The FY 2022 New York State Budget

On April 9, 2022 the $220 billion New York State Budget passed both houses of the State Legislature. The BCW was pleased that the final budget included its top legislative priority for 2022 to allow Empire City Casino by MGM Resorts to have the opportunity to secure a commercial casino license. Allowing Empire City Casino to achieve its potential as a full-scale commercial casino now will significantly speed up the state’s recovery and help put New Yorkers back to work in family sustaining union jobs.

The final budget also included $7 billion over the next four years to expand access to child care. This was another BCW priority as the pandemic has really highlighted the direct link between access to child care and people getting to work.

The BCW was pleased that the All Electric Building Act was not included in the final budget. This proposal would have prohibited the construction of new buildings that are not all-electric. The BCW is most concerned about reliability issues and costs that would be pushed down to tenants and homeowners.

The BCW was glad that the Governor and Legislature addressed the Brownfield Clean Up Program, but we were disappointed that they only extended the program for 10 years vs the 15 years the BCW and other groups were advocating for. The additional years are needed for those larger projects encompassing many acres and buildings. We will continue to work with both houses of the Legislature to continue to improve this program when they return from spring break.

The BCW was dismayed that the budget did not include measures to address the $9 billion Unemployment Insurance debt. The BCW has joined with other business groups from across the state in advocating for state resources to help relieve New York’s massive Unemployment Insurance Fund debt and provide UI tax relief to New York businesses. The debt is a result of the COVID pandemic, state-issued mandated shutdowns, and the necessity to borrow money from the federal government to continue to pay a record increase in unemployment claims starting in March of 2020.

Lastly, as we have stated in the past, the BCW has always opposed budgets being debated and adopted in the middle of the night/early morning. There is no reason why the Legislature cannot debate agreed upon budget bills in the light of day so the public can observe the debates on these important bills.

Budget Highlights Include:

Tax Relief for Middle-Class New Yorkers and Small Businesses:
- The budget will accelerate tax relief to middle-class New Yorkers by providing the fully implemented reduced tax rates beginning in Tax Year 2023.
- The budget also provides significant support for New York’s small businesses, including a new capped refundable tax relief program targeting COVID-19-related expenses. The program provides up to $250 million in additional relief to small businesses.
- The budget also creates a new property tax relief credit, the Homeowner Tax Rebate Credit, for eligible low- and middle-income households, as well as eligible senior households. Under this program, basic STAR exemption and credit beneficiaries with incomes below $250,000 and Enhanced STAR recipients are eligible for the property tax rebate where the benefit is a percentage of the homeowners’ existing STAR benefit.
Recovering from the Pandemic:
The budget includes an agreement to spend $2 billion in pandemic recovery reserves on one-time investments, including:

- $800 million in state funds for the Emergency Rental Assistance Program;
- $800 million for hospitals still experiencing financial distress from the COVID-19 pandemic;
- $250 million in utility arrear assistance;
- $125 million in homeowner and landlord assistance; and
- $25 million in other one-time, non-recurring investments.

Transportation Infrastructure:
- The budget includes $32.8 billion five-year capital plan for programs and proposed projects administered by the New York State Department of Transportation.

Child Care:
- The budget invests $7 billion over four years for child care.
- The budget increases the income eligibility threshold for child care subsidies to 300 percent of the federal poverty level ($83,250 for a family of four).
- The budget also expands access to high quality child care by increasing the child care market rate to include 80 percent of providers. This change will broaden the child care options available to subsidy families while also increasing reimbursements for child care providers.
- To further support providers, the budget invests $343 million to provide a second round of provider stabilization grants. These grants will go directly to providers and their employees, with 75 percent of the grants dedicated to workforce support, including wage increases, bonuses, tuition reimbursement and contributions to staff retirement plans and health insurance costs.

Education:
- The budget provides $31.5 billion in total School Aid for School Year 2023. This includes a $1.5 billion Foundation Aid increase, $125 million of additional funding for full-day prekindergarten, and a $451 million increase in all other School Aid programs.
- The budget also includes transformative investments in SUNY and CUNY with more than $500 million in additional support of the systems’ operations and $2.2 billion to fund capital projects on SUNY and CUNY campuses.
- Additionally, it includes $150 million to expand TAP to cover students enrolled in six or more credits of study at a SUNY, CUNY, or not-for-profit independent college.

Public Safety: The budget included bail reform and other changes to public safety laws including:
- Allowing judges to set bail for gun charges that were previously subject only to release;
- Adding factors that judges must consider when setting bail for any bail-eligible offense;
- Closing problematic loopholes on Raise the Age and Discovery; and
- Making Kendra’s Law more effective.

The budget also included $90 million in new resources to support discovery reform implementation and pretrial services, including:
- A $65 million investment in approaches to discovery that ensure public safety, including system-wide coordination, technology, expanded storage capabilities, and administrative support; and
- $25 million for pretrial services, alternative to incarceration services and reentry programs. These services include reminders and monitoring of court attendance, screening, and referrals for mental health and substance abuse treatment.
The budget also included $224 million to fund initiatives to strengthen gun violence prevention efforts of law enforcement and community-based organizations.

Healthcare:
- The budget agreement includes a $20 billion multi-year investment in healthcare.
- $1.2 billion will be dedicated to frontline healthcare worker bonuses, as well as a $4.5 billion multi-year investment in payment reform.
- $2.4 billion to improve healthcare infrastructure and $3.9 billion in funding to provide aid to hospitals struggling financially from the COVID-19 pandemic.
- Another $7.7 billion will be spent over four years to increase the home care worker minimum wage by $3.

Housing:
- The budget includes a $25 billion, five-year housing plan to tackle systemic inequities by creating and preserving 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations.
- This plan also electrifies an additional 50,000 homes as part of the state's plan to electrify one million homes and make another one million electrification-ready. 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.

Environment:
- The budget authorizes an additional $1.2 billion for the Clean Water, Clean Air, and Green Jobs Environmental Bond Act, bringing the total investment to $4.2 billion.
- The budget also contains $400 million for the Environmental Protection Fund to support climate change mitigation projects, improve agricultural resources, protect water sources, advance conservation efforts, and provide recreational opportunities, as well as a $500 million investment to develop the state's offshore wind supply chains and port infrastructure.
- The budget also extends and enhances the state's Brownfield Cleanup Program.
- Includes an additional $500 million in clean water infrastructure funding.

Other Budget Items:
- New Stadium for the Buffalo Bills: The budget includes $650 million in state aid to build a new $1.4 billion stadium for the Buffalo Bills.
- Suspension of Fuel Taxes: New York will suspend the state sales tax imposed on fuel, the motor fuel tax, and the metropolitan commuter transportation district sales tax imposed on gasoline and highway diesel from June through December 2022.
- Ethics Oversight: The budget creates a new entity, the "Commission on Ethics and Lobbying in Government," to replace the Joint Commission on Public Ethics.
- To-Go Cocktails: The budget allows for the sale of alcoholic beverages "to go" for off-premises consumption.

There is more legislative work to be done on numerous issues before the Legislature adjourns in early June. The BCW will continue to have an ongoing dialogue with the Governor and the Westchester County delegation members and the rest of the Legislature to stress that we must be mindful of the numerous challenges that New York’s business community continues to face as we continue to rebound from the pandemic.