



To: Greater Rochester Chamber of Commerce Members
From: Marc Cohen, Chief of Staff
Date: April 20, 2024
Re: FY2025 Enacted Budget Brief

Summary: On April 20, 2024 the FY2024 budget totaling \$237 billion was formally passed. Housing, healthcare, and education were the three most hotly contested issues responsible for the Budget being three weeks late.

The purpose of this brief is to offer an overview of the FY2025 Enacted Budget items most relevant to Greater Rochester Chamber members throughout the Finger Lakes Region. This is not intended to be a comprehensive review of every element of the FY2025 Enacted Budget. There are many issues outside of the Budget that we are tracking and will offer updates on as they develop. If you would like further clarification on any of the items listed below please contact Marc Cohen at Marc.Cohen@GreaterRochesterChamber.com

Major items in the Enacted Budget most relevant to Greater Rochester Chamber members include: (1) public safety reform; (2) labor; (3) housing; (4) healthcare; (5) education; (6) higher education; (7) environmental sustainability; and (8) other provisions of note.

Notably, tax increases on high earners and corporations, the NY HEAT Act, and the Stop Addictive Feeds Exploitation (SAFE) for Kids Act related to regulating social media platforms were omitted from the final Enacted Budget.

Public Safety: The Enacted Budget includes several measures around public safety including (1) elevating assault of a retail worker from a misdemeanor to a felony; (2) creating a penalty for fostering the sale of stolen goods; (3) allowing prosecutors to combine the value of stolen goods when they file larceny charges so if they are stolen from different venues the total can be added up to reach a higher larceny threshold; (4) expanding the list of offenses eligible for prosecution as a hate crime to including gang assault, certain sex crimes, murder, and falsely reporting an incident. Graffiti was included in the Executive Budget Proposal but omitted from the Enacted Budget; (5) establishing the crime of deed theft; (6) prohibiting license plates from being covered up to obstruct the number; (7) implementing enforcement measures against illicit cannabis sales including the ability for OCM to padlock illicit businesses and fines for landlords housing such illicit businesses; and (8) establishing the Refundable Commercial Security Tax Credit Program (\$3,000-\$6,000 depending on the size of the business).

Labor: The Enacted Budget includes several changes to labor law including (1) providing eligible pregnant employees the ability to take up to 20 additional hours of paid personal leave for prenatal medical appointments, to take effect January 1, 2025; (2) requiring paid breaks for up to 30 minutes for mothers who are nursing each time the employee has reasonable need to express milk (employees taking excess of 30 minutes would be permitted to use existing paid breaks/mealtime for milk expression); and (3) sunsetting of the COVID-19 sick leave law to take effect July 31, 2025. Notably, the Enacted Budget excludes increases to short term disability benefits.

Housing: Housing was among the most hotly contested issues during this year's budget negotiations. Much of the package is relevant to New York City so this section focuses on those elements most pertinent to Greater Rochester. The final Enacted Budget includes (1) authorization for the Mortgage Insurance Fund to be used to support community development and housing programs including in rural areas and for homeless housing; (2) "Good Cause" eviction for NYC and an opt-in model for municipalities outside of NYC. The deal deviates from

the original proposal by exempting landlords who 10 units or fewer as well as buildings built after 2009 (exempted for 30 years). Language also excludes “squatters” in the definition of what constitutes a tenant. (3) removal of the Individual Apartment Improvements cap which allows landlords to increase rent for repairs, upgrades, or additional services; and (4) \$40 million in federal funds for the Small Cities Community Development Block Grant.

Healthcare: Healthcare was among the most hotly contested issues discussed during this year’s budget negotiations. The final Enacted Budget includes: (1) an increase in the State share of Medicaid from \$31.2 billion to \$37 billion. That increase is expected to be offset by a waiver allowing for taxation on managed care organizations (MCOs), pending Federal approval. This federal waiver is in its second of four years and would enable MCOs to be reimbursed by the federal government for taxes paid under this provision. (2) an increase in \$525 million in Medicaid funding for hospitals; (3) an increase in \$285 million in Medicaid funding for nursing homes; (4) a significant reduction in the Consumer Directed Personal Assistance Program (CDPAP) to one statewide fiscal intermediary (FI) with the potential for regional “subcontractor” FIs; and (5) elimination of co-pays for insulin under all state-regulated health plans.

Education: Education was among the most hotly contested issues discussed during this year’s budget negotiations. The final Enacted Budget reverses the proposal to reduce school aid and instead will reduce the inflation factor in the Foundation aid formula for the 2024-2025 school year. The budget also calls for a study around the Foundation Aid formula.

Higher Education: The enacted budget includes the following for higher education: (1) \$959.7 million for the Tuition Assistance Program (TAP); (2) increases TAP income thresholds; (3) expands TAP eligibility for any student enrolled in a degree-granting higher education institution; (4) \$22.3 million for BUNDY Aid with amendments to the program that limits eligibility for BUNDY aid to private institutions with endowment assets of less than \$750 million; (5) \$49 million for Higher Education Opportunity Programs; (6) \$21.8 million for the Science and Technology Entry Program; (7) \$40 million in new dollars for the Higher Education Capital Matching Grant Program (HeCAP); and (8) a requirement that all high school seniors or their parent/guardian certify they have either completed and submitted the FAFSA or Dream Act application or completed a waiver form indicating they are aware of the FAFSA, but have chosen not to complete it.

Environmental Sustainability: The Enacted Budget includes various measures related to environmental sustainability and energy including (1) inclusion of the Renewable Action Through Project Interconnection and Deployment (RAPID) Act with the Office of Renewable Energy Siting (“ORES”) serving as the program’s “one-stop-shop” to help streamline execution; (2) a provision mandating NYSERDA to conduct an evaluation on the need for additional, fast EV charging stations; (3) an additional \$500 million in clean water infrastructure funding over two years; (4) an increase to the maximum award certain communities may receive from the Climate Smart Communities (CSC) Program; and (5) \$400 million for the Environmental Protection Fund.

Notably, the budget excludes: the NY HEAT Act, the Affordable Gas Transition Act, the Climate Change Superfund Act, clarification of the Telecommunications Assessment Ceiling Program, and the Safe Lithium-Ion Batteries proposal.

Other Provisions: The Enacted Budget also includes the following: (1) a five year extension of to-go alcohol sales for an additional; (2) the ability for movie theaters to sell liquor and spirits in addition to the already permitted beer and wine; (3) a two year extension of Mayoral Control of NYC schools; (4) the authority for the Governor to close up to five additional NYS prisons; (5) \$2.4 billion for humanitarian assistance for migrants; (6) NY SWIMS including \$150 million for grants to localities to build 10 new landmark public swimming pools, support innovation in pool designs, and deploy pop-up above-ground pools to combat extreme heat; (7) a payroll tax credit for local news outlets; (8) 8.7% increase in STOA for RTS; and (9) Empire AI and an artificial intelligence computing center in Buffalo to be used by NYS colleges and universities; and (8) requirement for SUNY projects over \$10 million to have a PLA in place.