

Interim

SFY 22 Enacted State Budget

County Impact Report



NYSAC
— NEW YORK STATE —
ASSOCIATION OF COUNTIES

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**SFY 22 Enacted State Budget
County Impact Summary**

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Introduction

This year's \$212 billion state budget was enacted in one of the most difficult periods in our lifetimes, given the public health, social, and economic uncertainties that are accompanying the COVID-19 pandemic and its impact on the state of New York and our counties.

This budget addresses the recovery of the state of New York through a combination of new tax increases on wealthy New Yorkers, an expansion of the state's borrowing capacity, and accepts billions in federal stimulus funding.

While the continuity of county government operations is protected through the preservation of local Medicaid caps and the extension of local home rule revenue authority, a continuation of the distressed hospital fund and a continuation of the AIM program diversion, mandating counties use local sales tax to pay for state programs continues to be a troubling practice in this year's budget.

This interim county impact report details the areas of the 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.

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. This appropriation authority was included in the adopted budget. The SFY 2022 budget uses \$5.5 billion of this federal aid and reserves the remainder for future years.

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 identified need of \$15 billion.

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.

The availability of these federal resources, tax increases and other revenue raisers are expected to cover the significant increase in spending in the Financial Plan of over 10 percent.

Tax Increases

PIT Tax Increase

The tax increases are estimated to generate about \$2.8 billion in new revenues in SFY 2022, growing to about \$3.3 billion in SFY 2023

- New Yorkers making \$1 million in annual revenue and joint filers earning more than \$2 million in annual revenue would see their current state income tax rate rise from 8.82 percent to 9.65 percent.

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- New Yorkers making between \$5-25 million in annual revenue would see their tax rate increase from 8.82 percent to 10.3 percent.
- New Yorkers making more than \$25 million would see their tax rate increase to 10.9 percent.

Corporate Franchise Tax Increase

The rate will increase from 6.5 to 7.25 percent for three years. Companies making less than \$5 million in income will see their rate stay at 6.5 percent. These changes are estimated to raise \$750 million in SFY 2022 and \$1 billion in SFY 2023.

- The Capital Base Test will be reinstated at a rate of 0.1875 percent. This will exempt coops, manufacturers and small companies.

Tax Cuts

PIT Tax Cuts

Continues the middle-class tax cuts first enacted in 2016, The Governor proposed pausing the cuts in his budget recommendation:

- Scheduled cuts for 2021 for people filing jointly in \$43,000-\$161,550 income bracket will see their income tax rates lowered from 6.09 to 5.97 percent,
- People filing jointly in the \$161,550-\$323,200 income bracket will see their income tax rates lowered from 6.41 to 6.33 percent.

Establishes a Temporary Real Property Tax Relief Credit

The budget establishes a personal income tax credit for New York resident homeowners with incomes up to \$250,000 if their total property tax exceeds a fixed percentage of their income (generally calculated on the basis that property taxes owed exceeds 6 percent of adjusted gross income [AGI]). The calculation of this credit is capped at \$350 per STAR-eligible household, while also using a \$250 credit minimum to further target homeowners impacted the most by high property taxes. It is expected that claims will average about \$340. Qualified homeowners will be able to claim this new Property Tax Relief credit for taxable years 2021, 2022, and 2023.

Executive Authority to Withhold State Funding

The Power of the Executive to Withhold Local Funding

Last year, the adopted budget granted authority to the Governor to withhold local assistance funding as necessary to balance the state budget. For last year's budget, that withholding ended up being about 5 percent of local assistance funding. The governor proposed to continue that 5 percent across the board reduction, including targeted reductions beyond that level. According to DOB, this 5 percent across the board cuts have been removed from the adopted budget. We will continue to analyze the budget documents for targeted reductions to any appropriations and update this report accordingly.

Last year's withholding authority was associated with projected revenue losses because of COVID-19 or the lack of requested funding from the federal government. This budget does not grant this blanket authority for the Division of Budget to withhold local assistance funding due to missed revenue projections.

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However, there is withhold language in the budget related to a local government with a police force/sheriff that fails to submit a police reform plan with the state which is described below.

Police Reform Initiative Has Not Been Filedⁱ

The enacted budget includes language authorizing the Budget Director to withhold state funding up to 50 percent 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.” Once a locality submits a plan, the loss of funding can be “cured” by submission of the plan with full funding restored.

Additionally, any local government with a policing entity that does not submit a police reform plan will be required to install a monitor, appointed by the Attorney General, at the expense of such local government. The monitor will report monthly on the operations of such police agency about interactions among the community.

Changes in Taxation & Finance Important to Counties

Fails to Grant Permanent Sales Tax Authorityⁱⁱ

The enacted budget rejects the Executive’s proposal to grant permanent local sales tax authority for all counties and cities at their existing rates or up to four percent.

Does Not Achieve Sales Tax Equality for Vacation Rentalsⁱⁱⁱ

The Final Budget also rejects the Executive’s proposal to 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.

Local Distressed Health Facilities Funding Pool

The enacted 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).

SFY 21 Local Government Assistance Program Reductions^{iv}

The Governor and Budget Director noted during their budget presentation that in SFY 21, state aid withholds of 20 percent would be reduced to 5 percent, resulting in a refund to counties of 15 percent at the close of SFY 21. This process is continuing, and we encourage county officials to inform NYSAC if restorations have not yet occurred.

Fails to Expand Investment Options for Counties^v

Despite the Executive Budget proposal to expand investment options for local governments, the enacted budget does NOT expand investment options for counties and local governments. Lawmakers, instead, opted to continue to subject local governments to various restrictions and approvals.

New York City had previously been authorized to invest in additional types of products on a temporary basis until July 1, 2023.

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Electric Generation Facility Closure Mitigation Fund^{vi}

The enacted budget increases the appropriation for communities impacted by the closure of an electric generation facility from \$69 million to \$140 million. This program was established several years ago and provides reimbursement to a county, town, city, village, school district or special district, where the closure results in a reduction in the real property tax collections or payments in lieu taxes of at least 20 percent that is owed by such electric generating facility. Payments are available to municipalities over no more than seven years on a declining basis and subject to appropriation levels.

Funds State and Municipal Facilities Program (SAM)^{vii}

Funding for the SAM program is provided at \$385 million in the SFY 2022 adopted budget. The program was funded for several years but was not included as part of last year's budget. 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. Remaining funding from SFY 2019 and earlier is re-appropriated.

State Spending by Functional Areas

Below is an interim analysis of how the State Fiscal Year 2022 Enacted Budget impacts counties. NYSAC will continue to review the specifics of the proposals.

Aid and Incentives to Municipalities (AIM)^{viii}

The enacted 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. While the Governor proposed to transfer the remaining AIM payments to towns and villages to the county sales tax diversion program, the enacted budget rejects this proposal.

It should be noted that the troubling, existing AIM-related county sales tax diversion program continues to remain in place despite widespread legislative support. Rejecting this program, and restoring AIM payments back to the state's responsibility will remain a top priority of the association.

Aging

Expands EISEP Services^{ix}

The final 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 percent 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 enacted budget also includes an additional \$8 million for the unmet needs of the elderly law, as reported to NYSOFA. This funding is earmarked for counties and the City of New York.^x

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Agriculture

Provides Agriculture and Markets Local Assistance Funding^{xi}

The enacted budget provides \$35.8 million in Ag & Markets local assistance appropriations, an increase of \$8 million above the Executive proposal. The enacted budget also includes \$20 million for services and non-point source pollution control, farmland preservation, and other agricultural programs.

Extend the Farm Workforce Retention Credit for Three Years^{xii}

The final budget extends the Farm Workforce Retention Credit through tax year 2025.

Community Colleges & Higher Education Tuition Assistance^{xiii}

The enacted budget provides an additional \$14.37 million for community college base aid above the Governor's request, a \$50 per FTE increase with each campus guaranteed to receive at least 98 percent of the prior year base aid amount. The base community college funding aid for SFY 22 is \$412 million, about even with last year when accounting for the 5 percent across the board reduction. The declining community college census due in part, to the COVID-19 pandemic complicates overall funding issues for community colleges.

Extend Financial Aid Eligibility for Certain Students Impacted by the Pandemic^{xiv}

The enacted budget preserves 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.

State Financial Aid

This budget increases the TAP award by \$500 to \$5,665, commits to fully closing the TAP gap of \$88M within three years, and rejects tuition increases at SUNY and CUNY for the next 3 years.

For undergraduate students enrolled in a program at a non-public degree granting program that does not offer a program of study that leads to a baccalaureate the aid award increases by \$500 to \$4,500.

Other awards would rise from \$2,450 to \$3,525.

Two-year private business school awards are also increased by \$500.

Early Childhood Development and Children with Special Needs

Does Not Provide an Early Intervention Covered Lives Assessment Fee^{xv}

While the Assembly proposed to include legislation that would have created a covered lives assessment fee to help families of special-needs children infants and the counties who fund those services, the enacted budget rejected that proposal. NYSAC will continue to advocate for this measure, as a way to strengthen EI for the families who need these services and to provide

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local tax relief in municipalities across the state. This proposal would improve counties' ability to more effectively administer EI services to children who need such services.

Economic Development

Rejects Proposal to License Movie Theaters to Serve Alcohol^{xvi}

For the second straight year, the Governor advanced this proposal to allow food typically found in motion picture theaters, including popcorn, candy, and light snacks, to be deemed in compliance with Alcoholic Beverage Control Law (ABC) law. This language was NOT included in the enacted budget.

Extend Prevailing Wage to Covered Renewable Energy Projects^{xvii}

The enacted budget creates prevailing wage requirements for covered renewable energy projects. Covered projects are defined renewable energy systems with a capacity greater than 5 megawatts alternating current and which involve the procurement of renewable energy credits by a public entity or a third party acting on behalf and for the benefit of a public entity.

Making Broadband Services Affordable^{xviii}

The final budget includes a proposal to help 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 is limited to \$15 per month, and can 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 measure also requires annual reporting to the Department of Public Service (DPS) related to the provision of such service and authorizes the periodic reconsideration of download speed benchmarks and provide for fines for violations.

Study Broadband Accessibility and Connectivity^{xix}

The enacted budget includes 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).

Does NOT Authorize Temporary Permits for Bars and Restaurants^{xx}

The enacted budget does NOT include a proposal to 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.

Extends the Film Tax Credit for One Year^{xxi}

The enacted budget extends the Empire State Film Production Credit and the Empire State Film Post-Production Credit for two years, until December 31, 2026. It also amends 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 percent tax credit increase on labor costs under the Empire State Film Post-Production Program. Finally, it amends the film tax credit program by removing the exception for pilots to the minimum project budget requirements.

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Extends the Economic Transformation and Facility Redevelopment Program Tax Credit^{xxii}

The enacted budget extends the Economic Transformation and Facility Redevelopment Program tax credits for an additional five years until December 31, 2026.

Enact the Pandemic Recovery and Restart Program^{xxiii}

The enacted budget establishes the Pandemic Recovery and Restart Program to provide assistance in getting workers in the severely impacted food service and entertainment industries back to work. The Restaurant Return-to-Work Tax Credit Program will provide eligible businesses with a credit equal to \$5,000 for each new full-time employee with a cap of \$50,000 per business. The total amount of tax credits is capped at \$35 million. The New York City Musical and Theatrical Production Tax Credit will be 25 percent of the total qualified production expenditures paid for during a qualified production and will be capped at \$3 million per production. The total amount of tax credits is capped at \$100 million.

COVID-19 Pandemic Small Business Recovery Grant Program^{xxiv}

The enacted budget creates a COVID-19 Pandemic Small Business Recovery Grant Program to provide assistance to small businesses and arts and cultural organizations that have experienced economic hardship during the COVID-19 pandemic. Grants will be available to eligible micro-businesses, small businesses, and for-profit independent arts and cultural organizations that do not qualify for business assistance grant programs under the federal American Rescue Plan Act of 2021 or any other available federal COVID-19 economic recovery or business assistant grant programs or are unable to obtain sufficient business assistance from such federal programs. Priority will be given to socially and economically disadvantaged business owners, including, but not limited to, minority and women-owned business enterprises, service-disabled veteran owned-businesses, veteran-owned businesses, and businesses located in communities that were economically distressed prior to March 1, 2020. Mortgage payments, commercial rent, local property taxes, and school taxes will all be considered eligible costs under the program.

Regional Economic Development

Regional Economic Development Councils^{xxv}

The enacted budget includes \$150 million in core capital funding, as well as 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.

Downtown Revitalization Initiative^{xxvi}

The enacted budget provides \$100 million for another round of the Downtown Revitalization Initiative.

Empire Station Complex (\$1.3 billion)

Funding is provided through the NYS Special Infrastructure Account (that in the past primarily funded projects with bank settlement funds) to only be used in support of the Empire Penn Expansion or other transportation improvement projects and not for above grade development.

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Elections

Boards of Elections Capital Infrastructure Investments^{xxvii}

The enacted budget includes an additional \$25 million capital appropriation, of which \$20 million shall be made available to local boards of elections for replacement of voting systems and equipment, absentee ballot scanners, mail processing equipment and infrastructure to protect the connectivity and security of county election software. The funding will be made available in the same manner as two years ago, with counties receiving a proportionate share of the \$20 million based on the number of registered voters in the county.

The enacted budget also re-appropriates the unused balance of prior capital funds of \$2,721,000 and \$16 million for the State Board of Election to implement online voter registration.

Boards of Elections Operating Assistance^{xxviii}

The enacted budget includes \$2 million appropriation for county boards of elections for reimbursement of costs related to the expansion of early voting pursuant to a plan by SBOE. The legislature nor the executive have to approve SBOE's plan.

Absentee Ballot Reforms^{xxix}

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 enacted budget excludes these proposals as this legislation has already passed the Senate and will likely pass through the Assembly as well (S.631; S.516; S.1027).***

Voter Registration^{xxx}

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 enacted budget does not include this proposal as it has already passed both houses.***

Early Voting^{xxxi}

The executive budget expanded early voting hours by one hour on weekdays and three hours on weekends. This language would have ensured 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 proposal extended the minimum number of polling hours for all early voting sites on weekends. Specifically, it increased polling hours from five to ten per day every Saturday and Sunday during the early voting period.

- ***The enacted budget excludes this proposal, but it is being advanced in both houses of the Legislature.***

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Environment

Continues Expansion of New York’s Historic Clean Water Investment^{xxxii}

The enacted budget provides an additional \$500 million for clean water.

Renew Funding for the Environmental Protection Fund^{xxxiii}

The enacted budget renews funding for the EPF at \$300 million. Appropriations include \$40 million for solid waste programs, \$90 million for parks and recreation, \$151 million for open space programs and \$19 million for the climate change mitigation and adaptation program.

Authorizes a \$3 Billion Environmental Bond Act^{xxxiv}

The enacted budget includes a \$3 billion Restore Mother Nature Bond Act to fund environmental improvements that preserve, enhance and restore New York’s natural resources and reduce the impact of climate change. If approved by voters in November 2022, the Bond Act will fund projects related to restoration and flood risk reduction (not less than \$1 billion), open space land preservation and recreation (up to \$550 million), climate change mitigation (up to \$700 million), and water quality improvement and resilient infrastructure (not less than \$550 million). Local governments will be able to apply for and receive funding from the state to complete projects under this act. The legislation stipulates that 35 percent of the funds should benefit environmental justice communities.

Increases Municipal Rebates and Grants for Electric Vehicles and Charging Infrastructure^{xxxv}

The enacted budget includes legislation to increase the amount of the municipal zero-emission vehicle (ZEV) rebate, which counties, cities, towns, and villages can use to purchase or lease clean vehicles. The rebate will now be a minimum of \$2,500 per vehicle (previously \$750) and a maximum of \$7,500 (previously \$5,000). This proposal was originally included in S.4092/A.2578, which NYSAC championed. The legislation also extends the ZEV rebate and ZEV infrastructure grant programs from April 1, 2023 to April 1, 2025. Infrastructure projects must be publicly available to receive grant funding, and those that maximize access to multiple public users who may not otherwise have access can now receive a maximum of \$300,000 per facility.

Prevailing Wage Requirement for Renewable Energy Projects^{xxxvi}

The enacted budget includes Article VII legislation that 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.

Extends Local Bottle Bill Enforcement^{xxxvii}

The enacted budget authorizes 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.

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Promote the Development of Renewable Energy Projects^{xxxviii}

The enacted budget establishes a process for creating a standard methodology for assessing 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 will be determined by a discounted cash flow approach.

Establishing the Farmland Protection Working Group^{xxxix}

The enacted budget includes new legislation that will create a farmland protection working group that will have a year to recommend strategies to encourage and facilitate input from municipalities in the siting process. The working group will also develop recommendations that include approaches to recognize the value of viable agricultural land and methods to minimize adverse impacts to any such land resulting from the siting of major renewable energy facilities. Led by the Commissioner of Agriculture, the group will meet at least three times a year and include local government officials or representatives from municipal organizations representing towns, villages and counties, as well as at least two county agricultural and farmland protection boards.

Gaming and VLT Revenue Sharing

Legalization of Mobile Sports Betting^{xl}

The enacted 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 \$99 million in SFY 2021-22, \$357 million in SFY 2022-23, and reach \$500 million in SFY 2025-26.

The Gaming Commission will issue a request for applications or RFA to at least two betting platforms and a minimum of four operators to solicit bids for licenses to conduct mobile sports betting in NY.

Platforms which opt to partner with a Native American tribe or nation will be given additional points in the bidding/scoring process.

The state will issue a request for applications to platform providers by July 1. Applications will be due 30 days after.

In order to receive a mobile sports wagering license, a platform provider would have to pay a one-time \$25 million fee to the state. This money would be directed to the state lottery fund for education aid.

\$6 million annually will be dedicated to “problem gaming addiction treatment and resources.”

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It will also create a new “statewide youth sports activities and education grant program for underserved youth” under the age of 18, which will be funded annually at \$5 million.

The proposal to allow sports betting through on-site kiosks at tracks, stadiums, arenas, and some OTB parlors was not included in the finalized budget deal.

Commercial Casino Tax Reduction – Local Assistance Fund

The enacted budget includes \$7 million for local governments to offset lost revenue due to tax breaks for commercial casinos.^{xli}

Authorize a Request for Information for Gaming Facility Licenses^{xlii}

This enacted budget authorizes the Gaming Commission to issue a Request for Information (RFI) for the purpose of soliciting interest in siting the three unawarded gaming facility licenses.

Restores VLT Aid to Municipalities Outside Yonkers^{xliii}

This final budget deal restores Video Lottery Terminal Aid (VLT Aid) that had been slated for elimination. In FY 2021, the State designated approximately \$28.9 million of aid to municipalities that host VLT facilities across the State. Of this amount, \$19.6 million was distributed to the City of Yonkers. The other \$9.3 million was split among 15 different municipalities.

Housing Rental Assistance Program

The enacted budget creates a \$2.4 billion Emergency Rental Assistance Program (ERAP). The program will support households in rental arrears that have experienced financial hardship, are at risk of homelessness or housing instability and that earn less than 80 percent of area median income. The program would prioritize those with the lowest incomes, the unemployed and other vulnerable populations. Renters in the program will also be eligible to receive relief for utility arrears. In most cases the payments will go directly to landlords and utility providers on behalf of those in need of this rental/utility assistance. Landlords will be required to agree to not evict renters eligible for this assistance in the immediate future if they accept the state rental assistance payments on behalf of the renter.

The program is funded by \$2.3 billion in Federal resources and \$100 million of State resources to supplement the core program and target those facing hardship that may not otherwise be eligible. The program will be structured to enable coordinated efforts between the State and the local governments that opted to receive funds directly - leveraging resources, gaining efficiencies and preventing fraud. Counties with a population over 200,000 received direct federal awards for rental assistance programs.

Human Services

Nutrition Outreach Funding^{xliv}

The enacted budget appropriates a total of \$50 million for nutritional outreach, of which \$25 million is additional funding for community-based organizations to conduct nutrition outreach

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in areas where a significant percentage of individuals eligible for food assistance programs are not participating in such programs.

Code Blue State Assistance^{xlv}

The enacted budget included \$15 million to assist counties with implementing Code Blue homelessness programs.

Prohibits LDSS' Lien's on P.A. Recipient Households^{xlvi}

The enacted budget includes a provision 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).

Closure of Underutilized OCFS Youth Facilities^{xlvii}

The enacted budget authorizes OCFS to close the Columbia Secure Center, and Red Hook Non-Secure Residential Center. It also waives 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.

Youth Development Program Funding Permanency^{xlviii}

The budget amends 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.

Compliance with Federal Family First Prevention Services Act Requirements^{xlix}

The enacted budget includes these provisions:

- Requires 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.
- Requires 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.
- Requires 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.

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- 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.

Establishment of Adverse Childhood Experiences Services Program

Requires local DSS agencies to provide educational materials regarding adverse childhood experiences to all public assistance applicants, including the importance of protective factors and the availability of services for children at risk for or suffering from adverse childhood experiences. The state is required to implement a statewide educational campaign to parents and provide educational materials to school districts, preschools, BOCES, pediatricians and service providers. The state will update guidelines and training to recognize adverse childhood experiences and establish protocols to reduce implicit bias in child protective decisions, including while interacting virtually.

COVID-19 Emergency Rental Assistance Programⁱ

The budget includes a total of \$2.4 billion (\$2.3 billion in federal funds and \$100 million in State funding) to help to pay rent and utility arrears of tenants who have experienced financial hardship during the pandemic. The new program is similar to Senate Bill S2742C (Kavanagh), and expands eligibility beyond those covered by the federal rent relief program.

Conversion of Under-Used Hotels and Other Commercial Properties to Affordable Housingⁱⁱ

A new allocation of \$100 million for the Division of Housing and Community Renewal supports the conversion of distressed hotels and other commercial properties into permanent affordable housing.

Permanent Housing for Homeless New Yorkersⁱⁱⁱ

The budget includes a new Transitional Rental Assistance Program to provide rent supplements to families and individuals who are homeless or facing imminent loss of housing, with initial State funding of \$100 million.

Home Energy Assistanceⁱⁱⁱ

The enacted spending plan includes an increase of \$450 million, for a total of \$950 million, for the Home Energy Assistance Program (HEAP), which helps low-income people pay the cost of heating their homes.

New Supportive Housing^{iv}

The enacted budget includes \$186 million in new capital funding to support the creation of 1,200 new supportive housing units.

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Judiciary and Court Related Matters

Rejects Judgement Interest Rate Reform^{lv}

The enacted budget rejected the Executive proposal that would have allowed for a variable interest for court judgments paid by public and private entities. The proposal would have provided mandate relief for local governments and lower state taxpayer costs by \$6 million.

Office of Indigent Legal Services

18-B Family Court Attorney Funding^{lvi}

The enacted budget includes \$2.5 million for improving the quality of representation provided to persons who, under county law article 18-B, are entitled to counsel in Family Court matters and are financially unable to obtain counsel.

Hurrell-Harring

The budget fully funds the Hurrell-Harring settlement under the following schedule:

- State Operations - \$6.5 million, with an addition of \$63,288
- Aid to Localities - \$309.81 million, with an addition of \$55 million
 - Statewide Expansion of Hurrell-Harring Reforms. \$200 million to finance the fourth year of the five-year statewide implementation of Hurrell-Harring reforms, pursuant to plans filed by ILS on December 1, 2017 (counsel at arraignment; caseload relief, and quality improvement). This funding amount would represent an increase of \$50 million over FY 2020-21 funding levels. The budgetary language includes the same annual reporting requirement that was in last year's final budget.
 - ILS Distributions and Grants. \$81 million is allocated for ILS distributions and grants. This funding amount will continue current funding levels for ILS programs.
 - Hurrell-Harring Settlement. \$23.8 million is allocated for implementation of the Hurrell-Harring settlement. This funding will continue current funding levels for HHS programs (counsel at arraignment; caseload relief, and quality improvement)
 - Legislature and Judiciary Budget Bill
 - \$47 million judiciary sub-allocation to ILS
 - \$47 million sub-allocation to ILS for payment to NYC for caseload standard implementation in accordance with 22 NYCRR §127.7

Medicaid

Medicaid Savings

The enacted budget restores approximately \$415 million in cuts proposed by the Governor. It also delays the pharmacy carveout for 2 years (which reduces prior year savings according to DOB estimates), extends the post-partum benefit from 60 days to 1 year for Medicaid recipients and maintains the Medicaid Global Spending cap, but adds more reporting requirements to help improve transparency.

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Mental Health

Expanded Aid for Assisted Outpatient Treatment^{lvii}

The enacted budget includes \$7.5 million for assisted outpatient treatment pursuant to Article 9 of the mental hygiene law.

Jail-Based Treatment Funding^{lviii}

The enacted budget includes \$8.75 million, a full restoration of \$3.75 million and an additional \$5 million for jail-based substance use disorder treatment funding.

Labor / Personnel / Civil Service

Paid Leave for COVID-19 Vaccination^{lix}

This benefit had been passed (A.3354-B) and signed into law as Chapter 77 of the Laws of 2021, therefore it was not in the budget.

Early Retirement Incentive^{lx}

The enacted budget includes language to provide for an early retirement incentive for certain workers in the City of New York only. The enacted budget does **not** include an early retirement incentive for the county workforce.

Excluded Workers Fund^{lxi}

The enacted budget includes \$2.1 billion for services and expenses of administering an excluded workers' fund.

Procurement

Extend Authorization for Local Government Piggyback Contracts^{lxii}

The executive budget contained language to help counties create efficiencies and reduce the costs of purchasing goods and services by extending 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 enacted budget excludes this provision as this legislation has passed through both houses (S.1090/A.2580) and was signed by the Governor on April 6th, Chapter 95 of the Laws of 2021.***

Public Health & Nursing Homes

Comprehensive Regulatory Telehealth Reform^{lxiii}

The enacted budget codifies and makes 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 also creates an interstate licensure program with contiguous states and states in the Northeast region to support telehealth access for specialties with historical provider access issues.

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Nursing Home Minimum Direct Resident Care Spending^{lxiv}

The enacted budget includes a provision requiring nursing homes and other residential health care facilities to spend a minimum of 70 percent of revenue on direct resident care, and 40 percent of revenue shall be spent on resident-facing staffing, provided that amounts spent on resident-facing staffing shall be included as a part of amounts spent on direct resident care. The requirement takes effect beginning on January 1, 2022.

At facilities in which contract resident-facing staffing by RPN's, LPN's or CNA's constitute 15% of contracted costs, those costs shall be deducted from the calculation of the amount spent on resident-facing staffing and direct resident care.

Core Public Health Funding^{lxv}

The enacted budget increases funding for Article 6 public health services by \$2 million over last year to 163,496,000, but still down 15.8 million from FY 2019-20. The executive budget reduced NYC's reimbursement from 20 to 10 percent. This was rejected in the SFY 22 enacted budget. The 2019-20 enacted budget had previously reduced New York City's reimbursement for expenditures over their base grant from 36 to 20 percent.

Public Safety

Authorize Shared Jails for Contiguous Counties^{lxvi}

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 enacted budget excludes this proposal.***

Continuation of Funding for PSAP and SICG Public Safety Grants^{lxvii}

The enacted budget continues funding for the SICG grant program at \$65 million and the PSAP grant program at \$10 million.

Interoperable Communications Capital Projects Fund^{lxviii}

The enacted budget includes an additional \$5.5 million in capital project funding above SFY 20 funding levels for reimbursements to counties for the development, consolidation or operation of public safety communications systems designed to support statewide interoperable communications for first responders.

Crime Reduction, Youth Justice and Gang Prevention Programs^{lxix}

The enacted budget includes an \$8.5 million appropriation for state and local crime reduction, youth justice, and gang prevention programs. Expenditure of funds is contingent upon approval of a plan by the speaker of the assembly and director of the division of the budget and an assembly resolution calling for the expenditure of funds.

Criminal Legal Services and Public Safety Programs^{lxx}

The enacted budget includes \$4.13 million, of which \$3.5 million shall be made available to the "counties of upstate New York," for expenses incurred by local government agencies and not-for-profit service providers (or their employees) while providing civil or criminal legal services

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or public safety programs and services. The funds shall be allocated by a plan approved by the temporary president of the Senate and the director of the division of budget.

***Raise the Age*^{lxxi}**

The enacted budget includes \$250 million in new appropriation authority for continuation of assistance to comply with the Raise the Age statute and re-appropriates \$393 million in Raise the Age appropriation authority.

***HALT Act Chapter Amendments*^{lxxii}**

The enacted budget includes Chapter Amendments to the HALT act stipulating that an individual may be placed into solitary confinement if they commit multiple violent felonies within a 60 day period. They can be placed into solitary confinement for an additional 15 consecutive days. The individual must spend at least 15 days in a residential rehabilitation unit in between each placement.

The chapter amendments do not relieve jails with over 500 beds of the requirement to create a residential rehabilitation unit.

The amendments also do not lift the prohibition on placing people who qualify as a “special population” into segregation, which was NYSAC’s number one concern.

Shared Services

***Continues to Fund County-Wide Shared Services Initiative*^{lxxiii}**

The enacted budget re-appropriates \$214 million for the County-Wide Shared Services Initiative (CWSSI). Excluded from the final budget was the executive budget proposal to make the CWSSI permanent and enhance flexibility within the program by expanding opportunities for local government shared services plans, actions, and State matching funds. For the 2021-22 fiscal year, the State has capped its liability for matching fund payments required by the CWSSI at 95 percent.

Transportation

***Local Highways and Bridges*^{lxxiv}**

The enacted budget funds the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program at \$538 million, an increase of \$100 million over last year’s funding level. The Budget also continues \$150 million in highway aid through the PAVE NY program, an increase of \$50 million, and \$100 million to fund local bridge projects from the BRIDGE NY program. The counties working with our Highway Superintendents Association fought very hard to restore extreme winter weather recovery for \$100 million. These programs are further improving conditions on State and local roads and bridges.

Veterans

***Extend the Hire-A-Vet Credit for an Additional Year*^{lxxv}**

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The enacted budget extends tax credits for hiring veterans for an additional year, through tax year 2023.

Restores Funding for Veterans Support Services^{lxxvi}

The enacted budget provides \$4.5 million for the Joseph P. Dwyer Peer-to-Peer Veterans Support Program. Twenty-three counties receive this funding to help veterans deal with post-traumatic stress disorder, traumatic brain injuries, and depression. This appropriation restores program funding to the amount included in last year’s enacted budget.

The enacted budget also includes a new \$495,000 appropriation for a new Joseph P. Dwyer Peer-to-Peer Pilot Program. It has not yet been determined how this new appropriation will be spent.

Dwyer Funding by County	
Broome County	\$185,000
Cattaraugus County	\$135,000
Chautauqua County	\$185,000
Columbia County	\$100,000
Dutchess County	\$185,000
Erie County	\$185,000
Genesee, Orleans and Wyoming Counties	\$185,000
Jefferson County	\$185,000
Monroe County	\$185,000
Nassau County	\$185,000
Niagara County	\$185,000
Onondaga County	\$185,000
Orange County	\$185,000
Putnam County	\$185,000
Rensselaer County	\$145,000
Rockland County	\$185,000
Saratoga County	\$185,000
Suffolk County	\$185,000
Sullivan County	\$185,000
Ulster County	\$185,000
Warren and Washington Counties	\$185,000
Westchester County	\$185,000
*University at Albany	\$210,000
New York City	\$400,000

*The University at Albany is the only non-county recipient of these funds.

Workforce Development^{lxxvii}

The enacted budget re-appropriates \$143,683,000 for workforce development programs. The executive budget had only re-appropriated \$50 million for these activities.

Encourage Part-Time Work through Partial Unemployment Insurance Benefits^{lxxviii}

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The 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 percent of the claimant's weekly benefit amount, whichever is greater.

- ***The enacted budget excludes this proposal.***

Enact Employer Child Care Credits^{lxxix}

The enacted budget expands the Excelsior Investment Tax Credit to include expenditures for child care services and creates an Excelsior Child Care Services Tax Credit for net new child care services expenditures related to 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.

Budget References

- ⁱ PPGG, Part L
- ⁱⁱ Briefing Book, Page 26 and 109 & REV, Part L
- ⁱⁱⁱ REV, Part I
- ^{iv} Briefing Book, Page 112
- ^v PPGG, Part MM
- ^{vi} PPGG, Part XX
- ^{vii} Capital Projects, Page 1035
- ^{viii} PPGG, Part LL
- ^{ix} Aid to Localities, Page 5 and 11
- ^x Aid to Localities, Page 11 Lines 3-28
- ^{xi} Aid to Localities, Page 32
- ^{xii} REV, Part FF
- ^{xiii} Aid to Localities, Page 1105
- ^{xiv} ELFA, Part F
- ^{xv} HMH, Part VV
- ^{xvi} PPGG, Part Z
- ^{xvii} EFLA, Part AA
- ^{xviii} ELFA, Part NN
- ^{xix} ELFA, Part MM
- ^{xx} PPGG, Part Y
- ^{xxi} REV, Part F
- ^{xxii} REV, Part JJ
- ^{xxiii} REV, Part PP
- ^{xxiv} REV, Part VV
- ^{xxv} Briefing Book, Page 56; Capital Projects, p. 978
- ^{xxvi} Capital Projects, p. 591
- ^{xxvii} Capital Projects, Page 121
- ^{xxviii} Aid to Localities, Page 349
- ^{xxix} PPGG, Part Q, Part R, Part T, Part U
- ^{xxx} Briefing Book, Page 131
- ^{xxxi} PPGG, Part S

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- xxxii Capital Projects, p. 145
- xxxiii Capital Projects, Pages 124 - 137
- xxxiv Capital Projects, Page 272 + REV, Part TT and UU
- xxxv PPGG, Part CCC
- xxxvi ELFA, Part AA
- xxxvii TED, Part CC
- xxxviii REV, Part X
- xxxix PPGG, Part BBB
- xl Briefing Book, Page 29 & REV, Part Y
- xli Aid to Localities, Page 1202
- xlii REV, Part Z
- xliii PPGG, Part KK + Aid to Localities, Page 1210
- xliv Aid to Localities, Page 1240
- xlv Aid to Localities, Page 606
- xlvi ELFA, Part NN
- xlvii ELFA, Part H
- xlviii ELFA, Part J
- xlix ELFA, Part L
- l ELFA, Part BB + Aid to Localities Pages 635-636
- li Capital Projects, Page 405
- lii Aid to Localities, Page 629-630
- liii Aid to Localities
- liv Capital Projects
- lv PPGG Part AA
- lvi Aid to Localities, Page 984
- lvii Aid to Localities, Page 1013
- lviii Aid to Localities, Page 986
- lix ELFA, Part W
- lx REV, Part KKK
- lxi Aid to Localities, Page 958 + Part EEE, REV
- lxii [S.1090/A.2580](#)
- lxiii HMH, Part F
- lxiv HMH, Part GG
- lxv Aid to Localities, p. 712
- lxvi PPGG, Part PP
- lxvii Aid to Localities, Page 901
- lxviii Capital Projects, Page 401
- lxix Aid to Localities, Page 86
- lxx Aid to Localities, Page 94
- lxxi Aid to Localities, Page 1224
- lxxii REV, Part NNN
- lxxiii Aid to Localities, Page 1218
- lxxiv Capital Projects
- lxxv REV, Part II
- lxxvi Aid to Localities, Page 1010
- lxxvii Aid to Localities, Page 975
- lxxviii ELFA, Parr T
- lxxix REV, Part D