



# YOUR FAMILY. YOUR FUTURE. MY FIGHT.

FY2027 NYS EXECUTIVE BUDGET

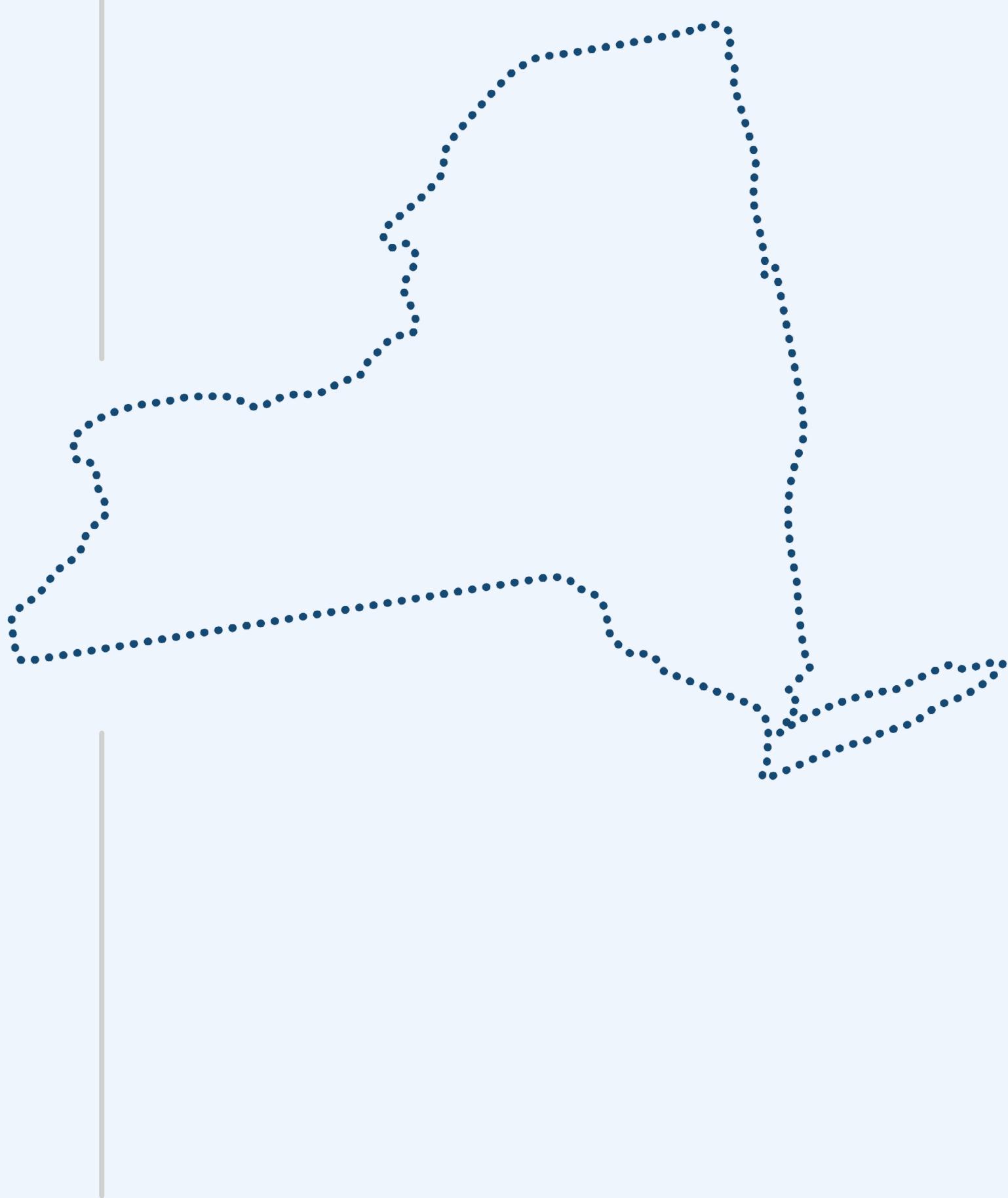
GOVERNOR KATHY HOCHUL  
BUDGET DIRECTOR BLAKE G. WASHINGTON

# FY 2027 EXECUTIVE BUDGET BRIEFING BOOK

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SECTION ONE

# INTRODUCTION



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## INTRODUCTION

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# GOVERNOR'S MESSAGE

In my State of the State address last week, I laid out our vision for a stronger, safer, more affordable New York. With careful planning, historic investments, and common-sense reforms, we can push through vital projects—from housing and clean water infrastructure, to public safety and education. We can make childcare more affordable, ensure every child has access to a quality public school, and expand opportunity so that a college degree is within reach for New Yorkers in every corner of the state. This year's Budget delivers the optimistic and thriving future our children deserve.

A budget is a statement of priorities and a plan for how to realize them. With so much uncertainty coming out of Washington, that plan must be resilient enough to navigate a range of potential detours. We are confronting two truths at once: we have real momentum here in New York, and we face real volatility ahead. Our task is to sustain our momentum while continuing to make responsible choices that keep our state economically secure.

We are not assuming calm seas ahead, but we have built a boat ready to weather whatever comes next. Because of years of responsible fiscal management, our reserves today are almost six times larger than when I took office—strong enough to protect New York in a downturn, and flexible enough to respond when families and businesses need help. Revenues have continued to exceed projections, driven in part by a robust economy and record Wall Street bonuses. When the economy grows, we are able to invest more without raising taxes or asking New Yorkers to foot the bill.

Nonetheless, we will still have to offset significant cuts in federal funding—New Yorkers are counting on their elected leaders to understand the pressures they face and fight to deliver the support they need.

I encourage you to read my Budget proposal in depth. When you do, you'll find that taken together, my State of the State and this Budget offer a plan that is responsible but not austere, that continues to take a hard look at programs that are overfunded while protecting essential services. Above all, you'll find that every dollar we spend is guided by a simple commitment: fighting for New York families.



A handwritten signature in black ink that reads "Kathy Hochul". The signature is fluid and cursive, with a large, stylized "K" at the beginning.

**KATHY HOCHUL**  
GOVERNOR

# DIRECTOR'S MESSAGE

The FY 2027 Executive Budget Proposal builds on four years of historic investments in schools, health care, infrastructure and public safety. Governor Hochul continues to fight for New York's families today, while also championing policies that will have a long-lasting impact on making the state affordable for all New Yorkers. This Executive Budget proposal takes a significant step forward to achieving universality in childcare, while protecting core services that have been threatened by federal uncertainty.

Strong performances by Wall Street and sturdy reserves allow the Executive Budget to continue critical investments and manage the fiscal pressures of unforeseen circumstances, all while not raising taxes.

The Governor is channeling New York's resilience, strength and spirit into her Executive Budget by fighting for families now and investing in the future. These historic proposals are the direct result of hearing what New Yorker's are asking for: steady, thoughtful governing and improving affordability in New York.

At the end of the day, we're all New Yorkers. From farmers battling increased tariffs, to families looking to keep their child safe while they work to put food on the table, to community and business leaders, this budget reflects many voices and should resonate for us all.

The Executive Budget proposal strikes the right balance, between being responsible and investing in the programs and services that New Yorkers care so deeply about. I want to commend the Governor on her dedication to always putting New York families first.



A handwritten signature in blue ink, appearing to read "BLAKE G. WASHINGTON". The signature is fluid and cursive, with a large, stylized initial 'B'.

**BLAKE G. WASHINGTON**  
BUDGET DIRECTOR

# SUMMARY OF BUDGET DOCUMENTS

## OVERVIEW

The Executive Budget process and key Budget documents are governed by the State Constitution, with additional details and actions prescribed by state laws and practices that have been established over time. The State's budget process is governed primarily by Article VII of the New York State Constitution. Article VII requires the Governor to submit a budget detailing: a plan of expenditures and an estimate of revenues for the upcoming fiscal year; bills containing all proposed appropriations and reappropriations; and other legislation needed to implement the Executive Budget.

Two types of budget bills are necessary for the Executive Budget:

- **Appropriation Bills:** Executive Budget  
Appropriation bills provide the legal authorization for all proposed spending from the funds managed by the State. These bills encompass the recommended funding for State operations, aid to localities, capital projects, and debt service, as well as legislative and judiciary bills.
- **Article VII Bills:** Article VII bills propose amendments to, or create new, state laws governing programs, savings, and revenues, as the Governor deems necessary. These bills encompass the recommended changes to law in the areas of: Education, Labor, Family Assistance, Health and Mental Hygiene, Public Protection, General Government, Transportation, Environment, Economic Development, and Revenue.

In addition to the bills mentioned above, the Executive Budget includes the following Budget documents.

## THE BIG FIVE

### EXECUTIVE BUDGET BRIEFING BOOK

The Executive Budget Briefing Book presents the Governor's overall goals for the upcoming fiscal year. It explains the State's Financial Plan, includes

highlights of major initiatives, and a list of the legislative proposals needed to implement the proposed Budget.

### FIVE-YEAR FINANCIAL PLAN

The Five-Year Financial Plan summarizes the Governor's Executive Budget and describes the "complete plan" of spending and revenues as required by the NYS Constitution.

### FIVE-YEAR CAPITAL PROGRAM AND FINANCING PLAN

The Five-Year Capital Program and Financing Plan highlights major capital initiatives and objectives and describes the approach to financing the capital program.

### ECONOMIC AND REVENUE OUTLOOK

The Economic and Revenue Outlook explains the specific sources of State revenues and presents an economic outlook for the nation and the State over the upcoming fiscal year.

### STATE AGENCY PRESENTATIONS

The State Agency Presentations include links to the mission and functions of each State agency, descriptions of major Budget actions, and tables that summarize the agency's spending by program and category. This module also includes the budget requests of the Legislative and Judiciary branches, which are submitted without revision as required by the Constitution.

### OPEN BUDGET

All Executive Budget bills and documents are accessible to the public through the Budget Division's official website, [budget.ny.gov](http://budget.ny.gov), or in print from the Senate and Assembly document rooms in Albany, NY. In addition, the public is encouraged to visit the Open Budget website, [openbudget.ny.gov](http://openbudget.ny.gov).

# FY 2027 EXECUTIVE BUDGET BRIEFING BOOK

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SECTION TWO

# **EXECUTIVE BUDGET FY 2027**



# FINANCIAL PLAN OVERVIEW

Five years ago, the State was grappling with a pandemic-induced recession that led to a delay in planned tax cuts and reductions to State agency operations. At the time, the Retiree Health Benefit Trust Fund (RHBTF) was unfunded, and the State had a mere \$2.5 billion in the Rainy Day Reserves. Since then, the State's fiscal conditions have improved significantly as the economy has recovered, and prudent fiscal management of resources bolstered reserves to the highest levels in history.

Principal Reserves now total \$14.6 billion comprised of discretionary reserves and the statutory Rainy Day Reserves. The State continues to move funds annually from the discretionary reserve to achieve a \$10 billion balance in the Rainy Day Reserve by FY 2028. Long-term liquidity has been preserved through continued prepayments of future debt and pensions costs, funds set aside to support future costs, including \$1.7 billion set aside in RHBTF, and the use of Pay-As-You-Go (PAYGO) funds to support capital projects and avoid costly debt. The State also assisted New York employers by repaying the Federal Unemployment loan incurred during the pandemic, as well as the Metropolitan Transportation Authority (MTA) by providing resources to support their \$68 billion 2025-2029 capital program and securing additional resources to support their operating budget, including \$1.5 billion in casino license revenue to restore the MTA's solvency.

At the same time the State has increased reserves and maintained a sensible debt burden, it has also provided affordability relief through refund checks, lowered middle-class taxes, and increased tax credits, and made historic investments and funding increases in nearly all program areas, which are continued in the FY 2027 Executive Budget. These increases include fully funding Foundation Aid to schools; expanding access to mental health services, child care, and housing; addressing gun crime and violence; aiding distressed hospitals and other health care providers and workers; supporting health care delivery improvements; increasing support for the State University of New York (SUNY) and the City University of New York (CUNY); ensuring abortion access; providing free school meals for all students regardless of income; protecting the environment and natural resources; supporting hunger prevention and nutrition assistance; increasing wages; creating a first-time

homebuyers down payment assistance program; and funding free community college for students ages 25 to 55 pursuing certain first-time associate degrees in high-demand occupations, including nursing, teaching, technology, and engineering.

Tax revenue supports roughly 80 percent of State Operating Funds spending, and tax collections continue to show sustained growth, outpacing expectations. Tax receipts have grown on average by roughly \$11 billion or 11 percent annually from FY 2021 levels, supporting the increases in reserves and new investments made over the past five years. Last year, tax rates for high-income tax filers were extended for five years through tax year 2032 and the State has seen significant increases in PIT collections to date, primarily driven by finance and insurance bonuses. New York has the third-highest top PIT rate in the nation at 10.9 percent. In the City of New York (NYC), the highest combined PIT top rate of 14.776 percent surpasses all other states. Likewise, NYC-based businesses face the highest State and Local combined top corporate tax rate in the nation at nearly 17.5 percent. The FY 2027 Executive Budget proposes to extend the 7.25 percent top corporate tax rate for three years through tax year 2029, resulting in increased revenue for the State and the MTA.

The 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. Based on the updated economic outlook and tax collections to date, DOB has made upward revisions to General Fund baseline estimated tax receipts of \$3.8 billion in FY 2026 and \$5.7 billion in FY 2027, with comparable increases in subsequent years. The revisions include PIT, user taxes and fees, and other taxes, with PIT increases making up the largest portion of the total tax estimate adjustments. PIT estimates have been increased by \$3 billion in FY 2026, \$5.1 billion in FY 2027, and roughly \$4.9 billion in the later years of the Financial Plan.

In addition, the estimates for spending have been reduced in FY 2026 and each year thereafter based on operating results to date and updated information. Total baseline forecast revisions leave a combined two year surplus of \$5.9 billion - \$2.4 billion in the current year and

\$3.5 billion in FY 2027. Consistent with past practice, a portion of these resources are carried forward to lower the outyear gaps in FY 2028 and beyond, and the remaining funds totaling \$2.5 billion are utilized to fund proposals included in the FY 2027 Executive Budget.

The upward revisions to PIT collections alone are sufficient to eliminate the \$4.2 billion FY 2027 General Fund budget gap projected in the FY 2026 Mid-Year Update, reduce outyear budget gaps, and fund the proposed child care expansion initiatives that build on the billions of dollars in State investments made over the past several years to improve affordability and access to child care.

The child care proposals include additional funding for existing subsidies, Universal Pre-K statewide expansion, support to the City of New York for 3-K and a new 2-Care NYC program, as well as the creation of child care pilot programs in select counties, new friendly zoning initiatives to increase child care capacity, and simplifying and enhancing the Child and Dependent Care Credit to make it more progressive.

In addition to the child care proposals, the FY 2027 Executive Budget provides additional funding for a range of programs and services, including several new commitments, consistent with announcements made by the Governor in her State of the State plan presented on January 13, 2026. Increased funding is proposed for operating assistance to SUNY and CUNY, health care commitments, inflationary increases for human service providers, NYC subway policing expenses, food and nourishment programs, and investments to meet the needs of aging New Yorkers.

These new costs are supported by the extension of the corporate top tax rate, tax policy changes to address Federal modifications included in the House of Representatives Bill (H.R.) 1, and proposed savings initiatives. New capital funding commitments totaling \$5.3 billion are also proposed to support transportation, clean water, affordable and supportive housing, economic and community development, environmental and clean energy initiatives, safety net health care, public safety, and higher education. The existing and new capital commitments proposed in the Executive Budget are funded not only with bonds but also with additional dedicated cash resources, to ensure the State's debt burden remains affordable.

Despite the positive fiscal outlook, the State continues to face ongoing economic risks and fiscal challenges in part stemming from Federal legislation and policies, including the recent attempt to freeze funding for child care and social services, as well as uncertainty and volatility caused by another potential Federal government shutdown if a resolution is not passed before January 30, 2026. Other headwinds that exacerbate fiscal risks and uncertainty include the ongoing implications of sustained trends of elevated enrollment and rising costs in public health insurance programs, and the Federal spending reductions expected to negatively impact health care delivery and coverage, social services, public safety, climate change, and clean energy programs. In addition, a softening labor market, unpredictable tariff policies and concomitant concerns about the potential for a trade war, and the inherent risk of stock market concentration in large technology companies could lead to economic slowdowns.

FY 2027 EXECUTIVE BUDGET FINANCIAL PLAN GENERAL FUND - PIT REVISIONS AND CHILD CARE EXPANSION (millions of dollars)				
	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
<b>FY 2026 MID-YEAR SURPLUS/GAPS</b>	0	(4,154)	(10,033)	(12,595)
PIT Tax Receipts Revisions	3,002	5,086	4,873	4,874
Child Care Expansion/Credit Reform	(223)	(1,701)	(2,616)	(2,811)
<b>SURPLUS/(GAPS) BEFORE OTHER REVISIONS/ADDS</b>	<b>2,779</b>	<b>(769)</b>	<b>(7,776)</b>	<b>(10,532)</b>
<i>FY 2026/2027 Combined Surplus/(Gap)</i>		2,010		

Considering these uncertainties and risks, the Executive Budget maintains the existing level of Principal Reserves to protect essential services in the event of an economic downturn or other future fiscal challenges, as well as other reserves for dedicated purposes to manage future costs and known risks to the Financial Plan.

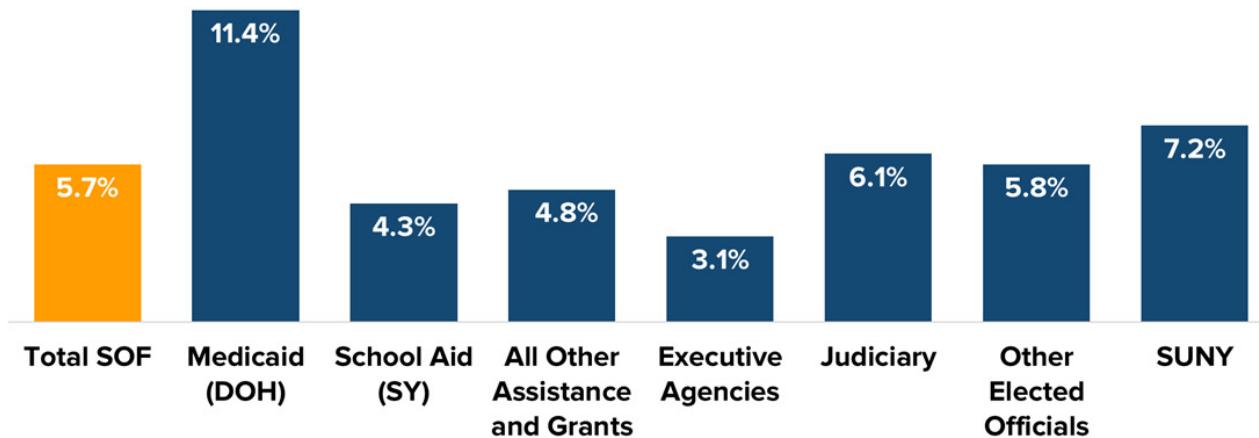
The FY 2027 Executive Budget, if adopted and executed as proposed, provides for balanced General Fund operations on a cash basis in FY 2027, and reduces the outyear budget gaps in the range of \$4 billion annually from the levels estimated in the FY 2026 Mid-Year Update to the Financial Plan. Future budget gaps are estimated at \$6 billion in FY 2028, \$9 billion in FY 2029, and \$12.5 billion in FY 2030. The State manages projected budget gaps in future years with conservative estimates of receipts and spending, the use of prior year cash management actions and resources, including the prepayment of future obligations (e.g., debt service and pension costs), and reserves for transaction risks.

The Executive Budget proposal is estimated to drive All Governmental Funds spending to \$260 billion in FY 2027, an increase of \$1.6 billion or 0.7 percent compared to the revised current year estimate. State Operating Funds spending in FY 2027, is projected to total \$157.4 billion, an increase of \$8.6 billion or 5.7 percent compared to the revised FY 2026 estimate. On an All Funds basis, the growth in State Operating Funds is partially offset by expected declines in Federal pandemic assistance and Essential Plan (EP) spending. Roughly 65 percent of the annual spending increase supports the State's two largest assistance and grants programs – Medicaid and School Aid.

Medicaid spending growth is driven by increased minimum wage costs, medical cost increases, enrollment remaining at elevated levels, benefit expansions, higher reimbursement rates, escalating drug prices and utilization of high-cost drugs, and continued growth in aging and high utilization populations. School Aid growth is driven by the continued full funding of the Foundation Aid formula, as well as the cost of providing districts with a one percent minimum increase in Foundation Aid. School Aid growth also includes the cost of increased aid for Universal Prekindergarten programs for four-year-old children and for three-year-old children in New York City (3-K). Other Assistance and Grants spending growth includes expansion of child care subsidies, support for a new 2-Care NYC program, a child care pilot program in select counties, operating aid for CUNY senior colleges, investments in SUNY and CUNY community colleges, tuition assistance, mass transit, increased utilization levels in mental hygiene programs, and inflationary increases for human service providers.

Projected operational spending growth for Executive agencies reflects staffing increases across various agencies, annual incremental pay increases, general operating expenses, administrative costs related to Federal policy changes, continued investments in cybersecurity, Information Technology (IT) system modernization, and improved data collection and management efforts. In response to State costs associated with the H.R. 1 bill, Executive State agencies were previously directed to identify areas to

## FY 2027 PROJECTED STATE OPERATING FUNDS SPENDING GROWTH



reduce spending and improve operations in FY 2026 and will continue this effort moving forward. These ongoing efforts are projected to reduce operational spending by a recurring \$300 million across all Executive controlled agencies.

The Legislature and Judiciary independently submit appropriation bills that are not subject to Executive modification resulting in increased spending included in the Budget.

SUNY spending increases reflect escalating staffing levels and salary increases, overtime, and operating costs for three hospitals. SUNY spending is supported by tuition, hospital income, fees and State support.

### General Fund Summary

Consistent with statutory requirements, the Governor's FY 2027 Executive Budget proposal provides for balanced General Fund operations in the budget year.

The current and budget year surpluses are expected to support new investments and proposals included in the FY 2027 Executive Budget and announced by the Governor in her State of the State presentation on January 13, 2026.

The following table summarizes the impact of the Executive proposals on General Fund operations, by financial plan category, starting with the revised baseline estimates.

The Executive Budget proposes several tax actions including extending the corporate top tax rate for three years through tax year 2029, decoupling State business taxes from certain H.R. 1 provisions that alter Federal tax expense recognition, simplifying and enhancing the Child and Dependent Care credit to make it more progressive and exempting tip earnings up to \$25,000 from PIT subject to income caps. The Executive Budget also proposes increases or extensions to several other tax credits, excluding PTET flexibility.

FY 2027 EXECUTIVE BUDGET FINANCIAL PLAN GENERAL FUND REVISIONS SAVINGS/(COSTS) (millions of dollars)				
	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected
<b>BASELINE SURPLUS/(GAP) ESTIMATE</b>	2,476	(3,789)	(6,778)	(9,470)
<b>Receipts</b>	<b>(2,611)</b>	<b>1,540</b>	<b>1,817</b>	<b>1,168</b>
Tax Receipts	1,364	1,591	1,906	1,312
PTET Flexibility (Financial Plan Neutral)	(4,000)	0	0	0
Debt Service	(22)	(49)	(86)	(141)
Miscellaneous/Federal Receipts	47	(2)	(3)	(2)
Transfers from Other Funds	0	0	0	(1)
<b>Disbursements</b>	<b>(3,865)</b>	<b>(3,796)</b>	<b>(4,058)</b>	<b>(4,151)</b>
Assistance and Grants	(2,298)	(2,684)	(3,026)	(3,129)
Agency Operations	(278)	(191)	(158)	(114)
Transfers to Other Funds	(1,289)	(921)	(874)	(908)
<b>Use of/(Deposit to) Reserves</b>	<b>4,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Rainy Day Reserve	0	0	0	0
Tax Stabilization Reserve	0	0	0	0
Contingency Reserve	0	0	0	0
Community Projects Reserve	0	0	0	0
Other Reserves	4,000	0	0	0
<b>EXECUTIVE BUDGET SURPLUS/(GAP) ESTIMATE</b>	<b>0</b>	<b>(6,045)</b>	<b>(9,019)</b>	<b>(12,453)</b>

General Fund receipts projected in the Executive Budget proposal increase in aggregate compared to the baseline forecast. All Funds tax receipts are projected to total \$130.8 billion in FY 2027, an annual increase of 4.2 percent compared to the revised FY 2026 estimate.

Proposed funding increases support agency operations growth and address many continuing challenges, including access to child care, expanding mental health care, and improving the health care delivery system. Other new spending will enhance public safety, including continued State assistance to the City of New York for subway safety law enforcement, provide a 1.7 percent targeted inflationary increase for certain eligible programs, recur hunger prevention and nutrition assistance, increase operating aid for SUNY and CUNY campuses, invest in services for the aging, fund an additional year of the Homeowner Protection Program, extend additional temporary municipal assistance, provide tariff relief to farmers throughout the State of New York, and ensure the Medical Indemnity Fund (MIF) remains operational through FY 2027. In addition, the Executive Budget includes increased spending as proposed by the Judiciary, Attorney General, State

Comptroller (OSC), and the Legislature, to support planned operational needs, new investments, and expansions.

### State Spending

Spending growth is largely driven by continued high levels of enrollment in the Medicaid program, as well as prior year expansion of benefits, increases in reimbursement rates, and expanded utilization of the State's Managed Long-Term Care (MLTC) program by the State's aging population. The State continues to explore options to reduce costs in future budgets to ensure long-term Medicaid spending levels are sustainable. Other increases include child care expansion, increases in mental health funding, and planned School Aid growth.

Over the past several years, the State has made historic investments in practically all program areas, including: fully funding Foundation Aid to schools; expanding access to mental health services, child care, and housing; providing assistance to distressed hospitals; increasing wages for health care and social

FY 2027 EXECUTIVE BUDGET				
SPENDING ESTIMATES				
(millions of dollars)				
	FY 2026 Updated	FY 2027 Projected	\$ Change	% Change
<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 (School Year Basis)	37,626	39,253	1,627	4.3%
All Other Assistance and 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</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>

service providers and workers; increasing the minimum wage; supporting health care delivery improvements; increasing support for SUNY and CUNY; addressing gun crime and violence; expanding access to school meals; protecting the environment; and improving energy affordability.

These investments, as well as proposed funding increases in the FY 2027 Executive Budget, have increased projected spending for assistance and grants by more than \$46 billion compared to the \$67 billion level recorded in FY 2021. Likewise, agency spending has also increased due to growing investments, staffing levels, rising fringe benefits expenses, and operational costs.

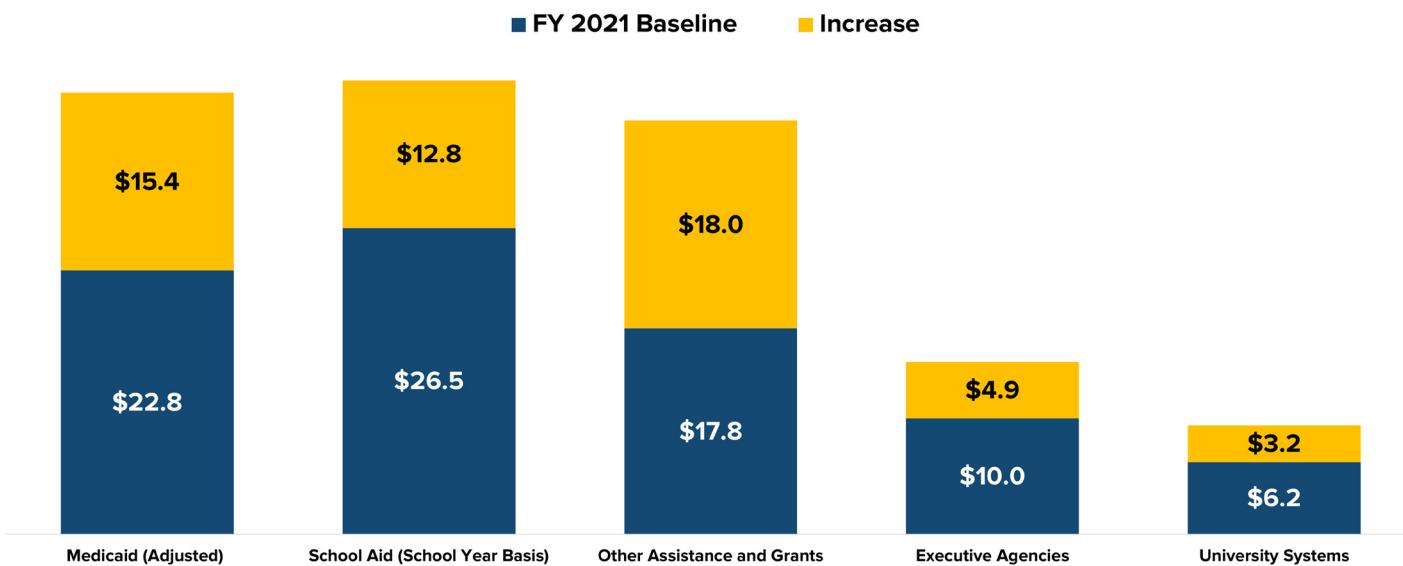
More than 60 percent of the growth is concentrated in Medicaid and School Aid, reflecting historic, recurring funding increases for the health care system and schools. New York continues to invest significantly more in these two programs than any other state in the nation.

**Medicaid.** The New York State Medicaid Program provides health and long-term care coverage to lower-

income children, pregnant women, adults, seniors, and people with disabilities. The Medicaid program also funds the majority of home and personal care services, including caregivers that are self-directed by consumers under the Consumer Directed Personal Assistance Program (CDPAP), and is a large contributor of funding to public and private hospitals and nursing homes through various supplemental programs. Medicaid spending growth continues to escalate as Medicaid utilization primarily personal care, which includes the Nursing Home Transition and Diversion (NHTD) Waiver, rises with an aging population.

Over 6.8 million New Yorkers (34 percent) are currently covered by Medicaid. When combined with other public insurance coverage, such as Child Health Plus (CHP) and EP, New York has the highest percent of people covered by publicly funded medical insurance in the nation with a total of 9.1 million enrolled. The State offers some of the most comprehensive and extensive Medicaid benefits in the nation, including optional services such as coverage for pharmacy and personal care services, and spent \$4,755 per capita based on the latest Centers for Medicare & Medicaid

## SPENDING GROWTH FROM FY 2021 TO PROPOSED FY 2027 (IN BILLIONS)



Services (CMS) data (Federal Fiscal Year 2024). New York's per capita spending was more than 44 percent above the national average of \$2,657 per capita and over 18 percent higher than the next highest spending state - Kentucky which spent \$3,897 per capita.

Medicaid costs are financed jointly by the Federal, State, and Local governments. New York receives the minimum Federal Medicaid matching share of roughly 50 percent. Local districts' costs have been capped at calendar year 2015 levels, shifting the increased costs of the program to the State and saving the City of New York and counties billions of dollars annually. In FY 2027, local governments will save approximately \$9.2 billion and have saved nearly \$63 billion since 2015.

In FY 2027, Medicaid spending (excluding operational costs) is projected to total \$38.2 billion, an increase of \$3.9 billion (11.4 percent) from the revised FY 2026 levels. State spending for Medicaid has tripled over the past 15 years due to medical and drug cost increases, enrollment remaining at elevated levels, expansion of benefits, increases to reimbursement rates, and continued growth in aging and high utilization populations. Other factors that continue to place upward pressure on State-share Medicaid costs include, but are not limited to, provider reimbursements to cover home health wage increases, increased costs and enrollment growth in NHTD, and the needs of financially distressed hospitals.

**School Aid.** The State provides a substantial amount of financial support for public schools through State formula aids and grants. Approximately 2.4 million kindergarten through 12th grade students are currently enrolled in the State's public schools, including 192,000 students enrolled in charter schools. For nearly two decades, New York has ranked first among states in per-pupil spending. In School Year (SY) 2023, New York spent \$30,012 per pupil, over 80 percent more than the national average of \$16,526 per pupil and approximately 14 percent higher than the second ranked State of Vermont.

The State completed the three-year phase-in for full funding of the Foundation Aid formula in SY 2024, which contributed substantially to the over \$8.3 billion (28 percent) increase in State-funded School Aid between SY 2022 and SY 2026. In addition to State aid, school districts have continued to raise revenue through local property tax increases, which when combined with State aid increases and Federal COVID-19 pandemic related assistance, have afforded many districts the ability to amass substantial reserves and surplus balances.

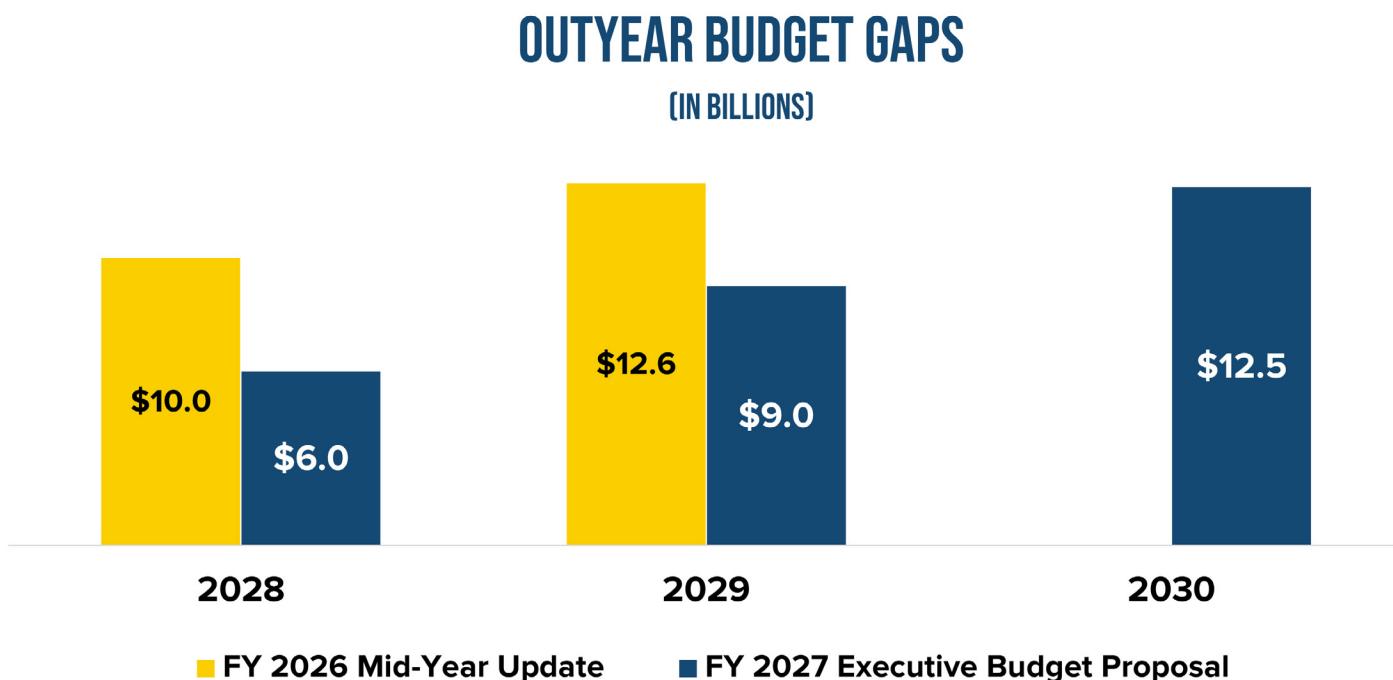
Adding to the historic funding increases over the past several years, the Executive Budget proposes \$39.3 billion for School Aid in SY 2027, an increase of \$1.6 billion (4.3 percent), inclusive of a \$779 million (3.0 percent) Foundation Aid increase.

## Outyear Budget Gaps

The FY 2027 Executive Budget Financial Plan results in lower General Fund outyear budget gaps compared to the levels projected in the FY 2026 Mid-Year Update to the Financial Plan. If the FY 2028 Budget is balanced with recurring savings, the budget gaps for FY 2029 and FY 2030 would be reduced to \$3 billion in FY 2029 and \$6.5 billion in FY 2030.

The outyear budget gaps are the result of a structural imbalance between forecasted levels of growth in spending and available resources. The estimated gaps include a \$3 billion transaction risk

reserve in each year. The projected budget gaps do not reflect the use of any Principal Reserves to balance operations but do include the use of prior year surpluses carried forward into future years and cautious estimates of disbursements, a practice that provides protection against potential receipts shortfalls and unanticipated costs that may materialize within a fiscal year.



## Reserves and Risks

The Financial Plan faces ongoing economic risks, including slowing economic growth; continued price inflation; geopolitical uncertainties; climate change and natural disasters; programmatic cost pressures; uncertainty about the fiscal conditions of outside entities relying on State assistance; risks due to the State's dependence on Federal funding and approvals; and possible Federal policy changes. While the DOB forecast of receipts and spending is primarily based on current law and reasonable assumptions as of the time it was prepared, economic uncertainties and the dependence of the State's tax base on the financial sector are embedded risks.

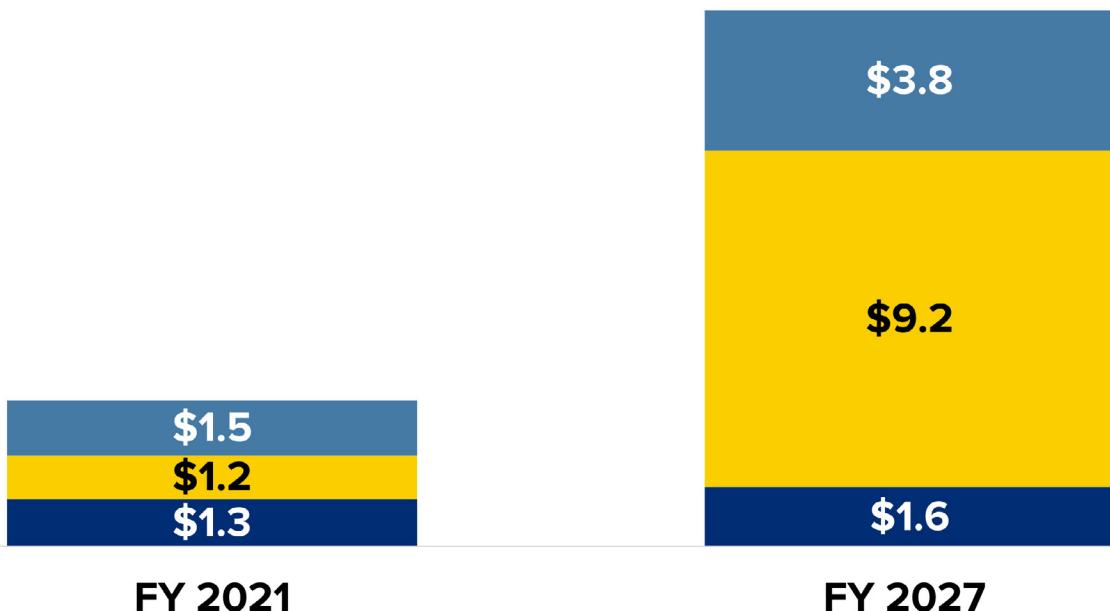
Reserves are the most practical and effective defense against such unpredictable risks. Outside experts view robust reserves as an essential tool for mitigating service reductions and public employee layoffs during periods of slow or

declining growth. During a "typical" recession, declines in receipts could be significant, and DOB estimates that tax receipts can be expected to fall between \$35 billion and \$50 billion over three years in a recession that resembles those experienced after 9/11 and during the Great Recession of 2008. This risk has been heightened by the increased tax rates and greater concentration of tax liability among high-income taxpayers relative to the last substantial economic downturn.

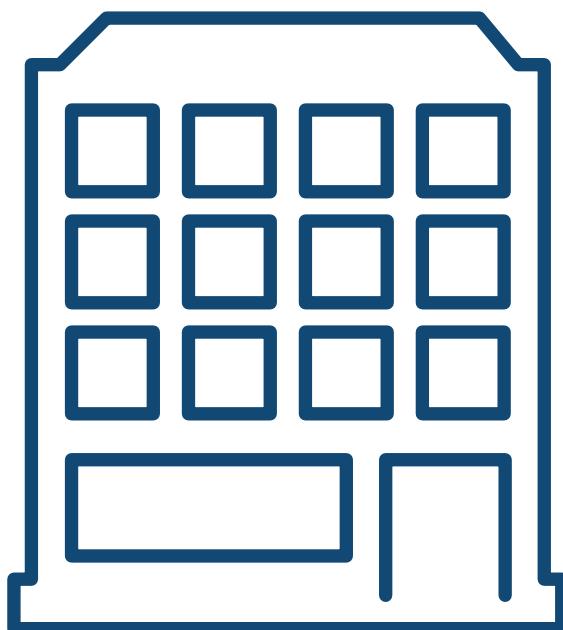
Over the past several years, the State has significantly increased reserves to limit adverse exposure and preserve resources to honor its commitments if facing difficult times. The FY 2027 Executive Budget preserves these critical investments and, financial conditions permitting, plans to continue to shift funds from the Reserve for Economic Uncertainties into the statutory Rainy Day Reserve to reach \$10 billion by FY 2028.

## PRINCIPAL RESERVES = \$14.6 BILLION

■ Reserves for Economic Uncertainties ■ Rainy Day Reserve ■ Tax Stabilization Reserve







# CAPITAL PLAN OVERVIEW

Governor Hochul continues to make significant infrastructure investments across the State that will play a critical role in building New York's future: creating jobs, growing the economy, improving transportation, and keeping New York residents healthy and safe. The Executive Budget builds on major investments made over the last four years in transportation infrastructure; affordable and supportive housing; economic and community development; environmental protection initiatives; increased access to care and housing for individuals with mental health issues; health care transformation; public safety; and higher education.

## COMMITTED TO DEBT AFFORDABILITY

Governor Hochul has taken a disciplined approach to maintaining affordable debt levels, while making substantive capital investments across the State. Accordingly, the Executive Capital Plan includes \$17.8 billion of cash resources to pay for capital spending that would have otherwise been funded with higher-cost taxable debt issuances. This proactive management of the State's debt costs will enable more affordable delivery of infrastructure investments and protect both taxpayers and bondholders today as well as 30 years from now.

State debt will continue to remain affordable as evidenced by the following debt metrics:

- Outstanding debt has grown modestly over the past decade, increasing from \$50.7 billion (FY 2017) to \$61.8 billion (FY 2026, projected), or an average of 2.2 percent annually.
- State-supported debt is projected to remain within statutory debt limits throughout the Capital Plan period, primarily due to \$17.8 billion in cash resources that have been added since 2023 and will be used to reduce debt issuances.
- State-related debt outstanding as a percentage of personal income is expected to remain below historical levels throughout the Capital Plan period and is projected at 4.6 percent in FY 2031.
- New York's credit rating of AA+ is at its highest level since 1972.

## MAJOR INFRASTRUCTURE INVESTMENTS UNDERWAY

Governor Hochul is committed to delivering transformative infrastructure projects that are supported by the State, local governments, public authorities, private entities, and the Federal government. The State budget includes investments in projects that will improve the State's transit systems, modernize airports, and rebuild infrastructure to upgrade the State's transportation network in a timely manner, and be resilient for future generations. Major infrastructure investments currently underway include:

**Gateway Hudson Tunnel Project.** The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy and are in dire need of repair and expansion. Upon completion, this project will revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. Project costs are estimated at \$15.8 billion.

In October 2025, the Federal government announced that it would withhold funding for the Gateway Development Commission's Hudson Tunnel Project and the MTA's Second Avenue Subway project pending an administrative review of project contracting processes. The Gateway Development Commission is working closely with the Federal government to expedite the administrative review. If the Federal government continues to withhold funding over a prolonged period, it could negatively impact project schedules.

**MTA 2025-2029 Capital Plan.** The MTA's \$68.4 billion 2025-2029 Capital Plan is supporting investments in subways, buses, bridges and tunnels to ensure that the MTA can provide reliable, accessible, and safe transit. The State is directly contributing \$4.2 billion, of which \$3 billion was newly appropriated for the Capital Plan and \$1.2 billion is from repurposing an existing Penn Station appropriation. A substantial amount of new funding was authorized to fund the 2025-2029 Capital Plan, in the form of adjustments to the Metropolitan Commuter Transportation Mobility Tax (MCTMT) that are anticipated to generate an estimated \$31.5 billion of capital funding. The balance of the funding for the Capital Plan is expected to come from the MTA (\$15.7 billion), the Federal government (\$14 billion), and the City of New York (\$3 billion).

**Transforming John F. Kennedy Airport.** The State continues to invest in the \$19.5 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21st century airport through an overhaul of the airport's eight disparate terminal sites into one unified JFK Airport. Work will include demolishing old terminals, utilizing vacant space, and modernizing infrastructure, while incorporating the latest in passenger amenities and technological innovations. This record investment includes \$15.6 billion in private sector funding and will increase the airport's capacity by at least 15 million passengers annually. The first new facilities from this ongoing transformation opened in 2023.

TRANSFORMATIVE INFRASTRUCTURE PROJECTS (billions of dollars)			
	Total Project Costs	State Share	Other Funding Partners Share <sup>1</sup>
<b>Transformative Projects Total</b>	<b>103.7</b>	<b>5.8</b>	<b>97.9</b>
Gateway Tunnel Project <sup>2</sup>	15.8	1.3	14.5
MTA Capital Plan 2025-2029 <sup>3</sup>	68.4	4.2	64.2
John F. Kennedy Airport	19.5	0.3	19.2

<sup>1</sup> Includes funding from Federal and local governments, public authorities, and other funding outside of the State budget.

<sup>2</sup> Project costs are as of the July 2024 RRIF loan closing for the Gateway Hudson Tunnel Project. Total includes financing costs.

<sup>3</sup> MTA 2025-2029 Capital Plan State share consists of \$3 billion that was newly appropriated for the Capital Plan and \$1.2 billion from repurposing an existing Penn Station appropriation. State share excludes new revenue enacted by the State to fund \$31.5 billion of the capital plan.

## FIVE-YEAR CAPITAL PLAN & BUDGET

The State's Five-Year Capital Plan includes \$107 billion of projected capital spending over a five-year period. Capital spending will be funded from multiple sources, including State bonds, State PAYGO (Pay-As-You-Go, e.g., taxes and fees), and Federal funds. The charts below outline projected capital spending by function and financing source.

### FY 2027 EXECUTIVE BUDGET CAPITAL PLAN HIGHLIGHTS

Major initiatives added or continued in FY 2027 include:

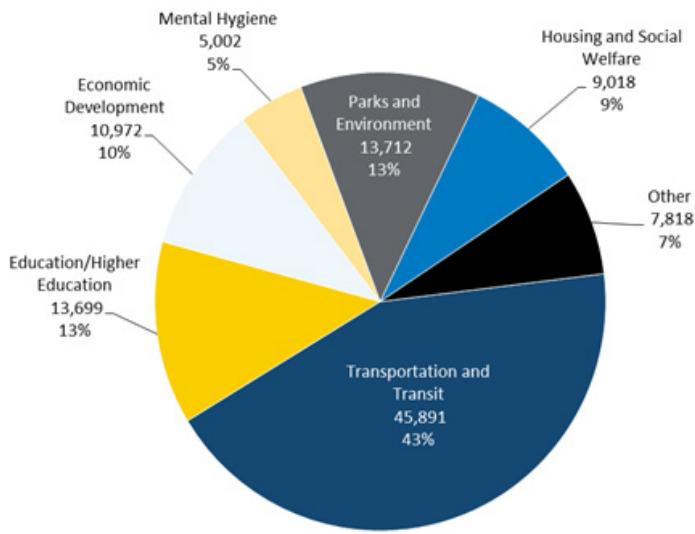
**Housing.** The Executive Budget continues funding for the final year of Governor Hochul's historic \$25 billion five-year housing plan to create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations. To date, the State has created or preserved more than 70,000 units of affordable housing and is on pace to reach the goal of 100,000 units in five years. The State is also on track to electrify 50,000 units. Funding includes \$5.7 billion in State capital resources, \$8.8 billion in State and Federal tax credits and other Federal allocations, and \$11 billion to support the operation of shelters and supportive housing units and to provide rental subsidies.

In advance of the next five-year housing plan, the Executive Budget includes \$250 million to accelerate new construction of affordable housing units, which takes advantage of recent changes to Federal Low Income Housing Tax Credits. The FY 2027 Executive Budget also invests in the expansion of new housing by providing municipalities with grants to update water infrastructure and includes \$100 million for a new round of funding to support factory-built and modular construction technologies. Additionally, the Executive Budget continues support for a \$1 billion State contribution to the "City of Yes for Housing Opportunity" program.

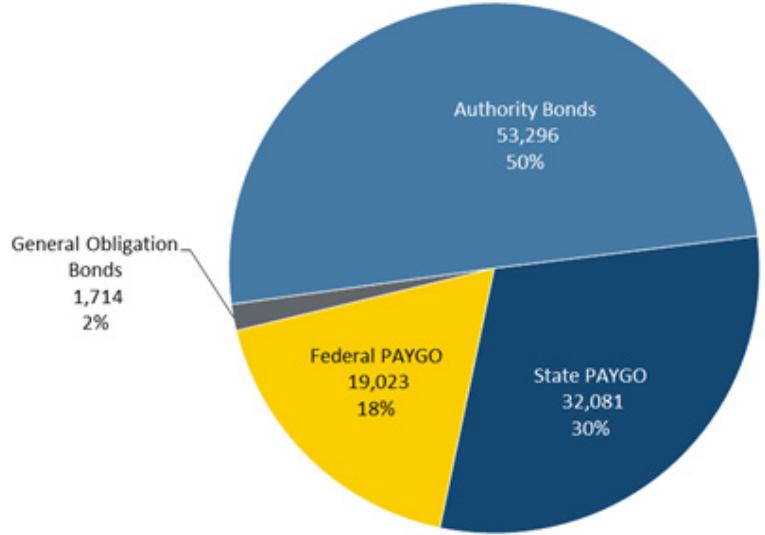
#### Five-Year Department of Transportation Capital Plan.

The Executive Budget includes more than \$6 billion for the final year of the five-year Department of Transportation (DOT) Capital Plan, bringing the total size of the plan to \$34.4 billion, to support State and local road and bridge construction and transit system improvements. The DOT Capital Plan continues funding commitments to support the final phases of major infrastructure projects, such as the replacement of I-81 in Syracuse. The plan also supports large-scale projects, including: modernizing the Livingston Avenue Bridge in Albany; converting Route 17 to I-86 in Orange and Sullivan Counties; and assessing ways to improve road capacity at the Oakdale Merge in Suffolk County. The Capital Plan also includes \$1 billion for the "Bridge NY" program and \$1 billion for the Pave Our Potholes (POP) program, and continues funding commitments to local highway and bridge programs.

Five-Year Capital Spending by Function  
(millions of dollars)



Five-Year Capital Spending by Financing Source  
(millions of dollars)



**Transit.** The Executive Budget includes \$75 million for preliminary engineering and design costs for large-scale MTA capital projects, including: \$50 million to reimagine and renovate the Jamaica Train Station and \$25 million to advance the westward expansion of the Second Avenue Subway across 125th Street to Broadway.

**Water Infrastructure.** The Executive Budget adds a five-year, \$3.75 billion commitment to support clean water infrastructure. Increased funding of \$750 million per year will support local construction projects that will improve municipal drinking water distribution, filtration systems, and wastewater treatment. The funding will support the Governor's Statewide objectives of creating more housing, spurring economic growth, and protecting the environment.

**Environmental Protection Fund (EPF).** The Executive Budget continues the largest-ever EPF investment of \$2.1 billion over five-years, equivalent to \$425 million per year. This funding goes toward forest and farmland protection, local parks, water quality, and other environmental initiatives.

**Healthcare and Mental Hygiene.** Building on the prior year investment of \$1 billion, the Executive Budget invests an additional \$1 billion in capital funds to supplement the Safety Net Transformation Program. This program provides resources and regulatory flexibility to encourage the formation of partnerships with established hospital networks and seed private investment in the State's safety net hospital system. Additionally, the Executive Budget continues to support the Governor's historic investments to expand care capacity for people with mental illness.

**Community Development.** The Executive Budget includes new capital grants to support and encourage community development across the State, including:

- \$340 million for State parks, including \$200 million for ongoing NY-Works projects throughout the parks system, \$75 million for the creation of a new High Falls State Park in Rochester, \$58 million for specific priority projects, and \$7 million for projects celebrating the 250th anniversary of the American Revolution;

- \$75 million for a second round of the Build Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS) program that supports construction and renovation of community centers. This additional funding creates a \$175 million, two-year investment in NY BRICKS;
- \$10 million for Saving Performing Arts and Cultural Experiences (NY SPACE), which will provide grants to nonprofit performing arts organizations to acquire new space and venues; and
- \$5 million to invest in community soccer facilities in disadvantaged communities in each region of the State (NY Kicks). This investment aims to continue the momentum from the FIFA World Cup 2026 soccer tournament by building lasting infrastructure for outdoor recreation.

**Economic Development.** The Executive Budget supports continued capital investments that spur job creation. Specifically, the FY 2027 Executive Budget proposes:

- \$85 million to develop a semiconductor chip design center and four new quantum technology commercialization hubs across the State;
- \$225 million for economic development projects in the City of Rochester;
- \$300 million for the second year of investment for Promote Opportunity with Electric Readiness for Underdeveloped Properties Fund (POWER UP) to create power-ready sites for advanced manufacturing and other development;
- \$750 million to continue economic development programs and support for rural communities, including \$400 million for the NY Works Economic Development Fund, \$200 million for the Downtown Revitalization Initiative and NY Forward funding, and \$150 million for the Regional Economic Development Council (REDC) program; and
- \$15 million for dairy industry modernization and \$2 million for biotechnology funding to support industrial hemp production.

**Public Safety Investments.** The Executive Budget proposes an additional \$35 million for the Securing Communities Against Hate Crimes program; \$10 million for Securing Reproductive Health Centers capital grants; \$50 million for law enforcement technology; and \$150 million to complete construction of a Statewide Emergency Operations Center.

**Higher Education.** The Executive Budget proposes \$1.3 billion in new capital funding for the State University of New York (SUNY) and City University of New York (CUNY) systems, including \$900 million to maintain and preserve campus facilities, \$150 million for SUNY hospitals, \$100 million in additional funding for the Quantum Research & Innovation Hub at SUNY Stony Brook, and \$185 million for community colleges in both systems.

**Arts and Education.** The Executive Budget supports investments in cultural arts and education, including \$90 million for nonpublic school health and security grants, an increase of \$20 million; \$40 million for capital grants administered by the New York State Council on the Arts (NYSCA); and \$34 million for library construction grants.





# REVENUE ACTIONS

The FY 2027 Executive Budget continues to build on the accomplishments of the FY 2025 & FY 2026 Budgets by:

- Eliminating income taxes on tipped wages.
- Enhancing and reforming the Child and Dependent Care Credit.
- Retaining deductibility of certain charitable contributions.

## ECONOMIC BACKGROUND AND OUTLOOK

The U.S. economy navigated a complex year in 2025. A surge in high-tech investment and a subsequent stock market rally fueled consumer spending. This offset the negative impacts of frequently shifting trade policy, re-accelerating inflation, the longest Federal government shutdown in history, and a labor market that began to lose momentum. While growth has been resilient, the U.S. economy still faces ongoing headwinds and uncertainties in 2026. DOB forecasts U.S. real GDP growth to moderate from an average pace of 2.8 percent in 2024 to 2.0 percent in 2025 and 1.9 percent in 2026. The U.S. unemployment rate is anticipated to peak at 4.6 percent in early 2026. Meanwhile, consumer price inflation is projected to rise further above the Federal Reserve's 2.0 percent target due to tariff-related price hikes. Consequently, the Federal Reserve is likely to hold off on interest rate reductions until mid-2026 to assess inflation and labor market conditions. In addition, the stronger-than-expected growth momentum in the second half of 2025 and potential fiscal stimulus from larger tax refunds for many Americans in the first half of 2026 could further increase domestic demand and maintain upward pressure on inflation. As a result, the Federal Reserve could remain wary of easing too soon.

Consistent with a national slowdown in job growth, New York State's labor market expansion is expected to remain subdued over the next two years. In the first half of 2025, State employment grew by 0.7 percent over the same period a year ago, below the national growth rate of 1.1 percent. Weak employment momentum throughout 2025 and uneven employment growth among sectors, continues to weigh on the State's employment outlook for 2026. New York State employment is projected to grow by 0.4 percent in 2025 and 0.2 percent in 2026, compared with national growth of 0.9 percent and 0.4 percent.

State wage levels are expected to grow at a rate of 5.2 percent in FY 2026. Another year of strong growth in finance and insurance sector bonuses will drive growth higher than the national rate of 4.6 percent. Personal income growth in the State is projected to slightly lag the national pace, increasing by 4.5 percent in FY 2026 compared with national growth of 4.7 percent.

Looking ahead to FY 2027, State employment growth is expected to remain modest, rising by 0.3 percent and converging toward the national rate of 0.4 percent. Bonus growth is expected to moderate leading to slower wage and personal income growth. State personal income is projected to grow by 3.4 percent, slightly below but close to the national forecast of 3.5 percent.

## PROVIDING TAX RELIEF TO NEW YORK: REFORM, SIMPLIFICATION AND OTHER ACTIONS

**Enhance and Reform the Child and Dependent Care Credit.** Computation of the State's Child and Dependent Care Credit is currently complicated. Furthermore, the credit suffers from fairness issues due to its regressivity across some income ranges. Both of these issues were compounded by the enhancement of the Federal Child and Dependent Care Credit by H.R. 1. The Executive Budget corrects these problems – while simultaneously making child and dependent care more affordable – by dramatically simplifying benefit calculation, enhancing the benefit, and making the credit fully progressive.

**Decouple from Certain H.R. 1 Provisions.** To allow for efficient administration of State tax law, the Executive Budget decouples from the amended tax treatment of research and experimental expenditures and the newly enacted immediate expensing of certain qualified production property provisions. Both provisions were included in the federal H.R. 1 bill, enacted July 2025, that New York State would otherwise remain coupled to.

**Extend the Temporary Article 9-A Tax Rates for Three Years.** 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 capital base

tax rate for certain taxpayers. The FY 2024 Enacted Budget extended both rates. The Executive Budget extends these temporary Article 9-A rates for three years, through tax year 2029.

#### **Eliminate Income Taxes on Tipped Wages.**

Furthering the Governor's Affordability Agenda, the Executive Budget seeks to put money back in New Yorkers' pockets by eliminating New York State income tax on tipped wages – up to \$25,000 per year – for single filers earning up to \$150,000 and joint filers earning up to \$300,000. Beginning tax year 2026, tax filers will be entitled to reduce their New York Adjusted Gross Income by the same amount authorized by the equivalent Federal deduction.

#### **Retain Deductibility of Certain Charitable Contributions.**

**Contributions.** The tax-exempt status of several universities – including Columbia – has been threatened by the current Federal administration. In response to the questionable justification provided for the revocation of tax-exempt status, the Executive Budget protects taxpayers by ensuring that donations to these institutions continue to qualify as deductible charitable contributions on New York State tax forms.

#### **Standardize the Definition of Farmer for Certain Tax Credits.**

New York State supports its farmers through a plethora of programs, including various tax credits. However, inconsistency in the definition of "farmer" can result in farm businesses qualifying for some benefits but not others. The Executive Budget alleviates this issue by unifying the definition of farmer across multiple farm-related tax credits.

#### **Enact Pass-Through Entity Tax Flexibility.**

To allow for pass-through entities to better assess the appropriateness and suitability of electing into the optional pass-through entity tax (PTET), the Executive Budget moves the annual election date from March 15 to September 15. This change also allows for businesses formed after March 15 the opportunity to opt-in to the tax.

#### **Enhance the New York City Musical and**

**Theatrical Production Tax Credit.** To maintain support for musical and theatrical productions in New York City, the Executive Budget increases the aggregate amount available under the

program by \$150 million for productions with initial performances on or after December 1, 2025.

#### **Impose Tax on Alternative Nicotine Products.**

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 percent wholesale tax on tobacco products. The Executive Budget also newly directs an annual \$50 million deposit of tobacco products tax revenues collected in the State to HCRA starting in FY 2028.

#### **Amend Vapor Products Taxation and Enhance**

**Flavor Ban Enforcement.** 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. The rate of tax would be as follows: a distributor fee of \$0.55/unit while the retail tax remains at 20 percent. Additionally, this proposal creates a Vapor Products registry, to be maintained by DTF, whereby only vapor products identified and listed on the registry may be legally sold in NY. If the product is not on the registry, then it is deemed illegal contraband.

#### **Modify the Vendor Registration Program.**

The Executive Budget outlines the parameters for a four-year Certificate of Authority (COA) re-registration program for sales tax vendors to be completed by December 31, 2030, and provides incentives to encourage delinquent taxpayers to settle fixed and final debt prior to re-registration. As part of the re-registration program, the Commissioner of Taxation and Finance will determine the order in which current sales tax vendors must re-register in order to ensure proper oversight and efficient administration of the program. All vendors will be required to pay fixed and final debts in full prior to obtaining a new COA. In order to incentivize vendors to resolve their outstanding debt prior to the start of the re-registration program, the Department of Taxation and Finance will apply a discount that fully eliminates the associated penalties and partially reduces the associated interest in half for all vendors who pay in full by December 31, 2026.

**Establish a Sales Tax Exemption for Electric Vehicle (EV) Charging Stations.** The Executive Budget establishes a sales tax exemption on the retail sale of electricity (used to recharge an EV vehicle) by a commercial EV charging station to remove the unnecessary administrative costs and burdens of owning and operating these stations and to incentivize the continuous development and expansion of the State's public EV charging infrastructure. The previous resale exemption on the purchase of wholesale electricity by an EV charging station operator will no longer apply, newly subjecting these wholesale purchases to sales tax.

**Amend the Petroleum Business Tax (PBT) Filing Deadline for Commercial Vessel Operators.** The Executive Budget amends the filing deadline (from monthly to annual) for the few remaining commercial vessel operators who are still subject to the PBT in order to simplify and reduce both their reporting obligations and administrative burden.

**Enact STAR Program Technical Corrections.** The Executive Budget makes the following technical corrections to the STAR Program:

- Clarifies the recent change to the Enhanced credit's age eligibility requirements applies to taxable years commencing in 2026;
- Removes the unnecessary supplemental credit payment application requirement for taxpayers;
- Restores inadvertently repealed language that generally authorized the credit for low-income filers who are not required to file a personal income tax return;
- Consolidates the protest provisions and eligibility determination, making them consistent across all variations of the STAR program;
- Conforms the credit's ownership eligibility date to the credit's July 1 residency date for income eligibility purposes; and
- Updates the "good cause" provision for the STAR program to reflect the FY 2026 Enacted Budget changes that removed the Enhanced STAR exemption's application requirement.

**Rent Freeze Programs for Seniors and People with Disabilities.** The Senior Citizen Rent Increase Exemption (SCRIE) and Disability Rent Increase Exemption (DRIE), which are available in New York

City (with similar programs in Westchester, Nassau, and Suffolk counties), use property tax credits to offset rent increases for seniors and people with disabilities to freeze their rent. Legislation submitted with the Executive Budget will increase the income eligibility limits for the programs from \$50,000 to \$75,000 in New York City, with the same options being available at local-opt in outside the City.

**Impose Penalties on Ethics Training Noncompliance.** The Executive Budget authorizes the Commission to impose late fees of \$25 per day on lobbyists and clients who fail to timely comply with mandated ethics trainings and change training completion requirements to biennial.

**Increase Lobbyist Registration Fees.** The Executive Budget increases lobbyist registration fees from \$200 to \$250 and requires lobbyists to pay a registration fee in both years of the biennial registration period.

**Credit and Exemption Extenders.** The following Executive Budget proposals are being extended with no other changes:

- Extend the Commercial Security Tax Credit (Three Year Extension);
- Extend Reduced Transfer Tax Rates for Qualifying REITs (Three Year Extension);
- Extend the Sales and Use Tax Vending Machine Exemption (Three Year Extension);
- Extend the Residential Energy Storage Exemption (Two Year Extension);
- Extend the Alternative Fuels Exemption (Five Year Extension);
- Extend the Telecom Assessment Ceiling Program (Four Year Extension); and
- Extend ITC Refundability for Farmers (Five Year Extension)

## GAMING INITIATIVES

**Extend Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for One Year.**

To provide financial flexibility, the Executive Budget extends Capital Off-Track Betting Corporation's ability to use up to \$1 million of its capital acquisition fund for operational expenses for an additional year, provided certain conditions are met as was proposed in the FY 2026 Executive Budget.

**Extend Certain Horse Racing Seasonal Employee Licensing Requirements.** The FY 2025 Enacted Budget added to the existing provision that seasonal workers for the Saratoga summer meet do not need to be licensed by including additional race dates in 2024 and 2025 at Saratoga to account for the temporary relocation of Belmont Park horse racing while Belmont Park was closed for renovations. Belmont horse racing is set to continue at Saratoga in 2026, therefore the Executive Budget extends this provision to include additional race dates in 2026 at Saratoga.

**Make Technical Amendments to Pari-Mutuel Tax Reform.** The Executive Budget makes a series of technical, conforming and cleanup amendments

throughout Racing, Pari-Mutuel Wagering and Breeding Law to reflect changes centralized in section 136 of the Racing, Pari-Mutuel Wagering and Breeding Law included as a part of the FY 2026 Enacted Budget. This includes removing outdated tax and breakage provisions that currently create seemingly contradictory provisions of law only superseded by the use of a ‘notwithstanding’ clause in section 136.

**Permanently Extend Certain Pari-Mutuel Tax Rates and Simulcast Provisions.** To maintain the current pari-mutuel wagering structure in the State, the Executive Budget permanently extends various expiring Racing, Pari-Mutuel Wagering and Breeding Law provisions, as was proposed in the FY 2026 Executive Budget.

	ALL FUNDS REVENUE ACTIONS (\$ in millions)			
	FY 2027	FY 2028	FY 2029	FY 2030
Enhance and Reform Child and Dependant Care Credit	-	(65)	(65)	(65)
Decouple from Certain H.R. 1 Provisions	1,680	770	670	290
Extend the Temporary Article 9-A Tax Rates for Three Years	-	1,320	1,900	1,450
Eliminate Income Taxes on Tipped Wages	(52)	(69)	(60)	(19)
Retain Deductibility of Certain Charitable Contributions	-	-	-	-
Standardize the Definition of Farmer for Certain Tax Credits	-	-	-	-
Enact PTET Flexibility	(4,000)	-	-	-
Enhance the NYC Musical and Theatrical Production Tax Credit	-	-	(100)	(50)
Impose Tax on Alternative Nicotine Products	18	44	51	57
Amend Vapor Products Taxation and Enhance Flavor Ban Enforcement	-	-	-	-
Modify the Vendor Registration Program	6	6	6	-
Establish a Sales Tax Exemption for EV Charging Stations	-	-	-	-
Amend the Petroleum Business Tax (PBT) Filing Deadline for Commercial Vessel Operators	-	-	-	-
Enact STAR Program Technical Corrections	-	-	-	-
Expanding the Rent Increase Exemption for Senior Citizens and Persons With Disabilities	-	-	-	-
Impose Penalties on Ethics Training Non-Compliance	1	1	1	1
Increase the Lobbyist Registration Fee	0	1	1	1
Extend the Commercial Security Tax Credit for Three Years	-	(5)	(5)	(5)
Extend Reduced Transfer Tax Rates for Qualifying Real Estate Investment Trusts for Three Years	-	-	-	-
Extend the Sales and Use Tax Vending Machine Exemption for Three Years	(8)	(10)	(10)	(2)
Extend the Sales and Use Tax Exemption for Residential Energy Storage for Two Years	-	-	-	-
Extend the Alternative Fuels Exemption for Five Years	-	(3)	(3)	(3)
Extend the Telecom Assessment Ceiling Program for Four Years	-	-	-	-
Extend ITC Refundability for Farmers	-	-	-	(3)
Extend Authorized Use of Capital Funds by a Certain Off-Track Betting Corporation for One Year	-	-	-	-
Extend Certain Horse Racing Seasonal Employee Licensing Requirements	-	-	-	-
Make Technical Amendments to Pari-Mutuel Tax Reform	-	-	-	-
Permanently Extend Certain Pari-Mutuel Tax and Simulcasting Provisions	-	-	-	-
<b>TOTAL REVENUE ACTIONS</b>	<b>(2,355)</b>	<b>1,990</b>	<b>2,386</b>	<b>1,652</b>



# FEDERAL AID & RECEIPTS

Governor Hochul's FY 2027 Executive Budget continues the State's commitment to responsibly administer federal funds and is integral to managing the fluctuating fiscal relationship between the State and the federal government. The Executive Budget leverages federal funds to invest in a wide range of policy areas, including healthcare, education, infrastructure, and social services to support an efficient and affordable economy for all New Yorkers.

Federal funds account for 36 percent of the New York State budget in FY 2026 and are expected to decline to approximately 33 percent in FY 2027. This decrease in the share of federal funds disbursements indicates the share is returning to historic norms experienced prior to the influx of one-time federal COVID relief funds.

The Department of Health is the largest recipient of federal funds, primarily due to Medicaid. In addition to health care, federal resources are utilized to fund transportation, education, public protection, human services, and a number of other services.

## FEDERAL FUNDING

Federal funds are predominantly targeted at programs that support the most vulnerable New Yorkers and those living at or near the poverty level, such as Medicaid, Temporary Assistance for Needy Families (TANF), Elementary and Secondary Education Act (ESEA) Title I grants, and Individuals with Disabilities Education Act (IDEA) grants. Other

federal resources are directed at infrastructure and public protection.

The federal resources expected to be utilized in FY 2027 include:

**Medicaid & Essential Plan (\$65 billion).** Federal Medicaid and Essential Plan dollars help support health care for more than 8 million New Yorkers. Together these programs represent the single largest category of federal funding, representing 77 percent of federal resources anticipated in the FY 2027 Executive Budget. For discussion of pending changes to the Essential Plan, please see the Federal Aid section of the Financial Plan.

**Other Health Programs (\$3.6 billion).** Support from the federal government provides for a variety of other health programs administered by the Department of Health (DOH) and the New York State Office for the Aging, including the Children's Health Insurance Program and various Older Americans Act programs.

**Social Welfare (\$5.4 billion).** Federal programs administered by the Office of Temporary and Disability Assistance (OTDA), the Office of Children and Family Services (OCFS), Homes and Community Renewal (HCR), and the Department of Labor (DOL) also utilize federal funds for a number of programs. Specific programs include TANF-funded public assistance benefits, Flexible Fund for Family Services, Home Energy Assistance Program (HEAP) benefits, Supplemental Nutrition Assistance Program (SNAP) administrative costs, Child

## FEDERAL DISBURSEMENTS BY PROGRAM AREA AND FISCAL YEAR (millions of dollars)

Program Area	2023 Actual	2024 Actual	2025 Actual	2026 Projected	2027 Projected
Medicaid / Essential Plan	54,411	63,452	65,051	72,919	65,116
Health	2,685	2,992	4,044	3,561	3,638
Social Welfare	4,931	5,144	5,595	5,670	5,400
Education	4,640	4,682	5,000	4,387	4,387
Public Protection	1,484	1,285	1,450	1,337	1,303
Transportation	1,782	1,983	2,118	2,229	2,912
All Other	1,182	1,756	1,686	692	1,535
Pandemic Assistance	13,794	13,223	8,511	2,993	93
<b>Total</b>	<b>84,908</b>	<b>94,517</b>	<b>93,455</b>	<b>93,788</b>	<b>84,384</b>

Support Enforcement, Child Care, Foster Care, and the Unemployment Insurance Program.

**Education (\$4.4 billion).** K-12 education, special education, and higher education receive federal support. Similar to Medicaid and other human service programs, much of federal education funding received is directed toward vulnerable New Yorkers, such as students in high poverty schools, those with disabilities, and college students with exceptional need.

**Public Protection (\$1.3 billion).** Federal funding supports various programs and operations of the State Police, the Department of Corrections and Community Supervision, the Office of Victim Services, the Division of Homeland Security and Emergency Services, and the Division of Military and Naval Affairs. Federal funds are also passed on to municipalities to support a variety of local and regional public safety programs.

**Transportation (\$2.9 billion).** Federal resources support infrastructure investments in highway and transit systems throughout the state, including funding participation in ongoing transportation capital plans.

**All Other Funding (\$1.5 billion).** Several other programs in economic development, mental hygiene, parks and environmental conservation, and general government program areas are also supported by federal resources.

## NEW YORK'S BALANCE OF PAYMENTS WITH THE FEDERAL GOVERNMENT

Each year, the Rockefeller Institute of Government (RIG) publishes a Balance of Payments report that measures the difference in total value between each state's contributions to and expenditures from the federal budget. In the most recent report for FFY 2023, New York State had a \$13.3 billion balance of payments surplus, meaning New Yorkers paid \$13.3 billion less to the federal government in taxes than they received in grants, payments and other federal aid. The nearly \$24 billion change in the State's overall balance of payments from a \$10.3 billion deficit in FFY 2022 was driven primarily by decreased federal receipts collected from New Yorkers.

Excluding COVID funding for FFY 2023 results in a State balance of payments deficit of \$23.1 billion, for a ranking of 48th out of the 50 states.

## FEDERAL FUNDS MANAGEMENT AND RISKS

New York State maintains robust controls on spending, and these extend to the receipt and expenditure of federal funds. End-to-end federal funds management allows the State to monitor the federal landscape, advocate for necessary aid, and centrally manage risk.

New York State regularly monitors key federal activities to identify and mitigate risks to the State and its Financial Plan. Federal action in a wide array of policy areas can have significant implications for the State, its economy, and the Financial Plan. Notable near-term risks to the Financial Plan include:

Implementation of H.R. 1. The law includes significant changes to Medicaid, SNAP and federal tax law that are expected to drive significant costs to the State in FY 2027 and outyears.

Haphazard administration of federal grant programs. Abrupt attempts to cancel or otherwise alter the terms of federal grants has caused confusion and delay in the implementation of many federal programs. Multiple states, including New York, have been forced to seek judicial relief on numerous occasions as a result.

Final FFY 2026 appropriations. Despite being more than three months into FFY 2026, Congress has yet to finalize all twelve annual appropriations bills for the Federal fiscal year. Cuts to federal funding for significant programs on which New Yorkers rely could force the State to make corresponding cuts to such programs.

Expiration of transportation investment programs last reauthorized by the Infrastructure Investment and Jobs Act. Significant federal programs for highway and transit improvements expire at the end of FFY 2026 (September 30, 2026).

Impending cuts to the Medicaid Disproportionate Share Hospital (DSH) program. Cuts to Medicaid DSH would have a significant impact on New York's safety net hospitals. These cuts are already in law and require legislative action to be repealed or delayed.



# ECONOMIC DEVELOPMENT

The FY 2027 Executive Budget will continue to invest in New York's economic recovery, the promotion of job creation, job retention, workforce development, and the revitalization of every region of the State. The Executive Budget proposes investing in key capital projects, emerging and high-impact industries, and regionally-balanced economic development strategies.

Governor Hochul's economic development vision will focus on industries where innovation is the key to success leading to the advancement of regional economic priorities through strategic investments in communities across the State.

Together, **Empire State Development (ESD)** and the **Department of Economic Development (DED)** finance key economic development projects and provide policy direction to strengthen New York businesses and industries, and overall economic growth throughout the state. This also includes the **Office of Workforce Development** which leads Governor Hochul's comprehensive effort to strengthen the skills and talents of New York's workforce. Other State agencies and public authorities also oversee programs and investments that support economic development throughout the State.

## CREATING JOBS AND GROWING THE ECONOMY

A key component of the State's strategy for investment and economic development has been the Regional Economic Development Council initiative, which is rooted in a bottom-up approach that partners with local leaders to utilize regional strengths to support community revitalization and business growth.

The State also utilizes performance-based programs, such as the Excelsior Jobs program, to attract businesses to New York State that require them to achieve specific employment and investment goals before they benefit from tax credits and other incentives.

## PROPOSED FY 2027 ECONOMIC DEVELOPMENT BUDGET ACTIONS

**Regional Economic Development Councils.** The Regional Economic Development Councils (REDC) will continue to play a key role in a regionally-driven strategy to support economic recovery and growth. The Executive Budget includes a wide spectrum of funding that will be coordinated with and driven by strategic plans developed by the REDCs at the ground level to ensure that available funding is matched with the unique sector-driven needs and priorities of each region. The Budget includes core REDC funding through \$150 million in new capital grants and \$75 million in new Excelsior tax credits through ESDC to fund high value regional priority projects, which is anticipated to be made available throughout the year to ensure that projects that are shovel-ready can be advanced in a timely fashion. The Executive Budget also includes downtown and community revitalization initiatives that will be coordinated with REDC-driven economic development strategies where appropriate.

**Downtown Revitalization Initiative.** Governor Hochul is committed to supporting New York State's downtowns, large and small, and recognizes that the strength of the State lies in its partnerships with local governments. By working together to create economically, socially, and environmentally healthy community centers through downtown revitalization, we can make life better for New Yorkers and help secure the long-term well-being of the state. To further revitalize our communities, the Executive Budget provides \$100 million for another round of the Downtown Revitalization Initiative (DRI), which has been transforming downtown neighborhoods into vibrant communities where the next generation of New Yorkers will want to live, work, and raise families. Participating communities are nominated by the State's 10 REDCs based on the downtown's potential for transformation. Each winning community is awarded funding to develop a downtown strategic investment plan and implement key projects that advance the community's vision for revitalization.

**New York Forward.** To support New York's rural communities, the State will continue its investment in the NY Forward program, designed to advance the renaissance of our smaller downtowns. New York's hamlets and villages serve as commercial and social centers, and support our agricultural, recreational, and tourism economies. Recognizing the distinct needs of smaller communities and their niche historical and cultural assets, the Executive Budget includes another round of \$100 million in funding for rural and smaller communities. Like the DRI program, NY Forward communities are selected in partnership with the REDCs, and the Department of State (DOS) will lead the community through an abbreviated planning process to develop a slate of readily implementable projects. The State's investment in projects that demonstrate their ability to accelerate revitalization will strengthen the competitiveness and improve the future trajectory of New York State's small communities and larger urban centers.

**Continued Investment in Tourism.** Tourism is New York's third largest employment sector. To support this important industry, the Budget continues to make significant investments by providing \$58.5 million for the State's robust tourism and advertising campaigns, which attract visitors from around the world. These investments include an additional round of \$15 million in competitive funding through the Market NY Program to support tourism marketing plans and other projects that best demonstrate regional collaboration among counties to promote regional attractions, as well as matching grants to assist counties and municipalities in local tourism efforts, the I Love NY marketing campaign, and other targeted investments.

**Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER-UP) Fund.** The FY 2027 Executive budget includes the second round of funding for the POWER-UP program, to fund the proactive development of electric capacity to create power-ready sites and attract new businesses to the State. Governor Hochul is seeding the fund with \$300M, spread over three years, which will facilitate the proactive development of numerous sites.

**Building on Quantum Computing Through NYS Quantum Technology Commercialization Hubs.** The FY 2027 Executive Budget includes \$60 million

to support Quantum Technology Hubs, which will be regional anchors for quantum innovation, prioritizing commercialization of new inventions and real-world use cases.

### **SUNY Stony Brook Quantum Research**

**Innovation Hub.** The Budget includes \$100 to support the Quantum Research Innovation Hub at SUNY Stony Brook.

### **Making all of New York State Chips Country via a Downstate Semiconductor Chip Design Center.**

The FY 2027 Executive Budget includes \$25 million in funding for a Downstate Semiconductor Chip Design Center; this initiative will focus on leveraging downstate's deep knowledge economy ecosystem to complement the already-robust chip manufacturing infrastructure upstate. The Center will be a world-class chip design facility, serving as an incubator to start-up firms, training chip designers, and connecting start-ups to the larger semiconductor sector throughout New York State.

### **Modernizing Manufacturing Through Tough**

**Times.** The FY 2027 Executive Budget includes \$10 million in funding for the new Manufacturing Modernization Program, which will support the State's small and mid-size manufacturers. This new program will establish a network of Centers across the State, focused on assisting small and mid-sized manufacturers in adopting new technology.

### **Launching New York Kicks: A World Cup Legacy**

**Investment Fund.** The Executive Budget includes \$6 million in funding for NY KICKS Investment Fund. This fund will help build and support youth soccer infrastructure in disadvantaged communities across each region in the State.

### **Preserving Performance Art Spaces Across New**

**York.** The Executive Budget includes \$10 million in funding for the Saving Performance Arts and Cultural Experiences (NY SPACE), which will serve established nonprofit performing-arts-presenting organizations at risk of losing their venues by helping them purchase spaces they currently rent or other permanent facilities.

**Bolstering Biotech.** The Executive Budget includes \$65 million for the Bolstering Biotech Initiative, which will support all phases of the life sciences sector – from discovery to commercialization, cementing New York’s position at the forefront of biotech innovation.

**Industrial Hemp Pipeline.** The Executive Budget includes \$2 million in funding to support New York’s Future Bioeconomy. The funding will create a research and development consortium and pilot a greener economy for industrial hemp by constructing a processing facility and workforce training center.

**Assistive Technology.** The Executive Budget includes \$5 million to create a new Assistive Technology Innovation Center dedicated to accelerating the research, development, and commercialization of assistive technologies

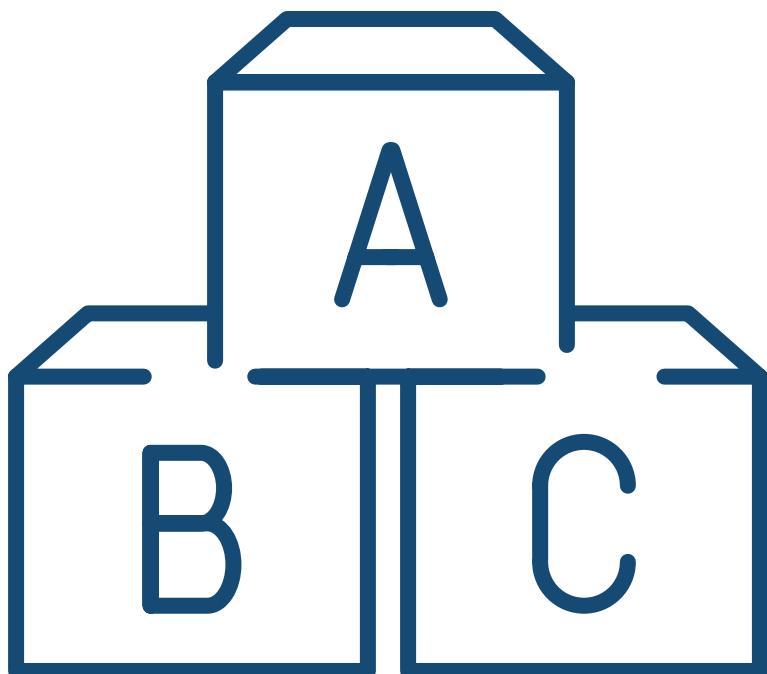
**Advance Adaptive Clothing for People With Disabilities.** The Executive Budget includes \$60,000 to launch an Adaptive Clothing Grant Program through the Fashion Innovation Center.

**Rochester-Monroe Transformation Initiative.** The Executive Budget includes a total of \$300 million in funding to support economic development and revitalization projects in the City of Rochester and Monroe County. This includes \$225 million to support the Rochester-Monroe Transformation Initiative and \$75 million in capital funding to support renovations at High Falls State Park

#### **Olympic Regional Development Authority (ORDA)**

**Capital Improvements.** The Budget includes \$100 million in new capital funding for ORDA to support continued maintenance and enhancements to Olympic and other ORDA-owned facilities. Additional investments in these assets located in the North Country, Mid-Hudson, and Capital Region will continue to make New York State a competitive destination for winter recreation and travel, attracting large sporting events and International Championships, ultimately driving year-round business and economic sustainability to the surrounding areas.





# EDUCATION

The Executive Budget reflects Governor Hochul's commitment to education by supporting students, teachers, and schools with essential resources for a bright future. Following historic increases in School Aid over the last four years, the Executive Budget maintains key investments and increases annual School Aid by \$1.6 billion (4.3 percent), for a record total of \$39.3 billion for the 2026-27 school year (SY 2027). The Executive Budget provides support to ensure truly universal full-day prekindergarten (Pre-K) for all four-year-olds in the State by the start of SY 2029. Additionally, the Budget provides funding to enable high-impact tutoring initiatives, train teachers in evidence-based math and reading instruction, and develop alternative pathways to the teaching profession.

## ABOUT NEW YORK STATE SCHOOLS

New York State's 673 major school districts currently educate approximately 2.2 million children in kindergarten through 12th grade.

Public education in New York State represents a significant commitment of state and local resources. With state, local, and federal spending levels totaling \$90 billion in SY 2024, lower education is both the largest area of State spending and the largest component of local property taxes.

New York has ranked first nationally in school district spending per pupil among the states for 19 consecutive years, reflecting New York's longstanding commitment to provide all students with the opportunity to excel as learners, workers, and citizens.

With this Executive Budget, Governor Hochul will have increased School Aid by approximately \$10 billion (34 percent) over five years. Foundation Aid, fully funded for the first time ever in SY 2024, will have increased by \$7.3 billion (37 percent) over this period – an average increase of 6.5 percent per year.

## ADVANCING OPPORTUNITIES FOR STUDENT LEARNING

Universal Pre-K for Four-Year-Olds by SY 2029. Governor Hochul is proposing to ensure that by SY 2029, all four-year-old children statewide have the option of attending a full-day prekindergarten program. To help school districts accomplish this objective, the Executive Budget significantly increases the State's contribution for Pre-K seats for four-year-olds – both for the roughly 115,000 existing seats and for the new seats that will be created as districts expand their programs – to equal the greater of \$10,000 or the district's current selected Foundation Aid per pupil. These new rates will be available to school districts starting in SY 2027, allowing districts to serve more students in Pre-K programs immediately.

Back to Basics in Math. Building on the State's success implementing evidence-based "science of reading" principles, Governor Hochul proposes to require the State Education Department (SED) to provide school districts with instructional best practices in the teaching of math to students in kindergarten through 5th grade. The Executive Budget provides \$2 million to the New York State United Teachers (NYSUT) Education and Learning Trust to deliver training to educators on instructional best practices for numeracy and evidence-based math instruction. The Budget also provides \$2 million for regional hub pilots operated by boards of cooperative educational services (BOCES) to provide training and support to educators in school districts with low levels of math performance.

High-Impact Tutoring. In addition to supporting evidence-based changes in the teaching and learning of literacy and math, Governor Hochul seeks to accelerate student learning through targeted, high-impact tutoring. The State will provide \$9 million to support individualized literacy and math tutoring of students in high-need school districts.

Teacher Pipeline Support. New York, like many other states, faces significant teacher diversity, recruitment, and retention challenges. To address these challenges, Governor Hochul will invest \$2 million to create an accelerated teacher preparation

pathway for career changers and other interested individuals. Additionally, the Executive Budget provides \$2 million for programs to allow high school students interested in entering the teaching profession to earn college credit in relevant subjects.

## SUMMARY OF SCHOOL AID SPENDING

**Universal Prekindergarten Aid.** Governor Hochul is providing additional support to ensure truly universal full-day Pre-K for all four-year-olds in the State by the start of SY 2029. The Executive Budget provides additional funding to support universal four-year-old Pre-K, increasing districts' per-pupil funding to the higher of \$10,000 or their current selected Foundation Aid per pupil. Additionally, the Budget increases

EXECUTIVE BUDGET SCHOOL AID				
School Year Basis (\$ in Millions)	2025-26	2026-27	\$ Change	% Change
Foundation Aid	\$26,358	\$27,137	\$779	3.0%
Expense-Based Aids	\$9,755	\$9,868	\$112	1.2%
Universal Prekindergarten Aid	\$1,069	\$1,500	\$431	40.3%
<b>Formula-Based Aids (Aid on the Run)</b>	<b>\$37,182</b>	<b>\$38,505</b>	<b>\$1,323</b>	<b>3.6%</b>
Categorical Aids	\$319	\$322	\$3	1.0%
College in High School Opportunity Fund	\$47	\$49	\$1	2.4%
Other Competitive Grants	\$77	\$77	\$0	0.0%
Anticipated Additional Universal Prekindergarten	\$0	\$130	\$130	N/A
Anticipated Additional Building Aid	\$0	\$170	\$170	N/A
<b>Total School Aid</b>	<b>\$37,626</b>	<b>\$39,253</b>	<b>\$1,627</b>	<b>4.3%</b>

## PROPOSED FY 2027 EXECUTIVE BUDGET ACTIONS

**Overall School Aid Increase.** The Executive Budget provides \$39.3 billion in total School Aid for SY 2027, the highest level of State aid in history. This investment represents a \$1.6 billion (4.3 percent) year-to-year increase, including increases of \$779 million (3 percent) in Foundation Aid, \$561 million (52.5 percent) in Universal Prekindergarten Aid, and \$287 million (2.8 percent) in all other School Aid programs.

**Foundation Aid.** Created in 2007, Foundation Aid is the State's main education operating aid formula. It is focused on allocating State funds equitably to all school districts, especially high-need districts, based on student need, community wealth, and regional cost differences. The FY 2027 Executive Budget provides a \$779 million (3 percent) increase in Foundation Aid. This growth fully funds the current formula and ensures that each school district receives at least a 1 percent year-to-year increase, bringing Foundation Aid to a total of \$27.1 billion for SY 2027.

funding to New York City's prekindergarten program for three-year-olds ("3-K") by \$205 million to support universal access. In total, Universal Prekindergarten Aid in SY 2027 is estimated to increase by \$561 million (52.5 percent) over SY 2026 levels, including anticipated additional aid to school districts expanding their programs to serve more four-year-olds.

**Expense-Based Aids.** The Executive Budget fully funds the current statutory formulas that reimburse a portion of certain school district expenses, such as school construction, pupil transportation, shared services through BOCES, and the educational costs of certain students with disabilities. In total, these expense-based aid categories, including anticipated additional Building Aid not included on the run, are projected to increase by \$282 million (2.9 percent).

## OTHER P-12 EDUCATION

The Executive Budget provides funding for new and recurring initiatives outside of traditional School Aid to bolster the school system in New York State.

**Universal Free School Meals.** The Executive Budget provides \$395 million to reimburse the cost of school meals served in SY 2027, a \$55 million (16.2 percent) year-to-year increase to continue implementation of the Universal Free School Meals (UFSM) program that was enacted in the FY 2026 Budget. The UFSM program requires all schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch meals to all students regardless of their families' income, thereby reducing costs for families and ensuring that no student goes hungry at school. Under the UFSM program, the State pays the entire student and local cost share of all meals that are not fully reimbursed by the federal per-meal reimbursement rates (i.e., the portion of costs for each meal that would otherwise be paid by the school and/or student). Currently, over 5,000 schools with 2.76 million students participate in the national school lunch and breakfast program.

**Nonpublic School Programs.** Approximately 380,000 students attend roughly 1,800 nonpublic schools statewide. The Executive Budget provides \$240 million in aid to reimburse nonpublic schools' costs for State-mandated activities, a \$10 million (4.3 percent) year-to-year increase, to fund aid payable in SY 2027. The Budget also provides \$90 million for health and safety capital projects, including critical repair and maintenance of nonpublic schools' facilities, a \$20 million (28.6 percent) year-to-year increase, and continues \$85.5 million for science, technology, engineering, and math instruction and \$5 million for art and music instruction.

**Charter Schools.** Approximately 192,000 students attend 352 charter schools in New York State. Charter schools receive tuition payments made by school districts, funded through state and local sources; these tuition rates are established for each district based on the average annual growth in the district's spending. Charter school students are included in the pupil counts used to calculate each district's School Aid. The State also provides additional aid to districts with charter school students through the supplemental tuition and facilities aid reimbursement programs. The Executive Budget continues this additional State support, providing a total of \$195 million for charter school supplemental tuition and \$177 million for charter school facilities aid.

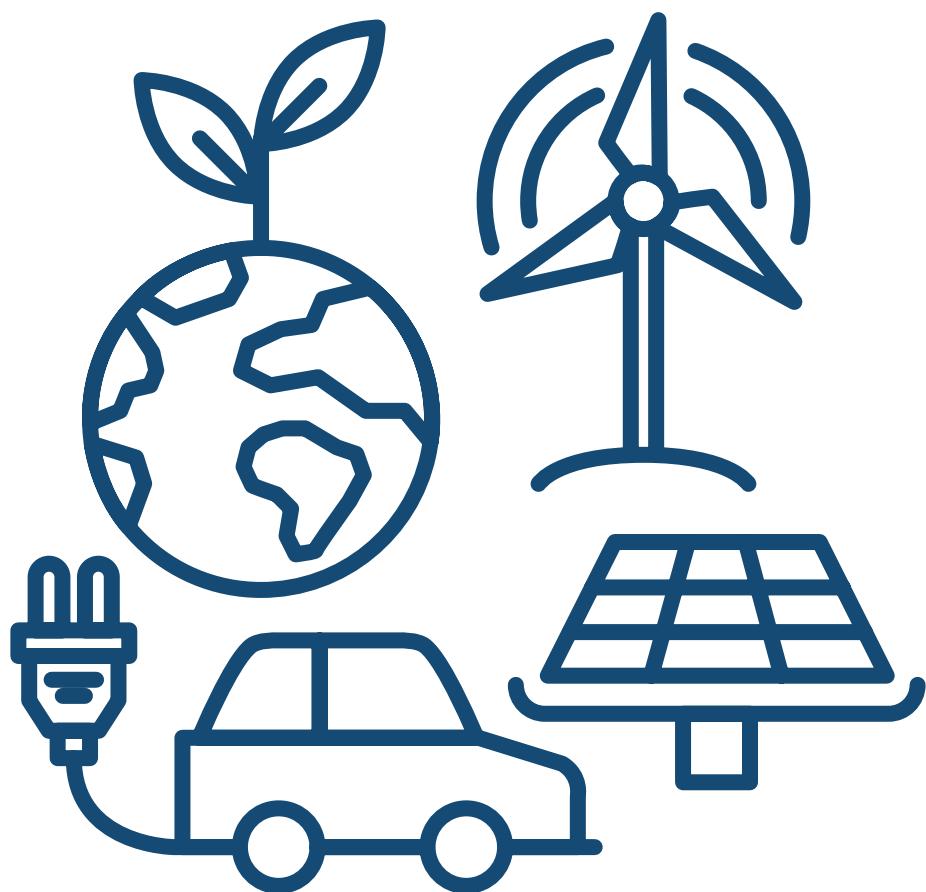
Preschool and Summer School Special Education Programs. Approximately 80,000 preschool-age children with disabilities receive special education services year-round and 50,000 school-age students with disabilities receive summer services. Services are delivered by private providers and special act school 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 percent) year-to-year increase, and \$437 million to reimburse school districts for the cost of summer school services, a \$24 million (5.8 percent) year-to-year increase.

## OTHER BUDGET ACTIONS

**Support for Libraries.** The Executive Budget supports public libraries by providing \$104.7 million of Library Aid, equal to the SY 2027 statutory funding amount. The Executive Budget also provides \$34 million for Library Construction to fund various capital projects. In addition, the Executive Budget continues a \$3 million appropriation to ensure access to the New York Online Virtual Electronic Library, a free online library of magazines, newspapers, maps, charts, research, and reference books available to all New Yorkers.

**Capital Investments in State-Owned Schools.** The Executive Budget provides \$45.6 million for capital improvements to the five State-owned schools. This includes \$22.5 million for the State School for the Blind at Batavia, \$20.1 million for the three State-owned schools on Native American reservations (the Onondaga School, the St. Regis Mohawk School, and the Tuscarora School), and \$3 million for the State School for the Deaf at Rome. This capital funding will modernize HVAC systems and support school facility upgrades and necessary maintenance costs. In addition, the Budget authorizes use of remaining prior year funds for design of a new St. Regis Mohawk School building. With this Executive Budget, Governor Hochul will have invested a total of \$169 million in these five schools' facilities over five years.

**Office of Cultural Education.** The Executive Budget supports SED's Office of Cultural Education (OCE), which oversees the State Museum, Library, and Archives, by providing it with \$12 million of additional funding to stabilize OCE's finances and rebuild critical capacity. This funding complements the State's significant capital investment in the Museum in the FY 2026 Budget and will support key operational areas including exhibits, conservation, public access, and staffing.





# ENVIRONMENT, ENERGY, & AGRICULTURE



New York State's environmental, energy and agriculture agencies are on the front lines of the on-going fight against climate change; are tasked with conserving and protecting precious natural resources; promoting New York State as a natural destination for tourism and recreation; ensuring the integrity of freshwater resources; and supporting the kind of agricultural development that is critical to New York State's robust farming industry.

The **Department of Environmental Conservation's (DEC)** mission is to conserve, improve, and protect New York's natural resources and environment while enhancing the health, safety, and well-being of New York State's citizens.

The **Office of Parks, Recreation and Historic Preservation (OPRHP)** provides safe, enjoyable recreational and educational opportunities for New York State residents and visitors, and functions as a steward of New York State's valuable natural, historic, and cultural resources. OPRHP operates the State Park System, a network of over 250 parks, historic sites, recreational trails, golf courses, boat launches, and more - welcoming more than 85 million visitors annually.

Together, DEC and OPRHP oversee 5.35 million acres of open space statewide, including 2.6 million acres in the Adirondack Park and nearly 300,000 acres in the Catskill Forest Preserve.

The **Department of Agriculture and Markets (AGM)** has wide-ranging responsibilities, including food safety inspection, agricultural economic development, farmland protection, animal and plant health surveillance, and operation of the Great New York State Fair.

The **Department of Public Service (DPS)** functions as the staff arm of the **Public Service Commission (PSC)**, which regulates the rates and services of public utilities – an industry with an estimated \$43 billion in annual revenue. DPS oversees the siting of major utility infrastructure and provides oversight of cable franchise agreements and telecommunications service.

The **New York State Energy Research and Development Authority's (NYSERDA)** advances innovative energy solutions in ways that improve New York's economy and environment. NYSERDA is the primary state entity tasked with energy market research and development and oversees a variety of energy programs including, Solar for All which provides energy

savings to low-income households, and NYS Clean Heat where NYSERDA partners with energy companies to offer rebates and financing for heat pump technology to eligible New Yorkers.

The **New York Power Authority (NYPA)** supplies power statewide through operating 17 generating facilities, including three large hydroelectric facilities, and more than 1,550 circuit-miles of transmission lines. NYPA is also helping to lead the transition to a carbon-free, economically vibrant New York through customer partnerships, innovative energy solutions, and the responsible supply of affordable, clean, and reliable electricity.

## LEADING THE NATION

From the beginning of her administration, Governor Hochul has made it clear that responding to climate change remains a top priority for New York State. Acknowledging that the cost of inaction greatly outweighs the cost of any actions we can take together, New York will continue to pursue an aggressive agenda in transitioning to a sustainable green energy economy, in a way that is both environmentally effective and economically affordable for all New Yorkers.

Energy demand is expected to grow substantially in coming years, driven in part by artificial intelligence and semiconductor manufacturing industry growth. To assist in meeting this demand for clean energy generation, Governor Hochul has embraced an “all of the above” approach, which prioritizes both renewable energy and energy reliability at the same time. In December 2025, the State Energy Planning Board unanimously approved New York's 15-year energy plan, laying out a set of recommendations which seek to set the stage for the state's energy-related planning through 2040.

## PROPOSED FY 2027 BUDGET ACTIONS

Governor Hochul's proposed budget will provide the funding New York needs to preserve, protect, and enhance our natural resources, expand our outdoor recreation opportunities, continue the fight against climate change, and drive economic growth through sustainable agriculture and eco-tourism. Highlights of the FY 2027 Executive Budget include:

**Clean Water Infrastructure Funding.** Governor Hochul is committing an additional \$3.75 billion - \$750 million per

year for five years - in clean water infrastructure funding, bringing New York's total clean water investment to \$10.4 billion since 2017. This historic investment in our communities' infrastructure will ensure New Yorkers have access to clean drinking water and will allow municipalities to invest in efficient and effective wastewater treatment strategies. Recognizing the urgency of addressing lead service lines, the Executive Budget will continue leveraging State and Federal funds to assist municipalities in their efforts to replace these service lines.

**Environmental Protection Fund.** \$425 million for the Environmental Protection Fund (EPF) is again provided to support critical projects that work to mitigate the effects of climate change, improve agricultural resources, protect our water sources, advance conservation efforts, and provide recreational opportunities.

**Investing in Our State Park System.** \$340 million for OPRHP to invest in enhancing and improving state parks. This substantial level of funding will aid the ongoing transformation of New York's flagship parks and support critical infrastructure projects throughout the park system.

**Expanding Empower Plus.** The Executive Budget will provide \$50 million to NYSERDA's EmPower Plus program to help low-income families electrify their homes by installing energy efficient appliances and, where eligible, switching from inefficient fossil fuel heating systems to clean efficient electric alternatives.

**Funding Mechanical Insulation in Public Buildings.** The Executive Budget recommends a \$5 million appropriation for NYSERDA's Mechanical Insulation Energy Savings Program. This new program will provide grants to public housing, public hospitals, and school districts for mechanical insulation, which will increase the energy efficiency of their heating and cooling systems.

**Decarbonizing State Government.** An additional \$50 million is included to support New York's on-going efforts to reduce its own carbon footprint. This continued investment will accelerate State facilities' decarbonization efforts and provide resources to initiate procurement practices that prioritize sustainable and climate-resilient design initiatives.

**Investing in Coastal Resiliency and Water Infrastructure Protection.** \$668 million is appropriated for the support of United States Army Corp of Engineers (USACE) projects,

in partnership with DEC, for critical coastal resiliency and water infrastructure projects that are critical in New York's on-going effort to protect some of our most geographically vulnerable areas from the effects of climate change.

**Sustaining our Environmental Resources.** \$90 million is available for DEC to address a variety of capital needs to facilitate access to state lands, ensure the safety and durability of our state's dams, rehabilitate campgrounds, and upgrade a variety of widely used recreational facilities. This funding will also provide critical repairs to other public property, including wetlands, trails, waterfronts, and fish hatcheries.

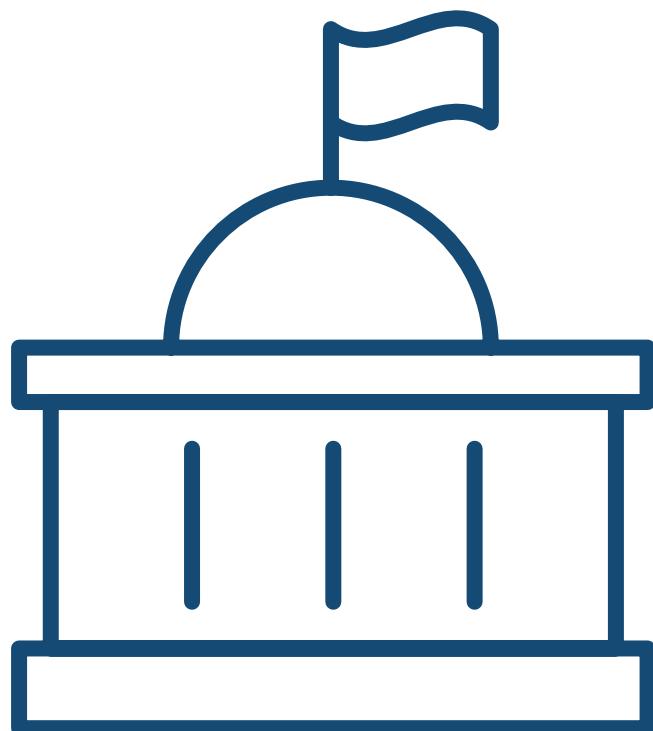
**Investing in New York State's Dairy Industry.** \$15 million is available for another round of the Dairy Modernization Grant Program, as well as a five-year extension of the refundable investment tax credit through 2032. These actions will help provide stability and support to New York's agricultural community further helping to protect jobs, ensure a stable food supply, and secure the long-term competitiveness of New York's dairy industry.

**Providing Tariff Relief for New York's Farmers.** \$30 million in direct payments to New York's specialty crop growers, livestock producers, and dairy farmers to help support New York's agricultural sector and offset rising costs caused by tariffs. This program is meant to help safeguard agricultural operations and ensure stability in a volatile global marketplace.

**NYBRICKS.** \$75 million for OPRHP and partner agencies to continue investment in New York's high-impact community center projects through the New York Building Recreational Infrastructure for Communities, Kids, and Seniors program.

**Investing in Canal Infrastructure.** \$50 million for the improvement of the Canal System. These funds will be used for dam and lock repair, flood mitigation, infrastructure improvements, canal system resiliency, and other projects that will improve the overall canal system.

**Advancing Excelsior Power.** This new program will provide consumers who utilize smart thermostats and other similar technologies \$25 off their utility bill per month for one year, putting money back in the pockets of consumers who choose to use these technologies, while also improving grid reliability and bringing down long-term costs for all New Yorkers.



# GENERAL GOVERNMENT

The **Office of General Services (OGS)** is responsible for a wide array of State support services including managing and leasing properties, designing, building, and maintaining State facilities, and establishing contracts for goods, services, and technology. \$1.7 billion in funding is included in the Executive Budget.

The **Department of Civil Service (DCS)** is responsible for providing human resource management services to the State and local governments, assisting State agencies with workforce recruitment, administering exams, overseeing job classifications, and administering employee benefits. \$145.3 million in funding is included in the Executive Budget.

The **Division of Alcoholic Beverage Control (ABC)** operates under the direction of the State Liquor Authority (SLA). ABC/SLA is responsible for regulating and issuing licenses for the manufacture, sale, and distribution of alcoholic beverages within the State. \$21.9 million in funding is included in the Executive Budget.

The **Office of Cannabis Management (OCM)** is responsible for developing a comprehensive regulatory structure to monitor and control the cultivation, processing, manufacturing, distribution, transportation, and sale of cannabis in New York State. \$110.1 million in funding is included in the Executive Budget.

The **State Board of Elections (SBOE)** is responsible for executing and enforcing all laws related to elections, administering a public matching funds program for candidates seeking election to NYS public office, and overseeing the conduct of elections and the disclosure of campaign finance activities. SBOE is also responsible for reviewing the practices of all local boards of elections, facilitating ballots for State offices, approving the voting systems, maintaining the Statewide voter registration database, and implementing various Federal programs. \$142.2 million in funding is included in the Executive Budget.

The **Office of Information Technology Services (ITS)** provides statewide strategic direction, policy, and centralized products and services related to information technology (IT). ITS operates the statewide data center to support mission-critical applications for 53 agencies – including 130,000 employee accounts, 100,000 telecommunications devices, 100,000 workstations/laptops, over 20 million resident accounts, and 33 petabytes of data storage. The Executive Budget includes a \$130.7 million ITS Capital Innovation Fund appropriation to fund enterprise technology projects and infrastructure upgrades, designed to increase efficiencies, improve automation, and expand the number of online services and transactions available to residents.

## PROPOSED EXECUTIVE BUDGET ACTIONS

### Fight Workers' Compensation Fraud

To combat instances of workers' compensation fraud, the Executive Budget advances legislation to allow the Workers' Compensation Board to use employer assessments to administer a \$17 million grant program for district attorneys to establish and staff dedicated workers' compensation fraud units. This funding will ensure they have the necessary resources to investigate and prosecute these crimes, ultimately protecting honest workers and helping to contain costs for businesses across New York State.

### Cannabis

The Executive Budget includes targeted increases for OCM to further develop and streamline processes to promote and regulate a safe and sustainable cannabis market. The Executive Budget includes a new \$17 million capital appropriation for the development of OCM's integrated case management and licensing system, which will allow OCM to improve agency operations including licensing and enforcement efforts.

Additionally, the Executive Budget includes a new \$25 million local assistance appropriation

for the Community Grants Reinvestment Fund (CGRF), which provides grants to reinvest in communities disproportionately impacted by past drug policies including workforce development initiatives, housing, mental health, and afterschool programming. The Executive Budget includes funding for a business incubator hub, which will provide resources and technical assistance for cannabis businesses across the supply chain.

### **SLA Enforcement Efforts**

The Executive Budget includes \$450,000 in additional funding to support six new staff in the State Liquor Authority's (SLA) Enforcement Bureau. These additional staff will allow SLA to expand enforcement activities, including joint enforcement with OCM on the illegal sale of intoxicating THC and hemp beverages at SLA-licensed retailers, and other licensing investigations. The Executive Budget also continues \$2.4 million in funding and dedicates five new staff in the Licensing Bureau for SLA to improve the functionality of its online licensing system, resulting in operational efficiencies and improvements that will benefit businesses across the State.

### **Public Campaign Finance**

The Public Campaign Finance (PCF) program provides public financing to participating candidates seeking election to public office. The program is intended to focus campaign efforts toward soliciting small donations from individual constituents rather than corporate interest groups. As such, the State provides matching funds on the first \$250 of any qualifying donation.

The PCF program was in place for the Primary and General elections held in calendar year 2024 and issued \$35.1 million in matching funds to qualified candidates running for legislative offices. Beginning in FY 2027, the program will include qualified candidates running for Statewide offices. The Executive Budget includes \$100 million to support public matching fund payments.



# HEALTHCARE

The FY 2027 Executive Budget reaffirms Governor Hochul's unwavering commitment to the health and well-being of every New Yorker, prioritizing stability in a period of unprecedented federal volatility. In direct response to the federal funding reductions and eligibility restrictions mandated by the H.R. 1, this Budget provides a critical firewall to preserve the integrity of our healthcare system.

The State cannot backfill all of the implemented, pending, and proposed federal health actions, but by strategically supporting essential services and maintaining the historic investments of the previous four years, the Budget protects access for our most vulnerable populations and ensures the progress made in affordability and modernization is not eroded. This commitment secures the provision of care for those in need while continuing to evolve the State's healthcare infrastructure to meet the challenges of a shifting national landscape.

## OFFICES AND RESPONSIBILITIES

The **Department of Health's (DOH)** mission is to protect and promote health and well-being for all, building on a foundation of health equity. Consistent with this mission, DOH protects public health; funds and supervises community public health activities and critical social supports; regulates healthcare facilities statewide; and operates healthcare facilities, including Helen Hayes Hospital, four nursing homes specifically for veterans and their families, and the Wadsworth Center for Laboratories and Research. DOH also manages comprehensive healthcare and long-term care coverage for low- and middle-income individuals and families through Medicaid, Child Health Plus (CHP), and the Essential Plan (EP). Combined, these programs provide affordable health insurance coverage for more than 9 million New Yorkers.

The **Office of the Medicaid Inspector General (OMIG)** promotes the integrity of the Medicaid program by conducting and coordinating fraud, waste, and abuse control activities for all State

agencies responsible for Medicaid-funded services.

The **State Office for the Aging (SOFA)** promotes and administers programs and services for New Yorkers 60 years of age and older. The Office oversees community-based services provided through a network of regional Area Agencies on Aging (AAA) and local providers.

The **New York State's Medicaid program** is the State's largest payer of healthcare and long-term care services and supports. More than 6.8 million individuals receive Medicaid-eligible services through a network of more than 80,000 healthcare providers and more than 35 fully and partially capitated managed care plans. Total Medicaid and Essential Plan spending is expected to be \$122.9 billion in FY 2027. This includes \$65 billion in Federal spending and \$48.5 billion in State spending. In 2012, the State first implemented the Medicaid Global Cap on DOH Medicaid spending, setting the annual growth rate to a statutory growth metric. As of the FY 2023 Budget, the Global Cap spending limit is set by the five-year rolling average of Medicaid spending projections within the National Health Expenditure Accounts produced by Office of the Actuary in the Centers for Medicare & Medicaid Services (CMS). Consistent with the index, the FY 2027 Executive Budget reflects \$29.6 billion in additional Medicaid spending growth between FY 2027 and FY 2030 as compared to the prior Global Cap growth metric.

The **Essential Plan (EP)** offers comprehensive health coverage with no monthly premiums to more than 1.7 million New Yorkers with incomes below 250 percent of the Federal Poverty Level (FPL) (\$39,125 for a single individual).

The **Child Health Plus program** provides free or low-cost health insurance to more than 550,000 children under the age of 19 who do not qualify for Medicaid and do not have other health insurance coverage.

## H.R. 1 IMPACTS ON HEALTHCARE

On July 4, 2025, H.R. 1 was signed into law, significantly altering Federal assistance for critical support programs providing services to New York families and individuals. The programmatic changes and funding reductions contained in H.R. 1 target New York's health insurance programs, namely Medicaid and the Essential Plan, placing immense strain on the State's Financial Plan. Ultimately, the provisions enacted in H.R. 1 necessitate the State to plan for significant current and outyear impacts including:

Beginning January 1, 2026, certain non-citizen populations were disqualified from obtaining premium tax credits, which eliminates the Federal funding received for this population in the EP. Individuals with incomes below 138 percent of the Federal Poverty Level, pregnant/post-partum individuals, and Deferred Action for Childhood Arrivals (DACA) individuals who currently qualify and are enrolled in the EP but are also eligible for Medicaid may be moved to Medicaid at a projected State cost of \$3 billion per year when fully annualized. To alleviate new State costs and maintain coverage for as many individuals as possible, DOH submitted a request to the CMS to terminate its 1332 State Innovation Waiver (1332 Waiver) and reactivate its (currently suspended) Basic Health Program authorized under Section 1331 of the federal Affordable Care Act (ACA).

This proposal does not represent a permanent solution to the problems caused by the federal policy changes and will warrant adjustments in future State Financial Plans.

Additionally, starting October 1, 2026, states are prohibited from using or receiving federal Medicaid funding to provide coverage to certain legally present non-citizens including refugees, asylees, and victims of domestic violence and trafficking. This reversal of historic precedent will result in tens of thousands of immigrants losing their federally supported Medicaid coverage, transferring these enrollees to State-only Medicaid.

Effective January 1, 2027, States are required to establish Medicaid community engagement requirements for certain individuals. Non-exempted Medicaid recipients must participate in at least 80 hours of work, education, and/or community service per month to maintain eligibility. Exempted recipients include, but are not limited to, pregnant women, people with disabilities, and caregivers of young children. DOH estimates as many as 1.5 million enrollees may be impacted.

In addition, the loss of Federal funding previously provided for reproductive healthcare services and the coverage of vaccinations will cost the State over \$100 million over the multi-year Financial Plan.

**Essential Plan Actions.** New York has operated the Essential Plan (EP) since April 2015. First operating under section 1331 of the Affordable Care Act as a "Basic Health Program," beginning in April 2024, New York was approved to operate the Essential Plan under a Section 1332 State Innovation Waiver. This enabled the State to expand the EP's income eligibility threshold from 200 percent of the FPL to 250 percent of the FPL, saving enrollees over \$6,000 annually compared to equivalent Marketplace Qualified Health Plans. The 1332 Waiver also allowed the State to offer cost-sharing reductions for enrollees on the ACA Marketplace and address key social determinants of health, including food insecurity and climate-induced health risks.

This program is a tremendous success, providing comprehensive, low-cost health insurance coverage to over 1.7 million enrollees as of December 2025. As a result, New York has consistently maintained one of the lowest uninsured rates in the country, with the EP acting as an example of how states can take steps to ensure a healthier population covered by affordable insurance products.

Due to provisions enacted in H.R. 1 related to premium tax credit eligibility, one-third of the Essential Plan's enrollees and over half of the EP's funding under the 1332 Waiver, will be eliminated once fully implemented. With this provision, the State cannot afford to operate the Essential Plan under its current Waiver authority.

To maintain comprehensive health insurance for as many enrollees as possible, the State formally applied to the Centers for Medicare and Medicaid Services (CMS) to revert the Essential Plan from the 1332 Waiver to its former authority under Section 1331 of the Affordable Care Act. This shift will maintain low to no cost health insurance coverage for roughly 1.3 million beneficiaries, using the accumulated Basic Health Program Trust Fund to offset lost federal funding. However, this will also reduce the Essential Plan's maximum income level back to 200 percent of the FPL, resulting in lost coverage for over 460,000 current enrollees. These individuals will need to move to other coverage options, which may include Qualified Health Plans and employer-based coverage.

The State is committed to working with CMS, affected parties, and stakeholders to determine strategies which will provide affordable coverage for all New Yorkers.

As the reactivation of the Basic Health Program is contingent upon federal approval which has yet to be granted by CMS, the Budget assumes this transition does not occur. Therefore, the

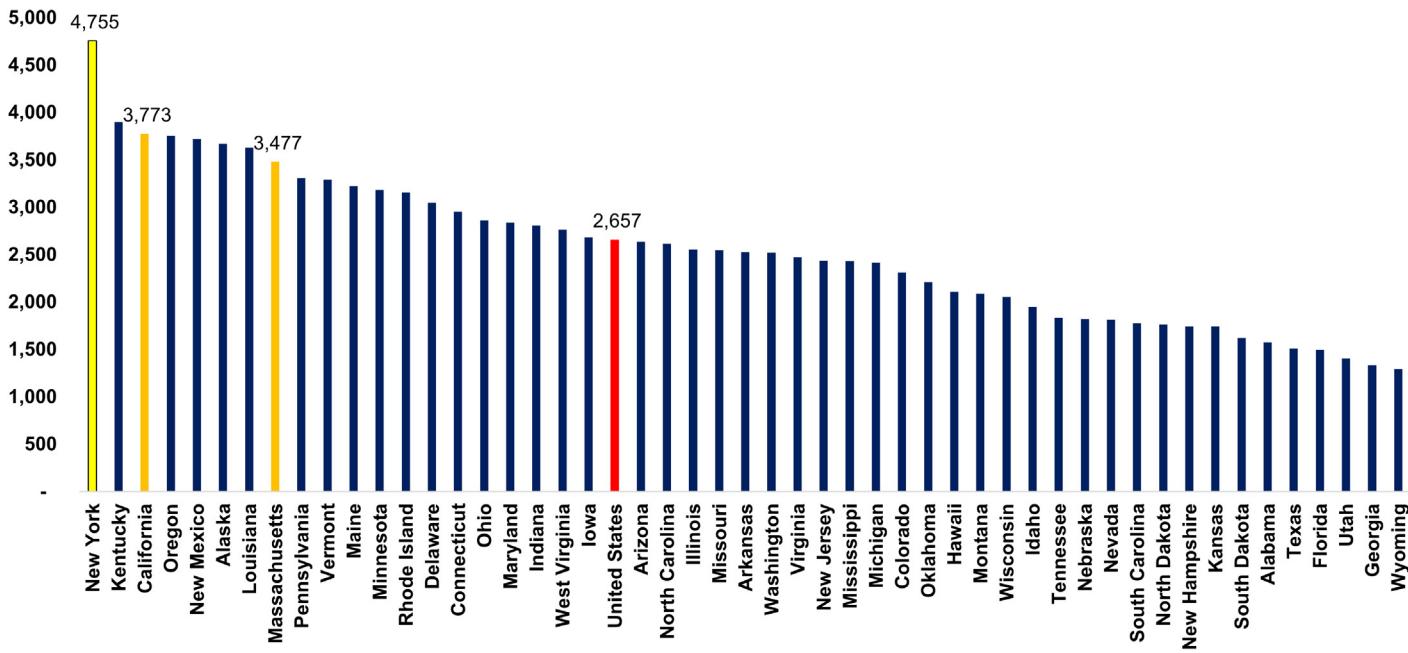
budget assumes over \$2 billion of added costs under the Global Cap, stemming from populations transferring from the EP to Medicaid, beginning in FY 2027. If provided approval, the Financial Plan will be updated accordingly.

## MEDICAID GLOBAL CAP

In FY 2027, the DOH State-funded portion of the Medicaid program is projected to total \$38.7 billion; more than triple the FY 2011 value – as will the average cost per capita of over \$4,755 per year. Current projections indicate over 6.8 million enrollees by March 2026. While this growth reflects the State's commitment to support its neediest residents, it continues to put pressure on the State's finances.

Despite the Medicaid Global Cap, which is intended to limit Medicaid spending growth, the program has continued to grow at unsustainable levels, largely because of costs associated with programs servicing elderly and disabled populations, such as Managed Long-Term Care (MLTC) and the Nursing Home Transition and Diversion (NHTD) Waiver, which frequently cost nearly 10 times that of traditional Medicaid

**Per Capita Medicaid Expenditures (Gross)**  
Federal Fiscal Year 2024



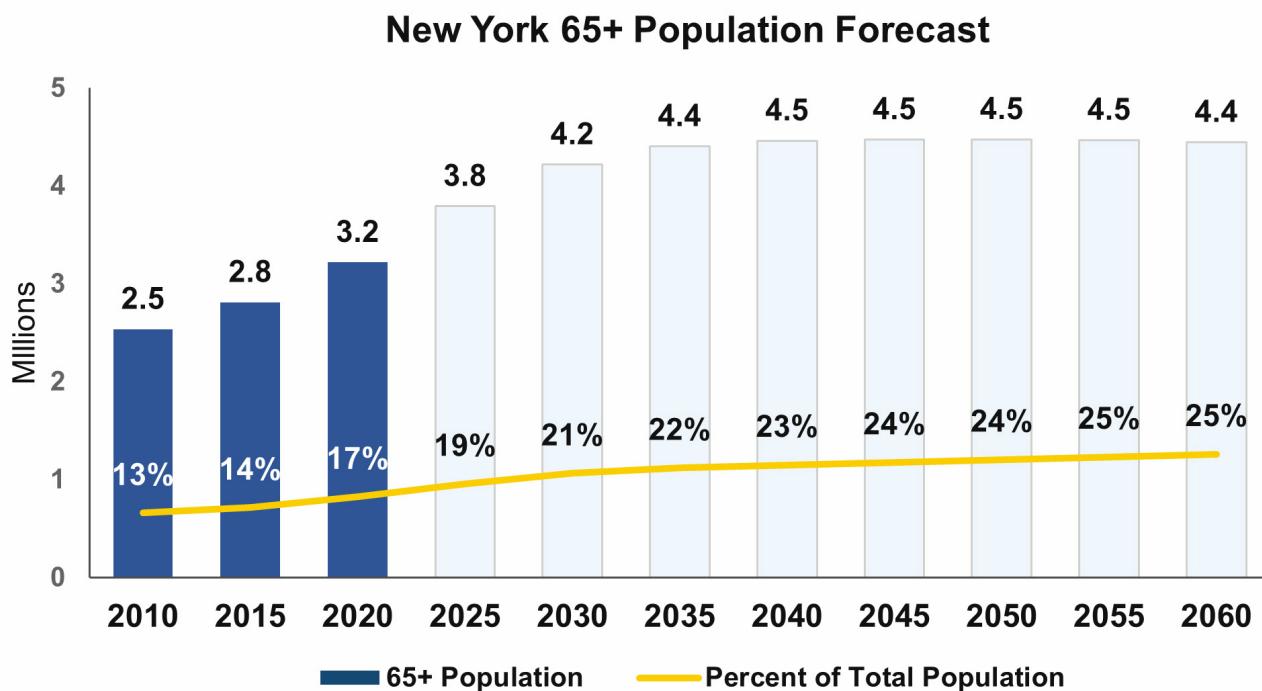
coverage. Additionally, Pharmacy costs both nationally and in New York State are on the rise due to increases in the price of drugs and the utilization of high-cost drugs such as GLP-1s and certain HIV-AIDS medications. Furthermore, overall Medicaid enrollment has increased since pre-pandemic levels, resulting in over 6.8 million current enrollees, 700,000 more than pre-pandemic levels.

Over the past four budgets, the Governor has made significant investments to support healthcare providers and Medicaid members by implementing the largest rate increases in 20 years for hospitals, nursing homes, and assisted living programs; supporting safety net hospitals; increasing home care worker wages; and making significant investments in primary and preventive care, while also advancing savings actions to help reduce costs and preserve critical services for New York's neediest residents. The savings actions sought to constrain costs while making the Medicaid program more efficient in the areas

of drug coverage and reimbursement with the NYRx transition, implementation of Long-Term Care reforms, reforming the NHTD Waiver to ensure long term sustainability, and streamlined administrative costs to ensure critical home care programs are sustainable with the transition to the Statewide Fiscal Intermediary.

Despite this balanced approach, health care costs have continued to rise nationwide following the COVID-19 pandemic. This is a trend that has also impacted many similarly situated states.

**Long Term Care Sector.** While recent reforms to Consumer Directed Personal Assistance Program (CDPAP) have helped to reduced long term care spending growth, New York's growing aging population will continue to put a strain on the Medicaid program, with 4.2 million individuals aged 65+ expected by 2030. Double digit growth in long term care sectors continues to outpace allowable growth provided by the current Global Cap index, primarily driven by the NHTD Waiver.



**Hospital Sector.** Currently, approximately 29 percent of New York's hospitals are financially distressed. Since FY 2023, the State has provided \$2.6 billion to support hospitals needing extraordinary financial assistance to maintain access to services and promote sustainable operations: \$800 million in FY 2023, of which \$100 million was added to the recurring base support, and \$500 million in FY 2024, FY 2025, and FY 2026. The FY 2025 Budget included \$300 million in support for the Safety Net Transformation Program (SNTP).

To date, Governor Hochul has committed \$4.6 billion in operating and capital funding to support fourteen SNTP projects intended to strengthen and transform hospital systems through acquisitions and partnerships over the next five years.

## PROPOSED FY 2027 HEALTHCARE BUDGET ACTIONS

Governor Hochul continues the State's commitment to ensuring provider solvency and access to care. Despite inflationary pressures facing every market and a growing number of providers at financial risk, the State has remained steadfast in its support of its most distressed providers and health systems by expanding programs designed to assist and transform safety-net hospitals.

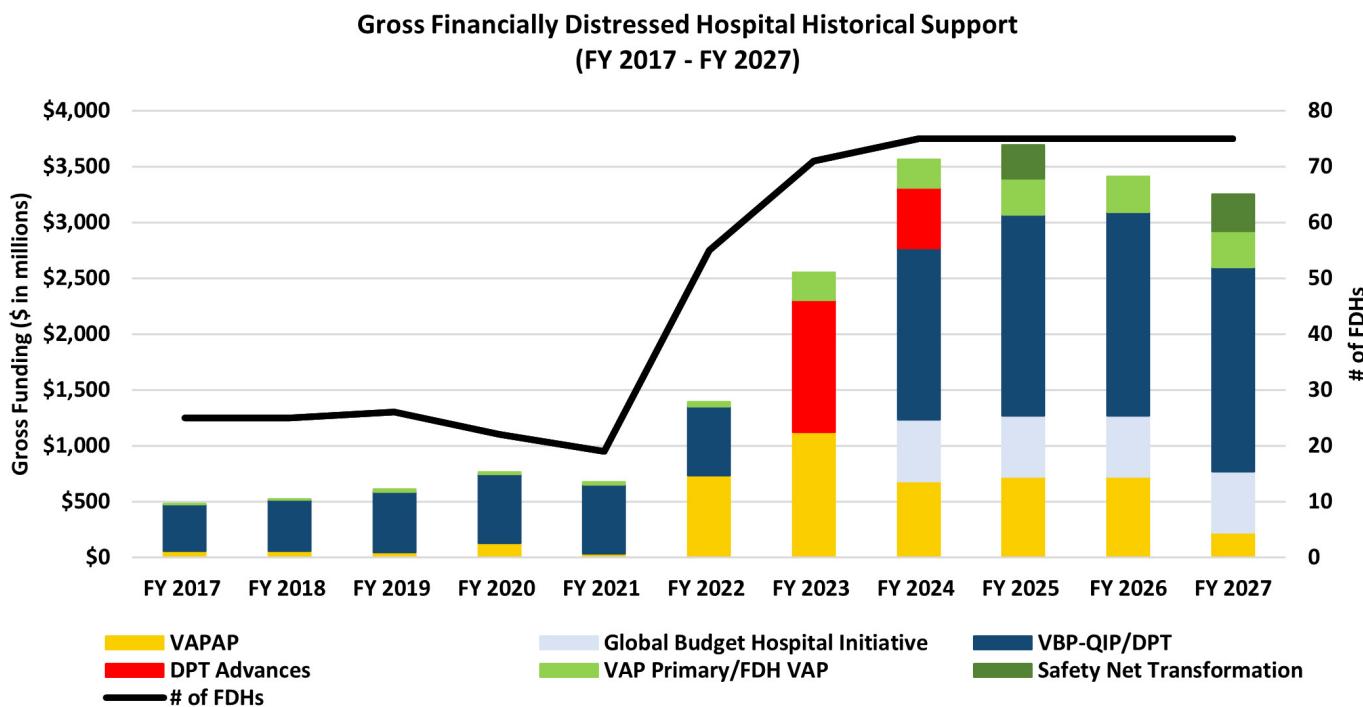
With the myriad of risks facing the healthcare industry

and the constant threat of disruption from the Federal government, the Executive Budget proposes several targeted and sensible reforms to specific areas that are experiencing growth beyond sustainable levels and bolstering the program's integrity without drastically impacting patients or services, while also providing targeted investments to areas of critical need and future transformation of the State's healthcare system.

**Medicaid.** The FY 2027 Executive Budget ensures the continuation of the critical investments made over the course of Governor Hochul's administration, including funding for increases in home care wages, support for distressed providers and safety-net transformation activities, and the historic rate increases provided in previous budgets. However, despite the revised CMS Actuary index providing significant growth, the Medicaid program is pressured by Federal H.R. 1 impacts and rising costs associated with personal care, NHTD, and pharmacy.

In the long term, actions will be required to bring Medicaid spending in line with sustainable growth levels, while still meeting the needs of vulnerable New Yorkers and the transformation of valuable safety-net providers. Accordingly, the FY 2027 Budget includes actions in the following areas:

**Managed Care Organization (MCO) Tax.** In December 2024, the State secured CMS approval to implement



a new Managed Care Organization (MCO) tax to leverage additional Federal resources. Provisions included in H.R. 1 as well as a proposed federal rule targeting managed care provider taxes nationally will revoke New York's MCO Tax authorization sooner than was projected in the FY 2026 Enacted Budget. Therefore, if the federal rule is implemented as planned, the State's MCO tax will collect \$1.5 billion fewer receipts than initially anticipated. As a result, the Budget establishes an updated plan for spending tax receipts over the next fiscal year. The Financial Plan assumes five quarters of MCO tax revenue, totaling \$2.25 billion in net State Share benefit. Of these collections, \$1 billion will be allocated for existing Global Cap commitments. The FY 2027 Budget will also include \$1.2 billion State-share from the Healthcare Stability Fund to support pivotal investments for healthcare facilities, providers, and programs including hospitals, nursing homes, assisted living programs, federally qualified health centers, and the Safety Net Transformation Program.

**Hospital and Nursing Home Investments.** In addition to normal operational stresses facing healthcare providers, the health sector has been a target for recent federal actions, including the changes related to H.R. 1. To support hospitals and nursing homes during these uncertain times, the Budget will include an additional \$750 million (\$500 million recurring) in additional State support for these critical institutions, in addition to Medicaid increases provided in recent budgets. When combined with a federal match these rate increases will provide \$1.5 billion in additional funding to these institutions in FY 2027.

**Safety Net Hospital Transformation Program.** The FY 2025 Enacted Budget established the SNTP and made up to \$800 million in operating and capital resources available to encourage partnerships between Safety Net hospitals and established health care facilities. In its initial year, the SNTP generated widespread interest from health care facilities with DOH receiving several letters of interest intended to form potential partnerships. The FY 2026 Budget expanded the SNTP by investing an additional \$1 billion in capital support to meet demand beyond existing resources, support additional partnerships, and enable longer-term commitments. Building on this momentum, the FY 2027 Budget seeks to further expand the SNTP by providing

an additional \$1 billion in capital support and allocates a minimum of \$330 million in operating funding supported by MCO tax revenue to support new and existing partnerships, as well as supporting new innovative models of care while strengthening the long-term financial sustainability of safety-net hospitals.

**Rural Health Transformation Program.** H.R. 1 established the Rural Health Transformation Program which is intended to transform the healthcare delivery system and improve healthcare access, quality, and outcomes in rural communities throughout the country. New York prepared a robust application which included four key initiatives, informed by stakeholder input, and was awarded \$212 million for the first year of the five-year program. Funding will be used for the following initiatives:

- Rural Community Health Integration Initiative – Establishes regional networks linking hospitals, Federally Qualified Health Centers, and Medicaid and behavioral health providers and promotes shared financial responsibility, community-based partnerships, and sustainability of safety-net services.
- Strengthening Rural Communities and Technology-enhanced Primary Care – Expands Patient-Centered Medical Home (PCMH) accreditation, supports artificial intelligence-driven clinical tools, telehealth, and investments to increase access and efficiency in rural primary care.
- Rural Roots – Creates workforce data tracking, early-career programs, and employer-based training pipelines. Establishes a Recruitment-to-Service pipeline for medical, dental, and behavioral health trainees.
- Investments in Technology Innovation and Cybersecurity – Expands telehealth and remote monitoring capabilities, integrates eConsult hubs with the SHIN-NY, and strengthens cybersecurity readiness for rural facilities.

Over the life of the five-year award, the Department of Health is required to submit annual renewal applications to CMS for approval. The program requires budgeting and progress reporting to determine subsequent annual award amounts over the five-year program, dependent on the success of program initiatives and disbursement of funding over

the previous award periods.

The Budget makes several changes intended to maximize efficient use of State resources, including:

#### **Independent Dispute Resolution (IDR) MMC**

**Carveout.** The IDR process determines if fees billed by providers in emergency settings and through surprise billing are reasonable. While claims that are paid on a fee schedule are excluded from the IDR, certain claims billed by non-participating providers for services rendered to Medicaid beneficiaries enrolled in managed care plans are authorized. The Budget proposes to align State law with Federal law by excluding Medicaid claims from the State's IDR process.

**Biomarker Reforms.** In 2023, the Governor signed legislation to cover biomarker precision testing as a Medicaid benefit. Biomarker precision testing allows doctors to identify measurable indicators that signal normal or abnormal biological processes and treatment responses. The Budget clarifies that all biomarker precision tests covered by Medicaid meet required medical necessity criteria.

**Maximize Care Management Resources.** Health Homes provide enhanced case management services and care coordination to low, medium, and high acuity adults and children. The Budget seeks to maximize available Health Home resources for higher acuity children and adults by reforming the eligibility criteria for low-acuity members.

**Standardize Applied Behavioral Analysis (ABA).** In January 2023, New York's Medicaid program began covering ABA services for eligible members under the age of 21. The Budget ensures the viability and integrity of the ABA benefit by establishing a Centers of Excellence designation for providers that will ensure all evaluations and referrals for ABA treatments are clear and appropriate. The Budget also adjusts reimbursement methodologies so that ABA providers are compensated equitably with their experience.

#### **Update Medicaid's Coinsurance Payment Rules.**

Currently, for dually enrolled members in both Medicaid and either Medicare Part B or Part C, Medicaid pays a beneficiary's remaining coinsurance amount. However,

the coinsurance payment rules are inconsistent depending on the Medicare product and service billed. The Budget aims to align Medicare Part B and Part C payment practices and ensure all payments are consistent with Medicaid billing policy.

#### **Long Term Services and Supports (LTSS) in the Essential Plan.**

**Essential Plan.** The FY 2023 Enacted Budget included a policy to provide LTSS benefits to Essential Plan beneficiaries. To date, this expansion has not received federal approval, and the Budget proposes to repeal this provision as the implementation of LTSS benefits in the EP would significantly accelerate the spenddown of available EP resources.

#### **Limit Personal Care Administrative Reimbursement.**

The Budget proposes to limit the personal care fee-for-service administrative reimbursement rate at 15 percent of total costs and normalize the direct care component of rates. Currently, administrative reimbursement is capped using a complicated and outdated methodology, that does not incentivize efficient operations. This change would be the first step towards standardizing administrative reimbursement for all personal care services.

#### **Reinvest Nursing Home Vital Access Provider Assurance Program (VAPAP) Funds.**

New York nursing homes are facing an increasing need for capital investments, as the physical infrastructure of their facilities continue to age. To address this, the Budget proposes to reduce the Nursing Home VAPAP pool and redirect resources toward restoring the 10 percent reduction in capital reimbursement, which was included in the FY 2025 Enacted Budget.

#### **Leveraging New York's Purchasing Power to**

**Drive Down Drug Costs.** The Budget proposes to expand State-led negotiations with pharmaceutical manufacturers to enhance the potential for securing additional supplemental rebates on certain high-cost drugs in the Medicaid program and delivering greater value to the State.

#### **Healthcare Delivery System Reform**

**Temporary Staffing Agency Guidance.** This proposal aims to ensure healthcare dollars are

effectively supporting the delivery of care as opposed to profiting temporary healthcare staffing agencies. It includes legislation to place a cap on temporary staffing costs, providing immediate budget relief to healthcare entities by reducing premium payments to staffing agencies. In addition, the Budget invests \$4.2 million for the DOH to develop guidance and share best practices to ensure healthcare organizations have the information they need to secure temporary staff, and ensure guidance is being followed Statewide.

### **Strengthening Oversight of Healthcare Transactions.**

This proposal provides \$150,000 for additional staffing related to a proposed expansion of reporting requirements for healthcare entities involved in material transactions. This reporting is critical to understanding the expected and initial impact of these private transactions on cost, quality, access, equity and competition in the New York healthcare delivery system.

### **Enabling Transformation of the Healthcare Delivery System.**

This proposal aims to transform the Certificate of Need (CON) approval process and delivery system through an \$11 million multi-year investment to establish a new NYSE-CON online system. The current CON process was devised as a regulatory mechanism to review and approve healthcare projects, but has become burdensome and inefficient over time. Through reforms to the current approval process by establishing a NYSE-CON online system, developing new performance metrics, and streamlining the review process, the new system is expected to operate more efficiently and transform the regulatory process.

### **Protect Access to Reproductive Health Services**

**Sustain the Reproductive Freedom and Equity Grant Fund.** The Reproductive Freedom and Equity Grant Fund was created by Governor Hochul in May 2022 to enhance abortion access and was codified in the State Fiscal Year 2025 Budget. This initiative addresses the need for expanded reproductive healthcare services in New York. The Budget continues \$25 million in funding to support reproductive health providers and critical support programs, to ensure equitable access to abortion care across the state.

### **Ensure Continuity of Funding for Planned Parenthood.**

The Federal Reconciliation Bill H.R. 1 instituted a one-year prohibition on Federal Medicaid funding to Planned Parenthood. Governor Hochul has ensured there is no interruption in the critical work done by Planned Parenthood in New York State by providing funding to support the lost federal share, which has allowed for the continuation of a critical source of care to Medicaid recipients.

### **Reproductive Health Care Improvement Funding.**

The Budget continues to provide grants to eligible abortion care providers in support of capital projects that promote expanded reproductive health infrastructure, modernization of facilities and enhanced safety and security. This funding will contribute to Governor Hochul's ongoing mission to affirm abortion rights in New York State and ensure that all New Yorkers are able to access these critical services.

### **Enhanced Reimbursement for Providers of Abortion Services.**

For many years, reproductive health providers have struggled with the cost of medication abortion care and other abortion services. The Budget continues to provide a \$20 million flexible funding stream to support these critical services and to protect the network of reproductive health care providers.

### **Reduce the Medicaid Burden on Localities**

#### **Continue the State Takeover of Local Medicaid Costs.**

In FY 2027, the State will assume nearly \$9.2 billion in costs that would have otherwise been incurred by localities. This is an annual multibillion-dollar relief package to localities that continues to grow by billions of dollars. Since 2015, counties have saved \$62.8 billion due to the local takeover.

#### **Complete the State Takeover of Medicaid Administration Transition.**

The Executive Budget allocates additional resources to support the implementation of the Medicaid Enterprise Client Management (MECM) System which will include the system updates necessary for completing the transition of local Medicaid administration duties to the State. This critical digital infrastructure project will relieve local districts of the increasing demand of complex eligibility decisions.

## **Strengthening Public Health and Aging Programs, Improving Health Outcomes.**

The Budget makes a series of investments to support a healthier New York, with better care outcomes and improved health equity.

**Support the Medical Indemnity Fund to Prevent Closure.** The Budget provides \$75 million in new funding to the Medical Indemnity Fund (MIF) on a one-time basis to maintain the Fund's solvency through FY 2027. This funding is a part of the State's ongoing commitment to the Medical Indemnity Fund, in conjunction with proposed reforms to the MIF fund.

**Invest in Home and Community-Based Services for Older New Yorkers.** The Budget continues \$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.

**Invest in Naturally Occurring Retirement Communities.** The 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, to improve health outcomes and reduce social isolation. Offering health and social services close to home also reduces the institutionalization and hospitalization of older adults.

**Maintain Nutrition Program Funding.** In addition to \$65 million in emergency food assistance provided in November 2025 in response to federal SNAP disruptions, the Budget continues \$106 million in support of nutrition programs, including \$51 million for the Hunger Prevention and Nutrition Assistance Program (HPNAP) and \$55 million for the Nourish New York Program. The 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).** The Budget invests \$10 million to support capital grants for food banks and other organizations that provide emergency food assistance. This new grant program will be administered in collaboration with the New York State Dormitory Authority, and will enhance the State's capacity to combat hunger and

food insecurity in the wake of federal cuts to critical nutrition assistance programs.

**Excess Medical Malpractice Reform.** The Budget includes a change to reconfigure the timing of payments under the program, splitting payments over two years, as well as reducing State funding for excess medical malpractice insurance coverage by requiring a 50 percent copay from covered physicians.

**Strengthening Cardiac Emergency Readiness Across New York State.** This proposal includes \$3.2 million to establish regional training hubs and ensure communities know how to use Automated External Defibrillators (AEDs) and support new, scalable approaches to hands-only cardiopulmonary resuscitation (CPR) education, focused on simple chest-compression techniques. The Budget also includes language that would update the law to dispense with outdated restrictions on the installation of fully automated AEDs, and create New York's first statewide AED registry. This registry will map the precise location of every AED across the state, enabling emergency dispatchers to direct individuals to the nearest device during cardiac events.

**Deploy State Funding to Support Healthcare Training Programs.** The Budget will continue support for healthcare training programs under the Increasing Training Capacity in Statewide Healthcare Facilities grant program, with a distinct focus on nursing training programs.

**Leverage Federal Support to Grow New York's Health, Behavioral Health, and Social Care Workforce.** The Executive Budget includes \$694 million for implementation of two workforce programs to support training and education for new workers as well as support career advancement for existing workers through tuition payments and student loan repayment.

**Nursing Home Staffing Campaign.** The Executive Budget includes \$3 million to enable the State to participate in a federal nursing home staffing campaign. This initiative is aimed at increasing the number of nurses working in qualifying nursing homes, particularly in rural areas.

## **Remove Unnecessary Restrictions on Healthcare**

**Workers.** The Executive Budget will expand scope of practice for several critical workers to expand access for patients, including allowing certified nursing assistants to administer medication in nursing homes, physician assistants with sufficient training to practice independently, and medical assistants to administer vaccinations. Additionally, the Executive Budget will change State law to allow DOH to oversee and make additional decisions about licensed healthcare professionals' scope of practice.

## **Expand the Use of Artificial Intelligence (AI) Technology**

**in Healthcare Safely and Equitably.** The Budget includes initiatives to better support the ethical adoption of emerging AI technology within DOH and across the health care industry. New York State will build a consortium of healthcare leaders to share best practices on the implementation of AI health tools. Additionally, DOH will develop an AI governance model to better evaluate the opportunities and risks associated with these tools as they offer the potential to deliver better health outcomes for New Yorkers.

**Improving Vital Records Access.** The Executive Budget provides \$7 million to make technological improvements to the vital records system, launching an effort to digitize archival records for genealogical requests, as well as increasing program staffing to address the significant backlog.

**Reading and Language Acquisition Equality for Deaf Children (LEAD-K).** Administered through DOH's Early Intervention (EI) and Early Hearing Detection and Intervention (EHDI) programs, a proposed \$100,000 in additional operating support is advanced to alleviate barriers to hearing loss screenings and language acquisition services for children who are potentially deaf, deafblind, or hard of hearing.

**Illegal Vapor Product Enforcement.** To reduce the harmful effects to health from flavored vaping products, \$4.7 million in DOH operating support is proposed with the Executive Budget for costs associated with seized vapor product storage and disposal.

**Radiological Health Protection Investment.** This proposal includes \$1.3 million to strengthen compliance activities within the Radiological Health Protection

program. This additional support would play a pivotal role in the radon public health information program, assist in nuclear power plant emergency response drills, environmental sampling, radiologic technologist licensure and registration, inspecting ionizing radiation installations, and maintaining radiation detection equipment.

## **Asbestos Safety Training Program Investment.**

This proposal includes \$230,000 to strengthen compliance activities within the Asbestos Safety Training Program. This additional support would strengthen the program's ability to develop and deliver training, issue course completion certificates, and conduct on and offsite compliance reviews.

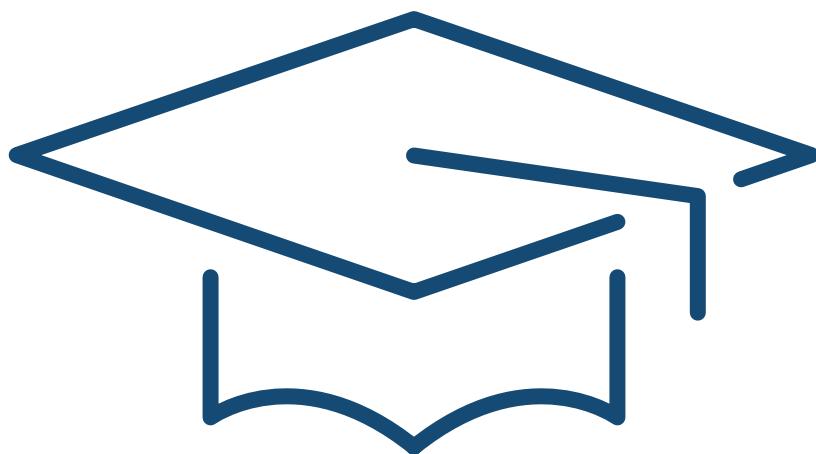
## **Supporting the NY State of Health**

NY State of Health, [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov), serves as a centralized marketplace to shop for, compare, and enroll in a health insurance plan through public programs and subsidized and unsubsidized commercial coverage.

NY State of Health is a fully integrated marketplace across public and private programs including Medicaid, Child Health Plus, Essential Plan – NY's Basic Health look-alike program, and Qualified Health Plans. The Qualified Health Plans offered through NYSOH are significantly less expensive than those available prior to the creation of the marketplace and is the only place where consumers can qualify to get help paying for coverage through premium tax credits. NYSOH operates a Basic Health Program look-alike program, branded the Essential Plan, that offers lower-income New Yorkers comprehensive benefits with no premium or annual deductible and very low-cost sharing.

Currently, nearly 6.6 million, or more than one in three New Yorkers, are enrolled in coverage through the marketplace. Commensurate with increased enrollment in NY State of Health, the number of uninsured New Yorkers has declined by over 1.3 million since 2010 and as of the end of 2024, the share of uninsured in New York remains at 5 percent.

The Executive Budget includes \$722 million in funding for the operation of NY State of Health. This total includes additional funding for the implementation of Medicaid Community Engagement needs and eligibility changes related to H.R. 1.



# HIGHER EDUCATION

The Executive Budget continues to implement Governor Hochul's vision to transform the State's public higher education system to become the best and most equitable statewide system of higher education in the country, with actions to expand enrollment and access to colleges across the State and strengthen the **State University of New York (SUNY)** and **City University of New York (CUNY)** systems.

New York's public higher education system educates more than 634,000 students, according to reported Fall 2025 enrollment. This includes 48 four-year colleges and graduate schools administered by SUNY and CUNY that provide 378,000 full- and part-time students with an array of undergraduate, graduate, and professional degrees and 37 local and regional community colleges supported by SUNY and CUNY serving nearly 256,000 students across the State. In addition to SUNY and CUNY, New York is home to nearly 200 private colleges and universities that served over 526,000 students in Fall 2023.

The **State University Construction Fund (SUCF)**, the **City University Construction Fund (CUCF)**, and the **Dormitory Authority of the State of New York (DASNY)** administer a capital program for over 3,000 academic, research, hospital, dormitory, and multi-use facilities, which make up the physical infrastructure of the public university systems across New York State.

The **Higher Education Services Corporation (HESC)**, New York State's student financial aid agency, is a national leader in helping make college affordable for students. HESC oversees numerous State-funded financial aid programs, including the **Excelsior Scholarship**, the **Tuition Assistance Program (TAP)**, and other scholarship and loan forgiveness programs. Together, these programs provided financial aid to approximately 300,000 students during the 2024-25 academic year (AY 2025). HESC also partners with the Office of the State Comptroller to administer the **College Choice Tuition Savings** program.

The **State Education Department (SED)** also contributes funding for higher education, including opportunity programs that help support the success of disadvantaged students.

## EXTENDING OPPORTUNITY TO OUR STUDENTS

In 2022, in her first State of the State Address, Governor Hochul outlined a vision to transform SUNY and secure its status as the best and most equitable statewide system of higher education in the country. Specifically, the Governor outlined goals related to increasing enrollment and completion rates, preparing students for in-demand jobs, ensuring a world-class student experience, recruiting top faculty, providing a wide range of degrees and credentials, and doubling sponsored research, startups, and patents. In the FY 2023 Budget, the Governor provided SUNY and CUNY with significant increases in operating aid and capital funding, expanded TAP for part-time students, increased support for opportunity programs, and announced that Stony Brook University and the University at Buffalo would become SUNY's flagship institutions.

Governor Hochul took additional steps to transform the State's higher education system in the FY 2024 Budget, investing \$2.4 billion in new funding for capital projects and \$381 million in operating support for SUNY and CUNY, creating a \$500 million State matching fund for contributions to the endowments of SUNY's four university centers, and allowing flexibility for both systems to increase non-resident tuition rates to generate additional campus operating revenue.

In FY 2025, the Governor produced another budget that strengthens New York's public higher education institutions and provides needed support to students and families. Governor Hochul increased operating assistance to SUNY and CUNY by \$409 million and provided \$1.3 billion in new State funding for capital projects, including new capital grants for private colleges.

Last year's FY 2026 Budget provided \$2 billion for capital projects at campuses and hospitals and \$369 million in new operations funding for four-year campuses and hospitals, including programs to support non-tuition costs for students. In addition, the FY 2026 Budget created the Opportunity Promise Scholarship (OPS) to fund free community college for students ages 25 to 55 entering high-demand fields.

## ABOUT NEW YORK'S INVESTMENT IN HIGHER EDUCATION

In the four budgets enacted under Governor Hochul, State operating funding for higher education has increased by a total of \$1.7 billion (28 percent), growing from \$6.2 billion to \$7.9 billion.

State and local funding per student for public colleges in New York was \$14,345 in FY 2024 – \$2,662 (23 percent) more than the national average and higher than 43 other states.

More than two-thirds (69 percent) of New York public colleges' total revenue comes from State and local support – 19 percentage points higher than the national average and more than 42 other states.

The average tuition and fees at the State's four-year public institutions was \$8,740 in AY 2026 – \$3,210 (27 percent) less than the national average and lower than 44 other states.

New York's generous investment in student financial aid, including TAP and Excelsior Scholarships, helped over 182,000 New York State residents – 58 percent of full-time resident undergraduate students – attend SUNY and CUNY tuition-free in AY 2024, including 53 percent at SUNY State-operated campuses and 66 percent at CUNY senior colleges.

## PROPOSED FY 2027 BUDGET ACTIONS

As implementation of Governor Hochul's vision continues in 2026, the FY 2027 Executive Budget takes additional steps to strengthen and transform our State's higher education system:

**Providing \$244 Million in New State Support for SUNY and CUNY Four-Year Campuses.** The Executive Budget provides \$244 million in new State support for SUNY State-operated campuses (\$174 million) and CUNY senior colleges (\$70 million). This funding includes:

- \$120 million in increased funding for university employee fringe benefits at SUNY (\$96 million) and CUNY (\$24 million);
- \$90 million in general operating support (\$54 million SUNY, \$36 million CUNY);
- \$16.9 million for the New York Career Connect Initiative to provide students with internships and experiential learning opportunities (\$10.1 million

SUNY, \$6.8 million CUNY);

- \$8 million for ACE and ASAP at SUNY, which support academic and career advisement, tuition grants, textbooks, and transportation costs
- \$3 million to expand micro-credential programs in the science of reading at SUNY New Paltz (\$2 million) and CUNY Brooklyn College (\$1 million);
- \$2 million to create micro-credential programs for evidence-based math instruction (\$1 million SUNY, \$1 million CUNY);
- \$1.8 million to cover tuition and fees at SUNY institutions for members of the St. Regis Mohawk Tribe under the State's land claim settlement with the Tribe;
- \$1 million to establish emergency aid funds for students (\$600,000 SUNY, \$400,000 CUNY);
- \$1 million to improve access for students at CUNY Medgar Evers College;
- \$300,000 to administer the Teacher Shortage Task Force at SUNY;
- \$200,000 for the SUNY Rockefeller Institute of Government; and
- \$200,000 for the Charles B. Rangel Public Service Scholarship at CUNY.

### Providing State Support for SUNY Downstate

**Hospital.** The Executive Budget includes \$100 million in operating support to SUNY Downstate Hospital, the same level as the FY 2026 Enacted Budget. This brings the total three-year operating support investment in SUNY Downstate Hospital to \$300 million.

**Advancing Additional State Support to Help Cover GSEU Collective Bargaining Costs.** The Executive Budget provides SUNY with \$25 million in June 2026 to cover the retroactive costs for 2023, 2024, and 2025 under the Graduate Student Employees Union contract negotiated last year, representing an advance on funding that SUNY would otherwise receive in the following academic year.

**Investing in Community Colleges.** 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, as well as \$500,000 to introduce the Reconnect for Foster Scholars program. The Executive Budget also maintains a funding floor for community colleges at 100 percent of prior year funding. Without a funding floor, community colleges would face a \$101 million (16

percent) loss in formula aid due to enrollment declines.

### Providing \$1.1 Billion for New State-Supported Capital

**Projects at SUNY and CUNY Campuses.** The Executive Budget provides \$1.1 billion in new funding for State-supported capital projects to help maintain SUNY and CUNY campus facilities in a state of good repair and make strategic investments. This includes: \$595 million for critical maintenance at SUNY State-operated campuses, \$314 million for critical maintenance at CUNY senior colleges, and \$185 million for community colleges (\$128 million SUNY, \$57 million CUNY). In addition, the Executive Budget provides \$82 million for capital program administration (\$32 million SUCF, \$19 million CUCF, \$31 million DASNY).

Higher Education General Fund Spending				
Category	FY 2026 (Millions of)	FY 2027 (Millions of)	Dollar Change	Percent Change
SUNY State-Operated Campuses	3,830	3,989	160	4.2
SUNY Hospitals	100	100	-	-
CUNY Senior Colleges	2,069	2,081	12	0.6
HESC Financial Aid Programs	994	1,017	23	2.3
Community Colleges	745	768	23	3.1
SED Programs	149	138	(11)	(7.1)
<b>GENERAL FUND TOTAL</b>	<b>7,887</b>	<b>8,093</b>	<b>207</b>	<b>2.6</b>

#### Data Notes:

- The \$160 million net increase for SUNY State-operated campuses includes the new funding summarized above, offset by \$11 million of one-time funding in the FY 2026 Budget.
- The \$12 million net increase for CUNY senior colleges includes new funding summarized above, offset by a one-time \$40 million reduction in State operating aid related to anticipated real estate sale proceeds and \$17 million of one-time funding in the FY 2026 Budget.
- The \$23 million net increase for HESC financial aid programs is attributable to a projected increase in TAP award spending based on HESC estimates, added funding for legislation enacted in 2025, and \$1 million to expand the Masters in Education Teacher Incentive Scholarship to early childhood educators.
- The \$23 million net increase for community colleges includes the new funding summarized above and the phase-in of existing funding for OPS and additional base aid.
- The decrease in funding for SED programs is attributable to one-time funding provided in the FY 2026 Budget.
- In addition to the \$8.1 billion in State support included in the table, the State is estimated to pay \$1 billion in FY 2027 for debt service on bond-financed capital projects at SUNY and CUNY.







# HUMAN SERVICES

The FY 2027 Executive Budget supports Governor Hochul's affordability agenda, which is aimed at helping families get ahead. The expansion of access to high-quality child care programs throughout the State will save New York families billions of dollars each year. By delivering on the promise of building or preserving 100,000 units of affordable housing over five years, and by removing barriers to housing growth, the State aims to lower the cost of housing and make a permanent home more obtainable for people across the income spectrum. The Budget also supports programs that promote public safety through services to at-risk youth, provide a lifeline of support where needed, and create a more livable New York.

New York's human services agencies provide holistic support across a variety of program areas designed to ensure the safety and well-being of the State's most vulnerable residents, advance housing stability, connect families to child care, provide Unemployment Insurance benefits, safeguard workers' rights, and support New York's veterans and their families.

The **Office of Temporary and Disability Assistance (OTDA)** and the **Office of Children and Family Services (OCFS)** oversee programs that support and provide financial assistance to elderly and disabled persons who are unable to work; services for public assistance recipients to prepare for and secure employment; child support enforcement; child care assistance to assist low- and middle-income working families; protective services for children and adults; and services for at-risk youth in communities, local detention centers, and State-operated facilities.

**Homes and Community Renewal (HCR)** preserves and creates affordable housing while promoting community development. The **Office of National and Community Service (NCS)** supports community service grants that provide public health services, youth education, assistance to individuals with disabilities, and disaster preparedness.

The **Department of Labor (DOL)** protects workers, operates the State's Unemployment Insurance system, and promotes workforce development.

The **Division of Human Rights (DHR)** protects civil rights in the areas of employment, housing, public accommodations, education, and credit.

The **Department of Veterans' Services (DVS)** connects veterans, members of the armed forces, and their families to the economic, medical, and social benefits and services they have earned through active-duty military service.

## EXPANDING AFFORDABILITY AND OPPORTUNITY

Governor Hochul continues to deliver on her vision of making New York more affordable, safer, and fairer for every family. Since taking office, substantial progress has been made in the effort to build new homes and lower the price of housing for all New Yorkers. Historic actions have been taken to ensure affordable child care for all families by investing in the State's child care infrastructure and dramatically expanding access. The largest expansion of New York's child tax credit in history was enacted, doubling the size of the average credit for families. To promote public safety and support at-risk youth, ambitious investments have been made in age-appropriate programming that complements the Raise the Age initiative. To increase the maximum Unemployment Insurance (UI) benefit for workers while lowering rates for employers, the State took the bold action of paying off the Federal UI loan and returning the UI Trust Fund to solvency.

### Housing Creation and Access

Governor Hochul has remained focused on the impact the housing crisis is having on New York. In communities across the State, families and individuals at all income levels, ages, and phases of life are struggling to find or remain in a stable, affordable home. To help address this crisis, New York has enacted legislation to spur growth and has made nearly \$4 billion in targeted investments since FY 2023 on top of the landmark \$25 billion five-year Housing Plan.

**Stimulating the Housing Supply.** The fundamental cause of the housing crisis is lack of supply – there are more people that wish to live in New

York than there are homes. The single most important thing New York can do to alleviate this crisis is to create more housing. Governor Hochul has implemented the following initiatives to encourage increases in the housing supply and expand affordability.

- **Pro-Housing Communities.** The Pro-Housing Community Program was created to recognize and reward communities that have taken steps to address the housing crisis. Localities are required to receive Pro-Housing designation to access \$650 million in discretionary funding. To date, almost 550 local governments have submitted letters of intent to be Pro-Housing Communities, of which almost 400 have been certified.
- **NYC New Rental Construction Incentive.** A ten-year tax benefit for rental construction (458-x) was enacted, with enhanced requirements for affordability and wage standards for both building service and construction workers. The 421-a program also remains available until 2031 for rental housing construction projects that were underway but delayed due to the COVID-19 pandemic.
- **NYC Floor Area Ratio.** New York City is now permitted to enact denser residential development where appropriate, subject to certain geographic limitations, affordability requirements, and other parameters.
- **NYC Commercial Conversion Incentives.** Local property tax incentives are available in New York City for commercial conversions that include below-market housing.
- **NYC Basement and Cellar Legalization.** New York City was authorized to create a program to provide amnesty by local law for existing basement and cellar units in certain areas of New York City that meet health and safety standards determined by the City.
- **Individual Apartment Improvements.** Owners of rent-stabilized apartments in New York City can now more easily invest in unit improvements.

- **Tax Exemptions for Multi-Family Housing**

**Development outside of NYC.** Localities are now able to adopt a local law (421-p) to provide tax exemptions for the construction or conversion of mixed-income, and 100 percent affordable, multi-family rental properties.

- **Accessory Dwelling Units.** Optional new tax incentives are available for the creation of accessory dwelling units, statewide.

- **Low-Income Housing Tax Credits.** The State Low Income Housing Tax Credit Program (SLIHC) has been doubled and the use of Federal and State Historic Tax Credits have been decoupled to incentivize investment in affordable housing projects.

- **Affordable Homebuyer Tax Incentive.** Localities may opt to provide tax exemptions for homes built with assistance from governmental entities, nonprofits, land banks, or community land trusts, and sold to low- and moderate-income homebuyers. This makes homeownership more attainable by bringing down costs and increasing the supply of these homes.

- **Incentives for Affordable Housing.** Localities may opt to provide tax exemptions to incentivize the creation of affordable homes built with assistance from governmental entities, non-profits, land banks, or community land trusts.

- **Condominium Conversion.** Property owners can convert rental housing in New York City to condominium status by committing to maintain affordability.

- **Capital Investments and Homeownership Assistance.** Nearly \$2 billion has been invested to support development and homeownership in varied forms of housing. This includes funding for New York City's City of Yes for Housing Opportunity program, the development of State-owned land, vacant apartment repairs outside New York City, New York Housing for the Future programs, Land Banks, infill housing, starter homes, starter and modular home construction, first time homebuyer assistance, critical repairs to

stabilize low- and moderate-income communities, development of small rental buildings, and a mixed-income revolving loan fund.

**Preserving Affordable Housing and Protect its Residents.** The Governor has also enacted the following efforts to preserve affordable housing and protect tenants and homeowners.

- **Deed Theft Criminalization and Prevention.** Homeowners are protected from deed theft under criminal penalty and other preventative measures.
- **Insurance Discrimination Protections.** Insurers are prohibited from denying coverage or increasing premiums based on considerations such as tenants' income levels, sources of income, or whether buildings have rent-restricted or subsidized units.
- **Good Cause Eviction.** Tenants are protected from unreasonable rent hikes and no cause evictions in New York City and elsewhere at local option. To date, Rochester, Albany, Kingston, Ithaca, Poughkeepsie, Beacon, Newburgh, Hudson, Nyack, New Paltz, Binghamton, Catskill, Croton-on-Hudson, Fishkill and New Rochelle have opted in.
- **Single-Stairway, Single-Exit Fire and Building Code Study.** State fire prevention and building code council are required to conduct a study examining existing building codes for single-exit, single-stairway multi-unit residential buildings.
- **Affordable Housing Safeguards.** Collusion using algorithm-enabled rent price fixing is banned. Laws have been strengthened to combat home appraisal discrimination and extent security deposit protections to rent-regulated tenants.
- **Mitchell-Lama Shelter Rent Taxes.** Taxes have been reduced by half for New York City Mitchell-Lama households, and localities in the rest of the State are permitted to adopt similar reductions for developments in need of relief from escalating cost increases.
- **Homeowner Protection Program and Lead Abatement.** To protect tenants, the State has

invested \$155 million for legal services to prevent foreclosures and \$60 million in capital funding to assist landlords in meeting lead remediation requirements.

- **Green Affordable Pre-Electrification.** The State supports low-income households seeking to complete upgrades that will enable them to qualify for other energy retrofit programs.
- **Fair Housing Testing and Tenant Protection.** The State finances activities which protect against discriminatory housing practices and safeguard tenants.
- **Multifamily and Rural Housing Preservation.** Since FY 2023, the Governor has committed over \$1 billion in funding to preserve and support affordable multifamily and rural housing across the State including Mitchell-Lama developments, New York City Housing Authority development, public housing developments outside New York City, units built under the Federal USDA 515 program, and farmworker housing.

**Completing the \$25 Billion Housing Plan.** The actions outlined above complement and build upon the Governor's \$25 billion, five-year Housing Plan, which is on track to create and preserve 100,000 affordable homes by the end of FY 2027, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes. Funding includes \$5.7 billion in capital resources, \$8.8 billion in State and Federal tax credits and other Federal allocations, and \$11 billion to support the operation of shelters and supportive housing units, and to provide rental subsidies. This investment represents the largest, broadest, and most ambitious housing plan in New York State history.

**Child Care Affordability**

Governor Hochul understands that the high cost of child care comes at a time when many families can least afford it, if child care is available at all. Since the Governor took office, New York State has taken sweeping measures to expand access to child care, improve affordability for young families,

and stabilize the child care industry, investing more than \$8.6 billion over four years.

Eligibility for the Child Care Assistance Program has increased from 200 percent of the Federal Poverty Level – \$64,000 for a family of four – to the Federal maximum, 85 percent of the state median income – \$114,000 for a family of four. More than half of young children in New York are now eligible for child care assistance, based on income. Co-pays for families receiving child care assistance have been capped at one percent of family income above the poverty level. Previously, co-pays could be as high as 30 percent.

Families also now have improved access to child care – the maximum subsidy amount increased to cover the cost of child care at 80 percent of providers, up from 69 percent of providers prior to recent actions. Parents and guardians also have greater stability, as a new requirement ensures subsidies are available for a minimum of twelve months.

In just four years, the number of children receiving child care subsidy increased 167 percent across the state to nearly 170,000. In New York City and 47 of the 57 counties in the rest of the State, the number of children receiving a child care subsidy more than doubled, as shown on the table below.

This growth in the availability of subsidized child care was supported by a 164 percent increase in State funding for child care subsidies over just four years, from \$832 million to \$2.2 billion. During this time, the local Maintenance of Effort (MOE) has stayed flat outside of New York City.

In counties outside of New York City, the local government contribution to child care subsidies is \$15 million – just 2.1 percent of the \$743 million contributed by the State for child care subsidies in those counties.

To support the child care industry, expedite its recovery from the pandemic, and position it for growth, child care providers received more than \$1.4 billion for stabilization and workforce retention. Support for providers was continued through increases in the maximum subsidy rate, which increased an average of 48 percent since

2019. These increased subsidy rates provide significantly more ongoing support for workers' wages and benefits.

To improve the quality of services and access to care, the FY 2025 Budget included funding to increase payment rates to providers that are accredited by a nationally recognized child care organization, who participate in New York's Quality Rating & Improvement system, or have completed training and are an active participant in the OCFS Non-Patient Epinephrine Auto-Injector Initiative.

The FY 2025 Budget also included funding to increase access to early childhood mental health consultants for child care providers and for Family Child Care Networks (FCCNs), which support small family and group family child care providers. The FCCNs provide operational and business assistance to these providers in order to expand capacity.

These build on the Business Navigator program, established in FY 2024, which operates in each of the 10 Regional Economic Development Council regions to help interested businesses identify options to support employees' child care needs.

Together, these record investments are reducing out-of-pocket child care expenses, increasing access to quality care statewide, and supporting the sector's vital workforce. As outlined below, the FY 2027 Executive Budget includes an unprecedented investment in child care and prekindergarten as the next step in the Governor's unwavering support for families.

### **Boosting Families through the Empire State Child Tax Credit**

Beyond the child care subsidy expansions, the Governor expanded the Empire State Child tax credit so that the families of approximately 2.75 million children statewide receive an annual tax credit of up to \$1,000 per child under age four and up to \$500 per child from four through sixteen. This is the largest expansion of New York's child tax credit in its history and doubled the size of the average credit for families from \$472 to \$943.

Child Care Under Governor Hochul								
	Subsidies Sept. 2021	Subsidies Sept. 2025	% Increase	State Funding FY 2022	State Funding FY 2026	% Increase	Local MOE	Local as % of State
<b>NYS</b>	<b>63,148</b>	<b>168,671</b>	<b>167%</b>	<b>\$832,082K</b>	<b>\$2,198,694K</b>	<b>164%</b>	<b>\$343,356K</b>	<b>-</b>
<b>NYC</b>	<b>39,163</b>	<b>113,263</b>	<b>189%</b>	<b>\$491,639K</b>	<b>\$1,455,218K</b>	<b>196%</b>	<b>\$328,000K</b>	<b>22.5%</b>
<b>Rest of State</b>	<b>23,985</b>	<b>55,408</b>	<b>131%</b>	<b>\$340,443K</b>	<b>\$743,476K</b>	<b>118%</b>	<b>\$15,356K</b>	<b>2.1%</b>
Albany*	588	1,149	95%	\$11,384K	\$7,962K	-30%	\$1,019K	12.8%
Allegany	28	85	204%	\$418K	\$1,400K	235%	\$69K	4.9%
Broome	530	1,263	138%	\$4,746K	\$12,260K	158%	\$519K	4.2%
Cattaraugus	207	417	101%	\$1,727K	\$4,289K	148%	\$35K	0.8%
Cayuga	199	280	41%	\$1,708K	\$2,861K	67%	\$15K	0.5%
Chautauqua	381	957	151%	\$3,831K	\$8,857K	131%	\$559K	6.3%
Chemung	291	630	116%	\$3,858K	\$4,153K	8%	\$63K	1.5%
Chenango	51	74	45%	\$512K	\$1,212K	137%	\$28K	2.3%
Clinton	94	340	262%	\$1,009K	\$3,475K	244%	\$99K	2.9%
Columbia	30	141	370%	\$1,315K	\$1,624K	23%	\$8K	0.5%
Cortland	56	189	238%	\$856K	\$2,667K	212%	\$53K	2.0%
Delaware	100	243	143%	\$1,066K	\$2,171K	104%	\$35K	1.6%
Dutchess	439	1,079	146%	\$7,006K	\$13,471K	92%	\$193K	1.4%
Erie	2,528	5,842	131%	\$28,939K	\$70,250K	143%	\$1,265K	1.8%
Essex	20	69	245%	\$511K	\$1,249K	144%	\$16K	1.3%
Franklin	88	201	128%	\$1,111K	\$2,279K	105%	\$26K	1.2%
Fulton	15	114	660%	\$415K	\$1,743K	320%	\$38K	2.2%
Genesee	62	215	247%	\$824K	\$2,049K	149%	\$50K	2.4%
Greene	15	69	360%	\$495K	\$781K	58%	\$20K	2.6%
Hamilton	-	11	∞	\$25K	\$413K	1539%	\$3K	0.7%
Herkimer	85	262	208%	\$918K	\$2,466K	168%	\$14K	0.6%
Jefferson	183	590	222%	\$1,813K	\$6,108K	237%	\$82K	1.3%
Lewis	25	52	108%	\$243K	\$1,025K	322%	\$11K	1.1%
Livingston	108	291	169%	\$1,524K	\$3,468K	128%	\$77K	2.2%
Madison	127	233	83%	\$942K	\$2,948K	213%	\$12K	0.4%
Monroe	4,100	7,497	83%	\$41,260K	\$96,106K	133%	\$4,221K	4.4%
Montgomery	86	363	322%	\$919K	\$4,450K	384%	\$12K	0.3%
Nassau	3,693	7,407	101%	\$63,146K	\$138,456K	119%	\$1,575K	1.1%
Niagara	165	1,084	557%	\$3,096K	\$12,050K	289%	\$364K	3.0%
Oneida	903	1,649	83%	\$7,596K	\$18,139K	139%	\$283K	1.6%
Onondaga	1,915	3,878	103%	\$21,632K	\$47,443K	119%	\$1,204K	2.5%
Ontario	180	529	194%	\$2,205K	\$6,355K	188%	\$74K	1.2%
Orange	426	1,086	155%	\$7,304K	\$14,292K	96%	\$33K	0.2%
Orleans	71	103	45%	\$727K	\$1,131K	55%	\$36K	3.2%
Oswego	182	512	181%	\$2,400K	\$4,781K	99%	\$41K	0.9%
Otsego	26	174	569%	\$875K	\$1,944K	122%	\$29K	1.5%
Putnam	14	118	743%	\$902K	\$1,134K	26%	\$63K	5.5%
Rensselaer	322	770	139%	\$3,890K	\$9,146K	135%	\$165K	1.8%
Rockland	426	767	80%	\$8,678K	\$11,770K	36%	\$236K	2.0%
St. Lawrence	158	385	144%	\$1,425K	\$3,507K	146%	\$102K	2.9%
Saratoga	277	340	23%	\$2,014K	\$6,228K	209%	\$30K	0.5%
Schenectady	501	1,641	228%	\$7,413K	\$18,810K	154%	\$228K	1.2%
Schoharie	49	90	84%	\$526K	\$877K	67%	\$12K	1.4%
Schuyler	34	100	194%	\$483K	\$1,256K	160%	\$10K	0.8%
Seneca	34	177	421%	\$422K	\$1,983K	370%	\$19K	1.0%
Steuben	337	1,083	221%	\$2,492K	\$11,199K	349%	\$148K	1.3%
Suffolk	1,709	3,783	121%	\$36,249K	\$79,432K	119%	\$692K	0.9%
Sullivan	83	525	533%	\$1,661K	\$2,710K	63%	\$28K	1.1%
Tioga	116	283	144%	\$1,179K	\$2,869K	143%	\$22K	0.8%
Tompkins	94	512	445%	\$1,998K	\$4,999K	150%	\$71K	1.4%
Ulster*	199	478	140%	\$3,845K	\$3,018K	-22%	\$208K	6.9%
Warren	74	171	131%	\$1,072K	\$1,551K	45%	\$22K	1.4%
Washington	39	95	144%	\$966K	\$1,387K	44%	\$33K	2.3%
Wayne	87	206	137%	\$1,261K	\$3,041K	141%	\$39K	1.3%
Westchester	1,377	4,638	237%	\$34,879K	\$69,332K	99%	\$1,018K	1.5%
Wyoming	32	87	172%	\$394K	\$1,598K	306%	\$14K	0.9%
Yates	26	81	212%	\$337K	\$1,298K	285%	\$12K	0.9%

\*Albany and Ulster allocations decreased because they have an estimated additional \$14 million and \$4 million in unused rollover funds available, respectively.

This historic expansion of New York's child tax credit will drive significant assistance to families with the youngest children and help families across the income spectrum. By eliminating a longstanding provision that restricted New York's poorest families from accessing the credit while also delivering new relief to many middle-class families whose incomes were previously too high to qualify for the credit. As a result, more than 187,000 children will now be newly eligible for the credit.

### **Uplifting At-Risk Youth**

Since the landmark Raise the Age law was enacted, New York's youth who commit crimes are now receiving age-appropriate programming, separate from adults, to lower their risk of re-offense.

As part of the initiative, the State committed to pay for all eligible costs associated with the law's implementation, including those incurred at the local level. To be eligible for full State reimbursement, a local district must stay within the property tax cap or demonstrate fiscal hardship. The State continues to make good on this commitment – all eligible local expenses related Raise the Age are fully reimbursed.

More importantly, to prevent youth from interacting with the justice system, under Governor Hochul's leadership, the State has made significant increases in programs that support at-risk youth. Since taking office, funding for such programming has increased by 70 percent to over \$400 million.

- From FY 2022 to FY 2026, youth employment programs more than doubled from \$45 million to \$92 million, including the creation of a year-round youth employment program in counties participating in the SNUG anti-violence program.
- Funding for youth sports and youth development programs increased from \$17 million to \$44 million.
- Support for afterschool programs increased from \$83 million to more than \$115 million.
- Several intervention programs received increased State funding, including Supervision and Treatment Services for Juveniles (STSJP),

SNUG, Violence Intervention, Project Rise, and My Brother's Keeper.

### **Supporting Workers and Employers**

As part of the FY 2026 Enacted Budget, the State paid off the multi-billion-dollar Federal Unemployment Insurance Trust Fund loan, bringing the fund to solvency and increasing the maximum weekly benefit from \$504 to \$869. This action is making a difference in the lives of people who are out of work through no fault of their own. In the twelve weeks that followed the increase to the maximum benefit, 58 percent of New Yorkers receiving benefits saw their UI checks go up, and 29 percent of recipients were at the new maximum level. Unemployed workers now have more money in their pockets to afford housing, groceries, medication, and other essentials while they search for their next career opportunity.

Employers are also benefitting from the State's action to pay off the Federal loan. Businesses are expected to save \$100 per employee in 2026 and \$250 per employee in 2027 as a direct result of the Trust Fund loan repayment. Additionally, for the first time since 2022, businesses in New York State no longer received annual Interest Assessment Surcharge bills paying down the interest on the Trust Fund loan.

### **PROPOSED FY 2027 BUDGET ACTIONS**

#### **Bolster Child Care Affordability and Access**

The Executive Budget includes an unprecedented investment as the next step to deliver affordable child care across New York State. Building on the State's investment of more than \$8.6 billion over four years to expand access to child care and improve affordability for young families, the FY 2027 Executive Budget will make child care and Pre-K available to many more children.

With a \$1.7 billion increase, the total FY 2027 investment in child care and Pre-K supported by the Executive Budget is \$4.5 billion across child care and Pre-K programs. This includes efforts outlined in the Education chapter of the Executive Budget Briefing Book to achieve Pre-K for four-year-olds statewide and strengthen New York City's Pre-K program for three-year-olds. In addition, the Empire State Child Credit and the Child and Dependent Care Credits are expected to provide nearly \$1.3 billion in relief to families this year bringing the total benefits to \$5.8 billion in this upcoming year alone.

Expansions to child care programs administered by OCFS support this ambitious effort. This new funding will bolster the State's Child Care Assistance Program (CCAP), allow new families to enroll, and will support launch of several new pilot programs to serve additional families. In order to coordinate programs and ensure the State meets this seven-year timeline for the full rollout of universal child care, the FY 2027 Executive Budget also creates a new Office of Child Care and Early Education.

**Additional Child Care Subsidies.** 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, or nearly \$114,000 for a family of four. This is a 40 percent increase in funding for CCAP, year over year, with more than \$3 billion now available for subsidies. This includes \$2.4 billion for FFY 2027 base CCAP, \$475 million for FFY 2026 and FFY 2027 for New York City, and \$155 million for FFY 2026 for counties outside of New York City. **New York City 2-Care.** In partnership with New York City, the FY 2027 Executive Budget provides \$73 million to begin a contract-based child care program for two-year olds. The first year of the program will focus on high-need areas selected by New York City and is expected to enroll 2,000 children. When fully implemented, 2-Care is anticipated to serve 30,000 kids.

**Rest of State Pilot Programs.** Separate from New York City's 2-Care program, the State will work with Dutchess, Monroe, and Broome counties to develop

additional child care pilot programs. The programs will be jointly administered by the local districts and local child care coordinating entities. The Executive Budget includes more than \$60 million to develop and administer these pilot programs.

**Office of Child Care and Early Education.** The FY 2027 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 child care, continued investments in 3K, the launch of 2-Care, and workforce supports.

**Child Care Friendly Zoning.** To help communities adopt zoning regulations that will increase child care capacity, the Budget includes \$1 million in funds for those localities that may be interested in such reforms.

**Reduce Unnecessary Burdens on Child Care Providers.** Legislation submitted with the Budget reduces burdens for child care providers to support flexibility and expansion of access to child care statewide.

**Enhanced Agency Operations Support for Child Care.** To support these significant investments in child care programming, the FY 2027 Executive Budget will ramp up the support of OCFS's agency operations. This funding will grow to an additional \$35 million when phased in and includes support for additional 54 FTEs for FY 2027.

**Enhance and Reform the Child and Dependent Care Credit.** Computation of the State's Child and Dependent Care Credit is currently complicated. Furthermore, the credit suffers from fairness issues due to its regressivity across some income ranges. Both of these issues were compounded by the enhancement of the Federal Child and Dependent Care Credit by H.R. 1. The Executive Budget corrects these problems – while simultaneously making child and dependent care more affordable – by dramatically simplifying benefit calculation, enhancing the benefit, and making the credit fully progressive.

**Increase the Housing Supply and Access to Housing**

The FY 2027 Executive Budget continues the work of adding housing, removing barriers to development, and encouraging local governments to pursue smart, sustainable growth strategies.

**Complete the \$25 Billion Housing Plan.** FY 2027 marks the fifth year of the five-year comprehensive Housing Plan, which is on pace to create or preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes. The Budget continues to make resources available necessary to achieve these ambitious goals.

**Accelerate Low Income Housing Construction.** The Executive Budget invests \$250 million in new capital to accelerate housing construction. This capital investment will enable the State to get a jump on the start of its next housing plan, putting more New Yorkers in affordable housing, sooner.

**Stimulate the Housing Supply.** The FY 2027 Budget includes funding to continue or expand the following efforts to increase the supply of safe, affordable housing in New York State.

- Pro-Housing Communities.** The Pro-Housing Community Program recognizes and rewards communities that have taken steps to address the housing crisis. Localities are required to receive Pro-Housing designation to access \$650 million in discretionary funding. To date, almost 550 local governments have submitted letters of intent to be Pro-Housing Communities, of which almost 400 have been certified. The Budget also continues the \$100 million in capital funding committed to assist Pro-Housing communities with critical infrastructure projects, and \$5.25 million for technical assistance grants.
- Housing Access Vouchers Pilot Program.** The Budget provides \$50 million in new local assistance consistent with the four-year Housing Access Voucher Pilot Program designed to provide rental assistance in the form of housing vouchers for individuals and

families who are homeless or who face an imminent loss of housing.

- State-Owned Land Development.** The Budget continues \$500 million to facilitate the conversion of State-owned land into as many as 15,000 units of housing.
- City of Yes for Housing Opportunity.** The Budget continues over \$1 billion in funding to support New York City's efforts to add 80,000 new homes through investments, zoning changes, and other permissive actions.
- Innovative Approaches to Building Homes.** The Budget provides an additional \$100 million in State capital for the MOVE-IN NY homes program to bolster innovation in emerging factory-built and modular construction technologies. This investment is expected to help construct thousands of new housing units throughout the State.
- Vacant Apartment Repairs.** The Budget continues \$80 million in capital funding committed to date to subsidize owners' repairs of vacant units outside of New York City.
- New York Housing for the Future.** The Budget continues \$150 million in capital funding to enable DHCR to develop and administer a new statewide program for privately managed cooperative homeownership and rental units that are affordable for households at or under 130 percent of the area median income.
- Land Banks.** The Budget continues to make available \$170 million committed since FY 2023 for Land Banks to redevelop blighted or abandoned properties. In addition, legislation included with the Budget will increase the cap on the number of land banks that can be established from 35 to 45.
- Infill Housing.** The Budget continues to make available \$70 million to fund development of small homes within unused and underutilized lands with existing development patterns (i.e., Block by Block program).

- **Starter Homes and First-Time Homebuyers.** The Budget continues \$50 million in capital funding to incentivize the building of more starter and modular homes and \$25 million in funding committed for downpayment assistance and creating homeownership opportunities for underserved communities.
- **Homeowner Stabilization.** The Budget continues \$50 million in funding committed to stabilize communities of low- and moderate-income homeowners through the Targeted Home Improvement Program (T-HIP) which finances critical home repairs.
- **Mixed-Income Revolving Loan Fund.** To provide low-cost second mortgages to spur development of mixed-income rental housing outside of New York City, the Budget continues \$50 million for a Mixed-Income Revolving Loan Fund. The fund provides construction financing gaps by providing a lower-cost and more flexible form of capital than is generally available in market financing.
- **Manufactured Homes Park Improvement Revolving Loan Fund.** The Executive Budget will create a new revolving loan fund to support continued investment in this important part of the state's low-cost housing stock and preserve affordability for homeowners. The fund will provide park owners with affordable capital to finance improvements to critical infrastructure including sewer, septic and water systems, utilities, roadways and resiliency upgrades.
- **Small Rental Development Initiative.** The Budget continues to make funding available from the total \$24 million the Governor has committed since FY 2023 for the new construction, substantial or moderate rehabilitation of small, multi-family rental projects.
- **Resilient and Ready.** The Executive Budget provides an additional \$50 million in capital funding to support resiliency efforts for low-and-moderate income homeowners. The program assists households that experience flood damage in making necessary repairs in the aftermath of storms and helps cover the cost of proactive flood mitigation improvements.
- **Lead Abatement.** The Budget provides an additional \$20 million in capital funding to assist landlords in meeting lead remediation requirements to protect tenants.
- **Multifamily and Rural Housing Preservation.** The FY 2027 budget continues remaining funding invested from the \$240 million in capital and \$10 million in local assistance for Mitchell-Lama developments; \$550 million in capital and \$10 million in local assistance for public housing developments; \$20 million in capital for developments under the Federal USDA 515 program; and \$40 million for farmworker housing.
- **New York City Housing Authority.** The Budget continues remaining funding from the total \$1.6 billion in capital funding committed to improve and preserve NYCHA developments.
- **Green Affordable Pre-Electrification.** The Budget continues \$2 million in capital funding committed to help low-income households complete upgrades to enable them to qualify for other energy retrofit programs.
- **Fair Housing Testing.** The Budget provides a new \$2 million in local assistance funding to protect against discriminatory housing practices.
- **Upstate Tenant Protection Unit.** The Budget provides an additional \$402,000 in funding to support the continued work of the Upstate Tenant Protection Units.
- **Tenant Protections from Pervasive Harassment.** The Budget includes legislation

that will stiffen criminal penalties for landlords who engage in systematic harassment of rent regulated tenants across multiple buildings, as well as repeat serious offenders of existing anti-harassment laws.

- **J-51 Tax Incentive Reform.** The Executive Budget includes legislation to overhaul the J-51 tax incentive to better support capital repairs for New York City's rent-stabilized housing stock. These changes will modernize and streamline the process to facilitate building upgrades that benefit tenants.
- **Rent Freeze Programs for Seniors and People with Disabilities.** The Senior Citizen Rent Increase Exemption (SCRIE) and Disability Rent Increase Exemption (DRIE), which are available in New York City (with similar programs in Westchester, Nassau, and Suffolk counties), use property tax credits to offset rent increases for seniors and people with disabilities to freeze their rent. Legislation submitted with the Executive Budget will increase the income eligibility limits for the programs from \$50,000 to \$75,000 in New York City, with the same options being available at local-opt in outside the City.

**Create and Preserve Supportive Housing.** The Homeless Housing and Assistance Program (HHAP) provides capital resources to create housing, including permanent affordable and supportive housing, specifically for homeless individuals. Building upon the enhanced investment included in the FY 2026 Budget, the FY 2027 Executive Budget includes another \$25 million in supplemental resources. This provides a total of \$153 million in new resources to meet the ongoing demand for supportive housing and to maintain existing units that provide a safe place to live for many of the most housing insecure and vulnerable New Yorkers.

### Invest in Social Services and Equity

**Prevent Benefits Fraud with Chip-Enabled Electronic Benefits Transfer (EBT) Cards.** The FY 2027 Executive Budget provides resources

to begin the implementation of chip-enabled EBT card technology to protect valuable public benefits from theft and fraud. After the Federal Government rescinded the replacement of stolen benefits, it is especially crucial that New Yorkers are further protected from such harmful activities.

**Continue Investments in Youth Employment Programs.** Continuing the efforts included in the FY 2026 Enacted Budget, the FY 2027 Executive Budget invests an additional \$2.9 million to provide year-round employment opportunities for at-risk youth through the Summer Youth Employment Program (totaling \$53 million) and the Youth Opportunities Program (totaling \$42 million). This additional funding will ensure that State-supported youth employment opportunities are maintained at existing levels.

**Provide Luggage for Youth in Foster Care.** The Executive Budget includes \$572,000 for the purchase of luggage for youth placed in a foster care program outside of New York City, which operates a parallel purchasing program.

**Combat Wage Theft.** An honest day's work deserves an honest day's pay, and employers that defraud New Yorkers out of their hard-earned wages must be held to account. The Budget includes \$5 million in new annual funding for a grant program administered by the Department of Labor to support district attorneys in smaller, rural jurisdictions to take on new criminal wage theft investigations.

**Broaden Access to Private Adoptive Placements.** New York's rules related to reimbursements for birth mothers are out of sync with other states, making it harder for New York parents to adopt. To provide greater parity with other states and ease these burdens, The Executive Budget includes legislation to improve reimbursements for birth mothers while maintaining required safety and ethics.

**Protect Youth, Staff, and Visitors in Youth Facilities.** Legislation submitted with the Budget

authorizes locally-operated secure and specialized secure juvenile detention and State-operated juvenile justice facilities to employ radiological body scanner technology to screen individuals detained in, committed to, visiting, or employed in such facilities for contraband.

**Extend and Make Permanent the Current Structure of Financing Committee on Special**

**Education Placements.** The room and board costs for children with severe disabilities placed by Committees on Special Education are shared between local social services districts and school districts. There is no State share for New York City placements, and the former 18.42 percent State share for placements outside of New York City has been eliminated since the FY 2021 Enacted Budget. To continue this statewide consistency, the Executive Budget makes the current funding structures permanent, thereby aligning the fiscal responsibility with the school district responsible for the placement.





# LOCAL GOVERNMENT

The Executive Budget supports the fiscal wellbeing of local governments, allowing municipalities at every level to continue to provide vital services upon which New Yorkers rely.

State programs for local governments include general purpose aid and a variety of local government restructuring and efficiency grants designed to help municipalities work together, capture efficiencies, save money, and protect programs and services.

The **Aid and Incentives to Municipalities (AIM)** program provides general-purpose aid to New York State's cities, towns, and villages. Other programs providing aid to local governments include small government assistance, miscellaneous financial assistance, and support for municipalities with video lottery gaming facilities.

The **Temporary Municipal Assistance program** provides additional general-purpose aid to AIM-eligible municipalities, proportionate to their AIM award, up to \$5 million.

**Competitive Local Government Efficiency Grants** help cover costs associated with consolidation, shared services, or other efficiency initiatives.

**Citizens Reorganization Empowerment Grants** are available to local governments for planning and implementing reorganization activities, such as consolidations and dissolutions.

For cities, towns, or villages that consolidate or dissolve, **Citizen Empowerment Tax Credits** provide an annual aid bonus to bolster the newly combined local government and provide direct relief to property taxpayers.

In addition, the **Financial Restructuring Board for Local Governments** assists distressed municipalities by conducting comprehensive reviews to develop recommendations for restructuring and improving fiscal stability. The Board may offer grants or loans to help implement its recommendations.

## INVESTING IN LOCAL SERVICES AND PROTECTING TAXPAYERS

By prudently investing in local governments and communities while promoting shared services and efficiencies, Governor Hochul has continued to help municipalities provide effective and affordable services to New Yorkers.

After years of historic investments made by Governor Hochul and pandemic-era Federal investments made through the American Rescue Plan Act (ARPA) and the Infrastructure Investment and Jobs Act, the preponderance of local governments in New York State stand on strong financial footing.

The relative fiscal health of local governments has numerous benefits. Municipalities have the resources to deliver on their primary responsibility – keeping New Yorkers safe – while also paving roads, improving water and sewer infrastructure, and providing other vital local services. Further, taxpayers are protected from large or unsustainable property tax increases.

Signs of stress are beginning to appear, however, as inflation and tariffs are increasing local government costs just as they impact the wallets of residents.

Moreover, recent Federal actions to reduce State and local aid are taking their toll. Local governments and the State are picking up a larger portion of the bill for essential services that keep New Yorkers healthy and fed, like SNAP, and efforts to reduce energy costs through clean, renewable sources have been thwarted without notice.

Despite efforts to reduce financial pressure at every level, the number of local governments now experiencing fiscal stress, as identified by the Office of the State Comptroller's (OSC's) Fiscal Stress Monitoring System, is beginning to tick upwards. Out of nearly 1,600 counties, cities, towns, and villages only 22 municipalities have been given a fiscal stress designation, though the number has risen from a record low of 14 last year. For the fourth year in a row, however, not one of the State's 57 counties was designated as experiencing any level of fiscal stress.

Governor Hochul continues to promote local governments' fiscal health and protect local taxpayers through new investments in local governments and communities and ongoing efforts to reduce costs and streamline services, while safeguarding the property tax cap.

Through the fourteenth year of the property tax cap, taxpayers have saved over \$158 billion, comparing growth rates under the cap to the ten-year period preceding it. For the typical taxpayer, this equates to cumulative savings of \$21,000. Taxpayers have also enjoyed a general benefit of property tax predictability, with average increases of just 1.98 percent per year – roughly one-third of the average annual growth of the decade that preceded the cap.

### **HISTORIC AID TO LOCAL GOVERNMENTS**

The deepening partnership between the State and all local governments under Governor Hochul's leadership reflects her commitment to making New York more affordable and more livable. State support of local governments can help mitigate the need to increase local taxes, easing concerns that remain at the forefront of many households. Over the last several years, as local governments have faced cost pressures as they provide vital services, including public protection through fire, police, and emergency services, navigable roadways, and clean water, the State has sent more money to local governments than ever before.

### **HISTORIC AID TO NEW YORK CITY**

The City of New York is responsible for providing a multitude of direct services to the more than 8.4 million people who live there, as well as to workers and visitors. These services are substantially supported by the State. Since the Governor took office, the amount provided by the State has increased by over 33 percent – \$6.4 billion – to \$25.6 billion in SFY 2026. These increases include:

- \$2.4 billion in additional school aid, supporting the education of the City's children;
- \$2.2 billion in Medicaid costs that the City would otherwise have to pay;
- \$1.5 billion in support for human services, primarily by expanding child care access;

- \$317 million for public protection, leading to safer streets and subways;
- \$129 million in transportation funding, improving roads, bridges, and transit and supporting capital projects;
- \$28 million in health and mental hygiene programs, by expanding nutrition programs, Early Intervention access, and services for the aging; and
- \$21 million for special education students.

### **HISTORIC AID TO COUNTIES, CITIES, TOWNS, AND VILLAGES**

The State has likewise substantially increased aid to counties, cities, towns, and villages across the State. Since the Governor took office, State support for municipalities outside of New York City has increased by over 46 percent – \$3.1 billion – to \$9.7 billion in SFY 2026. These include:

- \$1.3 billion in Medicaid costs that counties would otherwise have to pay;
- \$810 million in human services, primarily through child care, adoption, foster care, and public assistance programming;
- \$319 million for the Consolidated Highway Improvement Program (CHIPS), Pave Our Potholes (POP), and State Touring Routes (STR) and mass transit initiatives;
- \$287 million for public protection, including indigent legal services aid, probation aid, and prosecution and defense aid for discovery reform;
- \$139 million for special education programming;
- \$64 million in taxes on public lands and special aid to the State's Capital;
- \$57 million for various forms of local government assistance, including temporary municipal assistance;
- \$50 million in economic development infrastructure grants ;
- \$42 million for mental hygiene services such as substance use disorder services and community-based services; and
- \$21.8 million in additional health investments, including for the Early Intervention program and nutritional services.

## **FY 2027 EXECUTIVE BUDGET AID TO LOCAL GOVERNMENTS**

The FY 2027 Executive Budget builds on these investments by increasing total aid to New York City by \$1.9 billion (excluding one-time migrant assistance), for a new total of \$27.6 billion.

The Executive Budget increases total aid to counties, cities, towns and villages by \$886.9 million, for a new total of \$10.6 billion.

Key investments this year include:

- \$370.9 million additional Foundation Aid to New York City, for a new total of \$15.1 billion, along with \$234.8 million and \$20 million for universal prekindergarten and other expense based and categorical aids, respectively;
- \$530 million additional New York City and \$316 million additional county Medicaid costs assumed by the State, for new totals of \$5.1 billion and \$4.0 billion;
- \$571.5 million more in child care subsidies to New York City and \$397.5 million to counties (in addition to recurring \$400 million in one-time aid), for new totals of \$2 billion and \$1.1 billion;
- \$50 million in extended temporary municipal assistance to cities, towns, and villages.

## **PROPOSED FY 2027 BUDGET ACTIONS**

### **Extend Temporary Municipal Assistance by One Year.**

The FY 2027 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 local governments.

**Launch New York City 2-Care.** In partnership with New York City, the FY 2027 Executive Budget provides \$73 million to begin a contract-based child care program for two-year olds. The first year of the program will focus on high-need areas selected by New York City and is expected to enroll 2,000 children. When fully implemented, 2-Care and is anticipated to serve 30,000 kids.

### **Create Contracted Pilot Programs for Child Care.**

Separate from New York City's 2-Care program, the

State will work with Dutchess, Monroe, and Broome counties to develop additional child care pilot programs. The Executive Budget includes \$66 million to develop and administer these pilot programs.

**Child Care Friendly Zoning.** To help communities adopt zoning regulations that will increase child care capacity, the Budget includes \$1 million in funds for those localities that may be interested in such reforms.

**Support for the City of Albany.** The FY 2027 Budget continues \$20 million in recurring Miscellaneous Financial Assistance (MFA) for the City of Albany.

### **Support Local Government Reorganization Programs.**

The FY 2027 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 percent of the newly combined local government's tax levy. At least 70 percent must be used as direct relief to property taxpayers.





# MENTAL HYGIENE

Mental Hygiene agencies and associated community-based programs provide services to individuals living with intellectual and developmental disabilities, mental illness, and addiction. These agencies include the **Office for People With Developmental Disabilities (OPWDD)**, the **Office of Mental Health (OMH)**, and the **Office of Addiction Services and Supports (OASAS)**. The **State Council on Developmental Disabilities (CDD)** advocates for people with developmental disabilities and their families, and funds grants to support the goals of the State Plan, while the **Justice Center for the Protection of People with Special Needs (Justice Center)** supports and protects the health and safety of people with special needs and disabilities. These agencies support services for more than one million individuals, including approximately 900,000 people with mental illness, 731,000 individuals in substance use disorder or problem gambling programs, and over 141,000 people with developmental disabilities.

## CARING FOR NEW YORK'S VULNERABLE CITIZENS

The State's Mental Hygiene system provides or oversees care and services for individuals in State-operated and voluntary-operated programs that help individuals live in the most integrated setting possible and lead full and productive lives. These services include prevention, harm reduction, residential, outpatient, clinic, rehabilitative, treatment, and recovery programs, and institutional and research facilities.

The Executive Budget reflects the Governor's priority to expand available services, improve access to care, and protect vulnerable individuals. Proposed actions for the Mental Hygiene agencies build on prior investments in mental health, targeted efforts to address the opioid crisis, and continued support for community-based services including residential programs. The Executive Budget proposals result in Mental Hygiene system spending of \$15.0 billion in FY 2027, reflecting annual spending growth of \$917.6 million (6.5 percent).

CATEGORY	Summary of All Funds Mental Hygiene Spending			
	FY 2026 (\$ in millions)	FY 2027 (\$ in millions)	DOLLAR CHANGE (\$ in millions)	PERCENT CHANGE (%)
OPWDD	7,505.41	7,848.17	342.77	4.6
OMH	5,451.21	6,131.36	680.16	12.5
OASAS	1,080.73	1,021.87	(58.87)	(5.4)
Justice Center	56.62	57.07	0.45	0.8
CDD	5.70	5.70	0.00	0.0
<b>SUBTOTAL</b>	<b>14,099.66</b>	<b>15,064.17</b>	<b>964.51</b>	<b>6.8</b>
Adjustments - OPWDD*	0.00	(46.95)	(46.95)	
<b>TOTAL</b>	<b>14,099.66</b>	<b>15,017.23</b>	<b>917.56</b>	<b>6.5</b>

\*OPWDD Adjustments reflect Mental Hygiene Stabilization Fund expenses that will be funded outside of the DOH Global Cap through use of additional Financial Plan resources. This shift has no impact on OPWDD service delivery or operations.

## PROPOSED FY 2027 BUDGET ACTIONS

The Executive Budget invests in infrastructure across the Mental Hygiene portfolio and continues prior years' initiatives to expand mental health services; combat the overdose epidemic through investments in prevention, treatment, harm reduction, and recovery programs; and fund initiatives to promote access to care and supportive services. The Budget expands community-based care and continues investments in the direct care and clinical workforce to ensure that individuals receiving Mental Hygiene services are in the most integrated, appropriate, and cost-effective setting possible.

### Supporting People with Developmental Disabilities and Their Families

Governor Hochul's commitment to improving the overall quality, availability, and cost-effectiveness of community-based, person-centered services for individuals with intellectual and developmental disabilities (I/DD) is demonstrated by investments in OPWDD to address critical needs and modernize aging infrastructure. Since 2022, the State has invested more than \$4 billion to help OPWDD not-for-profit providers with rising costs and support wage increases to direct care staff. This includes the historic investment made during FY 2025 which provided an additional \$850 million in gross annual funding to providers.

Specifically, the Executive Budget will:

**Invest in New Service Opportunities.** The Executive Budget invests new State resources (\$30 million in FY 2027, \$60 million annualized) to fund new service opportunities that enable individuals to receive the support they need. This includes individuals who are entering the OPWDD service system for the first time and individuals already receiving services, but whose needs have changed. These State funds leverage Federal resources for a gross increase of \$120 million annually.

**Enhance Family Care Rates.** The Executive Budget includes an investment to enhance Family Care rates by 5 percent, providing a more competitive rate for providers. This rate enhancement should help increase utilization in one of OPWDD's most integrated residential services.

### Modernize Research in Developmental Disabilities.

The Executive Budget continues the five-year capital investment of \$75 million that began in FY 2026 to renovate the Institute for Basic Research in Developmental Disabilities (IBR) campus, including the development of a Genomics Core facility to allow for the customized identification of genetic imperfections underlying an individual's developmental disability and creation of space for a Willowbrook learning center. This investment will renovate existing buildings and consolidate space to a more focused footprint, while also modernizing equipment needed to help advance IBR's research goals.

**Create Regional Disability Clinics.** The Executive Budget continues the capital investment of \$25 million that began in FY 2026 to support the development of Regional Disability Clinics. These resources will support one-time costs for building modifications and/or equipment designed to increase accessibility and improve quality of healthcare for people with developmental disabilities who access services in clinics licensed by Article 28 of the Public Health Law and Article 16 of the Mental Hygiene Law.

**Commit an Additional \$15 Million to Develop Housing.** The FY 2027 Executive Budget continues to expand independent living opportunities for individuals with I/DD. These funds are distinct from, and in addition to, resources that are available from the five-year, \$25 billion affordable and supportive housing plan, which is also helping support the development of residential opportunities for people with I/DD.

### Promoting Mental Health

OMH has continued to strengthen its service offerings in recent years by expanding supportive housing units throughout the State, providing additional peer support services, and developing new services such as mobile crisis teams. Since FY 2015, the expansion in community-based services has resulted in more than 239,000 previously unserved individuals receiving services. The Budget advances efforts that improve quality and expand services in the community.

Specifically, the Budget will:

**Equip an Entire Generation with Mental Health First Aid Training.** The State will invest an additional \$17.5 M to expand the Teen Mental Health First Aid training to be available to all tenth graders in New York State. This training equips students with the skills to identify, understand, and respond to signs of mental health and substance use challenges, including the impacts of bullying and school violence.

**Create a ‘Schools of Distinction in Prevention’ Designation.** The FY 2027 Executive Budget commits \$100,000 for OMH to establish a ‘Schools of Distinction in Prevention’ designation to recognize schools that meet key benchmarks in mental health and substance use prevention. Ten selected schools will receive technical assistance and implementation grants to respond to the youth mental health crisis.

**Expand Youth Safe Spaces.** The FY 2027 Executive Budget commits \$500,000 to designate two additional community organizations as Youth Safe Spaces. Youth Safe Spaces provide young people a place to access behavioral health wellness resources, foster positive relationships with peers, and provide life skills training and employment resources.

#### **Supporting the Addiction Continuum of Care**

OASAS oversees one of the nation’s largest addiction services systems in the nation. This comprehensive system of care includes approximately 1,700 prevention, treatment, harm reduction, and recovery programs serving over 731,000 individuals per year.

Under Governor Hochul’s leadership, OASAS has been working to ensure the availability of evidence-based, patient-centered care across the State. OASAS has significantly increased access to medication treatment and recovery supports, expanded the reach of prevention activities, and developed outreach programming to reach those not connected to services. Through its online ordering portal, OASAS has distributed over 600,000 life-saving naloxone kits and over 25 million fentanyl and xylazine test strips to individuals and organizations free of charge.

The most recent overdose data are indicating a reduction in deaths in New York State. While cautiously optimistic, this year’s Executive Budget

will continue the historic investments made since FY 2023, which include significant increases in operating and capital support for addiction prevention, treatment, harm reduction, and recovery programs that serve individuals and families across the State.

The Executive Budget sustains New York State’s commitment to critical initiatives and will:

**Build Community with Guided Recovery Action through Congregational Engagement (GRACE).** An investment of \$250,000 will support OASAS in developing resources tailored to faith-based leaders to help them recognize the signs of substance use disorder, reduce stigma, and connect individuals and families to care. OASAS will collaborate with the Department of State’s Interfaith Advisory Council to engage faith-based organizations serving underserved areas, particularly communities of color.

**Open Up To 15 New Youth Clubhouses.** OASAS will open up to 15 additional Youth Clubhouses, including through co-location with existing Recovery Community and Outreach Centers. To help ensure equity and close gaps in programming, underserved communities will be prioritized. Clubhouses are a non-clinical model that offers safe and healthy spaces for young people to connect with peers, learn life-skills, engage in recreational activities, and participate in a variety of other activities.

**Host a Youth-Led Prevention Symposium.** OASAS will host a youth prevention symposium to promote peer-led engagement for young people around the dangers of substance use and the availability of community-based resources. OASAS also will develop a comprehensive youth-focused campaign using social media, television, and digital streaming.

**Address Problem Gambling Through Expanded Access to Specialized Prevention and Treatment Services.** As access to gambling opportunities, including online sports betting increases, New York needs a comprehensive approach serving those in need of support. The FY 2027 Executive Budget provides funding to establish a Gambling Addiction Workforce Institute, integrate gambling peer and supportive services into recovery and outreach centers, and conduct a 10-year study to assess trends

in the impact of gambling. The Budget also includes legislation to ensure insurance coverage for treatment of all addiction disorders by aligning the Insurance Law with the Mental Hygiene Law and recent changes to the Diagnostic and Statistical Manual of Mental Disorders (DSM-5).

**Invest in Cannabis Prevention Strategies, Education, Training and Treatment.** As revenues from the licensing and sales of cannabis distributors' increases, OASAS will utilize new resources to expand access to appropriate treatment services, help to prevent underage use, educate the public regarding cannabis use, and distribute supplies to keep our families and communities safe.

**Opioid Settlement Fund Investments.** New York is leading the nation in ensuring revenue from settlements with opioid manufacturers is supporting the organizations offering prevention, treatment, harm reduction, and recovery services. As the lead agency and administrator of the Opioid Settlement Fund, OASAS has made over \$454 million available to date. In line with recommendations from the Opioid Settlement Fund Advisory Board, OASAS has developed and expanded initiatives to increase access to medication treatment, support street outreach teams in engaging with individuals not connected to services, ensure prevention activities reach underserved communities, enhance recovery supports, distribute lifesaving overdose prevention supplies, and recruit and retain a skilled workforce. The Executive Budget provides authority for OASAS to build on these efforts with resources anticipated to be available in FY 2027.

### Protecting Vulnerable People

To protect the health and safety of vulnerable people under the State's care or oversight, the Justice Center has primary responsibility for receiving, investigating and/or reviewing abuse and neglect allegations at certain facilities and programs that are operated, certified, or licensed by the following six agencies: OMH, OPWDD, OASAS, DOH, OCFS, and SED. The Justice Center is responsible for ensuring the safety and well-being of the approximately one million adults and children who, due to physical or intellectual disabilities, or the need for services or placement, are

receiving care from one of the approximately 3,500 facilities or service providers overseen by the six State agencies. The Budget honors the State's pledge to protect vulnerable populations.

### Multi-Agency Budget Actions

**Targeted Inflationary Increase.** The Executive Budget includes a Targeted Inflationary Increase of 1.7 percent to voluntary operated providers of services for OPWDD, OMH, OASAS, Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA). For Mental Hygiene agencies, the Targeted Inflationary Increase provides an additional \$162.2 million (\$268.4 million including Federal matching funds) for OPWDD, OMH, and OASAS programs in FY 2027, and will provide fiscal relief to providers to address rising operating costs and enable them to offer more competitive wages to their staff.

**Minimum Wage.** The Executive Budget invests an additional \$53.5 million in State funds to support minimum wage increases for staff at programs licensed, certified, or otherwise authorized by OPWDD, OMH, and OASAS.

**OMH and OASAS Supportive Housing Programs.** The FY 2027 Executive Budget invests over \$71 million to increase rates for OMH and OASAS housing programs to help ensure that residential providers have sufficient resources to maintain housing capacity for these populations to support recovery and avoid more costly emergency room visits and inpatient care.

**Integrate Behavioral Health Services.** Governor Hochul will help streamline services and remove barriers to care by creating a single joint license for providers who deliver both mental health and addiction services, improving access, coordination, and clinical outcomes for individuals with co-occurring disorders/comorbidities. OMH and OASAS will also develop a new "Co-Occurring Capable" (CoC) designation to help individuals identify the providers that will best meet their needs.

**Support First Responders' Mental Health.** OASAS and OMH will collaborate to establish a First Responder Behavioral Health Center of Excellence.

A \$1 million investment will support development of culturally appropriate behavioral health programming and supports comprised of resource networks, training, and technical assistance through a peer-led model that is accessible to emergency response agencies across the state. This builds upon the Governor's ongoing commitment to support first responders including through grants to local organizations conducting wellness training and suicide prevention awareness efforts.

**Council on Developmental Disabilities State Budget.**

The FY 2027 Executive Budget includes \$3.5 million in General Fund Non-Personal Service appropriation authority for the Council on Developmental Disabilities (CDD). This will provide General Fund authority for the Council's programs for individuals with developmental disabilities and their families across the State.





# PUBLIC SAFETY

## INVESTING IN PUBLIC SAFETY

The FY 2027 Executive Budget makes significant investments aimed at keeping New Yorkers safe. Governor Hochul has made the safety of New Yorkers her top priority and has delivered on her vision to drive down crime through targeted public safety investments. Since taking office, the Governor has strengthened New York's bail, discovery, and gun laws and has invested record levels of funding to support State and local law enforcement. These investments have contributed to significant declines in index crime, subway crime, and gun violence. The Executive Budget builds on these historic investments in proven gun violence prevention programs, emergency response programs, and the criminal justice system.

### Public Safety Agencies

New York State's Public Safety agencies assist local communities with crime prevention, supervise criminal offenders both in prison and in the community, patrol highways, protect critical State assets, and respond to natural disasters and terrorist threats.

The **Department of Corrections and Community Supervision (DOCCS)** is responsible for providing services to incarcerated individuals in safe and secure facilities, preparing incarcerated individuals for release, and ensuring those individuals receive appropriate monitoring and support while under community supervision.

The **Division of Criminal Justice Services (DCJS)** collects and analyzes statewide crime data, administers local criminal justice programs, administers the State's Sex Offender Registry and DNA Databank, and tracks the effectiveness of system-wide criminal justice strategies designed to enhance public safety.

The **Division of State Police (DSP)** protects the citizens of the State, prevents and detects crime and other violations of law, and promotes highway safety.

The **Division of Homeland Security and Emergency Services (DHSES)** is dedicated to the preparation and protection of the State's citizens, communities, resources, economy, and infrastructure from threats and acts of terrorism, natural disasters, and other emergencies.

The **Office of Indigent Legal Services (ILS)** and the associated Indigent Legal Services Board are responsible for examining, overseeing, and ensuring the quality of legal representation for residents who are unable to afford an attorney.

The **Division of Military and Naval Affairs (DMNA)** encompasses all of New York's reserve forces including the Army National Guard, Air National Guard, Naval Militia and New York Guard; providing land, air, and naval military forces and facilities capable of executing global missions across unified operations in support of our communities, State, and Nation.

The **Office of Victim Services (OVS)** provides compensation to victims of crime, funds direct services to crime victims via a network of community-based programs, and advocates for the rights and benefits of all innocent victims of crime.

The **State Commission of Correction (SCOC)** works to provide a safe, stable, and humane correctional system Statewide by conducting evaluations of facilities, overseeing new jail facility developments, and investigating prisoner mortality.

The **Office for the Prevention of Domestic Violence (OPDV)** is the country's only cabinet-level executive state agency dedicated to the issue of gender-based violence.

### PUBLIC SAFETY SPENDING

The Executive Budget makes targeted investments in initiatives that will strengthen efforts to keep New Yorkers safe. Spending for New York State's public safety agencies is projected at \$8.25 billion for FY 2027.

### KEEPING NEW YORKERS SAFE

Since taking office, Governor Hochul has invested over \$3 billion in new public safety investments to achieve significant results across the State, leading to a 5.9% decrease in violence crime, 10% decrease in subway crime, and a 52% decrease in victims of gun violence.

**Reduce and Prevent Gun Violence.** The Executive Budget increases the historic investment to \$352 million for programs to prevent and reduce gun violence in our communities. This investment will continue to allow communities, law enforcement, and nonprofit groups to stem gun violence in New York State. Since taking office, the Governor has invested more than \$1.27 billion in gun violence prevention programs.

**Improve the Effectiveness of the Criminal Justice System.** The Executive Budget continues critical investments totaling \$305 million to ensure a fairer New York by improving the effectiveness of the criminal justice system, including prosecution, defense services, pretrial services, discovery reform implementation and reentry services.

**Combat the Rise in Hate Crime.** The Executive Budget includes \$35 million for the next round of the Securing Communities Against Hate Crimes (SCAHC) program. These grants provide funding to boost safety and security for certain organizations at risk of hate crimes or attacks because of their ideology, beliefs, or mission.

**Enhance Subway Safety.** The Executive Budget continues the \$77 million investment to partner with New York City to increase police presence on platforms and trains by temporarily surging patrol levels. Since taking office, the Governor has invested more than \$122 million in subway safety, reducing summer transit crimes to historic lows.

**Law Enforcement Technology Funding.** The Executive Budget includes \$50 million in funding for the Law Enforcement Technology (LETECH) grants, supporting agencies statewide in acquiring critical technologies and equipment to enhance crime prevention and community engagement. This investment will strengthen public safety and improve trust between law enforcement and the communities they serve. Since taking office, the Governor has provided over \$127 million to 278 police departments across the State for these purchases, including license plate readers, body-worn and vehicle equipment, and cameras to combat crime.

**Expand Joint Task Force Empire Shield (JTFES).** The Executive Budget continues \$115 million in funding for the Empire Shield mission, designed to deter and

prevent terrorist activity in the New York City area, including transit and commuter hubs.

**Stopping Illegal Homegrown Guns.** The Executive Budget includes legislation to crack down on 3D-printed firearms by requiring minimum safety standards for 3D printers sold in New York, to be equipped with basic technology that prevents the unlicensed, illegal production of lethal firearms and firearm parts. The Executive Budget includes \$500,000 for a task force of experts to recommend regulations that will ensure New Yorkers are protected from these dangerous weapons. The Executive Budget also includes legislation to require all pistols sold in New York be designed so that they cannot quickly and easily be converted into machine guns.

**Expanding Crime Analysis Centers Statewide.** The Executive Budget includes \$4.5 million to expand the Crime Analysis Center (CAC) network and complete Statewide coverage, by establishing a new center in Westchester County. This center will provide local and regional law enforcement with real-time crime analysis, investigative support, and stronger information sharing with counties and State partners.

**Solving Crimes by Investing in New York's Crime Labs.** The Executive Budget includes \$6.7 million to support upgrades to DNA and drug analysis technology, expand forensic staffing, and strengthen Statewide standards through accreditation and proficiency testing. By improving the speed and reliability of forensic work, the State will ensure cases move forward efficiently.

**Cracking Down on Auto Insurance Fraud.** The Executive Budget includes \$2 million for the State Police to investigate and build criminal cases against auto insurance scammers and fraudsters. Governor Hochul is taking a proactive and coordinated, multi-agency approach to addressing this fraud which is a major driver of auto insurance costs and becoming more prevalent across the State. The Executive Budget also includes legislation to fight back against criminal fraudsters by establishing criminal penalties for staged accidents.

### **Supporting At-Risk Victim Assistance Programs.**

The Executive Budget includes \$642,000 to support a new technical assistance initiative administered by OVS to support fiscally at-risk and survivor led programs.

## **IMPROVING EMERGENCY AND DISASTER RESPONSE**

Governor Hochul has invested in a comprehensive resiliency plan to protect New Yorkers during emergencies and disasters, including supporting New York's first responders. The Executive Budget further builds on these commitments to improving response times, training and supporting first responders, and better protecting lives, including during weather events which have become more frequent and severe.

**Strengthening Statewide Urban Search and Rescue Capacity.** The Executive Budget includes \$5.3 million in funding to establish a new Urban Search and Rescue capability through a partnership between the DHSES Office of Fire Prevention and Control (OFC) and local first responders. The team will meet the Federal Type 1 Urban Search and Rescue standard, allowing it to deploy quickly and sustain large-scale rescue operations during major disasters, and expand access to advanced rescue capabilities that are currently concentrated in New York City.

**Developing a Comprehensive Plan for Drones.** The Executive Budget includes \$5 million in funding for the State Police to pilot drones as first responders, allowing officers to assess the reality of a situation before arriving on scene and promote officer and public safety. This comprehensive plan will also include legislation that will limit where drones may fly, expand law enforcement authority to respond to credible drone threats and support safe testing of counter-drone technologies.

**Improving Police Training Academies.** The Executive Budget includes \$500,000 in funding to strengthen police training by developing an accreditation program that local agencies can opt into to ensure that all agencies have equal access to standardized information around best

practices, which will help provide high-quality instruction, particularly for smaller and underserved departments.

**Supporting State Police After Critical Incidents.** The Executive Budget includes \$4.4 million to enhance and codify paid critical incident leave for State Police members involved in justified qualifying uses of force. This proposal ensures the time and support needed to recover, fully cooperate with investigations, and safely return to duty, which reinforces accountability, professionalism, and the safety of the communities they serve.

## **RECOVER, RECRUIT, REBUILD**

In March 2025, Governor Hochul launched the Recover, Recruit, and Rebuild Initiative, a multi-faceted plan aimed at strengthening safety and security of the incarcerated and the employees of the DOCCS correctional system. The Executive Budget includes new and continued funding to support this plan and create a path moving forward.

**Correctional Facility Security.** The Executive Budget continues the significant investments in last year's budget, including \$400 million in funding to accelerate and install fixed cameras in all facilities, \$18 million for the body-worn camera program, and \$7.2 million to expand and restructure the Office of Special Investigations (OSI).

**National Guard Operating Support.** The Executive Budget includes \$535 million to extend the deployment of the National Guard to provide operating support while the system stabilizes. This is in addition to over \$700 million in projected National Guard spending on this mission through the end of FY 2026.

**Health Records in Correctional Facilities.** The Executive Budget includes \$35.8 million in capital funding to support the development and implementation of an electronic health records system for the incarcerated population. This new system will consolidate all patient information into an electronic file so that it is available in one place for providers to review, improving health care outcomes.

**Correction Officer Recruitment.** The Executive Budget includes an additional \$3 million to expand the correction officer recruitment office. The Executive Budget also continues \$150 million in funding for salary benefits and enhancements to support the hiring and retention of the correction officers.

**FOIL Processing Unit.** The Executive Budget includes an additional \$1.1 million to support the establishment of a dedicated body-worn camera FOIL processing unit to fulfill requests for body-worn camera footage.



# STATE WORKFORCE

The State Workforce continues to experience growth toward optimum levels due to continued strategic efforts including successful collective bargaining, streamlining opportunities through the Hiring for Emergency Limited Placement Statewide (HELPs) program, the waiver of Civil Service Examination fees, and the elimination of the Salary Withholding Program. These strategic efforts have improved the State Workforce, which has grown by more than 3,000 Full Time Equivalent (FTE) employees since the end of the last Fiscal Year.

STATE WORKFORCE CATEGORY	YEAR-END ACTUAL 3/31/23	YEAR-END ACTUAL 3/31/24	YEAR-END ACTUAL 3/31/25	CURRENT ACTUALS 12/31/2025	YEAR-END ESTIMATE 3/31/26	YEAR-END ESTIMATE 3/31/27	YEAR-TO-YEAR CHANGE
Subject to Direct Executive Control	108,080	111,267	112,952	114,961	124,728	125,124	396
University Systems	59,023	61,019	62,947	64,058	64,614	64,614	0
Independently Elected Agencies	4,319	4,299	4,704	4,889	5,204	5,252	48
<b>GRAND TOTAL</b>	<b>171,422</b>	<b>176,585</b>	<b>180,603</b>	<b>183,908</b>	<b>194,546</b>	<b>194,990</b>	<b>444</b>

## STATE WORKFORCE INVESTMENTS & EFFICIENCIES

The Executive Budget will provide staffing investments to reinforce careers and public services in several agencies.

Below is a list of selected agencies where the Executive Budget proposes additional workforce investments.

**Office of Children and Family Services.** To support expanded child care programming, and the Office of Child Care and Early Education.

**Department of Tax and Finance.** To support vape regulation and expand audit capabilities.

**Department of Financial Services.** To establish a new Office of Digital Innovation, Governance, Integrity, and Trust, and implement the RAISE Act.

**Department of Environmental Conservation.** To expand permitting staff throughout multiple divisions of DEC to support the State Environmental Quality Review Act (SEQRA) process and address general permitting timeframes and backlogs.

**Department of Corrections and Community Supervision.** To support a new Body Worn Camera FOIL unit and expand the Employee Investigation Unit.

**Office of General Services.** To support critical maintenance within the Division of Real Estate and other initiatives.

Several agencies will also benefit from workforce investments in the budget, including but not limited to the Department of Criminal Justice Services, State Education Department, and the Department of Health.

## COLLECTIVE BARGAINING

In FY 2026, the State reached collective bargaining agreements with the New York State Police Investigators Association and the Graduate Student Employees Union. These agreements provided annual 3 percent salary increases and changes to the health insurance program to encourage in-network utilization to help control health insurance costs, consistent with other agreements.

Currently all State labor unions are covered by a ratified contract through the end of FY 2026. The State will continue to engage with the unions to negotiate future contracts.

## EMPLOYEE FRINGE BENEFITS AND FIXED COSTS

The State provides a variety of fringe benefits to its current and former employees, including health insurance, pensions, payment of the Social Security payroll tax and workers' compensation coverage for injured workers. Fixed costs include a payment in lieu of taxes to the City of Albany for the Empire State Plaza and taxes on other state-owned land, as well as payments for judgments and settlements against the State under the Public Officers Law and in the Court of Claims.

All Governmental Funds spending is projected to increase in FY 2027 by \$665 million as illustrated in the following table.

SUMMARY OF ALL FUNDS FRINGE BENEFIT AND FIXED COST SPENDING				
CATEGORY	FY 2026 (\$ MILLIONS)	FY 2027 (\$ MILLIONS)	DOLLAR CHANGE (\$ MILLIONS)	PERCENT (%)
NYSHIP	5,618	5,934	316	5.6%
Pensions	2,759	2,998	239	8.7%
Social Security	1,218	1,261	43	3.5%
Workers' Compensation	606	643	37	6.1%
Other Fringe Benefits / Fixed Costs	779	809	30	3.9%
<b>TOTAL</b>	<b>10,980</b>	<b>11,645</b>	<b>665</b>	<b>6.0%</b>

#### **New York State Health Insurance Program (NYSHIP).**

The increase in spending reflects medical inflation, as well as changes in the healthcare industry as a result of new technology and medicines, including the rising cost of prescription drugs and out-of-network services.

**Pensions.** The increase in the pension estimate reflects the continued growth and rising salaries of the State workforce. These cost increases are offset by the recurring prepayment of the State's annual pension obligation. This action results in an estimated \$121 million in interest savings in FY 2027.

**Social Security Payroll Tax.** The increase reflects the continued growth in the State workforce and other salary increases.

**All Other.** Workers' Compensation growth reflects current utilization. Other fringe benefits and fixed costs reflect wage and property tax increases, as well as the current spending trends.

#### **PROPOSED EXECUTIVE BUDGET ACTIONS**

**State Operations Efficiencies.** As agencies continue to identify areas to reduce spending and improve operations, the Executive Budget includes a recurring \$300 million in savings.

**Updating the State's Surprise Bill Law.** The Executive Budget proposes amending the New York State Emergency Medical Services and Surprise Bills Law to include the Empire Plan, as well as amending the arbitration criteria for the State's independent dispute resolution entity (IDRE) to prevent private firms and out-of-network providers from abusing the process. In addition, this proposal

would remove Medicaid managed care plans from the independent dispute resolution (IDR) process. There would be no change to the consumer protections provided to enrollees of Medicaid, the Empire Plan, or any other health insurance plan governed by the State IDR process. This proposal would reduce State NYSHIP costs by \$28.8 million in FY 2027 and FY 2028. In addition, this bill would provide financial relief to lower Medicaid spending, keeping it within capped levels.

#### **Eliminate Subsidy for the Medicare Part B Income-Related Monthly Adjustment Amount and Create an Annual Premium Refund for Certain State Retirees**

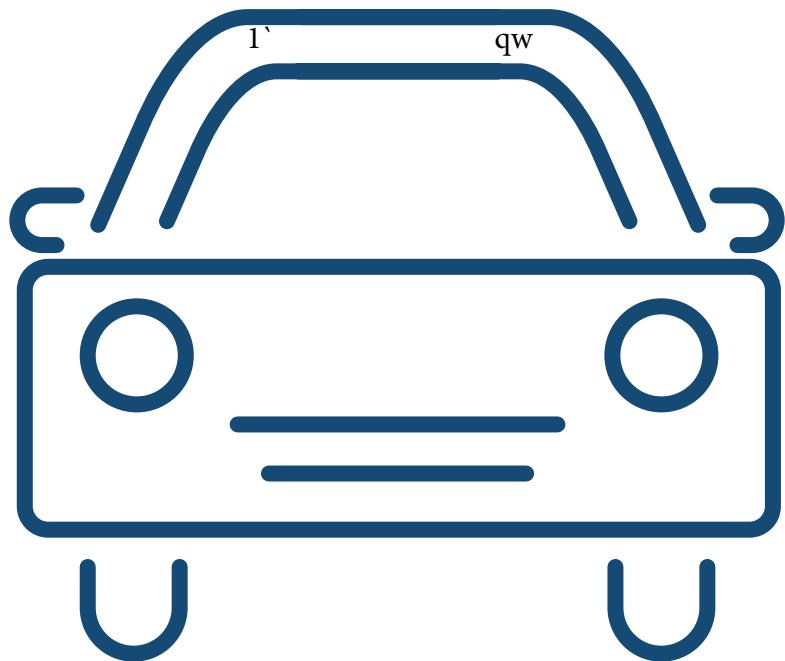
To limit costs to the Medicare program, the Federal government requires higher-income retirees to pay a greater share of Medicare Part B premium expenses. These additional expenses are known as the Income-Related Monthly Adjustment Amount (IRMAA). In 2026, these IRMAA expenses are imposed on retirees with an annual income of \$109,000 or higher (\$218,000 or higher for joint filers) and range from \$81 to \$487 per month. Currently, the State fully reimburses retirees for the value of Part B IRMAA expenses.

The Executive Budget proposes eliminating the IRMAA reimbursement for high income State retirees. The savings achieved through this proposal would be equally shared by the State and certain State retirees in the form of an annual premium refund. The savings to the State is estimated to be \$14 million in FY 2027 and \$15.2 million in FY 2028.

## **Provide a Market Rate of Interest on Court Judgments**

The Executive Budget proposes a variable market-based interest rate on court judgments paid by public and private entities, which will provide relief for local governments and lower state taxpayer costs. The market-based interest would be the weekly average one-year constant maturity treasury yield, which is the same rate utilized by the Federal court system. Currently, the interest rate on judgments is established at a fixed rate of as much as 9 percent annually. A prevailing market rate will help ensure that neither side in a lawsuit will be disadvantaged by an interest rate that is above or below what otherwise could be earned while cases are being adjudicated. This change would result in an estimated savings of \$2.5 million in FY 2027 and FY 2028.





# TRANSPORTATION

The Executive Budget will continue to make historic investments in the State's transportation system, to improve our transit systems, increase mobility, and grow our economy. These investments are improving roads, bridges, airports, rail facilities, transit systems, and ports, as well as enhancing and expanding the **Metropolitan Transportation Authority (MTA)** network.

The State's transportation system is operated, maintained, and administered by a network of State and local agencies and public authorities. The **Department of Transportation (DOT)** is responsible for construction, reconstruction, maintenance, and removal of snow and ice for approximately 44,475 State highway miles and 7,700 State highway bridges. DOT provides funding for rail, airport, bicycle, and pedestrian transportation modes as well as local government highway and bridge construction.

DOT also provides coordination and funding for over 100 public transportation operators including the MTA and four major upstate regional transportation authorities, among other local transit systems. These systems provide bus, subway, and commuter/light rail services, as well as paratransit services to meet the needs of people with disabilities.

In 2025, the MTA provided transit and commuter services in the New York City region to over 1.7 billion passengers who rode subways, buses, Metro North Railroad (MNR) and Long Island Rail Road (LIRR). They also facilitated over 340 million bridge and tunnel crossings.

The **New York State Thruway Authority** operates the 570-mile highway system that extends across the State, from Buffalo to New York City, and includes 819 bridges, 134 interchanges, 27 service areas, and 3 welcome centers. In 2025, motorists took nearly 400 million trips on the Thruway.

The State's transportation programs also include the **Department of Motor Vehicles (DMV)**, which operates 28 district and branch offices, and provides services via county clerk offices acting as DMV agents at 102 locations throughout the State. DMV issues licenses, nondriver identification cards, and vehicle registrations, conducts road tests, monitors driver training, and performs various enforcement activities.

In a typical year, DMV conducts more than 35 million customer transactions and collects over \$2 billion in revenue for the State and localities. New Yorkers rely on credentialing and identification documents issued by DMV to conduct financial transactions, obtain employment, board aircrafts, and more.

## INVESTING IN SAFE, RELIABLE TRANSPORTATION SYSTEMS

### The MTA 2025-2029 Capital Program

The MTA remains committed to its \$68.4 billion 2025-2029 Capital Program, which provides funding for state-of-good-repair work to ensure the system operates efficiently while advancing several major initiatives including:

**Accessibility.** Building on recent progress, this Capital Program will make at least 60 more subway stations accessible, which will bring the system to more than 50 percent accessible and serve almost 70 percent of riders.

**Interborough Express.** The Interborough Express will provide new rapid transit service between Brooklyn and Queens, transforming a lightly used freight railway into a new light rail line.

**Rebuild Grand Central Artery.** This project will rehabilitate critical elements of the Grand Central Artery, a four-mile stretch that carries 98 percent of MNR service and includes Grand Central Terminal, the Train Shed, and Park Avenue Tunnel and Viaduct.

**Hudson Line Resilience.** To protect against the effects of sea-level rise and severe rainstorms, the Capital Program invests in resilience upgrades to protect one of New York's most critical passenger and freight rail lines.

**New Rolling Stock.** The Capital Program aims to replace over 1,500 railcars that have reached the end of their useful life and includes a plan to purchase 500 zero-emission buses to bring the fleet to 18 percent electric.

**Modern Fare Gates.** This project will scale up the installation of new faregates throughout the subway system to improve fare collection and system accessibility.

**Platform Barriers.** The Capital Plan invests in cost-effective platform edge barriers to provide additional safety to customers. In 2024 and 2025, the MTA installed platform edge barriers at 115 stations, and they will install barriers at another 85 stations in 2026.

**Regional Investments.** The Capital Program includes funding to evaluate and design potential regional projects, such as adding a third track to the MNR Harlem Line or LIRR electrification projects.

### The MTA 2020-2024 Capital Program

The MTA remains committed to its \$55.4 billion 2020-2024 Capital Program, which continues to revitalize the subway system through signal modernization and accessibility upgrades, while also providing important investments in railroads and bus service to advance the quality of life for those served. The 2020-2024 Capital Program includes several major initiatives:

**Congestion Pricing.** On January 5, 2025, New York's first in the nation congestion pricing program took effect. Congestion Pricing will combat gridlock, improve air quality, and deliver \$15 billion in financing to support the 2020-2024 Capital Plan. In its first full year of operations, Congestion Pricing met its goals of generating at least \$500 million in net revenue and reducing traffic by 11 percent overall in the Congestion Relief Zone south of 60th Street in Manhattan.

**Accessibility.** This initiative will make an additional 67 subway stations ADA-accessible and modernize an additional 78 subway elevators. By 2055, the MTA aims to make 95 percent of the system accessible.

**Second Avenue Subway Phase 2.** The project will provide three new fully accessible stations, extending service from 96th Street to 125th Street, and providing a connection with MNR.

**Penn Station Access.** The project will carry the New Haven line and East Bronx residents directly into Penn Station, and create four new, ADA-accessible MNR commuter railroad stations at Co-op City, Morris Park, Parkchester/Van Nest, and Hunts Point.

**East Side Access.** The project, which was completed in 2023, provides LIRR riders with 40 miles of new tracks and a new terminal, called Grand Central Madison. This

new service from Long Island to Grand Central Madison saves commuters up to 40 minutes of travel time per day.

**LIRR Third Track.** The project, which was completed in 2022, added 10 miles of mainline between Floral Park and Hicksville, improved capacity, and shortened service disruptions for 41 percent of LIRR ridership.

### NEW YORK STATE ROADS AND BRIDGES

Statewide, New York's economy relies on a resilient and efficient transportation infrastructure network of roads and bridges to continue attracting investment and creating jobs. The renewal and modernization of transportation infrastructure is fundamental to rejuvenating and enhancing the economic competitiveness of the State's communities. During 2025, DOT replaced, rehabilitated, or improved 3,700 bridges statewide and improved 4,120 lane miles along state and local highways.

Building on unprecedented DOT investments, the Executive Budget reflects funding for the fifth and final year of a record \$34.4 billion, five-year DOT Capital Plan that ensures stronger State and local roads and bridges for years to come. This record level of investment provides DOT with resources necessary to continue to renew, modernize, and drive economic development in local communities.

The five-year Capital Plan is aligned with Federal funding commitments made in the Infrastructure Investment and Jobs Act (IIJA). New York will receive an estimated \$13.5 billion in highway and bridge formula aid over five years from the IIJA (an increase of \$4.6 billion compared to the five-year Fixing America's Surface Transportation (FAST) Act). The total includes a projected \$1.9 billion of formula funding for bridges.

Major projects funded in this plan include phases of the Hunts Point Interstate Access Improvement and the replacement of I-81 in Syracuse. The plan also advances priorities across the State including modernizing the Livingston Avenue Bridge in Albany, reconnecting neighborhoods across the Kensington Expressway in Buffalo, converting Route 17 to I-86 in Orange and Sullivan Counties, and assessing ways to improve road capacity at the Oakdale Merge in Suffolk County.

The DOT Capital Plan includes a \$1 billion program, Pave Our Potholes (POP), designed to improve state and local road conditions and prevent deterioration. The statewide “Bridge NY” program has also been increased by \$1 billion over five years, which will serve to rehabilitate or replace structures that are susceptible to recurring flooding or foundation scour.

The Thruway system is now a fully cashless system, which provides customers with a seamless travel experience. The Thruway Authority operates and maintains the system and in 2025 invested \$481 million in capital projects including pavement repairs and bridge improvements and replacements. The Thruway recently completed the redevelopment of their 27 service areas through a public private partnership with no toll or tax dollars used for construction.

## **PROPOSED FY 2027 TRANSPORTATION BUDGET ACTIONS**

### **Continuing Road, Bridge, and Safety Improvement**

**DOT Capital Plan.** The Executive Budget provides more than \$6 billion for the fifth year of a record \$34.4 billion, five-year DOT Capital Plan that will facilitate the improvement of highways, bridges, rail, aviation infrastructure, non-MTA transit, and DOT facilities. Compared to the last five-year DOT Capital Plan, this is an increase of \$11 billion, or 47 percent.

**Local Highways and Bridges.** The Executive Budget continues the State’s record funding for local highway and bridge projects. Funding for the Consolidated Highway Improvement Program (CHIPs) and the Marchiselli program is maintained at the FY 2026 level of \$688 million. The budget provides \$100 million for the local Pave Our Potholes program, \$150 million in highway aid through the PAVE NY program, and \$200 million to fund local projects from the BRIDGE NY program. The \$100 million Extreme Winter Recovery and \$140 million State Touring Route programs are further improving conditions on State and local roads and bridges.

**Funding Sources.** DOT’s Capital Program is supported by Federal aid, State capital projects

funds, financial settlement funds, dedicated taxes and fees deposited in the Dedicated Highway and Bridge Trust Fund, and the State’s General Fund.

**Automated Work Zone Speed Enforcement.** The Executive Budget includes legislation to expand the current programs for speed violation photo monitoring systems in work zones to include roadways beyond those that are “controlled-access” highways.

**Transportation Worker Protections.** The Executive Budget includes legislation to expand the categories of transportation workers that qualify for enhanced assault protections.

### **Investing in Transit**

New York State provides transit operating assistance through the Statewide Mass Transportation Operating Assistance (STOA) program. Transit systems provide more than 3 billion rides annually. State transit aid typically accounts for almost half of transit systems’ operating resources.

The Executive Budget provides \$9.6 billion in mass transit operating support:

**MTA.** The MTA will receive \$8.6 billion in State operating aid in FY 2027, including resources collected by the State and sent directly to the MTA without appropriation. Traditional on-budget MTA assistance will increase 5.8 percent, from \$4.2 billion to \$4.5 billion.

**Upstate.** The Upstate region is slated to receive \$370 million, which represents a 5.8 percent increase for area transit systems.

**Downstate.** In the Downstate region, transit service other than the MTA will receive \$640 million. Transit systems in the area will see a 7.4 percent increase.

The Executive Budget also invests in transit capital needs:

**Jamaica Station.** The FY 2027 Executive Budget proposes \$50 million in new capital funding to support the design of future projects to modernize Jamaica Station. This project will help create better traffic flow,

reduce crowding, and build out a world class station complex providing seamless connection among the LIRR Main Line, NYC Transit, and AirTrain JFK for the millions of commuters who depend on this station.

**Second Avenue Subway Crosstown Expansion.** The Budget also proposes \$25 million to fund preliminary engineering for an extension of the Second Avenue Subway project tunnel west across 125th Street, with three new stops at Lenox Avenue, St. Nicholas Avenue and culminating at Broadway.

**Non-MTA Capital.** The Executive Budget proposes that non-MTA transit systems will receive \$200 million in capital assistance in FY 2027.

The FY 2027 Executive Budget also advances new proposals to support the MTA, including:

**Subway Co-Response Outreach Teams (SCOUT) Program.** The State increases support for the SCOUT program with funding of \$25 million included in the Executive Budget. SCOUT pairs MTA Police officers with clinical staff from the NYC Department of Homeless Services to engage individuals in crisis and connect them to care, treatment, or shelter. This funding will allow the MTA to expand SCOUT teams by 50 percent from 10 to 15, to reach more locations and operate with greater flexibility across the system.

**Continued Support for Increased NYPD Patrols.** The Executive Budget continues to provide funding of \$77 million to support increased NYPD patrols on the subway system in areas of greatest need and largest impact, including on overnight trains.

## Transforming DMV Customer Service

Accounting for the steady increase in the volume and complexity, DMV has utilized electronic and internet-based services to increase the efficiency of transaction processing. These services also provide customers with a faster and more convenient alternative to visiting DMV offices. Currently, over 8 million transactions per year are processed through the DMV website, and this number is expected to continue to rise as customers take advantage of additional online transactions.

Building on the success of previous customer service initiatives, DMV continues to use an enhanced call center, expansion of online transaction capabilities, and the implementation of a reservation system to reduce customer foot traffic in district and virtual offices. DMV's website is continuously improving to provide a more responsive design for its customers. Additionally, DMV is seeking to upgrade internal systems to improve transactions and customer experience.

Additional DMV-related Budget actions include:

**Strengthen Motorcycle Licensing Standards.** The Executive Budget includes legislation to improve traffic safety in New York State by requiring new riders applying for a Class M Motorcycle License to take a motorcycle safety course before obtaining a license.

**Stop New York City's Super Speeders through Intelligent Speed Assistance.** The Executive Budget includes legislation to improve traffic safety in New York City by authorizing an Intelligent Speed Assistance Device Pilot Program.

State Operating Funds Spending (\$ in Millions)				
Agency/Authority	FY 2026	FY 2027	\$ Change	% Change
Department of Transportation	\$1,356	\$1,398	\$42	3.1%
Metropolitan Transportation Authority	\$8,244	\$8,633	\$389	4.7%
Department of Motor Vehicles	\$90	\$90	\$0	0.0%
<b>Transportation Spending Total</b>	<b>\$9,691</b>	<b>\$10,122</b>	<b>\$431</b>	<b>4.4%</b>

MTA includes certain revenues directed to MTA without appropriation (Payroll Mobility Tax, For Hire Vehicle, other downstate surcharges) but does not include appropriated Internet Sales Tax (dedicated to MTA's capital lockbox) or \$1.5 billion of one-time casino license fees from the Gaming Commission in FY 2026.



SECTION THREE

# **SUPPLEMENTAL REFERENCE INFORMATION**



# THE EXECUTIVE BUDGET CITIZEN'S GUIDE

## SUBMISSION OF THE EXECUTIVE BUDGET

New York State's budget process uses an Executive Budget model, in which the Governor is responsible for developing and preparing a comprehensive and balanced budget proposal. The Governor is required by the State Constitution to seek and coordinate requests from agencies of State government, develop a "complete" plan of proposed expenditures and the revenues available to support them (a "balanced budget"), and submit a budget to the Legislature along with the appropriation bills and other legislation required to carry out budgetary recommendations.

*What is a state agency?* Any department, agency, or other instrumentality of the government of any State or of any political subdivision of any State.

*What is a Budget bill?* Defined by Section 3 of Article VII (7) of the NYS Constitution: At the time of submitting the budget to the legislature the governor shall submit a bill or bills containing all the proposed **appropriations** and reappropriations included in the budget and the proposed legislation, if any, recommended therein.

*What is an appropriation?* The authorization, through law, to allocate funds.

From Section 7 of Article VII of the NYS Constitution: No money shall ever be paid out of the state treasury or any of its funds, or any of the funds under its management, except in pursuance of an appropriation by law...

*When is the Executive Budget due?* The Executive Budget must be submitted on or before the second Tuesday following the first day of the annual meeting of the legislature or by February 1 in an election year.

## EXECUTIVE AMENDMENTS

Following the submission of the Executive Budget, the Constitution authorizes the Governor to submit technical corrections and revisions based on the latest information within 30 days. However, to help achieve timely budgets, the 2007 Budget Reform Act requires the Executive, to the extent practicable,

submit any necessary amendments within 21 days. Any amendments are made available on the Budget Division's website when submitted to the Legislature.

## LEGISLATIVE REVIEW AND RECOMMENDATIONS

The legislative review process includes **public hearings** on the Governor's Budget. These hearings are scheduled by the **Senate Finance and Assembly Ways and Means Committees**, which are responsible for coordinating each house's action on the budget.

The Budget Reform Act mandates the use of conference committees as part of the legislative budget process. These committees, which have been used in various forms in the past, must now be called early in the process to facilitate agreement on a budget between the two houses. The two houses ultimately develop joint recommendations, amend the Governor's proposed bills to reflect their decisions, and pass the amended bills. These final bills are available directly from the legislative document rooms and online.

## BUDGET ENACTMENT

Except for appropriations for the Legislature and the Judiciary, appropriations proposed by the Governor become law immediately when passed by the Legislature. However, all items that have been added by the Legislature, and all appropriations for the Legislature and the Judiciary, must be sent to the Governor for approval or veto. The Constitution grants the Governor "line item veto" power, permitting the Governor to veto such items selectively, while approving the remainder of the bill.

Chapter numbers are assigned to bills that become law. For any bill or item of appropriation that is vetoed, the Governor provides a "veto message" to the Legislature stating the reasons for the veto. Vetoes may be overridden by a two-thirds vote of each house of the Legislature, in which case the vetoed item or bill becomes law despite the Governor's objections.

*When is the budget due?* The budget must be enacted by the start of the April 1, the start of the fiscal year.

## POST ENACTMENT

After enactment of the budget, the Legislature is required to summarize its changes to the Executive Budget. This summary is presented in the “Green Book,” which is available from the Senate and Assembly document rooms. The Governor is required to revise the Financial Plan to reflect the Enacted Budget. Like the original Executive Budget and any amendments, this revised plan and subsequent updates are also made available on the Budget Division’s website.

## LEARN MORE

Readers are encouraged to visit the New York State Budget Division online, [budget.ny.gov](http://budget.ny.gov), and the Open Budget website, [openbudget.ny.gov](http://openbudget.ny.gov), to access the latest information and documents related to the Executive Budget proposal and the Enacted Budget. All materials are made available on the website within 24 hours.



# **GLOSSARY OF ACRONYMS**

## A

- AAA - Area Agencies on Aging or Affirmative Action Administrator
- ACA - Affordable Care Act
- AFP - American Families Plan
- AG - Attorney General
- AGM - Department of Agriculture and Markets
- AIG - American International Group, Inc.
- AIM - Aid and Incentives for Municipalities
- AJP - American Jobs Plan
- ALICO - American Life Insurance Company
- AMI - Area Median Income
- AML - Anti-Money Laundering
- AMTAP - Additional Mass Transportation Assistance Program
- APCD - All-Payer Claims Database
- APTC - Advance Premium Tax Credit
- ARP - American Rescue Plan Act of 2021
- ATB – Across the Board
- ATI - alternatives to incarceration
- AXA - AXA Equitable Life Insurance Company
- AY - Academic Year (July 1 through June 30) – SUNY/CUNY

## B

- BAFO – Best and Final Offers
- BANs - Bond Anticipation Notes
- BBA 19 - Bipartisan Budget Act of 2019
- BEA - Bureau of Economic Analysis
- BIL - Bipartisan Infrastructure Law (see also - Infrastructure Investment and Jobs Act (IIJA))
- BLS - Bureau of Labor Statistics
- BNPP - BNP Paribas, S.A., New York Branch
- BOCES - Boards of Cooperative Educational Services
- BofA - Bank of America
- BofAML - Bank of America Corporation and Merrill Lynch, Pierce, Fenner and Smith Incorporated
- BSA - Bank Security Act
- BTMU - Bank of Tokyo-Mitsubishi UFJ, Ltd.

## C

- CAC - Crime Analysis Center
- CANS - Child and Adolescent Needs & Strengths
- CARES Act - Coronavirus Aid, Relief, and Economic Security Act

- CBD - Central Business District (CBD) Tolling Program
- CBPP - Center for Budget and Policy Priorities
- CCB - Cannabis Control Board
- CDD - Council on Developmental Disabilities
- CES - Current Employment Statistics
- CDPAP – Consumer Directed Personal Assistance Program
- CFT - Corporate Franchise Tax
- CFY - City Fiscal Year
- CGT - Cell and Gene Therapy
- CHIPS - Creating Helpful Incentives to Produce Semiconductors
- CHP - Child Health Plus
- CHUBB - Chubb Group Holdings Inc. and Illinois Union Insurance Company
- CIGNA - Cigna Health and Life Insurance Company
- CISO - Chief Information Security Office
- CLCPA - Climate Leadership and Community Protection Act of 2019
- CMS - Centers for Medicare & Medicaid Services
- COLA - Cost-of-Living Adjustment
- CON - Certificate of Need
- CoP - Community of Practice
- COVID-19 - Coronavirus Disease 2019
- CPI - Consumer Price Index
- CPRSA - Coronavirus Preparedness and Response Supplemental Appropriations Act
- CRF - Coronavirus Relief Fund
- CRRSA - Coronavirus Response and Relief Supplemental Appropriations Act
- CSEA - Civil Service Employees Association
- CSU - Community Stabilization Units
- CSX - CSX Transportation, Inc.
- CUNY - City University of New York
- CUT - Corporation and Utilities Tax
- CW/CA - Clean Water/Clean Air
- CY - County Year

## D

- DANY - New York County District Attorney
- DASNY - Dormitory Authority of the State of New York
- DCS – Department of Civil Service
- DEC - Department of Environmental Conservation
- DelAm - Delaware American Life Insurance Company

- DFS - Department of Financial Services
- DHBTF - Dedicated Highway and Bridge Trust Fund
- DHCR - Division of Housing and Community Renewal
- DHSES - Division of Homeland Security & Emergency Services
- DMNA - Division of Military and Naval Affairs
- DMV - Department of Motor Vehicles
- DOB - Division of the Budget
- DOCCS - Department of Corrections and Community Supervision
- DOH - Department of Health
- DOS - Department of State
- DOT - Department of Transportation
- DPS - Department of Public Service
- DRI - Downtown Revitalization Initiative
- DS - Debt Service
- DSH - Disproportionate Share Hospital
- DSP - Division of State Police
- DTF - Department of Taxation and Finance

**E**

- EANS - Emergency Assistance for Nonpublic Schools
- ECEP - Employer Compensation Expense Program
- ECHS – Early College High School
- EDF - Economic Development Fund
- eFMAP - Enhanced Federal Medical Assistance Percentage
- EI - Early Intervention
- EMS - Emergency Medical Services
- EP - Essential Plan
- EPIC - Elderly Pharmaceutical Insurance Coverage/Extended Prosperity and Innovation Campuses
- ERS - Employees' Retirement System
- ESEA - Elementary and Secondary Education Act
- ESD/ESDC - Empire State Development Corporation
- ESG - Environmental, Social and Governance
- ESInet - Emergency Services IP Network
- ESPRI - Empire State Poverty Reduction Initiative
- ESSER - Elementary and Secondary School Emergency Relief Fund
- ESSHII - Empire State Supportive Housing Initiative

**F**

- FAST - Fixing America's Surface Transportation
- FEMA - Federal Emergency Management Agency
- FFCRA - Families First Coronavirus Response Act
- FFY - Federal Fiscal Year (October 1 Through September 30)
- FHWA - Federal Highway Administration
- FMAP - Federal Medical Assistance Percentage
- FMR - Fair Market Rent
- FOMC - Federal Open Market Committee's
- FPG - Fortis Property Group
- FPL - Federal Poverty Level
- FRB - Financial Restructuring Board
- FTE - Full-Time Equivalent
- FY - Fiscal Year

**G**

- GAAP - Generally Accepted Accounting Principles
- GASB – Governmental Accounting Standards Board
- GASBS – Governmental Accounting Standards Board Statement
- GDP - Gross Domestic Product
- GEER - Governor's Emergency Education Relief
- GFOA - Government Finance Officers Association
- GIVE - Gun Involved Violence Elimination
- GLIP - Group Life Insurance Plan
- GO-SEMI - Governor's Office of Semiconductor Expansion, Management, and Integration
- GPHW - General Public Health Work
- GSA - US General Services Administration
- GSCs - General State Charges
- GSEU - Graduate Student Employees Union

**H**

- HALT - Humane Alternatives to Long Term Solitary Confinement Act
- HBITS - Hourly Based Information Technology Services
- HCBS - Home and Community-Based Services
- HCR - Homes and Community Renewal
- HCRA - Health Care Reform Act
- HCTF - Health Care Transformation Fund
- HEAP - Home Energy Assistance Program

- HERDS - Hospital Electronic Response Data System
- HESC - Higher Education Services Corporation
- HFNY - Healthy Families New York
- HIDTA - High Intensity Drug Trafficking Area
- HMO - Health Maintenance Organization
- HRI - Health Research, Inc.
- HUT - Highway Use Tax

## I

- ICP - Indigent Care Payments/Indigent Care Pool
- ICR - Institutional Cost Reports
- IDEA - Individuals with Disabilities Education Act
- IIJA - Infrastructure Investment and Jobs Act
- IMF - International Monetary Fund
- IPCC - Intergovernmental Panel on Climate Change of the United Nations
- IRS - Internal Revenue Service
- IT - Information Technology
- ITS - Information Technology Services

## J

- J&J - Johnson & Johnson
- JFK - John F. Kennedy International Airport

## L

- LFY - Local Fiscal Year
- LGAC - Local Government Assistance Corporation
- LICH - Long Island College Hospital
- LIRR - Long Island Railroad
- LLC - Limited Liability Company
- LTCOP - Long-Term Care Ombudsman Program
- LWA - Lost Wages Assistance

## M

- MAGI - Modified Adjusted Gross Income
- MAT - Medication-Assisted Treatment
- MC - Management Confidential
- MLF - Municipal Liquidity Facility
- MLR - Medical Loss Ratio
- MLTC - Managed Care/Managed Long Term Care
- MOE - Maintenance of Effort
- MRT - Medicaid Redesign Team
- MRT II - Medicaid Redesign Team II
- MSA - Master Settlement Agreement
- MTA - Metropolitan Transportation Authority

## N

- NMS - New Medical Site
- NPS - Non-Personal Service
- NYC - New York City
- NYPA - New York Power Authority
- NYS - New York State
- NYSCA - New York State Council on the Arts
- NYSCOPBA - New York State Correctional Officers and Police Benevolent Association
- NYSERDA - New York State Energy Research and Development Authority
- NYSHIP - New York State Health Insurance Program
- NYSLRS - New York State and Local Retirement System
- NYSOH - New York State of Health
- NYSPIA - New York State Police Investigators Association
- NYSTA - New York State Thruway Authority
- NYSTPBA - Police Benevolent Association of the New York State Troopers
- NYU - New York University

## O

- OAG - Office of the Attorney General
- OASAS - Office of Addiction Services and Supports
- OCFS - Office of Children and Family Services
- OCM - Office of Cannabis Management
- OFAC - Office of Foreign Assets Control
- OHEHR - Office of Health Equity and Human Rights
- OMB - United States Office of Management and Budget
- OMH - Office of Mental Health
- OMIG - Office of the Medicaid Inspector General
- OPDV - Ofice for the Prevention of Domestic Violence
- OPEB - Other Post-Employment Benefits
- OPRHP - Office of Parks, Recreation and Historic Preservation
- OPWDD - Office for People With Developmental Disabilities
- ORDA - Olympic Regional Development Authority
- ORP - Optional Retirement Program
- OSC - Office of the State Comptroller
- OTDA - Office of Temporary and Disability Assistance

**P**

- PAYGO - Pay-As-You-Go
- PBA - Police Benevolent Association
- PBANYS - Police Benevolent Association of New York State
- PBT - Petroleum Business Tax
- PCCP - Procurement and Contracting Community of Practice
- PCF – Public Campaign Finance
- PEF - Public Employees Federation
- PFRS - Police and Fire Retirement System
- PHE - Public Health Emergency
- PIA - Police Investigators Association
- PIGI - Personal Income Growth Index
- PILOT - Payments in Lieu of Taxes
- PIT - Personal Income Tax
- PMT - Payroll Mobility Tax
- PPE - Personal Protective Equipment
- PPO - Preferred Provider Organization
- PPP - Paycheck Protection Program
- PS - Personal Service
- PSC - Public Service Commission
- P-TECH - Pathways in Technology Early College High School
- PTET - Pass-Through Entity Tax
- PwC - PricewaterhouseCoopers LLP

**Q**

- QCEW - Quarterly Census of Employment and Wages

**R**

- RBS - RBS Financial Products Inc. (formally Greenwich Capital Financial Products, Inc.)
- RBTF - Revenue Bond Tax Fund
- REDC - Regional Economic Development Council
- RFP - Request for Proposals
- RGGI - Regional Greenhouse Gas Initiative
- RHY - Runaway Homeless Youth
- RSSL - Retirement and Social Security Law

**S**

- SALT - State and Local Tax
- SAVE - Supervision Against Violent Engagement
- SBIR - Small Business Innovation Research
- SBTT - Small Business Technology Transfer
- SCB - Standard Chartered Bank
- SCB NY - Standard Chartered Bank, New York Branch
- SCOC - State Commission of Corrections
- SED - State Education Department
- SFY - State Fiscal Year (April 1 Through March 31)
- SHIN-NY - Statewide Health Information Network for New York
- SLRF - State and Local Fiscal Recovery Fund
- SNAP - Supplemental Nutrition Assistance Program
- SOFA - State Office for the Aging
- SSI - Supplemental Security Income
- STAR - School Tax Relief
- STEM - Science, Technology, Engineering, and Math
- STIP - Short-Term Investment Pool
- SUNY - State University of New York
- SY - School Year (July 1 through June 30)

**T**

- TANF - Temporary Assistance for Needy Families
- TAP - Tuition Assistance Program
- TCJA - Tax Cuts and Jobs Act of 2017
- TRS - Teachers' Retirement System
- TY - Tax Year (January 1 Through December 31)

**U**

- UBS - UBS Securities LLC and UBS Real Estate Securities Inc.
- UCS - Unified Court System
- UI - Unemployment Insurance
- URI - Upstate Revitalization Initiative
- U.S. - United States
- UUP - United University Professions

**V**

- VDC - Voluntary Defined Contribution
- VLT - Video Lottery Terminal

**YOUR FAMILY.  
YOUR FUTURE.  
MY FIGHT.**



**Governor Kathy Hochul**

