Interim

Legislative One-House SFY 22 State Budgets

County Impact Report

March 15, 2021

Hon. John F. Marren, President
Stephen J. Acquario, Executive Director
### Table of Contents

**Contents**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Special Federal Funds Appropriation</td>
<td>3</td>
</tr>
<tr>
<td>Executive Authority to Withhold State Funding</td>
<td>5</td>
</tr>
<tr>
<td>Changes in Taxation &amp; Finance Important to Counties</td>
<td>6</td>
</tr>
<tr>
<td>State Spending by Functional Areas</td>
<td>7</td>
</tr>
<tr>
<td>Aid and Incentives to Municipalities (AIM)</td>
<td>7</td>
</tr>
<tr>
<td>Aging</td>
<td>7</td>
</tr>
<tr>
<td>Agriculture</td>
<td>7</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>8</td>
</tr>
<tr>
<td>Early Childhood Development and Children with Special Needs</td>
<td>8</td>
</tr>
<tr>
<td>Economic Development</td>
<td>10</td>
</tr>
<tr>
<td>Regional Economic Development</td>
<td>11</td>
</tr>
<tr>
<td>Elections</td>
<td>12</td>
</tr>
<tr>
<td>Environment</td>
<td>12</td>
</tr>
<tr>
<td>Gaming and VLT Revenue Sharing</td>
<td>14</td>
</tr>
<tr>
<td>Human Services</td>
<td>14</td>
</tr>
<tr>
<td>Judiciary and Court Related Matters</td>
<td>17</td>
</tr>
<tr>
<td>Office of Indigent Legal Services</td>
<td>17</td>
</tr>
<tr>
<td>Legalize Adult-Use Recreational Marijuana</td>
<td>17</td>
</tr>
<tr>
<td>Medicaid</td>
<td>17</td>
</tr>
<tr>
<td>Mental Health</td>
<td>17</td>
</tr>
<tr>
<td>Personnel / Civil Service</td>
<td>18</td>
</tr>
<tr>
<td>Procurement</td>
<td>18</td>
</tr>
<tr>
<td>Public Health</td>
<td>19</td>
</tr>
<tr>
<td>Public Safety</td>
<td>19</td>
</tr>
<tr>
<td>Shared Services</td>
<td>20</td>
</tr>
<tr>
<td>Transportation</td>
<td>20</td>
</tr>
<tr>
<td>Veterans</td>
<td>21</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>21</td>
</tr>
</tbody>
</table>
Introduction

This past week, the Senate and Assembly have introduced their respective one-house budget bills. In general, both chambers propose significant restorations of local assistance cuts and they achieve this through raising new revenues on high income individuals and revenue re-estimates combined with new (and the restoration of) targeted business and corporate tax increases and surcharges.

The Assembly includes more revenue increases than proposed by the Governor (details provided below) that will increase available revenues by nearly $7 billion in SFY 2022, with the bulk of these revenues coming from higher income taxes on the wealthy. These revenue enhancements would recur and grow modestly in the out years of the State Financial Plan.

The Senate also includes new revenues above the Governor’s budget proposal very close to the Assembly level.

Legislative Budget Conference committees are being formed and available revenues and spending thresholds will be established by the Governor and legislative leaders and provided to each committee. It is expected that taxation issues and overall spending levels will be determined by legislative leaders at the central budget committee. The committees are expected to begin meetings this week.

NYSAC has reviewed the two legislative spending priority plans and detailed the key changes they have made to the Governor’s budget proposal. This abbreviated summary provides those key changes below (in Red). The background for each of these key areas can be found on the NYSAC website.

NYSAC staff will continue to review these proposals and are available to answer questions as they arise.

Special Federal Funds Appropriation

The Governor’s budget included set-asides for unrestricted federal aid to accommodate any such resources being approved by Congress and signed into law. The Governor built his budget based on the receipt of $6 billion in federal assistance, or $15 billion in federal assistance provided over two years.

After the Governor’s budget was released, the legislature and governor agreed that the state would collect an additional $2.4 billion in revenues over the close of the current budget year and next year, reducing the budget gap by that amount.

On March 11th, President Biden signed the American Rescue Plan, which includes $12.6 billion in unrestricted federal aid for New York State and tens of billions more in direct federal funds for programs administered by state agencies. The unrestricted federal aid, plus the additional revenue agreed to by legislative leaders fulfills the Governor’s request of $15 billion.
Legislative One-House SFY 22 State Budgets
County Impact Summary

While long term structural problems remain in the state budget, the additional federal resources provided to state agencies, school districts, and the likelihood of a longer extension of enhanced Federal Medicaid Assistance Percentage (eFMAP) provides many billions more in fiscal breathing room for the state budget over the next couple of years.

As introduced, the Governor’s Budget outlined special federal appropriations and how he intended to use these funds in the budget to either reduce spending cuts or defer proposed tax increases, these are listed below.

• $1.35 billion to offset negative local district adjustments in the proposed/enacted budget
• $300 million to offset services aid reductions to school districts in the proposed/enacted budget
• $1.6 billion for other services and expenses of the State Education Department
• $600 million for operating expenses, including personal services
• $400 million for expenses of the Department of Health, municipalities and other public health organizations
• $700 million to support services to vulnerable New Yorkers including but not limited to emergency assistance for the homeless, veterans, domestic violence victims, among others
• $200 million for mass transit planning, administrative and operating assistance
• $100 million for payments to local governments

The Assembly creates its own “Special Federal Funds” appropriation of $13 billion and designates just over $3 billion under the following schedule (the chamber is silent on uses for the remaining $10 billion):

• $1 billion – Small Business Reopening and Relief Grant Program
• $310 million – for public housing critical maintenance projects ($250 million for NYC housing authority & $60 million for other public housing throughout the state)
• $180 million – for SUNY capital projects
• $125 million for additional payments to local governments under AIM, each eligible municipality shall receive a share of these funds in an amount proportionate to their prior year aid
• $120 million for CUNY capital projects
• $100 million for assistance to aid arts and cultural venues for the development of open space accommodations
• $100 million for nonprofit organizations for COVID response expenses
• $51.7 million due for cost-of-living adjustment for numerous human services organizations and could include advances to local governments and voluntary agencies
• $50 million for Nourish NY
• $40 million for anti-gun violence programs ($25 million for programs in NYC & $13.8 million outside NYC)
• $25 million for PPE and COVID safety costs incurred by voluntary nonprofit agencies within OMH, OPWDD, and OASAS
• $25 million for I Love NY Restaurants program in underserved communities
• $20 million for Medical Assisted Treatment (MAT) in correctional facilities
$15 million digital inclusion grant program

- $10 million for agricultural and county extension service associations that are eligible to receive premium reimbursement
- $3 million broadband availability, affordability and reliability study
- $2.25 million for other initiatives
- $843 million – for the state emergency rental assistance program
  - $400 million reserved for priority populations if such need is still required after September 1, 2021
  - $200 million for statewide emergency homeless assistance program
  - $100 million for small landlords not eligible for the state emergency rental assistance program due to income eligibility limitations
  - $100 million for mortgage assistance programs

The Senate did not include a separate schedule or amounts.

PIT Tax Increase Proposals

The Assembly budget proposal includes increased revenues that total nearly $7 billion in SFY 2021-22.

- The Assembly proposal would increase the top income tax rate from 8.82 percent rate for single filers earning more than $1 million and couples earning more than $2 million, to 9.85 percent.
  - It would also establish two new brackets as follows: 10.85 percent for taxpayers between $5 million and $25 million and 11.85 percent for taxpayers over $25 million. This would generate at total of $4.3 billion.

- A new one percent surcharge on capital gains for taxpayers earning more than $1 million per year would generate $700 million.

- A new 18 percent surcharge would be applied to corporate franchise taxpayers, corporate utility taxpayers and insurance taxpayers, generating $1 billion.

- To ensure that businesses with large capital resources but relatively low taxable income pay a fair amount of corporate tax, the Assembly proposal would reinstate the minimum business tax on corporate capital that will generate $150 million. Owners of high value second homes in New York City will be subject to a progressive state tax generating $300 million.

- An additional $171 million will be generated from a recording tax on mezzanine debt and preferred equity investments. Finally, the top rate of the state’s estate tax will increase from 16 percent to 20 percent, resulting in an additional $130 million.

Executive Authority to Withhold State Funding

If the Budget is Unbalanced
Similar to the current year budget, the Governor’s proposed SFY 2021-22 budget continues the Executive authority to withhold funding in the Aid to Localities appropriation bill when the budget is out of balance. The budget proposed cutting local assistance by 5 percent on average.

- The legislature rejects this proposal.

**Police Reform Initiative Has Not Been Filed**
The budget also includes language authorizing the Budget Director to withhold state funding if the locality has not filed its certification with the state in regard to Executive Order 203 filed on June 20, 2020, also known as the “New York State Police Reform and Reinvention Initiative.”

- The legislature includes this proposal; however, they do omit the requirement of an Attorney General monitor.

**Changes in Taxation & Finance Important to Counties**

**Grant Permanent Sales Tax Authority**
The Executive Budget grants permanent local sales tax authority for all counties and cities at their existing rates or up to four percent.

- The Senate includes this proposal.
- The Assembly rejects this proposal.

**Achieve Sales Tax Equality for Vacation Rentals**
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.

- The Legislature rejects this proposal.

**Local Distressed Health Facilities Funding Pool**
The Executive Budget continues the Distressed Provider Relief Fund to support financially distressed hospitals and nursing home facilities throughout the state through the diversion of a portion of sales tax revenue from counties and New York City, generating $250 million per year (this legislation sunsets on March 31, 2022).

- The Assembly repeals the diversion of local sales tax for fiscally distressed health facilities effective April 1, 2021.
- The Senate maintained the Governor’s proposal.

**Local Government Assistance Program Reductions**
As a result of the fiscal crisis, and consistent with programs throughout the State budget, local government assistance payments will be reduced by 5 percent. The Governor and Budget Director noted during their budget presentation that in SFY 21, state aid withholds of 20% would be reduced to 5%, resulting in a refund to counties of 15% at the close of SFY 21.

- The Assembly and Senate reject this 5 percent withhold in SFY 2022.

**Expanded Investment Options for Counties**
Under current law, all local governments are authorized to hold certain investments, subject to various restrictions and approvals. New York City, however, is temporarily authorized to invest in additional types of products. Legislation submitted within the Executive Budget would expand the types of investment options available for counties to provide similar options as those currently available to New York City, helping counties to better manage their resources.
This bill would extend the authorization currently provided to New York City to counties as well, with the same expiration date as the authorization for New York City, July 1, 2023.

- *The Senate includes this proposal.*
- *The Assembly rejects this proposal.*

## State Spending by Functional Areas
Below is an interim analysis of Governor Andrew M. Cuomo’s Fiscal Year 2022 Executive Budget Proposals that impact counties. NYSAC will continue to review the specifics of the proposals.

### Aid and Incentives to Municipalities (AIM)
The Executive Budget maintains existing law requiring the diversion of county sales tax by the state in support of making AIM-related payments to towns and villages, but proposes across the board cuts to AIM and AIM-related payments, and transfers the remaining AIM payments to towns and villages to the county sales tax diversion program. The combined proposals are estimated to save the State $56 million annually.

- *The Legislature rejects the Governor’s proposal and fully restores the AIM program, shifting the financial obligation back to the State.*
- *In addition, the Assembly provides $125 million in one-time increased aid for AIM for cities, towns, and villages.*

### Aging
**Expanded EISEP Services**
The Executive Budget includes $15 million for EISEP services through local Offices for the Aging. This funding was included in the SFY 20 and SFY 21 Enacted Budgets. Furthermore, the typical 25% local maintenance of effort match is exempt from this funding. The funds must be used to address the unmet needs of the elderly as reported to NYSOFA.

- *The Senate includes this funding and also invests $27 million into the community services for the elderly program (CSE) to clear the Area Agencies on Aging waiting lists and keep seniors out of nursing homes.*
- *The Assembly provides for an additional $5 million in funding for EISEP and an additional $5 million in funding for CSE.*

### Agriculture
**Provides Agriculture and Markets Local Assistance Funding**
The Executive Budget provides $27.4 million in Ag & Markets local assistance appropriations, a reduction of $3.8 million compared to the 2020-21 Enacted Budget. The Executive Budget continues to provide an additional $20 million for non-point source pollution control, farmland preservation, and other agricultural programs.

- **The Assembly provides $35.41 million for local assistance for agricultural programs, an increase of $8 million above the Executive proposal, reflecting restorations of $4.36 million and additional funding of $3.64 million, and**
- **The Senate provides $34.7 million.**

**Extend the Farm Workforce Retention Credit for Three Years**

The Executive Budget would extend the Farm Workforce Retention Credit for three years through tax year 2022.

- **The Senate and Assembly includes this proposal but extends the Farm Workforce Retention Credit for five years, through tax year 2025.**

**Nourish New York**

- **The Senate and Assembly advance a proposal to make the Nourish New York program permanent, which provides surplus agricultural products to food relief organizations at competitive wholesale prices.**

**Community Colleges**

The SFY 2022 Executive Budget proposal cuts aid to community colleges by $11 million, or 1.6 percent, from $669 million to $658 million. This follows cuts of $35 million in SFY 2021. The new funding cuts are based on student census declines, according to the State.

- **The Senate provides an additional $13.6 million for community college base aid, a $250 per FTE increase from $2,947 to $3,197, with each campus guaranteed to receive 98 percent of the prior year base aid amount.**

- **The Assembly adds $33 million for SUNY Community Colleges and $10 million for CUNY community colleges which will provide level funding to the current college academic year. It provides for a 98 percent funding floor thereafter.**

**Extend Financial Aid Eligibility for Certain Students Impacted by the Pandemic**

The Executive Budget would preserve State financial aid benefits for students who, through no fault of their own, were unable to complete academic requirements needed to maintain financial aid eligibility because of the COVID-19 pandemic.

- **Both houses of the legislature include this proposal.**

**Early Childhood Development and Children with Special Needs**

**Early Intervention Covered Lives Assessment Fee**
The Assembly includes legislation to provide for a system that streamlines the process by which funds are distributed to municipalities to finance early intervention programs, providing relief to municipalities across the state to improving their ability to more effectively administer early intervention (EI) services to children who need such services.

All EI services must be provided to eligible children at no cost to their families. The EI program is financed through a combination of state and county funds, Medicaid and commercial insurance. Although Public Health Law and the Individuals with Disabilities Education Act (IDEA) mandate that public and private commercial insurance be maximized in financing EI services, reimbursement from third party payers, other than Medicaid, has been minimal, leaving the cost of this entitlement to be paid by state and municipal tax dollars.

Commercial insurance plans are only paying approximately $12 million of the roughly $80 million annually claimed for EI services. This amounts to around 16₵ on the dollar. By comparison, Medicaid pays nearly 75₵ on the dollar for all claims submitted. We believe that New York State should ensure that insurance plans cover their fair share of the cost of EI services. This is particularly important in light of New York’s budget deficit and Medicaid crisis.

In Federal Fiscal Year 2015, the most recent year for claims data, data from NYS Early Childhood Advisory Council’s Fiscal Analysis Model for Early Childhood Services, showed counties in New York spent over $171 million on Early Intervention services, excluding administration costs.

While a $40 million covered lives assessment fee on commercial insurance does not cover the entire state and county share of the program, we do believe that this legislation provides the groundwork for rightsizing the share of program expense.

This assessment would impose a fee on state-regulated commercial insurance plans for EI services. This $40 million covered lives assessment fee would then offset a portion of the state and county funded escrow account for early intervention service providers. If set at an appropriate amount, commercial insurance plans would pay their fair share for EI claims, adding tens of millions of dollars to the system. Advantages of a covered lives assessment include:

- New York could increase reimbursement rates for EI providers.
- The assessment would relieve plans of the administrative burden of processing claims, and relieve providers of the administrative burden of filing claims.
- Increased reimbursement and streamlined billing processes will incentivize providers to remain in the system, and attract new providers, thereby reducing wait times for children.
- A covered lives assessment would cost commercial insurance plans less than mandating approval of all claims for health services identified on an IFSP.

Loopholes in current law continue to permit commercial insurers to unfairly shift a portion of their responsibility to state and local taxpayers, placing undue administrative burdens on providers of EI services and the state fiscal agent in pursuing claims.
This legislation makes significant improvements to the way the EI program is provided for in New York State.

**Economic Development**

*License Movie Theaters to Serve Alcohol*\(^{xiii}\)

Last year, the Governor advanced this proposal as part of the SFY 21 Executive Budget. The Governor advances this proposal again as part of the SFY 22 Executive Budget. This bill allows food, typically found in motion picture theatres, to be deemed in compliance with Alcoholic Beverage Control Law (ABC) law, including popcorn, candy, and light snacks. The bill also establishes restrictions on the serving of alcohol in movie theaters, including limiting the time served, number of beverages, and amount of ticket sales.

- *The Senate modifies the Executive proposal regarding alcoholic beverages in movie theaters by replacing it with a proposal that would authorize the sale of wine and beer in movie theaters.*
- *The Assembly rejects this proposal.*

*Extend Prevailing Wage to Covered Renewable Energy Projects*\(^{xiv}\)

The Executive Budget would create prevailing wage requirements for covered renewable energy projects. Covered projects are defined as construction work and engineering and consulting services performed in connection with either the installation of a renewable energy system with a capacity over 25 megawatts alternating current and with a total project cost of over ten million dollars or the installation of a solar energy system with a capacity over 5 megawatts alternating current and with a total project cost of over five million dollars.

- *Both houses of the Legislature include this proposal.*

*Making Broadband Services Affordable*\(^{xv}\)

This proposal will help to ensure that high-speed broadband service—which has become increasingly essential throughout the pandemic—is made available and affordable for low-income New Yorkers. The monthly cost of this service would be limited to $15 per month, and could only be increased by two percent, or the rate of inflation as measured by the Consumer Price Index (CPI), whichever is less, once every five years. The proposal would also require annual reporting to the Department of Public Service (DPS) related to the provision of such service, authorize periodic reconsideration of download speed benchmarks and provide for fines for violations.

- *Both houses of the Legislature reject this proposal.*

*Study Broadband Accessibility and Connectivity*\(^{xvi}\)

- *Both houses of the legislature advance language that requires the Public Service Commission to study the availability, affordability, and reliability of high-speed internet services and to publish a detailed internet access map of the State (S.4847-A).*

*Authorize Temporary Permits for Bars and Restaurants*\(^{xvii}\)
The Executive Budget would authorize the State Liquor Authority (SLA) to permit alcoholic beverage manufacturing businesses statewide, as well as new bars and restaurants in New York City meeting threshold operating criteria, to begin operation while their license application is pending.

- *Both houses of the Legislature reject this proposal.*

**Extend the Film Tax Credit for One Year**

The Executive Budget would extend the Empire State Film Production Credit and the Empire State Film Post-Production Credit for one year. It also would amend the post-production tax credit to make work performed in 11 counties (Saratoga, Warren, Washington, Columbia, Dutchess, Greene, Orange, Putnam, Rensselaer, Sullivan, and Ulster) eligible for the additional 10% tax credit increase on labor costs under the Empire State Film Post-Production Program. Finally, it would amend the film tax credit program by removing the exception for pilots to the minimum project budget requirements.

- *The Senate and Assembly includes this provision but modifies the Executive Budget proposal by extending the credit by two years, until Dec. 31, 2026.*

**Extend the Economic Transformation and Facility Redevelopment Program Tax Credit**

The Executive Budget would extend the Economic Transformation and Facility Redevelopment Program tax credits for an additional five years until December 31, 2026.

- *The Senate includes this provision.

- *The Assembly includes this provision but only extends the credit for one year, through March 31, 2022.*

**Enact the Pandemic Recovery and Restart Program**

The Governor proposes to establish the Pandemic Recovery and Restart Program to provide assistance in getting workers in the severely impacted food service and entertainment industries back to work.

- *Both houses of the Legislature include this proposal.*

**Regional Economic Development**

**Regional Economic Development Councils**

The Executive Budget includes core capital and tax-credit funding that will be combined with a wide range of existing agency programs for a tenth round of REDC awards totaling $750 million. The core funding includes $225 million in grants and tax credits to fund high value regional priority projects. The Budget also makes $525 million in resources from State agencies available to support community revitalization and business growth consistent with the existing Regional Council plans through the Consolidated Funding Application process.

- *Both houses of the Legislature include this proposal.*

**Downtown Revitalization Initiative**

The Executive Budget provides $100 million for another round of the Downtown Revitalization Initiative.

- *Both houses of the Legislature include this proposal.*
Elections

**Absentee Ballot Reforms**
These election reforms will extend the time for voters to request an absentee ballot by adding 15 additional days to the current application period, ensure a quick turnaround of a request, allow ballots to be tracked, provide an opportunity to cure contested votes, and speed up the processing of ballots. The Governor will also urge the Legislature to pass a second resolution allowing for no excuse absentee voting.

- *The Legislature rejects these proposals as this legislation has already passed through both houses (S.631; S.516; S.1027)*

**Voter Registration**
In addition to urging the Legislature to pass a second resolution allowing for Same Day Voter Registration, the Governor will advance legislation that pushes the voter registration deadline back from 25 days to 10 days prior to an election. The legislature is already advancing a version of this legislation through committees and will likely be passed prior to budget adoption.

- *The legislature rejects this proposal as it has already passed both houses.*

**Early Voting**
Building upon his legislation from 2019, the Governor will advance new legislation that expands the early voting hours by one hour on weekdays and three hours on weekends. This bill would ensure that at least one early voting site per county remains open until nine o'clock in the evening at least three nights per week. In addition, this bill extends the minimum number of polling hours for all early voting sites on weekends. Specifically, it increases polling hours from five to ten per day every Saturday and Sunday during the early voting period. The legislature is already advancing their version of this legislation through committees and will likely be passed prior to budget adoption.

- *The Senate rejects this proposal.*
- *The Assembly includes this proposal.*
- *The Assembly also provides an additional $30 million in capital funding for various expenses of the state and local board of elections. The SBOE would provide up to $6.5 million and the remainder shall be allocated to local boards of elections.*

Environment

**Continue Expansion of New York’s Historic Clean Water Investment**
The Executive Budget provides an additional $500 million for clean water infrastructure this year, furthering Governor Cuomo’s $5 billion commitment.

- *The Senate includes this proposal.*

**Renew Funding for the Environmental Protection Fund**
The Executive Budget renews funding for the EPF at $300 million, maintaining the highest level in history. Appropriations include $41 million for solid waste programs, $88 million for parks and recreation, $151 million for open space programs, and $20 million for the climate change mitigation and adaptation program.
 Legislative One-House SFY 22 State Budgets
County Impact Summary

- The Senate modifies the $300 million Environmental Protection Fund by restoring funding for zoos, botanical gardens, and aquaria and farmland preservation.

**Product Stewardship for Paper and Packaging**
- The Senate advances a proposal to impose product stewardship requirements on producers of paper and packaging (S.1185-B).

**Authorizes a $3 Billion Environmental Bond Act**
- The Senate advances a $3 billion Clean Water, Green Jobs, Green New York Environmental Bond Act that will fund projects related to restoration and flood risk reduction, open space land preservation and recreation, climate change mitigation, and water quality improvement and resilient infrastructure.

**Prevailing Wage Requirement for Renewable Energy Projects**
Article VII legislation creates prevailing wage requirements for covered renewable energy projects, defined as construction work and engineering and consulting services performed in connection with either the installation of a renewable energy system, as such term is defined in section 66-p of the public service law, with a capacity over 25 megawatts alternating current and with a total project cost of over ten million dollars; or the installation of a solar energy system with a capacity over 5 megawatts alternating current and with a total project cost of over five million dollars.
- Both houses of the Legislature include this proposal.

**Extension of Local Bottle Bill Enforcement**
This bill would authorize New York City, Nassau County, and Suffolk County to retain their authority to keep a portion of certain fines or penalties associated with the enforcement certain bottle bill provisions for an additional two years from April 1, 2021 to April 1, 2023.
- Both houses of the Legislature include this proposal.

**Promote the Development of Renewable Energy Projects**
The Executive Budget would establish a process for creating a standard methodology for the assessment of wind and solar projects while still leaving municipalities the flexibility to negotiate Payments in Lieu of Taxes (PILOT) agreements. The assessed value for solar or wind energy systems would be determined by specified income capitalization or discounted cash flow approach.
- The Senate includes this proposal.
- The Assembly rejects this proposal.

**Technical Changes to the Accelerated Renewable Energy Growth and Community Benefit Act**
The Executive Budget would exclude siting permits issued by the Office of Renewable Energy Siting (ORES) from the requirements of the State Environmental Quality Review Act (SEQRA); close a loophole by making the definition of the term “alternative energy production facility” consistent; and allow application fees to be used for ORES operations.
Both houses of the Legislature reject this proposal.

Clarifying the State's Ban on Single-Use Plastic Bags

The Executive Budget would make technical corrections to provide additional clarity to retailers, manufacturers, and consumers as to what constitutes a film plastic bag, a reusable bag, and an exempt bag. It would also clarify that the recycling program for plastic carryout bags and other film plastic is still in effect.

Both houses of the Legislature reject this proposal.

Gaming and VLT Revenue Sharing

Legalization of Mobile Sports Betting

The Executive Budget authorizes mobile sports wagering throughout the State. Currently, sports wagering is limited to in-person betting at the four upstate casinos. This change would bring back revenue generated by New Yorkers wagering in other states where mobile sports betting is already allowed, increasing revenues in New York State directed to education.

The budget estimates the state-sponsored legalization of mobile sports betting would generate $49 million in new revenue in 2022 and $357 million in SFY 2023, topping out at $500 million annually upon full market maturity.

The Legislature modifies the Governor’s proposal to conform to the legislation as drafted by Senator Addabbo and Assemblyman Pretlow.

Authorize a Request for Information for Gaming Facility Licenses

This bill would authorize the Gaming Commission to issue a Request for Information (RFI) for the purpose of soliciting interest regarding the three unawarded gaming facility licenses.

Both houses of the legislature reject this proposal.

Elimination of VLT Aid to Municipalities Outside Yonkers

This bill would eliminate Video Lottery Terminal Aid (VLT Aid) for all municipalities outside of the City of Yonkers and would reduce Yonkers' aid by five percent. In FY 2021, the State designated approximately $28.9 million of aid to municipalities that host VLT facilities across the State, prior to any withholdings. Of this amount, $19.6 million is distributed to the City of Yonkers. The other $9.3 million is split among 15 different municipalities.

The Senate modifies the Executive proposal to partially restore VLT aid by fully restoring VLT aid for Orange, Erie, Ontario. The Senate also adds $1.29 million for the facility in Suffolk County.

The Assembly rejects this proposal, fully restoring VLT Aid.

New Downstate Casino Licenses

The Senate advances language to accelerate the three remaining casino licenses for the downstate zone.

Human Services

Nutrition Outreach Funding
The Executive Budget adds an additional $20 million in funding for community-based organizations for nutrition outreach in areas where a significant percentage or number of those potentially eligible for food assistance programs are not participating in such programs.

- Both houses of the legislature include this proposal.

**Code Blue State Assistance**

The SFY 21 Budget included $15 million to assist counties with implementing Code Blue homelessness programs. This allocation was cut 5% in the SFY 22 Executive Budget.

- Both houses of the Legislature reject the 5% cut and restore Code Blue funding to $15 million.

**Prohibiting LDSS’ Lien’s on P.A. Recipient Households**

- The Senate advances language that will prohibit local social services districts from placing liens on the homes of public assistance recipients in the amount of public assistance provided (S.787A).

**Senate Human Service Legislative Adds**

- Restore funding for the following programs:
  - $3 million for childcare facilitated enrollment demonstration projects in New York City, Erie County, and Onondaga County;
  - $2 million in additional funding for Child Advocacy Centers, for a total of $7.0 million;
  - $2 million for 2-1-1;
  - $1.5 million in additional funding for the Youth Development Program, for a total of $14.9 million; and
  - $500,000 in additional funding for Runaway and Homeless Youth, for a total of $4.8 million.

- Provides funding for the following programs:
  - $22 million for the State share of the Committee on Special Education placements; and
  - $9.9 million to restore various non-profit human services organizations;
  - $15 million for various non-profit health, human services, labor and veterans’ organizations; and
  - $950,000 in additional funding for the Kinship Navigator program, for a total of $1.3 million.

The Senate supports the use of federal funds for childcare services and is committed to enacting a plan that adheres to forthcoming federal prescriptions.

**Assembly Proposes new $2.1 Billion Public Assistance Grant Program**

The program is designed to assist individuals and families that are ineligible for special federal programs designed to help people struggling with the loss of family income related to COVID-19.

**Closure of Underutilized OCFS Youth Facilities**

Article VII legislation would authorize OCFS to close the Goshen Secure Center, Columbia Secure Center, Red Hook Non-Secure Residential Center, and Brentwood Non-Secure
Residential Center. This bill would also waive the required one-year closure notice requirement for Youth Facilities, instead allowing for six-month notice, with a proposed closure date of 10/01/2021.

- **Both houses of the Legislature reject this proposal.**

**Youth Development Program Funding Permanency**

This bill would amend Part G of Chapter 57 of the Laws of 2013 to make permanent the laws regarding funding for Youth Development Program. This chapter combined funding streams for two separate programs, Youth Delinquency Prevention Programs (YDDP) and Special Delinquency Prevention Programs (SDPP), into one State funding stream that could be used more flexibly but consistent with the underlying purposes of YDDP and SDPP.

- **Both houses of the Legislature include this proposal.**

**Compliance with Federal Family First Prevention Services Act Requirements**

- Require either a local social services district or the Office of Children and Family Services (OCFS) that has custody of a child to provide notice to the Family Court and all attorneys when a child is placed in a qualified residential treatment program (QRTP). A QRTP is a category of non-family-based residential treatment setting that serve children with specific needs who have been placed by the Family Court out of their homes.

- Require an assessment by a Qualified Individual of each placement of a child into a QRTP. A Qualified Individual is a trained professional or licensed clinician who is not connected to or affiliated with any placement setting in which children are placed. The assessment must be completed within 30 days of placement into the QRTP. If it is determined that QRTP placement is not appropriate, the placement may only continue under specified conditions.

- Require Family Court review and approval of a child’s placement in a QRTP within 60 days of the placement. The Court’s review must consider the assessment, documentation, and determination made by the Qualified Individual who approved the placement. It also establishes criteria the Family Court must use to determine whether continuation of the QRTP placement is both appropriate and consistent with the long-term permanency goals of the child.

- Amends permanency hearing requirements held for children placed in a QRTP. Agencies with custody of a child placed in a QRTP must provide evidence that support continued placement in that QRTP. This evidence includes the efforts made by the agency to prepare the child to return home, be placed with a willing relative, a legal guardian or adoptive parent or in a foster home.

- Creates a new definition of “supervised setting” as a residential placement in the community approved and supervised by an authorized agency or the local social services district to provide a transitional experience for older youth in which such youth may live independently in order to maximize potential federal funding.

- **Both houses of the Legislature include this proposal.**
Judiciary and Court Related Matters

Judgement Interest Rate Reform\textsuperscript{xlvii}

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 by $6 million.

- \textit{Both houses of the Legislature reject this proposal.}

Office of Indigent Legal Services

18-B Family Court Attorney Funding

- \textit{Both houses of the legislature included an appropriation of $5 million to counties for services and expenses related to improving the quality of representation provided to individuals with 18-B attorneys.}
- \textit{The Legislature supported the Governor’s proposal to increase funding for OILS as proposed.}

Legalize Adult-Use Recreational Marijuana

\textit{Enact the Cannabis Regulation and Taxation Act}\textsuperscript{xlviii}

The Budget regulates and controls the production, distribution, transportation, and sale of cannabis, cannabis related products, and medical cannabis for the purposes of fostering and promoting temperance in their consumption, to properly protect the public health, safety, and welfare, and to promote social equality.

- \textit{Both houses of the legislature reject this proposal. We are being told that there are three-way negotiations underway.}

Medicaid

\textit{Medicaid Savings}\textsuperscript{xlviii}

The Governor proposed hundreds of millions of dollars in new Medicaid funding cuts, mainly through rate reductions and the elimination of funding for select quality improvement pools.

- \textit{The Assembly restores $376 million to the Medicaid program, including $73.9 million for hospitals and $74.25 million for Managed Long-Term Care (MLTC) programs.}

Mental Health

\textit{Opioid Settlement Fund}\textsuperscript{xl}

- \textit{The Senate advances language to create an Opioid Settlement Fund that will consist of state monies received through settlements of litigation related to prescription opioids and to establish an Advisory Board to make recommendations for distribution of the funds. Monies from the fund will be available for public health education and prevention campaigns, treatment programs, harm reduction counseling services, housing}

New York State Association of Counties
services, and medication assisted treatment in state and local correctional facilities.

**Mandatory MAT in Correctional Facilities**
- The Senate advances language that requires state and local correctional facilities to establish a medication assisted treatment program for individuals with a substance use disorder (S.1795).

- The Senate creates a $100 million appropriation to help finance the Jails and Prisons Assistance Program. Of this funding $20 million is set aside for New York City and counties to help cover expenses incurred by State and local government agencies providing alternative therapeutic and rehabilitative programs and services for state and local correctional facilities related to the Humane Alternatives to Long-Term (H.A.L.T) segregated confinement and Medication Assisted Treatment (M.A.T) reforms. Based on a survey by the Conference of Local Mental Hygiene Directors (CLMHD) conducted in 2019, the cost of a statewide MAT requirement alone would far exceed the funding set aside for counties as presented here.

**Restoration of Jail-Based Treatment Funding**
- Both houses of the legislature restored $3.75 million for counties to implement jail-based treatment programs.

**Personnel / Civil Service**

**Paid Leave for COVID-19 Vaccination**
This bill would require public and private employers to provide up to four hours of paid leave for up to two COVID-19 vaccinations for each employee.

- The Legislature rejects this proposal, as this legislation has already been signed into law.

**Early Retirement Incentive**
- The legislature advances language to provide for an early retirement incentive at local option for public employees.

**Procurement**

**Extend Authorization for Local Government Piggyback Contracts**
Local governments use the authority to utilize other government agencies’ contracts as a means to create efficiencies and reduce the costs of purchasing goods and services. Legislation submitted with the Budget would extend local governments’ authority to “piggyback” on competitively bid contracts from the Federal government and/or any state or local government for apparatus, materials, equipment, or supplies, and any services related to their installation, maintenance, and repair for an additional two years, to July 31, 2023.
The Senate and Assembly reject this proposal. There is broad support within the chamber for this legislation, we expect it to pass through the Senate outside of the budget process. We are unsure whether this legislation will pass through the Assembly.

Public Health

**Comprehensive Regulatory Telehealth Reform**

The Executive Budget would codify and make permanent certain COVID-19 reforms to expand access to telehealth services. This includes allowing individuals to receive telehealth services wherever they are located, subject to federal approval, and requiring health plans to offer a network adequate to meet the telehealth needs of insured individuals. It would also create an interstate licensure program with contiguous states and states in the Northeast region to support telehealth access for specialties with historical provider access issues.

- The Legislature includes this proposal with slight modifications.

**Core Public Health Funding**

The Executive Budget provides $143,496,000 for Article 6 public health services, compared to $161,305,00 for FY 2020-21 and $179,334,00 for FY 2019-20. Expenditures in excess of a county’s base grant will be reimbursed at a rate of no less than 36% for counties outside of New York City and no less than 10% for New York City. (The 2019-20 Enacted Budget previously reduced New York City’s reimbursement for expenditures over their base grant from 36% to 20%).

- The Assembly and Senate increase Article 6 funding to $163,496,000, a $20 million increase over the Executive Budget proposal.
- Overall, the Executive Budget included $722,013,180 for major county public health funding. The Assembly appropriates $766,615,600 and the Senate appropriates $777,067,600.

Public Safety

**Authorize Shared Jails for Contiguous Counties**

Legislation submitted with the Budget would relieve contiguous counties of the requirement to maintain and operate their own jail, if they have an approved sharing agreement for the housing of the inmate population.

- The Assembly rejects this proposal.
- The Senate includes this proposal.

**Boarding of Felony Offenders Pursuant to Section 601-c of the Correction Law**

The Executive Budget includes an additional $5.2 million in aid to localities for expenses of housing and boarding felony offenders.

- Both houses of the Legislature include this proposal.
Continuation of Funding for PSAP and SICG Public Safety Grants

The Executive Budget continues funding for the SICG grant program at $65 million and the PSAP grant program at $10 million.

- Both houses of the Legislature include this proposal.

Shared Services

County-Wide Shared Services Initiative Permanency

The Executive Budget reappropriates over $200 million for the County-Wide Shared Services Initiative (CWSSI) and proposes to enhance flexibility within the program by expanding opportunities for local government shared services plans, actions, and State matching funds. It would also permanently extend the ability for the county-led panels to meet and formulate savings action plans after 2021.

- The Senate includes this proposal.
- The Assembly rejects this proposal.

Transportation

Local Highways and Bridges

The Executive Budget continues Governor Cuomo’s record commitment 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 $477.8 million. The Budget also continues $100 million in highway aid through the PAVE NY program, and $100 million to fund local bridge projects from the BRIDGE NY program. These programs are further improving conditions on State and local roads and bridges.

The Executive Budget does not include $65 million in extreme winter weather recovery for municipalities.

The Senate modifies the Executive recommendation to provide funding for the following:

- Provides $150 million to be added to the base amount for the Consolidated Local Street and Highway Improvement Program (CHIPS), for a total of $588 million in CHIPS funding;
- Provides $100 million for an Urban Road Revitalization initiative to prioritize road repair in urbanized areas of the State, which often experience a stagnant tax base, extreme weather swings, and a lack of maintained roads;
- Provides $30 million to be added to the Executive mass transit fleet electrification commitment to assist transit systems transitioning to all-electric fleets;
- Provides $14.5 million to increase the rate used by the State when reimbursing municipalities for maintenance of the State highway system within city borders;
- Restores $65 million for Extreme Winter Recovery and increases this critical funding by an additional $35 million for a total of $100 million;
Legislative One-House SFY 22 State Budgets
County Impact Summary

- Provides $175 million for critical infrastructure improvements and to supplement projects funded in the Department of Transportation Capital Plan; and
- Restores $126 million in funding withheld from local government highway aid reimbursements from SFY 2020-21.

The Assembly modifies the Executive recommendation to include $503.1 million for the Consolidated Highway Improvement Program (CHIPs), which includes $65 million for extreme weather recovery.

**Reimbursement Rates for State Arterial Roadways**

The Senate advances a proposal to modernize the rate paid to local governments for arterial maintenance (S.3529).

**Veterans**

**Extend the Hire-A-Vet Credit for Two Years**

The Executive Budget would extend the tax credit provided for hiring a veteran for an additional two years, through tax years beginning before 2024.

- The Legislature includes this proposal.

**Workforce Development**

The Executive Budget includes $50 million for workforce development and training activities.

- The Senate includes this proposal.
- The Assembly modifies this proposal to grant funding to workers who have been most impacted by the economic fallout due to the COVID-19 pandemic, including women, minorities, and any workers that have received unemployment benefits for an extended period of time.

**Encourage Part-Time Work through Partial Unemployment Insurance Benefits**

This Executive Budget would permit an Unemployment Insurance (UI) claimant who is partially unemployed and eligible for benefits to be paid a reduced benefit amount equal to the difference between their benefit amount and that part of their weekly wages that exceed one hundred dollars or 40% of the claimant’s weekly benefit amount, whichever is greater. This would address a flaw in the current unemployment system where workers are disincentivized to return to the workforce part-time because their UI benefits are reduced by 25 percent for each day worked, regardless of the amount paid or hours worked.

- The Legislature rejects this proposal.

**Enact Employer Child Care Credits**

The Executive Budget would expand the Excelsior Investment Tax Credit to include expenditures for child care services and create an Excelsior Child Care Services Tax Credit for net new child care services expenditures for the operation, sponsorship, or direct financial
support of a child care services program. The more a participant covers of ongoing employee child care services, the greater the tax credit the participant can receive. It would also double the amount of the Employer Provided Child Care Credit and increase the per entity cap to $500,000 per taxable year.

- **The Legislature rejects this proposal.**

**Budget References**

1. Aid to Localities, Page 3
2. Briefing Book, Page 26 and 109 & REV, Part L
4. REV, Part UU (Assembly)
5. Briefing Book, Page 112
7. Aid to Localities, Page 5
8. Aid to Localities, Page 22
9. REV, Part FF
10. TED, Part DDD (Senate) and REV Part BBB (Assembly)
11. ELFA, Part F
12. HMH, Part VV
13. PPGG, Part Z
14. ELFA, Part AA
15. TED, Part QQ
16. TED, Part EEE & TED Part BBB
17. PPGG, Part Y
18. REV, Part F
19. REV, Part JJ
20. TED, Part TT
22. Capital Projects, p. 494
24. Briefing Book, Page 131
25. Briefing Book, Page 131 & PPGG, Part S
27. Capital Projects
28. TED, Part CCC
29. Capital Projects
30. ELFA, Part AA
31. TED, Part CC
32. REV, Part X
33. TED, Part Q.
34. TED, Part Y
35. Briefing Book, Page 29 & REV, Part Y
36. REV, Part Z
37. PPGG, Part KK
38. REV, Part MM
39. Aid to Localities, Page 426
40. Aid to Localities, Page 415
41. ELFA, Part NN