



FY 2026

EXECUTIVE BUDGET

TECHNICAL PRESENTATION | JANUARY 21, 2025

BUDGET DIRECTOR **BLAKE G. WASHINGTON**

DEPUTY BUDGET DIRECTOR **MATT HOWARD**

DEPUTY BUDGET DIRECTOR **MARK MASSARONI**

FISCAL OVERVIEW

ECONOMY

Robust growth expected to continue

- GDP grew at 2.7% in 2024; will continue growing at 2.1% in 2025.
- Inflation improved for much of 2024; will remain elevated in coming years.

Labor market will continue slow growth

- State employment growth will slow from 1.5% in 2024 to 0.8% in 2025.
- State unemployment rate will remain unchanged at 4.3% in 2025.

Strong personal income growth

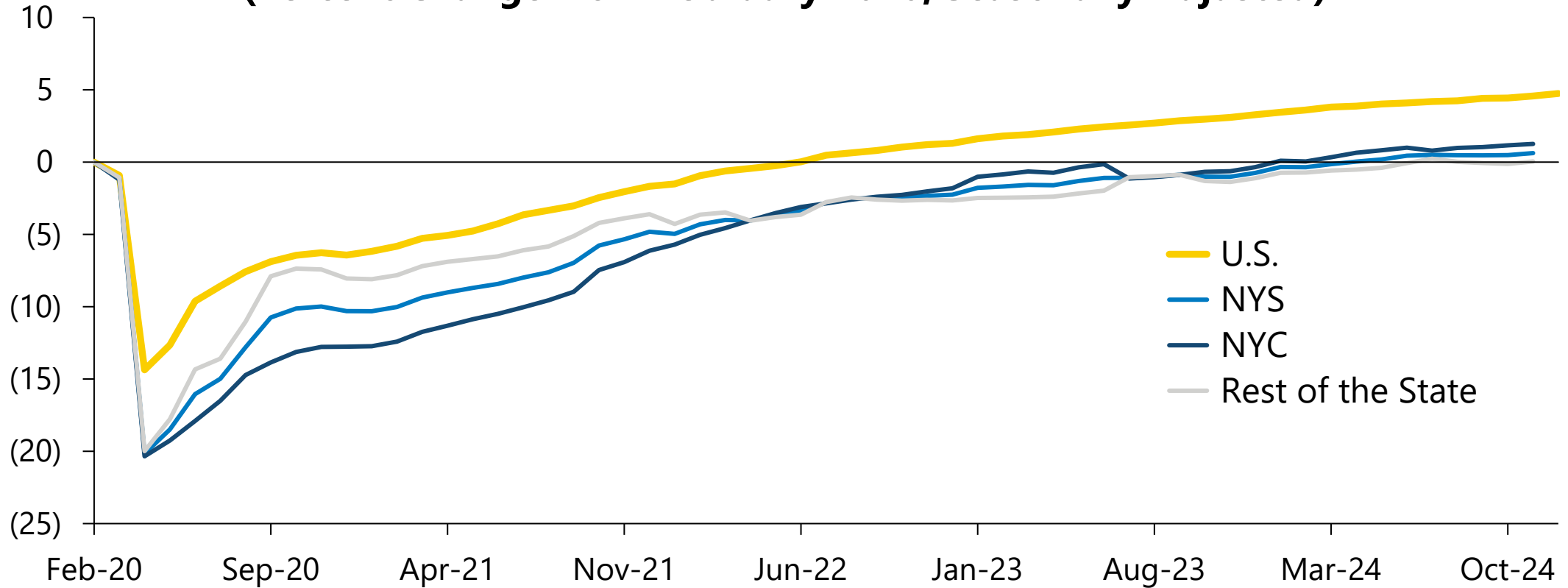
- State wages will grow by 5.4% in FY 2025 driven by bonus payments. Wage growth will continue at 3.7% in FY 2026.
- Personal income growth will be 5.2% in FY 2025 and 4.1% in 2026.

New risks and uncertainties

- Scale and scope of Federal trade, immigration, and tax policy changes remain to be seen.
- Renewed inflationary pressures could slow expected interest rate cuts.

EMPLOYMENT

New York State Employment Recovery (Percent Change from February 2020, Seasonally Adjusted)



INCREASING TAX REVENUE



EXECUTIVE BUDGET OVERVIEW

FY2026 EXECUTIVE BUDGET OVERVIEW

\$252B

ALL FUNDS

**3.6%
INCREASE**

\$144B

OPERATING

**7.9%
INCREASE**

PUTTING MONEY BACK IN NEW YORKERS' POCKETS

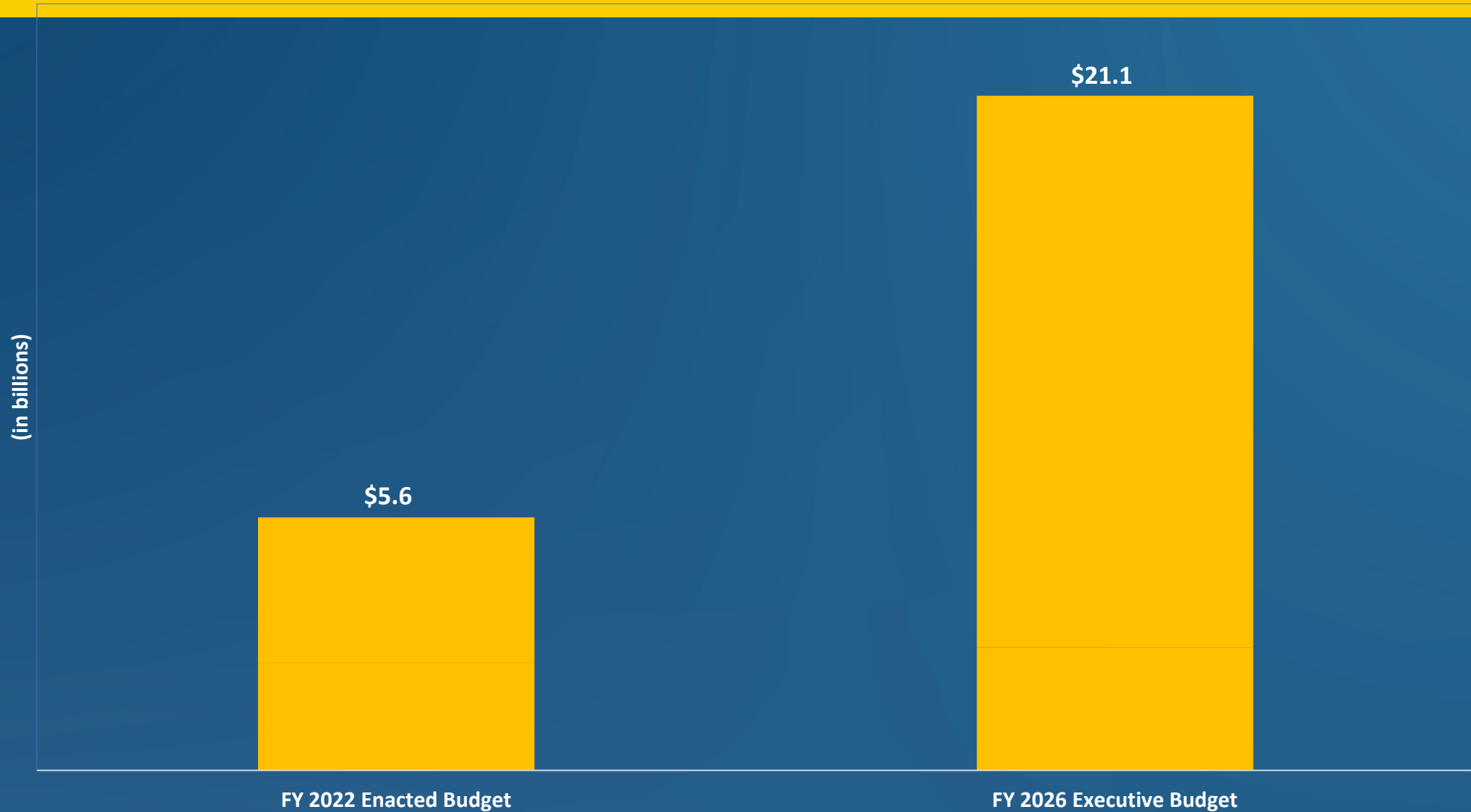
- ✔ \$5 billion Affordability Package
 - ✔ \$3 billion Inflation Refund Proposal
 - ✔ \$1 billion Middle Class Tax Cut Proposal
 - ✔ \$825 million Enhanced Child Tax Credit Proposal
 - ✔ No Proposed Income Tax Increases
- ✔ Free Meals



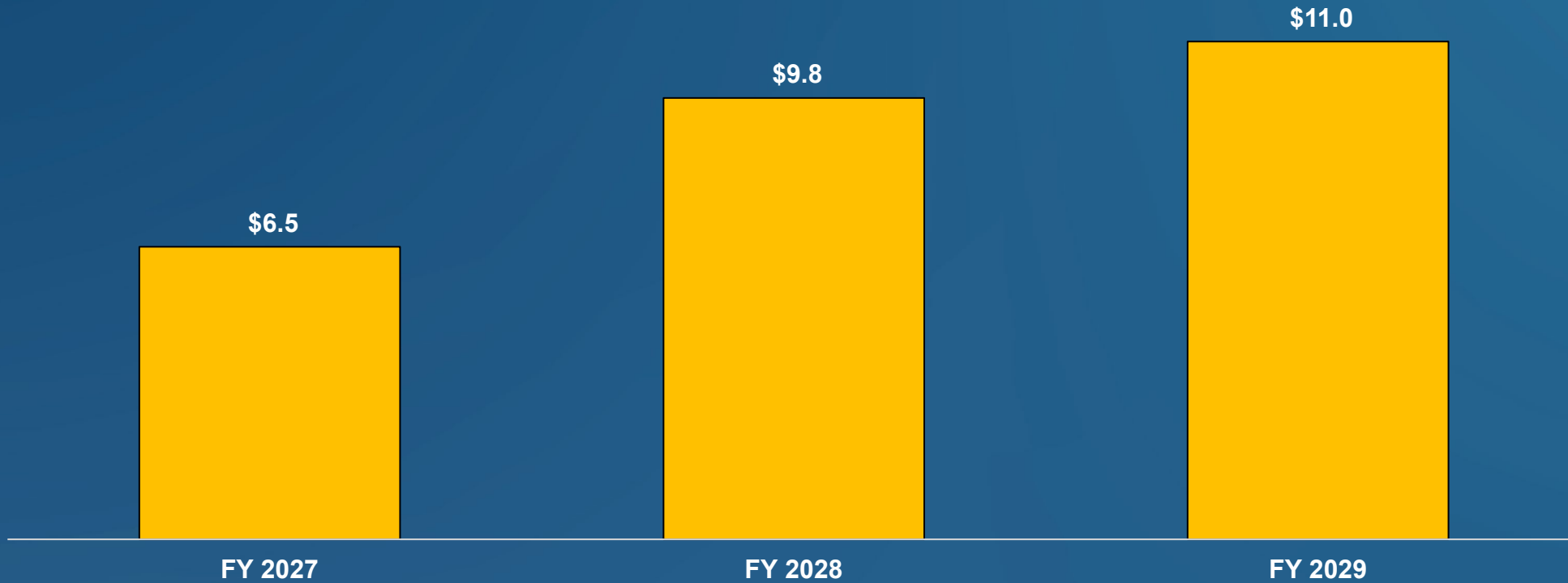
FISCAL HEALTH

- ✔ \$21.1 billion Principal Reserves Balance
- ✔ \$5.3 billion Surplus in Current Fiscal Year
- ✔ AA+ Credit Rating
- ✔ \$13.6 billion PAYGO During Hochul Administration
- ✔ \$10.7 billion Pre-paid Debt During Hochul Administration
- ✔ Cumulative Out Year Gaps Remain Manageable

PRINCIPAL RESERVES AT HIGHEST LEVELS



MANAGEABLE OUT YEAR GAPS



HEALTH & MEDICAID

PUBLICLY FUNDED HEALTH PROGRAM ENROLLMENT

7M

**MEDICAID
ENROLLEES**

1.4M

**ESSENTIAL
PLAN
ENROLLEES**

578K

**CHILD
HEALTH
PLUS
ENROLLEES**

MEDICAID SPENDING

\$35.4B

**\$4.3B
YEAR TO YEAR
INCREASE**

HEADWINDS

- ✔ Baby Boomers are Reaching Retirement Age
- ✔ Managed Long Term Care is projected to increase 12%
- ✔ 29% of New York hospitals are financially distressed
- ✔ Congress is considering \$2.5 trillion in spending reductions

EDUCATION

EDUCATION SPENDING

- ✔ \$37.4 billion in total School Aid funding
 - ✔ \$1.7 billion year-to-year increase, 4.7% growth
 - ✔ Including \$1.5 billion in Foundation Aid
 - ✔ \$8.1 billion increase over 4 years

FOUNDATION AID FORMULA UPDATES

- ✔ Replace outdated 2000 Census poverty data
- ✔ Replace obsolete Free and Reduced-Price Lunch data
- ✔ Drive additional aid to low-wealth school districts
- ✔ Guarantee each district at least a 2% annual increase

OTHER EDUCATION INITIATIVES

✔ Free School Meals

- ✔ \$120 million for statewide implementation

✔ Distraction-Free Schools

- ✔ Every school must implement a plan to prohibit cellphones in schools by Fall 2025

- ✔ State funding will be provided

HIGHER EDUCATION

- ✔ New York Opportunity Promise Scholarship
- ✔ \$2 billion new funding for SUNY/CUNY capital projects
 - ✔ \$450 million SUNY Downstate
 - ✔ \$200 million SUNY Upstate
- ✔ \$310 million SUNY/CUNY general support
 - ✔ \$210 million SUNY/CUNY campuses
 - ✔ \$100 million SUNY Downstate operating support

PUBLIC SAFETY



PUBLIC SAFETY INITIATIVES

- ✔ \$370 million Gun Violence Prevention
- ✔ \$77 million Subway Safety Efforts
- ✔ \$50 million Law Enforcement Technology Grants
- ✔ \$45 million Expansion of National Guard Empire Shield Mission
- ✔ \$35 million for Hate Crime Prevention
- ✔ \$8 million for Increased State Police Presence on the Northern
Border



MENTAL HEALTH

MENTAL HEALTH INVESTMENTS

- ✔ Continuation of \$1 billion Commitment to Mental Hygiene
- ✔ \$212 million Targeted inflationary Increase
- ✔ Proposed Legislation to Change Involuntary Commitment and Assisted Outpatient Treatment
- ✔ \$75 million for the Institute for Basic Research
- ✔ \$28.6 million in other Mental Health Services

TRANSPORTATION

MTA 25-29 CAPITAL PLAN

- ✔ \$32.7 billion Base Funding
 - ✔ \$3 billion – New York State
 - ✔ \$3 billion – New York City
 - ✔ \$12.3 billion – MTA Self-Funded
 - ✔ \$14.4 billion – Federal Request

DOT CAPITAL INVESTMENTS

- ✔ \$1 billion Additional Funding
 - ✔ \$800 million for increased costs in the existing Capital Plan
 - ✔ \$100 million CHIPS
 - ✔ \$100 million Non-MTA Transit Systems

ENERGY & ENVIRONMENT

CLEAN ENERGY INVESTMENTS

- ✔ \$1 billion Clean Energy Capital Investments
- ✔ \$500 million Clean Water Projects
- ✔ \$400 million Environmental Protection Fund
- ✔ \$125 million annually Re-authorize NY Hazardous Waste Superfund Program
- ✔ \$50 million Public Facilities Sustainability Program (EO22)
- ✔ \$50 million Canal Investments

OTHER INVESTMENTS

HOUSING

- ✔ \$25 billion 5yr Housing Plan
- ✔ \$1 billion for “City of Yes for Housing Opportunity”
- ✔ \$230 million affordable and supportive housing efforts

CHILD CARE

- ✔ \$7 billion to continue measures to expand access to Child Care
 - ✔ \$1.8 billion in FY26 for resources towards child care assistance
- ✔ \$110 million for construction and renovation of child care centers

ECONOMIC DEVELOPMENT

- ✔ \$100 million NY BRICKS
- ✔ \$68 million NY PLAYS
- ✔ \$50 million NY SWIMS

ECONOMIC DEVELOPMENT

- ✔ \$300 million POWER UP
- ✔ \$200 million DRI/NY Forward
- ✔ \$150 million REDC
- ✔ \$100 million FAST NY
- ✔ \$90 million EMPIRE AI

TARGETED CAPITAL INVESTMENTS

- ✔ \$400 million “City of Albany Rescue Plan”
 - ✔ Includes Significant Funding for the NYS Museum
 - ✔ Review of re-imagining 787
 - ✔ Improvements to Empire State Plaza
- ✔ \$30 million State Fairgrounds “Chevy Court”



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