Interim

SFY 23 Executive State Budget

County Impact Report

Updated: January 25, 2022

Hon. Martha Sauerbrey, NYSAC President
Hon. Marcus J. Molinaro, NYSCEA President
Stephen J. Acquario, Executive Director
# Table of Contents

**Introduction** ..................................................................................................................................................... 3  
Changes in Taxation & Finance Important to Counties .......................................................................................... 3  
State Financial Plan ............................................................................................................................................... 5  
**State Spending by Functional Areas** ............................................................................................................. 7  
Agriculture .......................................................................................................................................................... 7  
Community Colleges & Higher Education Tuition Assistance ........................................................................... 8  
Early Childhood Development and Children with Special Needs ...................................................................... 8  
Economic Development ..................................................................................................................................... 8  
Regional Economic Development ..................................................................................................................... 11  
Elections ............................................................................................................................................................ 12  
Environment ....................................................................................................................................................... 12  
Ethics Reform for State and Local Government .............................................................................................. 15  
Gaming ............................................................................................................................................................. 15  
General Government ....................................................................................................................................... 17  
Housing Rental Assistance Program .................................................................................................................. 17  
Human Services .................................................................................................................................................. 18  
Judiciary and Court Related Matters ................................................................................................................ 19  
Office of Indigent Legal Services ....................................................................................................................... 20  
Medicaid & Healthcare .................................................................................................................................... 20  
Mental Health .................................................................................................................................................... 22  
Personnel / Labor / Civil Service ......................................................................................................................... 23  
Public Health & Nursing Homes ....................................................................................................................... 23  
Public Safety ....................................................................................................................................................... 24  
Shared Services .................................................................................................................................................. 26  
Transportation ................................................................................................................................................... 26  
Veterans ............................................................................................................................................................. 27  
Workforce Development .................................................................................................................................... 29
Introduction

This interim county impact report details areas of the Governor’s proposed 2023 State Budget that will impact a range of county functions, departments, services, and programs. The report will be updated as we continue our analysis and receive additional information.

Support for County Governments
According to budget briefing documents, State spending on behalf of counties outside of New York City through major local aid programs is expected to total nearly $5.5 billion in FY 2023 under the Executive Budget. This includes $2.5 billion attributable to the State takeover of county (not including NYC) local Medicaid growth.

Another net positive impact includes $146 million in increased transportation aid, including increasing the CHIPS base, increased transit operating aid, providing Extreme Wintery Recovery and State Touring Routes aid, increasing PaveNY, and Operation Pave Potholes.

There is also a $35.8 million net impact due to various human service proposals, including increasing adoption support and maintaining the childcare market rate.

These increases are partially offset by a $50 million negative impact as a result of making permanent the sales tax intercept for distressed health provider assistance.

Changes in Taxation & Finance Important to Counties

Making Local Sales Tax Rate Authorizations Permanent
In an effort to shore up local government finances and to ensure revenue stability and certainty for local governments going forward, the Executive Budget:

• Grants permanent local sales tax authority for all counties and cities at their existing rates or up to 4 percent.
  o As such, local governments would no longer need to seek and receive the State’s approval as long as they want to extend their existing rates or increase their rate to no more than 4 percent.
• All local governments will still be required to seek and receive temporary approval by a majority vote of the local government’s governing body in order to impose additional sales tax above the current statutory 3 percent threshold.

Local Distressed Hospital Funding Pool
The Executive Budget continues the Distressed Provider Relief Fund permanently to support financially distressed facilities throughout the state through the collection of a portion of sales tax revenue from counties and New York City, generating $250 million in designated funding annually to the State of New York ($50 million from counties outside of NYC, and another $200 from NYC).

Modernize Sales Tax Law to Include the Vacation Rental Industry
Under these new provisions, any vacation rental marketplace provider that facilitates the occupancy of a vacation rental will be responsible for collecting and remitting the state and
Currently, 846 towns and 479 villages receive a total of $59.1 million in AIM-Related payments funded by local sales tax collections. The Executive Budget ends this practice and source to the General Fund for certain towns and villages that currently receive AIM-Related program, allowing county governments to retain a greater amount of local sales tax revenue annually.

Returning AIM funding to a state responsibility would reduce the total sales tax diversion of county revenue by 54 percent. This will vary by county as the AIM-related payment impact was not uniformly distributed to each county. The impact will restore anywhere from 39 percent to 78 percent of the lost sales tax depending on the county. The average restoration by county is just over 50 percent.

### AIM Restoration to State General Fund Support

![Table showing AIM Restoration to State General Fund Support](image)
Other local government assistance funding amounts are highlighted in the following table:

<table>
<thead>
<tr>
<th>Local Government Assistance Programs</th>
<th>SFY 2022</th>
<th>SFY 2023</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIM</td>
<td>$656,072,213</td>
<td>$715,172,213</td>
<td>$59,100,000</td>
</tr>
<tr>
<td>Citizen's Empowerment Grants</td>
<td>$33,250,000</td>
<td>$35,000,000</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>Local Govt. Efficiency Grants</td>
<td>$3,800,000</td>
<td>$4,000,000</td>
<td>$200,000</td>
</tr>
<tr>
<td>VLT Aid</td>
<td>$9,285,313</td>
<td>$9,285,313</td>
<td>$0</td>
</tr>
<tr>
<td>Madison County Gaming</td>
<td>$3,750,000</td>
<td>$3,750,000</td>
<td>$0</td>
</tr>
<tr>
<td>Onondaga County-School Project</td>
<td>$1,200,000</td>
<td>$0</td>
<td>($1,200,000)</td>
</tr>
<tr>
<td><strong>Small Government Assistance Program</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Essex</td>
<td>$124,000</td>
<td>$124,000</td>
<td>$0</td>
</tr>
<tr>
<td>Franklin</td>
<td>$72,000</td>
<td>$72,000</td>
<td>$0</td>
</tr>
<tr>
<td>Hamilton</td>
<td>$21,300</td>
<td>$21,300</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$707,574,826</strong></td>
<td><strong>$767,424,826</strong></td>
<td><strong>$59,850,000</strong></td>
</tr>
</tbody>
</table>

**State and Municipal Facilities Program (SAM)**

This program had been funded at $385 million per year for the last several years, but no new funding is provided in the SFY 2023 Executive Budget. Funding from prior years of $2.2 billion is reappropriated. SAM is a grant program that provides funding for a wide variety of capital projects and the acquisition of capital assets that counties and other local governments can apply for, generally in coordination with their state legislative members and the governor’s office.

**Adult-Use Cannabis Revenue**

The Marijuana Regulation and Taxation Act (MRTA), which was signed into law in March 2021, established two state taxes and one local tax on adult-use cannabis. There is a state tax based on the milligrams of THC in the product, a 9 percent excise tax, and a 4 percent local excise tax. The State projects $56 million in revenue (including $40 million in license fees) in FY 2023, $95 million in FY 2024, $158 million in FY 2025, $245 million in FY 2026, $339 million for FY 2027 and $363 in FY 2028. All State cannabis revenue will be deposited in the Cannabis Revenue Fund, of which 40 percent would be directed to education, 40 percent to the Community Grants Reinvestment Fund, and 20 percent to the Drug Treatment and Public Education Fund. For the local tax, 25 percent is directed to the county and 75 percent is directed to the city, town, or village within the county.

**State Financial Plan**

The state financial situation has improved dramatically since the beginning of the COVID pandemic. The state Division of the Budget (DOB) was forced to make projections in a very difficult and unprecedented situation, but those estimates (as far off as they turned out to be)
resulted in changes to state policy and fiscal actions that impacted every corner of the state’s economy and every level of government. A review of the timeline of changes is below.

**Enacted SFY 2021 Budget - April 1, 2020** - The state adopts a budget at the start of the COVID pandemic projecting a $69 billion 4-year budget gap

- The state cuts spending to localities by 20% across the board (later reduced to 5%), a new sales tax diversion for counties/NYC is adopted, and tax increases on the wealthy and corporations

**Enacted SFY 2022 Budget – April 1, 2021** – One year into COVID the fiscal situation improves dramatically over prior year projections - severe cuts are largely avoided – the projected 4-year budget gap drops to $3.4 billion

- Huge influxes of federal aid stabilizes the economy, state finances and county finances

**Mid-year Update to SFY 2022 Budget – September 2021** – The fiscal gap turns into a projected $16 billion surplus over 4 years with surpluses in every year of the Financial Plan – the first time this has ever happened

- Tax receipts exceed expectations, the economy recovers faster than expected, spending is lower than projected

**Executive Budget SFY 2023 – January 18, 2022** – The projected surplus grows to $39 billion over the next 4 years

- The budget proposes significant new spending, billions of dollars in tax cuts, while also building fiscal reserves equivalent to 15 percent of State Operating funds ($20 billion) over 4 years.

### Changes in State Finances During COVID Pandemic

<table>
<thead>
<tr>
<th>State Budget Monitoring Point</th>
<th>Projected 4-year (Deficit)/Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFY 2021 Enacted Budget (April 2020)</td>
<td>($69B)</td>
</tr>
<tr>
<td>SFY 2022 Introduced Budget (January 2021)</td>
<td>($11B)</td>
</tr>
<tr>
<td>SFY 2022 Enacted Budget (April 2021)</td>
<td>($3.4B)</td>
</tr>
<tr>
<td>SFY 2022 - Mid-year Update (September 2021)</td>
<td>$16.4B</td>
</tr>
<tr>
<td>SFY 2023 - Introduced Budget (January 2022)</td>
<td>$38.6B</td>
</tr>
</tbody>
</table>

The Executive Budget proposes to spend the surplus as follows:

- **$18.4 billion to bolster state fiscal reserves** as follows:
  - $5 billion SFY 2022
  - $5 billion SFY 2023
  - $2.5 billion in SFY 2024
SFY 23 Executive State Budget
County Impact Summary

- **$4.6 billion in tax cuts** over 4 years as follows:
  - $2.6 billion in SFY 2023 - $2.2 billion of this is for a one-time property tax rebate
  - $1.1 billion in SFY 2024 – just over half for accelerating PIT cuts
  - $560 million in SFY 2025
  - $260 million in SFY 2026

- **$19.9 billion in new spending** above the current baseline over 4 years, primarily:
  - $3.4 billion – Medicaid, health care worker bonus, public health, mental health
  - $1.1 billion for k-12 education
  - $2.5 billion for human services including a COLA for workers
  - $1.4 billion for higher education/SUNY operations
  - $6.5 billion for PAYGO capital projects

- Offset by **$3.9 billion in savings** generated from debt management actions

State Spending by Functional Areas
Below is an interim analysis of how the State Fiscal Year 2023 Executive Budget impacts counties. NYSAC will continue to review the specifics of the proposals.

**Agriculture**

**Agriculture and Markets Local Assistance Funding**
The Executive Budget includes $42.9 million for local agriculture assistance, compared to $35.8 million in SFY 22 Enacted Budget. The Budget also includes $20 million for services and non-point source pollution control, farmland preservation, and other agricultural programs.

**Create and Expand Tax Credits for Farms**
The budget proposal would enhance the Investment Tax Credit for farmers for property used in farming and agriculture from 4% to 20%, double The Farm Workforce Retention Credit (from $600 to $1,200 per eligible employee) and extend the credit for an additional year through tax year 2025, and create a new refundable tax credit for overtime hours paid by farm employers to be called the Farm Employer Overtime Credit.

**Improve the School Lunch Program**
The Executive Budget would transfer the National School Lunch Program from the State Education Department (SED) to the Department of Agriculture & Markets (AGM) in order to better connect schools and farmers and support local production.

**Fund the “Nourish New York” Initiative to Feed New Yorkers and Support Farmers**
Nourish NY supports both local farmers and underserved communities by purchasing surplus food supply and rerouting it to State food banks, providing an additional income stream for farmers while feeding families in need. To continue supporting farmers and feed residents, the Executive Budget includes $50 million of new annual funding to support the Nourish NY program.
Community Colleges & Higher Education Tuition Assistance

Expand Part-Time Students’ Access to TAPxi
The Executive Budget includes $150 million to expand TAP, which currently is largely unavailable for students studying part time, to cover students enrolled in six or more credits of study at a SUNY, CUNY, or not-for-profit independent college -- an investment estimated to provide support to 75,000 additional New York students annually.

Repeal TAP Prohibition for Incarcerated Individualsxii
In 1995, a New York State law prohibited incarcerated people from being eligible to receive State financial aid. The Executive Budget repeals the prohibition against using TAP in prisons.

Provide Financial Aid for Workforce Credential Programs at Community Colleges for High-Demand Fields.xiii
The Executive Budget further expands part-time TAP to cover students enrolled in workforce credential programs at community colleges in high demand fields. To ensure the program focuses on the highest growth areas, Empire State Development (ESD) and the State’s Regional Economic Development Councils (REDCs) will recommend which courses of sequence would be eligible for State funding, based on an analysis of regional industry trends and workforce needs.

Raise the Community College Funding Floorxiv
The Executive Budget maintains a funding floor for community colleges at 100 percent of prior year funding, up from the 98 percent floor enacted in FY 2022. Without a funding floor, community colleges would face a $81 million (13 percent) loss in formula aid due to enrollment declines.

Early Childhood Development and Children with Special Needs

Pre-School Special Education Provider Rate Increasexv
Approximately 80,000 preschool-age children with disabilities receive services, 14,000 school-age students with disabilities are educated in private settings and special act school districts during the school year, and 50,000 school-age students with disabilities receive summer services. Funding for these providers is determined through an annual rate-setting process. The Division of the Budget will administratively authorize a cost-of-living adjustment (COLA) of 11 percent for the SY 2023 tuition rates, increasing providers’ annual funding by more than $240 million. Counties fund 40.5 percent of preschool special education costs, including provider rate and caseload changes.

Economic Development

Provide Small Business Tax Reliefxvi
The Executive Budget provides tax relief to small businesses by increasing the small business subtraction modification from 5% to 15% of net business income or farm income and expanding the benefit to include pass-through entities with less than $1.5 million NY-source gross income. This legislation would take effect immediately and apply to taxable years beginning on or after January 1, 2022.
Create a Tax Credit for Small Business COVID-19 -Related Expenses
The Executive Budget would establish the COVID-19 Capital Costs Tax Credit Program. The refundable credit would be available to small businesses with $2.5 million or less of gross receipts that incurred qualifying COVID-19 capital costs from January 1, 2021 through December 31, 2022 to comply with public health or other emergency orders or regulations related to the COVID-19 pandemic or to generally increase the safety of their business locations as it relates to infectious disease migration, including those related to social distancing, sanitization, and air purification. A small business would be eligible for a credit of 50% of their qualifying costs, up to $25,000. The program would be administered by the Department of Economic Development, and the amount of the credit under the program would be capped at $250 million.

Modernize Tax Law to Include the Vacation Rental Industry
In order to create a level playing field between the growing vacation rental sector and traditional hospitality industry participants such as hotels, motels, and B&Bs, the Executive Budget subjects all vacation rentals to state and local sales taxes, as well as the daily NYC Convention Center hotel fee of $1.50 per unit. Under these new provisions, any vacation rental marketplace provider that facilitates the occupancy of a vacation rental will be responsible for collecting and remitting the state and local sales taxes, in addition to the NYC hotel unit fee. This bill would take effect immediately and apply to collections of rent by the operator or vacation rental marketplace provider on or after September 1, 2022.

ConnectALL Initiative
Governor Hochul’s ConnectALL initiative will be the largest-ever investment in New York’s digital infrastructure, transforming it so all New Yorkers have affordable, reliable broadband statewide. Catalyzing over $1 billion in new public and private investments, ConnectALL will provide affordable broadband access to New Yorkers in rural and urban areas statewide and continue New York State’s leadership on connectivity.

The Executive Budget also amends state law to eliminate fees on the use and occupancy of the State right-of-way for fiber-optic cable placed in fulfillment of a grant award under the ConnectALL initiative. This statutory change would ensure that ConnectALL projects are exempt from the use and occupancy fees for fiber optic cables.

Build on New York's Support for MWBEs
To ensure that Minority- and Women-Owned Business Enterprises (MWBEs) across the state continue to have meaningful opportunities to participate in state contracting, Governor Hochul proposes to provide increased resources and up to $11 million in additional funding to improve the MWBE program and ensure timely and efficient processing of MWBE certifications for qualified businesses. The Budget also proposes to establish a new unit within ESD dedicated exclusively to processing administrative appeals, including challenges to the denial of MWBE certifications, to ensure timely processing of appeals.

Restore New York Communities Program
Established in 2006-07, the Restore New York Communities program supported municipal efforts to demolish, deconstruct, rehabilitate, or reconstruct vacant, abandoned, condemned, or surplus properties. Prior rounds of the Restore New York program have resulted in the
removal and restoration of dozens of sites statewide, but no new rounds of funding have been launched since 2017. To renew the State’s commitment to rehabilitating blighted areas, the Executive Budget includes $250 million for a revitalized Restore New York program. This program will be enhanced to target disadvantaged communities and to address not only urban but also rural areas.

**Launch a Billion-Dollar Small Business Plan**
Governor Hochul is proposing a nearly billion-dollar plan focused on the State’s small businesses. Key components of this plan include:
- Funding for Small Businesses of the Future – Capital and venture debt awards to emerging small businesses in the innovation sector, including minority-and-women-owned companies often overlooked by venture investments;
- Small Business COVID Capital Investment Tax Credit – A $250 million tax credit to small businesses that took on COVID-related capital expenses;
- Seed Funding for Small Business – A $200 million flexible grant program for early-stage businesses recently opened despite the COVID-19 pandemic; and
- Small Business Lending Initiative – Provide reduced interest rate and accessible loans to expanding small businesses.

**Authorize a Social Equity Fund for Retail Cannabis Dispensaries**
The Budget would authorize a private debt or equity fund to be created to provide financial assistance to socially and economically disadvantaged individuals in relation to establishment of retail cannabis dispensaries. The fund would provide qualifying entrepreneurs with access to capital for purposes of establishing retail dispensaries. This would allow access to financing in an emerging young market and provide opportunities for economic development in disadvantaged communities across the State.

**Allow for the Sale of To-Go Drinks**
The Budget would amend the Alcoholic Beverage Control Law to allow any retail license that allows for liquor or wine sale for on-premises consumption to also sell these products for off-premises consumption. The State Liquor Authority (SLA) would maintain the ability to adopt rules and regulations for these sales, including but not limited to quantity and volume, food required at time of purchase, hours of sale, and the sealing of open containers.

**Extend the Film Tax Credit for Three Years**
Currently, the Empire State film production credit and post-production credit are available for taxable years beginning on or after January 1, 2015 and before January 1, 2027. This bill would extend these credits an additional three years to taxable years beginning before January 1, 2030.

**Enhancement of the Brownfield Opportunity Area (BOA) Program**
The Budget would amend the BOA program to strengthen its potential to realize the broad-based economic and social benefits of area-wide revitalization in economically distressed and environmental justice areas and to further the goals of the Climate Leadership and Community Protection Act (CLCPA) by making the program more accessible to communities with limited capacity and expanding eligible planning and pre-development activities.
Regional Economic Development

Regional Economic Development Councils
The Budget includes core funding of $225 million in grants and tax credits to fund high value regional priority projects, which is anticipated to be made available throughout the year to ensure that projects that are shovel-ready can be advanced in a timely fashion. The Executive Budget also includes significant resources for a robust package of workforce development initiatives (up to $350 million) and downtown and community revitalization initiatives (up to $450 million) that will be coordinated with REDC-driven economic development strategies where appropriate.

Downtown Revitalization Initiative
The Executive Budget provides $100 million for another round of the Downtown Revitalization Initiative (DRI). Participating communities are nominated by the State’s 10 REDCs based on the downtown’s potential for transformation. Each winning community is awarded funding to develop a downtown strategic investment plan and implement projects that advance the community’s vision for revitalization. The budget proposal would also authorize the Dormitory Authority of the State of New York (DASNY) to provide planning, design, procurement, and construction management services to downtown communities that have been selected as part of the New York State Downtown Revitalization Initiative (DRI) program.

New York Forward
The Executive Budget includes $100 million for a new NY Forward program, designed to advance the renaissance of smaller downtowns. Like the DRI program, NY Forward communities will be selected in partnership with the REDCs, and the Department of State (DOS) will lead the community through an abbreviated planning process to develop a slate of readily implementable projects.

Olympic Regional Development Authority (ORDA) Capital Improvements
The Budget includes $105 million in new capital funding for ORDA, including $92.5 million for a strategic upgrade and modernization plan to support improvements to the Olympic facilities and ski resorts with a focus on preparations for the 2023 World University Games, $10 million for critical maintenance and energy efficiency upgrades, and $2.5 million appropriated from the Office of Parks, Recreation and Historic Preservation budget as part of the New York Works initiative.

World University Games
The budget proposal contains a separate appropriation of $67 million in support of any expenses related to the World University Games set for Lake Placid and numerous other winter sports facilities throughout the North Country and nearby regions. Funds can be used for operations, capital and for transfer to state agencies or others as needed to facilitate the games.

Extend the New York City Musical and Theatrical Production Tax Credit
The Executive Budget would amend the New York City musical and theatrical production credit to extend the application deadline and the time that the individual $3 million cap is available, double the funding for the credit, and clarify how contributions made by theater producers to the Council on the Arts should be spent.
Elections

10-Day Voter Registration Deadline
Governor Hochul will amend State Law to lower the voter registration deadline from 25 days to 10 days before the election.

College Campus Polling Locations
In instances where a college/university campus has 300 or more students registered to vote, then the polling place designated within that election district will be located at the college/university or at an alternative location approved by the college/university. This provision would take effect January 1, 2024.

Environment

Billion Clean Water, Clean Air, and Green Jobs Environmental Bond Act
The Executive Budget proposes a $1 billion increase to the “Clean Water, Clean Air and Green Jobs Environmental Bond Act,” which would bring its total to $4 billion. If approved by the public in November 2022, the Bond Act would boost funding streams to restore habitats and reduce flood risk; improve water quality; protect open space and invest in recreational infrastructure; expand the use of renewable energy to mitigate climate change; and other such projects that preserve, enhance, and restore the quality of the state's environment.

Offshore Wind Investment
The Executive Budget includes a $500 million investment to develop the State’s offshore wind supply chains and port infrastructure. This initiative is expected to create 2,000 jobs in a growing industry.

Continued Investment in Clean Water Infrastructure
The Clean Water Infrastructure Act (CWIA) was enacted in 2017 to help ensure access to clean drinking water and allow counties and municipalities to invest in wastewater treatment strategies. The Budget proposes to invest an additional $500 million in clean water infrastructure funding, bringing the State’s total CWIA investment to $4.5 billion since 2017.

Increased Funding for the Environmental Protection Fund (EPF)
The Executive Budget provides a record $400 million for the EPF to support projects that work to mitigate the effects of climate change, improve agricultural resources, protect our water sources, advance conservation efforts, and provide recreational opportunities. Since SFY 2016-17, the EPF has been funded at $300 million.

Agriculture-Focused Climate Investments
The Executive Budget includes $12 million for the Climate Resilient Farms Program and $12.5 million for Soil and Water Conservation Districts to support climate-friendly and environmentally focused agriculture.
Drinking Water State Revolving Fund Federal Investment

The budget proposal includes $300 million in federal drinking water appropriation authority to provide additional resources made available under the Infrastructure Investment and Jobs Act. These new dollars will provide a significant opportunity to improve public water systems, specifically those in communities disproportionately impacted by lead in drinking water, including debt retirement and no-interest loans for public water system projects, lead line replacements, and activities to address emerging contaminants.

Provide Tax Credits for the Phase Out of a Certain Grade of Fuel Oil

Effective July 1, 2023, the use of No. 6 fuel oil for heating any building or facility in New York State is prohibited. This Executive Budget provides a tax credit equal to 50 percent of conversion costs (capped at $500,000 per taxpayer’s buildings located in a municipality) to assist affected entities outside of New York City to convert to cleaner energy sources such as biodiesel heating oil or a geothermal system.

Extend the Alternative Fuels and Electric Vehicle Recharging Property Credit for Five Years

The Executive Budget would change the expiration date of the Alternative Fuels and Electric Vehicle Recharging Property Credit from December 31, 2022 to December 31, 2027 to extend an incentive to utilize energy efficient and environmentally-friendly fuel sources.

Solar and Wind Valuation Program Technical Corrections

Under the recently-enacted Real Property Tax Law §575-b, when valuing solar and wind energy systems with a nameplate capacity of 1 megawatt or more, local assessors must use a valuation model and discount rates developed by the State Tax Department in consultation with NYSERDA. The law is silent as to how property owners may challenge the values so determined if they consider them excessive. Because local assessors are not in a position to defend a valuation model or discount rates that they have no control over and are bound by law to apply, they should only be accountable for the specific inputs they chose to enter into the State’s model. This proposal would structure the law accordingly by providing that:

1. upon request, the assessor has to give the property owner a copy of the inputs that the assessor used in the model;
2. the property owner has the opportunity to specifically identify the errors to those inputs and provide supporting information to the assessor showing why a change should be made;
3. the assessor can choose to make changes based on the request and info provided by the property owner, and if the assessor chooses not to make a change, or makes a change the property owner disagrees with, the property owner can then grieve to the Board of Assessment Review. The only basis for a grievance to the Board of Assessment Review would be that the model inputs made by the assessor are incorrect. Challenges to the model itself or the rates used therein would have to be brought against the Tax Department in an Article 78 proceeding.
Remove the Cap for the Inactive Landfill Initiative
Under the Inactive Landfill Initiative, the Department of Environmental Conservation investigates the quality of groundwater at inactive landfills, as well as private drinking water in residential areas close to inactive landfills. At the current rate of spending, it is anticipated that the appropriation limit for the program would be reached during 2022. The Budget would remove the $25 million appropriation funding limit from the Clean Water Infrastructure Act of 2017 to allow for the continuation of this initiative.

Extend and Enhance the Brownfield Cleanup Program
The Executive Budget would extend and update the Brownfield Cleanup Program (BCP) by providing new categories of eligibility for tangible property credits, establishing a program fee to pay for staff, and extending the site preparation and groundwater remediation credits for sites that may have been unable to complete work due to the COVID-19 pandemic. It would also extend the sunset date of the program by ten years, until December 31, 2032.

Extend the Waste Tire Management and Recycling Fee for Five Years
The Executive Budget would extend the waste tire recycling program to December 31, 2027. The $2.50 waste tire management fee that businesses selling new tires must collect supports the abatement of waste tire sites and associated staff at the Department of Environmental Conservation.

Extended Producer Responsibility for Packaging and Paper Products
This budget proposal would create an Extended Producer Responsibility program for packaging and paper products. The intent of this bill is to reduce waste at its source, promote more sustainable product design, and support the achievement of recycling and materials management goals by placing responsibility for the collection and management of post-consumer packaging and paper products on the producers of such products.

Reduce Toxics in Packaging
Packaging makes up nearly 30 percent of municipal solid waste. When packaging containing toxic substances is disposed of at a landfill or composting facility, these toxic substances may transfer to surface water, groundwater, or may even end up applied to land as biosolids. This bill would restrict the sale, offering for sale, or distribution of packaging with heavy metals, PFAS (polyfluoroalkyl substances), and phthalates at levels above 100 parts per million (ppm). Implementing these restrictions would support a reduction in the presence of these harmful substances from commerce and the environment, and address contamination issues associated with composting and recycling of packaging materials. Restrictions on PFAS in food packaging would take effect December 31, 2022, and new restrictions applicable to all packaging would take effect December 31, 2024.

Suffolk County Water Quality Restoration Act
The budget proposal would give Suffolk County Legislature the authority to establish a wastewater management district to protect the Long Island aquifer and marine environments. The intent of a cohesive management district is to reduce nitrogen discharge from local septic
systems, thereby preserving and improving drinking water quality, mitigating harmful algae blooms, and protecting local ecosystems.

**Providing Public Schools Access to the Clean Water State Revolving Fund**
The budget proposal would allow the Environmental Facilities Corporation (EFC) to offer school districts financing through the Clean Water State Revolving Fund (CWSRF) and harmonize the definition of "municipality" between the CWSRF and the Drinking Water State Revolving Fund (DWSRF). School districts are currently unable to access wastewater infrastructure funds because they are not currently included in the definition of municipality. This amendment would allow school districts to have access to the CWSRF for low-cost financial assistance and potential grant funding to address wastewater and storm water infrastructure needs.

**Require Zero On-Site Greenhouse Gas Emissions for New Construction by 2027**
To meet the goals established by the 2019 Climate Leadership and Community Protection Act (CLCPA), the Budget would update building energy codes, which govern new buildings and modifications to existing buildings, and require no on-site emissions of greenhouse gases for new construction by 2027. The Budget would also set performance and efficiency standards that reduce energy and water use.

**Ethics Reform for State and Local Government**
The Executive’s Budget includes State and local government ethics reforms. These include:

- **Term limits for statewide elected officials (not state legislators):** a constitutional amendment to limit statewide elected officials to two consecutive four-year terms in office;
- **Independent Commission on Ethics and Lobbying in Government:** replacing the Joint Commission on Public Ethics (JCOPE) with a new independent ethics enforcement organization to be overseen by a five-member rotating board selected by New York State-accredited law school deans or their designees; and
- **Changing Ethics Requirements for Local Officials:** this legislation would harmonize the laws for State and local officials with respect to gifts, standards of conduct for all public officers, nepotism, and lobbying.

**Gaming**

**Authorize Three Additional Commercial Casino Licenses**
The Executive Budget would authorize the NYS Gaming Commission to issue Requests for Application (RFA) to award licenses to no more than three additional applicants and removes the restriction that a facility cannot be allowed in Zone One (Putnam, Rockland, Westchester, New York City, Nassau, and Suffolk). This act would be effective immediately thereby expediting this process by one year under current law.
Commercial Gaming Payment Reduction Offsets\textsuperscript{liii}
The budget proposal includes \$10 million (up from \$7 million in the current year budget) in gaming revenue loss offsets resulting from the state changing tax rates for commercial gaming facilities. These payments are made to counties to hold them harmless due to the tax rate change that lowers the amount of revenue shared with counties.

Increase in Native American Compact Gaming Revenues\textsuperscript{liv}
With the announcement that the Seneca Nation will resume payments to the state, counties, and host communities the appropriation authority has increased for SFY 2023 to accommodate arrears. The chart below provides a breakdown of appropriation changes for all casinos operating in New York.

### Gaming Compact Appropriations SFY 2023

<table>
<thead>
<tr>
<th>Tribe</th>
<th>SFY 2022</th>
<th>SFY 2023</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seneca Niagara (25%)</td>
<td>$61M</td>
<td>$72M</td>
<td>$11M</td>
</tr>
<tr>
<td>Seneca Niagara (10%)</td>
<td>$35M</td>
<td>$45M</td>
<td>$10M</td>
</tr>
<tr>
<td>Seneca Allegany (25%)</td>
<td>$27M</td>
<td>$34M</td>
<td>$7M</td>
</tr>
<tr>
<td>Seneca Allegany (10%)</td>
<td>$16M</td>
<td>$21M</td>
<td>$5M</td>
</tr>
<tr>
<td>Seneca Buffalo (25%)</td>
<td>$38M</td>
<td>$52M</td>
<td>$14M</td>
</tr>
<tr>
<td>Seneca Buffalo (10%)</td>
<td>$19M</td>
<td>$25M</td>
<td>$6M</td>
</tr>
<tr>
<td>Akwesasne (25%)</td>
<td>$15M</td>
<td>$23M</td>
<td>$8M</td>
</tr>
<tr>
<td>Akwesasne (10%)</td>
<td>$6M</td>
<td>$10M</td>
<td>$4M</td>
</tr>
<tr>
<td>Oneida (25%)</td>
<td>$32M</td>
<td>$35M</td>
<td>$3M</td>
</tr>
<tr>
<td>Oneida (10%)</td>
<td>$10M</td>
<td>$11M</td>
<td>$1M</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$259M</td>
<td>$328M</td>
<td>$69M</td>
</tr>
</tbody>
</table>

### Commercial Gaming Appropriations SFY 2023

<table>
<thead>
<tr>
<th>Location</th>
<th>SFY 2022</th>
<th>SFY 2023</th>
<th>$ Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resorts World</td>
<td>$20M</td>
<td>$20M</td>
<td>$0</td>
</tr>
<tr>
<td>Rivers</td>
<td>$20M</td>
<td>$20M</td>
<td>$0</td>
</tr>
<tr>
<td>del Lago &amp; Tioga</td>
<td>$22M</td>
<td>$22M</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$62M</td>
<td>$62M</td>
<td>$0</td>
</tr>
</tbody>
</table>

Extension OTB’s Flexible Use of Capital Funds\textsuperscript{lv}
The Executive Budget extends, for one year, the ability of OTB’s to use up to 23\% of their capital funds for purposes such as statutory obligations and payroll.
General Government

Provide Additional Cybersecurity Funding

The Executive Budget will include an additional $44 million to further strengthen State and Local cyber defense and response efforts. Investments in hardware and software security tools and cyber personnel will enhance protection of State and Local systems and reduce risk and vulnerabilities.

Local Government Efficiency Grants

The Budget continues funding for competitive grants to help cover costs associated with local government efficiency projects, such as consolidation or shared services. The maximum implementation grant award is $200,000 per municipality/$1 million per grant consortium, and the maximum planning grant award is $12,500 per municipality/$100,000 per grant consortium.

Housing Rental Assistance Program

Launch a New Five-Year, $25 billion Comprehensive Housing Plan

The Budget advances a new $25 billion, five-year Housing Plan to create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes as part of the State’s plan to electrify one million homes and make another one million electrification-ready.

Funding includes $5.7 billion in capital resources, $8.8 billion in State and Federal tax credits and other federal allocations, $11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies.

The plan expands on existing State programs and creates new ones, including the following:

- Supportive Housing. $1.5 billion for the construction of 7,000 supportive housing units and rehabilitation of 3,000 supportive housing units throughout the State, toward the creation of 20,000 units over 15 years;
- Multi-Family New Construction. $1 billion for new construction or adaptive reuse of rental housing affordable to households that earn up to 60 percent of area median income (AMI);
- Senior Housing. $300 million for developing or rehabilitating affordable housing targeted to low-income seniors, aged 60 and above;
- Middle-Income Housing. $90 million for new construction, adaptive reuse, or reconstruction of rental housing affordable to households that earn between 60 and 130 percent of AMI;
- Public Housing Preservation. $150 million for substantial or moderate rehabilitation and/or the demolition and replacement through new construction of public housing authority developments outside of New York City;
- Multi-Family Preservation. $450 million for substantial or moderate rehabilitation of affordable multi-family rental housing currently under a regulatory agreement;
Mitchell-Lama Preservation. $120 million to preserve and improve Mitchell-Lama properties throughout the State;
Small Building Rehab. $60 million for rehabilitation and/or the demolition and replacement through new construction of buildings of 5 to 40 units;
Accessory Dwelling Units. $85 million for the creation or rehabilitation of Accessory Dwelling Units (ADUs), including backyard cottages, attics, garages, and basements;
Manufactured Homes. $20 million for mobile and manufactured home programs;
Homeownership Programs. $400 million for promoting home ownership among families of low and moderate income and stimulating the development, stabilization, and preservation of New York communities. This includes a $50 million pilot for affordable homeownership opportunities that prioritize resident control.

Creation of Accessory Dwelling Units (ADUs)
The Executive Budget will require local governments to provide for the creation of ADUs. Accessory dwelling units (ADUs) are attached or detached residential units that provide complete independent living facilities that are on the same lot as a primary residence.

To promote the creation of affordable and multi-generational housing, this bill would require local governments to:
- authorize the creation of at least 1 ADU (Accessory Dwelling Units) per residential lot; and
- provide reasonable standards for structural requirements for ADUs.

Other requirements would include a prohibition on the ADU being sold separately from the main residence or used as a short-term rental, and restrictions on the local government from regulating the size of the ADU.

Property owners who are denied a permit in violation of the requirements of this Article could file an Article 78 proceeding with the Supreme Court.

The bill would require a city with a population of a million or more to create a program to address ADUs that existed prior to the passage of this article. This program may provide amnesty for such owners.

Finally, the bill would establish a lending program to assist low- and moderate-income homeowners to secure financing and technical assistance to create accessory dwelling units.

Human Services
Childcare Investments
Building on $832 million in existing subsidies and $2.3 billion in Federal childcare resources, the Budget includes new investments to support children, parents, and the childcare industry.
- Increase Eligibility for Subsidies—childcare subsidy eligibility will be increased from up to 200 percent of the Federal poverty level to up to 300 percent of the Federal poverty level over three years. Fully phased in, more than $535 million annually will allow an additional 400,000 children to become newly eligible.
SFY 23 Executive State Budget  
County Impact Summary

- Maintain Access to Child Care Providers—$125 million in funding annually is included to maintain childcare subsidies when rates increase in 2022.
- Support Child Care Workers—$75 million is invested in childcare worker wages, an endorsement of the importance of their work.

Invest in Home Visiting  
Currently, 37 of 58 social service districts operate home visiting programs, serving 6,000 families, and achieving positive outcomes. The Executive Budget directs an additional $11 million to the Home Visiting program, bringing the total level of State support to $41.5 million. This increase is expected to serve an additional 1,600 families.

Adjust Foster Care Rates  
The Executive Budget advances legislation to modernize the rate methodology used to reimburse costs associated with the care of a child in foster care. The new methodology will use United States Department of Agriculture (USDA) data. This change will provide $43.5 million to nearly 25,000 families through increased adoption subsidies.

Funds the Human Services COLA  
Funding is included to pay the 5.4 percent human services COLA for applicable OCFS (Office of Children and Family Services) and OTDA (Office of Temporary and Disability Assistance) programs, including Foster Care, Adoption, NY/NY III, and Nutrition Outreach and Education.

Safety Net Assistance  
The budget proposes to eliminate the 45-day waiting period for prospective Safety Net Assistance recipients before they can begin to receive program benefits. The state estimates this will increase total program costs by $61 million, with counties funding $39.5 million and the state funding $22.1 million.

Invest in Runaway and Homeless Youth Housing  
The Executive Budget proposes a $2 million increase in funding for runaway and homeless youth services by supporting the expansion of crisis and transitional living beds.

Judiciary and Court Related Matters  
Provide a Market-Rate of Interest on Court Judgments.  
For court judgments paid by public and private entities, the Executive Budget allows a variable market-based interest rate, providing mandate relief for local governments and lower State taxpayer costs.

Currently, the interest rate on judgments is established at a fixed rate of as much as 9 percent annually. A prevailing market rate will help ensure that neither side in a lawsuit will be disadvantaged by an interest rate that is above or below what otherwise could be earned while cases are being adjudicated.
Office of Indigent Legal Services

**Continue the Hurrell-Harring Settlement (HHS) Implementation.**

The Executive Budget provides $50 million in funding for the continued expansion of the HHS reforms to every county to improve the quality of indigent criminal defense statewide. This is the final year of expected increases stemming from the HH settlement, however the now $250 million per year from the state is expected to continue in future years at that level.

Medicaid & Healthcare

The core of the Governor’s healthcare budget is a $10 billion investment over multiple years to strengthen the workforce and stabilize health facilities.

**$10 Billion Healthcare Investment**

To build the healthcare system of tomorrow and restore a depleted healthcare workforce, Governor Hochul proposes to make a more than $10 billion, multi-year investment in healthcare, including more than $4 billion to support wages and bonuses for healthcare workers. Key components of this multi-year investment include:

- $2 billion to support healthcare worker wages;
- $1.2 billion to support healthcare and mental hygiene worker retention bonuses, with up to $3,000 bonuses going to full-time, and part-time, workers who remain in their positions for one year, and pro-rated bonuses for those working fewer hours.
  - This requires health care employers to identify eligible workers and pay the bonuses based on hours worked and certain vesting periods. Employers are defined as being enrolled in the Medicaid program and having at least one employee and bills for services under Medicaid. Employers that do not pay the bonuses are subject to $1,000 fines per infraction, per individual worker. The employer would seek reimbursement from the state for bonuses paid.
- $500 million for Cost-of-Living Adjustments (COLAs) to help raise wages for human services workers;
- $2.4 billion for healthcare capital infrastructure and improved lab capacity; and
- Other investments in workforce and healthcare access and delivery.

**Medicaid Global Cap**

The Executive Budget continues the Medicaid spending cap enacted in FY 2012 and recommends funding consistent with its provisions. However, the Budget proposes a major change to how the cap is calculated by moving the current metric used to set the Global Cap spending limit from the ten-year rolling average of the Medical Component of the Consumer Price Index (CPI) to the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS).

The CMS model, in recent years, has projected higher annual growth rates than the model currently used by the state. The new index would account for enrollment and population changes, which are significant drivers of costs, and supports additional Medicaid spending growth of $366 million in FY 2023 above the current Medicaid cap, increasing allowable spending by $3.1 billion over five years.
Fiscal Impact of Changes in Medicaid Global Cap Annual Growth

<table>
<thead>
<tr>
<th></th>
<th>SFY 2022</th>
<th>SFY 2023</th>
<th>SFY 2023</th>
<th>SFY 2024</th>
<th>SFY 2025</th>
<th>SFY 2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Medicaid Global Cap</td>
<td>$20,572</td>
<td>$21,172</td>
<td>$21,749</td>
<td>$22,333</td>
<td>$22,957</td>
<td>$23,612</td>
</tr>
<tr>
<td>$ Change</td>
<td>$580</td>
<td>$600</td>
<td>$577</td>
<td>$584</td>
<td>$624</td>
<td>$655</td>
</tr>
<tr>
<td>% Annual Growth</td>
<td>2.9%</td>
<td>2.9%</td>
<td>2.7%</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Proposed Global Cap</td>
<td>$20,572</td>
<td>$21,538</td>
<td>$22,649</td>
<td>$23,875</td>
<td>$25,238</td>
<td>$26,724</td>
</tr>
<tr>
<td>$ Change</td>
<td>$580</td>
<td>$966</td>
<td>$1,111</td>
<td>$1,226</td>
<td>$1,363</td>
<td>$1,486</td>
</tr>
<tr>
<td>% Annual Growth</td>
<td>2.9%</td>
<td>4.7%</td>
<td>5.2%</td>
<td>5.4%</td>
<td>5.7%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Increased Spending Allowed</td>
<td>$0</td>
<td>$366</td>
<td>$534</td>
<td>$642</td>
<td>$739</td>
<td>$831</td>
</tr>
</tbody>
</table>

Repeals the Across-the-Board Rate Cut to Health Providers
Medicaid funding will be increased for providers through the elimination of current 1.5 percent across the board funding cuts implemented over the last few years. The budget also proposes to increase rates across-the-board by 1 percent. Combined, these actions would provide $3.7 billion in new funding to health providers over several years.

Safety Net Provider Pool
The State will invest $2.8 billion in payments directed to “Safety Net” hospitals to support urgent operating needs and address pandemic-related impacts. The bill language expands the list of health care providers that would be eligible to receive lump sum payments, but it specifically exempts public benefit corporations from accessing the pool.

Distressed Health Facilities Pool
The two-year program scheduled to sunset at the end of the current state fiscal year is made permanent and relies on the diversion of $250 million in local sales tax ($50 million from 57 counties and $200 million from New York City) to finance the program (as noted previously).

Budget Assumes One More Quarter of Federal COVID eFMAP
The federal public health emergency for COVID was recently extended and the state budget is assuming one more quarter of enhanced federal Medicaid matching funds (eFMAP), +6.2 percent above normal reimbursement levels. Counties receive about 18 percent of the enhanced federal match – these are passed through to counties through lower weekly Medicaid shares. With the normal one quarter delay in receiving these federal funds this means the county benefit from this (about $165 million per quarter) in calendar year 2022 would be equivalent to about $500 million. It is unclear how the state will adjust weekly shares and over what time period to ensure these savings are realized for counties.
Continuing the State Takeover of Local Medicaid Costs.\textsuperscript{lxvii}  
In FY 2023, the State will assume nearly $5.2 billion in costs that would have otherwise been incurred by localities.

Frontline Healthcare and Mental Hygiene Worker Bonuses\textsuperscript{lxviii}  
This retention program will provide up to $3,000 bonuses to full-time workers who remain in their positions for one year, and pro-rated bonuses for those working fewer hours.

Expansion of the Statutory Shift Pay Differential\textsuperscript{lxix}  
The Executive Budget advances legislation to improve staffing of hard-to-fill shifts within the State’s institutional settings, including healthcare settings, by authorizing the provision of the shift pay differential for any work shift which it is deemed necessary to incentivize employees to work.

Mental Health  
Support the Federal Creation of a 988 Crisis Hotline.\textsuperscript{lx}  
The budget proposal includes the 988 Suicide Prevention and Behavioral Health Crisis Act, which would establish an infrastructure for the three-digit phone to connect individuals experiencing a behavioral health crisis with suicide prevention and behavioral health crisis counselors, mobile crisis teams, and crisis stabilization services. The Commissioners of the Office of Mental Health (OMH) and Office of Addiction Services and Supports (OASAS) would be authorized to designate and provide standards for crisis hotline centers which would be responsible to provide or arrange for crisis intervention services, including follow up services as needed, to individuals accessing the hotline. The 988 dialing code will be available nationally for call, text or chat beginning in July 2022.

The budget includes $35 million in FY2023, increasing to 60 million in FY2024, to support the implementation of the 988 Crisis Hotline in New York State.

Commit an Additional $15 Million to Develop Housing\textsuperscript{lxix}  
The Executive Budget continues to expand independent living opportunities for individuals with intellectual and developmental disabilities. Since FY 2016, the State has invested $95 million in capital resources to develop safe and accessible residential opportunities, and the Executive Budget raises this investment to a total of $110 million. These funds are distinct from, and in addition to, resources that are available from the five-year, $20 billion affordable and supportive housing plan, which is also helping support the development of residential opportunities for people with intellectual and developmental disabilities.

Expand Crisis Services\textsuperscript{lxii}  
The Executive Budget provides $4.5 million to continue rate enhancements for Intensive Behavioral Services (IBS) and improve connections to county-based mobile crisis services. These investments will allow more individuals to remain in independent settings or with their family and can also reduce unnecessary emergency room visits.
Strengthen Suicide Prevention

The Executive Budget will enhance mental health and suicide prevention programs available for youth and families experiencing a mental health crisis. This includes an investment of $10 million to fund the expansion of the Home-Based Crisis Intervention (HBCI) program and the establishment of a Mental Wellness Community Workforce.

Personnel / Labor / Civil Service

Modernizing Civil Service Exams

The Executive Budget provides $5.8 million in additional funding to the DCS (Department of Civil Service) to continue modernizing the State’s exam process, including the creation of a new Test Validation and Evaluation Unit within DCS that will continually create and evaluate exam content to maintain the highest levels of integrity, establishing new SUNY campus test centers, and funding for technical assistance for online/virtual exams. Additionally, the Executive Budget advances several pieces of legislation that will make the exam process more accessible.

Permitting the Use of Continuous Recruitment Testing

The Executive Budget amends civil service law to allow the state Department of Civil Service or municipal commission to permit the use of a continuous recruitment testing process for open-competitive examinations. Accordingly, if adopted these tests can be open and offered continuously throughout the year and not only periodically.

This proposal would allow the state or municipal commission to eliminate the requirement to announce and hold open-competitive examinations at the same time promotional exams are held. This will allow non-competitive and labor class employees to compete in promotion exams without the need for a potentially unnecessary open-competitive examination.

Allows the Transfer of Non-Competitive Employees Appointed Through the State’s 55-B and 55-C Programs into the Competitive Class

This bill allows the transfer of non-competitive employees appointed through the state’s 55-B (individuals with disabilities) and 55-C (veterans) programs into the competitive class if they meet the requisite criteria.

This authority allows Veterans to qualify and transfer from non-competitive employment positions to competitive positions if they meet the minimum qualifications of this position.

Public Health & Nursing Homes

Increase County Public Health Funding

Local health departments (LHDs) have been at the forefront of public health issues, including COVID, and serve as the first line of defense against all new and widespread public health crises. The Budget would amend Public Health law to increase base grant funding to full service LHDs to $750,000, or $1.30 per capita. It would also increase base grant funding to partial-service LHDs to $577,500. Full-service LHDs currently receive a base grant of $650,000, or $0.65 per person if the population is over 1 million, and partial-service LHDs
receive a base grant of $500,000. This will allow LHDs to better respond to new and emerging public health threats.

The budget proposal would also amend Public Health law to allow LHDs to claim up to 50 percent of personnel services costs. LHDs cannot currently claim fringe benefits for State Aid reimbursement. This would give LHDs the opportunity to increase their staffing levels to meet public health demands.

**Modernize Emergency Medical Services**

As part of the Executive Budget, a one-time appropriation of $5 million will be provided to implement a county-wide emergency medical services overlay pilot in select New York counties.

**Opioid Stewardship and Settlements Investments**

The Executive Budget utilizes over $100 million collected from pharmaceutical companies responsible for fomenting the opioid crisis to fund an historic investment in addiction services across New York State, including $4 million to fund scholarships for current and future members of New York State’s addiction services workforce. The Executive Budget also proposes to support additional Harm Reduction Services ($9 million recurring) and Naloxone distribution ($8 million in FY 2023 and $10 million thereafter) under the AIDS Institute by utilizing additional resources from the Opioid Stewardship Fund and the Opioid Settlement Fund, respectively.

**COVID-19 Wastewater Surveillance**

The Executive Budget invests $5 million in Clean Water Infrastructure Act funding for each year from FY 2023 to FY 2025 to support and expand the statewide wastewater surveillance initiative, which conducts analysis of municipal wastewater for genetic markers of COVID. This wastewater surveillance network will guide policymaking for the COVID response, and the new expanded testing network will also be useful for monitoring the opioid epidemic and any future infectious disease threats that may arise.

**Expand Access to Naloxone and Buprenorphine in Pharmacies**

The budget proposal would require pharmacies to maintain a stock of both naloxone, which reverses opioid overdoses, and buprenorphine, which is used to treat Opioid Use Disorder. This bill would be effective 60 days after enactment.

**Modernize and Expand Alcohol Awareness Program to Include Adult-Use Cannabis**

The budget proposal would change the name of the Alcohol Awareness Program to the Substance Use Awareness Program and extend the scope of the program to include raising awareness of the health and social costs of cannabis use. The Budget also includes $750,000 for the development of evidence-based practices to address addiction.

**Public Safety**

**Clean Slate Act**

The Governor advances a proposal to automatically seal convictions for certain felonies after seven years and misdemeanor records after three years, following the completion of a sentence.
This legislation would take effect eighteen months after becoming law.

**Continue Implementation of Raise the Age**

The Executive Budget continues $250 million in appropriated support for Raise the Age, which increased the age of criminal responsibility from 16 to 18.

**Criminal Justice Discovery Compensation Fund**

The Executive Budget permanently requires the Office of the Manhattan District Attorney to annually transfer $40 million of revenue from the deferred prosecution agreements to the Criminal Justice Discovery Compensation Fund to support local assistance services and expenses related to digital evidence transmission technology.

**Actions to Address Gun Violence**

- Triple Resources for Crime Gun Tracing Efforts. The Executive Budget provides $215,000 in funding to triple the state’s gun violence intelligence resources by staffing the New York State Intelligence Center (NYSIC) with a team of analysts necessary to process and investigate crime guns across the state.

- Strengthen Law Enforcement Partnerships – The Executive Budget provides $13.1 million to expand the use of Community Stabilization Units that partner the most experienced State Troopers with local law enforcement agencies to combat community-specific crime problems.

- Expand the State’s Direct Support to Local Law Enforcement (GIVE (Gun Involved Violence Elimination)) – The Executive Budget increases funding to $18.2 million for New York’s nationally recognized Gun Involved Violence Elimination (GIVE) initiative which supports local law enforcement efforts to stop the gun violence in New York. This investment will enable the launch of several new initiatives which will support law enforcement’s ability to clear non-fatal shooting cases, engage in youth-centered community programming, and reduce recidivism for individuals under community supervision.

- Triple Investment in Community-Based Gun Violence Response (SNUG) – The Executive Budget sustains last year’s emergency increase in funding for New York’s SNUG Outreach program and further expand support to combat the spike in gun crimes. This investment of $24.9 million will expand hospital-based and street outreach programs to touch all corners of the state. It will facilitate the piloting of several new initiatives which provide wrap-around services for youth, job-readiness, and work placement training.

- Provide Pretrial Services to Promote Public Safety – The Executive Budget provides $10 million in new funding to probation and community-based providers for localities outside of New York City so they can provide a continuum of pretrial services that divert people from unnecessary detention and at the same time keep communities safe.

**Temporary Jail Placements When Detention Beds Aren’t Available**

The Executive Budget establishes a hearing process that would allow the State to use temporary jail placements as an alternative to detention when sufficient bed space is not
available provided the State obtains judicial consent. Implementing this change would alleviate strains on local government entities, detention facilities, and operating agencies while promoting the safety and security of youth and staff.

Shared Services

**County-Wide Shared Services Initiative**

Through December 31, 2024, local governments in each county are required to meet to discuss and pursue opportunities to share and consolidate services that will permanently reduce the local property tax burden. The Executive Budget re-appropriates over $200 million to support State matching grants for these collaborations. It would also make projects previously proposed but not implemented eligible for state matching funds and require shared services panels to submit applications for matching funds by December 31 of the second year following plan adoption.

Transportation

**Local Highways and Bridges**

The Executive Budget continues and expands the State’s record commitments to funding local highway and bridge projects.

Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program is maintained at last year’s level of $577.8 million.

The budget proposal provides $100M for the new Pave Our Potholes program, $150 in highway aid through the PAVE NY program, $100 million for extreme winter recovery, $200 million to fund the local projects from the BRIDGE NY programs, and $100 million for touring routes.

**Increase CHIPS Bidding Threshold**

The Executive Budget advances a proposal to raise the current CHIPS bidding threshold from $350,000 to $750,000, which would provide greater flexibility in completing street and highway projects.

**Capital Appropriations for Airports**

The Executive Budget includes the following appropriations for aviation.

- $150 million for Upstate Airport Development (to fully fund the program at $250 million)
- $12.5 million for the Aviation Capital Grant Program
- $14 million Airport Improvement Program
- Raises the maximum aviation capital grant award to $5 million

**Encourage Transit-Oriented Development of Multi-Family Housing Downstate**

The Budget would prohibit certain cities, towns, and villages from taking actions that prohibit housing with density of at least 25 units per acre on any land where residential construction and occupation is already permitted or effectively prohibiting such housing through excessive restrictions on height, setbacks, floor-area ratio, and other requirements. This would apply to any city, town, or village within 60 miles of New York City with residential zoning within a half mile of a bus transportation center or Metro North, Long Island Railroad, Port Authority, or
New Jersey Transit station. It would also require comprehensive plans devised by these localities to reflect the goal of increasing multi-family housing in close proximity to transit hubs.

**Veterans**

**Extend and Enhance the Hire-A-Vet Credit for Three Years**

Currently, eligible veterans are limited to service members who became veterans after September 11, 2001, which limits the credit’s reach. In addition, eligible veterans must work at least 35 hours per week for the employer to receive the tax credit amount. The Budget:

- Extends the credit for an additional three years,
- Expands eligibility to all veterans,
- Removes the distinction between disabled and non-disabled, and
- Allows the credit for part-time employment to increase the number of veterans impacted.

**Reinforce Support for Veterans**

Current State law requires New York to provide every county and city Veterans’ Service Agency with $10,000 per year, and an additional $5,000 for each increment of 100,000 people living in the county or city.

The Executive Budget increases the minimum annual State funding to Veterans’ Service Agencies from $10,000 to $25,000.

The Executive Budget also includes $1 million to expand the number of Veterans’ Benefit Advisors at DVS.

**Expand the Joseph P. Dwyer Program Statewide**

The Executive Budget includes $7.7 million to expand the Joseph P. Dwyer Peer-to-Peer Veterans’ Support Program statewide, providing vital peer support and counseling services to veterans who are transitioning from military service to civilian life.

<table>
<thead>
<tr>
<th>Joseph P. Dwyer Grant Allocations (SFY 23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany County</td>
</tr>
<tr>
<td>Allegany County</td>
</tr>
<tr>
<td>Broome County</td>
</tr>
<tr>
<td>Cattaraugus County</td>
</tr>
<tr>
<td>Cayuga County</td>
</tr>
<tr>
<td>Chautauqua County</td>
</tr>
<tr>
<td>Chemung County</td>
</tr>
<tr>
<td>Chenango County</td>
</tr>
<tr>
<td>Clinton and Franklin Counties</td>
</tr>
<tr>
<td>Columbia and Greene Counties</td>
</tr>
<tr>
<td>Cortland County</td>
</tr>
<tr>
<td>Delaware County</td>
</tr>
<tr>
<td>Dutchess County</td>
</tr>
<tr>
<td>Erie County</td>
</tr>
</tbody>
</table>

New York State Association of Counties
<table>
<thead>
<tr>
<th>County</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Essex County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Fulton County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Genesee, Orleans, and Wyoming Counties</td>
<td>$185,000</td>
</tr>
<tr>
<td>Hamilton County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Herkimer County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Jefferson County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Lewis County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Livingston County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Madison County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Monroe County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Montgomery County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Nassau County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Niagara County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Oneida County</td>
<td>$105,000</td>
</tr>
<tr>
<td>Onondaga County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Ontario County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Orange County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Oswego County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Otsego County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Putnam County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Rensselaer County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Rockland County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Saratoga County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Schenectady County</td>
<td>$105,000</td>
</tr>
<tr>
<td>Schoharie County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Schuyler County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Seneca County</td>
<td>$100,000</td>
</tr>
<tr>
<td>St. Lawrence County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Steuben County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Suffolk County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Sullivan County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Tioga County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Tompkins County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Ulster County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Warren and Washington Counties</td>
<td>$185,000</td>
</tr>
<tr>
<td>Wayne County</td>
<td>$100,000</td>
</tr>
<tr>
<td>Westchester County</td>
<td>$185,000</td>
</tr>
<tr>
<td>Yates County</td>
<td>$100,000</td>
</tr>
<tr>
<td>University at Albany School of Social Welfare</td>
<td>$210,000</td>
</tr>
<tr>
<td>NYC</td>
<td>$400,000</td>
</tr>
</tbody>
</table>
Workforce Development

**Establish the Office of Workforce and Economic Development**

A new Office of Workforce and Economic Development at Empire State Development would coordinate efforts statewide through the State’s Regional Economic Development Councils, and in conjunction with the Department of Labor, the State University of New York, and the City University of New York.

The Governor also proposes to invest in a full spectrum of programs to unlock career opportunities that prepare more New Yorkers for the jobs of the future – with particular focus on information technology, life sciences and advanced manufacturing, the green economy, and film production and post-production.

**Extend the New York Youth Jobs Program Tax Credit for an Additional Five Years**

Currently, employers in New York State that hire an employ at-risk youth on a full-time or part-time basis are eligible for the Youth Jobs Program tax credit. This bill would amend Labor Law § 25-a to change the expiration date of the tax credit from December 31, 2022 to December 31, 2027.

**Extend the Empire State Apprenticeship Tax Credit for an Additional Five Years**

The Empire State Apprenticeship Tax Credit provides tax incentives to qualified employers for hiring new qualified apprentices on or after January 1, 2018. The personal income tax and corporate franchise tax credits are currently available through 2022. This legislation would extend eligibility through 2027.

**Extend the Workers with Disabilities Tax Credit for Six Years**

The Workers with Disabilities Tax Credit provides tax incentives to employers of qualified full-time employees with disabilities. The tax credit is currently available until January 1, 2023. This legislation would extend eligibility through tax years beginning before January 1, 2029.

**Increases Funding for the Summer Youth Employment Program**

New York State’s Summer Youth Employment Program introduces youth to the workforce and helps them acquire skills that can be used to improve school performance and future career outcomes. The Executive Budget proposes to increase the allocation to local social services districts for this program by $1.1 million for a total of $46.1 million.

**Budget References**

1. Page 119, SFY 23 Briefing Book
3. Page 97, SFY 23 Briefing Book & Part CC, HMH Section 7
4. Page 119, SFY 23 Briefing Book & Part X, PPGG
5. Capital Projects, p. 918
6. Page 89, SFY 23 Briefing Book
7. Aid to Localities, p. 29
8. REV, Part B
SFY 23 Executive State Budget
County Impact Summary

[ix] Part AA, ELFA
[x] Governor’s Press Release
[xx] Part L, ELFA
[xxi] Page 113, SFY 23 Briefing Book
[xxii] Page 123, SFY 23 Briefing Book & Part V, PPGG
[xxiii] Page 137, SFY 23 Briefing Book
[xxiv] Page 97, SFY 23 Briefing Book
[xxv] HMH, Part D
[xxvi] Page 95, SFY 23 Briefing Book
[xxvii] Page 97, SFY 23 Briefing Book
[xxviii] Page 97, SFY 23 Briefing Book
[xxix] Governor’s Press Release
[xxx] Page 129, SFY 23 Briefing Book & Part EE, HMH
[xxxi] Page 129, SFY 23 Briefing Book
[xxi] Page 129, SFY 23 Briefing Book
[xxiv] Page 61, SFY 23 Briefing Book
[xxv] Page 61, SFY 23 Briefing Book
[xxvi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book
[xxxi] Page 61, SFY 23 Briefing Book
[xxvii] Page 61, SFY 23 Briefing Book
[xxviii] Page 61, SFY 23 Briefing Book
[xxix] Page 61, SFY 23 Briefing Book
[xxx] Page 61, SFY 23 Briefing Book