On January 18, 2022, Governor Kathy Hochul unveiled her SFY 2023 Executive Budget proposal. The budget calls for a record $216 billion in total spending including nearly $5.5 billion on behalf of counties outside of New York City through major local aid programs, including $2.5 billion attributable to the State takeover of local Medicaid growth.

Despite record spending levels, the budget is projected to remain balanced through 2027 while increasing state “Rainy-Day” reserves to 15% of State Operating Funds by 2025.

Counties are encouraged by proposals that address long-sought county priorities like providing permanency in local sales tax rates, ending the diversion of local taxes to pay for the State's AIM program, making significant investments in public health, and supporting veterans and infrastructure while also committing to use the state's strong fiscal position to build reserves for the future.

There are, however, areas of concern, including the continued diversion of local sales taxes to support a distressed health facilities fund and increased Pre-K provider rates, which are needed but should not be funded by county taxpayers. Counties look forward to working with the Governor and state lawmakers in the coming months to create a budget that supports local governments and the residents we serve.

Top County Priorities

- Ends the diversion of county sales tax to pay for the State's AIM Program
- Continues to divert county sales tax to pay for the Distressed Hospital Fund
- Makes local sales tax rates permanent & allows counties to increase to 4%
- Continues to cap Medicaid growth for counties

Economic Development

- Provides funding for the ConnectALL Initiative to expand broadband to rural and urban areas statewide
- Amends state law to eliminate fees on the use and occupancy of the State right-of-way for fiber-optic cable placed in fulfillment of a grant award under the ConnectALL initiative

Environment

- Includes a $1 billion increase to the Environmental Bond Act
- Includes $400 million for the Environmental Protection Fund
- Invests an additional $500 million in clean water infrastructure
- Enacts extended producer responsibility for packaging and paper products
- Reduces exposure to dangerous chemicals by banning PFAS in packaging by 2024

To learn more about the SFY 2023 Executive Budget Proposal, visit nysac.org/nysbudget.
## General Government Operations
- Includes $44 million in new funds to strengthen state and local cyber defense and response efforts
- Adds flexibility to the shared services program by making projects previously proposed but not implemented eligible for state matching funds

## Gaming
- Increases gaming revenue loss offsets resulting from the state changing tax rates for commercial gaming facilities by $3 million
- Increases Native American Compact Gaming Revenues from Seneca Nation Settlement

## Human Services
- Increases Runaway Homeless Youth Funding by an additional $2 million
- Makes changes to public assistance resulting in a $39.5 million cost shift to counties

## Higher Education
- Raises funding floor for Community Colleges to 100% of last year’s funding levels

## Judiciary
- Provides a market-rate of interest on court judgements
- Continues to fully fund Raise the Age and Hurrell-Harring settlement implementation

## Labor / Civil Service
- Modernizes Civil Service exams to increase participation
- Allows veterans to qualify and transfer from non-competitive employment positions to competitive positions

## Public/mental Health & Special Education
- Funds the creation of a 9-8-8 Mental Health Crisis Hotline
- Increases pre-K special education provider rates at significant costs to counties
- Fails to fully fund the implementation of the 2019 elevated blood lead level mandate ($30.3M)
- Increases Article 6 base grants for LHDs and allows partial reimbursement for fringe benefits
- Fails to restore NYC to 36% reimbursement for public health spending beyond the base grant

## Public Safety
- Provides $10 million for county probation departments to provide pre-trial services to promote public safety

## Transportation & Infrastructure
- Expands local highway and bridge funding by including a new Pave Our Potholes Program
- Increases CHIPS Bidding Threshold from $350,000 to $750,000
- Adds $100 million for Touring Routes

## Veterans
- Increases state aid to county Veterans’ Service Agencies from $10,000 to $25,000
- Includes $7.7 million to expand the Joseph P. Dwyer program statewide
- Extends and enhances the Hire-A-Vet Credit for three years