



State Budget Update

A week after the start of the State Fiscal Year, the legislature and Governor finally agreed on a state budget for FY22.

The budget avoids the devastating cuts we anticipated during the height of the pandemic thanks in large part to every member who took action on either the federal stimulus package or on specific budget provisions.

However, the budget is by no means perfect. Despite our efforts and the record spending included in the budget, the legislature chose to accept facility closures and bed reductions in the name of savings.

Below is a brief summary of important provisions included in the enacted state budget:

State Agencies

Office of Mental Health (OMH)

One of CSEA's top priorities in budget negotiations was to reject the Executive's proposed closure of 200 state-operated inpatient beds and 100 State Operated Community Residences (SOCR) beds in addition to the proposed closure of Rockland Children's Psychiatric Center.

While the closure of Rockland Children's Psychiatric Center was **rejected**, the legislature got rolled on bed closures.

Despite arming legislators with all the pertinent information on why these beds are so desperately needed, especially with the increased stresses caused by the pandemic, the Senate and Assembly gave in and **accepted** the closure of these beds.

[President Mary Sullivan immediately issued a statement](#) blasting legislators for their abandonment of the neediest New Yorkers and the services provided to them by CSEA members.

The budget **rejects** a proposed merger of OMH and the Office of Addiction Services and Supports (OASAS)

Office of Children and Family Services (OCFS)

- The enacted budget **rejects** the Governor’s proposal to close four OCFS residential facilities – Brentwood RC, Goshen Secure, Red Hook RC, and Columbia Girls Secure – with only six months’ notice.
- The terms of the budget ensure that Brentwood RC and Goshen Secure will be funded for the next fiscal year, stopping any closure during the FY22 fiscal year.
- However, while the budget does allow for the closure of Red Hook and Columbia Girls Secure facilities with 6 months’ notice, CSEA successfully lobbied to ensure that all CSEA employees at those facilities will be able to transfer to a nearby OCFS facility.

Department of Corrections and Community Supervision (DOCCS)

- The enacted budget **accepts** language to allow for the closure of an undetermined number of correctional facilities with only 90-days’ notice, but only provides this authority for one fiscal year. The Executive Budget called for an unlimited number of closures over two years. CSEA opposed and lobbied against this proposal.

Judiciary

- The enacted budget **rejects** the expansion of virtual appearances statewide. CSEA successfully lobbied against this proposal.

State University of New York (SUNY)

- The enacted budget restores a proposed \$46 million cut to SUNY.
- The enacted budget **rejects** the Executive proposal to allow SUNY schools to increase tuition and freezes tuition for three years. The budget instead increases the maximum TAP award and implements a phase-out of the “TAP gap.” The “TAP gap” is the difference between the maximum TAP award and actual tuition costs. Colleges have had to cover this difference on their own. The budget would require the State to provide general fund operating support equal to 33% of tuition credits in 2022-23, increasing to 100% in 2024-25.
- The enacted budget increases community college formula aid from \$2,947 per student to \$3,197 per student and guarantees that each college receives at least 98 percent of last year’s funding.

Department of Motor Vehicles (DMV)

- The enacted budget **rejects** a proposed \$1 fee per DMV transaction and rejects a proposal to increase penalties for assaulting a DMV worker. However, CSEA advocated for the creation of a program for electronic notification of road test results to better protect our Motor Vehicle License Examiners. The DMV has told us that this program will be developed in the coming months.

DOT / Thruway

- The final budget **rejects** proposals for increased protections for highway workers. CSEA will continue to advocate for increased protections for the remainder of the legislative session.

Canal Corporation

- The final budget **rejects** the Governor's proposal to establish a new public benefit corporation with powers to "revitalize" the state Canal System. CSEA opposed this proposal.

Local Governments

- The enacted budget **rejects** the Governor's proposed cuts to Aid and Incentives to Municipalities (AIM) and Video Lottery Terminal (VLT) funding streams and restores funding to last year's budgeted levels.
- The enacted budget provides significant increases in local road and bridge funding. This includes an additional \$100 million in funding through the Consolidated Local Street and Highway Improvement Program (CHIPS), \$100 million for "extreme winter recovery," and \$100 million for a new program being called the City Touring Roads initiative for cities, towns, and villages.
- The budget provides a real property tax "circuit breaker." This program will provide taxpayers earning less than \$250,000 per year with a tax credit for property taxes paid above a certain percentage of income. Benefits under this program will be between \$250 and \$350. The program is in place for tax years 2021 – 2023.

Schools and Libraries

- The final budget provides a \$3 billion year-over-year increase in school aid, including a \$1.4 billion increase in Foundation Aid. The budget also **rejects** the Executive proposal to use federal aid to replace state funding.
- The budget ensures that districts are eligible for transportation aid for expenses incurred during COVID shutdowns in 2019-20, including standby costs during the initial short-term closures.
- The enacted budget restores proposed cuts to library aid and funds such aid at 2020-21 levels. The budget provides \$34 million in library construction aid, a \$20 million increase over the Executive Budget proposal and 2020-21 appropriations.

Retirees

CSEA successfully fought off various proposals to increase health insurance costs for retirees. The following proposals are **rejected** in the final budget:

- Capping the Medicare Part B premium reimbursement for NYSHIP retirees
- Eliminating the IRMAA premium reimbursement for NYSHIP retirees
- Creating a tier 2 retiree health insurance contribution for future New York State retirees.

Health Care

- The budget will require that 70% of all revenue at residential health care facilities be spent on direct patient care, including 40% being spent on resident-facing staff. Excess profits must be returned to the State.
- Restores \$415 million in proposed Medicaid cuts for hospitals and healthcare providers

Child Care

Due to the influx of federal funding from the American Rescue Plan, CSEA was able to successfully secure significant increases in childcare funding and were able to make historic progress on priority agenda items for CSEA/VOICE members:

- \$1.3 billion in childcare stabilization grants. These will be upfront payments that can be used for wages and benefits.
- Creation of a statewide standard of 24 paid absences per child per year.
- A statewide maximum of 10% co-pay of income above the federal poverty line.
- \$225 million to expand eligibility up to 200% of the federal poverty line.
- \$25 million for essential worker scholarships to pay for childcare.
- 12-month eligibility for childcare subsidies (an increase from 6-months).
- \$50 million increase in childcare facilitated enrollment.
- \$40 million for personal protective equipment (PPE).
- \$100 million to expand access in childcare deserts.

Revenues

The budget includes roughly \$5 billion in new revenues, including:

- Higher personal income tax rates for taxpayers earning more than \$1 million, with new brackets added at \$5 million and \$25 million; (\$2.8 billion in FY22, \$3.3 billion in FY23)
 - These rates expire after 2027
- An increase in the corporate franchise tax; (\$750 million in FY22, \$1 billion in FY23)
- Legalizing mobile sports betting (\$500 million once fully phased in)
 - The budget provides that the NYS Gaming Commission will be responsible for contracting with two platform providers who will work with at least four operators to conduct mobile sports betting.
 - The budget also directs the Gaming Commission to issue a Request for Information regarding the three unawarded casino licenses

Other

- The budget includes a \$2.1 billion “excluded workers” fund to provide assistance payments to workers who were ineligible to receive previous state or federal COVID relief.
- A 1% cost-of-living-adjustment for not-for-profit human service workers in OPWDD, OMH, and OASAS.
- Funding for a new Wadsworth lab was restored in the final budget