

Dear Friends,

What a difference a few months makes. Last December I received sympathetic comments that I was starting in the Assembly during an incredibly difficult financial period, with a pandemic-induced recession having decimated state funding. We were facing a very large budget gap and the likelihood of enormous funding cuts.

Four months later, improved economic forecasts and greatly-needed pandemic relief from the federal government have enabled us to **restore proposed cuts and increase must-needed investments in many major budget areas.** Meanwhile, New Yorkers – who for decades have been sending far more of their tax dollars to Washington than they have received back – are finally seeing some equity. Again, my thanks to Senator Schumer and the New York Congressional delegation for their part in securing funds for New York under the American Rescue Plan.

As to the state budget, we could always use additional funding in one area or another, but funds are not unlimited and choices need to be made. And while this budget does make modest increases in taxes to the highest earners and the most profitable corporate franchises, these revenues help restore cuts, finance new programs to help taxpayers stay in their homes, and gets back on schedule the phasing-in of middle class tax cuts. The budget significantly increases funding to schools, as well as funds to our villages, towns and cities, which will allow school and municipal taxes to be held down. New York is on the path to long-term financial stability and predictability.

As you would imagine, the \$212 billion budget is long and complex, but I do want to provide you with some highlights. If there are any areas not covered below, or you have any questions after reviewing the information, please do not hesitate to reach out. Additionally, this coming Thursday at 7 pm, NYS Senator Shelley Mayer and I will be holding a joint budget forum – please join us! RSVP by clicking here. You will also be able to view the forum via my Facebook page.



### **Items of Local Interest**

Turning now to the specifics, I am pleased the budget includes a number of items that I requested for the district and County, as well as other items that I worked with my colleagues to achieve. I am very grateful for the support of Assembly Speaker Carl Heastie in helping us to fulfill these requests. They include:

- \$300,000 for the East of Hudson Watershed Corporation, to carry out an engineering study to
  identify the most severe wastewater problems in the New York City watershed area within the
  19 municipalities comprising the EOHWC. This budget item would not have been possible without
  the advocacy of the mayors and supervisors of the municipalities who made the original request. I
  also wish to acknowledge the critical support of State Senators Shelley Mayer and Peter Harckham.
- \$1,000,000 for <u>ArtsWestchester</u> to support scores of nonprofit arts organizations throughout the County. This would not have been possible without the advocacy of these organizations, the leadership of ArtsWestchester and my colleagues in the Westchester Assembly delegation.
- \$380,000 for <u>Legal Services of the Hudson Valley</u>, including extending support services for veterans into Putnam and Westchester Counties. This would not have been possible without the advocacy of Veterans Committee Chair Didi Barrett, to whom I am extremely grateful.
- \$1,000,000 for supplemental grant funding for municipalities to help defray the cost of publicly available electric vehicle charging stations.
- Restoration of funding that otherwise would have been cut affecting programs serving the
  intellectually and developmentally disabled (more on this below). I played a supporting role to
  Assemblymember Tom Abinanti, who chairs the Committee on People with Disabilities, of which I am
  a member. The greatest thanks go to the parents, relatives and advocacy groups who made their
  voices heard.
- Under the leadership of Assemblywoman Sandy Galef, chair of the Real Property Taxation Committee, the Westchester and Rockland delegations successfully fought the Executive Proposal to alter the Enhanced STAR program. Under the proposal, new property owners who are 65 years or older, with incomes of \$90,550 or less, would instead be mailed a check rather than be able to deduct the exemption from their school property taxes. For those on fixed or limited incomes, coming up with the additional funds to cover those taxes particularly if the check did not arrive on time could have been extremely burdensome. Allowing the program to stay intact will allow seniors with more limited means to be able to continue living in their homes, without the extra burden these changes would have wrought.

# **Education**

The budget contains \$29.1 billion in school aid, including a \$1.4 billion increase in Foundation Aid (the largest category of unrestricted aid from Albany supporting public school district expenditures), for a total of \$19.8 billion in Foundation Aid funding for our schools. Districts will receive at least 60% of the aid owed to them under the state's funding formula. Every school district in the 93rd Assembly District will receive an increase through combined state and federal aid. The budget agreement also commits to fully funding Foundation Aid within three years. This is the first time there has been a solid commitment to fully funding Foundation Aid.

There is also a \$13.7 billion increase for higher education. This includes funds for the SUNY and CUNY school systems, where there will be no tuition increase, offset by the budget's funding increases. Additionally, the maximum award under the Tuition Assistance Program is increased by \$500, taking it from \$5,165 to \$5,665.

#### **COVID-19 Recovery**

#### Small Businesses and the Arts & Entertainment Industry

The budget includes <u>various provisions to help small business and the arts & entertainment industry</u>, including.

- \$800 million for a small business pandemic recovery grant program to cover various business costs
- \$25 million in grant funds and \$35 million in tax credits for restaurants in areas impacted by enhanced COVID-19 restrictions
- \$40 million for a new Arts Recovery Grant program to assist with reopening efforts of various not-forprofit arts organizations and to provide financial support for the conversion of outdoor venue spaces
- \$43.1 million in total support for the New York State Council of the Arts (NYSCA) operating budget and \$1 million for arts stabilization grants
- \$100 million for a musical and theatrical production tax credit
- \$20 million to support for the Arts and Cultural Facilities Improvement Program

#### Rent Relief and Homeowner Relief

In total, approximately <u>\$3 billion in combined federal and state dollars will be provided</u> for rent and homeowner relief, including:

- \$100 million for a hardship fund for those who cannot access funds from the Emergency Rental Assistance Program
- \$100 million to reduce homelessness
- \$575 million in federal homeowner relief, including a three year, \$60 million commitment to fund the Homeowner Protection Program (HOPP), which provides legal assistance to homeowners facing foreclosure

#### **Excluded Workers**

I am especially proud that New York State is the first in the nation to provide a robust pandemic relief program for essential workers who do not have access to unemployment benefits, federal stimulus funds or other assistance to which others have access.

The budget includes \$2.1 billion for the Excluded Workers Fund. This fund, to be administered by the Department of Labor, would provide one-time relief funds for any individual ineligible for unemployment benefits or federal stimulus payments and has suffered a loss of work-related earnings or household income due to COVID-19. This could include having lost employment or work hours, or becoming the breadwinner or major source of income for a household in the event that the head of household has died or become disabled. DOL will establish eligibility rules, to be approved by the Attorney General and subject to Comptroller review.

## **The Environment**

Under this budget there is a significant increase in the State's investment, with \$1.84 billion in funding for the environment, including:

- \$300 million for the New York State Environmental Protection Fund, which includes \$19.5 million for municipal parks, \$18 million for farmland protection, \$16 million for Zoos, Botanical Gardens, and Aquariums and 15.3 million to support municipal recycling
- Funding to put the \$3 billion "Restore Mother Nature" Environmental Bond Act on the ballot in November 2022. The fund would finance critical environmental restoration projects, including reducing flood risk for vulnerable communities, investing in more resilient infrastructure, restoring fish and wildlife habitats and preparing New York to better withstand the impacts of climate change.
- \$500 million to support New York State's clean water infrastructure

### **Transportation and Infrastructure**

The budget invests \$11.2 billion in the state's transportation network, including significant funds to maintain roads, bridges and highways, including for localities:

- \$538.1 million for funds to localities (known as the Consolidated Highway Improvement Program (CHIPs)), an increase of \$100 million
- \$100 million for extreme weather recovery costs
- \$150 million for Pave NY, a \$50 million increase
- \$39.7 million for local match to federal funds for local highway and bridge capital projects
- \$100 million for a new capital program to reimburse cities, towns and villages for the cost of capital projects on State local roads and bridges, where the municipality has capital maintenance responsibility

## **Child Care**

The budget allocates \$2.4 billion in federal child care aid that among other things would:

- Increase eligibility for subsidies
- Provide \$1.3 billion in stabilization grants to providers
- Cap copays to 10% of a family's income over the federal poverty level
- Ensure 12-month eligibility for families in receipt of subsidies
- Provide added funding for facilitated enrollment
- Restore \$69.4 million in local assistance for multiple programs, including child care programs, family and children's programs and youth programs

### **People with Disabilities**

As a member of the Committee on People with Disabilities, I advocated for the restoration of funding that the Governor's proposed budget had cut in this area. The adopted budget reflects a significant improvement, including:

- \$53.4 million to support the creation of new service slots and expanding certified housing supports, community habilitation, respite services, housing subsidies, self-direction services, day programs and employment options
- Restoration of \$20.82 million for Care Coordination Organizations (CCOs) rates
- Restoration of \$12 million for non-medicaid state-only services
- Restoration of \$5.25 million for the fee-for-service Medicaid rate for OPWDD programs
- Additional funding for various initiatives for those with intellectual and developmental disabilities

## **Veterans**

As a member of the Veterans Committee and an advocate of funding for veterans' programs, I am pleased to report that the Legislature provides an appropriation of \$23.75 million, which represents an increase of \$4.2 million over the Governor's proposal. The legislature is moving ahead in separate legislation to modify the operations of Veterans Treatment Courts to be more responsive to the needs of veterans.

## **Libraries**

Responding to advocacy requests from our public libraries, the budget provides **\$7 million in funding for operations for public libraries** and a \$20 million increase in capital funding for a total of \$34 million.

## **Taxes**

Finally, people have asked "If you're getting all this money from the federal government, how can you consider raising any taxes?" It's a fair question.

The American Rescue Plan provides one-shot funds. With the Legislature's multiyear plan, there will be sufficient funds after the federal pandemic relief is gone. It is for this reason there are tax increases at the higher income levels. This budget:

- Increases the existing top tax rate from 8.82% to 9.65% for those with incomes between \$1 million (\$2 million for joint filers) and \$5 million, to 10.3% for those with incomes between \$5 million and \$25 million and to 10.9% for those with incomes over \$25 million
- Increases the corporate franchise tax rate from 6.5% to 7.25% for corporate franchises with incomes over \$5 million

Meanwhile, the budget agreement puts back on schedule the phased middle-class tax cuts which, when fully phased-in, will provide the lowest middle-class tax rates in 70 years. Had it been delayed, as the Governor had proposed, the burden of the delay would have fallen on married taxpayers with annual income between \$43,000 and \$323,000 and single filers with annual income between \$21,000 and \$215,000.

#### Additional Property Tax Relief

In addition to funds in the district going to school districts and municipalities to help hold down property taxes, there is a new **property tax circuit breaker** that provides some relief for taxpayers with household incomes under \$250,000, whose property taxes exceed 6% of their income.

These benefits would be provided on a sliding scale, which would be based on a taxpayer's income, and would be capped at a maximum of \$350 per year. I would have liked to see a higher amount, but it's a good start.

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Again, if you have questions about any of the information above, or any items not discussed, please do not hesitate to reach out to me at <a href="mailto:burdickc@nyassembly.gov">burdickc@nyassembly.gov</a> (or simply reply to this email) or <a href="mailto:come to Thursday's budget forum">come to Thursday's budget forum</a>.

(Miss any of our previous newsletters? You can find them here)

Sincerely yours,

Chia Burdick

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