

*Interim*

# **SFY 2027 Executive Budget County Impact Report**



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### **Introduction**

On January 20, 2026, Governor Kathy Hochul unveiled her proposed budget for State Fiscal Year (SFY) 2027.

This report details areas of the proposed budget that would have a direct or indirect impact on county operations, including various departments, services, and programs. It is considered an interim report as it will be updated as more details become available with continued analysis and amendments submitted by the Governor and her Division of Budget.

In addition to this report, NYSAC will provide testimony on this Executive State Budget proposal to the Joint Legislative Committee on Local Government on Tuesday, February 11, and we will make that testimony available when it has been completed.

Overall, total spending in the Governor's proposed SFY 2027 budget would rise to \$260 billion, an increase of about \$8 billion over the adopted SFY 2026 budget (+3%). However, the State Operating Fund portion of the budget is expected to increase from \$149 billion last year to \$157 billion in SFY 2027, nearly 6%.<sup>i</sup> The largest increases in spending are related to Medicaid state spending of \$3.9 billion (+11.4%) and Capital projects increases of \$3.5 billion (+19.3%).<sup>ii</sup> This is followed by a \$2.0 billion increase in Agency Operations (+5.1%).<sup>iii</sup> Federal operating aid is projected to fall by \$10 billion (-11.4%).

### **Major Changes in Taxation**

Most changes to the New York tax structure stem from actions enacted at the federal level under H.R.1, and the extension of existing state business taxes through 2030. Overall, the combined changes are expected to generate about \$6 billion in additional revenue for the state for SFY 2028 through SFY 2030.

#### **Enhance and Reform New York's Child and Dependent Care Credit<sup>iv</sup>**

Changes made under H.R.1 to federal tax incentives make New York's Child and Dependent Care tax structure more complicated. The SFY 2027 Executive Budget would decouple the State's Child and Dependent Care credit from the federal tax code counterpart and create a standalone New York credit. The reformed refundable State credit would provide a greater benefit to families and reduce complexity in claiming the credit, increasing the value of the credit by about \$195 million through 2030.

#### **Decouple from Certain H.R.1 Tax Provisions<sup>v</sup>**

The Executive Budget decouples the State and New York City tax codes from the amended tax treatment of research and experimental expenditures and the newly enacted immediate expensing of certain qualified production property provisions. These actions would preserve about \$3.4 billion in state revenues over the next four years.

#### **Extend the Temporary Article 9-A Tax Rates for Three Years<sup>vi</sup>**

The FY 2022 Enacted Budget established temporary tax rates on the business income base for Article 9-A filers with business income tax bases over \$5 million, as well as reinstated the

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capital base. The SFY 2027 Executive Budget extends the current 7.25 percent tax for three years. This increases state revenues by \$4.7 billion through the end of 2030.

### **Eliminate State Income Tax on Tipped Wages<sup>vii</sup>**

Following the federal tax changes that exempt a portion of tipped wages, the Executive Budget proposes to exclude up to \$25,000 per year from state income tax – for single filers earning up to \$150,000 and joint filers earning up to \$300,000. Beginning in tax year 2026, tax filers will be allowed to reduce their New York Adjusted Gross Income by the same amount authorized by the equivalent Federal deduction. Through 2030, these changes are expected to save eligible New Yorkers about \$200 million through lower state income taxes.

### **Impose Tax on Alternative Nicotine Products<sup>viii</sup>**

The SFY 2027 Executive Budget defines alternative nicotine products and broadens the tobacco products definition to include them, bringing these products under the State's existing 75 percent wholesale tax on tobacco products. These changes are expected to raise about \$50 million on a full annual basis and these funds will be directed to the Health Care Reform Act (HCRA) account to support health care initiatives beginning in SFY 2028.

### **Increases the New York City Musical and Theatrical Production Tax Credit<sup>ix</sup>**

Increases the current Musical and Theatrical Production Tax Credit for productions in New York City by \$150 million, to a total of \$550 million. The enhanced credit would be available to productions whose initial performances were on or after December 1, 2025. The credit allows eligible productions to claim a refundable credit of up to 25 percent of qualified production costs.

### **New State Sales Tax Exemption for EV Charging Stations & Renewal of Existing Sales Tax Exemptions<sup>x</sup>**

The Executive Budget proposes a new sales tax exemption for the retail sale of electricity by means of commercial electric vehicle charging stations necessary to recharge an electric vehicle. The Budget also includes a three-year extension of the sales tax exemption for vending machine sales for certain food and drink items through May 31, 2029. Finally, the current sales tax exemption for residential energy storage systems would be extended for two years through June 1, 2028.

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## Direct Local Government Assistance Grants

Most direct aid programs to local governments are continued at prior year levels in the SFY 2027 Executive Budget. The County Partnership program is funded at \$50 million for another year with an increase in the maximum grant amount to \$1.5 million, up from \$1 million.

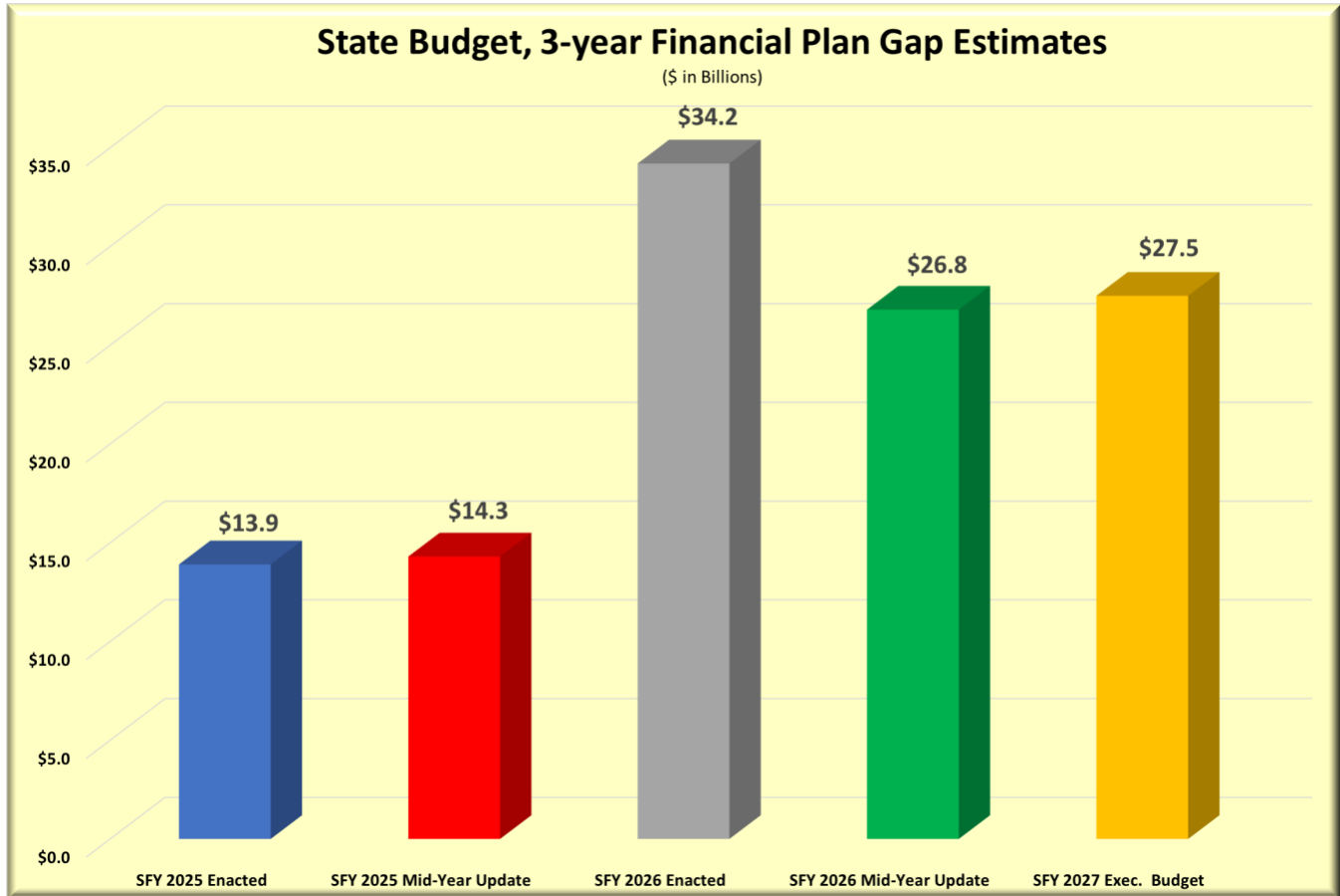
Direct Local Government Assistance Programs			
Program	SFY 2026	SFY 2027	\$ Change
AIM	\$715,172,213	\$715,172,213	\$0
County Partnership Program*	\$50,000,000	\$50,000,000	\$0
Temporary AIM	\$50,000,000	\$50,000,000	\$0
Citizen's Empowerment Grants	\$35,000,000	\$35,000,000	\$0
Local Govt. Efficiency Grants	\$8,000,000	\$8,000,000	\$0
VLT Aid	\$10,519,594	\$10,519,594	\$0
Commercial Gaming Offset Revenue	\$17,000,000	\$17,000,000	\$0
Madison County Gaming	\$3,750,000	\$3,750,000	\$0
<b>Small Government Assistance Program</b>			
Essex	\$124,000	\$124,000	\$0
Franklin	\$72,000	\$72,000	\$0
Hamilton	\$21,300	\$21,300	\$0
<b>TOTAL</b>	<b>\$889,659,107</b>	<b>\$889,659,107</b>	

## State Financial Plan

The Executive Budget for SFY 2027 highlights improved economic conditions over the near term, but challenges remain over the multi-year horizon of the Financial Plan. The State's "...economic outlook has been updated to reflect stronger wage and bonus growth, continued stock market strength fueled by expected growth in the technology sector, and slower than expected impacts from the tariffs." Also helping Financial Plan results is lower than projected spending. Accordingly, the Financial Plan is updated from the SFY 2026 Mid-Year Update that assumed combined gaps for SFY 2028 and 2029, of \$22.6 billion, which have been lowered to \$15 billion for those years.

However, the out-year gaps remain high through SFY 2030, coming in at a combined \$27.5 billion. The enacted SFY 2026 budget led to large increases in out-year gaps mainly related to \$10.4 billion in additional tax cuts and \$5.6 billion in new spending. The chart below shows how prior year fiscal gaps have changed since the SFY 2025 budget was enacted.

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On the spending side of the ledger, the dominant programs receiving increases continue to be School Aid (\$1.6B) and Medicaid (\$3.9B). Two categories related to employee costs are projected by DOB to increase significantly higher than the rate of inflation over the next four years with health insurance costs rising at an average annual rate of 7.6 percent, and ERS pensions contribution costs rising at an average annual rate of 11 percent through SFY 2030. The Executive Budget projects that average ERS contribution rates will rise from 17.1 percent in SFY 2026 to 27.6 percent in SFY 2030.

The largest reduction in revenue for New York State is an estimated drop in net federal operating aid of \$10 billion in SFY 2027. Nearly all of the federal loss is related to ACA Essential Plan funding reductions from \$14.5 billion to \$3.7 billion. Followed by the end of Pandemic claiming assistance through FEMA and other related programs (\$3 billion).

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<b>SFY 2027 Executive Budget</b>				
Spending Estimates (\$ in Millions)				
	<b>FY 2026 Update</b>	<b>FY 2027 Projected</b>	<b>\$ Change</b>	<b>% Change</b>
<b>State Operating Funds</b>	<b>\$148,813</b>	<b>\$157,366</b>	<b>\$8,553</b>	<b>5.7%</b>
Medicaid	\$34,273	\$38,167	\$3,894	11.4%
School Aid (Academic Year)	\$37,626	\$39,253	\$1,627	4.3%
All Other Assistance & Grants	\$34,234	\$35,883	\$1,649	4.8%
Agency Operations	\$38,434	\$40,388	\$1,954	5.1%
Debt Service	\$4,246	\$3,675	(\$571)	-13.4%
<b>Federal Operating Aid</b>	<b>\$91,158</b>	<b>\$80,806</b>	<b>(\$10,352)</b>	<b>-11.4%</b>
<b>Capital Projects</b>	<b>\$18,299</b>	<b>\$21,832</b>	<b>\$3,533</b>	<b>19.3%</b>
<b>All Funds</b>	<b>\$258,270</b>	<b>\$260,004</b>	<b>\$1,734</b>	<b>0.7%</b>

## State Spending by Functional Areas

Below is an interim analysis of how the SFY 2027 Executive Budget impacts county programs, services, and operations.

### Aging Services

#### State Aid for Aging Services<sup>xi</sup>

The Executive Budget proposes \$71.2 million for county aging services, compared to \$69.9 million for SFY 2026, as well as an additional \$53 million to address unmet needs and waitlists for aging services across the state.

#### Home and Community-Based Services for Older New Yorkers<sup>xii</sup>

The Executive Budget provides \$35 million in additional support for non-medical in-home services provided through the Office for the Aging to reduce the number of older adults waiting for services.

#### Naturally Occurring Retirement Communities<sup>xiii</sup>

The Executive Budget provides \$4 million each for Naturally Occurring Retirement Communities (NORCs) and Neighborhood Naturally Occurring Retirement Communities (NNORCS) to allow more older adults to age in place, improve health outcomes, and reduce social isolation.

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## **Agriculture and Nutrition Assistance**

### **Agriculture and Markets Local Assistance Funding<sup>xiv</sup>**

The Executive Budget proposes \$83.97 million in local agriculture assistance, a \$22 million increase from SFY 2026. The Executive Budget also includes \$20 million for non-point source pollution control, farmland preservation, and other agricultural programs.

### **Dairy Modernization Grant Program<sup>xv</sup>**

The Executive Budget proposes \$15 million for another round of the Dairy Modernization Grant Program, as well as a five-year extension of the refundable investment tax credit through 2032.

### **Tariff Relief for New York's Farmers<sup>xvi</sup>**

The Executive Budget includes \$30 million for direct payments to specialty crop growers, livestock producers, and dairy farmers to help support New York's agricultural sector and offset rising costs caused by tariffs.

### **Nutrition Program Funding<sup>xvii</sup>**

In addition to \$65 million in emergency food assistance provided in November 2025 in response to federal SNAP disruptions, the Executive Budget provides \$106 million for nutrition programs, including \$51 million for the Hunger Prevention and Nutrition Assistance Program (HPNAP) and \$55 million for the Nourish New York Program. The Executive Budget also invests an additional \$15 million to expand HPNAP funding to the State's regional network of food banks and food pantries.

### **Provide Local Access to Essential Sustenance (PLATES)<sup>xviii</sup>**

The Executive Budget invests \$10 million to support capital grants for food banks and other organizations that provide emergency food assistance.

### **Transfer of Authority to Administer Marketing Orders<sup>xix</sup>**

The Executive Budget transfers authority to administer dairy promotion and agricultural marketing orders from the Urban Development Corporation to the Department of Agriculture and Markets.

## **Community Colleges & Higher Education Tuition Assistance**

### **Maintaining the Community College Floor<sup>xx</sup>**

The Executive Budget maintains a funding floor for community colleges at 100% of prior year funding. Without a funding floor, community colleges would face a \$101 million (16%) loss in formula aid due to enrollment declines.

### **New York State Opportunity Promise Scholarship Program<sup>xxi</sup>**

The Executive Budget includes \$12.5 million to expand the New York State Opportunity Promise Scholarship program to additional high-demand fields and to students with prior degrees pursuing a nursing degree.



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### **Reforming Certificate of Residence Policies at Community Colleges<sup>xxii</sup>**

The Executive Budget authorizes SUNY Board of Trustees to promulgate regulations reforming certificate-of-residence policies at community colleges, including instituting a schedule of late fees and exceptions, to reduce the likelihood that students are charged out-of-state tuition due to administrative delays. Counties are responsible for issuing certificates of residence to eligible students to avoid out-of-state tuition charges. The legislation authorizes SUNY to standardize timelines and permit late-fee structures when certificates are submitted after prescribed deadlines.

### **Extend Authorization for SUNY and CUNY Non-Resident Tuition Rate<sup>xxiii</sup>**

The Executive Budget extends authorization for SUNY and CUNY to set campus-specific non-resident undergraduate and graduate tuition rates for an additional three academic years (2026-27 through 2028-29).

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

### **Preschool and Summer School Special Education Programs<sup>xxiv</sup>**

Approximately 80,000 preschool-age children with disabilities receive special education services year-round and 50,000 school-age students with disabilities receive summer services. Services are delivered by private providers and special act school districts, as well as BOCES and school districts (primarily for summer programs). Counties and school districts pay for the cost of services in the first instance and are partially reimbursed by the State. The Executive Budget fully funds the State share of costs for both programs, providing \$1.27 billion to reimburse counties for the cost of preschool special education services, a \$173 million (15.8%) year-to-year increase, and \$437 million to reimburse school districts for the cost of summer school services, a \$24 million (5.8%) year-to-year increase.

### **Child Care Subsidies<sup>xxv</sup>**

The Executive Budget provides an additional \$1.23 billion to bolster CCAP, the State's subsidy program for families below 85 percent of the state median income (~\$114,000 for a family of four). The State will also work with Dutchess, Monroe, and Broome counties to develop additional childcare pilot programs. The programs will be jointly administered by the local districts and local childcare coordinating entities. The Executive Budget includes about \$60 million to develop and administer these pilot programs. Separately, the Governor proposes \$73 million to launch 2-Care in New York City.

### **Office of Child Care and Early Education<sup>xxvi</sup>**

The Executive Budget includes \$1.5 million for the creation of the Office of Child Care and Early Education. The new office will coordinate the implementation of universal childcare, continued investments in 3K, the launch of 2-Care in New York City, and workforce supports.

### **Incentives for Child Care Friendly Zoning<sup>xxvii</sup>**

To help communities adopt zoning regulations that will increase childcare capacity, the Executive Budget includes \$1 million in funds for those localities that may be interested in such reforms.

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### **Expand Masters-in-Education Teacher Incentive Scholarship to Early Childhood Educators<sup>xxviii</sup>**

The Executive Budget expands eligibility for the Masters-in-Education Teacher Incentive Scholarship to include early childhood educators and allows recipients to fulfill service requirements through eligible early childhood agencies, supported by \$11 million in new program funding. The scholarship previously applied to teachers in specified

### **Reduce Unnecessary Burdens on Child Care Providers<sup>xxix</sup>**

The Executive Budget extends the childcare registration renewal period from four years to six years and authorizes OCFS to adjust training standards for childcare staff.

## **Economic Development**

### **Regional Economic Development Councils (REDCs)<sup>xxx</sup>**

The Executive Budget includes \$150 million in core funding for the REDC program.

### **Downtown Revitalization<sup>xxxi</sup>**

The Executive Budget provides \$100 million for the Downtown Revitalization Initiative (DRI) and \$100 million for New York Forward.

### **NY Works Economic Development Fund<sup>xxxii</sup>**

The Executive Budget includes \$400 for the NY Works Economic Development Fund.

### **Tourism Promotion Matching Grants<sup>xxxiii</sup>**

The Executive Budget includes \$2.45 million for local tourism promotion matching grants, consistent with SFY 2026.

### **Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) Fund<sup>xxxiv</sup>**

The Executive Budget provides \$300 million for the POWER UP Fund to create power-ready sites for advanced manufacturing and other development.

### **Build Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS) Program<sup>xxxv</sup>**

The Executive Budget proposes \$75 million for a second round of the NY BRICKS program to support construction and renovation of community centers.

### **Extend Authorization for Temporary Retail Permits<sup>xxxvi</sup>**

The Executive Budget extends the authority of the State Liquor Authority to issue temporary retail permits through October 12, 2027.

### **Authorizing the Sale of Certain Forest Preserve Land**

The Executive Budget proposes to amend the State Constitution to authorize the sale of three closed state prison facilities: Camp Gabriels Correctional Facility in Franklin County, Moriah

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Shock Correctional Facility in Essex County, and Mount McGregor Correctional Facility in Saratoga County. To be effective, the bill would need to pass a second time in a consecutive session of the State Legislature and be approved by the public in a statewide referendum.

### **Elections**

#### **Appropriations for Pre-Paid Return Postage<sup>xxxvii</sup>**

The Executive Budget includes \$5 million for the reimbursement of costs related to providing pre-paid return postage and outgoing postage on ballots and applications for absentee and early voting.

#### **Preventing Voter Suppression & Deception in Elections<sup>xxxviii</sup>**

The Executive Budget creates new prohibitions related to deceptive election communications and establishes enforcement mechanisms.

### **Environment**

#### **Clean Water Infrastructure Funding<sup>xxxix</sup>**

The Executive Budget commits an additional \$3.75 billion over five years (\$750 million/year) to clean water infrastructure funding, bringing New York's total clean water investment to \$10.4 billion since 2017. This includes a new \$250 million appropriation for water infrastructure projects necessary to promote housing preservation, with \$50 million earmarked for projects in rural communities.

#### **Environmental Protection Fund (EPF)<sup>xl</sup>**

The Executive Budget proposes a \$425 million investment in the Environmental Protection Fund to support projects that mitigate the effects of climate change, improve agricultural resources, protect water sources, advance conservation efforts, and provide recreational opportunities.

#### **EmPower Plus Funding<sup>xli</sup>**

The Executive Budget provides \$50 million for NYSERDA's EmPower Plus program to help low-income families electrify their homes by installing energy efficient appliances and switch to more efficient electric heating systems.

#### **Funding for Mechanical Insulation in Public Buildings<sup>xlii</sup>**

The Executive Budget recommends a \$5 million appropriation for a new Mechanical Insulation Energy Savings Program, which would provide grants to public housing, public hospitals, and school districts for mechanical insulation that increases the energy efficiency of their heating and cooling systems.

#### **Establishes a Sales Tax Exemption for Electric Vehicle (EV) Charging Stations<sup>xliii</sup>**

The Executive Budget proposes to establish a sales tax exemption on the retail sale of electricity used to recharge an EV by a commercial EV charging station.

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### **Sustainable Future Program<sup>xliv</sup>**

The Executive Budget reappropriates \$1 billion in Capital Projects funding for the Sustainable Future Program.

### **State Environmental Quality Review Act (SEQRA) Reform<sup>xliv</sup>**

The Executive Budget proposes several reforms to SEQRA to reduce the time and cost of building housing and other critical infrastructure. The Governor proposes additional exclusions from the requirements of SEQRA, including actions that meet certain criteria related to housing, parks, bike and pedestrian trails, childcare facilities, water and wastewater infrastructure, or green infrastructure. The proposal requires agencies to decide whether an Environmental Impact Statement (EIS) is required within one year of the lead agency being established. If an EIS is required, it must be made available within two years of that determination, with extensions allowed under certain circumstances.

### **Increased Flexibility for the Municipal ZEV Grant Program<sup>xlvi</sup>**

The Executive Budget amends the Environmental Conservation Law to remove the caps within the Municipal Zero Emissions Vehicle (ZEV) Program on infrastructure and vehicle rebates. Currently, these rebates are capped at \$250,000 per privately owned facility, or \$350,000 for a public facility, for infrastructure projects, and a minimum of \$2,500 and maximum of \$7,500 for clean vehicle purchases. Removing the cap on these rebates would help fund larger infrastructure projects and incentivize the purchase of more clean vehicles, including medium-duty and heavy-duty vehicles.

### **Improve the Green Jobs-Green New York Program<sup>xlvi</sup>**

The Executive Budget modifies program parameters, including loan limits, repayment terms, and on-bill recovery transferability requirements.

## **Gaming**

### **Commercial Gaming Offset Fund<sup>xlvi</sup>**

The Executive Budget includes \$17 million to compensate localities for lower reimbursements due to the state lowering tax rates for commercial gaming facilities, consistent with SFY 2026.

### **VLT & Other Host Community Aid<sup>xlvi</sup>**

The Executive Budget provides \$30.1 million for municipalities with video lottery gaming facilities, including \$19.6 million for the City of Yonkers. State aid to Madison County for hosting a Native American gaming facility is level-funded at \$3.75 million.

### **Commercial and Tribal Compacts<sup>l</sup>**

Total commercial gaming revenues for local aid are level-funded at \$62 million. Projected tribal compact gaming revenues have increased from \$251 million in SFY 2026 to \$306 million in SFY 2027. These funding levels often include additional room if funds become available and do not guarantee an increased distribution.

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## **General Government**

### **County Infrastructure Grant Program<sup>li</sup>**

The Executive Budget reappropriates prior year funding from SFY 25 & 26 for site development preparation grants to support county infrastructure projects that have public benefit, such as for housing, healthcare, or treatment facilities. The SFY 27 Budget includes another tranche of \$50 million in new funding, while also increasing the maximum award to \$1.5 million (up from \$1 million).

### **Extends Temporary Municipal Assistance by One Year<sup>lii</sup>**

The Executive Budget extends for one year the \$50 million temporary program for cities, towns and villages. This program, which was initially authorized in FY 2025 for two years, provides general purpose aid for municipalities.

### **Funds Local Government Reorganization Programs<sup>liii</sup>**

The Executive Budget continues support for local government restructuring and efficiency grants. Citizens Reorganization Empowerment Grants provide funding of up to \$100,000 to local governments for planning and implementing reorganization activities, such as consolidations and dissolutions. Citizen Empowerment Tax Credits support cities, towns, or villages that consolidate or dissolve through tax credits that provide an annual aid bonus equal to 15% of the newly combined local government's tax levy. At least 70% must be used as direct relief to property taxpayers.

### **Extends Procurement Lobbying Law and Increases Contract Threshold<sup>liv</sup>**

The Executive Budget extends the Procurement Lobbying Law for five years (through July 31, 2031) and increases the threshold for a contract subject to the Procurement Lobbying Law, which has not been increased since 2006, from \$15,000 to \$50,000.

### **Extend the Authorization for Certain Department of Motor Vehicle Fees<sup>lv</sup>**

The Executive Budget extends the sunset of specified DMV transaction fees through April 1, 2028.

## **Housing**

### **Pro-Housing Communities Program<sup>lvi</sup>**

The Executive Budget includes \$100 million in capital funding to assist communities that have received the Pro-Housing designation with critical infrastructure projects and \$5.25 million for technical assistance grants.

### **Land Banks Funding and Expansion<sup>lvii</sup>**

The Executive Budget provides \$170 million for land banks to redevelop blighted or abandoned properties. In addition, the Budget proposes to increase the cap on the number of land banks that can be established from 35 to 45.

### **Resilient and Ready Funding<sup>lviii</sup>**

The Executive Budget provides \$50 million in capital funding to support resiliency efforts for low- and moderate-income homeowners. The program assists households that experience

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flood damage in making necessary repairs in the aftermath of storms and helps cover the cost of proactive flood mitigation improvements.

### **Lead Abatement Funding<sup>lix</sup>**

The Executive Budget provides an additional \$20 million in capital funding to assist landlords in meeting lead remediation requirements to protect tenants.

### **Green Affordable Pre-Electrification Funding<sup>lx</sup>**

The Executive Budget includes \$2 million in capital funding to help low-income households complete upgrades to enable them to qualify for other energy retrofit programs.

### **Protecting Tenants from Unfair Utility Shutoffs<sup>lxi</sup>**

The Executive Budget prohibits termination of utility service to entire multiple dwellings due to landlord nonpayment and authorizes utilities to seek liens against property owners.

## **Human Services**

### **Funding to Provide Luggage for Youth in Foster Care<sup>lxii</sup>**

The Executive Budget includes \$572,000 for the purchase of luggage for youth placed in a foster care program outside of New York City.

### **Asylum Seeker Assistance<sup>lxiii</sup>**

The Executive Budget does not include any new assistance for asylum seekers and related activities and supports mainly provided to New York City the last few years to address the surge in families and individuals coming to the U.S. The final spenddown of remaining funds for such purposes anticipated in SFY 2027 is about \$250 million, down from an estimated \$1.6 billion in SFY 2026. These funds provided emergency shelter and other assistance to asylees.

### **Broaden Access to Private Adoptive Placements<sup>lxiv</sup>**

The Executive Budget expands reimbursable adoption expenses by extending the permissible reimbursement window from 60 days to up to 345 days following placement.

### **Authorize the Pass-Through of Any Federal Supplemental Security Income Cost of Living Adjustment<sup>lxv</sup>**

The Executive Budget authorizes automatic pass-through of federal Supplementary Security Income cost-of-living adjustments without additional State legislative action.

## **Judiciary and Court-Related Matters**

### **Provide a Market-Based Interest Rate on Court Judgements<sup>lxvi</sup>**

The Executive Budget proposes a variable market-based interest rate on court judgments paid by public and private entities, which would result in an estimated savings of \$2.5 million in FY 2027 and FY 2028.



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### Make Permanent the Committee on Special Education Financing Structure<sup>lxvii</sup>

The Executive Budget makes permanent the current financing structure for residential special education placements outside of New York City.

## Office of Indigent Legal Services & Legal Defense

### State Aid for Indigent Legal Services<sup>lxviii</sup>

The Executive Budget includes \$481.87 million in Aid to Localities funding for the Office of Indigent Legal Services. This includes:

- **ACP Rate Increase:** \$92 million to reimburse 50% of eligible expenditures that counties and NYC incur as a result of the increased statutory rate for County Law Article 18-B assigned counsel. This funding will continue SFY 2026 levels and is to be disbursed upon submission of a certification submitted to ILS on a quarterly basis.
- **ILS Distributions and Grants:** \$81 million to finance ILS distributions and grants. This funding amount will continue SFY 2026 funding levels for ILS programs.
- **Implementation of Hurrell-Harring Settlement:** \$25 million to finance implementation of the *Hurrell-Harring* settlement programs (counsel at arraignment, caseload relief, and quality improvement).
- **Extension of Hurrell-Harring Reforms Statewide:** \$274 million to fully fund statewide implementation of Hurrell-Harring settlement reforms pursuant to plans filed by ILS on December 1, 2017. The appropriation language includes the same annual reporting requirement that was in previous years' final budgets, as well as the same authorization to transfer a portion of these funds to support ILS' State Operations budget and/or suballocate funding to other state agencies.
- **Article 18-B Family Court Representation – Parental Defense:** \$9.9 million is allocated to improve the quality of representation to persons who, under County Law Article 18-B, are entitled to assigned counsel in Family Court matters.

As in years past, the Executive Budget proposal includes authorization to transfer (sweep) \$234 million from the Indigent Legal Services Fund to the General Fund to provide general budget relief to the State. Approximately \$114 million would account for increased assigned counsel rates supported by “state” funds. The sweeping of these funds for state budget relief would be inconsistent with the purpose of the Indigent Legal Services Fund (i.e., to improve the quality of public defense under County Law Article 18-B and the terms of the Hurrell-Harring Settlement).

## Medicaid & Health Care

### Medicaid Costs<sup>lxix</sup>

Total Medicaid and Essential Plan spending is expected to be \$122.9 billion in FY 2027. This includes \$65 billion (53.1%) in Federal spending and \$48.5 billion (39.5%) in State spending. This does not include just over \$9 billion (7.4%) in local Medicaid Cap, Disproportionate Share to Hospitals (DSH), and intergovernmental transfer matching funds paid by counties and New York City.

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### **Preserves Local Medicaid Cap<sup>lxx</sup>**

The Executive Budget assumes the continuation of the local cap on Medicaid costs through FY 2027. Beginning in January 2006, counties' Medicaid cost contributions were capped based on 2005 expenditures and indexed to a growth rate of 3.5 percent in 2006, 3.25 percent in 2007, and 3 percent per year thereafter. In FY 2013, the State committed to phasing out all growth in the local share of Medicaid costs over a three-year period.

The State takeover, which capped local districts' Medicaid costs at calendar year 2015 levels, is projected to save local districts a total of \$9.2 billion in FY 2027. Since 2015, the Medicaid cap has saved counties and New York City \$62.8 billion.

### **Reauthorize the Health Care Reform Act (HCRA) for Three Years<sup>lxxi</sup>**

The Executive Budget extends the Health Care Reform Act (HRCA) through March 31, 2029, including continuation of hospital assessments, surcharges, and dedicated health care funding streams.

### **Strengthening Oversight on Healthcare Transactions<sup>lxxii</sup>**

The Executive Budget authorizes the Department of Health to require additional reporting and conduct cost and market impact reviews of material healthcare transactions, including post-transaction reporting requirements.

## **Public and Mental Health**

### **Core Public Health Funding<sup>lxxiii</sup>**

The Executive Budget includes \$230 million for local health departments to provide public health services pursuant to Article 6 of the Public Health Law, which is flat funding from SFY 2026.

### **Impose Tax on Alternative Nicotine Products<sup>lxxiv</sup>**

The Executive Budget defines alternative nicotine products and broadens the tobacco products definition to include them, bringing these products under the State's existing 75% wholesale tax on tobacco products.

### **Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement<sup>lxxv</sup>**

The Executive Budget creates a two-tier tax system on vapor products that introduces a distributor-level tax per unit of vapor product first imported or manufactured in the State and retains the supplemental tax on vapor products imposed on retail sales. Additionally, the Executive Budget creates a Vapor Products registry, to be maintained by the Department of Taxation and Finance, whereby only vapor products identified and listed on the registry may be legally sold in New York State. The Budget also proposes \$4.7 million in Department of Health (DOH) operating support for costs associated with seized vapor product storage and disposal.



## **SFY 2027 Executive Budget County Impact Report**

### **Strengthen Cardiac Readiness Across New York State<sup>lxxvi</sup>**

The Executive Budget updates statutory requirements related to automated external defibrillators (AEDs), including registration with the Department of Health and updated maintenance and reporting requirements.

### **Reducing Reliance on Temporary Staff to Stabilize New York's Healthcare Workforce<sup>lxxvii</sup>**

The Executive Budget requires temporary health care staffing agencies to register, report staffing data, and comply with profit limitations, and authorizes DOH oversight of compliance.

### **Long-Term Care Proposals<sup>lxxviii</sup>**

The Executive Budget restores nursing home capital rate reductions enacted in FY 2025 and aligns Medicaid Buy-In eligibility for Working People with Disabilities with federal requirements.

### **Managed Care Related Proposals<sup>lxxix</sup>**

The Executive Budget makes multiple statutory changes to the Medicaid Managed Care program, including adjustments to eligibility determinations, benefits administration, and managed care plan requirements.

### **Community Paramedicine and Hospital at Home<sup>lxxx</sup>**

The Executive Budget extends authorization for existing community-based paramedicine programs and permits general hospitals to operate Acute Hospital Care at Home programs, subject to DOH approval and oversight.

## **Public Safety**

### **Raise the Age Funding<sup>lxxxi</sup>**

The SFY 2027 Executive Budget includes \$250 million in new funding for implementation of the Raise the Age initiative.

### **Authorize Use of Body Scanners in Youth Detention and Justice Facilities<sup>lxxxii</sup>**

The Executive Budget authorizes locally operated secure and specialized secure juvenile detention facilities to utilize radiological body scanners.

### **Stopping Illegal Homegrown Guns<sup>lxxxiii</sup>**

The Executive Budget creates new criminal penalties related to the manufacture, modification, and sale of firearms and firearm components, including 3-D printed firearms, and authorizes the Division of Criminal Justice Services to issue recommendations and promulgate regulations related to firearm safety standards.

### **Developing a Comprehensive Plan for Drones<sup>lxxxiv</sup>**

The Executive Budget establishes new offenses related to the unlawful use of drones, expands law enforcement authority to mitigate drone-related threats, and requires reporting of mitigation actions to the State Police Superintendent.

## **SFY 2027 Executive Budget County Impact Report**

### **Reforming Sexual Offense Evidence Collection Kit Procedures<sup>lxxxv</sup>**

The Executive Budget modifies sexual offense evidence collection kit procedures, including retention periods and destruction standards, and requires the creation of a coordinated tracking system for kits.

### **Extends Orders of Protection<sup>lxxxvi</sup>**

The Executive Budget requires courts to extend temporary orders of protection when a defendant fails to appear and authorizes courts to notify defendants at the time an order is issued.

### **Streamline Justice by Reducing Costs and Delays in NY Grand Jury Proceedings<sup>lxxxvii</sup>**

The Executive Budget authorizes remote testimony by certain witnesses in grand jury proceedings and modifies evidentiary requirements for business records.

### **Partnering with Canada to Strengthen Disaster Response<sup>lxxxviii</sup>**

The Executive Budget authorizes participation in the International Emergency Management Assistance Compact to allow cross-border emergency assistance during declared disasters.

### **Sensitive Locations Protection Act<sup>lxxxix</sup>**

The Executive Budget restricts civil immigration enforcement actions in designated sensitive locations, including courthouses, hospitals, and government buildings, except pursuant to a federal judicial warrant.

## **Transportation**

### **Funding for Local Highways and Bridges<sup>xc</sup>**

Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program is maintained at the FY 2026 level of \$688 million. The Executive Budget further provides \$100 million for Pave Our Potholes, \$150 million for PAVE NY, and \$200 million for BRIDGE NY, as well as \$100 million for Extreme Winter Recovery and \$140 million for State Touring Route.

### **Mass Transit Operating Support<sup>xci</sup>**

The Executive Budget proposes \$8.6 billion in State operating aid for the MTA in FY 2027, as well as \$370 million for Upstate transit systems (a 5.8% increase) and \$640 million for Downstate transit systems other than the MTA (a 7.4% increase).

### **Expand the Automated Work Zone Speed Enforcement Program<sup>xcii</sup>**

The Executive Budget expands the Automated Work Zone Speed Enforcement Program to include additional highways beyond controlled-access facilities.

### **Enhance Transportation Worker Protections<sup>xciii</sup>**

The Executive Budget expands categories of transportation workers eligible for enhanced assault protections, establishes new penalties for intrusions into active work zones, and authorizes license suspensions for certain related offenses.

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## Veterans

### Joseph P. Dwyer Funds<sup>xciv</sup>

The Executive Budget includes \$8.023 million for Joseph P. Dwyer funds, which is flat funding from the SFY 26 Enacted Budget.

<b>Joseph P. Dwyer Grant Allocations</b>		
<b>County Name</b>	<b>SFY 26 Enacted Budget</b>	<b>SFY 27 Executive Budget</b>
Albany County	\$109,200	\$109,200
Allegany County	\$104,000	\$104,000
Broome County	\$192,400	\$192,400
Cattaraugus County	\$192,400	\$192,400
Cayuga County	\$104,000	\$104,000
Chautauqua County	\$192,400	\$192,400
Chemung County	\$104,000	\$104,000
Chenango County	\$104,000	\$104,000
Clinton County	\$54,600	\$54,600
Columbia County	\$104,000	\$104,000
Cortland County	\$104,000	\$104,000
Delaware County	\$104,000	\$104,000
Dutchess County	\$192,400	\$192,400
Erie County	\$192,400	\$192,400
Essex County	\$104,000	\$104,000
Fulton County	\$104,000	\$104,000
Genesee County	\$83,200	\$83,200
Greene County	\$104,000	\$104,000
Hamilton County	\$104,000	\$104,000
Herkimer County	\$104,000	\$104,000
Jefferson County	\$192,400	\$192,400
Lewis County	\$104,000	\$104,000
Livingston County	\$104,000	\$104,000
Madison County	\$104,000	\$104,000
Monroe County	\$192,400	\$192,400
Montgomery County	\$104,000	\$104,000
Nassau County	\$192,400	\$192,400
Niagara County	\$192,400	\$192,400
Oneida County	\$109,200	\$109,200
Onondaga County	\$192,400	\$192,400
Ontario County	\$104,000	\$104,000
Orange County	\$192,400	\$192,400
Orleans County	\$54,600	\$54,600

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Oswego County	\$104,000	\$104,000
Otsego County	\$104,000	\$104,000
Putnam County	\$192,400	\$192,400
Rensselaer County	\$192,400	\$192,400
Rockland County	\$192,400	\$192,400
Saratoga County	\$192,400	\$192,400
Schenectady County	\$109,200	\$109,200
Schoharie County	\$104,000	\$104,000
Schuyler County	\$104,000	\$104,000
Seneca County	\$104,000	\$104,000
St. Lawrence County	\$104,000	\$104,000
Steuben County	\$104,000	\$104,000
Suffolk County	\$192,400	\$192,400
Sullivan County	\$192,400	\$192,400
Tioga County	\$104,000	\$104,000
Tompkins County	\$104,000	\$104,000
Ulster County	\$192,400	\$192,400
Warren and Washington Counties	\$192,400	\$192,400
Wayne County	\$104,000	\$104,000
Westchester County	\$192,400	\$192,400
Wyoming County	\$54,600	\$54,600
Yates County	\$104,000	\$104,000
University at Albany School of Social Welfare	\$218,400	\$218,400
New York City	\$416,000	\$416,000

## Budget References

- <sup>i</sup> SFY 27 Briefing Book, p.18
- <sup>ii</sup> SFY 27 Briefing Book, p.20
- <sup>iii</sup> SFY 27 Briefing Book, p.20
- <sup>iv</sup> Part A, Revenue Bill
- <sup>v</sup> Part F & G, Revenue Bill
- <sup>vi</sup> Part E, Revenue Bill
- <sup>vii</sup> Part B, Revenue Bill
- <sup>viii</sup> REV, Part K
- <sup>ix</sup> Part J, Revenue Bill
- <sup>x</sup> Part O, P, Q – Revenue Bill
- <sup>xi</sup> Aid to Localities, Office for the Aging (10319) and (10716)
- <sup>xii</sup> SFY 27 Briefing Book, p. 74
- <sup>xiii</sup> SFY 27 Briefing Book, p. 74

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- xvi SFY 2027 Briefing Book, p. 59
- xvii SFY 2027 Briefing Book, p. 74
- xviii SFY 27 Briefing Book, p. 74
- xix TDEC, Part J
- xx SFY 27 Briefing Book, p. 79
- xxi SFY 27 Briefing Book, p. 79; ELFA, Part C
- xxii ELFA, Part D
- xxiii ELFA, Part E
- xxiv SFY 27 Briefing Book, p. 54
- xxv SFY 27 Briefing Book, p. 90
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- xxvii SFY 27 Briefing Book, p. 90
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- xxxvi Public Protection & General Government Article VII Memo, SLA (Temporary Retail Permits), p. 22
- xxxvii Aid to Localities, State BOE (23504)
- xxxviii Public Protection & General Government Article VII Memo, Board of Elections (Election Integrity), p. 24-25
- xxxix SFY 2027 Briefing Book, p. 58; Capital Projects (25722) (09WH2657) 09HW2657)
- xl SFY 2027 Briefing Book, p. 59; Capital Projects (30455)
- xli SFY 2027 Briefing Book, p. 59
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- xlvi TDEC, Part L
- xlvi Aid to Localities, Misc. (47710)
- xlix Aid to Localities, Misc. (80480)
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- liv PPGG, Part BB
- lv TDEC, Part A
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- lvii SFY 2027 Briefing Book, p. 91; ELFA, Part N
- lviii SFY 2027 Briefing Book, p. 92
- lix SFY 2027 Briefing Book, p. 92

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- lx SFY 2027 Briefing Book, p. 92
- lxi TDEC, Part Q
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- lxiii P.126, State Financial Plan
- lxiv ELFA, Part I
- lxv ELFA, Part L
- lxvi SFY 27 Briefing Book, p. 120; PPGG, Part DD
- lxvii ELFA, Part K
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- lxix P. 108, State Financial Plan
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- lxxv SFY 2027 Briefing Book, p. 37; REV, Part L
- lxxvi HMH, Part G
- lxxvii HMH, Part J
- lxxviii HMH, Part L
- lxxix HMH, Part M
- lxxx HMH, Part K
- lxxxi Aid to Localities, Misc. (80604)
- lxxxii ELFA, Part J
- lxxxiii Public Protection & General Government Article VII Memo, DCJS (Illegal Firearms), p.13
- lxxxiv Public Protection & General Government Article VII Memo, DCJS/State Police (Drones), p. 14
- lxxxv Public Protection & General Government Article VII Memo, DCJS (SOECK Procedures), p. 15
- lxxxvi Public Protection & General Government Article VII, Unified Court System (Orders of Protections), p. 17
- lxxxvii Public Protection & General Government Article VII Memo, Unified Court System (Grand Jury Procedures), pp. 17-18
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