



CAPITAL PLAN OVERVIEW



Governor Hochul is making significant investments that will play a critical role in building New York’s future, creating jobs and growing the economy, across the State. The major investments being made in New York’s infrastructure and economic revitalization today will chart a course for the safety, mobility, prosperity, and health of New Yorkers tomorrow. The Executive Budget builds on major investments in transportation and mass-transit; affordable and supportive housing; economic and community development; and environmental initiatives, including the approval of the largest Bond Act in New York State history. New proposals focus on developing quality affordable housing; increasing access to care and housing opportunities for individuals with mental health issues; public safety initiatives; health care technology and system transformation; and investments in SUNY and CUNY infrastructure.

FEDERAL FUNDING

On November 13, 2021, President Biden signed the \$1.2 trillion Infrastructure Investment and Jobs Act into law. The State is projected to receive \$13.4 billion in new Federal funding over the next 5 years, of which \$5.7 billion is expected to flow through the State budget for road and bridge projects, and \$7.7 billion will be disbursed by public authorities, primarily

the MTA, and local governments. In total, the State is expected to receive funding for the following essential programs:

- Roads, Bridges, and Major Projects (\$4.6 billion);
- Public Transit (\$4.1 billion);
- Clean Water, Weatherization, and Resiliency (\$3.2 billion);
- Broadband (\$800 million); and
- Airports (\$685 million)

MAJOR ONGOING INFRASTRUCTURE INVESTMENTS

Governor Hochul is committed to advancing major infrastructure projects that are supported by the State, local governments, public authorities, private entities, and the Federal government. The State budget includes investments in projects that will improve the State’s transit systems, modernize airports, and rebuild infrastructure to upgrade the State’s transportation network in a timely manner and prepare for future generations. Major infrastructure investments currently underway include:

TRANSFORMATIVE INFRASTRUCTURE PROJECTS (billions of dollars)			
	Total Project Costs	State Share	Other Funding Partners Share ¹
Transformative Projects Total	108.7	13.5	95.2
Gateway Tunnel Project ²	16.1	3.2	12.9
MTA Capital Plan 2020-2024 ³	52.1	3.0	49.1
Commuter-First Penn Station ⁴	22.0	7.0	15.0
Transform JFK Airport	18.5	0.3	18.2

¹ Includes funding from federal & local govts, public authorities, and other funding outside of the State budget.

² State funding share is still being finalized. Total includes financing costs.

³ State share excludes new revenue sources enacted by the State to fund \$25 billion of the capital plan.

⁴ State budget includes \$1.3 billion appropriation to initiate the project. Funding shares still being determined.

Gateway Hudson Tunnel Project. The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy and are in dire need of repair and expansion to increase capacity. This project will revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. Project costs estimated at \$16.1 billion.

Pennsylvania Station Area Civic and Land Use Improvement Project. The State has completed the transformation of the James A. Farley Post Office building into the Moynihan Train Hall and opened a new, state-of-the-art expanded West End Concourse at Penn Station. The concourse provides direct access to 17 of the station's 21 tracks for Long Island Rail Road (LIRR) commuters and intercity rail passengers, offering an underground connection between the Moynihan Train Hall and Penn Station via 33rd Street with a direct link to the 8th Avenue Subway (A/C/E Trains).

Expanding on this vision, Governor Hochul plans to create a commuter-first Penn Station. The reconstructed Penn Station will create a double-height, light-filled train hall that more than doubles passenger space from 123,000 square feet to 250,000 square feet and nearly doubles the number of entrances from 12 to 20. The station reconstruction complements the station expansion that will increase track and train capacity by 40 percent to more effectively accommodate the service needs of travelers and commuters at the busiest transit hub in the Western Hemisphere. Project costs are estimated at \$22 billion including station reconstruction, expansion and improvements to public realm and transit.

MTA's \$52.1 billion 2020-2024 Capital Program. Represents the largest investment in MTA infrastructure in state history, almost 70 percent larger than the any previous program. The current

program is revitalizing the subway system, and prioritizes improving signal technology, increasing accessibility, and improving quality of life issues. The Capital Program also ensures investment in the LIRR and Metro North Railroad, and upgrading bus service. The final stage of the Capital Program will advance several major initiatives including:

- **Central Business District Tolling Program.** The congestion pricing plan is the first of its kind in the nation. It will combat gridlock and deliver \$15 billion in financing to support the 2020-2024 Capital Plan.
- **Accessibility.** The program will increase accessibility by making 70 more subway stations ADA-accessible resulting in over 60 percent of passenger stations fully accessible.
- **Second Avenue Subway Phase 2.** The project will provide three new fully accessible stations, extending service from 96th street to 125th street, and a connection with Metro-North.
- **Penn Station Access.** The project will carry the New Haven line and East Bronx residents directly into Penn Station, and create four new, ADA-accessible Metro-North commuter railroad stations at Co-op City, Morris Park, Parkchester/Van Nest, and Hunts Point.



Governor Hochul and MTA Break Ground on Metro-North Penn Station Access Project

- **East Side Access.** The project will bring the LIRR into a new concourse below Grand Central Terminal.
- **LIRR Third Track.** The project will add 10 miles of mainline between Floral Park and Hicksville which will provide increased capacity and shorten service disruptions for 41 percent of LIRR ridership.

Transforming John F. Kennedy Airport. The State is proceeding with a historic \$18.5 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21st century airport that calls for an overhaul of the airport’s eight disparate terminal sites into one unified JFK Airport. Work will include demolishing old terminals, utilizing vacant space, and modernizing infrastructure, while incorporating the latest in passenger amenities and technological innovations. This record investment includes \$15.6 billion in private sector funding and will increase the airport’s capacity by at least 15 million passengers annually. The first new facilities are scheduled to open in 2023.

FIVE-YEAR CAPITAL PLAN & BUDGET

The State’s Five-Year Capital Plan projects spending \$95 billion from State capital appropriations. Funds used to support the plan will include State bonds, State PAYGO (Pay-As-You-Go, e.g., taxes and fees); and Federal funding.

Major initiatives added or continued in FY 2024 include:

Five-Year Department of Transportation Capital Plan. The Executive Budget includes funding for the second year of a five-year, \$32.8 billion Department of Transportation (DOT) Capital Plan. The DOT Capital Plan leverages Federal funding commitments made in the Infrastructure Investment and Jobs Act to support phases of major infrastructure projects, including the Hunts Point Interstate Access Improvement and the replacement of I-81 in Syracuse. The new plan also supports new large-scale projects, including: modernizing the Livingston Avenue Bridge in Albany; reconnecting neighborhoods across the Kensington

Expressway in Buffalo; converting Route 17 to I-86 in Orange and Sullivan Counties; and assessing ways to improve road capacity at the Oakdale Merge in Suffolk County. The DOT Capital Plan also includes an additional \$1 billion for the BRIDGE NY program and \$1 billion for the Pave Our Potholes (POP) program, and continues record commitments to funding local highways and bridges, including through the Consolidated Highway Improvement Program (CHIPS).

Five-Year Housing Plan. The Executive Budget continues a \$25 billion, five-year housing plan to create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrifying an additional 50,000 homes as part of the State’s plan to electrify 1 million homes and make another 1 million electrification-ready. Funding includes \$5.7 billion in State 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. Additionally, the FY 2024 Executive Budget proposes a \$250 million Infrastructure Support Fund, as part of the New York Housing Compact, to support projects that facilitate the construction of increased housing, such as sewer and water infrastructure, parking facilities that allow existing lots to be repurposed, school infrastructure needs, and improvements to accommodate neighborhood growth and livability.

Expansion of Mental Health Capital Programs:

- **Residential Programs.** Governor Hochul is investing \$890 million in capital to build 2,150 new residential beds for people with mental illness who need varying levels of supports. This includes 500 new Community Residence – Single Room Occupancy (CR-SRO) beds, 900 Transitional Step-Down Beds, and 750 permanent Supportive Housing beds. The Governor’s plan also calls for 600 licensed Apartment Treatment beds and 750 scattered site Supportive Housing beds, which do not require capital funding for a total of 3,500 new units throughout the State.
- **Outpatient Services.** The Executive Budget supports the Governor’s proposal to significantly

expand outpatient mental health services throughout the State by funding 12 new Comprehensive Psychiatric Emergency Programs, including \$60 million in capital.

- **Inpatient Bed Capacity.** The FY 2024 Executive Budget includes \$18 million in capital funding to open 150 State-operated inpatient psychiatric beds, which are part of a multi-year plan to increase operational capacity at mental health facilities.

Capital Funding to Support Public Safety. The Executive Budget proposes \$35 million for a new round of capital grants to support the Securing Communities Against Hate Crimes program and continues \$50 million in funding to meet the needs of communities most impacted by gun violence. In addition, the Executive Budget invests \$100 million for the purchase and renovation of a new forensic laboratory, an additional \$80 million for the renovation for a new State Emergency Operations Center, and \$25 million to support the rehabilitation and renovation of the Lexington Avenue Armory.

Higher Education. The Executive Budget proposes \$2 billion in new capital funding for SUNY and CUNY, including \$1.2 billion to maintain and preserve campus facilities and make strategic investments, \$400 million for SUNY transformation capital investments, \$224 million for community colleges, and \$150 million for capital projects at SUNY hospitals.

Clean Water, Clean Air, and Green Jobs Bond Act. In November 2022, voters approved a \$4.2 billion bond act that will support: capital improvements and enhancements in flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure. New program funding approved in the bond act is expected to begin in FY 2024.

Wadsworth Center. The Executive Budget includes a \$1.7 billion investment to support the Wadsworth Center Laboratories and Research reconstruction effort. A portion of the funding, \$750 million, was appropriated in the FY 2018 Enacted Budget. Funds were originally appropriated for a new building

housing all of Wadsworth Lab's activities under one roof but, due to the pandemic and inflation, construction of the new laboratory was divided into two phases. This proposal would support costs for building both phases. The Wadsworth Lab, a public health research laboratory of the New York State Department of Health (DOH), played an essential role in helping New York battle COVID-19. New York State is committed to supporting the rebuilding of this Center, ensuring that these vital DOH facilities can prepare to fight future public health challenges on behalf of New Yorkers.

Modernize Aging & Inefficient Low-and-Moderate Income Homes. The Executive Budget includes \$200 million for NYSERDA to launch the EmPower Plus program. This funding will provide low-income New York residents with no-cost energy efficiency solutions for their homes.

Clean Water Infrastructure. The Executive Budget adds a \$500 million appropriation to support clean water infrastructure, raising the State's total investment to \$5 billion. These funds will be expended via locally based construction projects that will result in safer and improved municipal drinking water distribution, filtration systems, and wastewater treatment infrastructure.

Health Care. The Executive Budget proposes a new \$1 billion capital investment in health care, including \$500 million for the purpose of financing capital improvements for eligible health care providers, improving health care delivery, and \$500 million to finance information technology improvements statewide.

Parks Capital. The Executive Budget allocates \$200 million in New York Works capital funding to the Office of Parks, Recreation and Historic Preservation to continue the State's investment in critical infrastructure projects.

Broadband and Digital Infrastructure. The Executive Budget continues \$1.6 billion to support the ConnectALL initiative to provide affordable broadband access to New Yorkers in rural and urban areas statewide. The initiative aids in the removal of existing barriers to broadband access,

including fee exemptions for rural deployments; standardizing processes for state land and rights-of-way deployments; and addressing issues in serving multiple-dwelling units.

Economic Development. The Executive Budget provides \$845 million in new economic and community development funding across a number of valuable programs, including Round XIII of the Regional Economic Development Council (REDC); a seventh round of Downtown Revitalization Initiative, which will also include NY Forward as a way to enhance support for smaller, rural communities; the New York Works Economic Development Fund; and funding for the Olympic Regional Development Authority (ORDA) to continue upgrading and modernizing training facilities and ski resorts.

NYRA. The Executive Budget includes \$455 million in capital to fund the redevelopment of Belmont Racetrack. The project will result in the creation of new tracks and parking as well as the construction of a new clubhouse. This project will facilitate the move of Aqueduct racing to Belmont, allowing the State to repurpose the Aqueduct property. NYRA is expected to repay the State for the entire cost of the project using funds dedicated to capital improvements.

TAKING ACTIONS TO ENSURE AFFORDABILITY

Governor Hochul is using a disciplined approach to control and target new borrowing to keep debt affordable and within the State's debt limit. The Capital Plan includes \$6 billion of cash resources for pay-as-you-go capital spending, which is being used in place of higher cost taxable debt issuances. This effective management of State debt costs will enable the delivery of affordable infrastructure investments.

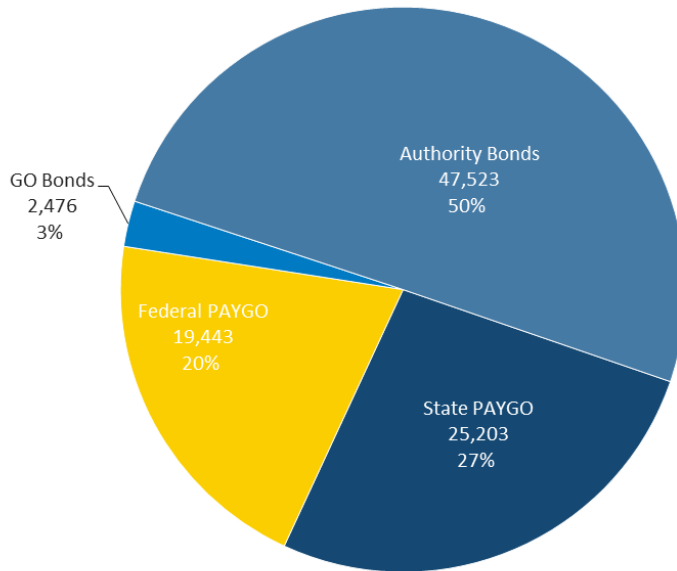
State debt will continue to remain affordable as evidenced by the following debt metrics:

- Over the past decade the State has been disciplined in its use of debt, while making significant investments in the State's infrastructure. From FY 2014 to FY 2023, debt outstanding has increased from \$55.2 billion to \$58.5 billion (projected), or an average of 0.7 percent annually. By comparison, in the prior 10

years, debt grew by 2 percent annually.

- State-supported debt is projected to remain within the statutory debt caps throughout the Five-Year Capital Plan as a result of the strategic cash contribution of \$6 billion over multiple years to reduce debt issuances.
- State-related debt outstanding as a percentage of personal income is expected to remain below historical levels across the Five-Year Capital Plan and is projected at 4.8 percent in FY 2028.
- Debt service costs are estimated at \$6.7 billion in FY 2024, after adjusting for debt service prepayments, which is a decrease of 0.7 percent from FY 2023.

Five-Year Capital Spending by Financing Source
(millions of dollars)



Five-Year Capital Spending by Function
(millions of dollars)

Five-Year Capital Spending by Function
(millions of dollars)

