



## Summary of the New York State Enacted Budget FY 2025-2026

### Overview

The enacted FY2026 New York State budget totals **\$254 billion**.

Overall, this budget is very positive for CSEA members. CSEA was successful in securing several key priorities, including an extension of the civil service exam fee waiver, a 25-year retirement for DMNA Firefighters, \$900 million in new capital funding for SUNY hospitals, and an expansion of the work zone speed camera program, among other items. Further details are below.

While this budget represents a net gain for CSEA members, it comes at a time when the President and Congress are considering up to \$2 trillion in federal spending cuts—many of which would directly impact state funding. If these cuts are enacted, public employees across the state could face layoffs, furloughs, hiring freezes, and a more challenging environment for negotiating open collective bargaining agreements.

In preparation for these cuts, the enacted state budget includes language to allow the Division of Budget to reduce appropriations if **more than \$2 billion** in state revenue is lost. The Legislature will have a 10-day window to propose its own alternative reductions. If they don't, the Division of Budget's cuts go into effect.

### State Operations

#### **Civil Service**

- Extends the **New York Helps** Program through June 30, 2026. This extension is also applicable to local governments that have opted-in to this program.
- **Waives state civil service exam fees** through December 31, 2027, and authorizes localities to waive civil services fees during the same time.
- Introduces an optional **lag pay** program for state employees **hired on or after July 1, 2026**.
  - This is an interim measure as the state works to fully eliminate the lag payroll for new employees by 2030.
  - The program gives new state employees the **option** to receive an advance payment between the employee's start date and first paycheck.

- This advance will be repaid over the first 14 pay periods.
- Requires supervisors and employees who work in human resources in state agencies to take **gender-based violence training**.

### **State University of New York (SUNY)**

- **SUNY Downstate University Hospital & Medical Center**
  - **\$100 million** in operating assistance
  - **\$450 million** in capital, in addition to \$300 million from last year.
- **SUNY Upstate**
  - **\$450 million** to help build a **new emergency department**.
- **State-Operated Campuses**
  - \$114 million in increased operating aid.

### **Office of Mental Health (OMH)**

- Funds **100 new forensic inpatient state operated** psychiatric beds at Manhattan Psychiatric Center and proposes a **\$160 million** capital investment to expand the forensic unit.
- **\$30.7 million** increase to enhance clinical and direct care staffing at forensic psychiatric centers.
- Allows for the **involuntary commitment** of a person to mental health treatment if it is determined that there is substantial risk of harm due to their inability to provide for their own essential needs such as food, clothing, medical care, and shelter.

### **Office for People with Developmental Disabilities (OPWDD)**

- Invests **\$18 million** to renovate the **Sunmount campus** in Tupper Lake. This funding will support roof replacements, exterior repairs, kitchen and bathroom renovations, and paving of roadways and parking lots.
- **\$75 million** in funding to modernize the **OPWDD Institute for Basic Research** in Staten Island.
- **2.6%** inflationary adjustment for human services **not-for-profit agencies**.

## **Department of Corrections and Community Supervision (DOCCS)**

- Authorizes the state to close up to **three** State Correctional Facilities with 90 days' notice.
- Allocates \$400 million in new funding for the acceleration and continued **installation of fixed cameras** in all facilities.
- Provides \$18.4 million for the **expansion of the body camera program**.
- Requires all State Correction Officers to **wear body cameras** while on duty.

## **State Department of Education**

**\$150 million** to renovate the **State Museum** in Albany.

## **Division of Military and Naval Affairs (DMNA)**

- Provides a **25-year** pension plan to DMNA firefighters with a retirement benefit equal to 50% of their final average salary.

## **Olympic Regional Development Authority**

**\$110 million** in new capital funding for Olympic, ski, and other facilities, including Belleayre Mountain Ski Center.

## **Office of Parks, Recreation and Historic Preservation**

**\$200 million** in capital funding for infrastructure projects at state parks.

## **Department of Agriculture**

**\$44 million** in capital investments at the **State Fairgrounds**.

## **Transportation Agencies**

To better protect the safety of employees in work zones, the state budget enhances and expands the existing **Work Zone Speed Camera Program** by:

- **Doubling** the number of cameras available to the Department of Transportation and Thruway Authority. DOT will be authorized to have 40 cameras, and the Thruway Authority can have a maximum of 20 cameras.

- **Expanding** the program to the New York State Bridge Authority and the Triborough Bridge and Tunnel Authority.
- Extending the program’s authorization for **5 years**.

## **Local Governments**

### **Funding**

- **\$758 million** in Aid and Incentives to Municipalities (AIM), plus an additional **\$50 million** in Temporary Municipal Assistance.
- **\$335 million to Albany** through the “Championing Albany’s Potential Initiative,” to increase economic development, public safety, and enhance affordability.
- **\$500 million** for clean water infrastructure investments.
- **\$100 million** Pro-Housing Supply fund for local governments to assist with infrastructure projects necessary to create new housing, such as sewer and water infrastructure upgrades.
- **Exempts local government employers** from Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties from the MTA Tax.
  - This includes counties, cities, towns, villages, special districts, public authorities, and community colleges.

### **Community Colleges**

- Maintains the **funding floor** for community colleges at 100% of prior year funding, **preventing a \$124 million loss** in formula aid due to enrollment declines.
- Provides **\$455.5 million** in operating for SUNY Community Colleges, an increase of \$8 million over last year’s levels.
- Provides \$28.2 million to implement **free SUNY community college** for students aged 25 to 55 pursuing associate degrees in high-demand industries, advanced manufacturing, technology, cybersecurity, engineering, artificial intelligence, nursing, green and renewable energy.

### **Infrastructure**

- **Maintains funding** for local infrastructure funding at last year’s levels, including:
  - \$598.1 million for the Consolidated Local Street and Highway Program (CHIPS)
  - \$39.7 million for the Marchiselli Program.
  - \$140 million for State Touring Routes.
- \$100 million for the Extreme Winter Recovery Program.

## **Education**

### **K-12**

- Provides a total of \$37.6 billion in school aid, a **\$1.7 billion** increase over last year's levels.
- Provides \$160 million to implement **universal free breakfast and lunch** for all students in public, private, and charter schools participating in the federal school lunch program.
- **Bans the use of internet-enabled devices** (e.g., smart phones, smart watches) during school hours by students, with \$13.5 million for implementation.
  - Schools must submit plans for compliance, effective for the 2025-2026 school year.
    - CSEA successfully secured language to **require** school districts to consult with unions when developing these policies.
- Continues to **waive the retirement earnings cap** for employees of school districts and Board of Cooperative Educational Services (BOCES) for 2 years.
- Allows school districts to **delay the implementation** of the zero-emission school bus mandate for up to four years.

### **Libraries**

- Provides \$106.3 million in **library aid**, an **increase of \$2.47 million** over last year's levels.
- Provides **\$44 million** in additional capital funding for library construction.

## **Healthcare**

### **Medicaid**

Provides a **17% increase** to Medicaid funding, including \$425 million for hospitals and \$445 million for nursing homes.

### **Safety-Net Hospitals**

Allocates **\$1 billion** in new funding to the Health Care Facility Transformation Program, which provides capital funding to support projects at safety-net hospitals.

### **Roswell Park Comprehensive Cancer Center**

- Provides **\$55.5 million** in operating support.
- Provides **\$51.3 million** in capital funding.

### **Nassau University Medical Center**

- Makes significant changes to the operational oversight of NUMC:
  - Replacing all current board members on June 1, 2025.
  - Changing the makeup of the board to make the board more accountable to the State.
  - Subjecting NUMC to oversight by the Department of Health and the Nassau County Interim Finance Authority.
- Provides **\$50 million** in new capital funding for the hospital.

### **Childcare**

- Create a **childcare substitute pool** to ensure access to verified and qualified professionals when regular staff are unavailable.
- Provides \$110 million to renovate and build childcare programs, including **\$10 million for home-based programs**.
- \$2.2 billion in state aid for childcare programs, a **\$416 million increase** over last year's levels.

### **Retirees**

The budget **rejects** a proposal to eliminate the Income-Related Monthly Adjustment reimbursement for NYSHIP-enrolled retirees.

## Revenue

- **Extends** the state tax surcharge on high earners for five years.
- Reduces income taxes for joint filers making up to \$323,200 annually, benefiting **77% of New Yorkers**.
- Provides \$2 billion in funding to issue **inflation refund checks** to New Yorkers:

### **Joint Filers**

<b>Income</b>	<b>Amount of Refund</b>
\$150,000 and less	\$400
\$150,001 - \$300,000	\$300

### **Individual Filers**

<b>Income</b>	<b>Amount of Refund</b>
\$75,000 and less	\$200
\$75,001 - \$150,000	\$150

- Increases the **Child Tax Credit**:
  - Starting this year, a maximum of **\$1,000** per child under the age of four.
  - Starting January 1, 2026, **\$500** per child aged four through 16.
  - This enhanced credit is available to:
    - Joint filers making up to \$110,000 per year
    - Individual filers making up to \$75,000 per year
    - Individuals who are married filing separately making up to \$55,000 per year.
  - The tax credit will be reduced by \$16.50 for each \$1,000 earned above these limits.

## Other Issues

- Allows the state to use up to **\$8 billion** in rainy day funds to return the Unemployment Insurance (UI) Trust Fund to solvency.
  - This will save employers approximately \$300 per employee.
  - It will also allow the maximum UI benefit to be increased **from \$504 to \$869 per week** beginning October 1, 2025.
- Allows striking workers to collect unemployment insurance benefits **after a two-week waiting period**. Previously, striking workers were required to have a three-week waiting period before unemployment insurance benefits could begin.

If you have any questions about these issues, please contact the CSEA Legislative & Political Action Department: (518) 436-8622.