billion, an increase of \$3.40 billion or 217.72 percent from the SFY 2020-21 level. The Executive recommends support for 570 FTE positions, unchanged from the SFY 2020-21 level.

Federal Disaster Assistance: The Executive provides an increase of \$3.4 billion to the Federal Disaster Assistance Appropriation for a total of \$4 billion in spending authority. This appropriation would be used to reimburse the local share of FEMA assistance for COVID-19 pandemic costs.

Interoperable Emergency Communications: The Executive continues to include \$75 million in appropriation authority for grants to improve emergency communications between local, county, state and federal first responders.

Division of State Police

The Executive proposes All Funds appropriations of \$1.022 billion, an increase of \$8 million or 0.79 percent from the SFY 2020-21 level. The Executive recommends support for 5,602 FTE positions, unchanged from the SFY 2020-21 level.

New York State Body Cameras: The Executive Budget provides \$8 million to fund the implementation of a new law that requires New York State Police officers to use body cameras while on patrol.

Office of Indigent Legal Services

The Executive proposes All Funds appropriations of \$311.27 million, an increase of \$50 million or 19.14 percent over the SFY 2020-21 level. The Executive recommends support for 30 FTE positions, which is unchanged from the FY 2020-21 level.

Indigent Legal Services Expansion: The SFY 2017-18 Budget established a multi-year plan to improve the quality of public defense services statewide, with the State supporting 100 percent of the incremental local costs. The Executive Budget includes \$200 million to support the fourth year of the statewide *Hurrell-Harring* Initiative, an increase of \$50 million, with full implementation costs projected at approximately \$250 million.

Department of Law

The Executive proposes All Funds appropriations of \$266.45 million, a decrease of \$16 million or 5.66 percent from the SFY 2020-21 level. The Executive recommends support for 1,782 FTE positions, unchanged from the SFY 2020-21 level.

Division of Military and Naval Affairs

The Executive proposes All Funds appropriations of \$146.11 million, a decrease of \$160 million or 52.27 percent from the SFY 2020-21 level. The Executive recommends support for 374 FTE positions, unchanged from the SFY 2020-21 level.

Capital Eliminations: The \$160 million decrease in capital appropriations is largely due to the one-time appropriations included in the prior year for the Jamaica Armory and New York State Military Museum and Veterans' Research Center.

Office to End Domestic and Gender- Based Violence

The Executive proposes All Funds appropriations of \$10.51 million, which is an increase of \$4.73 million or 81.83 percent from the SFY 2020-21 level. The Executive recommends support for 29 FTE positions, an increase of three FTEs over the SFY 2020-21 level.

Enough is Enough Program: The Executive proposes to transfer the Enough is Enough Program from the Department of Health to the Office to End Domestic and Gender-Based Violence. The \$4.7 million increase in agency appropriations would support rape crisis and sexual violence programs to assist colleges and universities in implementing response services, training, and prevention education.

Article VII

The Executive proposes legislation that would:

- rename the Office for the Prevention of Domestic Violence to the Office to End Domestic and Gender-Based Violence (Office). The Office would operate in collaboration with survivors, state coalitions and other stakeholders as an advocate for victims and survivors.
- establish a domestic violence misdemeanor in the penal law when a person commits a serious offense against a family or household member;

- require domestic violence abusers to pay housing costs, such as damages, moving, or mortgage costs for the residence of the person protected by the related order of protection; and
- prohibit courts from considering the sex, sexual orientation, gender identity or gender expression of parties when determining the best interest of a child in a child custody matter.

Office of Victim Services

The Executive proposes All Funds appropriations of \$211.99 million, which is unchanged from the SFY 2020-21 level. The Executive recommends support for 87 FTE positions, unchanged from the SFY 2020-21 level.

New York Interest on Lawyer Account

The Executive proposes All Funds appropriations of \$47.10 million, which is unchanged from the SFY 2020-21 level. The Executive recommends support for nine FTE positions, unchanged from the SFY 2020-21 level.

Commission of Correction

The Executive proposes All Funds appropriations of \$2.96 million, unchanged from the SFY 2020-21 level. The Executive recommends support for 38 FTE positions, unchanged from the SFY 2020-21 level.

Judicial Commissions

The Executive proposes All Funds appropriations of \$6.09 million, unchanged from the SFY 2020-21 level. The Executive recommends support for 43 FTE positions, unchanged from the SFY 2020-21 level.



BUDGET HIGHLIGHTS: LOCAL GOVERNMENTS



- **Aid and Incentives Municipalities (AIM) for Cities:** The Executive proposal would reduce AIM for cities by a total \$34.6 million. Payments are proposed to be reduced under a four tiered system ranging from a 2.5 percent reduction for cities with the highest reliance on AIM, up to a 20 percent reduction for cities with the least reliance. Cities that do not report requisite budget information to the State by May 15, 2021 would be included in the least reliant tier.
- **AIM-Related Payments for Towns and Villages:** The Executive proposal would shift \$8.5 million in AIM for towns and villages to “AIM-Related Payments” funded by local (county) sales tax collections.
- **Elimination of Video Lottery Terminal (VLT) Aid:** The Executive proposal would eliminate \$9.3 million in VLT Aid for all local governments with the exception of Yonkers. The proposal would cap Yonkers’ VLT payments at 95 percent of amounts authorized under current law, reflecting a \$980,000 reduction in State support.
- **Mandate Relief:** The Executive proposal includes several State initiatives to ease administrative burdens on local governments and encourage the pursuit of shared services and efficiencies.



BUDGET REVIEW AND ANALYSIS: LOCAL GOVERNMENTS



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

Table 48

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	695.00	654.05	(40.95)	(5.89)
Municipalities with VLT Facilities	28.89	10.27	(18.62)	(64.46)
Miscellaneous Financial Assistance	5.40	3.56	(1.84)	(34.01)
Small Government Assistance	0.22	0.22	0.00	0.00

Table 49

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Aid and Incentives for Municipalities	630.08	630.07	(0.01)	(0.00)
Municipalities with VLT Facilities	28.42	18.62	(10.27)	(34.49)
Miscellaneous Financial Assistance	3.56	3.56	0.00	0.00
Small Government Assistance	0.21	0.21	(0.01)	0.00

Aid and Incentives for Municipalities (AIM)

The Executive Budget provides \$617 million in unrestricted AIM for cities (excluding New York City), towns and villages, which is a reduction of \$39 million from the prior year.

The AIM program was created in SFY 2005-06 to consolidate various unrestricted local aid funding programs and to provide unrestricted aid that could be utilized at the discretion of the local entity. The Executive proposal would reduce AIM funds by \$39 million, eliminating state payments to towns and villages and reducing AIM payments to cities. Of the \$617 million the Executive proposed for AIM funding, cities would receive \$612.5 million, a reduction of \$34.6 million from SFY 2020-21. (see Table 50)

Under this proposal, cities (excluding New York City) would be subject to a four-tiered system of reductions ranging from 2.5 percent to 20 percent based on their General Fund budget reliance. More reliant cities would receive a lower percentage reduction and less reliant cities would receive a higher percentage reduction. Cities that failed to report required budget information to the State by May 15, 2021 would be included in the least reliant tier.

Table 50

AIM Budget Reliance Proposal	
Budget Reliance =	$\frac{\text{SFY 2019-20 AIM Amount}}{\text{SFY 2019-20 Municipal Total Expenditures}}$
AIM Reduction	Budget Reliance
20%*	< 8.15
15%	08.16 – 11.34
10%	11.34 – 14.15
2.5%	14.15 +

*Nine cities that failed to report their information to the State Comptroller would be subject to the 20 percent reduction, which include: Dunkirk, Ithaca, Johnstown, Mechanicville, Mount Vernon, North Tonawanda, Oneonta, Rensselaer, and Salamanca.

In SFY 2019-20, \$59 million of state AIM funding for towns and villages was eliminated and replaced with an equivalent payment of county sales tax revenue. The local sales tax revenue owed to these municipalities is intercepted by the State and distributed to the appropriate towns and villages as AIM-related payments. The Executive proposal would shift the remaining \$8.5 million for 86 towns and 51 villages currently receiving state AIM payments to AIM-related payments for a total of \$67.5 million. The Executive proposal would also provide a \$13.5 million or 20 percent reduction to AIM related payments. The Executive proposal would provide \$38.3 million for towns, and \$15.8 million villages, totaling \$54.1 million in AIM-related payments.

Table 51

State AIM Payments Shifted to AIM Related Payments			
SFY 2020-21 Enacted	Towns	Villages	Total
AIM Related Payments	\$42,737,242	\$16,395,895	\$59,133,137
State AIM Payments	\$5,173,925	\$3,309,175	\$8,483,100
Total	\$47,911,167	\$19,705,070	\$67,616,237
SFY 2021-22 Executive Proposed			
AIM Related Payments	\$38,328,934	\$15,764,056	\$54,092,990
State AIM Payments	\$0	\$0	\$0
Total	\$38,328,934	\$15,764,056	\$54,092,990
Change			
AIM Related Payments	(\$4,408,308)	(\$631,839)	(\$5,040,147)
State AIM Payments	(\$5,173,925)	(\$3,309,175)	(\$8,483,100)
Total	(\$9,582,233)	(\$3,941,014)	(\$13,523,247)

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 \$33.25 million appropriation.

Local Government Efficiency Grant Program (LGEG):

This program provides competitive grants to local governments to help cover costs associated with efficiency projects, including planning and implementation of function consolidations, as well as shared or cooperative services. The maximum implementation award is \$200,000 per municipality and \$1 million per consortium. These grants are supported by a \$4 million appropriation.

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 comprehensive reviews for the cities of Albany, Dunkirk, Elmira, Fulton, Jamestown, Lockport, Long Beach, Niagara Falls, Ogdensburg, Plattsburgh, Poughkeepsie, Rochester, Syracuse, Troy, Utica, Watervliet, and Yonkers; the villages of Alfred, Amityville, Herkimer, Hoosick Falls, Owego, Potsdam, and Wilson; and the Town of Fishkill.

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

County-Wide Shared Services Initiative

The Executive proposal anticipates a disbursement of \$15 million for a one-time savings match for 34 shared services plans implemented by municipalities in fiscal year 2018. A savings match for plans implemented in fiscal year 2020 would be determined once actualized savings are certified. Funds for this State match are supported by a \$225 million reappropriation from SFY 2018-19.

Miscellaneous Financial Assistance

The Executive proposal provides \$3.5 million in aid to Madison County (a \$1.7 million reduction) to reflect the opening of the Oneida Nation's Point Place Casino. Madison County does not currently receive a share of the negotiated percentage of the net drop from gaming devices the State currently receives pursuant to tribal compacts.

Video Lottery Terminal (VLT) Aid

The Executive proposal provides \$18.6 million in VLT aid for eligible municipalities in which a video lottery gaming facility is located, a \$9.3 million reduction. The Executive proposal eliminates assistance to all municipalities that host VLT facilities, with the exception of the City of Yonkers. Payments to the City of Yonkers would be capped at 95 percent of amounts authorized under current law, indicating a \$980,000 reduction in State support.

Table 52

Aid to Municipalities with Video Lottery Terminal (VLT) Facilities (\$ in Thousands)			
	SFY 2020-21 Enacted	SFY 2021-22 Executive Proposed	Change
Yonkers	19,600	18,620	(980)
Batavia Downs	802	-	(802)
Fairgrounds (Buffalo)	1,154	-	(1,154)
Finger Lakes	2,369	-	(2,369)
Monticello	1,234	-	(1,234)
Saratoga Springs	3,101	-	(3,101)
Vernon Downs	626	-	(626)
Total	28,886	18,620	(10,266)

Source: New York State Division of Budget.

Article VII

The Executive proposes Article VII language that would:

- eliminate VLT Aid to all municipalities outside of the City of Yonkers and reduce Yonkers VLT aid by five percent;
- revise the existing AIM Program, including decreasing funding for cities based on AIM reliance, and replacing State-funded AIM payments for certain towns and villages with sales tax funded AIM;
- provide counties with additional investment options;
- make the County-Wide Shared Services Initiative permanent and revise certain procedures;
- extend local governments' authority to utilize certain competitively bid contracts until July 31, 2023; and
- allow contiguous counties with an approved intermunicipal agreement to share jail facilities.

Table 53

Aid and Incentives for Municipalities Proposal for Cities			
	SFY 2020-21 Enacted	SFY 2021-22 Executive	
City	Budget Amount	Budget Amount	Change (\$)
BUFFALO	\$161,285,233	\$157,253,102	(\$4,032,131)
YONKERS	\$108,215,479	\$105,510,092	(\$2,705,387)
ROCHESTER	\$88,234,464	\$86,028,602	(\$2,205,862)
SYRACUSE	\$71,758,584	\$69,964,619	(\$1,793,965)
NIAGARA FALLS	\$17,794,424	\$17,349,563	(\$444,861)
UTICA	\$16,110,473	\$15,707,711	(\$402,762)
ALBANY	\$12,607,823	\$10,086,258	(\$2,521,565)
TROY	\$12,279,463	\$11,972,476	(\$306,987)
SCHENECTADY	\$11,205,994	\$10,085,395	(\$1,120,599)
BINGHAMTON	\$9,249,457	\$9,018,221	(\$231,236)
ROME	\$9,083,340	\$8,856,257	(\$227,083)
MOUNT VERNON*	\$7,155,691	\$5,724,553	(\$1,431,138)
NEW ROCHELLE	\$6,162,927	\$4,930,342	(\$1,232,585)
LACKAWANNA	\$6,309,821	\$6,152,075	(\$157,746)
WHITE PLAINS	\$5,463,256	\$4,370,605	(\$1,092,651)
AUBURN	\$4,982,093	\$4,857,541	(\$124,552)
WATERTOWN	\$4,703,208	\$3,997,727	(\$705,481)
JAMESTOWN	\$4,572,280	\$4,115,052	(\$457,228)
NEWBURGH	\$4,464,656	\$3,794,958	(\$669,698)
ELMIRA	\$4,578,801	\$4,464,331	(\$114,470)
POUGHKEEPSIE	\$4,248,021	\$3,610,818	(\$637,203)
NORTH TONAWANDA*	\$4,335,111	\$3,468,089	(\$867,022)
LONG BEACH	\$3,152,704	\$2,522,163	(\$630,541)
KINGSTON	\$3,069,151	\$2,455,321	(\$613,830)
GLEN COVE	\$2,837,667	\$2,270,134	(\$567,533)
AMSTERDAM	\$2,866,670	\$2,795,003	(\$71,667)
MIDDLETOWN	\$2,705,826	\$2,164,661	(\$541,165)
COHOES	\$2,742,886	\$2,468,597	(\$274,289)
LOCKPORT	\$2,650,525	\$2,252,946	(\$397,579)
PLATTSBURGH	\$2,648,880	\$2,383,992	(\$264,888)
ITHACA*	\$2,610,398	\$2,088,318	(\$522,080)
TONAWANDA	\$2,602,104	\$2,341,894	(\$260,210)
OSWEGO	\$2,451,698	\$1,961,358	(\$490,340)
GLOVERSVILLE	\$2,302,592	\$2,072,333	(\$230,259)
PEEKSKILL	\$2,219,384	\$1,775,507	(\$443,877)
OLEAN	\$2,239,826	\$2,015,843	(\$223,983)
ONEONTA*	\$2,231,857	\$1,785,486	(\$446,371)
CORTLAND	\$2,018,330	\$1,715,581	(\$302,749)
GENEVA	\$1,942,613	\$1,651,221	(\$291,392)
BATAVIA	\$1,750,975	\$1,488,329	(\$262,646)
OGDENSBURG	\$1,708,659	\$1,537,793	(\$170,866)
SARATOGA SPRINGS	\$1,649,701	\$1,319,761	(\$329,940)
ONEIDA	\$1,700,877	\$1,530,789	(\$170,088)
FULTON	\$1,626,822	\$1,382,799	(\$244,023)
GLENS FALLS	\$1,607,009	\$1,365,958	(\$241,051)
DUNKIRK*	\$1,575,527	\$1,260,422	(\$315,105)
BEACON	\$1,537,478	\$1,229,982	(\$307,496)
CORNING	\$1,499,556	\$1,274,623	(\$224,933)
HORNELL	\$1,497,788	\$1,273,120	(\$224,668)
HUDSON	\$1,456,991	\$1,311,292	(\$145,699)
PORT JERVIS	\$1,406,263	\$1,195,324	(\$210,939)
JOHNSTOWN*	\$1,388,910	\$1,111,128	(\$277,782)
WATERVLIET	\$1,210,193	\$1,028,664	(\$181,529)
RYE	\$1,208,024	\$966,419	(\$241,605)
RENSSELAER*	\$1,137,317	\$909,854	(\$227,463)
CANANDAIGUA	\$1,119,304	\$895,443	(\$223,861)
NORWICH	\$1,089,279	\$980,351	(\$108,928)
SALAMANCA*	\$928,131	\$742,505	(\$185,626)
LITTLE FALLS	\$866,034	\$779,431	(\$86,603)
MECHANICVILLE*	\$662,392	\$529,914	(\$132,478)
SHERRILL	\$372,689	\$335,420	(\$37,269)
Totals	\$ 647,093,629	\$ 612,488,066	(\$ 34,605,563)

Note*: Nine cities that have not submitted their budget report to the State Comptroller before May 15, 2021 would be subject to the proposed 20% reduction.

Source: Office of the New York State Comptroller

BUDGET HIGHLIGHTS: GENERAL GOVERNMENT



- **Public Campaign Finance Board Funding:** The Executive proposal includes \$7.3 million within the State Board of Elections for the design and implementation of the Public Campaign Finance Program, which will first apply to the 2024 election cycle.
- **Expansion of Early Voting Hours:** The Executive proposal includes Article VII legislation that will expand early voting hours on weekdays, weekends and holidays.
- **Absentee Ballot Reforms:** The Executive proposal includes a proposal to reform the absentee ballot voting process to increase by 15 days the period in which absentee ballots may be requested, establish a standard timeframe within which county Boards of Elections must provide absentee ballots upon receiving an application and begin counting absentee ballots on Election Day.
- **No Fault Insurance:** The Executive proposes to authorize the Superintendent of Department of Financial Services (DFS) to prohibit a health services provider from demanding or requesting payment for health services provided under the no fault insurance law.
- **Mortgage Forbearance:** The Executive proposes legislation to extend the covered period for residential mortgage relief through December 31, 2021, or until the Executive Orders issued during the COVID-19 pandemic are no longer in effect, whichever is later.
- **Commercial Eviction:** The Executive proposes legislation that would codify the Executive Order pausing commercial eviction and foreclosure for nonpayment of rent or mortgage as a result of financial hardship due to the pandemic.
- **New York Medical Supplies Act:** The Executive proposes to require the purchase of personal protective equipment (PPE) purchased through all State contracts over \$50,000 be produced or made in the United States. The head of the agency making the purchase can waive this requirement under circumstances related to cost, public interest, availability and timing.



BUDGET REVIEW AND ANALYSIS: GENERAL GOVERNMENT



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

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

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



Table 54

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	1,251.13	1,255.16	4.03	0.32
Office of Information Technology Services	1,011.45	861.45	(150.00)	(14.83)
Department of Taxation and Finance	468.56	448.87	(19.70)	(4.20)
Department of Financial Services	439.23	446.72	7.49	1.71
Department of Audit and Control	384.79	374.69	(10.10)	(2.62)
Department of State	321.24	352.64	31.40	9.77
Workers' Compensation Board	206.19	206.19	0.00	0.00
Division of Alcoholic Beverage Control	13.31	50.76	37.45	281.37
Division of Budget	49.72	49.18	(0.54)	(1.08)
Statewide Financial System	31.16	31.16	0.00	0.00
Executive Chamber	17.85	17.85	0.00	0.00
State Board of Elections	46.40	15.90	(30.50)	(65.73)
Office of the Inspector General	7.24	7.83	0.59	8.12
Joint Commission on Public Ethics	5.58	5.59	0.01	0.18
Division of Tax Appeals	3.04	2.89	(0.15)	(5.00)
Office of the Lieutenant Governor	0.63	0.63	0.00	0.00

Table 55

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of General Services	408.71	301.99	(106.72)	(26.11)
Office of Information Technology Services	743.30	809.70	66.40	8.93
Department of Taxation and Finance	361.74	340.10	(21.65)	(5.98)
Department of Financial Services	392.29	391.38	(0.91)	(0.23)
Department of Audit and Control	187.11	187.46	0.35	0.19
Department of State	152.80	193.78	40.98	26.82
Workers' Compensation Board	228.31	230.20	1.90	0.83
Division of Alcoholic Beverage Control	12.85	31.71	18.86	146.77
Division of Budget	32.29	29.31	(2.98)	(9.23)
Statewide Financial System	29.84	28.04	(1.80)	(6.03)
Executive Chamber	13.56	13.44	(0.12)	(0.88)
State Board of Elections	41.17	39.26	(1.91)	(4.64)
Office of the Inspector General	9.05	7.82	(1.23)	(13.59)
Joint Commission on Public Ethics	5.44	5.62	0.18	3.31
Division of Tax Appeals	3.15	2.71	(0.44)	(13.84)
Office of the Lieutenant Governor	0.59	0.59	0.00	0.00

Office of General Services

The Executive proposes an All Funds appropriation of \$1.26 billion, an increase of \$4.0 million, or 0.32 percent from SFY 2020-21. This increase is related to an additional \$1.5 million for COVID-19 related expenses and \$2.25 million increase for the national lunch program. The Executive recommends support for 1,935 FTEs, unchanged from SFY 2020-21.

Article VII

The Executive proposes Article VII legislation that would establish the New York Medical Supplies Act to require PPE and medical supplies purchased by the state in contracts over \$50,000 to be produced or made in the United States.

Office of Information Technology Services (ITS)

The Executive proposes an All Funds appropriation of \$861.45 million. This is a decrease of \$150 million from SFY 2020-21, which is attributable to the elimination of a one-time federal capital projects appropriation. The Executive recommends total support for 3,320 FTEs, unchanged from SFY 2020-21.

Article VII

The Executive recommends Article VII legislation that would:

- authorize ITS to issue and award comprehensive technology service contracts, allowing the same firm to both design and implement new IT systems;
- require each State department to post their authorized signatories on file with the Office of the State Comptroller on each department's website; and make certain terms or conditions in state contracts void;
- permit agencies to share voluntarily provided citizen data as long as the sharing is consistent with State and Federal law and preexisting privacy practices;
- require companies that collect information on large numbers of New Yorkers to disclose the purposes of any data collection and only collect data needed for those purposes; and this part create a Consumer Data Privacy Bill of Rights; and
- require devices capable of recording to include a clear and conspicuous disclosure of their capabilities and settings pertaining to the retention and transmission of recordings.

Department of Taxation and Finance

The Executive proposes an All Funds appropriation of \$448.9 million, which is a decrease of \$19.7 million or 4.2 percent from the SFY 2020-21 level. The Executive recommends support for 3,785 FTEs, which is unchanged from SFY 2020-21 levels.



Article VII

The Executive recommends Article VII legislation that would:

- modify various tax preparer oversight provisions, including proposals to allow for charges against tax preparation businesses with preparers that fail to register; eliminate the penalty cure period to increase voluntary registration compliance; increase the penalties for the failure to register; establish clear authority regarding the issuance, revocation, suspension, and cancelation of registration certificates; and require registration certificates to be prominently displayed;
- combine the property transfer form and the real estate transfer tax form into a consolidated real property transfer form; and create an online system for e-filing and paying the associated taxes and fees;
- make various technical changes in order to facilitate the administration of real property taxes;
- extend the statutory deadline for implementing the Secure Choice Program from April 12, 2020 to December 31, 2021;
- extend the existing real property tax exemption for renewable energy projects from 2025 to 2030 and establish a statewide standardized approach for real property tax assessment for such projects; and
- give the Tax Department the right to appeal adverse Tax Appeals tribunal decisions.

Department of Financial Services (DFS)

The Executive proposes an All Funds appropriation of \$446.7 million, which is an increase of \$7.5 million or 1.7 percent from the SFY 2020-21 level. The increase is related to a proposed shift in funding responsibility for the Family Planning Program from DOH to DFS. The Executive recommends continued funding support for 1,296 FTE positions, unchanged from the SFY 2020-21 level.

Entertainment Workers Demonstration Program: The Executive maintains \$110,000 in funding for the Entertainment Worker Demonstration Program.

Healthy NY Program: The Executive Budget maintains \$16.4 million in funding for the Healthy NY Program.

Article VII

The Executive recommends Article VII legislation that would:

- extend the covered period for mortgage forbearance to the later of December 31, 2021 or the date upon which the Executive Orders that closed or restricted business due to COVID-19 are no longer in effect;
- create a new Article 29 of the Insurance Law to establish requirements for the registration, licensure, examination and disclosure for pharmacy benefit managers (PBM);
- restructure Physician's Excess Medical Malpractice payments to insurers, from one annual payment to two installments split over two fiscal years, reduce the State support for future policy years by 50 percent, and extend provisions of the hospital excess liability pool through June 30, 2022. Under this proposal, insurers would be required to bill physicians for an amount equal to 50 percent of the premium of such coverage. At the end of the policy period, the Superintendent of DFS and the Commissioner of Health would pay for 25 percent of the premium from available funds in the hospital excess liability pool to the insurers, and the remaining 25 percent would be paid one year thereafter;
- grant the Superintendent of DFS additional authority to prohibit a provider of health services from demanding or requesting payment for health services rendered under the no-fault insurance law for a period not exceeding three years. Under this proposal, the chair of the Worker's Compensation Board would be required to provide the Superintendent of Financial Services with a list of all providers of health services which, in connection with any investigation, hearing, or findings, have voluntarily resigned or are disqualified from offering health services and require DFS to maintain a database of such providers. The superintendent would be authorized to levy a civil penalty not exceeding \$50,000 on any provider of health services that they prohibit from requesting such payments. This proposal also establishes the Motor Vehicle Insurance Task Force, which would examine alternatives to the no-fault insurance system as well as other legislative or regulatory initiatives to reduce the cost of motor vehicle insurance; and
- provide a replacement for the London Inter-Bank Offered Rate (LIBOR) as the benchmark interest rate for global inter-bank lending.

Workers' Compensation Board

The Executive proposes an All Funds appropriation of \$206.2 million, unchanged from SFY 2020-21. The Executive recommends support for 1,049 FTE positions, unchanged from the SFY 2020-21 level.

Article VII

The Executive proposes Article VII language that would:

- authorize the New York State Insurance Fund to enter into agreements with out-of-state workers' compensation insurers to issue policies to policyholders for their obligations under the laws of other states;
- provide the New York State Insurance Fund greater flexibility with regard to its investments of surplus funds and reserves; and
- adjust the discount rates for the New York State Insurance Fund's reserves and deposits.

Department of Audit and Control

The Executive proposes All Funds appropriations of \$374.7 million, an overall decrease of \$10.1 million, or 2.6 percent, from the SFY 2020-21 funding level. The Executive Budget recommends support for 2,710 FTE positions, unchanged from SFY 2020-21.

Department of State (DOS)

The Executive proposes All Funds appropriations of \$352.6 million, a net increase of \$31.4 million or 9.8 percent above the SFY 2020-21 level. The Executive recommends support for 572 FTE positions, which reflects a net increase of 31 FTEs over the SFY 2020-21 level.

Consumer Protection Program: The Executive proposes \$24.77 million for the Consumer Protection Program, an increase of \$10 million over SFY 2020-21.

Office for New Americans: The Executive proposes \$16.44 million for legal defense and other services for immigrants, which is unchanged from SFY 2020-21. The Executive recommends support for 11 FTE positions, which is three FTEs over the SFY 2020-21 level, due to increased programmatic activities.

Community Initiatives: The Executive proposes to eliminate a total of \$2.3 million in funding for various programs, including the Public Utility Law Project (\$900,000), Independent Redistricting Commission (\$750,000), Student Loan Consumer Assistance Program (\$250,000) and the New York Immigration Coalition (\$75,000).

Downtown Revitalization: The Executive proposes \$100 million in Capital Projects funding for a new round of the Downtown Revitalization program, for the purposes of building transformative housing, economic recovery and development, transportation and community projects.

Article VII

The Executive proposes Article VII language that would:

- make permanent the authority of the Secretary of State to charge increased fees for the expedited handling of certain documents issued by or requested from the Department of State's Division of Corporations;
- amend the Business Corporation Law to allow the Secretary of State to be served electronically and then serve process against a corporation electronically; and
- establish procedures and regulations to permit notaries to rely on approved technologies to verify identity and to notarize documents and exercise notarial authority remotely.

Division of the Budget (DOB)

The Executive proposes an All Funds appropriation of \$49.2 million, a decrease of \$537,000 or one percent, from SFY 2020-21. The Executive recommends support for 261 FTEs, unchanged from SFY 2020-21.

The Executive eliminates \$537,000 related to membership dues for the Council of State Governments, the National Conference of Insurance Legislators and the National Conference of State Legislators.

The Executive proposal continues to authorize interchange and transfer of appropriations among multiple state agencies and adds additional interchange and transfer language that allows for the unlimited transfer of funds from any department.



Statewide Financial System (SFS)

The Executive proposes an All Funds appropriation of \$31.2 million to support the ongoing maintenance and operating cost of SFS, remaining unchanged from SFY 2020-21. The Executive recommends support for 133 FTE positions, unchanged from the SFY 2020-21 level.

Executive Chamber and Office of the Lieutenant Governor

The Executive proposes an All Funds appropriation of \$18.5 million in support of the Office of the Governor (\$17.85 million) and the Office of the Lieutenant Governor (\$630,000), which is unchanged from the SFY 2020-21 level. The Executive recommends support for 136 FTEs for the Office of the Governor and seven FTEs assigned to the Office of the Lieutenant Governor, unchanged from the prior year.

Division of Alcoholic Beverage Control (ABC)

The Executive proposes an All Funds appropriation of \$50.76 million, a net increase of \$37.45 million or 281.3 percent above the SFY 2020-21 level. The Executive recommends support for 322 FTE positions, which is 208 FTEs above the SFY 2020-21 level.

The budget proposal includes a \$37.45 million increase to support the creation of the Office of Cannabis Management within the Division of Alcoholic Beverage Control, which would provide for the regulation and enforcement of the adult-use cannabis, medical marijuana, and industrial hemp industries.

Article VII

The Executive proposes Article VII language that would:

- establish a regulated adult-use cannabis program and to create a new Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control, governed by a five-member Cannabis Control Board overseeing the adult-use, medical and cannabinoid hemp industries. The proposal would impose three taxes on the distribution and sale of adult-use and medical cannabis, and deposit the associated revenue in a new Cannabis Revenue Fund which would be used to administer the program and support social and economic equity programs.
- authorize movie theatres to sell alcoholic beverages for motion pictures that are rated PG-13, R, or NC-17 with proper identification, with food typically found in motion picture theaters, and with certain other restrictions related to sale; and

- permanently extend the authority of the SLA to issue temporary retail permits for applicants waiting on license approval in New York State. Further, this proposal would give the SLA new authority to issue temporary retail permits in New York City as well as to issue temporary manufacturing permits Statewide.

State Board of Elections (SBOE)

The Executive proposes an All Funds appropriation of \$15.9 million, a reduction of \$30.5 million from the SFY 2020-21 level. This reduction reflects the discontinuation of two, one-time appropriations, including \$16 million to develop an online voter registration system and \$21.8 million of federal Help America Vote Act (HAVA) grant funding for enhanced election technology and security improvements. The Executive recommends support for 71 FTEs, an increase of 15 FTEs from SFY 2020-21.

The Executive proposal includes a new appropriation of \$7.3 million to fund the Public Campaign Finance Board (PCFB) within the State Board of Elections. This funding would allow SBOE to implement the administration and oversight of PCFB which includes \$4.17 million to support personal service expenses and \$3.16 million to fund IT hardware and software and other nonpersonal service expenses.

The Executive proposal includes Article VII language that would:

- expand early voting hours to require that at least one poll site shall remain open until 9:00 p.m. at least three weekdays and expand early voting to 10 hours between 9:00 a.m. and 9:00 p.m. on weekends and holidays;
- reform the absentee ballot voting process to increase by 15 days the period in which absentee ballots may be requested;
- require county boards of elections to mail absentee ballots within four days of receiving an absentee ballot application, except between seven and 10 days prior to an election, when boards must mail absentee ballots within 24 hours of receiving the absentee ballot application;
- authorize county boards of elections to begin processing absentee ballots as they are received and to begin counting absentee ballots on Election Day; and
- establish a uniform timeline for counties to initiate recounts for close elections and would require recounts be completed within five days.

Office of the Inspector General

The Executive proposes an All Funds appropriation of \$7.8 million, an increase of \$584,000 or 8.1 percent over the SFY 2020-21 level. Of this increase, \$100,000 is associated with the lease of a new Buffalo office and \$475,000 is associated with the consolidation of the Gaming Inspector General into the Office of the State Inspector General. The Executive recommends support for 80 FTEs, an increase of four FTEs over the SFY 2020-21 level, associated with the transfer of the Office of the Gaming Inspector General.

Joint Commission on Public Ethics (JCOPE)

The Executive proposes All Funds appropriations of \$5.6 million, an increase of \$12,000 over SFY 2020-21 levels to support higher rent costs. The Executive recommends support for 46 FTEs, unchanged from SFY 2020-21.

Division of Tax Appeals

The Executive proposes an All Funds appropriation of \$2.88 million, which is a decrease of \$0.15 million or five percent, from the SFY 2020-21 level. The Executive recommends support for 25 FTEs, which is unchanged from SFY 2020-21 levels.

BUDGET HIGHLIGHTS: STATE OPERATIONS AND WORKFORCE



- **State Workforce:** The Executive Budget takes actions that would significantly reduce the workforce of Department of Corrections and Community Supervision, Office of Mental Health and the Office of Children and Family Services through attrition. The Executive Budget also proposes additions to the state workforce, including in the Department of Health to support the Medicaid takeover, and the Division of Alcoholic Beverage Control to support the Office of Cannabis Management.
- **Establish a Floor for State Reimbursement for the Medicare Part B Premium:** The Executive proposes language to maintain reimbursement of the standard Medicare Part B premium at the current level of \$148.50 per month, for new and existing retirees.
- **Eliminate the Income Related Monthly Adjustment Amount (IRMAA) Reimbursement:** The Executive proposes language to eliminate state funding to support the IRMAA premium for the retirees with an income above \$88,000 for individuals and \$176,000 for couples.
- **Implement Differential Premiums for Future State Retirees:** The Executive proposes language that would tie the amount of health care payments received by retirees to the number of years of state service for new employees.
- **Provide a Market-Based Interest Rate on Court Judgments and Accrued Claims:** The Executive proposes language that would change the interest rate paid by the state and other governmental jurisdictions in court judgments from a fixed rate to a variable rate.

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 177,807 State employees in Executive agencies.

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

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

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

Table 56

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	6,278.81	7,066.47	787.66	12.54
Department of Civil Service	58.74	59.54	0.80	1.36
Office of Employee Relations	8.68	8.68	0.00	0.00
Public Employment Relations Board	4.06	4.06	0.00	0.00

Table 57

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
General State Charges	5,329.84	7,830.26	2,500.42	46.91
Department of Civil Service	14.60	14.61	0.01	0.07
Office of Employee Relations	6.43	6.29	(0.14)	(2.18)
Public Employment Relations Board	3.52	3.33	(0.19)	(5.40)

General State Charges

The Executive proposes All Funds appropriations of \$7.07 billion, an increase of \$787.7 million, or 12.5 percent over SFY 2020-21 levels. This increase is largely attributed to higher health care and pension costs, as well as repayment of social security payments that were deferred under the federal CARES Act. Fringe benefits are appropriated within General State Charges for General Fund employees and within each agency for employees funded outside the General Fund.

Health Insurance Benefits: The Executive budget proposes a \$264.6 million increase over SFY 2020-21 for health insurance benefits contributions, an increase of 6.5 percent in the New York State Health Insurance Plan (NYSHIP) costs. The increase is primarily attributable to medical inflation and potential for increased spending related to medical visits and procedures that were delayed in SFY 2020-21 due to COVID-19 pandemic. The increases are slightly offset by savings associated with reestimates and renewals for NYSHIP and Article VII proposals to freeze Medicare Part B reimbursement and eliminate Income Related Monthly Adjustment Amounts for certain retirees.

Pensions: The Executive budget proposes a \$311.9 million increase, or 14.1 percent over SFY 2020-21 levels. This reflects increased billings to participating employers within the Common Retirement Fund due to lower than expected returns on investments. There is also \$57.1 million in savings associated with a full payment to the retirement systems in April 2021 instead of in monthly installments.

Social Security Tax: The Executive proposes a \$842.9 million, or 185 percent increase over SFY 2020-21 levels, reflective of the deferment of Social Security Payroll Taxes in calendar year 2020, allowed under the federal CARES Act, and a partial repayment of \$277.9 million in SFY 2021-22.

Workers' Compensation Benefits: The Executive proposes a net \$40.4 million increase in Workers' Compensation benefits for injured State employees, an 8.4 percent increase from SFY 2020-21. This

increase is reflective of higher medical costs and growth in the average weekly wage, which results in higher Workers' Compensation benefits.

Fixed Costs: The Executive budget proposes to change the interest rate paid by the State and other governmental jurisdictions in court judgments from a fixed nine percent rate to a variable market-based index, resulting in a savings of \$6 million.

The Executive recommends Article VII legislation that would:

- terminate reimbursement of IRMAA premiums for certain retirees, incurred on or after January 1, 2021, made by the State to active or retired employees and their dependents effective January 1, 2022;
- establish a premium cost-sharing structure for future State employees hired on or after October 1, 2021;
- limit the reimbursement amount for the Standard Medicare Part B standard premium charges to \$148.50 a month;
- extend the implementation and enrollment deadline date for the NYS Secure Choice Program to December 31, 2021, and allow the New York Secure Choice Savings Program Board to extend such deadline until December 31, 2022; and
- establish the annual rate of interest to be paid on a judgment or accrued claim to be calculated at the one year United States Treasury bill rate.

Department of Civil Service

The Executive proposes All Funds appropriations of \$59.5 million, an overall increase of \$800,000 or a 1.4 percent increase over SFY 2020-21 levels. Increased funding would support equipment for remote proctoring of virtual tests. The Executive recommends support for 336 FTE positions, unchanged from SFY 2020-21 levels.

Office of Employee Relations

The Executive provides an All Funds appropriation of \$8.7 million, unchanged from SFY 2020-21 funding levels. The Executive recommends support for 61 FTEs, unchanged from SFY 2020-21 levels.

Public Employment Relations Board

The Executive proposes an All Funds appropriation of \$4.1 million, unchanged from SFY 2020-21 levels. The Executive recommends support for 31 FTE positions, unchanged from SFY 2020-21.

Table 58

Workforce Impact Summary						
All Funds						
FY 2020 Through FY 2022						
	FY 2020 Actuals (3/31/20)	Starting Estimate (03/31/21)	Attritions	New Fills	Net Change	Ending Estimate (03/31/22)
Addiction Services and Supports, Office of	724	700	(87)	87	0	700
Adirondack Park Agency	50	49	(1)	1	0	49
Aging, Office for the	85	95	(2)	2	0	95
Agriculture and Markets, Department of	479	467	(18)	18	0	467
Alcoholic Beverage Control, Division of	109	114	(10)	185	208	322
Arts, Council on the	27	27	(3)	3	0	27
Audit and Control, Department of	2,698	2,710	(134)	134	0	2,710
Budget, Division of the	261	261	(25)	25	0	261
Children and Family Services, Office of	2,889	2,799	(752)	467	(285)	2,514
City University of New York	13,797	13,476	0	0	0	13,476
Civil Service, Department of	346	336	(21)	21	0	336
Correction, Commission of	39	38	(2)	2	0	38
Corrections and Community Supervision, Department of	28,651	27,647	(1,642)	842	(800)	26,847
Criminal Justice Services, Division of	405	396	(9)	16	7	403
Deferred Compensation Board	4	4	0	0	0	4
Economic Development, Department of	140	135	(12)	12	0	135
Education Department, State	2,680	2,650	(265)	265	0	2,650
Elections, State Board of	76	75	(9)	24	15	90
Employee Relations, Office of	63	61	(3)	3	0	61
End Domestic and Gender-Based Violence, Office to	27	26	(3)	6	3	29
Environmental Conservation, Department of	3,017	2,924	(180)	187	16	2,940
Executive Chamber	118	136	(25)	25	0	136
Financial Control Board, New York State	12	12	0	0	0	12
Financial Services, Department of	1,329	1,296	(152)	152	0	1,296
Gaming Commission, New York State	376	395	(19)	19	(4)	391
General Services, Office of	1,844	1,793	(19)	19	0	1,793
Health, Department of	4,813	5,079	(282)	654	339	5,418
Higher Education Services Corporation, New York State	145	139	(12)	12	0	139
Homeland Security and Emergency Services, Division of	579	570	(26)	26	0	570
Housing and Community Renewal, Division of	622	612	(42)	42	0	612
Hudson River Valley Greenway Communities Council	0	1	0	0	0	1
Human Rights, Division of	154	149	(13)	13	0	149
Indigent Legal Services, Office of	30	30	(2)	2	0	30
Information Technology Services, Office of	3,423	3,320	(128)	128	0	3,320
Inspector General, Office of the	78	76	(5)	5	4	80
Interest on Lawyer Account	9	9	0	0	0	9
Judicial Conduct, Commission on	42	40	(2)	2	0	40
Justice Center for the Protection of People with Special Needs	432	420	(68)	68	0	420
Labor Management Committees	71	70	(5)	5	0	70
Labor, Department of	2,770	2,695	(127)	127	0	2,695
Law, Department of	1,801	1,782	(156)	156	0	1,782
Lieutenant Governor, Office of the	4	7	(1)	1	0	7
Medicaid Inspector General, Office of the	409	445	(15)	85	70	515
Mental Health, Office of	13,929	13,692	(2,531)	2,085	(446)	13,246
Military and Naval Affairs, Division of	386	374	(31)	31	0	374
Motor Vehicles, Department of	3,025	2,899	(597)	597	0	2,899
Parks, Recreation and Historic Preservation, Office of	2,035	1,981	(152)	152	0	1,981
People with Developmental Disabilities, Office for	18,984	18,590	(2,470)	2,482	12	18,602
Public Employment Relations Board	32	31	(2)	2	0	31
Public Ethics, Joint Commission on	46	46	(4)	4	0	46
Public Service Department	490	476	(42)	42	0	476
State Police, Division of	5,785	5,602	(273)	273	0	5,602
State University Construction Fund	141	131	0	0	0	131
State University of New York	47,085	46,708	0	0	0	46,708
State, Department of	524	541	(88)	128	31	572
Statewide Financial System	137	133	(7)	7	0	133
Tax Appeals, Division of	24	25	(1)	1	0	25
Taxation and Finance, Department of	3,787	3,785	(86)	86	0	3,785
Temporary and Disability Assistance, Office of	1,922	1,864	(222)	222	0	1,864
Transportation, Department of	8,487	8,182	(338)	338	0	8,182
Veterans' Services, Division of	93	90	(15)	15	0	90
Victim Services, Office of	88	87	(11)	11	0	87
Welfare Inspector General, Office of	6	6	(1)	1	0	6
Workers' Compensation Board	1,081	1,049	(56)	56	0	1,049
Hiring Freeze Savings	0	(2,551)	0	0	0	(2,551)
Total	183,715	177,807	(11,204)	10,374	(830)	176,977

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 eleven (11) different trial courts (courts of original jurisdiction), its intermediate appellate courts, and its highest court, the court of appeals.

The Judiciary’s proposed budget request recommends All Funds appropriations of \$3.31 billion, which is an increase of \$40.2 million or 1.23 percent from the SFY 2020-21 level related to an increase in the appropriation for General State Charges.

Table 59

Appropriations				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	3,265.20	3,305.40	40.20	1.23

Table 60

Disbursements				
Agency	2020-21 Adjusted (\$ in Millions)	2021-22 Exec Request (\$ in Millions)	Change (\$ in Millions)	Change (%)
Office of Court Administration	3,032.60	3,208.10	175.50	5.79

Budget Reductions: The SFY 2021-22 budget submission includes appropriations at higher levels than in SFY 2020-21, with spending reductions made on a cash basis. The budget submission reduced disbursements by \$263 million for SFY 2020-21 and held SFY 2021-22 flat; this reduction consists of \$163 million in State Operations savings and \$100 million in General State Charges savings.

Civil Legal Services: The proposed budget includes appropriations totaling \$100 million to support the recommendations of an Office of Court Administration task force to expand civil legal services, unchanged from the SFY 2020-21 level. Cash reductions, however, are assumed for these services.

Capital Projects: The Judiciary's budget includes \$25 million to support continued improvements to court technology infrastructure, including modernization of the judiciary's secure high-speed area network, security equipment, records management and facility renovation.

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 4.4 percent in 2021 and 3.0 percent in 2022, following a decline of 3.4 percent in 2020.

Table 61

U.S. Economic Outlook (Percent Change)			
	2020	2021	2022
Real GDP	(3.4)	4.4	3.0
Consumption	(3.7)	5.1	3.6
Residential Investment	5.3	6.6	(0.8)
Nonresidential Investment	(4.6)	3.7	3.7
Exports	(13.3)	7.4	5.8
Imports	(10.1)	10.0	5.1
Government	1.0	(0.5)	0.9
Personal Income	6.4	2.1	2.4
Wages & Salaries	0.6	5.9	4.3
Employment	(5.7)	2.7	3.0
Unemployment Rate (percent)	8.1	6.1	5.2
CPI-Urban	1.2	2.1	2.2
S&P 500 Stock Price	10.5	14.0	3.5
Federal Fund Rate	0.4	0.1	0.1
Treasury Note Rate (10-year)	0.9	1.1	1.4

Note: Values are as reported in the Executive Budget 2021-22 released on January 19, 2021.
Source: NYS Division of the Budget.

- The Executive projects that state private employment will grow by 6.2 percent in 2021 and 3.0 percent in 2022, after falling 11.1 percent in 2020.

Table 62

New York State Economic Outlook (Percent Change)			
	2020	2021	2022
Employment	(9.9)	5.4	2.6
Private Employment	(11.1)	6.2	3.0
Personal Income	5.4	0.4	3.0
Total Wages (calendar year basis)	(1.3)	3.4	5.2
Base Wages	(1.9)	5.0	4.7
Variable Compensation	2.6	7.9	9.3
Total Wages (fiscal year basis)	(3.4)	6.1	4.8
New York Area CPI	1.5	2.0	2.1

Note: Values are as reported in the Executive Budget 2021-22 released on January 19, 2021.
Source: NYS Division of the Budget.

BUDGET REVIEW AND ANALYSIS: ECONOMY



The National Economy: The Executive projects that the U.S. economy, as measured by GDP, will grow by 4.4 percent in 2021 and by 3.0 percent in 2022, following an estimated decline of 3.4 percent in 2020 (see Table 63). According to the Executive, the acceleration in growth is indicative of a recovery from the economic contraction brought on by the COVID-19 pandemic that resulted in a plunge in GDP by 31.4 percent in the second quarter of 2020, the largest quarterly contraction in 74 years. The Executive posits that the COVID-19 related recession was different from past recessions, as result of the public policy responses that have been implemented to slow the transmission of the virus. These policies let to unusually strong contraction in sectors that are more reliant on face-to face interaction (i.e. retail trade, travel, restaurants, hospitality, arts and entertainment).

Table 63

U.S. Economic Forecast Comparison			
	2020	2021	2022
Real Gross Domestic Product (GDP) (chained 2012 dollars, percent change)			
Division of the Budget	(3.4)	4.4	3.0
Blue Chip Consensus	NA	4.2	3.4
IHS Markit	(3.6)	4.0	3.9
Moody's Analytics	(3.5)	5.0	5.0
Consumer Price Index (CPI) (percent change)			
Division of the Budget	1.2	2.1	2.2
Blue Chip Consensus	NA	2.0	2.1
IHS Markit	1.3	2.1	2.5
Moody's Analytics	1.2	2.0	2.5
Unemployment Rate (percent)			
Division of the Budget	8.1	6.1	5.2
Blue Chip Consensus	NA	6.0	5.0
IHS Markit	8.1	5.2	3.9
Moody's Analytics	8.1	6.2	5.2

Note: Numbers are as reported in the Executive Budget 2021-22 released on January 19, 2021.
Source: NYS Division of the Budget.

- **Consumption:** The Executive projects acceleration in real consumption growth of 5.1 percent in 2021, following an estimated decrease of 3.7 percent in 2020. According to the Executive, consumer spending will dictate the path of the U.S. economic recovery, as it was the main cause for the unprecedented swings in GDP in 2020. Consumer spending will be influenced by the timing and severity of the pandemic. With the transmission rate remaining high, additional federal fiscal stimulus will keep consumer spending from falling in the first quarter of 2021. However, increased consumer demand for services in the second and third quarters of 2021, supported by strong gains in household net worth and elevated savings rates, is expected to lead, to higher growth in consumer spending in both 2021 and 2022.
- **Investment:** The Executive projects business investment spending will grow 3.7 percent in both 2021 and 2022, following an estimated decrease of 4.6 percent in 2020. According to the Executive, strong demand in the residential housing market will continue to be a bright spot in 2021, as mortgage rates remain low. The COVID-19 pandemic also spurred a surge in the demand for larger houses in suburban areas. In addition, spending on equipment and intellectual property products will support growth in investment spending.
- **Exports and Imports:** The Executive forecasts that growth in exports of U.S. goods and services will rebound 7.4 percent in 2021, after an estimated decline of 13.3 percent in 2020. The Executive forecast is based on the expectation that the recovery in global economic activity will continue. In addition, a weakening U.S. dollar will be a positive for U.S. exports. The Executive projects that, as domestic demand strengthens, U.S. imports will rise 10.0 percent in 2021, following an estimated decrease of 10.1 percent in 2020.
- **Government Spending:** The Executive projects that state and local government spending, adjusted for inflation, will decline 1.2 percent in 2021 and increase 1.2 percent in 2022, following an estimated decrease of 1.1 percent in 2020. The Executive projects that federal government spending, adjusted for inflation, will grow 0.5 percent in 2021, after growing an estimated 4.3 percent in 2020, primarily driven by federal fiscal stimulus.
- **Inflation:** According to the Executive, inflation remains muted. The Executive forecasts that as the economy continues to recover, prices will rise after being depressed by the impact of the pandemic. Inflation as measured by the Consumer Price Index (CPI) is projected to increase to 2.1 percent in 2021 and 2.2 percent in 2022, after growing 1.2 percent in 2020. The Executive explains that a weakening dollar and rising energy prices will support near-term inflation.

- **Employment:** The Executive projects U.S. employment growth of 2.7 percent in 2021 as services sectoral employment continues to struggle into the first few months of the year. Private service employment, particularly leisure and hospitality, was hard hit by government containment efforts implemented in response to the COVID-19 pandemic. U.S. employment decreased 5.7 percent in 2020 due to these containment efforts. The Executive forecasts the unemployment rate will fall to 6.1 percent in 2021, from 8.1 percent in 2020.
- **Corporate Profits:** The Executive projects that growth in U.S. corporate profits will increase 3.5 percent in 2021, following an estimated decline of 7.6 percent in 2020. The predicted rise in corporate profits stems from both global and domestic economies recovering from the pandemic-induced recession and a low interest rate environment.
- **Financial Markets:** The Executive expects the 10-year Treasury yields to increase 1.1 percent in 2021 and 1.4 percent in 2022 as the federal fund target rate is projected to remain close to zero and while inflation pressures remain low. The Executive projects an increase in equity markets as measured by the S&P 500 Index, of 14.0 percent in 2021 after growth of 10.5 percent in 2020, benefiting from fiscal stimulus and the availability of vaccines.

The New York State Economy: The Executive projects that the State economy will rebound from the recession in 2021. State employment will grow 5.4 percent in 2021 and another 2.6 percent in 2022, after falling 9.9 percent in 2020. Despite the forecast growth, New York State employment is not expected to reach its pre-pandemic peak until 2025.

- **Personal Income:** The Executive projects total State personal income will grow 0.4 percent in 2021, much slowly than an estimated 5.4 percent growth in 2020. According to the Executive, growth in the state's personal income in 2020 was mainly due to transfer income.
- **Wages:** The Executive forecasts that wage growth in the State will grow 3.4 percent in 2021, following an estimated decline of 1.3 percent in 2020. The Executive projects that bonuses will fall 7.9 percent, with bonuses in the finance and insurance sector declining 14.8 percent in 2021.
- **Employment:** Total nonfarm employment in the State fell an estimated 9.9 percent in 2020, compared to a fall of 5.7 percent nationwide. The Executive forecasts that state employment will grow 5.4 percent in 2021, faster than the 2.7 percent projected for the nation (see Figure 13). The Executive forecasts the unemployment rate in the State will fall from 10.1 percent in 2020 to 8.0 percent in 2021.

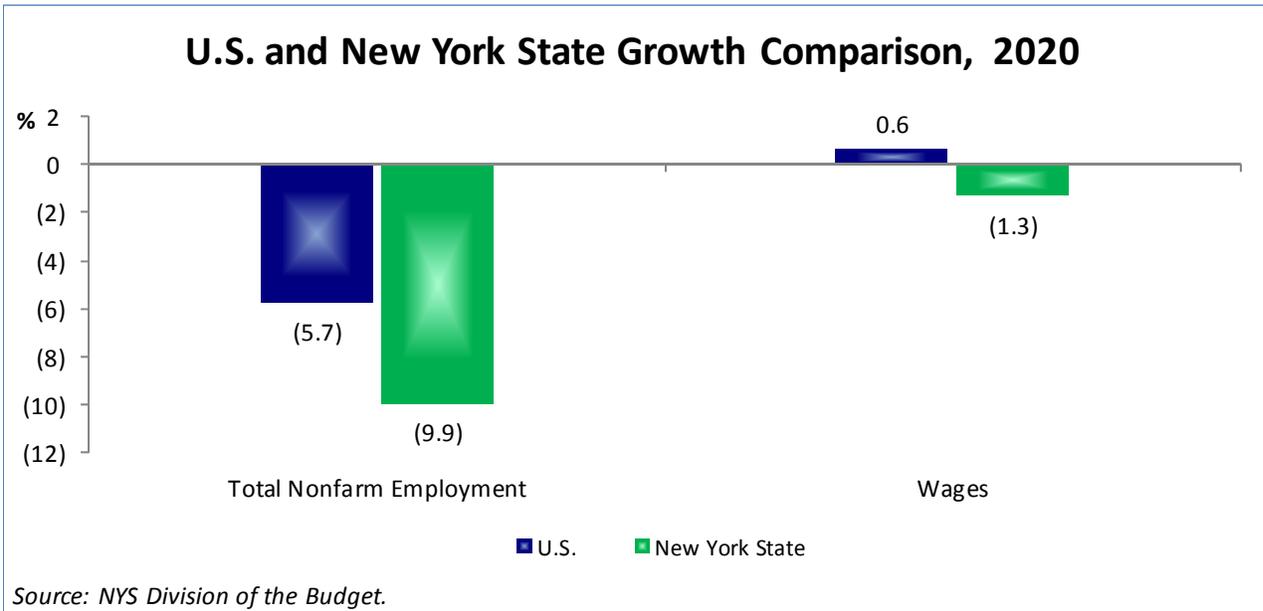


Figure 13

➤ **Employment by Sector:** The Executive projects that private employment in the State of New York will grow 6.2 percent in 2021, after falling an estimated 11.1 percent in 2020. All sectors in the State lost employment in 2020, and most sectors lost employment at a higher rate than the national average. The leisure, hospitality and other services; and management, administrative and support services sectors are expected to grow relatively faster in 2021 than other sectors (see Table 64).

Table 64

Change in New York State Employment NYS vs U.S.			
	2020		2021
	<u>NYS</u>	<u>U.S.</u>	<u>NYS</u>
Total	(8.8)	(5.0)	5.4
Total Private	(10.1)	(5.6)	6.2
Leisure, Hospitality and Other Services	(26.3)	(16.2)	14.6
Management, Administrative and Support Services	(13.2)	(6.0)	8.2
Transportation and Warehousing	(10.4)	(3.6)	8.1
Retail Trade	(13.6)	(5.8)	8.0
Construction	(13.8)	(2.7)	6.3
Educational Services	(5.6)	(3.8)	5.5
Manufacturing and Mining	(8.8)	(4.2)	5.4
Wholesale Trade	(8.4)	(2.4)	5.3
Real Estate and Rental and Leasing	(5.0)	(2.6)	4.6
Healthcare & Social Assistance Services	(4.0)	(2.4)	3.7
Information	(0.4)	(3.9)	3.0
Professional, Scientific and Technical Services	(1.6)	(0.2)	2.7
Utilities	(1.8)	(1.2)	0.8
Finance and Insurance	(0.4)	1.0	0.8
Government	(1.8)	(2.0)	1.4

Note: Data for 2020 are based on the first two quarters of 2020 compared to the same period in 2019.
Source: NYS Division of the Budget.

- **Employment by Region:** According to the Executive, all regions experienced job losses in the first half of 2020. The Long Island region led the State in private employment loss at 11.7 percent, followed by Western New York at 10.9 percent. Employment loss was slower in most upstate regions than in downstate regions (see Figure 14).

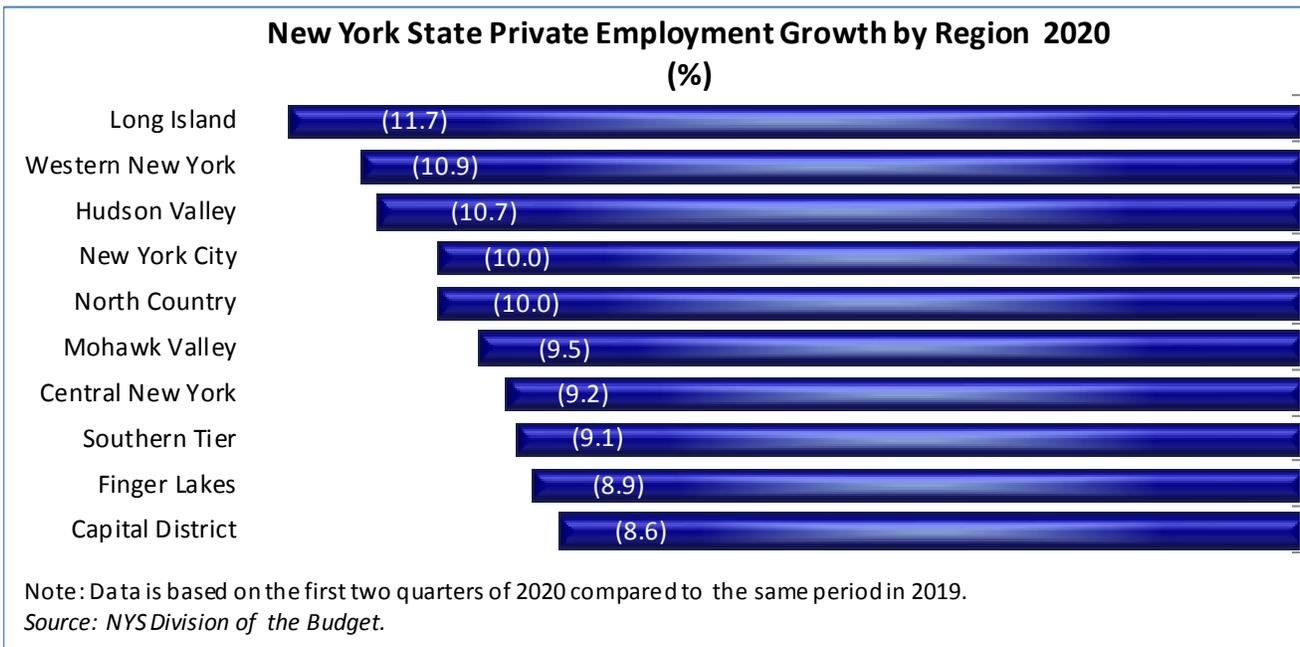


Figure 14

- **Risks:** The Executive states that the major risks to the U.S. economic forecast include the COVID-19 pandemic; geopolitical uncertainties; prolonged business and labor market disruptions and anemic global economic growth; commodity and oil price instability; a stock market correction; and the elevated federal budget deficit and debt burden. Upside risks include an effective containment of COVID-19 through wide distribution and implementation of vaccinations, fast recovery of the worst-affected service sectors, a housing market boom due to remote-work policies, additional fiscal stimulus, better global economic conditions and less restrictive trade policies by the incoming administration. The Executive indicates that all the risks to the U.S. forecast also apply to the state forecast.

BUDGET HIGHLIGHTS: REVENUE



- **Temporary Personal Income Tax (PIT) High Income Surcharge:** The Executive proposes to establish a new progressive PIT surcharge on taxpayers with incomes over \$5 million, which would be effective for tax years 2021 through 2023. These taxpayers would be authorized to voluntarily prepay their 2022 and 2023 liability in 2021 and receive a repayment of the additional liability through a tax deduction in tax years 2024 and 2025.
- **Delay PIT Middle-Class Tax Cuts:** The Executive proposes to delay the phase-in of the middle-class PIT cut, which began in 2018 and is currently scheduled to fully phase-in by 2025. Rather than the planned tax cut scheduled for 2021, the 2020 rates would remain in effect for an additional year, and the phase-in of the tax cuts would resume in 2022.
- **School Tax Relief (STAR) Program:** The Executive proposes to require seniors transitioning from the basic STAR exemption program to the enhanced STAR program, to transfer from the exemption program to the credit program; convert all STAR exemptions for mobile homes into STAR credits; and make various other changes to the administration of the STAR program.
- **Pandemic Recovery and Restart Program:** The Executive would establish new and expanded tax credits to support certain businesses that have been disproportionately impacted by the COVID-19 pandemic, including a small business return-to-work tax credit (\$50 million); a restaurant return-to-work tax credit (\$50 million); a New York City musical and theatrical production tax credit (\$25 million); and an expansion and extension of the existing musical and theatrical production credit for areas outside of New York City (\$4 million).
- **Employer Child Care Credits:** The Executive would modify and expand the Excelsior Jobs Program and Employer-Provided Child Care Credit to incentivize employers to establish new on-site child care opportunities and to provide expanded child care services to employees.
- **Cannabis Regulation and Taxation Act:** The Executive proposes language to regulate and control the manufacture, wholesale and retail production of cannabis. The bill would establish three taxes on the adult use of cannabis and require a portion of the revenue collected to be directed to social equity purposes.

BUDGET REVIEW AND ANALYSIS: REVENUE



EXECUTIVE ALL FUNDS RECEIPTS 2020-21 ESTIMATES AND 2021-22 FORECAST

Table 65

Executive Budget - All Funds Receipts					
(\$ in Millions)					
	SFY 2019-20	SFY 2020-21	% Change	SFY 2021-22	% Change
Personal Income Tax	\$53,660	\$51,442	(4.1%)	\$55,910	8.7%
User Taxes	\$18,021	\$16,001	(11.2%)	\$17,085	6.8%
Business Taxes	\$8,996	\$8,178	(9.1%)	\$8,438	3.2%
Other	\$2,212	\$2,125	(3.9%)	\$2,073	(2.4%)
Total Taxes	\$82,889	\$77,746	(6.2%)	\$83,506	7.4%
Miscellaneous Receipts	\$29,466	\$31,707	7.6%	\$27,581	(13.0%)
Federal Funds	\$65,080	\$84,096	29.2%	\$78,662	(6.5%)
Total All Funds	\$177,435	\$193,549	9.1%	\$189,749	(2.0%)

SFY 2020-21 All Funds Receipts Estimate

- The Executive estimates SFY 2020-21 All Funds tax receipts to total \$77.75 billion, a decrease of \$5.14 billion, or 6.2 percent, from SFY 2019-20 levels. This annual decrease is predominantly related to the effect of the COVID-19 pandemic and the actions taken to mitigate the public health impacts of the virus. These revenue reductions are broad-based and across most categories of taxation.
- Including Miscellaneous Receipts and federal funds, All Funds receipts are estimated to increase by 9.1 percent, to \$193.55 billion, in SFY 2020-21.

SFY 2021-22 All Funds Receipts Forecast

- The Executive forecasts SFY 2021-22 All Funds tax receipts to total \$83.51 billion, an increase of 7.4 percent, or \$5.76 billion, over SFY 2020-21 levels. This projected increase reflects a \$4.47 billion increase in personal income tax collections, a \$1.08 billion increase in user tax collections and a \$260 million increase in business tax collections.

- Including Miscellaneous Receipts and federal funds, All Funds receipts are forecast to decrease by 2 percent, or \$3.8 billion, to \$189.75 billion. This decrease is related to a \$4.13 billion decrease in Miscellaneous Receipts and a \$5.43 billion decrease in federal funding, partially offset by the \$5.76 billion increase in tax receipts.

Revenue Proposals – Revenue Article VII Bill (Unless Otherwise Noted)

Personal Income Tax Proposals

- **Temporary Personal Income Tax High Income Surcharge:** The Executive proposes to establish a new progressive PIT surcharge on taxpayers with incomes over \$5 million, which would be effective for tax years 2021 through 2023. These taxpayers would be authorized to voluntarily prepay their 2022 and 2023 liability in 2021, and receive a repayment of the additional liability through a tax deduction in tax years 2024 and 2025.
- **Delay PIT Middle Class Tax Cuts:** The Executive proposes to delay the phase-in of the middle-class PIT cut, which began in 2018 and is currently scheduled to be fully phased-in by 2025. Rather than the planned tax cut scheduled for 2021, the existing 2020 rates would remain in effect for an additional year, delaying the phase-in of the tax cuts by one year.

Table 66

Proposed 2021 PIT Rates - Married Filing Jointly			
New York Taxable Income:	Current Law	Proposal	Change
Not over \$17,150	4.00%	4.00%	-
\$17,151 to \$23,600	4.50%	4.50%	-
\$23,601 to \$27,900	5.25%	5.25%	-
\$27,901 to \$43,000	5.90%	5.90%	-
\$43,001 to \$161,550	5.97%	6.09%	0.12%
\$161,551 to \$323,200	6.33%	6.41%	0.08%
\$323,201 to \$2,155,350	6.85%	6.85%	-
\$2,155,351 to \$5 million	8.82%	8.82%	-
\$5 million to \$10 million	8.82%	9.32%	0.50%
\$10 million to \$25 million	8.82%	9.82%	1.00%
\$25 million to \$50 million	8.82%	10.32%	1.50%
\$50 million to \$100 million	8.82%	10.57%	1.75%
Over \$100 million	8.82%	10.82%	2.00%

- **Pass-Through Entity Tax:** The Executive proposes to establish an optional pass-through entity tax on the New York sourced income of partnerships and S corporations that are solely comprised of individual partners or shareholders. The electing entities would pay a 6.85 percent tax rate at the entity level and the members and shareholders would receive a refundable PIT tax credit equal to 92 percent of their share of taxes paid by the entity. This tax structure would allow these partners members, and shareholders to deduct a portion of their state and local taxes (SALT) on federal returns, with little impact on state tax receipts.
- **Extend the Farm Workforce Retention Credit:** The Executive proposes to extend the \$600 per employee Farm Workforce Retention Credit for three years, through tax year 2024.
- **Reform and Simplify Various Business Tax Provisions:** The Executive proposes to eliminate a \$15 per trip tax on foreign bus and taxicab corporations that make trips into the State of New York. The Executive would also eliminate the State S corporation election requirement, and would require all federal S corporations to be treated as such for New York tax purposes.
- **Increase Wage and Withholding Filing Penalty:** The Executive proposes to increase the penalty imposed on employers for failure to provide complete and accurate wage reporting and withholding reports, to modify the penalty calculation from \$50 per employee to \$100 per employee, and to increase the maximum penalty from \$10,000 to \$50,000 per employer.
- **Tax Preparer Regulation and Enforcement:** The Executive proposes to modify various tax preparer oversight provisions, including proposals to: allow for charges against tax preparation businesses with preparers that fail to register; eliminate the penalty cure period to induce more voluntary registration compliance; increase the penalties for the failure to register; establish clear authority regarding the issuance, revocation, suspension and cancelation of registration certificates; and require registration certificates to be prominently displayed.

School Tax Relief Proposals

- **Close the Enhanced STAR Exemption Program to New Applicants:** Under the Executive proposal, effective in 2021, owners currently in the Basic STAR Exemption Program who are newly-qualified for the Enhanced STAR Program would only be able to register for the Enhanced STAR Credit Program. Seniors currently receiving the Enhanced STAR exemption would not be impacted, and would be allowed to remain in the exemption program. In addition, owners currently receiving the Basic STAR exemption who choose to not apply for the Enhanced STAR credit would be allowed to remain in the Basic STAR Exemption Program.

- **STAR Benefits for Mobile Home Owners:** The Executive proposes to transfer all STAR exemptions for owners of mobile homes to the STAR Credit Program, effective in 2022.
- **STAR Program Administration:** The Executive proposes various changes to the administration of the STAR Program, including proposals to:
 - require that property owners who want to switch from the STAR exemption to the STAR credit must do so by May 1, instead of June 15 under current law;
 - authorize the DTF to provide reports of deceased persons to local assessors directly, instead of only providing such information to the county property tax director; and
 - modify the STAR exemption appeals process to have any appeals determined by the Commissioner of Tax and Finance, or his or her designee, rather than by the State Board of Real Property Tax Services.

Property Tax Proposals

- **Modernize and Merge Real Property Tax Forms and Processes:** The Executive proposes to combine the property transfer form and the real estate transfer tax form into a consolidated real property transfer form and to create an online system for e-filing and paying the associated taxes and fees.
- **Make Technical and Conforming Changes to Real Property Tax Law:** The Executive proposes to make various technical changes in order to facilitate the administration, including proposals to:
 - establish that a majority of the duly appointed members of the State Board of Real Property Tax Services constitutes a quorum for the transaction of business. The board consists of five members, however, two of the seats are currently vacant;
 - repeal an obsolete section of law related to local reassessment that expired in 1981;
 - remove a reference to the State Board of Real Property Tax Services that was erroneously left in law when the board and the Office of Real Property Tax Services (ORPTS) were merged into the DTF 2010;
 - allow the cancellation of hearings on various tentative ORPTS determinations when no complaints have been filed; and

- clarify the local option exemption requirements relating to population restrictions and filing requirements.
- **Promote the Development of Renewable Energy Projects:** The Executive proposes to extend the existing real property tax exemption for renewable energy projects from 2025 until 2030, and to establish a statewide, standardized approach for real property tax assessment for such projects.

Consumption and Use Tax Proposals

- **Modify Taxation of the Vacation Rental Industry:** The Executive proposes to impose existing sales taxes on vacation rentals; make vacation rentals in New York City subject to the same use fee paid on hotel stays; and require vacation rental marketplace providers that facilitate vacation rental transactions, collect sales tax on the vacation rentals that they facilitate.
- **Extend the Alternative Fuels Exemption:** The Executive proposes to extend the existing full exemptions of E-85, compressed natural gas and hydrogen, and the partial exemption of B-20 from motor fuel, petroleum business and State and local sales taxes, for five additional years, until September 1, 2026.
- **Extend Dodd-Frank Protection Act Related Sales Tax Exemptions:** The Executive proposes to extend, for three years, the sales tax exemption provided to financial institutions that are required under federal law to create subsidiaries and then transfer the property or services to those subsidiaries without the transfer being considered a taxable sale.
- **Simplify Certain Tax Filing and Reporting Requirements:** The Executive proposes to reduce the tax filing frequency for certain low volume alcoholic beverage tax (ABT) and highway use tax (HUT) taxpayers to allow them to remit taxes on a quarterly or annual basis.
- **Enhance Cigarette Vendor Enforcement:** The Executive proposes to prohibit a retail dealer with revoked or suspended cigarette licenses from possessing any taxed cigarettes and tobacco products during the period of revocation or suspension. In addition, any retail dealer that fails to obtain a cigarette license would be prohibited from possessing any taxed cigarettes or tobacco products.
- **Sales Tax Remote Vendor Registration:** The Executive proposes to make technical changes to clarify that the vendors with no physical presence in New York must only register and collect sales taxes if they have \$500,000 in sales over the previous four quarters.

- **Local Sales Tax Authorizations:** The Executive proposes to make permanent all current law local sales tax rate authorizations and provide the 57 counties outside of New York City, and the five cities that currently have additional tax rates, with permanent authority to impose a one percent additional rate of sales tax, or their currently authorized additional rate, whichever is higher. These localities would be required to pass a local law every two years authorizing this additional sales tax rate.
- **Sales Tax Refunds Interest Payments:** The Executive proposal would increase the amount of time that the DTF has to review large sales tax refund claims of over \$100,000, without accruing interest, from three to six months.

Business Tax Proposals

- **TED Part TT - Pandemic Recovery and Restart Program:** The Executive proposal would establish new and expanded tax credits to support certain businesses that have been disproportionately impacted by the COVID-19 pandemic, including:
 - a small business return-to-work tax credit (\$50 million), which would provide a refundable tax credit to certain small businesses of under 100 employees that experienced year-to-year revenue or job losses of 40 percent or more. The credit would provide \$5,000 for each net full-time equivalent position added, up to a maximum of \$50,000 per business;
 - a restaurant return-to-work tax credit (\$50 million), which would provide a refundable and advanceable tax credit to small, independently owned restaurants that are located within New York City that were subject to a ban on indoor dining for over six months; or outside of New York City in areas that were designated as a red or orange zone for at least 30 days. The credit would provide \$5,000 for each net full-time equivalent position added, up to a maximum of \$50,000 per business, and would be limited to businesses that experienced a year-to-year revenue or job loss of 40 percent or more; and
 - a New York City musical and theatrical production tax credit (\$25 million), which would provide qualified musical and theatrical production companies that produce musical or theater productions in New York City and spend at least \$1 million in qualified production expenditures, with a refundable tax credit equal to 25 percent of the sum of its production expenditures incurred by December 31, 2021. The credit would be capped at \$500,000 per production company.

- **Modify the Musical and Theatrical Production Credit:** The Executive proposes to extend the musical and theatrical production credit for regions outside of New York City, for an additional four years, through January 1, 2026, and increase the annual credit cap from \$4 million to \$8 million.

- **Employer Child Care Credits:** The Executive proposes to modify and expand the Excelsior Jobs Program and Employer Provided Child Care Credit to incentivize employers to establish new on-site child care opportunities and to provide expanded child care services to their employees. Specifically, the Executive proposal would:
 - expand the Excelsior Investment Tax Credit to provide an enhanced five percent tax credit for qualifying investment in child care services;

 - establish a new six percent Excelsior Child Care Services Tax Credit to support ongoing net child care expenditures provided by the participant business; and

 - expand the employer provided child care credit from 100 percent to 200 percent of the federal credit, and increase the annual limit from \$150,000 to \$500,000 per entity.

- **Extend and Increase the Low-Income Housing Credits:** The Executive proposes to extend the low-income housing tax credit for five years and to increase the aggregate amount of the credit that the Commissioner of Housing and Community Renewal is authorized to gradually increase available credits by \$70 million over the next five years.

- **Film Tax Credit:** The Executive proposes to extend the Empire State Film Production Credit and Film Post Production Credit for one year, through tax year 2026; remove the exemption for pilots from the minimum project budget requirements; and modify the Post Production Credit to expand the jurisdictions that are eligible to receive the 10 percent supplemental tax credit for labor costs to include: Columbia, Dutchess, Greene, Orange, Putnam, Rensselaer, Saratoga, Sullivan, Ulster, Warren, and Washington counties.

- **Extend the Economic Transformation and Facility Redevelopment Program Tax Credit:** The Executive proposes to extend the Economic Transformation and Facility Redevelopment Program tax credits for an additional five years, from December 31, 2021 to December 31, 2026.

- **Extend the Hire-A-Vet Credit for Two Years:** The Executive proposal would extend the Hire-a-Vet Credit for an additional two years, to taxable years beginning before January 1, 2024, for employment commenced before January 1, 2023.

- **TED Part AA – Extend Brownfield Credits:** The Executive proposes to extend, for two years, the allowable period for the tangible property credit component of the brownfield tax credit. This proposal would apply to credits that already expired on December 31, 2020, or that are scheduled to expire on December 31, 2021.

Gaming Proposals

- **Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process:** The Executive proposes to legalize mobile sports wagering within New York State, which would be overseen by the New York State Gaming Commission. The gaming commission would be authorized to select a platform provider or multiple providers, through a competitive bidding process, and all revenues that are received by the state would be deposited in the State Lottery Fund. The Executive also proposes to establish a process for casinos to petition for a lower tax rate.
- **Eliminate the State Racing Admissions Tax:** The Executive proposes to eliminate the four percent State racing admissions tax and instead apply the four percent sales tax to such transactions. Any local racing admission taxes would remain unchanged.
- **Authorize a Request for Information for Gaming Facility Licenses:** The Executive proposes to authorize the New York State Gaming Commission to issue a Request for Information (RFI) for the purpose of soliciting interest regarding the three unawarded gaming facility licenses.
- **Eliminate Quick Draw Restrictions:** The Executive proposes to eliminate restrictions limiting sales of Quick Draw tickets to premises larger than 2,500 square feet only, and the restriction requiring that a person must be 21 years of age to play Quick Draw on premises where alcoholic beverages are served. The proposal would also remove from law an obsolete reference to emergency rulemaking power.
- **Remove Restriction on Lottery Draw Game Offerings:** The Executive proposes eliminating a current law restriction that limits the number of daily offerings of Pick 10, Take 5, Lotto and future lottery games tickets to a single daily offering. Removing this restriction would provide the New York State Gaming Commission the discretion to determine the appropriate number of draws per day.
- **Transfer the Gaming Inspector General to the State Inspector General:** The Executive proposes to consolidate the function of the Gaming Inspector General under the Authority of the Office of the State Inspection General.

- **Extend Pari-Mutuel Tax Rate and Simulcast Provisions:** The Executive proposes to extend the current pari-mutuel tax rate structure and other racing-related provisions for one year.
- **Temporarily Suspend Certain Racing Support Payments:** The Executive proposes to temporarily suspend racing support obligations from the Rivers Casino to the Saratoga Racino and Raceway while any COVID-19 related restrictions are in effect for either facility. These payment obligations would resume accruing once each facility operates without any COVID-19 related restrictions for six full and consecutive calendar months.
- **PPGG Part KK - Reduce VLT Aid to Municipalities:** The Executive proposes to eliminate video lottery terminal aid (VLT) for the 15 municipalities outside the City of Yonkers that currently receive a combined \$9.3 million in VLT distributions. The proposal would also reduce VLT aid for the City of Yonkers by five percent, from \$19.6 million to \$18.6 million.

Other Tax Proposals

- **Enhance Real Estate Transfer Tax (RETT) Compliance:** The Executive proposes to add responsible billing language to current law; prohibit sellers from passing on the basic RETT to buyers; and exempt certain entities that are members of LLCs from having to disclose all of their members/shareholders on a RETT return form in the sale of a building with four residential units or less.
- **Simplify the Collection of the Taxicab Tax and Congestion Surcharge:** The Executive proposes to transfer the responsibility for the collection, reporting and remittance of the taxicab tax and congestion surcharge from individual agents, medallion owners and HAIL vehicle owners to the technology service providers that arrange for their trips.
- **Tax Tribunal Appeals:** The Executive proposes to provide the DTF with the right to appeal adverse Tax Appeals Tribunal decisions. Under current law, only taxpayers may seek additional judicial review of an adverse determination.
- **Delay Implementation of the Secure Choice Program:** The Executive proposes to extend the statutory deadline for implementing the Secure Choice Program, from April 12, 2020 to December 31, 2021.

Cannabis Proposals

- **Adult-Use Cannabis Oversight:** The Executive proposes to establish a regulated adult-use cannabis program and to create a new Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control, governed by a five-member Cannabis Control Board overseeing the adult-use, medical and cannabinoid hemp industries. The powers of this new office include but are not limited to: the establishment of cultivation and processing standards; the licensure of all business entities in the production and distribution chain; the inspection and enforcement of program standards and the development and issuance of program regulations.
- **Social Equity Programs:** The Executive proposal would establish a social and economic equity program to encourage members of communities who have been disproportionately impacted by the policies of cannabis prohibition to participate in the new industry through the implementation of a social and economic equity plan – providing technical assistance, training, loans and mentoring to qualified social and economic equity applicants.
- **Criminal Justice Proposals:** The Executive would modify, and in some cases reduce, existing penalties related to cannabis under the Penal Law, amend the Vehicle and Traffic Law to increase penalties for driving under the influence of drugs and other substances, as well as make conforming changes to the Public Health Law.
- **Medical Cannabis Program:** The Executive proposal would transfer administration of the existing medical marijuana program from the DOH to OCM.
- **Cannabinoid Hemp Program:** The Executive proposes to transfer the regulatory framework for the licensing, cultivation, processing, extracting and distribution of cannabinoid hemp (CBD) from the DOH to the OCM.
- **Local Option:** The Executive proposal would provide all counties and cities with a population of 100,000 or more the opportunity to opt-out of certain provisions of the law upon the passage of a local law, ordinance or resolution by a majority vote of their governing body. Counties, cities, towns and villages would be able to dictate the hours of operation and location of licensed adult-use cannabis retail dispensaries within their jurisdiction through local zoning authority.
- **Cannabis Tax:** The Executive proposal establishes a three tier tax structure, including:
 - a tax on the sale from a wholesaler to a retail dispensary, which is based on the total milligrams of tetrahydrocannabinol (THC) in the product. The tax rate would be based on the type of product, as follows: edibles would be taxed at a rate of \$0.04 per

milligram of THC, concentrates would be taxed at \$0.01 per of milligram of THC, and cannabis flower would be taxed at rate of \$0.007 per milligram of THC;

- a tax on the sale by aa the retail dispensary to the consumer at a rate of 10.25 percent of the sale price; and
- the applicable state and local sales tax rate in the jurisdiction in which the sale occurs.

➤ **New York State Cannabis Revenue Fund:** The Executive proposal would deposit revenues from state cannabis taxes in to the New York State Cannabis Revenue Fund accordingly:

- In the first instance, a portion of the revenue collected would be directed to the Cannabis Social Equity Fund, as follows: \$10 million in SFY 2022-23; \$20 million in SFY 2023-24; \$30 million in SFY 2024-25; \$40 million in SFY 2025-26; and \$50 million annually thereafter. This funding would be allocated through enactment of a subsequent chapter of state law.
- The remaining balance of the Cannabis Revenue Fund would be expended for the following purposes: administration of the regulated cannabis program, data gathering, monitoring and reporting; the Governor’s Traffic Safety Committee; initiatives and programs of the social and economic equity plan of OCM; substance abuse, harm reduction and mental health treatment and prevention; public health education and intervention; research on cannabis uses and applications; program evaluation and improvements; and any other identified purpose recommended by the director of OCM and approved by the Division of Budget.

Table 67

TAX AND OTHER REVENUE ACTIONS				
(\$ in Millions)				
	General Fund		All Funds	
	FY 2022	FY 2023	FY 2022	FY 2023
Covid-19 Response	1,896	1,717	1,896	1,717
Enact Temporary PIT High Income Surcharge	1,537	1,404	1,537	1,404
Delay Middle Class Tax Cut by One Year	394	403	394	403
Enact the Pandemic Recovery and Restart Program	(35)	(90)	(35)	(90)
Expand Employer Child Care Credits	-	-	-	-
Tax Cuts and Credits	(1)	(9)	(3)	(12)
Extend and Enhance Low-Income-Housing Credits	-	(8)	-	(8)
Extend and Modify the Film Tax Credit for One Year	-	-	-	-
Extend the Brownfield Tangible Property Redevelopment Credit	-	-	-	-
Extend the Farm Workforce Retention Credit	-	-	-	-
Extend the Alternative Fuels Exemption	(1)	(1)	(3)	(4)
Extend Certain Sales Tax Exemptions Related to the Dodd-Frank Act	-	-	-	-
Extend the Economic Transformation and Facility Redevelopment Credit	-	-	-	-
Extend the Hire-a-Vet Credit	-	-	-	-
Tax Reform and Simplification	9	23	9	24
Reform and Simplify Various Business Tax Provisions	-	6	-	6
Update the Tax Law to Include the Vacation Rental Industry	9	17	10	18
Simplify Certain Tax Filing and Reporting Requirements	-	-	(1)	-
Make Technical Changes to Cigarette Licensing Provisions	-	-	-	-
Make Technical Correction to Sales Tax Remote Vendor Registration	-	-	-	-
Amend the Collection and Reporting of Taxicab Tax and Congestion Surcharge	-	-	-	-
Reform the State Racing Admissions Tax	-	-	-	-
Make Permanent Local Sales Tax Rate Authorizations	-	-	-	-
Modernize and Merge Real Property Tax Forms and Processes	-	-	-	-
Make Technical and Conforming Changes to Real Property Tax Law	-	-	-	-
Tax Enforcement and Compliance	17	17	17	17
Enact a Pass-Through Entity Tax	-	-	-	-
Increase Wage and Withholding Filing Penalties	2	2	2	2
Update Tax Preparer Regulation and Enforcement	15	15	15	15
Enhance Real Estate Transfer Tax Compliance	-	-	-	-
Increase the Interest Free Period on Certain Sales Tax Refunds	-	-	-	-

Table 67 Continued

TAX AND OTHER REVENUE ACTIONS				
(\$ in Millions)				
	General Fund		All Funds	
	FY 2022	FY 2023	FY 2022	FY 2023
Other Actions	-	13	20	118
Enact the Cannabis Regulation and Taxation Act	-	13	20	118
Allow DTF the Right to Appeal DTA Tribunal Decisions	-	-	-	-
Extend Implementation Deadline for the Secure Choice Program	-	-	-	-
Promote the Development of Renewable Energy Projects	-	-	-	-
STAR Actions	(1)	(3)	(36)	(80)
Preserve Enhanced STAR Exemption Beneficiaries	(1)	(2)	(36)	(72)
Improve Mobile Home STAR Exemption Administration	-	(1)	-	(8)
Make Various STAR Program Reforms	-	-	-	-
Gaming Initiatives	-	-	71	396
Authorize Mobile Sports Wagering and Casino Slot Tax Rate Petitions	-	-	49	357
Eliminate Quick Draw Restrictions	-	-	15	30
Extend Pari-Mutuel Tax Rates and Simulcast Provisions for One Year	-	-	-	-
Decouple the Gaming Commission and the Gaming Inspector General	-	-	-	-
Remove Restrictions on Lottery Draw Game Offerings	-	-	7	9
Authorize a Request for Information for Gaming Facility Licenses	-	-	-	-
Temporarily Suspend Certain Racing Support Payments	-	-	-	-
Other Fee Actions	1	1	8	15
Expand Hunting and Crossbow Licensing	-	-	2	2
Allow Non-CPA Owners of Public Accounting Firms	-	-	2	-
Impose a DMV Convenience Fee	-	-	4	13
Increase Penalties for Mental Hygiene Law Violations and Establish Application Fees for OMH Operating Certificates	1	1	1	1
Grand Total Revenue Actions	1,921	1,759	1,981	2,195

Table 68

All Funds Receipts SFY 2020-21 (\$ in Millions)

	2019-20 Actual	2020-21 Estimate	Change	Percent Growth
Personal Income Tax	\$53,660	\$51,442	(\$2,218)	(4.1%)
Gross Receipts	\$64,985	\$61,524	(\$3,461)	(5.3%)
Withholding	\$43,118	\$41,881	(\$1,237)	(2.9%)
Estimated Payments	\$17,025	\$14,749	(\$2,276)	(13.4%)
Vouchers	\$10,996	\$9,229	(\$1,767)	(16.1%)
IT 370s	\$6,029	\$5,520	(\$509)	(8.4%)
Final Payments	\$3,454	\$3,483	\$29	0.8%
Delinquencies	\$1,388	\$1,411	\$23	1.7%
Total Refunds	\$11,325	\$10,082	(\$1,243)	(11.0%)
Prior Year Refunds	\$5,928	\$6,121	\$193	3.3%
Current Refunds	\$2,244	\$1,750	(\$494)	(22.0%)
Advanced Credits	\$1,505	\$599	(\$906)	(60.2%)
Previous Refunds	\$531	\$463	(\$68)	(12.8%)
State/City Offsets	\$1,117	\$1,149	\$32	2.9%
User Taxes and Fees	\$18,021	\$16,001	(\$2,020)	(11.2%)
Sales and Use Tax	\$15,932	\$14,030	(\$1,902)	(11.9%)
Motor Fuel Tax	\$512	\$426	(\$86)	(16.8%)
Cigarette Tax	\$1,035	\$1,019	(\$16)	(1.5%)
Vapor Tax	\$10	\$27	\$17	100.0%
Highway Use	\$142	\$131	(\$11)	(7.7%)
Alcoholic Beverage Tax	\$259	\$273	\$14	5.4%
Opioid Excise Tax	\$19	\$30	\$11	100.0%
Medical Marihuana Excise Tax	\$6	\$8	\$2	33.3%
Auto Rental Tax*	\$106	\$57	(\$49)	(46.2%)
Business Taxes	\$8,996	\$8,178	(\$818)	(9.1%)
Corporate Franchise	\$4,824	\$4,303	(\$521)	(10.8%)
Utility Tax	\$705	\$605	(\$100)	(14.2%)
Insurance Tax	\$2,306	\$2,143	(\$163)	(7.1%)
Bank Tax	\$0	\$160	\$160	100.0%
Petroleum Business Tax	\$1,161	\$967	(\$194)	(16.7%)
Other	\$2,212	\$2,125	(\$87)	(3.9%)
Estate and Gift	\$1,070	\$1,213	\$143	13.4%
Real Estate Transfer	\$1,124	\$898	(\$226)	(20.1%)
Employer Compensation Exp.	\$2	\$3	\$1	100.0%
Pari-Mutuel	\$14	\$11	(\$3)	(21.4%)
Other	\$2	\$0	(\$2)	(100.0%)
Total Taxes	\$82,889	\$77,746	(\$5,143)	(6.2%)
All Funds Misc. Receipts*	\$29,466	\$31,707	\$2,241	7.6%
Federal Grants	\$65,080	\$84,096	\$19,016	29.2%
Total All Funds Receipts	\$177,435	\$193,549	\$16,114	9.1%

*The SFY 2019-20 Budget provided a portion of these revenues directly to the MTA.



Table 69

All Funds Receipts SFY 2021-22
(\$ in Millions)

	2020-21 Estimate	2021-22 Forecast	Change	Percent Growth
Personal Income Tax	\$51,442	\$55,910	\$4,468	8.7%
Gross Receipts	\$61,524	\$66,439	\$4,915	8.0%
Withholding	\$41,881	\$44,617	\$2,736	6.5%
Estimated Payments	\$14,749	\$16,342	\$1,593	10.8%
Vouchers	\$9,229	\$11,305	\$2,076	22.5%
IT 370s	\$5,520	\$5,037	(\$483)	(8.8%)
Final Payments	\$3,483	\$3,982	\$499	14.3%
Delinquencies	\$1,411	\$1,498	\$87	6.2%
Total Refunds	\$10,082	\$10,529	\$447	4.4%
Prior Year Refunds	\$6,121	\$6,224	\$103	1.7%
Current Refunds	\$1,750	\$1,750	\$0	0.0%
Advanced Credits	\$599	\$787	\$188	31.4%
Previous Refunds	\$463	\$494	\$31	6.7%
State/City Offsets	\$1,149	\$1,274	\$125	10.9%
User Taxes and Fees	\$16,001	\$17,085	\$1,084	6.8%
Sales and Use Tax	\$14,030	\$15,037	\$1,007	7.2%
Motor Fuel Tax	\$426	\$501	\$75	17.6%
Cigarette Tax	\$1,019	\$982	(\$37)	(3.6%)
Vapor Excise Tax	\$27	\$16	(\$11)	100.0%
Highway Use	\$131	\$138	\$7	5.3%
Alcoholic Beverage Tax	\$273	\$271	(\$2)	(0.7%)
Opioid Excise Tax	\$30	\$34	\$4	13.3%
Medical Marihuana Excise Tax	\$8	\$8	\$0	0.0%
Adult Use Cannabis	\$0	\$20	\$20	100.0%
Auto Rental Tax	\$57	\$78	\$21	36.8%
Business Taxes	\$8,178	\$8,438	\$260	3.2%
Corporate Franchise	\$4,303	\$4,454	\$151	3.5%
Utility Tax	\$605	\$608	\$3	0.5%
Insurance Tax	\$2,143	\$2,210	\$67	3.1%
Bank Tax	\$160	\$107	(\$53)	(33.1%)
Petroleum Business Tax	\$967	\$1,059	\$92	9.5%
Other	\$2,125	\$2,073	(\$52)	(2.4%)
Estate and Gift	\$1,213	\$1,058	(\$155)	(12.8%)
Real Estate Transfer	\$898	\$993	\$95	10.6%
Employer Compensation Exp.	\$3	\$6	\$3	100.0%
Pari-Mutuel	\$11	\$14	\$3	27.3%
Other	\$0	\$2	\$2	100.0%
Total Taxes	\$77,746	\$83,506	\$5,760	7.4%
All Funds Misc Receipts	\$31,707	\$27,581	(\$4,126)	(13.0%)
Federal Grants	\$84,096	\$78,662	(\$5,434)	(6.5%)
Total All Funds Receipts	\$193,549	\$189,749	(\$3,800)	-2.0%

BUDGET HIGHLIGHTS: CAPITAL AND DEBT



- **Capital Program and Financing:** The Executive capital program and financing plan totals \$17.6 billion for SFY 2021-22, an increase of \$3.4 billion or 23.5 percent from SFY 2020-21.
- **Debt Issuance:** The Executive proposes the authorization to issue \$11.6 billion in debt to finance new and existing capital projects in SFY 2021-22, a decrease of \$2.5 billion or 17.6 percent from SFY 2020-21.
- **Debt Outstanding:** State-supported debt outstanding is projected to total \$67.7 billion in SFY 2021-22, an increase of \$8.0 billion over SFY 2020-21.
- **Liquidity Financing:** The Executive budget includes continuation of liquidity financing provisions, including the authorization to issue up to \$8 billion in short-term PIT notes and the authorization to enter into a line of credit of up to \$3 billion. For contingency purposes, both of these tools can be refinanced on a long-term basis. The financial plan does not assume liquidity financing will be utilized in SFY 2021-22.
- **Suspending the Debt Reform Act of 2000:** The Executive proposes a continuation of the suspension of the Debt Reform Act for all SFY 2021-22 issuances as part of the state's response to the COVID-19 pandemic. This Executive proposal would continue to exclude all debt from the statutory caps on debt outstanding and debt service, permit debt to be issued for non-capital purposes, and would allow bonds to be issued for longer than the current 30-year maximum maturity.
- **Consolidating Long-Term Obligations:** The Executive proposes to authorize the state to issue PIT and sales tax bonds to retire three outstanding obligations where the state makes annual payments to non-State entities that are used for debt service: to provide for the State's contribution to the MTA Capital Plans (\$10.3 billion); to refund the remaining STARC bonds issued by New York City (\$1.6 billion); and to refund remaining Secured Hospital bonds (\$100 million).
- **State Facilities Equipment Program:** The Executive proposes a new \$100 million appropriation for the centralized acquisition of equipment, including but not limited to information technology systems; health and safety equipment; heavy equipment and machinery; security systems; and laboratory equipment.

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 70

Capital Spending by Function Capital Program and Financing Plan SFY 2021-22 Through SFY 2025-26 (\$ in Millions)					
Spending	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Transportation	7,599	7,095	7,070	6,953	7,132
Education	529	519	356	250	89
Higher Education	1,554	1,602	1,609	1,627	1,637
Economic Development & Gov't Oversight	2,060	1,620	1,431	1,285	1,029
Mental Hygiene	602	609	578	586	565
Parks and Environment	1,412	1,482	1,476	1,469	1,459
Health	781	906	724	686	161
Social Welfare	970	986	762	579	604
Public Protection	627	496	462	437	438
General Government	476	299	255	268	252
Other	<u>999</u>	<u>(437)</u>	<u>(572)</u>	<u>(587)</u>	<u>(688)</u>
Total	<u>17,609</u>	<u>15,177</u>	<u>14,152</u>	<u>13,554</u>	<u>12,678</u>
Off-Budget Spending ¹	<u>(400)</u>	<u>(420)</u>	<u>(417)</u>	<u>(425)</u>	<u>(430)</u>
Net Cash Spending	<u>17,209</u>	<u>14,757</u>	<u>13,735</u>	<u>13,129</u>	<u>12,248</u>

¹ Represents spending which occurs directly from bond proceeds held by public authorities.

The Five-Year Capital Plan

The Executive proposes a \$73.2 billion Five-Year Capital Plan that prioritizes transportation, economic development and higher education initiatives. The Executive's SFY 2021-22 Capital Plan totals \$17.6 billion, which reflects an increase of 23.4 percent or \$3.4 billion from SFY 2020-21.

New Capital Initiatives

The Executive proposes \$14.8 billion in new capital appropriations, all of which are projected to be committed to be spent over a multi-year period for various economic development, transportation, health care, higher education, parks and environment, and social welfare programs.

Table 71

New Capital Appropriations SFY 2021-22 Executive Budget (\$ in Thousands)			
Transportation/Transit	6,570,217	Health & Mental Hygiene	954,242
DOT Capital Plan (Year 2)	6,092,420	Mental Hygiene Programs	733,072
CHIPs/Local Road and Bridge Funding	477,797	Healthcare Programs	169,866
		Roswell Park Capital	51,304
Education/Higher Education	1,089,321	Economic Development	1,875,000
SUNY/CUNY System-wide Maintenance	834,222	Empire Station Complex	1,300,000
SUNY Hospitals	150,000	NYW Economic Development Fund	220,000
Community College Projects	50,099	Regional Economic Development Councils (Round 11)	150,000
School Aid Data System	41,000	Olympic Regional Development	105,000
Library Capital Grants	14,000	Downtown Revitalization Initiative (Round 6)	100,000
Parks & Environment	1,085,250	General Government/Public Protection	881,700
Clean Water Infrastructure	500,000	Prison Facilities	437,000
Environmental Protection Fund	300,000	State Facilities (OGS)	234,000
Parks NY Works	110,000	Statewide Equipment Program	100,000
State Superfund	100,000	IT Initiative Funding	95,700
DEC NY Works	75,250	Armory Maintenance	15,000
Social Welfare	589,653	All Other Capital Appropriations	1,767,795
Homeless Housing Capital	128,000		
Additional Supportive Housing	186,000		
Additional Affordable Housing Capital Plan	102,200	Total Capital Appropriations	14,813,178
Storm Recovery	130,000		
Youth Facilities	43,453		

The Executive proposes \$6.6 billion in capital obligations for transportation purposes, including \$6.1 billion to fund the DOT capital plan. An additional \$1.9 billion is provided for economic development programs, a 205 percent increase from SFY 2020-21. This increase is mainly attributable to a \$1.3 billion appropriation proposed for the Empire Station Complex in New York City.

Financing the Capital Plan for SFY 2021-22

The Executive proposal would finance the \$17.6 billion Five-Year Capital Program through a combination of state and federal pay-as-you-go (PAYGO) financing totaling \$6.1 billion and bonded resources totaling \$11.5 billion.

Table 72

Capital Program and Financial Plan Financing Sources SFY 2021-22 (\$ in Millions)				
Financing Source	SFY 2020-21	SFY 2021-22	\$ Change	Annual % Change
Authority Bonds	7,810	11,066	3,255	41.7%
Federal Pay-As-You-Go	2,170	2,233	63	2.9%
State Pay-As-You-Go	3,911	3,898	(14)	(0.4%)
General Obligation Bonds	363	413	50	13.8%
Total	14,254	17,609	3,355	23.5%

State Debt Issuances Over Five Years

Table 73

State Debt Issuances Summarized By Financing Program SFY 2020-21 through SFY 2025-26 (\$ in Millions)						
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<u>General Obligation Bonds</u>	248	638	663	563	540	390
<u>Revenue Bonds</u>						
Personal Income Tax	13,806	8,656	5,897	5,943	5,527	5,445
Sales Tax	0	2,285	1,966	1,981	1,842	1,815
Subtotal Revenue Bonds	13,806	10,942	7,862	7,924	7,369	7,259
Total State-Supported	14,055	11,579	8,525	8,487	7,909	7,649

Note: Personal Income Tax Bonds includes \$4.5 billion in short-term PIT Notes issued in SFY 2020-21.

The Executive estimates \$11.6 billion in new bond issuances in SFY 2021-22, as follows:

- \$8.7 billion through the PIT Revenue Bond Program;
- \$2.3 billion through the Sales Tax Revenue Bond Program; and
- \$638 million in State General Obligation Bonds.

Projected debt issuances for SFY 2021-22 have decreased by \$2.5 billion or 17.6 percent from SFY 2020-21. This decrease is largely due to \$4.5 billion in short-term PIT notes issued in SFY 2020-21 to provide the state with liquidity in response to the shift of the tax filing deadline from April 15, 2020, to July 15, 2020.

State-Supported Debt

Table 74

New York State-Supported Debt Outstanding by Function SFY 2021-22 (\$ in Millions)			
	<u>SFY 2020-21</u>	<u>SFY 2021-22</u>	<u>Share of Total Debt</u>
Transportation	19,210	21,892	32.3%
Education	18,021	18,704	27.6%
Economic Development & Housing	8,796	10,550	15.6%
State Facilities & Equipment	5,596	5,711	8.4%
Health & Mental Hygiene	4,540	5,113	7.6%
Environment	3,195	3,810	5.6%
STARC Refunding	0	1,800	2.7%
Local Government Assistance Corp.	321	119	0.2%
Total State-Supported Debt	59,680	67,698	100.0%

State-supported debt includes debt paid from state resources and therefore has a direct budgetary impact on the state financial plan.

The SFY 2020-21 Enacted Budget included language to authorize the Dormitory Authority of the State of New York (DASNY) and UDC to issue up to \$8 billion in PIT tax short-term notes and establish a \$3 billion line of credit to address the delay in tax receipts caused by the change in the tax filing deadline. Of the \$4.5 billion in PIT notes that were issued in the current fiscal year, \$1 billion matured in December 2020 with the remaining projected to be paid in March 2021; this debt is not included in the total debt outstanding because it is expected to be repaid in SFY 2020-21. The line of credit has not yet been drawn upon. The Executive proposes to extend the authorization to issue PIT notes up to \$8 billion for an additional year through SFY 2021-22 and extend the line of credit for three additional years until SFY 2023-24. The Executive Budget is not contingent upon any note or line of credit sales in SFY 2021-22.

Debt Affordability

State-supported debt outstanding is projected to remain under the statutory debt cap over the Five-Year Capital Plan, declining from \$15.3 billion in remaining capacity in SFY 2021-22 to its lowest point of \$5.6 billion in SFY 2025-26. The amount of debt outstanding is limited to four percent of state personal income. Notably, these figures do not include debt issued in SFY 2020-21 or projected to be issued in SFY 2021-22.

The SFY 2020-21 Enacted Budget included language to suspend certain provisions of the Debt Reform Act for all bonds issued in SFY 2020-21 to allow for flexibility in managing the state’s financing needs during the COVID-19 pandemic. Specifically, all debt issued in SFY 2020-21 will not count against the statutory debt cap and debt is authorized to be issued for non-capital purposes. The Executive proposes to extend this authorization to exempt debt issued in SFY 2021-22 from all provisions of the Debt Reform Act, including the limitation on the maximum bond maturity of thirty years.

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

Table 75

Debt Outstanding Subject to Cap Remaining Capacity Summary SFY 2020-21 through SFY 2024-25 (\$ in Millions)					
	2020-21	2021-22	2022-23	2023-24	2024-25
Mid-Year Update to the SFY 2020-21 Financial Plan	11,536	6,233	5,432	4,830	5,195
Personal Income Forecast Adjustment	597	1,752	896	950	1,078
Capital/Bond Sales	0	(2,392)	(4,298)	(6,213)	(8,144)
Exempt SFY 2021-22 Issuances	0	9,677	9,316	8,936	8,535
SFY 2021-22 Executive Budget Financial Plan	12,133	15,270	11,346	8,503	6,664
Note: Does not include \$4.5 billion of liquidity financing expected to be repaid within SFY 2020-21. Debt issued during SFY 2020-21 is not subject to the cap.					

The Executive proposal assumes the continuation of several capital and debt management initiatives to identify savings by refinancing debt and utilizing competitive bond sales to produce lower borrowing costs. The Executive proposes to authorize the state to issue PIT and Sales Tax Revenue Bonds to retire obligations that require annual payments to non-state entities that are used for debt service and would benefit from the state’s lower borrowing cost. These obligations include: the remaining \$1.6 billion in STARC bonds issued by New York City to produce savings to the state of \$170 million in SFY 2021-22 and \$45 million in SFY 2022-23; the remaining \$100 million Secured Hospital Program bonds to

produce savings to the state of \$15 million in SFY 2021-22; and \$10.3 billion for the state’s contribution to the MTA Capital Plan.

State-Related Debt

State-related debt outstanding is projected to total \$67.8 billion in SFY 2021-22, an increase of \$8.0 billion or 13.3 percent from SFY 2020-21. Over the plan, state-related debt outstanding is projected to increase to \$82.6 billion in SFY 2025-26, or an average annual increase of 6.7 percent.

Table 76

State-related Debt Outstanding (Other State Debt Obligations in Addition to State-supported) (\$ in Millions)		
	<u>SFY 2020-21 Estimated</u>	<u>SFY 2021-22 Projected</u>
Contingent Contractual		
DASNY/MCFFA Secured Hospitals Program	104	78
Other State Financing		
MBBA Prior Year School Aid Claims	<u>68</u>	<u>30</u>
Subtotal	172	108
State-supported Debt	59,680	67,698
Total State-related Debt	<u>59,852</u>	<u>67,806</u>

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).

Initially, this debt is paid with non-state resources. If non-state funds are insufficient to pay the debt, then state appropriations are provided. These obligations are estimated to total \$108 million in SFY 2021-22, a decrease of \$64 million or 37.2 percent from SFY 2020-21.

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.

State Debt Retirements

Retirement of state-related debt has significantly impacted the state’s ability to finance its capital programs. In SFY 2021-22, state-related debt retirements are projected to be \$3.6 billion, a decrease of

\$495 million or six percent from SFY 2020-21. Over the next five years, retirement of state-related debt is projected to increase slightly, averaging \$4.3 billion annually.

Table 77

New York State - Principal Retirement	
Period	Cumulative Percentage of Existing Debt Scheduled for Retirement as of 1/15/2021
5 Years	29%
10 Years	53%
15 Years	70%
20 Years	84%
25 Years	94%
30 Years	100%

State-Supported Debt Service

State-supported Debt Service is projected at \$6.4 billion in SFY 2021-22, a decrease of \$3.9 billion or 38 percent from SFY 2020-21. This decrease is the result of \$4.5 billion in short-term PIT notes issued and projected to be repaid in SFY 2020-21.

Related Article VII

The Executive proposes language that would:

- authorize a \$500 million transfer from the General Fund to the Debt Reduction Reserve Fund;
- authorize the issuance of up to \$8 billion in short-term PIT notes;
- authorize the state to enter into a line of credit of up to \$3 billion;
- continue the suspension of the Debt Reform Act of 2000 for SFY 2021-22 bond issuances;
- allow for the refinancing of outstanding STARC bonds under the PIT and Sales Tax Revenue Bond Programs;
- allow for the refinancing of outstanding Secured Hospital Program bonds with the PIT or Sales Tax Revenue Bond Program;

- eliminate transfers from the Mental Health Services Fund, Dedicated Highway and Bridge Trust Fund, and HCRA to the Revenue Bond Tax Fund and allow funds to be deposited directly to the General Fund;
- increase authority in various bond caps by a total of \$20.4 billion;
- make permanent the authorization to transfer monies between the Dedicated Infrastructure Investment Fund and the General Fund;
- extend for three years DASNY's authorization to provide design and construction services for the Department of Environmental Conservation and the Office of Parks, Recreation and Historic Preservation;
- authorize not-for-profits and school districts to benefit from DASNY financing, design and construction services for capital projects over \$5 million; and
- increase the Medical Care Facilities Finance Agency (MCFFA) bond cap by \$800 million to \$17.4 billion.

Settlement Fund Commitments to Capital Projects

Table 78

**Use of Monetary Settlements
SFY 2015-16 through SFY 2021-2022
(\$ in Millions)**

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	Total
Capital Purpose	<u>4,550</u>	<u>1,960</u>	<u>1,205</u>	<u>125</u>	<u>250</u>	<u>0</u>	<u>8,089</u>
Thruway Stabilization Program	1,285	700	0	0	0	0	1,985
Upstate Revitalization Initiative	1,500	170	0	0	0	0	1,670
Affordable and Homeless Housing	0	640	0	0	0	0	640
Clean Water Infrastructure	0	0	0	0	250	0	250
Broadband Initiative	500	0	0	0	0	0	500
Buffalo Billion, Phase II	0	0	400	0	0	0	400
Health Care	355	0	200	125	0	0	680
Security and Emergency Response	150	0	100	0	0	0	250
Life Sciences Initiative	0	0	320	0	0	0	320
Municipal Restructuring/Downtown Revitalization	150	20	100	0	0	0	270
MTA Capital Plan (Penn Station Access)	250	0	65	0	0	0	315
DOT Capital Plan Contribution	0	200	0	0	0	0	200
Long Island Transformative Projects	150	0	0	0	0	0	150
Environmental Protection Fund	0	120	0	0	0	0	120
Upstate Infrastructure and State Fair	115	0	0	0	0	0	115
Other Economic Development Projects	0	85	0	0	0	0	85
Southern Tier and Hudson Valley Farmland	50	0	0	0	0	0	50
Empire State Poverty Reduction Initiative	0	25	0	0	0	0	25
Non-MTA Transit	0	0	20	0	0	0	20
Community Health Care Revolving Loans	20	0	0	0	0	0	20
Roswell Park Cancer Institute	16	0	0	0	0	0	16
Behavioral Health Care Grants	10	0	0	0	0	0	10
Non-Capital Purposes	<u>1,115</u>	<u>165</u>	<u>729</u>	<u>1,243</u>	<u>1,134</u>	<u>600</u>	<u>5,261</u>
Transfer to Audit Disallowance - Federal Settlement	850	0	0	0	0	0	850
Financial Plan - General Fund Operating Purposes	250	102	461	719	0	0	1,807
Reserve for Retroactive Labor Settlements	0	0	155	0	0	0	155
Department of Law - Litigation Services Operations	10	63	27	80	6	0	186
Transfer to Local Assistance Account - Mass Transit	0	0	10	0	0	0	10
Transfer to OASAS Chemical Dependence Program	5	0	0	0	0	0	5
CSX Litigation Payment	0	0	76	0	0	0	76
MTA Operating Aid - Subway Action Plan	0	0	0	194	0	0	194
Reserve for Economic Uncertainties	0	0	0	0	890	600	1,490
Rainy Day Reserve	0	0	0	250	238	0	488
Total	<u>5,665</u>	<u>2,125</u>	<u>1,934</u>	<u>1,368</u>	<u>1,384</u>	<u>600</u>	<u>13,350</u>

Source: NYS Division of Budget

Since SFY 2014-15, the state has received \$13.4 billion in monetary settlements primarily from financial institutions. The Executive has allocated \$8.1 billion for capital initiatives and \$5.3 billion to non-capital or operating purposes. The Executive has not allocated any monetary settlements for capital purposes in SFY 2021-22.

The Executive proposal gradually transfers settlement funds to the Dedicated Infrastructure Investment Fund (DIIF) for the use of capital projects over the next several years. The balance of settlement funds will remain in the General Fund, allowing the state to maintain a larger cash balance. In previous years, the state has used settlement proceeds to make cash advances for the Javits Center expansion project in New York City (\$1 billion) and other non-DIIF capital purposes (\$1.8 billion).

Settlement funds were also used to pay for non-DIIF capital expenses totaling \$1.8 billion between SFY 2016-17 and SFY 2017-18. These advances were fully reimbursed in SFY 2018 -19 in order to fund their original purposes. These cash advances allowed the state to delay necessary bond issuances in order to preserve capacity under the state debt cap.

APPROPRIATION BUDGET BILLS

- A. 3000/ S. 2500 State Operations Budget Appropriation Bill
- A. 3001/ S. 2501 Legislature and Judiciary Budget Appropriation Bill
- A. 3002/ S. 2502 Debt Service Budget Appropriation Bill
- A. 3003/ S. 2503 Aid to Localities Budget Appropriation Bill
- A. 3004/ S. 2504 Capital Projects Budget Appropriation Bill
- A. 3005/ S. 2505 Public Protection and General Government Article VII Bill
- A. 3006/ S. 2506 Education, Labor and Family Assistance Article VII Bill
- A. 3007/ S. 2507 Health and Mental Hygiene Article VII Bill
- A. 3008/ S. 2508 Transportation, Economic Development and Environmental Conservation Article VII Bill
- A. 3009/ S. 2509 Revenue Article VII Bill

NON-APPROPRIATION BUDGET BILLS

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

A. 3005 - PUBLIC PROTECTION AND GENERAL GOVERNMENT

PART	DESCRIPTION	SUMMARY
A	Extend various criminal justice and public safety programs	This part would extend various criminal justice and public safety programs and the general formula for distribution of certain monies recovered by county district attorneys and extend for two years.
B	The Office for the Prevention of Domestic Violence	This part would rename the Office for the Prevention of Domestic Violence to the Office to End Domestic and Gender-Based Violence; and expand the office's mandate to encourage collaboration among agencies and service providers, eliminate redundant processes, simplify victim interactions with the State, and administer grant funds for the campus-based Enough is Enough statewide program.
C	Establish a Separate Crime of Domestic Violence	This part would establish a separate crime of Domestic Violence in the Penal Law.
D	Require Alleged Domestic Abusers to Pay Housing Costs	This part would provide that a defendant or respondent against whom a temporary order of protection has been issued may be ordered to pay certain housing costs and expenses of alleged victims.
E	Domestic Violence Case Tracking	This part would require the Office of Court Administration and the Division of Criminal Justice Services to add the issuance of orders of protection in family offense cases to the biannual report they produce concerning pretrial release and detention.
F	LGBTQ Fairness in Child Custody	This bill would explicitly prohibit judges from considering the sex, sexual orientation, gender identity or gender expression of a parent when making a determination of a child's best interests in a child custody proceeding, and prohibit judges in such cases from banning a parent from undergoing gender reassignment.
G	Eliminate Discriminatory Policing of Transgender New Yorkers	This part would repeal section 240.37 of the Penal Law, Loitering for the Purpose of Engaging in a Prostitution Offense.
H	Remove the Label of Incurable in Law	This part would remove the word "incurable" from the Family Court Act and Education Law.
I	Protect Judges and their Families from Threats	This part would include judges and their immediate family members in provisions of law that allow certain voter registration information to be maintained confidentially.
J	Establish Virtual Arraignments Statewide	This part would authorize video arraignment appearances in criminal courts in all counties.

K	NYS Professional Policing Act	This part would establish background check standards for the hiring of police officers, require accreditation and mandate reporting of misconduct.
L	Police Department Community Engagement Plans	This part would mandate review of all local government police reform plans and allow a monitor to be installed in the event of certain non-compliance.
M	Extend shorter notice period for prison closures	This part would expedite the prison closure process by authorizing the Governor to close prisons on 90 days' notice and reduced from one year notice with a reuse/ economic development plan due within 6 months.
N	Arrest Warrant Prohibitor	This part would prohibit the purchase of a firearm if the prospective purchaser is the subject of an unexecuted arrest warrant.
O	Sharing Gun Crime Data	This part would require the sharing of certain crime gun data with the national gun clearinghouse.
P	Extend the Recruitment Incentive and Retention Program	This part would extend, for five years, tuition benefits for eligible members of the State military forces to attend college in New York State.
Q	Expand Absentee Ballot Request Period	This part would expand the application period for an absentee ballot adding 15 additional days to the current application window period.
R	Establish a Deadline for Processing Absentee Ballot Requests	This part would require county boards of elections to mail absentee ballots to qualified voters within four days of receiving an absentee ballot application, and in the period between ten and seven days before the election absentee ballots would have to be mailed within 24 hours.
S	Early Voting Hours Expansion	This part would keep at least one early voting poll site per county open until 9:00 pm three nights a week or more, and increase early voting hours each Saturday and Sunday from at least five hours to per day to least 10 hours per day.
T	Expedite Absentee Ballot Counting	This part would implement a statewide standard requiring county boards of elections to begin processing absentee ballots as they are received and to begin counting them on election night.
U	Timely Election Recounts	This part would require county boards of elections in close election contests to use the results of the canvass three days following the deadline for the return of absentee ballots as the calculation date when determining whether there must be an automatic manual recount, and any manual recount would then have to be completed within five days.
V	Diversify New York State Insurance Fund Investments	This part would provide greater flexibility to the New York State Insurance Fund with regard to its investments of surplus funds and reserves.
W	Out of State Coverage for New York State Insurance Fund Policyholders	This part would authorize the New York State Insurance Fund to enter into agreements with out-of-state insurers to cover policyholders that are required to secure workers' compensation coverage in other states.
X	New York State Insurance Fund Discount Rates	This part would adjust the discount rates for the New York State Insurance Fund's reserves and deposits.
Y	Temporary Retail and Manufacturing Permits	This part would permanently extend the authority of the State Liquor Authority (SLA) to issue temporary retail permits for

		applicants waiting on license approval in New York State, and give the SLA new authority to issue temporary retail permits in New York City as well as temporary manufacturing permits Statewide.
Z	Authorize Alcoholic Beverages in Movie Theaters	This part would authorize movie theatres that sell food to sell alcoholic beverages for motion pictures that are rated PG-13, R, or NC-17, with proper identification and certain other restrictions, including, but not limited to, community notification, limit on number of drinks purchased, and time sold.
AA	Provide a variable market-based interest rate on court judgments and accrued claims	This part would establish the annual rate of interest on a judgment or accrued claim paid by public and private entities to be calculated at the one year United States Treasury bill rate.
BB	American Made Medical Supplies	This part would require personal protective equipment and medical supplies purchased by the state in contracts over \$50,000 to be produced or made in the United States.
CC	Cease reimbursement of the Medicare Income Related Monthly Adjustments Amounts	This part would terminate reimbursements of IRMAA premiums, incurred on or after January 1 st , 2021, made by the state to active or retired employees and their dependents effective January 1st, 2022.
DD	Modify Health Insurance Costs for Future Retirees	This part would establish a premium cost-sharing structure for future state employees.
EE	Limit the Standard Medicare Premium Charges	This part would limit the reimbursement amount for Standard Medicare Part B premium charges to \$148.50 a month.
FF	Authorize Comprehensive Technology Service Contracts	This part would authorize the Office of Information Technology Services to issue and award comprehensive technology service contracts, allowing the same firm to both design and implement newly designed IT systems.
GG	Authorized Signatories and State Contract Terms	This part would require each State department to post their authorized signatories on file with the Office of State Comptroller on their website, and make certain terms or conditions in state contracts void.
HH	State Agency Citizen Data Sharing	This part would permit agencies to share voluntarily provided citizen data as long as the sharing is consistent with State and Federal law and pre-existing privacy practices.
II	Consumer Data Privacy	This part would require companies that collect information on large numbers of New Yorkers to disclose the purposes of any data collection and only collect data needed for those purposes, and, protect sensitive categories of information and create a Consumer Data Privacy Bill of Rights.
JJ	Voice Recognition Features in Connected Devices	This part would require devices capable of recording to include a clear and conspicuous disclosure of their capabilities and settings pertaining to the retention and transmission of recordings.
KK	Adjust Video Lottery Terminal (VLT) Aid	This part would eliminate VLT Aid to municipalities except for Yonkers and reduce Yonkers VLT aid by 5 percent.
LL	AIM Reductions	This part would revise the existing AIM Program, including decreasing funding for cities based on AIM reliance, and replacing State-funded AIM payments for certain towns and villages with sales tax funded AIM.

MM	Expand Investment Options For Counties	This part would provide counties with additional investment options.
NN	Revise and Make Permanent Certain Shared Services Programs	This part would make the County-Wide Shared Services Initiative permanent and revise certain procedures.
OO	Extend Authorization for Certain Local Government Contracts	This part would extend local governments' authority to utilize certain competitively bid contracts until July 31, 2023.
PP	Authorize Shared County Jails	This part would allow contiguous counties with an approved intermunicipal agreement to share jails.
QQ	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 State Fiscal Year 2020-21 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. 3006 - EDUCATION, LABOR AND FAMILY ASSISTANCE

PART	DESCRIPTION	SUMMARY
A	School Aid	This part would amend various provisions of Education Law related to: school aid; expense-based aids; the reissuance of certain charter schools; charter school tuition and facilities aid; teacher support programs; special education requirement waivers; and aid to public libraries.
B	Allow Ownership in Public Accountancy Firms	This part would allow public accountancy firms to have up to 49 percent ownership by individuals who are not certified public accountants, and require non-licensee owners to pay an annual \$300 fee to SED.
C	Expedite New Education Program Approval by SED	This part would provide that certain approved curricula or programs of study at public and not-for-profit colleges and universities that have met specific criteria could be deemed registered by SED thirty days after notification of such approval.
D	Extend SUNY and CUNY procurement flexibility	This part would extend SUNY and CUNY's procurement authorizations for an additional five years and authorize SUNY to purchase services through a consortium.
E	Tuition Rates at SUNY and CUNY	This part would: extend SUNY and CUNY's authorization to increase resident undergraduate tuition by up to \$200 annually through the 2024-25 academic year; provide tuition flexibility for SUNY university centers and doctoral degree granting institutions; and allow SUNY and CUNY to establish lower tuition rates for high demand certificate programs.
F	Extend Financial Aid Eligibility for Certain Students Impacted by the COVID-19 Pandemic	This part would extend state financial aid eligibility for any 2019-20 and 2020-21 academic year award recipient who was not able to complete a semester, quarter or term because of the COVID-19 pandemic.
G	Excelsior Scholarship Tuition Support Levels	This part would extend the tuition rate that SUNY and CUNY are authorized to charge Excelsior Scholarship recipients for an additional two academic years and provide that the rate shall reset annually thereafter.
H	Authorize the Closure of Four Underutilized OCFS Youth Facilities in 2021	This part would authorize the closure of four underutilized Office of Children and Family Services (OCFS) Youth Facilities in 2021, and waive the one-year closure notice requirement for such facilities.
I	Continue Realigned Financing for Residential Placements of Children with Special Needs Outside New York City	This part would make permanent the elimination of state reimbursement for residential Committee on Special Education (CSE) placements made by school districts outside of NYC and certain placements for the blind and deaf.
K	Make Permanent the Authority for OCFS to Contract BOCES	This part would make permanent the authorization of the Office of Children and Family Services (OCFS) to contract with Boards of Cooperative Educational Services (BOCES) permanently to provide certain educational services to youth in OCFS juvenile justice facilities.

L	Federal Family First Prevention Services Act Compliance	This part would enact various provisions of law required to comply with the Federal Family First Prevention Services Act regarding the placement of youth in a qualified residential treatment program (QRTP).
M	Differential Response Programs for Child Protection	This part would require local social services districts to establish differential response programs that would serve as an alternative to child protective services for select allegations of maltreatment.
N	Veterans Treatment Courts	This part would expand the availability of veterans' treatment courts.
O	Authorize Mortgage Insurance Fund (MIF) and Housing Finance Agency (HFA) Resource Utilization	This part would transfer \$63.4 million in excess MIF reserves for the Neighborhood and Rural Preservation Programs and the Homeless Housing and Assistance Corporation; and, \$65.6 million in available HFA resources to reimburse adult shelter costs in New York City.
P	Social Security Federal COLA Pass Through	This part would authorize the 2022 Federal Supplemental Security Income (SSI) Cost of Living Increase (COLA).
Q	Transfer Administration of the Gifts to Food Banks from OTDA to DOH	This part would transfer the administration of the Gifts to Food Banks funds from the Office of Temporary and Disability Assistance (OTDA) to the Department of Health (DOH).
R	Expand the Human Rights Law to Include For-Profit Schools	This part would expand the Human Rights Law's anti-discrimination provisions, which afford protection against discrimination for members of protected groups, to include for-profit educational institutions.
S	Prohibit Discrimination Based on Citizenship	This part would expand the Human Rights Law to clarify that discrimination on the basis of citizenship and immigration status is unlawful in New York State.
T	Modify Partial Unemployment Benefits	This part would modify the calculation of unemployment insurance benefits awarded to partially unemployed workers.
U	Clarify Sales Tax Exemptions for Affordable Housing Development	This part would clarify that not-for-profit Housing Development Finance Companies subject to a regulatory agreement are exempt from sales tax.
V	Paid Leave for COVID-19 Vaccination	This part would require public and private employers to provide up to four hours of paid leave to their employees for COVID-19 vaccine injections.
W	Streamline the Administration Process of Transferring Unclaimed Child Support Funds to OSC	This part would streamline the process of transferring unclaimed child support funds to the Office of State Comptroller (OSC) Office of Unclaimed Funds.
X	Expand Homeownership Opportunities Through State Mortgage Programs	This part would expand the authority of the State of New York Mortgage Agency (SONYMA) to purchase mortgage loans from a broader pool of lenders; purchase mortgages secured by new construction loans; and modify mortgages to assist financially distressed mortgagors.
Y	Security Deposit and Late Fee Tenant Protections	This part would temporarily allow people impacted by COVID-19 to use their security deposits to make rent payments and prevent property owners from imposing late fees on tenants who are late with rent.



Z	Expand Child Care Affordability and Ease Administrative Burdens on Child Care Providers	This part would limit the co-payment for families receiving child care subsidies to no more than 20 percent of their income above the poverty level and reduce unnecessary and duplicative administrative burdens on child care providers.
AA	Prevailing Wage for Renewable Energy Projects	This part would extend prevailing wage requirements to certain renewable energy projects.

A.3007 - HEALTH AND MENTAL HYGIENE

PART	DESCRIPTION	SUMMARY
A	Extend the Medicaid Global Cap	This part would extend the Medicaid Global Cap for one year.
B	Modify Drug Coverage Under Medicaid	This part would allow over-the-counter drugs to be removed from coverage under Medicaid, and eliminate prescriber prevails protections.
C	Establish 340b Reimbursement Fund	This part would establish a 340B reimbursement fund that would be used to offset losses to 340B entities as a result of the transition of pharmacy services in Medicaid from managed care to fee for service.
D	Reduce Hospital Funding	This part would reduce hospital capital funding and eliminate Disproportionate Share Hospital (DSH) funding for major public hospitals.
E	Reduce Worker Recruitment and Retention Funding	This part would reduce funding to support worker recruitment and retention in multiple areas including: personal care service workers, certified home health agencies (CHHAs), long term home health care programs, AIDS home care programs, hospice programs, and managed long term care (LTC) plans.
F	Expand Access to Telehealth Services	This part would: expand where telehealth services can be delivered; increase information exchange through the Statewide Health Information Network (SHIN-NY); establish an interstate licensure program that would authorize certain out of state practitioners to provide telehealth services to patients in NY; require private insurance plans to offer an adequate telehealth network; and, require health care providers to inform their patients if they provide telehealth services.
G	Authorize and Implement a Medical Respite Pilot Program	This part would authorize the establishment of a medical respite pilot program to provide temporary room and board to homeless individuals with certain health conditions that require treatment or care, but that do not necessitate a hospital level of care.
H	Eliminate Essential Plan Premiums	This part would eliminate cost-sharing requirements for the Essential Plan.
I	New York State of Health Marketplace Federal Waiver Authorization	This part would require the Commissioner of Health to apply for federal waiver authority for the New York State of Health Marketplace.
J	Pharmacy Benefit Managers	This part would establish registration, licensure, examination, and disclosure requirements for pharmacy benefit managers.
K	Excess Medical Malpractice Program	This part would restructure the Physician's Excess Medical Malpractice payments made to insurers from one annual payment to two installments split over two fiscal years, reduce the State's contribution on future policy years by fifty percent, and extend the program for one year.
L	Reduce General Public Health Works Funding	This part would reduce General Public Health Works (GPHW) funding to New York City by 10 percent.

M	Eliminate Research and Education Programs	This part would eliminate the Empire Clinical Research Investigator Program (ECRIP), and the Stem Cell and Spinal Cord research grant programs.
N	Eliminate ePrescribing Exemptions	This part would eliminate prescriber exemptions to the mandatory electronic prescribing requirement except in instances of emergencies or as determined by the Commissioner of Health.
O	Miscellaneous Public Health Eliminations	This part would eliminate various public health programs including the EQUAL program, hospital resident working hour audits; and, operating subsidies provided to certain adult care facilities.
P	Expansion of Pharmacist Scope of Practice and Collaborative Drug Therapy Management (CDTM)	This part would: authorize pharmacists to prescribe and direct limited-service labs and administer tests; act as a referring healthcare provider for diabetes self-management and asthma self-management training; and, administer immunizations recommended by the Centers for Disease Control. This part would also expand CDTM to include nurse practitioners and non-Article 28 facilities create new eligibility requirements; and, make such program permanent.
Q	Modernize the Office of Professional Medical Conduct	This part would: eliminate the indefinite licensure of physicians; require criminal history background checks and fingerprints prior to licensure; expand the definition of professional misconduct; authorize immediate publication of charges against physicians; increase Commissioner of Health discretion as it relates to disclosure of the Office of Professional Misconduct investigations; require physicians to report additional information for the NYS Physician Profile; and, combine the reporting process with the licensure and registration process.
R	Gender Identity Protections	This part would amend the Civil Rights Law to eliminate barriers in the legal name change process by removing requirements that name changes be published in a newspaper; establishing a standard for the sealing of name change records; and, providing a mechanism to change gender identity on certain government-issued identifying documents.
S	Extend Various Provisions of the Public Health and Social Services law	This part would extend or make permanent various provisions of public health law including: bad debt and charity care allowances for certified home health agencies; contracting with state transportation managers or brokers; limitations on reimbursement for Certified Home Health Agencies and long-term home health programs; elimination of hospital and nursing home reimbursement trend factors; financing of certain health care capital projects; regulatory waivers under the Delivery System Reform Incentive Payment Program(DSRIP); enhanced reimbursement under the Medical Indemnity Fund (MIF); issuance of certificates of public advantage; the Nurse Practitioner Modernization Act; and, the health facility cash assessment program.
T	Extend Authority of Facility Directors to Act as Representative Payees	This part would extend the authority of the Office for People with Developmental Disabilities (OPWDD) and the Office of Mental Health (OMH) facility directors to act as representative payees to use funds for the cost of a resident's care and treatment for three years.

U	Extend Authority of OMH and OPWDD to Appoint Temporary Operators	This part would extend the authority for OMH and OPWDD to appoint temporary operators for five years.
V	Extend Demonstration Programs for Inpatient Psychiatric Units	This part would extend the use of time limited demonstration programs that provide specialized inpatient psychiatric units for children and adults for three years.
W	Community Reinvestment for Mental Health Services	This part would extend the requirement for the Office of Mental Health (OMH) to reinvest savings from inpatient psychiatric bed closures into community based mental health services for three years.
X	Notification and Community Reinvestment for OMH facility closures	This part would suspend notification and community reinvestment requirements for closure of a facility operated by OMH for one year.
Y	Standards for Addiction Professionals	This part would authorize the Office of Addiction Services and Supports (OASAS) to establish practice standards for addiction professionals and set fees for credentialing, licensing, certifying or authorizing addiction professionals and service providers.
Z	Authorize Mental Hygiene Law, Fines for Violations and Operating Certificate Fees	This part would modify the authority for the commissioner of OMH to impose fines related to a service provider's non-compliance with terms of their operating certificate; and authorize the commissioner of OMH to establish fees related to processing applications for the issuance of operating certificates.
AA	Mental Health Crisis Service Reform	This part would: create crisis stabilization centers and authorize OMH and OASAS to jointly license and operate such centers; add new criteria for renewal of an Assisted Outpatient Treatment (AOT) court order; and, add criteria that would allow involuntary commitment for an individual with a mental illness.
BB	Merge Institute for Basic Research with New York State Psychiatric Institute	This part would authorize the NYS Institute for Basic Research in Developmental Disabilities (IBR) to be designated as an entity under the NYS Psychiatric Institute (NYSPI) and allow for the transfer of employees from IBR to NYSPI.
CC	The Office of Addiction and Mental Health Services	This part would create the Office of Addiction and Mental Health Services (OAMHS) through the integration of the OMH and the Office of Addiction Services and Supports (OASAS).
DD	Comprehensive Outpatient Services	This part would authorize the commissioners of the Department of Health, OMH, and OASAS to establish integrated comprehensive outpatient service centers.
EE	Justice Center Adult Home Advocacy Program	This part would eliminate the requirement of the Justice Center to administer the Adult Home Advocacy Program.

A. 3008 - TRANSPORTATION, ECONOMIC DEVELOPMENT AND ENVIRONMENTAL CONSERVATION

PART	DESCRIPTION	SUMMARY
A	Oversized and Unauthorized Vehicles	This part would: increase penalties for violations of laws or regulations prohibiting the operation of certain motor vehicles on highways or parkways and for violations relating to vehicle height; require notification to commercial, bus and rental drivers of parkway and highway vehicle restrictions; and regulate the use of global positioning systems (GPS) on such vehicles.
B	Highway and Transportation Worker, Pedestrian, Bicyclist and Public Safety	This part would: expand crimes committed against highway workers, motor vehicle inspectors, motor carrier inspectors, employees of the Department of Motor Vehicles (DMV), and county clerks performing motor vehicle transactions on behalf of DMV; prohibit motorists from intruding into active work zones, and create a work zone safety and outreach program; modify laws relating to the moving of vehicles, cargo and debris following crashes; and, increase penalties for persons convicted of failing to exercise due care to avoid hitting a pedestrian or bicyclist and causing physical injury or serious physical injury.
C	Electronic Bidding of Thruway Authority Construction Contracts	This part would specify that the Thruway Authority may engage in electronic bidding for Thruway construction contracts.
D	Increase Threshold for Thruway Authority Board Approval of Procurement Contracts	This part would increase the monetary threshold for procurement contracts that are subject to Board approval from \$15,000 to \$50,000.
E	Increase Enforcement of Toll Evasion	This part would add to the existing Theft of Services crime statute use of a toll highway, bridge or tunnel without intent to pay the lawful charge, and add to an existing VTL prohibition a ban on obstructing one's license plate from toll-related monitoring equipment.
F	MTA Procurement Reform	This part would amend the MTA's bidding process; eliminate certain approval requirements; permit piggybacking off of existing government contracts; and, allow for requests for proposals using design-build specifications.
G	Utility Relocations Relating to MTA Projects	This part would require public utilities to bear the costs of utility relocation work related to MTA capital projects.
H	MTA Subway Accessibility	This part would allow contractors, when performing certain work in connection with a transportation facility under an agreement with the MTA or NYCTA, to occupy the streets of the City of New York for the purposes of performing said work.
I	Assault and Harassment of MTA Workers	This part would make it a felony to intentionally cause physical injury to a transit worker and would increase the potential penalties in the Penal Law for harassment of a transit worker.
J	Empire State Development Corporation Loan Powers Extender	This part would extend the general loan powers of the New York State Urban Development Corporation for three years.

K	Economic Development Fund Extender	This part would extend the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund for three years.
L	Repurpose Underutilized Commercial Space for Housing	This part would authorize zoning flexibility to address high commercial vacancy rates and underutilized hotel properties located within specified areas in New York City, particularly in response to the COVID-19 pandemic.
M	Transfer Administration of Agricultural Marketing Orders	This part would make permanent the transfer of administration of dairy and other agricultural marketing orders from the Department of Agriculture and Markets to Empire State Development.
N	Expedited Handling of Certain Documents	This part would make permanent the authority of the Secretary of State to charge increased fees for the expedited handling of certain documents issued by or requested from the Department of State's Division of Corporations.
O	Service of Process	This part would allow the Secretary of State to be served electronically and serve process against a corporation electronically.
P	Electronic Notarization	This part would establish procedures to permit notaries to rely on approved technologies to verify identity, notarize documents, and exercise notarial authority remotely.
Q	Office of Renewable Energy Siting Technical Amendments	This part would make technical amendments relating to the Office of Renewable Siting.
R	Renewable Energy Credits	This part would authorize building owners to deduct certain types of renewable energy credits from New York City building emission requirements.
S	Grant Construction-Permitting Powers of the New York Convention Center Operating Corporation	This part would grant the New York Convention Center Operating Corporation the ability to issue permits for the Javits Convention Center under New York City Construction Codes and NYS Uniform Fire Prevention and Building Code and the NYS Energy Conservation Construction Code.
T	Long Island Power Authority Debt Restructuring	This part would permit the Long Island Power Authority to restructure debt.
U	Recharge New York Program	This part would increase the amount of Recharge New York power available to not-for-profits and small businesses.
V	New York Power Authority Captive Insurance	This part would authorize the New York Power Authority to create a pure captive insurance company.
W	New York State Energy Research and Development Authority (NYSERDA) Assessment	This part would extend for one year the authorization for NYSERDA to receive funds from an assessment on gas and electric corporations.
X	Hunting Expansion	This part would revise existing hunting authorizations including decreasing the hunting age to 12 from 14, allowing for the increased use of crossbows, and modifying hunting seasons.
Y	Modify Single-Use Plastic Bag Ban	This part would codify regulations previously proposed by the Department of Environmental Conservation including plastic bag thickness and construction.
Z	Amend Bay Park Conveyance Parkland Alienation	This part would revise the boundaries of a previously authorized alienation of certain municipal parkland for the Bay Park Conveyance Project in Nassau County.

AA	Extend Certain Brownfield Tax Credits	This part would allow certain Brownfield project developers, adversely impacted by the COVID-19 pandemic, to receive additional time for project completion.
BB	Authorize Allegheny County Land Easement	This part would authorize an alienation of State forest land for a renewable energy project developed by Alle-Catt Wind Energy LLC.
CC	Extender of Local Bottle Bill Enforcement	This part would extend the authority of certain local governments to enforce bottle bill law provisions for two years.
DD	Establish Rail Advantaged Housing Act	This part would authorize the Commissioner of the Department of Environmental Conservation to establish uniform standards and conditions for rail advantaged housing projects.
EE	Modify Build-Ready Program	This part would authorize the New York State Energy Research and Development Authority to create subsidiaries to develop project sites for the Build-Ready Program.
FF	Traffic and Parking Surcharge Extenders	This part would extend provisions of law relating to traffic and parking violation surcharges for two years.
GG	Autonomous Vehicle Demonstrations and Testing	This part would: modify and extend, for five years, the law authorizing the demonstration and testing of autonomous vehicles on public roads, including replacing statutory demonstration and testing parameters with regulatory administration of the program; create an Interagency Group on Autonomous Vehicle Technology; and modify the law to allow the operation of a motor vehicle with no hands on the steering wheel if a driving automation system is engaged.
HH	Establish Mandatory Department of Motor Vehicles (DMV) Technology Fee	This part would establish a mandatory, non-refundable one dollar DMV technology fee, to be imposed on all motor vehicle, motorcycle, historic motorcycle, snowmobile and vessel registration, reregistration and registration renewal transactions, and on all original, duplicate and renewal learner's permit, driver's license and non-driver identification card transactions, and require such fee to be deposited into the Dedicated Highway and Bridge Trust Fund.
II	DASNY Design and Construction Services Extender	This Part would extend the Dormitory Authority of the State of New York's (DASNY) authorization to provide design and construction services for the Dept. of Environmental Conservation and Office of Parks, Recreation and Historic Preservation for three years.
JJ	Grant DFS authority to prohibit certain payment of services under the No-Fault Insurance	This part would authorize the Superintendent of the Department of Financial Services (DFS) to prohibit providers of health services from requesting payment for health services rendered under the no-fault insurance law, other than services rendered in the emergency department of a general hospital. This part would also establish the Motor Vehicle Insurance Task Force to examine alternatives to the no-fault insurance system and options to lower the cost of motor vehicle insurance.
KK	Consolidate Centers of Excellence and Centers for Advanced Technology	This part would eliminate Centers for Excellence (COE), temporarily designate them as Centers for Advanced Technology (CATs) until April 1, 2023, and establish a process for the for COEs to be apply and potentially designated as CATs.

LL	Extend Mortgage Forbearance	This part would extend the covered period for mortgage forbearance to the later of December 31, 2021 or the date the Governor's Executive Orders that closed or restricted business due to COVID-19 are no longer in effect.
MM	Codify COVID-19 Commercial Emergency Eviction and Foreclosure Prevention Executive Orders	This part would codify the Governor's Executive Order prohibiting commercial eviction and foreclosures for nonpayment of rent or a mortgage due to financial hardship suffered because of COVID-19.
NN	Modify Mitigation Fund for Electric Generating Facility Closures	This part would increase the statutory cap on payments to local governments from the Electric Generation Facility Cessation Mitigation Fund.
OO	Moratorium on Termination of Utility, Phone, Television and Broadband Services	This part would prohibit the termination of utility, phone, television and broadband services to residential and certain small business customers in the event of a declared state disaster emergency in relation to an event negatively impacting the state's long-term economic future.
PP	LIBOR Discontinuance	This part would provide a replacement for the London Inter-Bank Offered Rate (LIBOR) as the benchmark interest rate for global inter-bank lending.
QQ	Broadband Service for Low Income New Yorkers	This part would require broadband service providers to offer low-income New Yorkers a high-speed broadband plan capped at \$15 per month, which could be increased once every five years by the lesser of 2 percent or the most recent change in the consumer price index.
RR	Extend DASNY's Construction, Design and Loan Services to Not-For-Profits and School Districts	This part would make school districts and not-for-profits eligible to receive construction, design and loan services from the Dormitory Authority of the State of New York (DASNY) for capital projects in excess of \$5 million and make such entities eligible for loans from DASNY to fund their working capital needs during the COVID-19 Pandemic.
SS	Increase the Bond Cap for Medical Facility Improvements	This part would raise the bond cap on DASNY's authority to issue bonds for construction projects related to healthcare facilities from \$16.6 billion to \$17.4 billion.
TT	Establish Pandemic Recovery and Restart Program	This part would provide tax credits to small businesses, restaurants and that re-hire full-time equivalent employees and a tax credit for New York City Musical and Theatrical Production substantially affected by COVID Executive Order requirements.

A. 3009 - REVENUE

PART	DESCRIPTION	SUMMARY
A	Enact Temporary PIT High Income Surcharge	This part would impose a temporary income tax surcharge on high-income taxpayers from 2021 through 2023.
B	Delay Middle Class Tax Cut by One Year	This part would delay the middle class personal income tax cuts by one year.
C	Enact a Pass-Through Entity Tax	This part would create an optional pass-through entity tax for partnerships and S corporations to pay and deduct State taxes at the entity level in exchange for a personal income tax credit.
D	Enact Employer Child Care Credits	This part would create a new Excelsior Child Care Services Tax Credit, extend the Excelsior Investment Tax Credit for participants in the Excelsior Jobs Program for child care services, and double the existing Employer Provided Child Care Credit.
E	Reform and Simplify Various Business Tax Provisions	This part would eliminate the filing requirements for foreign bus and taxicab corporations that make fewer than 12 trips into the State per calendar year. The part would also require all Federal subchapter S corporations be treated as subchapter S corporations for State tax purposes.
F	Extend the Film Tax Credit for One Year	This part would extend the Empire State Film Production Credit and the Empire State Film Post Production Credit for one year. The part also would amend the post production tax credit to make work performed in 11 counties (specifically Saratoga, Warren, Washington, Columbia, Dutchess, Greene, Orange, Putnam, Rensselaer, Sullivan, Ulster) eligible for the additional 10 percent tax credit increase on labor costs under the Empire State Film Post Production Program.
G	Increase Wage and Withholding Filing Penalty	This part would increase the maximum penalty imposed on employers for failure to provide complete and accurate wage reported on tax return and withholding reports and increase the penalty calculation from \$50 per employee to \$100 per employee.
H	Enact the Cannabis Regulation and Taxation Act	This part would create and amend existing laws to legalize adult-use cannabis, consolidate governance of all forms of cannabis and create a regulatory structure to oversee the licensure, cultivation, production, distribution, sale and taxation of cannabis within New York State.
I	Modernize Tax Law to Include the Vacation Rental Industry	This part would amend the Tax Law to clarify that sales tax applies to vacation rentals and require vacation rental marketplace providers to collect sales tax on taxable sales of the vacation rentals that they facilitate.
J	Reform the State Racing Admissions Tax	This part would repeal the State racing admissions taxes in the Racing, Pari-Mutuel, Wagering and Breeding Law, and instead impose State sales tax on charges for admissions to race tracks.
K	Increase the Interest Free Period for Certain Sales Tax Refunds	This part would increase the review period for the Tax Department prior to providing sales tax refund claims of \$100,000 or more without having to accrue and pay out interest.

PART	DESCRIPTION	SUMMARY
L	Make Permanent Local Sales Tax Rate Authorizations	This part would make permanent the authority for counties and certain cities to impose local sales tax at the rate of four percent, or their current rate if higher.
M	Extend Certain Sales Tax Exemption Related to the Dodd-Frank Protection Act for Three Years	This part would extend for three years the exemption from sales and use tax for certain sales or services transacted between financial institutions and their subsidiaries.
N	Make Technical Correction to Sales Tax Remote Vendor Registration	This part is a technical correction to conform with changes made to the sales volume quarterly threshold (\$500,000) at which remote vendors must register for purposes of collecting sales tax.
O	Enhance RETT Compliance	This part would amend the real estate transfer tax (RETT) to prohibit sellers from passing the basic RETT to buyers, and provide technical changes to the LLC disclosure requirements.
P	Make Technical Changes to Cigarette Licensing Provisions	This part would prohibit a retail dealer with a revoked or suspended cigarette license from possessing any taxed cigarettes and tobacco products during the period of revocation or suspension.
Q	Simplify Certain Tax Filing and Reporting Requirements	This part would reduce the tax return filing frequency for Alcoholic Beverage Tax and Highway Use Tax taxpayers.
R	Amend the Collection and Reporting of Taxicab Tax and Congestion Surcharge	This part would amend the Tax Law to make the Technology Service Provider (TSP) responsible for collecting and remitting the taxicab tax and congestion surcharge.
S	Update Tax Preparer Regulation and Enforcement	This part would prohibit a retail dealer with a revoked or suspended cigarette license from possessing any taxed cigarettes and tobacco products during the period of revocation or suspension.
T	Allow DTF the Right to Appeal DTA Tribunal Decisions	This part would reduce the tax return filing frequency for Alcoholic Beverage Tax and Highway Use Tax taxpayers.
U	Modernize and Merge Real Property Transfer Forms	This part would amend the Tax Law to make the Technology Service Provider (TSP) responsible for collecting and remitting the taxicab tax and congestion surcharge.
V	Administration of the STAR Program	This part would close off entry into the Enhanced STAR exemption program for recipients who are transitioning from the Basic STAR to Enhanced STAR; require recipients who are switching from the exemption program to the credit program to do so by May 1 st ; allow the Tax Department to provide decedent reports to assessors directly; require appeals to be heard by the Tax Department rather than the State Board of Real Property Tax Services; and transfer mobile home owners to the STAR credit program.

PART	DESCRIPTION	SUMMARY
W	Technical and Conforming Changes to Real Property Tax Law	This part would provide quorum requirements for the State Board of Real Property Services, remove outdated references in Real Property Tax Law, allow for the cancellation of hearings regarding ORPTS determinations where there is no complaint filed, and clarify exemption requirements on behalf of a locality relating to local options and population restrictions and filings.
X	Development of Renewable Energy Projects	This part would extend the property tax exemption for renewable energy projects in RPTL section 487, provide a standard method of assessment for solar and wind infrastructure while allowing localities to enter into PILOT agreements on such projects, and delineate how a locality will be notified of construction on a renewable energy project.
Y	Mobile Sports Wagering and Casino Tax Rate	This part would authorize mobile sports wagering, with a platform provider(s) chosen by the Gaming Commission through a competitive bidding process and would create a process for Casinos to petition for a lower slot-tax rate of not lower than 2 percent.
Z	Request for Information for Gaming Facility Licenses	This part would authorize the Gaming Commission to issue a request for information about the three unawarded gaming facility licenses.
AA	Quick Draw Vendors	This part would remove certain restrictions for eligible vendors who sell tickets for the Quick Draw game.
BB	Lottery Draw Games	This part would remove restrictions on the number of daily drawings for certain lottery games.
CC	Gaming Inspector General	This part would transfer the responsibilities and duties of the office of the gaming inspector general under the Gaming Commission to the office of the state inspector general.
DD	Extend certain tax rates and certain simulcasting provisions for one year.	This part would extend the current pari-mutuel tax rates and out-of-state simulcasting provisions for one year.
EE	Extend the Alternative Fuels Exemptions for Five Years	This part would extend the alternative fuel tax exemptions for fuel types E-85, CNG and hydrogen, and the partial exemption for B-20, until September 1, 2026.
FF	Extend the Farm Workforce Retention Credit for Three Years	This part would extend the Farm Workforce Retention Credit for three years through tax year 2024.
GG	Extend Low-Income Housing Credits for Five Years	This part would increase the aggregate dollar amount allocable for the state low income housing tax credit by \$8 million for each of the next five years.
HH	Extend and Enhance the Musical and Theatrical Production Credit for Four Years	This part would extend the musical and theatrical production credit in the Tax Law for four years through January 1, 2026 and increase the annual credit cap to \$8 million.
II	Extend the Hire-A-Vet Credit for Two Years	This part would extend the tax credit provided for hiring a veteran for an additional two years until 2023.
JJ	Extend the Economic Transformation and Facility	This part would extend the Economic Transformation and Facility Redevelopment Program tax credits for an additional five years until December 31, 2026.

PART	DESCRIPTION	SUMMARY
	Redevelopment Program Tax Credit for Five Years	
KK	Extend Implementation Deadline for the Secure Choice Program	This part would extend the statutory deadline for implementing the program from April 12, 2020, to December 31, 2021.
LL	Racing Support Payments	This part would suspend racing support payments made by certain gaming facilities to relevant horsemen and breeders while such gaming facility and video lottery gaming facility are operating under COVID-19 restrictions and would provide how payments owed from the period of January 1, 2020 until February 28, 2020 are to be made.

PROPOSED CONSTITUTIONAL AMENDMENT

PART	DESCRIPTION	SUMMARY
	Equal Rights Amendment	Concurrent resolution would put before the voters a proposal to amend the Equal Protection clause of the New York Constitution to add “sex, sexual orientation, gender identity, ethnicity, national origin, age, and disability” as additional protected classes

JOINT FISCAL COMMITTEE HEARINGS ON THE EXECUTIVE BUDGET
STATE FISCAL YEAR 2021-22
(Hearings will be conducted virtually)

DATE	TIME	TOPIC
January 26	9:30 AM	Transportation
January 27	9:30 AM	Environmental Conservation
January 28	9:30 AM	Elementary & Secondary Education
February 2	9:30 AM	Housing
	1:00 PM	Workforce Development
February 3	9:30 AM	Health/Medicaid
February 4	9:30 AM	Higher Education
February 5	9:30 AM	Mental Hygiene
February 9	9:30 AM	Human Services
February 10	9:30 AM	Public Protection
February 11	9:30 AM	Local Government Officials and General Government
February 23	9:30 AM	Economic Development
	1:00 PM	Taxes

FORECAST OF RECEIPTS

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



Glossary of Commonly Used Acronyms

AAA	Area Agencies on Aging
ACA	Affordable Care Act
AG	Attorney General
AGI	Adjusted Growth Income
AIG	American International Group, Inc.
AIHP	American Indian Health Program
AIM	Aid and Incentives for Municipalities
ALICO	American Life Insurance Company
ALP	Assisted Living Program
AML	Anti-Money Laundering
AMTAP	Additional Mass Transportation Assistance Program
AP	Advanced Placement
APCD	All-Payer Claims Databases
ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Accelerated Study in Associate Program
AXA	AXA Equitable Life Insurance Company
AY	Academic Year
BANs	Bond Anticipation Notes
BEA	Bureau of Economic Analysis
BLS	Bureau of Labor Statistics
BNPP	BNP Paribas, S.A., New York Branch
BOCES	Boards of Cooperative Educational Services
BOA	Brownfield Opportunity Area
BofA	Bank of America
BofAML	Bank of America Corporation and Merrill Lynch, Pierce, Fenner and Smith Incorporated
BSA	Bank Security Act
BTMU	Bank of Tokyo-Mitsubishi UFJ, Ltd.
CAP	Comprehensive Attendance Policy
CBO	Congressional Budget Office
CBTC	Communications-Based Train Control
CCO	Care Coordination Organizations
CES	Current Employment Statistics
CFT	Corporate Franchise Tax
CHP	Child Health Plus
CIF	Community Investment Fund
CIGNA	Cigna Health and Life Insurance Company
CISO	Chief Information Security Office
CMS	Centers for Medicare & Medicaid Services
COLA	Cost-of-Living Adjustment
CPI	Consumer Price Index
CPRA	Certified Peer Recovery Advocates

Glossary of Commonly Used Acronyms

CSEA	Civil Service Employees Association
CSR	Cost Sharing Reduction
CSX	CSX Transportation, Inc.
CTH	Close to Home
CUCF	City University Construction Fund
CUNY	City University of New York
CW/CA	Clean Water/Clean Air
CY	Calendar Year
DA	District Attorney
DANY	New York County District Attorney
DASNY	Dormitory Authority of the State of New York
DC-37	District Council 37
DDPC	Developmental Disabilities Planning Council
DEC	Department of Environmental Conservation
DelAm	Delaware American Life Insurance Company
DFS	Department of Financial Services
DHBTF	Dedicated Highway and Bridge Trust Fund
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
ECB	European Central Bank
ECEP	Employer Compensation Expense Program
EI	Early Intervention
EISEP	Expanded In-Home Services for the Elderly Program
EP	Essential Plan
EPF	Environmental Protection Fund
EPIC	Elderly Pharmaceutical Insurance Coverage



Glossary of Commonly Used Acronyms

ERS	Employees' Retirement System
ESCO	Energy Service Company
ESD	Empire State Development
ESPRI	Empire State Poverty Reduction Initiative
ESSA	Every Student Succeeds Act
ESSHI	Empire State Supportive Housing Initiative
FA	Family Assistance
FEMA	Federal Emergency Management Agency
FFP	Federal Financial Participation
FFY	Federal Fiscal Year (October 1 through September 30)
FMAP	Federal Medical Assistance Percentage
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
GILTI	Global Intangible Low-Taxed Income
GLIP	Group Life Insurance Plan
GPHW	General Public Health Work
GSCs	General State Charges
GSEU	Graduate Student Employees Union
HASA	HIV/AIDS Services Administration
HCRA	Health Care Reform Act
HCTF	Health Care Transformation Fund
HEAP	Home Energy Assistance Program
HESC	Higher Education Services Corporation
HUT	Highway Use Tax
IAAF	Interim Access Assurance Fund
IBR	Institute for Basic Research in Development Disabilities
IDEA	Individuals with Disabilities in Education Act
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change of the United Nations
IPO	Initial Public Offering
IRMAA	Income-Related Monthly Adjustment Amount
IRS	Internal Revenue Service
IT	Information Technology
ITS	Information Technology Services
LFY	Local Fiscal Year

Glossary of Commonly Used Acronyms

LGAC	Local Government Assistance Corporation
LICH	Long Island College Hospital
LIRR	Long Island Rail Road
LLC	Limited Liability Company
M/C	Management/Confidential
MCO	Medicaid Managed Care Organizations
MCTD	Metropolitan Commuter Transportation District
MLTC	Managed Long Term Care
MRT	Medicaid Redesign Team
MRT II	Medicaid Redesign Team II
MSA	Master Settlement Agreement
MTA	Metropolitan Transportation Authority
NAIRU	Non-Accelerating-Inflation Rate of Unemployment
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
NYPA	New York Power Authority
NYS	New York State
NYSCOPBA	New York State Correctional Officers and Police Benevolent Association
NYSHIP	New York State Health Insurance Program
NYSLRS	New York State and Local Retirement System
NYSOH	New York State of Health
NYSPIA	New York State Police Investigators Association
NYSTA	New York State Thruway Authority
NYSTPBA	Police Benevolent Association of the New York State Troopers
NYU	New York University
OAG	Office of the Attorney General
OASAS	Office of Addiction Services and Supports
OCA	Office of Court Administration
OCFS	Office of Children and Family Services
OFAC	Office of Foreign Assets Control
OMH	Office of Mental Health
OMIG	Office of Medicaid Inspector General
OPEB	Other Post-Employment Benefits
OPRHP	Office of Parks, Recreation and Historic Preservation
OPWDD	Office for People with Developmental Disabilities
ORDA	Olympic Regional Developmental Authority



Glossary of Commonly Used Acronyms

ORP	Optional Retirement Program
OSC	Office of the State Comptroller
OTDA	Office of Temporary and Disability Assistance
PAYGO	Pay-As-You-Go
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
PI	Personal Income
PIGI	Personal Income Growth Index
PILOT	Payments in Lieu of Taxes
PIT	Personal Income Tax
PMT	Payroll Mobility Tax
PPS	Performing Provider Systems
PS	Personal Service
PSC	Public Service Communication
PwC	PricewaterhouseCoopers LLP
QCEW	Quarterly Census of Employment and Wages
QHP	Qualified Health Plan (NYSOH)
RBS	RBS Financial Products Inc. (f/k/a Greenwich Capital Financial Products, Inc.)
RBTF	Revenue Bond Tax Fund
REDC	Regional Economic Development Council
RFP	Request for Proposals
RGGI	Regional Greenhouse Gas Initiative
RPCI	Roswell Park Cancer Institute
RSSL	Retirement and Social Security Law
SALT	State and Local Tax
SCB	Standard Chartered Bank
SCB	NY Standard Chartered Bank, New York Branch
SED	State Education Department
SFY	State Fiscal Year (April 1 Through March 31)
SHIN-NY	Statewide Health Information Network for New York
SHU	Special Housing Unit
SICG	Statewide Interoperable Communications Operations Grant Awards
SNA	Safety Net Assistance
SOF	State Operating Funds
SOFA	State Office for the Aging
SSI	Supplemental Security Income
STAR	School Tax Relief
STEM	Science, Technology, Engineering, Math



Glossary of Commonly Used Acronyms

STIP	Short-Term Investment Pool
STOA	Statewide Mass Transportation Operating Association
SUFPK	Statewide Universal Full-Day Prekindergarten
SUCF	State University Construction Fund
SUD	Substance Use Disorders
SUNY	State University of New York
SY	School Year (July 1 Through June 30)
TANF	Temporary Assistance for Needy Families
TAP	Tuition Assistance Program
TCJA	Tax Cuts and Jobs Act of 2017
TIFIA	Transportation Infrastructure Finance and Innovation Act
TNC	Transportation Network Companies
TRS	Teachers' Retirement System
TY	Tax Year (January 1 Through December 31)
UBS	UBS Securities LLC and UBS Real Estate Securities Inc.
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