

# County Leader's State Budget Briefing

## Initial State Budget Review

April 23, 2024



# County Leader's State Budget Briefing

## County Impact Report

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# County Leader's State Budget Briefing

## Overview

Over the weekend of April 20th, state lawmakers adopted a \$237 billion budget that increases spending 3.5 percent over the prior year.

### State Financial Plan Spending Comparison - FY 2025

(\$ in billions)

	Adopted SFY 2024	Executive SFY 2025	Assembly SFY 2025	Senate SFY 2025	Adopted SFY 2025	Increase over Prior Year
<b>General Fund</b>	\$100.5	\$107.6	\$110.3	\$116.3	TBD	TBD
<b>State Operating Fund</b>	\$125.3	\$129.3	\$139.3	\$137.9	TBD	TBD
<b>All Funds</b>	\$229.0	\$232.8	\$245.8	\$246.2	<b>\$237</b>	<b>\$8 (3.5%)</b>

# Changes in Taxation & Finance

## Short Term Rentals

- The budget **does not include** the executive budget proposal to ensure sales and hotel/motel bed tax is collected on short term rentals.
- Unable to agree on the parameters of a short-term rental registry
- NYSAC will continue to work with the legislature and Governor during the post-budget session to finally address this issue and to bring parity and equity with our existing hospitality industry.



# Changes in Taxation & Finance

## General Support for County Governments

- Total state spending on behalf of counties outside of New York City through major local aid programs is expected to total over \$7.4 billion in SFY 2025 under the enacted budget.
- \$3.3 billion attributable to the state takeover of local Medicaid growth.
- \$85 million for a new partnership program with counties on public safety communications systems;
- \$50 million for a new partnership program with counties on infrastructure grants;
- \$7.7 million to provide reimbursement for pre-paid return postage on absentee ballots; \$14.7 million over two years for e-poll books; \$5 million in new appropriations to offset operating expense of the 2024 general election; and
- \$10 million annually for dedicated retail theft teams in district attorney offices, with a separate \$5 million annually for local law enforcement agencies to combat retail theft.

# Changes in Taxation & Finance

## Local Government Assistance

- Level funding for base grants in **AIM at \$715 million.**
- **\$50 million** in temporary funding for AIM to be distributed in a similar fashion to existing AIM grants,
- Maximum amount under this temporary fund that any municipality can receive (\$5 million cap, with funds above that amount proportionately redistributed to other cities).



# Early Childhood Development, Special Needs

## Increase Rates in Early Intervention

- 5 percent rate increase for in-person services
- 4 percent rate modifier for rural areas and underserved communities.
- DOB estimates the annual cost of this increase to be about \$6.1 million for NYS and a similar increase for counties.
- The 11% EI rate increase was rejected in the enacted budget.



# Elections

## Local BOE State Aid for Pre-Paid Return Postage Envelopes

- \$7.7 million for local BOE's to receive reimbursement of costs related to providing pre-paid return postage and outgoing postage on absentee ballots.

## Local BOE Operating Aid

- \$5 million for local BOE's to receive reimbursement of eligible operating costs related to the general election to be held in November, 2024.

## E-Poll Book State Aid

- \$14.7 million for local BOE's to procure new electronic poll books.



# Environment

## Clean Water Infrastructure

- Additional \$500 million in clean water infrastructure funding, a restoration of \$250 million from the executive budget proposal.

## New York Statewide Investment in More Swimming (NY SWIMS)

- \$150 million in funding for grant programs to enhance and expand municipal swimming opportunities across the state.
- This includes a minimum of \$60 million to build new swimming pools in underserved communities.



## School Bus Electrification

- Creates a Zero-Emission School Bus Resource Center within NYSERDA to provide information for school districts regarding the transition to zero-emission school buses and serve as a point of contact for questions and concerns.

# Gaming

## **Commercial Gaming Payment Reduction Offsets (CGPR)**

- Maintains the CGPR at \$17 million, the same appropriation as the SFY 24 Enacted Budget.

## **VLT & Other Host Community Aid**

- Funded at \$10 million, a slight increase from \$9.3 million appropriated in the prior year.
- State aid to Madison County for hosting a Native American gaming facility is level funded.

## **Commercial and Tribal Compacts**

- Total commercial gaming revenues for local aid are funded at \$61 million.
- Tribal compact gaming revenues have increased slightly from \$175 million to \$200 million.
- The increase in appropriation does not guarantee an increased distribution.

# General Government

## Extension of the School Bus Stop-Arm Camera Program

- The state school bus stop-arm camera program has been extended for five years, expiring now on December 1, 2029.

## Extend Videoconference Participation in Public Meetings

- Extends for two years authorization for public bodies to conduct public meetings with some members and the public joining by videoconference.



# General Government

## Reforming the In-Rem Tax Foreclosure Process

- Brings the State's property tax enforcement laws into compliance with a recent decision of the United States Supreme Court, *Tyler v. Hennepin County, Minnesota*, 598 U.S. 631 (2023).
- Provides that when tax-delinquent property is sold, any excess proceeds be returned to the former owner or owners, and where appropriate, to lienors.
- Tax enforcing districts would still be able to offset the taxes and penalties they are owed, as well as interest, administrative and some legal expenses.
- Special state tax act enforcing districts would have to comply with the new requirements to return surplus and other procedures; and would be required to adjust their current statutory authorizations before commencing foreclosures. They would be allowed to do this through local law.



# General Government

## Reforming the In-Rem Tax Foreclosure Process (cont.)

- Any third parties that have liens on the property can file for surplus with the court and would be paid in the same order and to the same extent as they would in a mortgage foreclosure action, with any remaining proceeds from the sale then being returned to the former property owner.
- The distribution of surplus would be determined and administered by the court.
- The tax enforcing district receiving these funds would need to use them to lower their tax levy but this is not defined.
- The bill takes effect immediately. Tax districts have six months from the effective date of the act to pay over any surplus attributable to sales of tax-foreclosed property that occurred between May 25, 2023, and the effective date of the act.
- For sales prior to May 25, 2023, the tax district would only be liable to pay surplus where an Article 78 proceeding to compel the payment of the surplus had been commenced within four months of the sale.

# General Government

## Sunset the County-Wide Shared Services Initiative

- Allows CWSSI to sunset.
- Plans submitted by **January 31, 2024** will still be eligible for matching funds.

## County Partnership Grants Program

- \$85 million for the county partnership grants program public safety communication systems.
- \$50 million is allocated to counties for services and expenses of a county infrastructure grant program (with a maximum grant of \$1 million per county).



# Housing

## Good Cause Eviction (Local Opt-in)

- The enacted budget includes language to create a good cause eviction program across the state.
- The law would apply to NYC, and any village, town or city that adopts the provisions of good cause pursuant to local law.



# Judiciary & Court Related Matters

## Remove Maximum Number of Supreme Court Justices

- **Not** included in the enacted budget.
- We expect the legislature to vote on this constitutional amendment in the remaining days of the legislative session.

## Challenging Wrongful Convictions Act

- The enacted budget does **not** include any provision regarding wrongful death / wrongful convictions.



# Medicaid

## Medicaid Spending

The enacted budget adds \$1.2 billion in spending for SFY 2025 above the Governor's proposed increase. This will be the fourth year in a row of double-digit increases to the program and likely a fifth in SFY 2026. The adopted budget generates a minimum \$4.7 billion funding deficit through SFY 2028 for Medicaid that must be filled with additional cost containment or state/federal generated revenues.

### **Legislative spending additions in the final budget include:**

- \$500 million – Financially Distressed & Safety Net Hospitals Support
- \$300 million – Healthcare Safety Net Transformation Program
- \$200 million – Hospital Rate Increases
- \$150 million – Nursing Home/ALP Rate Increases

### **These increases are paid for through the following avails:**

- (\$95.3 million) - Support "Essential Plan" Operations with Federal Funds
- (\$365 million) - Available HCBS eFMAP (federal funds only available for one year)
- (\$827 million) - Financial Plan Support of Hospital Investments and OSA COLA (general funds)
- (\$350 million) - Healthcare Stability Fund Offsets



# Personnel, Labor, Civil Service

## Pension Reforms - Final Average Salary Computation

- Changes the Final Average Salary (FAS) calculation for Tier 6 employees from the highest five consecutive years of service credit to the highest three years.
- This change is equivalent to adding about .5 percent of billable salary for calculating employer pension contributions, or \$25 million for the 57 counties and \$196 million annually for New York City according to actuarial notes in the enacted budget. These costs will grow each year thereafter.



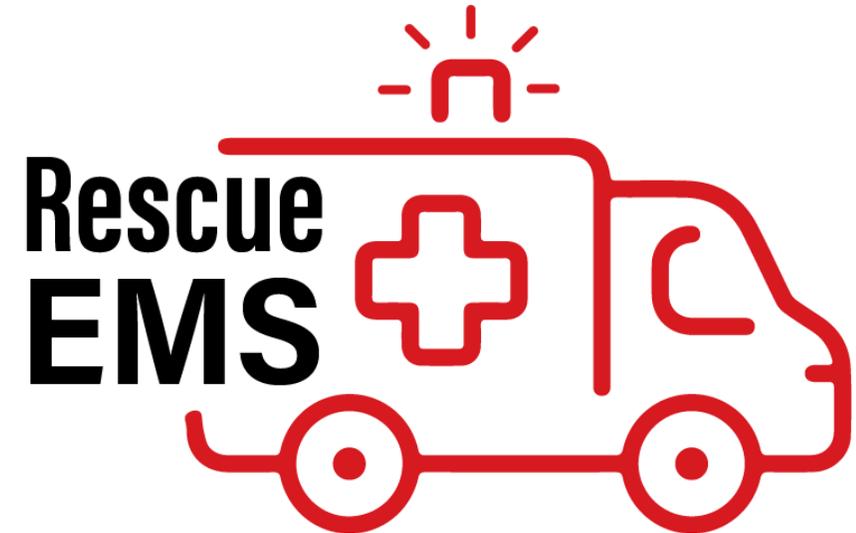
# Public Health & Nursing Homes

## Emergency Medical Services (EMS) Reforms

- **Does not** include any of the executive budget proposals regarding EMS services, nor does it include any of the bills contained in NYSAC's Rescue EMS package.

## Rabies Funding and Opioid Stewardship Fund Extender

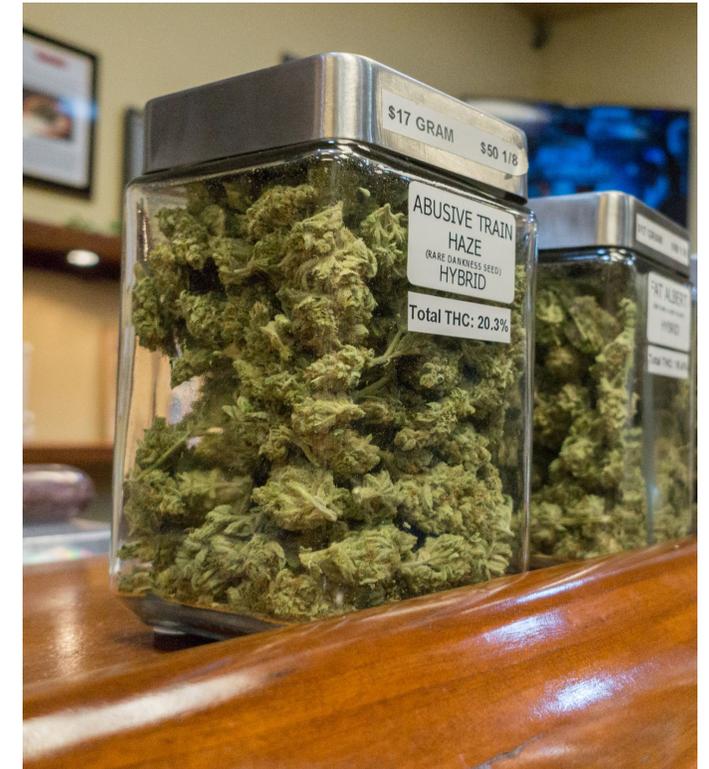
- **Restores** funding for rabies services, which goes exclusively to local health departments (LHDs).
- Extends the Opioid Stewardship Fund, which was set to expire on June 30, 2024, until **June 30, 2029**.



# Public Health & Nursing Homes

## Combat Unlicensed Sales of Cannabis

- Provides the Office of Cannabis Management (OCM), **counties**, and cities with enforcement powers over unlicensed cannabis activity.
- OCM is empowered to conduct regulatory inspections of any business involved in the cannabis industry at any time.
- **Counties** and cities may also adopt local laws to conduct regulatory inspections during operating hours.
- OCM, **counties**, and cities can initiate civil proceedings to permanently enjoin unlicensed cannabis activities.
- **Counties** and cities can recover penalties and costs from their enforcement actions.



# Public Safety

## State Correctional Facility Closures

- Authorizes the closure of up to five state correctional facilities with 90-day notice.
- This authority is repealed March 31, 2025. The Governor has one year to make her decision.

## Raise the Age

- New appropriation of \$250 million for counties to comply with the Raise the Age law.
- Reappropriates another \$842 million in unspent funds dating back to the SFY 18 Enacted Budget.
- Allows NYC to tap into the \$250 million appropriation to reimburse the city for raise the age expense.

# Transportation

## Highway Funding

### Level Funding from SFY 23-24

- CHIPS: \$598 million.
- Marcheselli Aid: \$39.7 million.
- Extreme Winter Recovery: \$100 million.
- Touring Routes: \$140 million.
- These are restorations, there is not an increase in these appropriations.



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