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NEW YORK STATE

GOVERNOR **KATHY HOCHUL**

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ACHIEVING THE NEW YORK DREAM
STATE OF THE STATE



ACHIEVING THE NEW YORK DREAM

2023 STATE OF THE STATE | GOVERNOR KATHY HOCHUL



2023 STATE OF THE STATE

The Constitution of New York State requires the Governor to deliver an annual message to the Legislature regarding the state of the state. The State of the State proposals are the first step in defining the Governor's agenda in 2023.

Additional policies and funding details will be included in the upcoming Governor's Executive Budget.

FOREWORD

My fellow New Yorkers,

After three very difficult, tragic, painful, and uncertain years, I am proud to say that the state of our state today is improving, but we have work to do.

A review of the last year demonstrates that in the face of immense hardship and uncertainty, we endured. We proved to the world that New York may get knocked down, but we always get back up. Because of that, I am optimistic about the upcoming year — and the future. We still have some big challenges ahead, but the fight to do what is right is always worth pursuing.

I am steeled by the knowledge that if we come together in this pivotal moment, and if those of us in positions of power do what needs to be done for the people of New York, our shared potential, as a state, and as New Yorkers, is limitless. I believe that deeply, because I believe in the people of New York. When we are united there is no stopping us. When it comes to the intractable problems we still face, we are on strong, stable footing to take them on.

In the past year, we have made historic investments to strengthen and upgrade our infrastructure, build a world-class public transit system, create a strong public education system, confront climate change, fortify our health care system, help our small businesses recover from COVID-19, and spur economic development across the state. We landed the largest investments in State history — from \$20 billion from IBM to \$100 billion from Micron, as businesses see opportunities right here in New York.

We expedited tax cuts for the middle class, gave property tax rebates, and suspended the gas tax when prices at the pump hit record levels. We responsibly built up reserves preparing for a downturn in the economy, without raising taxes.

In response to tragedy and the spreading plague of gun violence, we strengthened our gun safety laws, which were already the strongest in the nation.

When the Supreme Court overturned *Roe v. Wade*, we took bold steps to ensure that here in New York, access to reproductive health care remains a human right, and

that those seeking an abortion will always find safe haven here.

I thank the Legislature for being partners and working together to address the challenges of 2022, in the midst of all the uncertainty and all the unknowns to ensure that New York remains a bright, shining beacon to the country — and the world. Now, it is upon this work, this progress, this sturdy foundation, that we will continue to build a brighter, fairer, and more equitable future for New Yorkers.

Last year, I gave this future a name: The New York Dream. For generations, people from all over the country, and the world, have flocked to our shores, to our villages, towns, and cities, in pursuit of the American Dream. They have come in search of hope and opportunity. They have come to work in the factories of Western New York and the offices of Lower Manhattan. They have come to feel safe in their communities and supported by their government, and they have come to build a better life for their children and grandchildren.

I am here today because that dream was realized in my family, and I want more New Yorkers to have access to

the same opportunities that my family and I had. That is what public service is all about.

The great Frances Perkins, Franklin Delano Roosevelt's Labor Secretary, once said, "A government should aim to give all the people under its jurisdiction the best possible life." That is it. That is the job. That is what we are here to do.

So the question we must all ask ourselves is: Are New Yorkers living their best possible lives? If the answer is no, then we have more work to do. The reality is: that dream is out of reach for too many New Yorkers. It does not seem attainable for too many people living here or considering coming here.

At its core, that is what the New York Dream is about — building on the American Dream, and the things that made New York the place to come in pursuit of it. We are close to tightening that gap between dream and reality and helping New Yorkers live their best possible lives. We really are.

We are implementing transformative ideas to create a New York that works for current New Yorkers and

appeals to future New Yorkers. We have set the table for what should be the most prosperous time in New York history, and people are noticing. They see what we are doing here. Companies want to relocate here. Workers want to be here. New Yorkers want to stay, grow their families, and live long, full lives here, and we want them here.

But if New Yorkers do not feel safe in their communities — or cared for, if they cannot afford to buy a home or pay their rent, if the cost of everything from groceries to utilities keeps rising, making that day-to-day financial burden even heavier, then none of the historic investments we have made will make a difference. People will leave in pursuit of their dreams elsewhere.

We are already seeing signs of out-migration that we cannot ignore. It is something that I know all too well from growing up in Western New York at a time when jobs were hard to find. We cannot allow that to happen again. The good news is it does not have to be this way. In fact, if we do the hard things, which are also the right things, we can make this the moment when we unleash our economy, unlock opportunities for more New Yorkers, and chart a brighter path into the future. We

must and will make that New York dream real for more New Yorkers.

Now, I will not sugarcoat it. It will not be easy. The State of the State is about looking into the future — to the next year, and beyond. But it is also an opportunity to reflect. 2022 was an unprecedented year in so many ways, not just in terms of the challenges we faced, but because of the resources available to address them.

A year ago, the economic forecast was sunny and bright. We had unprecedented revenues from Wall Street and tax receipts and were flush with federal aid, thanks to our partners in Washington. We focused on doing everything in our power to help our people and our businesses recover from the pandemic, while making transformative investments in our shared future.

Thankfully, we also put aside money for a rainy day. That was clearly the right thing to do, given that one year later, the majority of economists are predicting a recession. But the question now is: how do we still move New York forward and help our people, even in an environment where storm clouds are gathering?

We are focused on the areas that will have the highest impact on people's lives, and we are determined to make that New York Dream real for individuals and families across the state, now, and for generations to come.

We will make New York safer. We will make New York more affordable. We will create more opportunities for the New Yorkers of today and tomorrow. We will open doors to the communities and people who have historically been blocked from equal chances at success.

As other states continue to slide backwards when it comes to basic and fundamental rights, we will protect and enshrine those rights here in New York, and we will continue to be nation-leading in every way when it comes to combating climate change.

The task ahead of us is daunting, and the stakes could not be higher. But I am fortunate to live in the home once occupied by one of our state's greatest leaders and thinkers. It was Eleanor Roosevelt who said, "You who are going to build a new world must go forward with courage."

We will build a new world, and we will be courageous.
We will do the hard things — the necessary things to lift
up and support New Yorkers and clear a path for them
to realize the New York Dream. That is my promise to
the people of New York.

Governor Kathy Hochul

January 2023

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SECTION I: BUILDING 800,000 NEW HOMES: THE NEW YORK HOUSING COMPACT

New York is our shared home, but for too many residents, the struggle to not only find but also keep safe and affordable housing threatens their future in our state. New York has failed to build the housing we need to support families, grow our economy, and ensure everyone has the opportunity to succeed. As a result, rents are at record highs, home prices are out of reach, homeless shelters are under strain, workers are decamping to more affordable states, and young families are shut out of too many of our communities.

More than half of New York renters are rent burdened (paying more than 30 percent of their income towards rent), the second highest rate in the nation.¹ A third of mortgage holders in the state are also cost burdened.² In the New York City Metro area, home prices are up 50 percent since 2015, while rents have increased by 30 percent. And the crisis is not confined to the state's biggest city. Outside New York City, home prices are up 50 to 80 percent since 2015, while rents have increased

40 to 60 percent over the same period in cities across the state. The spiraling costs of housing translate to less money for everything else: less food in the fridge; lower thermostats during the winter; fewer opportunities to save for an emergency — forcing families across New York to make too many hard choices.

Families that have worked hard for generations to build communities and make New York their home are now watching their children and grandchildren move further and further away in search of housing they can afford. We need more housing that allows New Yorkers across all income levels to put down roots and thrive. We need more housing that provides families and children with opportunities and connects more New Yorkers to schools, job centers, transit systems, parks, and vibrant communities. We need more housing to reduce the rising costs that make it harder for all families to stay. And we need more housing to offer new opportunities for people to join our communities and contribute to New York's economy.

Our housing crisis reflects our success: more people want to live in New York than there are homes. A growing New York is a vibrant New York. We have the

jobs to employ current residents and attract more people to help build the economy — New York created more than 1.2 million jobs in the past decade. By contrast, in that same time frame, we only built 400,000 new homes.³ Our inability to house our workers means that New York jobs are increasingly filled by workers who can only afford housing in neighboring states. By failing to expand our housing choices, New York effectively forfeits potential economic growth that could strengthen our communities. Reversing this trend was recently identified as critical to the recovery of the region by the *New New York* Panel convened by Governor Hochul and New York City Mayor Eric Adams, which proposed an array of policy solutions, many of which are reflected in the plan herein.

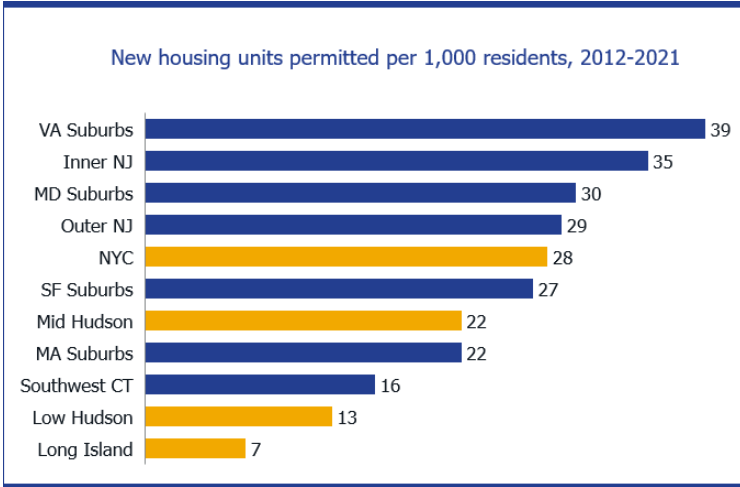
Big problems require bold action. To face this crisis head on, Governor Hochul proposes the New York Housing Compact. The Compact, a statewide strategy to reduce barriers to housing for all places and all people, will align all levels of government to meet this challenge. Everyone will do their part: every region, every county, every community, every New Yorker.

We're all in this together, and we all have a vital role to play.

At the heart of the Compact, Governor Hochul proposes a framework that will empower our localities to achieve a bold goal of creating 800,000 new homes over the next 10 years. Our target is aggressive but realistic. What is unrealistic is to believe that the state — and its people — will continue to flourish unless we change our trajectory when it comes to housing. With a bold new approach to ensuring everyone has access to housing, we will work to ensure New York remains a place where families can live and thrive for generations while continuing to be a beacon for those who want to join our communities for decades into the future.

At its root, our housing crisis unfolded because we did not build enough new homes to house everyone who wants to live here. New York City ranks behind Los Angeles, San Francisco, Boston, Houston, Washington D.C., Seattle, and almost every other peer city in how much housing per capita we produce.⁴ With the expiration of 421a, New York City's principal driver of new rental housing, the rate of new production will fall even more.

Even with its slower construction rate, New York City has outpaced its suburbs when it comes to building new homes. Within the metro area, the northernmost New Jersey counties have permitted nearly five times as many homes per capita as Long Island and nearly three times as many homes per capita as the lower Hudson Valley.³ The result is markedly fewer homes within New York State, and the lack of housing choices makes it hard for residents transitioning through life stages to find what they need to stay in their communities. From an economic perspective, as we compete with places like Virginia, New Jersey, Connecticut, Massachusetts, Pennsylvania, and California for the best and brightest, New York is at a distinct disadvantage due to our housing crunch, in danger of losing its talent, and failing to attract vibrant newcomers to help maintain and grow our economy.

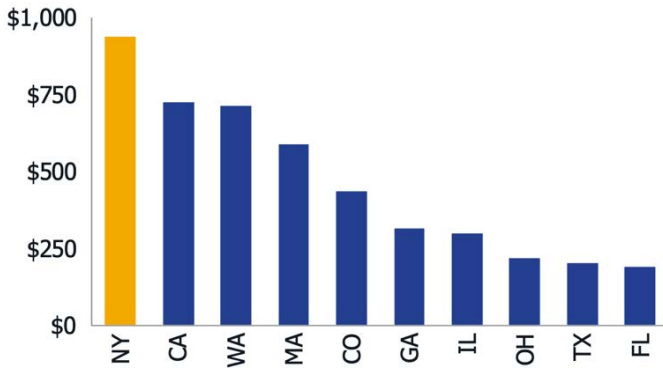


Source: NYC Department of City Planning; Us Census Housing Starts Survey; Furman Center

New York City and its suburbs fare poorly when it comes to building new housing

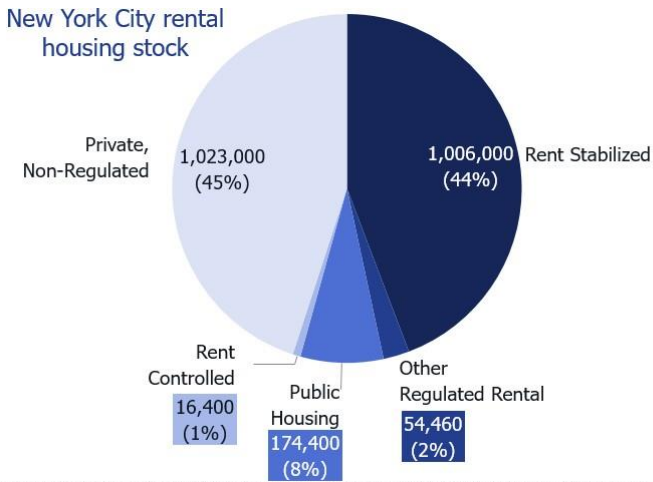
Our stunted housing growth does not stem from inaction on the State’s part to fund new affordable housing. New York spends more per capita on affordable housing than any other state, between bond financing and direct State spending. Last year, Governor Hochul reaffirmed the State’s commitment to affordable housing with a five-year, \$25 billion commitment to create and preserve 100,000 units of affordable housing.

Affordable housing bond funding per capita, 2011-2020



New York State leads the way when it comes to funding affordable housing

New York also leads the nation in how many of our residents live in rental housing and how much of that housing stock consists of regulated and public housing. More than 55 percent of the rental housing in New York City is either rent regulated or public housing, and throughout New York State, 44 percent of rental housing is rent regulated or public.



Source: Rent Guidelines Board, City of New York; US Bureau of the Census, 2021 New York City housing and vacancy survey

More than half of New York City’s rental stock is public or regulated housing

Along with being a national leader in affordable housing, New York has the unenviable distinction of also leading the nation in restrictive land use policies and building approval processes that stymie growth, inhibit the development of multi-family housing, and add significant costs to building homes. From convoluted permitting cycles that can take years to resolve to outright prohibitions on building duplexes and numerous other types of housing, many areas around the state have effectively made it illegal to build

new housing or different types of housing. New York's strict land-use policies have been well documented by researchers:

- The only metro area with more restrictive zoning than the New York City metro area is San Francisco, which is also facing a housing crisis.⁶
- More than two thirds of localities in the New York City metro area are classified as highly regulated, with three or more entities that review and can veto projects, and average review times that can stretch into years.⁷
- Nationwide, land use regulations account for more than 30 percent of the cost of multifamily development; in highly regulated markets like Manhattan, regulations can account for up to 50 percent of the cost of housing.⁸

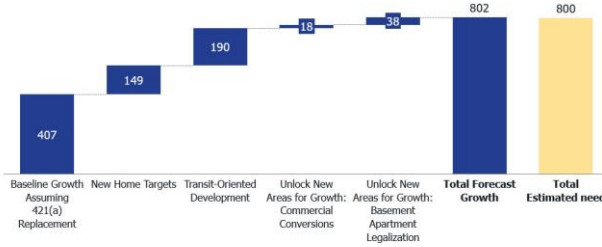
Researchers have long demonstrated that stricter land use regulations and procedures translate directly into higher housing prices and less construction.⁹ They also correlate with less economic growth. Economists from the University of Chicago and University of California, Berkeley concluded that the effect of loosening housing

supply regulations only in New York, San Jose, and San Francisco to that of the median US city in the decades between 1964 and 2009 would have significantly boosted Gross Domestic Product (GDP) for the entire nation.¹⁰ Growth in and around our cities has outsized economic benefits. Just as important, however, are the immediate benefits for the young family who can achieve their dream of a home near a good school in a welcoming community.

Over time, building more housing will provide New Yorkers with more options and loosen the pressures squeezing residents at all income levels.¹¹ Building new housing will help lower rents for New Yorkers currently struggling with housing costs, help residents purchase their first home, and enable the newcomers who strengthen our communities and economy to find a place here to call home. Without adding to our housing stock, families have nowhere to go to meet their changing needs; freezing our housing stock only makes the pressure on current homes more intense, particularly for young adults starting out, new families, and seniors.

Over the next 10 years, New York will need an estimated 800,000 new homes — double what we built in the last decade — to make up for years of underproduction, support a growing economy, and provide affordable housing for New York families. The New York Housing Compact will create a fundamental shift in housing production to meet this vital benchmark. The proposed initiatives combine goals that all parts of the state will need to meet with real world flexibility to allow local governments to shape changes in ways that work for their communities and will create the conditions needed for our housing production to double over the next decade. Combined with necessary action by the Legislature to enact a successor to the 421a tax incentive that can yield further affordable growth in New York City, these strategies will jumpstart construction across the state.

Estimated housing units over 10 years across portfolio of initiatives (thousands)



The above chart shows how the component parts of the Housing Compact will allow New York to respond to our housing shortage by creating a path for 800,000 new units of housing. (The 407,000 units of projected “baseline growth” assumes that the Legislature enacts a replacement for 421a.)

Set Goals for New Home Construction Across the State

The keystone of the New York Housing Compact will be targets for new home creation on a three-year cycle that will apply to all municipalities (villages, towns, and cities). The new home targets balance different levels of demand — both upstate and downstate — recognize the diversity in size and character of different

communities, and emphasize simplicity in applicability. They seek to make municipalities partners in either meeting or exceeding the targets for permitting new homes.

Municipalities in the region serviced by the Metropolitan Transportation Authority (MTA), including New York City, where the housing need is most acute, will have a three percent new homes target over three years. In municipalities located in upstate counties, the new homes target will be one percent over three years. Setting new home targets as percentages of existing housing stock has the effect of tailoring the targets to the existing size of each locality.

Many localities already build homes at the pace necessary to reach their new homes target or come close. Census data for the North Country region, for instance, showed that nearly half of its localities met a one percent target over the last three years. Looking forward, based on current census data, roughly 80 percent of all localities in the state need to permit approximately 50 new homes or fewer over the next three years to achieve their respective goals.

Some regions and localities, however, have historically fallen short of their targets. Over the last three years, the number of homes in the lower Hudson Valley grew by roughly 1.65 percent. New York City recorded close to two percent growth. In Long Island, the number of homes increased by just 0.56 percent, the lowest percentage of any region in the state.

Localities will have discretion on how to meet their new home targets. From repurposing underutilized office parks and strip malls to offering new incentives towards multifamily buildings, localities can choose how they tailor their strategies to build the homes we need. To encourage the inclusion of affordable housing as part of the new growth, affordable units will be assigned extra weight in calculating localities' progress toward their goals.

The design of new home targets, as well as the policies and actions described below that are an outgrowth of those targets, accounts for the possibility that some localities may not meet their targets simply because of a lack of local economic demand for new housing, rather than because of restrictive zoning or onerous approval processes. With this in mind, the resulting actions

triggered by a failure to meet a new homes target will have no practical effect in places where there is no demand to build housing, as described below.

Facilitate Housing Approval When Localities Do Not Meet Goals

New Fast Track Approval mechanisms will be available for mixed-income, multifamily projects only in localities that do not meet their targets (and that also fail to adopt certain targeted approaches with a proven record for facilitating housing growth). In these localities, for the subsequent three-year cycle, if a proposed housing project meets key criteria, including a minimum number of homes and a minimum affordability requirement, and also does not violate health and safety requirements, it must be approved even if existing zoning restrictions do not allow it. A new appeals process that will be available at the State administrative level and through the court system will be established to provide approvals where localities do not.

Localities may choose to take actions that substantially increase capacity for new housing and mixed-use developments, which will exempt them from the Fast

Track Approval mechanisms for the subsequent three-year cycle even if they do not meet the new homes target. In a locality where a lack of demand for new housing results in a failure to meet the new homes target, that same lack of demand will effectively preclude its use of Fast Track Approval.

This novel approach combines lessons learned from other states which have implemented similar programs, while providing flexibility to meet New York's unique needs. Massachusetts, Connecticut, California, Oregon, New Jersey, Washington, and other states are all equipped with state-level tools to promote development.¹² None of these states have been successful in attempts to drive housing growth solely by providing financial incentives to localities.

Encourage New Housing Near Transit

Over the past two decades, New York has made unprecedented investments in creating a world-class commuter rail infrastructure, totaling billions of dollars in Long Island and the Hudson Valley. Roughly 3.2 million New Yorkers live within a half mile of a subway or commuter rail station, but there remains significant

capacity to support many more residents to live near transit. Given the unrivaled opportunities these communities enjoy and the well-established climate benefits that derive from mixed-use, walkable developments near transit, under the Housing Compact neighborhoods within half a mile of all rail stations run by the MTA — both subway and commuter trains — will locally rezone to allow for certain levels of housing density.

Within three years, localities will rezone the areas immediately surrounding these transit stops for a minimum average density unless the existing density already meets that level. Mixed-use, walkable developments will be encouraged, and municipalities will have flexibility in how they distribute the density. Given the scale of this undertaking, municipalities will have the opportunity to obtain funding for planning assistance from the State.



New York State has invested billions in creating a world-class commuter rail infrastructure

Provide \$250 Million to Support Planning and Infrastructure Needs

To support local governments in achieving our housing goals, Governor Hochul will create a \$250 million fund to aid critical infrastructure projects triggered by plans for increased housing, such as sewer and water infrastructure, structured parking facilities that allow existing lots to be repurposed, potential school infrastructure needs, and improvements to the public

realm to accommodate neighborhood growth and livability. The proposed fund would supplement existing sources of State infrastructure support for localities, including Water Infrastructure Improvement Act funding, Environmental Bond Act funding, the Clean Water State Revolving Fund, the Consolidated Local Street and Highway Improvement Program, and other programs.

An additional \$20 million fund will be established to support local governments as they pursue rezoning, collect critical housing data, and engage in other important planning activities tied to achieving the new home targets.

Establish Statewide Database to Promote Transparency

The State will create a New York-wide database of housing permit data, zoning maps, and zoning requirements for all our localities. This publicly available database will allow the State to better serve local communities on a wide range of issues. The information will be used to track localities' progress

towards their goals, and will be available as a valuable resource for all localities. The State will work with county or regional entities to provide support for localities collecting the initial data and setting up systems to submit the information on an ongoing basis.

Remove Obstacles to Housing Approvals

In order to facilitate the swift implementation of rezoning actions and development of new homes, specific relief from environmental review will be included in the New Homes Targets and Transit Oriented Development (TOD) proposals. As a reflection of the clear environmental and community benefits associated with targeting smart growth around low-emissions transit systems and in existing communities, TOD and housing capacity rezonings will have an expedited environmental review process, as will projects built within these rezoned areas that meet the criteria set forth for such rezonings in the Housing Compact. The State will still exercise crucial safeguards that prevent environmental harm and ensure that public health remains our highest priority. Similarly, in localities that have not achieved their housing targets,

projects eligible for the Fast Track Approval process will have the option to undergo an environmental review process that still retains focus on health and safety concerns.

Give the City of New York the Flexibility to Increase Residential Capacity

For decades, the State has imposed a limitation on residential density in New York City. Governor Hochul will propose an amendment removing this antiquated limitation that restricts maximum density of residential floor area to 12.0, returning to the City of New York the ability to undertake local processes to allow for denser residential development where appropriate.

Create Greater Opportunities to Convert Office Spaces to Residential Housing

New York State has always pursued bold creative strategies to reinvent itself in the face of challenges. With the rise of remote work at this key time in our housing crisis, it is incumbent upon us to do all we can

to tackle these dual needs to transform this moment into an opportunity. Governor Hochul will propose legislation to expand the universe of commercial buildings eligible for conversion to residential use and provide necessary regulatory relief for such conversions. This would make an estimated additional 120 million square feet newly eligible for conversion.

Authorize the City of New York to Legalize Basement Apartments

Following the devastation wrought by Hurricane Ida, it was clear to all that there was an urgent need to create a pathway to legalize basement dwellings currently barred by law, bringing these homes out of the shadows. Governor Hochul will propose providing the City of New York with the local authority to provide amnesty by local law for existing basement units that meet health and safety standards to be determined by the City. This change builds on the Fiscal Year 2023 \$85 million capital program in the Governor's housing plan to assist with these conversions in New York State.

Offer Critical Incentives to Build and Rehabilitate Housing

Tax incentive programs, when well designed, can play a critical role in promoting the development of new housing, particularly below-market housing that would not otherwise be economically feasible.

To support the development of mixed-income housing outside of New York City, Governor Hochul will direct Homes and Community Renewal (HCR) to make \$5 million in State Low Income Housing Tax Credits (SLIHC) available to mixed-income projects. Such a tax credit can equip communities around the state with a new tool to encourage affordability.

Governor Hochul will also propose a new property tax exemption in New York City to incentivize the inclusion of affordable housing in commercial buildings that are converted to residential use.

To support homeowners who build out Accessory Dwelling Units (ADUs), Governor Hochul will propose to expand an existing property tax exemption that localities can opt into to explicitly cover these units, increasing the size of the exemption to better support

the creation of ADUs and extending the time frame to incentivize their development.

Governor Hochul will also propose a new property tax exemption that localities can opt into to encourage mixed income housing development near train stations.

While new construction is critical, preserving existing affordable housing is also a vital tool, particularly in New York City. Governor Hochul will propose an updated tax exemption to support property owners who need support for undertaking major capital repairs.

Governor Hochul will make the necessary changes to ensure that localities where new housing developments utilize Payment in Lieu of Taxes (PILOT) agreements are not penalized in tax cap calculations. The status quo accounting methodology can discourage the use of PILOT agreements by putting more downward pressure on a locality's overall tax levy.

Finally, Governor Hochul will work with the Legislature to fashion and enact a replacement for the 421a property tax exemption program that expired last year. A well-structured incentive is necessary to stimulate the

production of new rental housing in New York City sufficient to meet the overall goals of this plan.

Address Childhood Lead Poisoning in High-Risk Areas Outside of New York City

Each year, nearly 7,000 children in New York are diagnosed with dangerously elevated blood lead levels. Exposure to lead causes pernicious health effects that can continue through adulthood. The burden of lead exposure exacts an economic as well as a personal toll. In Buffalo alone, the approximately 450 children tragically diagnosed with lead exposure in 2019 are expected to face a lifetime economic burden of \$94 million in lost wages, higher health care costs, and social assistance spending. By some estimates, lead exposure results in as much as \$3.4 billion in societal costs for New York each year.

To protect our children from the harms of lead exposure, Governor Hochul is proposing a program to drastically reduce the risk of lead exposure in rental properties. Under her direction, the State will apply an inspection requirement in the 24 highest risk zip codes

outside of New York City, which utilizes its own program for lead abatement. Rental units built before 1980 will be required to be assessed on a three-year cycle to try and identify any hazards that may pose an imminent risk to children. Homes that fail the inspections will be required to remediate the lead hazards in order to keep their certificate of occupancy. To help assist landlords, State funding will be provided to defray the costs of inspections as well as to support renovations when dangerous conditions are identified. Local governments can leverage further funding from federal programs to provide additional support to property owners. Similar program models have delivered sharp drops in lead exposure in communities like Rochester.

Taking a proactive, rigorous approach to rooting out lead will help put New York on a trajectory to finally eradicate lead exposure.

Support Homeowners in High-Need Communities of Color

Governor Hochul is proposing to create a Homeowner Stabilization Fund, based on the work her administration has done in the city of Buffalo, to focus

on 10 key communities in the state with a high concentration of low-income homeowners of color who have an urgent need for home repairs. The program would provide \$50 million for critical home repairs, reaching as many as 200 homes in each community. Local governments would work with local nonprofit organizations to provide the grants, with the overarching goal of stabilizing both homeowners and neighborhoods, increasing property values, and preserving equity and generational wealth-building.

Expand the Tenant Protection Unit

New York State HCR created the Tenant Protection Unit (TPU) 10 years ago to provide more targeted support for tenants throughout New York State. TPU provides guidance, advocacy, and legal assistance for many types of tenants. To build on the team's success, Governor Hochul will expand staffing upstate to provide on-the-ground support for manufactured home tenants, farmworkers, and other populations in need.

Reclaim Vacant and Abandoned Homes

Governor Hochul will propose legislation to update the law that enables localities to put certain abandoned properties to good use. Her proposal will make it easier for cities and towns to take ownership of dangerous multifamily properties, including for the purpose of rebuilding safe and habitable homes. Change is necessary to permit municipalities to reduce public health risks, improve neighboring property values, increase property tax revenues, and expand the stock of housing available for new rental and first-time homeownership opportunities.

Include Child Care in New Residential Construction

Affordable child care is essential for both children and parents, boosting childhood development and freeing parents to work. Child care centers across the state struggle to afford high rents and compete for space in a market that is limited by strict but important safety rules.

Building off an unprecedented investment of \$100 million to increase the capacity of programs in child

care deserts, the State will take further action to ensure child care facilities are integrated into the fabric of our communities. Governor Hochul is directing HCR to incentivize housing developments to include dedicated child care space. HCR will expressly favor applications for its Low-Income Housing Tax Credit that incorporate child care facility space.

Create a Housing Planning Office

Implementing the Housing Compact will require dedicated staffing and leadership within New York State's HCR. A new Housing Planning Office will support localities in meeting their goals, including in gathering and transmitting New Homes Targets documentation. It will help establish and manage the Fast Track Approval process, zoning and housing databases, and planning and technical assistance grants for localities, in addition to providing other support as needed to ensure the success of the New York Housing Compact.

SECTION II: FIXING THE CONTINUUM OF CARE FOR MENTAL HEALTH

There is a true crisis in mental health care that is spilling out into our streets. Governor Hochul will effect a sea change in the State's approach to mental health through a comprehensive package of investments and policy changes to ensure that every New Yorker gets the help they need. The result will be a dramatic reduction in unaddressed mental illness in our state and an increased sense of safety and quality of life in our communities.

Even before COVID-19 hit New York, rates of mental illness had been on the rise. And since the onset of the pandemic, more than one in three New Yorkers has sought mental health care, or know someone who has.¹³ Too many of them can't get it. One in 10 New Yorkers say they have been unable to access needed care for mental health or substance use in the last year due to cost.¹⁴ Others can't access an available

appointment, treatment program, or hospital bed — or encounter seemingly endless wait times. In New York City, only 58 percent of adults with suspected serious psychological distress received the counseling or medication they needed in the preceding 12 months¹⁵.

Illness worsens when it isn't treated. So it is unsurprising that the number of adult New Yorkers suffering from serious mental illness had grown to more than 663,000 as of 2019.¹⁶ That's more than the populations of Rochester, Syracuse, and Yonkers — combined.

The pandemic especially affected the mental wellbeing of young New Yorkers. Demand for mental health services for children and families has increased dramatically, while access to providers in community and school-based settings has dropped. As of 2021, nearly half of children (3-17) in New York with a mental or behavioral condition did not receive treatment or counseling.¹⁷

Across New York State, people face challenges finding the mental health services they need, from difficulty locating providers near them to long waits for appointments.¹⁸ This means that a significant number of

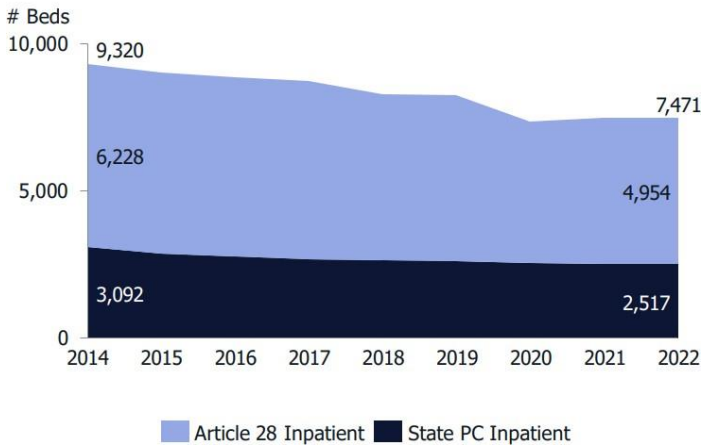
individuals, including vulnerable youth, may only connect to services when a mental health condition is already dire, if at all.¹⁹ In the absence of care in their communities, individuals often present themselves at hospital emergency departments — their most accessible and obvious option — in moments of crisis. This prolongs the suffering of New Yorkers in need of treatment and puts extra strain on overburdened, costly emergency rooms and health workers.

Meanwhile, the number of inpatient psychiatric beds in New York State has declined by 20 percent since 2014 — the result of bed reductions at State hospitals and the large number of beds that remain “offline” in Article 28 community hospitals.²⁰ This, combined with a lack of step down services to which patients can be safely discharged, means that occupancy rates at inpatient facilities are at unsustainable levels — and also that individuals experiencing severe psychological distress are an increasingly visible presence on our streets, having fallen through the cracks of a broken system.

We can, and must, do better. This year, Governor Hochul will fundamentally change the trajectory of the State’s approach to mental health, with the goal of fixing the

entire continuum of care that is necessary to keep people healthy and safe. Mental health care is a system made up of many parts, crucial both in their own right and in making sure the entire continuum of care works properly. It is not enough to improve one component while neglecting others.

Total OMH Fully Operational Beds, NYS (2014-2022)



The number of fully operational psychiatric beds has been steadily declining since 2014

Source: OMH Analysis

Governor Hochul’s plan will also create the conditions necessary for other efforts by State and local governments to be effective. Last year, the State’s Office

of Mental Health issued interpretive guidance regarding the appropriate use of involuntary commitment for individuals who pose a harm to themselves or others. More recently, the City of New York announced new efforts to connect these individuals with treatment. In addition, last year's State budget renewed and strengthened Kendra's Law, which provides for Assisted Outpatient Treatment (AOT). These measures are important, but will not make a meaningful impact if critical services at various levels of acuity are unavailable.

To ensure access and quality care, we must improve all parts of the system, from prevention to treatment to recovery. To meet this challenge head-on, Governor Hochul will make transformative investments and policy changes to:

- Expand insurance coverage for mental health services.
- Expand mental health services for school-aged children.
- Increase operational capacity for inpatient psychiatric treatment by 1,000 beds.

- Improve admissions and discharge planning and establish systemic accountability.
- Dramatically expand outpatient services.
- Create 3,500 new housing units for New Yorkers with mental illness.

Expand Insurance Coverage for Mental Health Services

Governor Hochul will advance legislation to close critical gaps in coverage for mental health services.

Governor Hochul's plan will prohibit insurance companies from denying access to medically necessary, high-need, acute, and crisis mental health services for both adults and children.

To improve the well-being and success of individuals once they leave hospitals or emergency departments, Governor Hochul is proposing to expand commercial and Medicaid coverage of mental health services. This includes:

- Advancing legislation to close gaps in coverage for behavioral health services to improve the

well-being and success of individuals once they leave hospitals or emergency departments.

- Advancing legislation to prohibit insurance companies from denying access to medically necessary, high-need, acute, and crisis mental health services for both adults and children.
- Adopting appointment availability and geographic accessibility standards for behavioral health services.
- Ensuring payment parity for behavioral health telehealth services.

Expand Mental Health Services for School-Aged Children

A 2022 audit by the State Comptroller found that 37 percent of New York City public schools had no mental health programs, and it is likely that more than half of schools outside of the city are similarly lacking.²¹

Governor Hochul will propose to broaden mental health services in schools by:

- Ensuring school-based mental health services are more accessible for youth with commercial insurance (provided by a private insurance company) by requiring reimbursement equivalent to Medicaid.
- Increasing Medicaid rates for Article 31 school-based satellite clinics.
- Increasing Medicaid rates for school-based wraparound services.
- Investing in annual school-based partnership and capacity grants, to provide the start-up funding to get these expanded school-based services off the ground quickly.

Increase Operational Capacity for Inpatient Psychiatric Treatment By 1,000 Beds

The number of inpatient psychiatric hospital beds, needed to provide immediate treatment for the most acute cases of serious mental illness, that are operating in New York has declined by roughly 20 percent since 2014, from 9,320 to 7,471.²² The lion's share of that

decline comes from beds in Article 28 community hospitals being taken “offline” or out of operation. Exacerbated by the lack of availability of step down treatment options, the result is too many patients who need inpatient care are unable to get it.

Last February, in response to requests from hospitals and to encourage Article 28 community hospitals to bring beds back online, Governor Hochul announced an investment of \$27.5 million to support increased reimbursement rates for inpatient psychiatric beds. Today, however, roughly 850 beds remain offline. Currently, the Office of Mental Health (OMH) has little ability to compel hospitals to comply with the terms of their operating certificates and bring those beds back online: the maximum fine amount is limited, no matter how many beds are offline, and no matter for how long. For large hospitals, the economic benefits of directing staffing resources toward more profitable services far exceed modest fines.

In response to the stubborn persistence of this problem following last year’s provision of increased reimbursement rates, Governor Hochul will now direct Article 28 community hospitals to immediately bring

inpatient psychiatric beds online. At the same time, she will propose legislation to allow OMH to fine hospitals for non-compliance with their operating certificate at a rate of up to \$2,000 per violation, per day. This is the level of authority necessary to ensure that 850 inpatient psychiatric beds are brought online at long last.

Simultaneously, Governor Hochul will open 150 new adult beds in State-run psychiatric hospitals. One hundred of these beds will open in New York City, and 50 will open outside of New York City. This will build on the 50 new beds that the Governor announced in November and constitutes the largest expansion of State inpatient capacity in decades.

Together, the increase of 1,000 operational inpatient psychiatric beds will serve more than 10,000 New Yorkers per year and will restore the State's capacity to respond to the most acute cases of serious mental illness.

Improve Admissions and Discharge Planning and Establish Systemic Accountability

All too often in our mental health system, individuals aren't admitted for care when they might need it, or fall off the grid after they are discharged. Public awareness of this problem has grown after a succession of tragedies involving individuals with serious mental illness whose treatment had somehow stopped along the way.

Quality mental health care in an inpatient setting requires an appropriate evaluation for care and, when care is necessary, prompt and comprehensive assessment and admission. It also requires comprehensive discharge planning, so that providers and professionals have clear responsibility and accountability for patient care. Frequently, one or more of these becomes a point of failure.

That's why Governor Hochul is proposing a combination of policy changes and investments to create systemic accountability for admissions and discharges, including:

- Requirements that hospitals responsibly admit patients in need of care, with new,

comprehensive standards for evaluation and increased state-level oversight to ensure that new protocols are being used effectively.

- The creation of 50 new Critical Time Intervention (CTI) Care Coordination Teams to provide wrap-around services for discharged patients, from housing to job supports.
- Requirements that emergency departments and inpatient providers discharge high-risk, high-need individuals into immediately available wrap-around services, including CTI Care Coordination.
- Requirements that outpatient programs provide immediate and ongoing appointments for high-risk individuals during the discharge process, ensuring a “warm handoff” of care.

Dramatically Expand Outpatient Services

Nationally, among individuals who had difficulty accessing care, 28 percent said they had trouble finding providers near them, 21 percent said they had trouble

getting an appointment right away, and 22 percent said they were unable to find a visit format they felt comfortable with.²³ In addition, according to the Kaiser Family Foundation,²⁴ people of color face increased barriers to accessing mental health care due to a range of factors both within and beyond the health care system.

When individuals cannot receive the care they need, they are more likely to experience distress and require more intensive, more expensive care. Available and affordable outpatient services will improve outcomes for New Yorkers experiencing mild or moderate symptoms and prevent their conditions from worsening, while at the same time relieving pressure on treatment options that are critical for individuals with serious mental illness who require more support.

To dramatically expand access, reduce wait times, and ensure appropriate levels of care, Governor Hochul will substantially expand a wide range of outpatient services, including:

- Comprehensive psychiatric emergency programs providing hospital-level crisis care, with 12 new sites across the state.

- Assertive Community Treatment teams providing mobile, high intensity services to the most at-risk New Yorkers, with 22 new teams in New York City and 20 in the rest of the state.
- Certified Community Behavioral Health Clinics (CCBHCs), providing walk-in, immediate integrated behavioral health care, and both mental health and substance use disorder services for New Yorkers of all ages and insurance status, expanding from 13 to 39 clinics statewide, supplemented by an Indigent Care Pool (ICP) to ensure access.
- Safe Options Support teams, providing outreach and connection to services for homeless populations with mental illness and substance use disorders, with five new teams in New York City and three in the rest of the state.
- Article 31 Clinics that provide core mental health services serving the most vulnerable New Yorkers, with expanded capacity at 20 sites.
- Health Home Plus care management, to provide assistance as patients seek to access the services

they need, hiring dozens of new care managers to serve individuals with serious mental illness.

Create 3,500 New Housing Units for Individuals with Mental Illness

Across the state, more than 15,000 homeless individuals have a serious mental illness.²⁵ In the absence of stable housing and ongoing treatment, the life challenges of these individuals may worsen and eventually pose a danger to themselves or others. At the same time, many patients who receive inpatient psychiatric treatment have no place to go upon discharge, leading to longer inpatient stays than necessary or the cycling in and out of hospitals, homeless shelters, and jails. Because of the increased need within categories of housing that provide the most robust services and treatment, waitlists for these kinds of housing units are extremely long.

To address this problem, Governor Hochul will make a massive capital investment — along with providing the necessary operating funds — to establish and operate 3,500 new residential units for New Yorkers with

mental illness. Specifically, the Governor's plan will create:

- 500 Community Residence-Single Room Occupancy (CR-SRO) units, which provide housing and intensive services to individuals with serious mental illness who are at the highest risk of homelessness.
- 900 transitional step down units — a new, medium-length stay model — which help individuals transition from various levels of care to community-based living.
- 600 Licensed Apartment units, which serve individuals who require an intermediate level of services to be able to live in the community, but do not require 24/7 staffing and support.
- 1,500 Supportive Housing units, which serve individuals with a serious mental illness who have less acute needs but still require support to live in the community. Half of these would be scattered-site, rental units which can be opened quickly, while the other half would be new

construction or renovated facilities completed over the next five years.

To facilitate the efficient and effective implementation of this plan, Governor Hochul will provide new budgetary authority for OMH residential capital.

Taken together, these investments and policy initiatives will have a transformational impact on the landscape of mental health care in New York State. They aim to dramatically reduce the number of children and adults with unmet mental health needs, and the number of individuals with serious mental illness and substance use disorders who are homeless. At full scale, they will significantly expand the universe of New Yorkers receiving mental health care and living healthy lives, and greatly reduce the number of individuals living in unstable situations that pose a harm to themselves or others.

SECTION III: KEEPING NEW YORKERS SAFE

In 2020 and 2021, New York suffered the same escalation in gun violence and murder that swept the rest of the country. From 2017 to 2019, the state experienced the lowest murder and shooting rates in more than 70 years, with fewer than three murders per 100,000 residents. However, the following year, homicides suddenly spiked to 4.2 murders per 100,000 in 2020, and 4.4 in 2021 — levels not seen since 2010 (4.5 murders per 100,000).

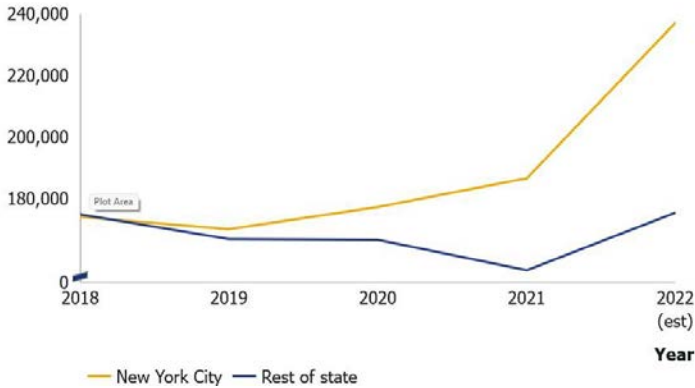
In response, Governor Hochul pursued innovative strategies and made unprecedented budget investments to create a safer and fairer state. She funded \$227 million for gun violence prevention programs and \$90 million for prosecutorial and pretrial services. The Governor also launched a first-in-the-nation interstate task force on guns and took bold and decisive action to strengthen New York’s gun control laws.

These investments and strategies have helped stem the tide of gun violence. In 2022, shootings were down 16 percent in the 20 Gun Involved Violence Elimination (GIVE) jurisdictions — identified as having the most gun violence outside of New York City — and 17 percent in New York City.²⁶ In addition, New York has reduced murders by 10 percent in the first nine months of 2022 compared to the same period in 2021.²⁷

Last year, there was a national increase in other crimes outside murders and shootings. New York is not exempt from this upward trend. Preliminary statewide data from January through September 2022 shows a 22 percent increase in index crime over the average rate between 2017 and 2019. (This is a significant increase from 2021, when New York had the lowest index crime rate since the 1960s.) This 2022 increase is concentrated in New York City, where index crime is up 37 percent since 2018, compared to five percent in the rest of the state. Still, New York continues to be the safest large state in the country.

NYC index crimes up 37% vs. 5% in rest of state when compared to 2018

Index Crime, 2018-2022¹



Source: Uniform Crime Reporting File for Jan-Sept 2022. 2022 Estimate based on actual DCJS Data from January-September.

But to return to pre-pandemic levels of public safety, the work of leaders around the state must be to restore effectiveness to the entire continuum of our criminal justice system: from community investment and crime prevention to law enforcement and prosecution, to re-entry.

In 2023, Governor Hochul will double down on her support for each part of that continuum, both to further reduce gun violence and tackle the rising rate of index

crime. At the same time, her plan to rebuild the state’s mental health infrastructure, particularly with regards to individuals with serious mental illness, will address another facet of the diminished sense of safety that so many New Yorkers feel.

Double Investment in Alternatives to Incarceration

DOCCS presently has around 31,000 people incarcerated in state prisons — a decline of nearly 60 percent from 1999 — and the fewest since 1983.²⁸ There is unprecedented demand to reorient and reinvest in the front end of the system, including alternatives to arrest and incarceration, to divert those New Yorkers who have challenging mental health and substance use needs from justice involvement. Between 63 percent and 83 percent of justice-involved individuals reportedly have substance use disorders, and 26 percent to 40 percent require mental health services.²⁹

Using the *Results First* model, with tested evaluations that show both reductions in recidivism and a return of \$4 for every \$1 spent, New York supports a portfolio of roughly \$15 million in alternatives to incarceration and

detention programming. Unfortunately, this often fails to reach the people who need it most and has had uneven success in preventing rearrests. This year, Governor Hochul is doubling funding to invest more than \$30 million annually to scale these services, develop a best-in-the-nation network of community-based and driven providers, and reduce rearrest rates during the pretrial period. This investment will reduce the state's reliance on incarceration, reduce recidivism, and thereby save taxpayer dollars.³⁰

Triple Investment in Reentry Services to Improve Public Safety

There are persistent social and economic barriers to reentry that affect the almost 20,000 people who leave New York's prisons annually.³¹ In the past year, Governor Hochul has taken significant steps to reduce these barriers by lifting the ban on Tuition Assistance Program grants for incarcerated individuals, reforming community supervision, allowing people who are reentering to pursue additional opportunities, and launching the "Jails to Jobs" initiative to provide more returning people with the skills and knowledge needed

in today's workforce.³² By connecting the formerly incarcerated with education and employment, New York is helping uplift this vulnerable community and ensuring community safety.

New York currently supports a comprehensive network of 20 county reentry task forces that serve the needs of 2,500 returning citizens each year with dedicated case management, care coordination, and stabilization services, in partnership with local government agencies and community-based organizations. Unfortunately, funding for this program has not increased in more than a decade. This year, Governor Hochul will triple the investment in this vital reentry network from approximately \$4 million to \$12 million.

This record level of support will serve as many as 7,500 people annually — an increase of 5,000 and more than one third of the individuals released — helping to meet their behavioral, health, employment, and educational needs. This investment will also expand stabilization services for individuals facing crisis, offset the costs of initial housing and transportation, provide stipends and incentives for workforce training and employment, enhance family engagement and relationships, and

support community-based partners who deliver critical services to the reentry population.

Expand the State's Gun-Involved Violence Elimination Program

The State's nationally recognized GIVE program uses evidence-based strategies to reduce shootings and save lives in the 20 jurisdictions hardest hit by gun violence, spread across 17 counties, that account for 80 percent of the violent crime that occurs outside of New York City.

Last year, Governor Hochul doubled the resources available to local law enforcement agencies through GIVE. These agencies have played a crucial role in reversing the upward trend in murders and shootings and returning most of the state to pre-pandemic levels of gun violence. To build on that success, Governor Hochul is proposing to again double GIVE funding, from \$18 million to \$36 million. This funding would be used to hire approximately 150 police officers and prosecutors dedicated to combating gun violence within their communities, while also supporting police

departments in their adoption of evidence-based strategies, such as hotspot policing, focused deterrence, crime prevention through environmental design, and street outreach. By pairing state resources with expert technical assistance, the State will help local law enforcement agencies focus on the small number of individuals responsible for most of the violence within their communities and rebuild the places most traumatized by persistent violent crime.

Rebuild the State Police with a Targeted Focus on Fighting Serious Crimes

The New York State Police (NYSP) plays a critical role in partnering with federal and local law enforcement to keep crime under control in communities across the state. Historically, however, the NYSP has had a broad mandate, with crime-fighting among a range of priorities for the agency. At the same time, the NYSP trooper headcount dwindled and is now significantly below full strength. Despite this, Governor Hochul's directive that the NYSP expand its work on gun violence has resulted in a 138 percent increase in gun seizures, with 2,026 guns seized between August 2021 and

December 2022, compared to 851 in the prior comparable period. Governor Hochul will now pursue a multi-pronged strategy to rebuild the NYSP and focus the entire agency on serious crime-fighting efforts.

Launch an Unprecedented Four New State Police Academy Classes

After almost two years without an NYSP Academy Class due to the COVID-19 pandemic, Governor Hochul delivered funding in the 2022-2023 budget to resume NYSP training to revitalize dwindling numbers and further support recruitment and retention efforts. This fiscal year, at the Governor's direction, the NYSP will conduct four unprecedented academy classes to speed up the rebuilding of the force and devote a higher number of troopers to efforts focused on combating serious crime.

Expand Community Stabilization Units to As Many As 25 Communities

The NYSP's Community Stabilization Units (CSUs) have proven to be an effective tool in combating community-specific crime problems across the state. Last year,

Governor Hochul doubled the capacity of CSUs, and today, 16 units comprise some of the most experienced and skilled uniform troopers and members of the Bureau of Criminal Justice, who partner with local law enforcement officers to address violence and complex crime. This year, Governor Hochul will provide increased funding to support CSUs in as many as 25 communities.

Increase NYSP Participation on Federal Task Forces to Combat Violent Crime

The NYSP collaborates with federal and local partners on various task forces aimed at removing illegal guns and curbing violent crime. These task forces are critical to our mission of attacking illegal gun trafficking and violent crime on all fronts. Gun trafficking organizations and violent criminals operate across jurisdictional boundaries, making it more challenging for state and local law enforcement to investigate. NYSP currently has investigators who are designated full-time federal task force officers with the U.S. Marshals Service, the Drug Enforcement Administration (DEA), the Bureau of Alcohol, Tobacco and Firearms and Explosives (ATF),

the Federal Bureau of Investigation (FBI) and the Department of Homeland Security (DHS), among others. This year, Governor Hochul will fund additional investigators to broaden State participation on federal task forces aimed at curbing violent crime, as well as the Joint Terrorism Task Force (JTTF).

Expand the Work of Crime Analysis Centers and Include New York City

Fifteen years ago, New York launched a first-of-its-kind network of regional Crime Analysis Centers (CACs). These centers collect and share criminal intelligence and data among law enforcement agencies, but historically, they did not include New York City. Nonetheless, this network has become a national model and the backbone of state and local efforts to deter, investigate, and solve crimes, including murders, shootings, robberies, hate crimes, and serial burglaries, as well as those committed by national and regional organized criminal groups. Prior to 2021, the State invested just \$8.1 million each year to support 10 centers, which served more than 350 law enforcement

agencies across 30 counties and handled more than 60,000 requests each year.

Last year, Governor Hochul established a dedicated \$15 million funding stream to support this key public safety resource, which enabled the acquisition of new crime analysis technology, the deployment of additional crime analysts, and enhanced investigative support, as well as the installation of crime gun and ballistic tracing equipment to solve more violent crimes involving firearms. In order to build on that progress, and address the significant public safety challenges in New York City, now is the time to develop and expand crime analysis and intelligence sharing with New York City partners to ensure statewide coverage of this critical data-sharing collaborative.

Governor Hochul is directing the Division of Criminal Justice Services (DCJS), which administers the CAC network, to establish dedicated crime analysis and intelligence resources in New York City and partner with local and federal agencies to assist their crime prevention, investigation, and prosecution efforts. This new partnership will integrate with the existing regional crime analysis capabilities located within New

York's High Intensity Drug Trafficking Area (HIDTA) program, which is focused on disrupting the illegal narcotics trade and cycle of gun violence.

In addition, this expansion will allow for truly statewide data sharing to enable more proactive and effective strategies to combat criminal activity, which often crosses city, county, and state lines.

Finally, as part of the work of the CACs across the state, and to help solve gun crimes and reduce gun violence, Governor Hochul will work with prosecutors and police to begin sending DNA on all criminal guns in New York State can be sent to the statewide DNA database of people who have already been convicted of a gun-related crime and be analyzed more quickly. This will allow law enforcement to better assess crime scene evidence and solve cases involving gun crimes.

Hire Hundreds of New Prosecutors Around the State

District Attorneys (DAs) are a critical part of any effective public safety strategy. Effective prosecutorial work allows for fair, swift, and certain justice, which, in turn, deters crime. But DAs across the state are

straining to meet the challenges of recent years — from increases in gun violence, violent crime, and property crime, to new discovery requirements enacted in 2019, all of which have increased the workloads of the offices.

That is why Governor Hochul is going to more than triple the \$12 million currently provided by the State’s “Aid to Prosecution” program in order to hire hundreds of new prosecutors around the state. This unprecedented level of state support for DAs will help develop crime strategy plans and units, reduce case backlogs, and return New York to pre-pandemic numbers of pending cases.

Provide Continued Funding for Discovery Reform

Governor Hochul is reaffirming her commitment to a criminal justice system that works for all New Yorkers by extending funding for the implementation of discovery and pretrial reforms. This funding will continue to bring to scale the staffing, services, and technologies needed to ensure that criminal cases are processed fairly, effectively, and efficiently. In addition to this funding, the Governor will establish a working

group to evaluate areas where additional resources or technical assistance could improve case processing.

Make Improvements to the State’s Bail Laws

There has been no aspect of the discussion around public safety more controversial than bail reform. Last year, Governor Hochul worked with the Legislature to make changes to the State’s bail law, including an expansion of bail eligibility for repeat offenders and gun crimes.

Governor Hochul believes in the original goal of bail reform: to ensure that the size of someone’s bank account should not determine whether they sit in jail or return home. The most consequential parts of bail reform eliminated cash bail for low-level offenses, and Governor Hochul stands by that watershed change.

At the same time, other parts of the bail law are contradictory on their face. On one hand, the law limits judges to making pretrial determinations based solely on the “least restrictive means” necessary to ensure a defendant’s return to court. On the other hand, the law also directs judges to consider a range of other factors

when setting bail. This results in finger-pointing and confusion when defendants commit additional crimes of violence.

For serious crimes (those that remain eligible for bail), Governor Hochul believes the “least restrictive” standard should be eliminated. Data from before and after the enactment of bail reform actually shows that eliminating the “least restrictive” standard for bail-eligible offenses — while retaining it for less serious crimes — will not increase the overall rate of pretrial incarceration. Of course, we also must understand that changing our bail law will not automatically bring down crime. What it *will* do is make it crystal clear that judges do, in fact, have the discretion necessary to protect the safety of New Yorkers.

During this legislative session, Governor Hochul will work with the Legislature to make thoughtful changes to the bail law along these lines, consistent with the spirit behind its original passage, in order to restore confidence in our criminal justice system.

Reduce Gun Violence and Violent Crime Amongst Individuals Under Parole Supervision

A significant share of individuals arrested for a shooting are those under parole supervision and those who have recently left the Department of Corrections and Community Supervision (DOCCS) custody. This provides an opportunity to effectively focus preventive measures. To sharpen the State's response to gun violence among the population of individuals under parole supervision, Governor Hochul will take a series of actions:

- Establish a Supervision Against Violent Engagement (SAVE) Program in Buffalo, Syracuse, and Albany, based on a pilot program in Rochester. Individuals under parole supervision identified at the highest level of risk to reoffend will be placed on electronic monitoring and higher levels of supervision.
- Provide a full-time, senior parole officer to serve as a data coordinator for each of the GIVE jurisdictions to facilitate intelligence gathering and sharing at the local level.

- Embed a full-time, senior investigator within the Office of Special Investigations (OSI) at DOCCS in each of the State Police’s gun violence task force jurisdictions to attend and gather cross-jurisdictional information.

Combat the Flow of Fentanyl Into Our Communities

The infiltration of potent substances like fentanyl into the illicit drug market has exacerbated the overdose epidemic. Fentanyl is now the leading cause of overdose deaths in New York (four in five overdose deaths are fentanyl-related). New York, in partnership with federal and local partners, will act to combat the flow of illicit drugs into our communities. Specifically, Governor Hochul will:

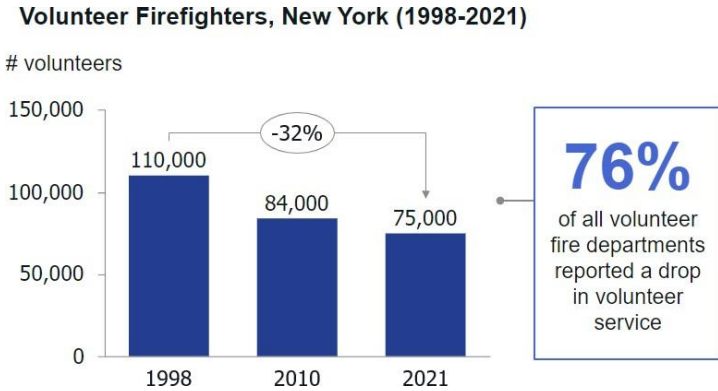
- Launch a statewide public awareness campaign about the harms of fentanyl.
- Provide additional crime analysts focused on fentanyl distribution and related deaths to the joint federal-state High Intensity Drug Trafficking Areas (HIDTA) program.

- Provide additional data on enforcement activity and overdose incidents to the federal Overdose Response Strategy dashboard to expand its usefulness in New York.
- Establish an Anti-Fentanyl Innovation Grant for local prosecutors that create units to shut down fentanyl supply chains and prosecute in cases of overdose deaths.
- Propose legislation to allow law enforcement to better curb the fentanyl crisis.

Stabilize Fire Service Statewide to Improve Emergency Response

Firefighters play an essential role in ensuring public safety. When trouble calls, volunteer firefighters and emergency workers are there to answer. However, the workforce for emergency services is rapidly shrinking, particularly in the fire service. Volunteer fire departments provide coverage to 9.1 million New Yorkers, approximately 46 percent of the population. Unfortunately, 76 percent of all volunteer fire

departments have reported a decrease in volunteer service in recent years.³³



Volunteer firefighter numbers have been declining since 1998

There has been an increase in the number of service calls despite this decline. Between 1997 and 2020, there was a 29 percent increase in fire incidents in New York.³⁴ This combination has led to major resource strains on fire departments, which have subsequently created an increase in mutual aid calls, in which the “home” department must call on a neighboring department to help, straining the resources of not only our volunteer departments but also our career fire departments. In New York, mutual aid calls increased by

151 percent between 2000 and 2020, in comparison to only 61 percent nationally.³⁵ To keep New Yorkers safe, the State must strengthen our volunteer fire service and emergency response.

Governor Hochul will propose legislation to allow communities to pay modest compensation to eligible volunteer firefighters. By allowing for limited compensation of volunteer firefighters, we can boost the appeal of these critical roles and increase recruitment and retention within the volunteer fire service.

The training required of volunteer firefighters is extensive, and these individuals deserve to be cared for when they are preparing to put their lives on the line to protect New Yorkers. Governor Hochul will create a fund to pay a stipend to volunteer firefighters upon completion of certain foundational training or certification required for core responsibilities. This fund will boost recruitment and retention, by covering some of the costs associated with obtaining core firefighter training and decreasing some trainees' wage losses while training.

Counter Cyber Threats

The frequency, magnitude, and impact of cyber threats continue to increase. Ransomware attacks, in which hackers hold data and systems hostage, rose 13 percent in 2021, and since 2017, more than 3,600 state, local, and tribal governments across the country have been hit. In 2022, the State's Division of Homeland Security and Emergency Services (DHSES) responded to 57 cyber incidents across New York in support of counties, local governments, state entities, and others. A recent attack in Suffolk County severely impacted government operations and resident services for months. Small and medium-sized enterprises and vulnerable populations (communities of color, immigrants, seniors) are especially targeted in financially motivated cyberattacks.

To better protect residents from cyberattacks and their effects, Governor Hochul is directing DHSES' Office of Counterterrorism to create New York's first ever specialized Industrial Control Systems (ICS) assessment team. The team will work alongside the agency's physical security and cybersecurity assessment programs to help critical infrastructure facilities across

the state improve their overall cybersecurity posture and make their ICS and operational technology systems more resilient to cyberattacks.

SECTION IV: BUILDING A HEALTH CARE SYSTEM FOR NEW YORK'S FUTURE

The health and well-being of every New Yorker depends on a strong, stable, and equitable health care system. Through wise investments, careful planning, and the devoted efforts of the health care workforce, the state has one of the strongest health care systems in the U.S. For example, just five percent of New Yorkers are uninsured, compared to eight percent nationwide.³⁶ Around 29 percent of people in the state are obese, below the 34 percent national rate. Only 12 percent of New Yorkers smoke, below the 14.4 percent nationwide.³⁷

There is still much to do. The pandemic taxed an already strained health care system, exacerbating disparities and systemic health care delivery issues, as well as causing entirely new problems. The workforce is the lifeblood of the health care system, and the industry was growing steadily until COVID-19. By the end of

2020, however, the health care workforce had declined by nearly four percent, and now remains at three percent below pre-pandemic levels.³⁸ The decline in nursing home and residential care workers was particularly pronounced — levels are 12 percent lower than the pre-pandemic workforce.³⁹

Similarly, the number of staffed hospital beds has declined, which is impacting access to care, especially in places such as Olean, Rochester, and Syracuse. Additionally, our hospitals still rely heavily on temporary nursing labor, especially upstate. At 3.3 hours, New York now has one of the longest average wait times for patients to see emergency doctors in the country — only five states have a longer average wait time.⁴⁰ In the Capital Region, the average wait is more than 4.5 hours.

To address these challenges, Governor Hochul last year made an historic \$20 billion, multi-year investment in health care. Key components of the multi-year investment included:

- \$1.2 billion of State support for health care and mental hygiene worker retention bonuses, with up to \$3,000 bonuses going to full-time workers

who remain in their positions for one year, and prorated bonuses for those working fewer hours.

- \$7.7 billion to be spent over four years to increase the home care worker minimum wage by \$3 per hour.
- \$500 million for Cost-of-Living Adjustments (COLAs) to help raise wages for human services workers.
- \$2.4 billion for health care capital infrastructure and improved lab capacity, along with other investments in workforce and health care access and delivery.
- \$3.9 billion in funding to provide aid to hospitals struggling financially from the COVID-19 pandemic.

The State continues to invest in the system, providing increasing subsidies to hospitals and nursing homes. However, the growth in these subsidies is unsustainable. Since 2020, the proportion of hospitals that require State financial support is up 214 percent, and the total amount of State subsidy provided to hospitals is up 286 percent. And while the actions

Governor Hochul took last year have helped shore up the health care workforce, it is still smaller than pre-pandemic levels.^{41,42}

Despite the State increasing investments and new initiatives, New York falls well below national performance on measures of quality, ranking 47th of 50 on hospital quality.⁴³ New York lags behind the nation on key social determinants of health and health outcomes, such as income inequality (worst in the nation)⁴⁴, high-risk HIV behaviors (41st of 50 states)⁴⁵, and high blood pressure (31st).⁴⁶ These determinants have a disproportionate impact on vulnerable populations. For example, Black New Yorkers have higher rates of infant mortality,⁴⁷ maternal mortality,⁴⁸ and opioid overdoses.⁴⁹

To address the challenges facing our health system over the next four years and improve quality, outcomes, and equity — and to build on the historic health care investments made in 2022 — Governor Hochul will:

- Transform how we pay for and deliver care: Build a comprehensive and evidence-based strategy for the health care system, and deploy capital to support transformation

- Strengthen the foundation: Address the most pressing health needs facing New Yorkers right now, with a particular focus on New Yorkers from underserved communities
- Prepare for future emergencies: Establish a nation-leading public health disease response and surveillance system

Our goal is to ensure that every New Yorker gets the care they need, when they need it, and how they need it.

Part IV-A: Transform how we pay for and deliver care

Establish a Commission on the Future of Health Care

The health care system has changed dramatically since the beginning of the pandemic. The workforce crisis continues, utilization of health care services — especially inpatient hospital services — is down,⁵⁰ and the delivery of care is shifting, with increased adoption of digital, outpatient, and in-the-home services. Health care providers are struggling to keep up with this shift, and rural and urban providers are experiencing these trends differently. Total operating subsidies for

hospitals have increased threefold since pre-pandemic levels, from \$745 million (FY20) to \$2.7 billion (FY23), but challenges related to access, quality, outcomes, and equity continue.

Governor Hochul believes that the State needs a holistic strategy to address the numerous challenges and opportunities ahead and needs better insight to develop effective policies and make targeted investments in health care. That is why she will establish a new 'Future of Health Care' Commission to provide ongoing strategic guidance for the transformation of the health care system in New York State. To improve access and quality of care, health outcomes, root out waste in the system, and create long-term stability, including a plan for struggling hospitals, this new body will:

- Drive a holistic and data-driven view of the State's health care delivery system.
- Develop and evolve a comprehensive, evidence-based strategy and roadmap for the transformation of the system.

- Guide statewide and regional planning with both short and long-term objectives across the continuum of care.
- Make recommendations on policy, regulation, reimbursement and other strategies to improve outcomes and transform care delivery.
- Shape the allocation strategy of subsidies for financially distressed hospitals and nursing homes and health care capital funding.
- Drive strategic and operational assessments and transformation initiatives of health care institutions.

Provide Transformative Health Care Capital Funding

Demand for capital funding continues to outpace supply. To drive transformative projects that support the State's health care objectives and align with the recommendations of the Commission, Governor Hochul will allocate additional health care capital on top of the \$1.6 billion committed last year.

Establish A New Health Care Technology Capital Program

Health care technology is critical to enabling providers to provide high-quality and effective care. More than 45 percent of providers nationally have increased their investments in health care IT in the past year, while 80 percent report it as a top strategic priority.⁵¹ Larger, urban health care organizations were able to make investments in technology during the pandemic and use more innovative and advanced tools, but smaller, rural organizations had to cut down their investments in technology. Not all providers have up-to-date certified Electronic Health Records (EHRs). For instance, 86 percent of general hospitals have EHRs, but the rates are far lower in specialty (23 percent) or rehabilitation hospitals (40 percent).⁵² Additionally, cybersecurity attacks on providers more than doubled between 2016 and 2021, necessitating technology investments to protect patients.⁵³ Safety-net providers — who serve the most vulnerable New Yorkers — have the most significant outstanding technology needs.

That is why Governor Hochul will establish a new capital grant fund to support providers' technological investment upgrades that facilitate the State's health care transformation goals. These funds will spur investment in advanced clinical technologies, cybersecurity tools, and other technological upgrades to improve quality of care, patient experience, accessibility, and efficiency.

Reform Traveling Nurse Agency Staffing Practices

During COVID-19, health care providers relied on contracts with temporary staffing agencies for contract staff and traveling nurses to meet the overwhelming demand. Post-pandemic reliance on agency staff at health care facilities has skyrocketed. At some upstate hospitals, usage is five times greater now than it was pre-pandemic. Contract labor can be significantly more expensive than directly employed staff, and as a result, labor costs have increased significantly for providers.⁵⁴

Governor Hochul will introduce legislation to require staffing agencies to register and report key data about their operations with the goal of increasing transparency into the utilization and costs of contract

labor. The State will use the collected data to explore options to remedy the dependence upon, and escalating costs related to, agency staffing.

Allow Health Care Providers to Do More

The health care workforce shortage in New York has led to access and quality of care problems for New Yorkers. Governor Hochul signed an Executive Order in September 2021 to acknowledge this shortage and provide flexibility to allow health care providers to temporarily do more (expanding their “scope of practice”) under their licenses. Making these flexibilities permanent and expanding scope further will help alleviate the shortage, by continuing to allow the current workforce system to provide more care. In addition, Governor Hochul will advance legislation to allow New York to join the Interstate Licensure Compact and the Nurse Licensure Compact, which will make it easier for physicians and nurses licensed in other states to practice in New York, either physically or virtually, and allow New York providers to provide virtual care more easily for their patients who travel to other states.

Reform Approval Processes of Health Care Projects

Health care providers face administrative barriers when seeking to modernize and invest in their facilities, including the Certificate of Need (CON) process, which governs the establishment, construction, and renovation of health care facilities. Governor Hochul will direct the Department of Health to review and amend the CON process, including raising the cost threshold for projects that need to file a CON and revisiting the definition of “public need” used in the application process. These and other CON reforms will reduce red tape and approval times for more rapid modernization of the state’s health care infrastructure. The administration will also take steps to ensure that significant private sector health care transactions support the financial sustainability, access, and quality of care objectives for the health care system.

Part IV-B: Strengthen The Foundation

Expand Medicaid Coverage of Preventative Health Services

Medicaid provides comprehensive health insurance to 7.7 million low-income New Yorkers. Medicaid enrollees are less likely to use regular medical or dental services⁵⁵ and more likely to visit an emergency room⁵⁶ versus those on private insurance. Medicaid enrollees are more likely to smoke (23 percent versus 10 percent of New Yorkers with private insurance),⁵⁷ have high blood pressure (30 percent versus 25 percent),⁵⁸ have diabetes (12 percent versus eight percent)⁵⁹ or have other chronic conditions.⁶⁰ Medicaid enrollees also have worse health outcomes — for example, 61 percent of maternal deaths are Medicaid enrollees, but only 50 percent of the state’s births are covered by Medicaid.⁶¹

To address these issues, Governor Hochul will support critical preventative care for Medicaid enrollees that will help improve population health and reduce hospitalizations, including: increasing supportive housing funding, expanding Adverse Childhood Experiences screening, expanding coverage for nutritionist services, expanding coverage for therapy,

increasing dental care rates, increasing rates for children’s vaccine administration, expanding coverage of spinal muscular atrophy prenatal screening, expanding screening for social determinants of health, and expanding coverage for Doula services.

Expand the Medicaid Buy-in Program for New Yorkers with Disabilities

Medicaid coverage is essential for accessing long-term supports and services like home care. Without Medicaid coverage, the median out-of-pocket cost of a home health aide is more than \$66,000 per year in New York — unaffordable for many people.⁶² Too many persons with disabilities are faced with the difficult choice between maintaining their coverage and pursuing employment opportunities due to the current Medicaid eligibility income and asset limits. More than one-third of working-age disabled adults fear that getting a job would mean losing their health insurance. Governor Hochul will submit a waiver to expand the Medicaid Buy-In program so more New Yorkers with disabilities can work and still qualify for Medicaid coverage.

Improve Essential Plan Coverage

The Essential Plan offers comprehensive health coverage to more than 1 million New York residents with incomes below 200 percent of the federal poverty level (\$27,000 for a single individual). To make health care coverage more affordable, accessible, and equitable, Governor Hochul will explore several changes to improve the Essential Plan. These will include reducing cost sharing for patients, ensuring access by increasing reimbursement rates for health care providers, expanding funding for health plans to broaden coverage of mental health and social services, and requiring health plans to spend more on patient care.

Protect New Yorkers from Medical Debt and Other Burdensome Medical Costs

One in five people has outstanding medical bills in collections, totaling \$88 billion nationwide.⁶³ Medical debt can be unpredictable and have serious financial implications, with 53,000 New Yorkers sued by hospitals from 2015 to 2020.⁶⁴ It can also have a

significant impact on an individual's ability to find housing, secure employment, access higher education, or participate in the financial marketplace. Governor Hochul has already taken steps to address this problem — for example, announcing regulations last year to protect consumers facing surprise medical bills as well as prohibiting hospitals from placing liens on patients' homes or garnishing their wages to collect on medical debt. This year, Governor Hochul will go one step further and create a comprehensive plan to address excessive medical debt, including (1) amending the Consumer Credit Fairness Act to cover medical debt; (2) launching an industry and consumer education campaign that addresses medical debt and affordability; and (3) reforming hospital financial assistance applications to require hospitals to use a uniform application form.

Governor Hochul will take additional steps to protect New Yorkers from burdensome medical costs. New York will establish the strongest prescription drug price transparency program in the country by building on the Pharmacy Benefit Bureau launched last year, requiring drug manufacturers to report, in advance, changes in

drug prices and make that information publicly available to consumers. In addition, we will explore the creation of a new Health Guaranty Fund to protect New Yorkers if a health insurer becomes financially impaired or insolvent, similar to what is in place for life and property insurers.

Expand Access to Primary Care

New Yorkers in underserved communities are much less likely to access primary care, and New York's rural areas have almost 80 percent fewer primary care providers per capita than urban areas.⁶⁵ This lack of primary care leads to poor health outcomes and higher costs. In fact, almost 50 percent of all emergency department visits in New York State could have been treated with primary care, and even more could have been avoided.⁶⁶ These costs hit the state particularly hard: Medicaid enrollees are significantly more likely to visit the emergency department than those with commercial insurance.⁶⁷

Governor Hochul will support evidence-based interventions to improve access to primary care for

Medicaid enrollees and reduce preventable hospitalizations and emergency room visits by:

- Increasing overall Medicaid reimbursement rates for all primary care, and specifically for nurse practitioners, who are critical providers of primary care.
- Ensuring Medicaid coverage of primary and urgent care within the shelter system, which is expected to help tens of thousands of New Yorkers facing housing insecurity to access care.
- Expanding Medicaid coverage of community health workers to help hundreds of thousands of New Yorkers navigate health and social services.
- Increasing Medicaid reimbursement rates for school-based health centers, which increase access to primary care and other health services for children and their families.
- Supporting the integration of primary and mental health care through several initiatives, including allowing Medicaid reimbursement for additional types of licensed mental health providers in community health centers,

establishing a working group on integrated care, and relaxing licensure restrictions for Article 28, 31, and 32 facilities — such as hospitals, outpatient clinics, and behavioral health clinics.

Revitalize Emergency Medical Services and Medical Transportation

The availability of emergency transportation and emergency medical technicians varies significantly, as rural residents wait nearly twice as long for an emergency responder as suburban and urban residents nationwide.⁶⁸ Compounding this issue, the number of emergency medical services (EMS) agencies in the state declined from 1,200 pre-pandemic to less than 1,000 post-pandemic, while the number of new EMTs declined by 30 percent over the same time period. These agencies in New York lack comprehensive coordination, which makes it difficult for the state to collectively respond appropriately in emergencies or disasters. Governor Hochul will take several steps to help solve these issues:

- Ensure emergency transportation providers are appropriately reimbursed for trips, increasing payment for more complex patients.
- Establish a working group to recommend ways to expand access to non-emergency medical transportation.
- Establish nine regional EMS organizations that can better coordinate all the EMS agencies and providers operating within their region and a statewide EMS disaster response system that can rapidly deploy personnel and equipment when and where it is needed during an emergency.
- Allow EMS providers to perform expanded clinical care in the community.
- Permit ambulances to treat patients in place or take patients to urgent care clinics without sacrificing payment for the trip, decreasing the number of unnecessary emergency room visits.

Ensure Access to Aging Services and High-Quality Long-Term Care

Last year, Governor Hochul directed the creation of the first-ever statewide Master Plan for Aging to ensure New Yorkers can age with dignity and independence wherever they choose. While production of the plan is underway, the long-term care system continues to be fragmented and overwhelmed as it emerges from the COVID-19 pandemic. To ensure access to aging services, high-quality long-term care, and the ability for senior New Yorkers and their caregivers to make informed choices on where to seek care, Governor Hochul will:

- Invest in care teams to provide care for low-income adults in their home, helping to ensure New Yorkers can age in place.
- Provide respite care for high-need family caregivers, granting relief for those who oversee care of their loved ones.
- Establish quality reporting and accreditation for assisted living residences and implement quality improvement initiatives in nursing homes to

promote transparency and make it easier for New Yorkers to make informed choices.

Lead the Way for a Tobacco-Free Generation

Commercial tobacco use is the leading cause of preventable death in New York and the U.S.. In 2020, 22.5 percent of youths used an e-cigarette. Every year, approximately 4,300 New Yorkers under 18 become daily smokers.⁶⁹ Tragically, 280,000 of New York's youth who are under 18 are projected to die prematurely from smoking, while an additional 28,200 adults in the state die each year from tobacco.

Solidifying New York's leadership in ensuring a tobacco-free generation, Governor Hochul will introduce legislation to expand upon the State's ban on the sale of flavored vaping products by prohibiting the sale of all flavored tobacco products. In addition, Governor Hochul will propose to increase the cigarette tax from \$4.35 to \$5.35 per pack. These actions are projected to reduce the number of young people smoking cigarettes by nine percent, prevent 22,000 youths from becoming adult smokers,⁷⁰ and prevent premature deaths caused by

smoking.

Save Lives Through Treatment of Opioid Addiction

Opioid-related deaths have grown almost 300 percent between 2010 and 2020, comprising 85 percent of all drug overdose deaths in New York in 2020.⁷¹ People who are Black and Indigenous, and People of Color (BIPOC) experience disproportionate addiction-related consequences.⁷² Between 2018 and 2021 the number of drug overdose deaths grew fastest among Black (non-Hispanic), Hispanic, and Asian (non-Hispanic) New Yorkers.⁷³

Deaths from drug overdose in New York State increased by 53 percent between 2018 and 2021, up from more than 3,900 in 2018 to nearly 5,600 in 2021.⁷⁴ The surge is largely due to a sharp increase in deaths from opioids related to illicit fentanyl and similar synthetic opioids, growing from 11 percent of all drug overdose deaths in 2010 to 78 percent in 2021. The CDC reports that most recent cases of fentanyl-related overdose are linked to illicitly manufactured fentanyl, which is distributed through illegal drug markets for its heroin-like effect and often added to other drugs because of its extreme

potency, making the drugs cheaper, more powerful, more addictive, and more dangerous.²⁵

Governor Hochul's administration takes an all-hands-on-deck approach through its statewide harm reduction strategy to save lives through treatment, education, and prevention. To expand these efforts, Governor Hochul will launch an interagency task force to consider all options related to opioid use disorder treatment and harm reduction strategies.

In addition, while tools like fentanyl test strips are critically important, access to enhanced drug checking technology can provide a more comprehensive evaluation of substances before use. Governor Hochul will make this enhanced technology available at Drug User Health Hubs so that individuals can test their drugs to prevent overdose before use. Drug User Health Hubs provide a welcoming, non-stigmatizing, low-threshold setting that improves the availability and accessibility of medications for opioid use disorder, in addition to primary care, mental health services, and referrals and linkage to an array of other healthcare and supportive services for persons who use drugs.

The State will also make drug checking technology available to engagement service and street-level outreach providers who work with individuals not currently receiving addiction services and who are at significant risk of a fatal overdose.

The State's Office of Addiction Services and Supports (OASAS) and Department of Health (DOH) and other agencies will continue to collaborate on existing life-saving initiatives, including:

- Non-stigmatizing, low-threshold treatment for opioid use disorder.
- Syringe exchange and naloxone distribution.
- Opioid overdose prevention training.
- Access to low threshold buprenorphine.
- Medication-assisted treatment in jails and prisons.
- Mobile Medication units.
- Outreach and engagement services.
- Training of first responders on treating fentanyl overdoses.

The State will also continue its work as one of the federally-funded jurisdictions charged with improving drug surveillance of fatal and non-fatal drug overdoses to inform the implementation of evidence-based and innovative prevention initiatives.

End Preventable Epidemics

Congenital syphilis, which results from untreated maternal syphilis infection in pregnancy, is entirely preventable. However, cases have more than tripled between 2015 and 2021, and one third of cases could have been averted with additional screening.^{z6} Governor Hochul will require third trimester screening during pregnancy to prevent a rise in future congenital syphilis cases.

Hepatitis C, a viral infection that affects the liver, is the most common bloodborne infection and one of the leading causes of liver cancer in the country. Current medications can cure over 90 percent of individuals suffering from Hepatitis C in as little as eight weeks.^{zz} More than 10 million New Yorkers need to be screened to reach New York State's Hepatitis C Elimination goals.

Governor Hochul will propose legislation to screen more New Yorkers for Hepatitis C, including all pregnant persons.

Part IV-C: Prepare For Future Emergencies

Modernize our Health Reporting Systems

While most health data exists electronically, it often resides in incompatible siloes. This is dangerous, because this data is critical for health officials to identify, monitor, and intervene on health threats, particularly during health emergencies. While most hospitals and nursing homes have electronic medical systems, outdated reporting infrastructure means facilities must report essential data to the State manually, wasting invaluable time of clinical and administrative staff during crises.

New York will replace this outdated reporting infrastructure with a nation-leading health monitoring and surveillance system to inform targeted and appropriate responses to public health crises and to drive broader health care insights. This will include a first-in-the-nation platform that combines real-time

health information with other key data like social and chronic condition risk factors to inform better decision-making.

To begin, the Department of Health will launch an initiative to automate data reporting, reduce the administrative burden on providers, and provide greater flexibility to the Department of Health on the types and frequency of data collection. New York will redesign surveys to align the data collected from health care providers with what is needed for informative analysis and decision-making, in addition to providing support to non-hospital health care providers that need to install electronic medical record systems and connect to the State's health data reporting systems. Finally, we will establish a DOH Program Office to oversee the creation of the new analytic platform and additional investment in the existing health information exchange (HIE).

Rebuild the Wadsworth Laboratories

In 2019, the State invested \$750 million to rebuild Wadsworth Laboratories, New York's nation-leading

public health research laboratory and home to cutting edge research on biomedical and environmental issues critical to protecting the health of New Yorkers. This year, Governor Hochul will provide additional funding to complete the consolidation of Wadsworth's five unconnected sites located throughout the Greater Albany area into one new, state-of-the-art facility on Albany's W. Averell Harriman Campus by 2030. Governor Hochul will support the laboratory's public health research capacity to ensure Wadsworth remains at the forefront of international public health research.

Strengthen New York's Public Health Emergency Readiness Capacity

The COVID-19 pandemic demonstrated the importance for New York State to respond to public health emergencies and other health crises quickly and effectively. It also emphasized the need for seamless coordination with local health departments, regional offices, and national partners. To bolster these capabilities, the Department of Health will commit additional staff resources to work with other state agencies, as well as key local and national partners, to

build more robust emergency response plans, conduct emergency response training, and ensure appropriate stockpiling of medical equipment and supplies.

SECTION V: SAFEGUARDING OUR CLIMATE AND ENVIRONMENTAL FUTURE

Under Governor Hochul’s leadership, New York has advanced the nation’s most aggressive policies to combat climate change, safeguard clean water and our natural environment, promote environmental justice, and advance the green economy.

Since taking office, Governor Hochul has:

- With overwhelming support from New Yorkers, secured passage of the largest, most environmental bond act in state history. The Act will spur investment in critical water infrastructure, restore environmental habitats, and improve the ability of New York communities to withstand severe weather events and flooding driven by our changing climate. The State is already advancing signature projects, from zero-emission school buses for high-needs districts and critical stormwater infrastructure in disadvantaged

communities, to the build out of legacy recreation assets such as Sojourner Truth State Park and a modernization of New York's world-class fish hatchery system.

- Advanced our renewable energy future, with more than 120 solar, land-based wind, and offshore wind projects under development. In March 2022, New York State became the top community solar market in the nation and in September 2022, reached four gigawatts of distributed solar.⁷⁸ Governor Hochul also announced the approvals of Champlain Hudson Power Express and Clean Path NY, two landmark transmission projects which will bring renewable energy from Canada and upstate New York to New York City. At the same time, Governor Hochul advanced New York's offshore wind portfolio by securing a \$500 million investment to support in-state offshore wind supply chain and port infrastructure, and launching the state's third competitive offshore wind solicitation as well as workforce

development initiatives to fund this growing industry.

- Expanded the successful NY-Sun solar energy initiative by dedicating an additional \$1.5 billion to the program and expanding New York’s distributed solar target from six gigawatts to 10 gigawatts by 2030. The program is expected to leverage \$4.4 billion in private investment and create an additional 6,000 jobs, with prevailing wages required for projects over one megawatt.
- Created a framework for six gigawatts of energy storage by 2030, which will reduce our reliance on fossil fuel power plants to maintain system reliability, as well as maximizing the benefits of our renewable energy transition.
- Advanced the decarbonization of New York State’s buildings, committing to 1 million electrified homes and up to 1 million electrification-ready homes by 2030.
- Prioritized clean transportation by announcing a first-in-the-nation²⁹ commitment to deploying electric school buses statewide and requiring all

new passenger cars, pickup trucks, and SUVs sold in the state to be zero emissions by 2035.

- Prioritized environmental justice and equity across the board, launching a statewide community air monitoring initiative, the largest ever in New York State and one of the largest in the nation to map air pollution at the community level.

These actions are in service of a better future for our state and the imperative to reach New York’s ambitious climate goals. New York’s Climate Act requires that New York reach 70 percent renewable electricity and 40 percent economy-wide greenhouse gas reduction by 2030, zero-emissions electricity by 2040, and net-zero greenhouse gas emissions economy-wide by 2050.

This year, Governor Hochul is proposing critical initiatives that will make a difference in the lives of all New Yorkers. These ambitious programs will not only invest in our communities and deliver a more sustainable future, but also serve as models for affordability that municipalities and other states can follow. New York’s unprecedented commitment to the pursuit of clean energy and green infrastructure will

supercharge our economy and advance our climate goals. This moment demands historic investments in renewable energy and environmental protection to bring us closer to a brighter, greener future.

Meet New York’s Climate Goals with a “Cap-and-Invest” Program That Prioritizes Affordability

New York State is undertaking the most ambitious and comprehensive effort in the U.S. to address the threat of climate change by reducing harmful pollutants from emissions from every sector of our economy and investing in a renewable energy future that is equitable for all New Yorkers.

As announced in December 2022, New York State’s Climate Action Council (CAC) determined that a carefully constructed Cap-and-Invest Program would be the most feasible, efficient, equitable, and affordable method to attain a more sustainable future. In response to the CAC’s recommendation, and to ensure we meet our climate goals, Governor Hochul is today directing the Department of Environmental Conservation (DEC) and New York State Energy Research and Development

Authority (NYSERDA) to advance an economy-wide Cap-and-Invest Program that establishes a gradually declining cap on greenhouse gas emissions, limits financial impact to New Yorkers, all while investing the proceeds in programs that drive emission reductions in an equitable manner, and maintaining the competitiveness of New York's industries.

At the direction of Governor Hochul, DEC and NYSERDA will design the program with the intent to reduce consumer costs, help businesses succeed in the low-carbon economy, and bring program benefits to every community in the state. This process will solicit crucial feedback from consumer, industry, labor, and stakeholder groups to build out a system that works for everyone.

To design a program that can benefit all New Yorkers, Governor Hochul will be seeking legislative partnership on crucial changes that can allow New York's Cap-and-Invest Program to offer universal Climate Action Rebates to families across the state, helping defray their costs. New York will also develop a program that can potentially sync up with other emissions reduction

programs across the country, helping to galvanize a nationwide climate movement.

New York's Cap-and-Invest Program will draw from the experience of similar, successful programs across the country and worldwide that have yielded sizable emissions reductions while catalyzing the clean energy economy. Indeed, New York's power sector is already part of a similar regional Cap-and-Invest Program known as the Regional Greenhouse Gas Initiative (RGGI). Since it was established in 2005, RGGI has helped reduce greenhouse gasses from power plants by more than half and raised almost \$6 billion to support cleaner energy solutions.

As required by the Climate Act, DEC and NYSERDA will design a program over the coming year that ensures compliance with statewide emissions reduction limits. To accomplish that, the program will set an annual cap on the amount of greenhouse gas pollution in New York. Every year, New York's pollution cap will be reduced, with the aim of setting the state on a trajectory to meet our greenhouse gas reduction goals of 40 percent by 2030, and at least 85 percent below 1990 levels by 2050, as mandated by New York State law.

Large-scale emitters of greenhouse gasses and distributors of heating and transportation fuels in the state will be required to purchase allowances — via auctions hosted by the State — for the emissions associated with their activities. Over time, as the cap on emissions declines and allowances become scarcer, their auction value will increase. By applying a price to the amount of pollution associated with certain fuels, New York’s Cap-and-Invest Program will incentivize and support consumers and businesses in implementing strategies that lower energy bills and transition to lower-carbon alternatives such as electric vehicles or electric heating systems. Proceeds from allowance auctions will support the State’s critical investments in climate mitigation, energy efficiency, clean transportation, and other projects, in addition to funding a Climate Action Rebate distributed to all New York families.

In directing DEC and NYSERDA to develop a Cap-and-Invest Program, the Governor today lays out five core principles that will shape the program’s design:

- **Affordability:** A Cap-and-Invest Program must put the wellbeing of New York families first.

Governor Hochul will propose legislation to create a universal Climate Action Rebate that, subject to a stakeholder and rulemaking process, is expected to drive more than \$1 billion in annual cap-and-invest proceeds to New Yorkers. The Climate Action Rebate will be designed to mitigate costs for New Yorkers, while preserving crucial funding for consumer-led decarbonization efforts, including energy efficiency measures that reduce energy and transportation costs, and create new job opportunities. These rebates will help offset the costs of energy use and, in combination with investments made possible by the program, help households reduce their energy use and switch to clean energy. Many New York families will, for the first time, be able to afford energy efficient investments, electric vehicles and more, which will allow some of these households to come out ahead—and with more money in their pockets. Furthermore, Governor Hochul will seek program design features that can help ensure potential cap-and-invest costs are predictable

and manageable for all consumers and businesses.

- **Climate Leadership:** New York’s Cap-and-Invest Program will not only help achieve our climate goals at home, but also catalyze a nationwide movement to expand Cap-and-Invest markets that cross state borders, which could collectively minimize price pressures, and advance the climate movement. To that end, Governor Hochul is specifically directing DEC and NYSERDA to design a program with the capacity to join other current or future cap-based programs, which can lower the price of the overall transition across multiple jurisdictions.
- **Creating Jobs and Preserving Competitiveness:** The Cap-and-Invest Program will be designed to launch new investment in industries that will create tens of thousands of well-paying, family-sustaining jobs that can lift up entire communities. From home retrofits to green manufacturing, cap-and-invest proceeds can jumpstart the entire clean energy economy. The Governor is further directing DEC and

NYSERDA to take every precaution in program design to ensure New York industries are not put at a competitive disadvantage and emissions are not pushed out of state. This will help businesses, especially energy-intensive industries that provide good jobs to New Yorkers, decarbonize in a way that is compatible with economic growth. Furthermore, cap-and-invest proceeds will support just transition initiatives to ensure no worker is left behind in New York's green economy.

- **Investing in Disadvantaged Communities:** Cap-and-invest will prioritize the disadvantaged frontline communities across New York State that have suffered from pollution and environmental injustice for far too long. The program will not allow high-emitting sources to utilize offsets that would allow them to further pollute and expand, but will instead be designed to ensure pollution burdens are reduced. Under Governor Hochul's leadership, at least 35 percent — and with a goal of 40 percent — of investments will directly benefit disadvantaged

communities. These investments will fund crucial programs to improve air quality, reduce reliance on polluting power plants, retrofit green schools, and clean up our public transportation systems, among other vital efforts.

- **Funding a Sustainable Future:** Cap-and-invest will provide the funding needed to achieve our climate goals. From helping business owners electrify their operations and make energy efficiency investments that will reduce energy bills, to funding electric vehicle (EV) chargers on Main Street, cap-and-invest proceeds will deliver benefits across New York State — enhancing livability, cutting transition costs for consumers, and creating a better New York.

Achieving these principles requires both a rigorous and transparent regulatory process led by DEC and NYSERDA, and crucial reforms made together with legislative partners, to ensure New York’s Cap-and-Invest Program benefits all consumers, keeps our economy’s competitive advantage while maximizing economic returns, and allows for linkages with other jurisdictions. Therefore, Governor Hochul will advance

legislation that enables New York to distribute Climate Action Rebates to all.

Make Energy More Affordable

Over the last year, we've seen energy costs surge to unprecedented highs, driven by geopolitical forces that are impacting the cost of fossil fuels around the world, and families across New York have been paying the price. In the coming months, New York households may face energy prices that are 20 to 30 percent higher than last winter due to the inflated costs of polluting fossil fuels. As a result, vulnerable New Yorkers, especially those living in drafty, energy-inefficient homes, are making the hard choice between keeping the thermostat up or putting extra groceries in the fridge.

Our undisrupted reliance on fossil fuels and our aging building stock — the median New York home is the oldest in the nation¹⁰ — not only result in higher energy costs but also in higher emissions. New York's buildings are the largest source of emissions in our state, accounting for a third of our carbon output as well as a

third of the state's pollution that drives asthma and shortens lives.

In response to these pressing needs, on top of the Climate Action Rebates, Governor Hochul is proposing a series of policies to protect our most vulnerable households from outsized price increases this year while moving us toward lower energy bills and lower building emissions.

First, New York State will extend \$200 million in relief for New Yorkers experiencing high electric bills to provide a monthly discount to the more than 800,000 electric utility customers who are making under \$75,000 a year and have not been eligible for the State's current utility discount program.

In addition, Governor Hochul will launch the EmPower Plus low-income home retrofits program. In a first-of-its-kind initiative, EmPower Plus will help 20,000 low-income families retrofit their homes by adding insulation, installing energy efficient appliances, and where eligible, switching from inefficient fossil fuel heating systems to clean, efficient electric alternatives.

Homes that qualify to be electrified through the EmPower Plus program will be eligible for the Energy Affordability Guarantee once they are fully electrified. This Energy Affordability Guarantee, a first-in-the-nation pilot program, will ensure participating low-income New Yorkers will never pay more than six percent of their income on electricity. Together, the EmPower Plus and Energy Affordability Guarantee programs will combine weatherization and electrification measures as well as affordability protections that will drastically cut energy use, improve home comfort, and deliver more than 17,000 metric tons of averted emissions — thanks to an infusion of \$200 million in new State support.

In addition, Governor Hochul is directing the Low-Income Energy Task Force, composed of State agencies that administer energy affordability programs, to undertake immediate efforts to improve the alignment of existing programs and streamline administrative processes to increase access to services and the impact of public dollars. By combining unprecedented support for energy burdened families with the investment needed to make our housing stock more sustainable, the

EmPower Plus program will deliver energy affordability now and for the future.

Make Buildings More Sustainable

Putting New York on the trajectory for a more sustainable future requires making sure that when we build new homes, we're constructing the zero-emission buildings of the future. Governor Hochul will seek an ambitious set of policies designed to usher New York into a new, electrified future that will reduce emissions and consumer costs.

As a complement to the New York Housing Compact and its goal of delivering 800,000 new homes over the next 10 years, the Governor is calling for all new construction to be fully sustainable, with no on-site fossil fuel combustion by 2025 for smaller buildings and by 2028 for larger buildings. Highly efficient, zero-emission buildings can be built at a minimal cost premium and will provide new residents with safer, healthier, and more comfortable homes.

To meet our ambitious climate goals, Governor Hochul is also proposing that New York take a nation-leading

stand to prohibit the sale of any new fossil fuel heating equipment by no later than 2030 for smaller buildings, and no later than 2035 for larger buildings, along with related fossil fuel systems for all buildings. By closing the curtain on new fossil fuel equipment, New York will be advancing a zero emissions, electrified future and mobilizing the designers, manufacturers, engineers, installers, and workforce needed to realize this vision.

Finally, to help target investments and equip building owners with the data they need to reduce energy costs, Governor Hochul will be advancing a system to grade large buildings statewide on their energy usage as compared to their peers. You can't manage what you don't measure, and low-efficiency buildings can use up to three to seven times more energy than their direct counterparts. New York can put energy use data to work to benchmark similar buildings against a statewide common standard that will demonstrate the potential magnitude of energy saving interventions. Grading buildings is proven to help building managers make informed choices that cut bills and emissions.

Advance Transportation Electrification

The rapid pace of investment in zero-emissions vehicles will require a significant level of EV charging station deployment, both at public locations and in the areas where vehicle fleets are concentrated. Under Governor Hochul's leadership, New York's utilities have been authorized to invest more than \$1 billion in support of vehicle electrification, primarily for the development of EV charging infrastructure for passenger vehicles.

Building on New York's nation-leading investments in utility programs that support transportation electrification, Governor Hochul will direct the Department of Public Service (DPS) to launch a proceeding that will identify and remove the barriers to the efficient and timely deployment of the charging infrastructure needed to electrify New York's medium and heavy duty vehicles. Pollution from these vehicles has disproportionately impacted disadvantaged communities where air quality is a public health issue, such as Hunts Point in the Bronx, where more than 15,000 diesel trucks operate every day. As part of this proceeding, DPS will consider revisions to utility EV infrastructure planning to encourage proactive

investments in high priority locations, especially in disadvantaged communities and Clean Air Act nonattainment areas.

Ensure a Just Energy Transition

Since the passage of the Climate Act, New York has taken great strides to ensure that union labor and workers are at the center of the climate infrastructure build-out now underway — from large-scale renewables and transmission to community solar and beyond. Governor Hochul has already ensured that the labor industry has a greater voice on the Climate Action Council. But more can — and must — be done to support both conventional energy workers and communities burdened by fossil fuel infrastructure as they navigate the transition to a clean energy economy in the coming decades.

New York stands to see hundreds of thousands of jobs created in the future through the implementation of the Climate Act; even so, the State owes it to existing fossil fuel workers to undertake every effort to mitigate potential job loss and/or displacement and to protect

them during their transition to a new occupation or sector, or to retirement. To address this, Governor Hochul will create the Office of Just Transition to centralize and direct state planning for a smooth, equitable transition for workers.

As the mission and programmatic priorities of the Office are built out, it will focus on three main areas in the near- and medium-term, including host community support, existing worker support, and new worker support. New York will join the ranks of other states that have started to establish similar offices as they contend with power plant closures and other energy transition impacts. However, New York's efforts will be the first dedicated, structured effort to achieve a just transition for affected workers and communities that looks beyond the transition from coal.

Reduce Waste and Invest in Local Recycling Programs

New York State has led the way in progressive solid waste management and recycling policies. However, historic global economic and market disruptions have created a waste crisis. Municipalities are struggling to

handle the burden of increased amounts of waste due to financial constraints and a lack of access to recycling infrastructure. This is only resulting in more trash going to landfills.

To protect communities and alleviate the burden on municipalities and taxpayers, New York will work to reduce waste and advance the state's transition to a circular economy. This will also put New York on the path to achieve our ambitious climate goals. To prevent more waste from ending up in landfills, we must shift the responsibility of reducing environmental impact and managing product recycling from the consumer to the brands that create the waste.

Governor Hochul will introduce the Waste Reduction and Recycling Infrastructure Act which transfers the onus of recycling to the producer — not the taxpayers. When producers are required to move away from disposal and instead consider the total life cycle of a product, they are incentivized to innovate products to reduce waste, reuse products and materials, and design products to be recycled instead of thrown away.

New York State will develop a new, more efficient recycling strategy that will increase recycling rates, save

local governments money, create jobs, and protect the environment. New York's program will require we meet specific recycling rates, create binding post-consumer recycled content rates, and ensure recycling is convenient for consumers.

Invest in Critical Water Quality Infrastructure

To support water quality and infrastructure projects across the state, Governor Hochul will invest an additional \$500 million in clean water funding in her upcoming budget, bringing New York's total clean water infrastructure investment to \$5 billion. This investment is necessary to address the critical infrastructure needs across New York and will put New Yorkers to work improving water quality and protecting public health.

To leverage these investments and ensure ongoing coordination with local governments, Governor Hochul will develop Community Assistance Teams, which will provide proactive outreach to small, rural, and disadvantaged communities, and assist with accessing financial assistance to address their clean water infrastructure needs.

Financial resources will be used to establish and implement apprenticeship programs to make sure our localities have the technical staff necessary to operate water and wastewater treatment plants across the state.

Clean Up “Forever Chemicals”

New York State continues to lead the nation in responding to emerging contaminants like Perfluoroalkyl Substances (PFAS) and holding polluters accountable for cleaning up forever chemicals from our environment. Both ubiquitous and insidious, PFAS pose long term threats to public health. New York’s response to PFAS contamination in communities like Hoosick Falls, Newburgh, and other impacted areas has demonstrated the need for long-term, consistent, and workable solutions to support the ongoing investigation, remediation, and prevention of drinking water contamination. New York State remains committed to advancing strategies to eliminate these compounds from our water and protect our communities.

Governor Hochul will establish a new program to offer financial assistance to municipalities to investigate sources of contamination and remediate contaminated sites over the next five years. Increasingly, the State's investigations of emerging contaminants and forever chemicals have found pollution on land owned or operated by municipalities or local governments, many of which lack the resources to implement the necessary investigation and cleanups. This new program will provide the resources New York's communities need to remove these chemicals from our environment and protect clean water.

Make Our Parks Energy-Independent

Governor Hochul signed an Executive Order in 2022 to establish the State's lead-by-example sustainability and climate directives and set new goals for the environmental performance of State agencies. Building on this nation-leading commitment, Governor Hochul will direct the New York State Office of Parks, Recreation & Historic Preservation (OPRHP) to power its facilities with renewable energy sources by 2030. This will be achieved by OPRHP generating its own

electricity and prioritizing other green resources, including community solar and purchasing renewable energy from local facilities.

Currently, OPRHP facilities use approximately 50 million kWh of electricity from the grid. By replacing this energy with renewable sources for all our State Parks and Historic Sites, New York will not only lead by example but take a valuable step towards meeting our ambitious Climate Act goals.

SECTION VI: HELPING WORKERS KEEP UP WITH THE COST OF LIVING

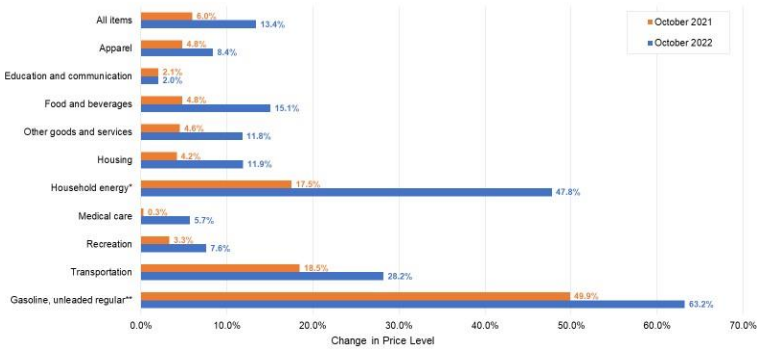
Index the Minimum Wage

New Yorkers across our state are facing deep levels of financial hardship due to high inflation. As a result of the pandemic, disruptions to global supply chains, and other factors, New Yorkers are paying more and more for food, gasoline, clothes, energy, medical care, and rent. Inflation has hit 40-year highs across the U.S. in the past year. As a result, households across our state are feeling the pinch of higher prices and cutting back to balance the family budget.

2023 STATE OF THE STATE

RAPIDLY RISING FOOD & ENERGY PRICES HAVE BEEN KEY DRIVERS OF INFLATION

% CHANGE IN PRICE LEVEL SINCE OCT. 2020 BY EXPENDITURE CATEGORY, NORTHEAST CPI-W (NOT SEASONALLY ADJUSTED)



*Household energy is a component of the housing category
**Gasoline is a component of the transportation category
Source: U.S. Bureau of Labor Statistics

Inflation has driven up the cost of critical goods and services in the Northeast, and nationally

No one has felt the consequences of inflation more than low-income families across our state. The average monthly cost of goods and services for households has risen by 13.4 percent since October 2020, putting families in perilous economic circumstances.⁸¹ In downstate New York, the \$15 minimum wage has lost \$1.78 in purchasing power since its implementation, making it tougher for New Yorkers at the supermarket, gas pump, and clothing shop.

New Yorkers are seeing a decline in their inflation-adjusted earnings



New Yorkers’ wages have lost significant purchasing power

That is why Governor Hochul is proposing to automatically increase our minimum wage to keep pace with inflation going forward. After reaching \$15 per hour, each region’s minimum wage will increase consistent with the year-over-year Consumer Price Index-W for the Northeast Region, the best measure of inflation in our region. To ensure that no single-year increase would threaten employment, annual increases would be capped, and an “off-ramp” would be available in the event of certain economic conditions.

Indexing our minimum wage to inflation will ensure that the purchasing power of workers' wages aren't eroded year over year. For the hundreds of thousands

of New York State minimum wage workers, linking their wages to inflation will represent an economic lifeline that can help ensure the value of their hard work is reflected in their paycheck. Increasing the minimum wage will overwhelmingly benefit low-income workers, but in particular the families of women and people of color, who comprise a disproportionate share of those working in minimum-wage jobs.

New York will not be alone in indexing the minimum wage to inflation. Seventeen other states either currently tie their minimum wage to inflation, or some other economic formula, or are slated to do so, including three states that will have minimum wages at or above \$15 in 2023. Economic research shows that raising the minimum wage can lead to reductions in poverty, reduced spending on social assistance, increases in consumer spending in communities, and improved worker productivity and retention.

Hardworking New Yorkers didn't invite any of these economic challenges and have heroically fought through everything the pandemic and its associated economic disruption have thrown at them. New York State can

and must have their backs by ensuring inflation can't take any more bites out of their paychecks.

SECTION VII: PROVIDING HIGH-QUALITY EDUCATION

There is no greater priority for Governor Hochul and her administration than giving every child the tools to succeed through a high-quality education. That's why last year, under Governor Hochul's leadership, the State of New York made historic investments in public education, moving towards the full funding of Foundation Aid, and delivering on the promises made so long ago by the State.

Progress for our children has been dramatically compromised by the pandemic, which caused unprecedented disruption to our schools and trauma for our teachers and students, exacerbated existing inequities, and set back student learning in reading and mathematics. Nationwide, the pandemic left K-12 students five months behind on math and four months on reading,⁸² with particularly dramatic losses in New York.

In this year's State of the State and Executive Budget, Governor Hochul will propose investments, programs, and policies focused on gaining back the ground we have lost, and putting our students back on track for a brighter future.

She will also take steps to continue the implementation of her vision for the transformation of our state's higher education system, the State University of New York (SUNY). New York deserves the best statewide public higher education system in the nation. Last year, Governor Hochul outlined a vision to transform SUNY and secure its status as the best and most equitable statewide system of higher education in the country. Specifically, she outlined goals related to increasing enrollment and completion rates, preparing students for in-demand jobs, ensuring a world-class student experience, recruiting top faculty, providing a wide range of degrees and credentials, and doubling sponsored research, startups, and patents.

Governor Hochul took initial steps toward implementing these plans in last year's budget, with dramatic increases in operating aid and capital funding for the entire system, the historic expansion of the

Tuition Assistance Program to part-time students, increased support for opportunity programs, and the announcement that Stony Brook University and the University at Buffalo would become flagship institutions for the system.

This year, as planning for full implementation of her vision for transformation is led by newly-named Chancellor John King, the Governor will take additional action to expand enrollment and access to SUNY schools across the state, and build the strength of the four university centers, including the two flagship institutions.

Make Historic New Investments in Public Education

In October 2021, Governor Hochul announced the State would phase in full funding of Foundation Aid to New York school districts by the 2023-24 school year.

Foundation Aid, the State's main education operating aid formula, allocates State funds equitably to school districts based on student need, community wealth, and regional cost differences. Governor Hochul's action brought an end to a 28-year legal battle over funding of

public schools, and meant billions of dollars more in State aid to school districts statewide, focused on students with the greatest needs.

In this year's budget, Governor Hochul will fulfill her commitment to fully fund Foundation Aid by investing an additional \$2.7 billion, an increase of 13 percent, to a total aid amount of more than \$24 billion. This historic level of financial support for New York public schools will reverberate for generations to come, broadening access to opportunity and enabling New York to build the education system of the future.

Continue Major Commitment to Prekindergarten Expansion

Research shows that children who participate in high-quality early childhood education programs demonstrate higher literacy, language, and math skills by the time they enter kindergarten.³³ Longer-term, prekindergarten graduates are more likely to graduate high school on time and attend college, and are less likely to be suspended or experience juvenile incarceration.³⁴

Governor Hochul is doubling down on the State's investments in early childhood education in order to move New York closer to truly universal prekindergarten. Last year, Governor Hochul invested \$125 million to expand high-quality, full-day prekindergarten. This year, she will add another \$125 million, benefiting approximately 17,500 additional 4-year-old children and their families and bringing the State's total annual investment in high-quality prekindergarten to \$1.2 billion. With this funding, the state will be roughly 95 percent phased-in with full universal prekindergarten coverage for 4-year-old children.

Establish High-Impact Tutoring Programs Across the State to Address Learning Loss

When Governor Hochul took office on August 24, 2021, she made sure students were back in school two weeks later. Unfortunately, the damage of the prior two school years had set many students back significantly.

The effects of the pandemic on student learning were particularly acute in New York. According to the

National Assessment of Educational Progress (NAEP), the percentage of fourth-grade students in New York performing at or above basic proficiency levels dropped 10 percentage points in math (from 76 percent to 66 percent) and eight percentage points in reading (from 66 percent to 58 percent), a larger drop than the national average. We can and must reverse this trend.

One of the interventions that has proven most consistently effective in helping students get back on track and meaningfully increasing academic achievement is known as “high-impact tutoring.” Each student being served receives tutoring multiple times per week for an extended period of time from an assigned, dedicated tutor. Effective programs deliver increased instructional time and customized student learning, and establish meaningful relationships between tutors and students. A meta-analysis of studies found that, on average, tutoring increased achievement by the equivalent of three to 15 months of additional regular learning.⁸⁵

Governor Hochul is determined to get our students back on track. That’s why she will dedicate \$250 million of the historic increase in Foundation Aid to the

establishment of high-impact tutoring programs in districts across the state. The programs will be established by school districts, either in-house or in partnership with external providers, and focus on assisting students in reading and math in grades 3-8.

Create New Early College High School and P-TECH Programs

College-level courses provided in high schools, such as those provided in early college high school and Pathways in Technology Early College High School (P-TECH) programs, allow students to earn college credits in high school, helping them get a head start on college, reduce their student debt, and prepare them for a career. To encourage the growth of these programs across the state, Governor Hochul will establish a new, \$20 million grant program to support the establishment of new early college high school and P-TECH programs.

New funding will be targeted at school districts and institutions of higher education, working with industry partners to inform the design of their programs. With an eye toward the technology jobs of the present and

future — including the tens of thousands of jobs that will be created in Central New York as a result of the Micron project — programs focused on computer science and computer and software engineering pathways will be prioritized, as will programs serving students in high-need school districts.

Create a Robust High School-College-Workforce Pipeline

To build the economy of the future, and to ensure the goals of education and workforce are aligned across the state, Governor Hochul will invest \$10 million over two years in competitive funding for school districts, Boards of Cooperative Educational Services (BOCES), and community colleges — working in collaboration with local industry — to develop strategic workforce plans that promote job readiness in their local economies. Awards will be made in every Regional Economic Development Council (REDC) region of the state, and winning plans will receive multi-year seed funding to align industry needs throughout high school and college sequences. With this funding, New York will ensure it

remains at the forefront of workforce preparedness while meeting the local needs of industry.

Directly Admit All New York Students to Their Local Community Colleges

SUNY will partner with school districts so that all graduating high school seniors are accepted into their local community college, removing any barrier for high school graduates to postsecondary education.

Initiate a Cascading Admissions Pilot to Ensure That Every Student Has a Place at SUNY

SUNY will initiate a pilot project to link the admissions processes of different campuses so that students who are not accepted at a specific school are automatically considered for admission at other institutions. This will have the effect of increasing opportunities for students to attend a SUNY school and, in turn, ensure that all New York students have access to a local and affordable higher education option.

Provide for Reasonable Tuition Flexibility Throughout CUNY and SUNY

To ensure that institutions of higher learning at both the State University of New York and the City University of New York (CUNY) can reliably invest in their long-term futures as costs rise, while prioritizing the evolving needs of students, ensuring academic excellence, and continuing to maintain low-cost and stable tuition rates for in-state residents, Governor Hochul will propose to authorize modest annual tuition increases for both SUNY and CUNY indexed to the lesser of the Higher Education Price Index (HEPI) or three percent. And to allow SUNY's university centers to realize their potential as leading research institutions, Governor Hochul proposes phasing-in tuition flexibility for SUNY's university centers, allowing tuitions at those campuses to rise six percentage points above SUNY's base tuition rate each year for the next five years (capped at 30 percent above the base rate) for in-state students.

Establish a State-Matching Fund for Endowment Contributions

Endowments provide perpetual, stable, and long-term funding in support of campus operations, student scholarships for a diverse student body, endowed professorships to attract world-class faculty, innovative research, and the development of new academic fields. The nation's leading research institutions have large endowments, and so, too, should SUNY's University Centers. Governor Hochul will create the first-ever New York State matching fund for contributions made to the endowments of SUNY's four University Centers: Buffalo, Binghamton, Albany, and Stony Brook. The fund will provide \$1 in State funds for every \$2 contributed to university endowments, up to \$500 million in State funds.

Provide Funding for SUNY's Transformation

Governor Hochul will invest \$200 million in digital transformation and IT infrastructure across the SUNY system. These funds will be used in part to improve systems serving students to create a seamless and

intuitive experience buoyed by world-class technology. She will also provide a one time investment of \$75 million for transformational initiatives at campuses that support innovation, help meet the workforce needs of the future, and provide needed support to students. Governor Hochul will commit \$200 million in capital funding in this year's budget to research labs at SUNY's flagship institutions, Stony Brook University and the University at Buffalo, to invest in new and renovated research buildings, laboratories, and state-of-the art instrumentation.

SECTION VIII: ATTRACTING AND GROWING NEW YORK STATE BUSINESSES

New York has the third largest economy in the United States. Our financial, cultural, high technology, and tourism sectors are the envy of the world. However, the pandemic delivered a swift and harsh blow to New York's economy, subtracting nearly 2 million private sector jobs from the state in just three months in early 2020.⁸⁶ We have almost fully recovered after nearly three years of steady employment growth, with approximately 85 percent of jobs having returned.⁸⁷ In response to the challenges brought on by the pandemic, Governor Hochul took a wide range of actions to revitalize the state's economy, from a \$1 billion small business rescue package — on top of \$800 million in small business recovery grants — and a new Office of Strategic Workforce Development aimed at putting New Yorkers to work in growing sectors, to the passage of the transformative Green Creating Helpful Incentives to Produce Semiconductors (CHIPS) legislation that was

key to landing Micron’s \$100 billion investment in semiconductor manufacturing in Central New York — one of the largest economic development projects in U.S. history.

Governor Hochul also committed \$200 million in investment to prepare shovel-ready sites to keep New York competitive and ready for private investment, created a \$25 million Digital Game Development tax credit to grow the innovative gaming industry, and streamlined the state’s eight business accelerator competitions, which provide a platform for entrepreneurs from all over the world to seek venture investments, grow their innovative companies, and create technologies of the future right here in New York. In August 2022, Governor Hochul also announced a new venture competition in Long Island focused on the life sciences sector.

Key to advancing the state’s economy is investment in growth sectors that offer quality jobs, including high-technology, semiconductor manufacturing, and life sciences.²⁸⁸ Between 2010 and 2021, 113,000 high-wage jobs were created in the tech sector, encompassing everything from scientific research to software

development. Outside of the San Francisco Bay Area, New York City is the strongest hub of tech businesses, and New York's businesses were the recipients of \$53 billion in venture capital in 2021. Upstate New York is becoming a hub for innovation and is poised for future investment. In the first half of 2022 alone, upstate drew more than \$117 million from venture investors, resulting in approximately 500 new, high-paying jobs.⁸⁹ Strategic investments in high technology, including research and development, can bolster these high-growth industries. The semiconductor industry is thriving in New York, with more than 76 semiconductor and electronics manufacturing establishments in the state, resulting in almost \$5 billion in economic impact that supports more than 343,000 good-paying jobs.

New York is leading the way to create jobs of the future. From the growth of the semiconductor industry upstate, to being a national leader in high-tech employment, New York is where new ideas and new companies are born. In 2023, Governor Hochul will further the state's economic development by focusing on industries that create innovative, quality jobs of tomorrow —

attracting new businesses to the state and helping those already here to prosper and grow.

Modernize and Streamline the State’s Training and Employment Infrastructure

As New York’s economy returns to normal, one factor hindering a full recovery is the ongoing mismatch between the skills needed by employers and those in the incumbent workforce. Businesses of all sizes are looking to hire for a diverse range of roles but report they simply cannot find the talent to do so. This is partially due to population loss during and after the pandemic. At the same time, an increasing number of workers are neither unemployed nor seeking jobs — they’ve simply left the labor market. Within the remaining labor force, there is a lack of both technical and general professional skills sought by employers in industries that are producing high-quality, family-sustaining jobs.

Approximately 40 percent of New Yorkers 25 years of age or older have a high school diploma, or did not graduate high school at all.²⁰ Only about 37 percent of

New Yorkers are trained for positions requiring “professional skills,”⁹¹ which makes it little surprise that approximately half of employers cite a lack of qualified candidates as a key reason why roles are difficult to fill.⁹² This sentiment is echoed by job seekers, a large segment of whom cite the lack of skills, education, training, and degrees or credentials as a key barrier to employment.⁹³ There are about 1.3 openings for every job seeker in New York, with the positions remaining open because of a mismatch in education requirements, lack of professional skills, and lack of training or opportunity for advancement.

Fortunately, New York State has several new and established tools at its disposal to deliver skills training at scale, provide job-seeking support to unemployed and underemployed New Yorkers, and ensure a streamlined pipeline from career exploration to employment. For example, New York’s Career Center network, overseen by the Department of Labor (DOL), serves more than 500,000 New Yorkers each year, while SUNY Educational Opportunity Centers (EOCs) play a major role in eliminating barriers to job training and

skill development by providing individuals with tuition-free programming.

Governor Hochul will transform DOL Career Centers into “Community Training and Career Centers,” with additional professional skills trainers that provide unemployed and underemployed New Yorkers with no-cost training in high-need areas such as digital and financial literacy and entrepreneurship. This will be paired with a new, large-scale, on-the-job training program administered by the DOL to upskill 3,000 workers each year, focusing on high-demand industries and hard-to-fill job titles. New York State will also retool the outdated CareerZone platform to specifically help youth, young adults, and digital literacy learners explore career paths and develop baseline professional skills required by employers from all sectors.

To further streamline and grow the workforce development pipeline, Governor Hochul is directing DOL and SUNY to establish new and innovative partnerships between Career Centers and EOCs. Leveraging each asset’s unique strengths, this integrated approach will allow New Yorkers to seamlessly access a wide spectrum of job preparedness

services at no cost. This will enhance the proven DOL Career Center model while supplementing its services with SUNY's robust training arm, which can pivot in real-time to best meet the needs of businesses and provide immediate access to tuition-free training for job seekers.

Under this new model, DOL and SUNY will explore a wide range of strategies to ensure a continuum of services to job seekers and improve employment outcomes. These strategies will ensure all New Yorkers are ready for today's job market through attainable diplomas and credentials paired with digital literacy and professional skills training, résumé development, job search and networking support, and other services that reduce barriers to employment. To further expand access, DOL and SUNY will work to braid federal funding and partnerships with other State agencies and community resources to ensure more New Yorkers can access these training opportunities and receive comprehensive wrap-around services throughout the process.

These changes will be coordinated with the latest addition to New York's job training arsenal: the Office of

Strategic Workforce Development. Last year, Governor Hochul’s creation of this office marked a decisive shift in the State’s workforce development strategy to one that is employer-driven, aligning skills training with real-time employer needs, and focused on strategic growth industries — sectors like tech, advanced manufacturing, and electronics, which are poised to drive economic growth in the coming decade and more. Equipped with a data and outcomes-driven mission and a \$150 million grant program to support new innovative programming and scale what is already working, the Office will continue to award grants to proven providers that ensure New Yorkers are ready to meet employer needs, while expanding access for marginalized communities through wraparound services and other tested models that reduce systemwide inequities.

In the coming year, Governor Hochul will articulate a new, statewide framework that will guide New York’s workforce development strategy. It will ensure that all agencies undertaking and funding workforce development projects are advancing in the same direction through better coordination, standardized system-level targets, and uniform metrics for success.

Match Federal Technology Innovation Funding

Also known as “America’s Seed Fund,” the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs are competitive federal programs that incentivize small businesses to engage in research and development with the potential for commercialization. They are two of the nation’s largest sources of early-stage funding for startups and small businesses, with over \$3.8 billion in awards in 2021. Currently, more than half of states have a matching grant program for their SBIR and STTR applicants. New York does not, placing our state at a disadvantage when it comes to attracting and generating innovation investments.

To remedy this, Governor Hochul will create a Technology Innovation Matching Program, which will provide millions of dollars in matching grants for New York companies applying for SBIR and STTR funding. This additional matching investment from New York will support the growth of small businesses and the development of new scientific advancements, while simultaneously creating jobs and keeping New York competitive with other states for these investments.

Invest in Cell and Gene Therapy

Cell and Gene Therapy (CGT) is the treatment of diseases, such as cancer, by manufacturing reprogrammed patient cells to either repair those that cause disease, or kill tumors. This is a new subsector in the life sciences, with the first treatments only emerging in the past decade, making this space wide open for advancement. In 2021, national investments in CGT were approximately \$68 billion, representing one third of all private investment in life sciences.⁹⁴ Additionally, sales of next-generation therapies are estimated to increase by more than 800 percent between 2021 and 2026.⁹⁵

New York is at the forefront of the rapidly growing life sciences industry, which has become a powerful growth engine for the state, currently supporting more than 100,000 jobs.⁹⁶ This growth is turning regions of the state into dynamic life science hubs, with organizations and institutions dedicated to various stages of research, development, technology transfer, and commercialization.

Governor Hochul will further advance New York's leadership position in the life sciences industry by supporting two CGT hubs. One will be located upstate and will leverage existing institutions that conduct research and development of these therapies, and the other will be located downstate and provide direct access to CGT for large and diverse patient populations. Each center will engage in cutting-edge clinical research as well as co-locate vital CGT infrastructure, technology, and services. These include genomic diagnostics, artificial intelligence and machine learning, and robotics, as well as contract research and manufacturing. Concentrating these capabilities at two locations and connecting them across the state will make New York a leading state for CGT development.

Establish the Office of Semiconductor Expansion, Management and Integration

On the heels of the historic commitment by Micron to invest \$100 billion in Central New York, and the unprecedented opportunity for growth resulting from New York's Green CHIPS program and the federal CHIPS and Science Act, Governor Hochul is creating the

Governor's Office of Semiconductor Expansion, Management, and Integration (GO-SEMI). The Micron project was the result of a historic federal, state, and local partnership led by Governor Hochul, Majority Leader Chuck Schumer, and Onondaga County Executive Ryan McMahon. This new Office will ensure ongoing, successful collaboration between all parts of government and our partners in the private sector to realize the transformative potential of this investment.

GO-SEMI, led by Empire State Development (ESD), will be supported by experts from numerous state agencies and work in coordination with our federal and local partners to help shepherd the Micron project. It will also oversee other associated investments in the semiconductor industry and shape and implement a broader, national model for maximizing industry and community returns on such public/private partnerships.

In addition to ESD, participating agencies and authorities include the Department of Labor, New York State Energy Research and Development Authority, New York Power Authority, Department of Transportation, Department of State, Department of

Environmental Conservation, Homes and Community Renewal, Department of Public Service, the State University of New York, and NY CREATES.

GO-SEMI will lead and centralize efforts to implement the Micron project; develop and advance policies to attract the semiconductor industry and its supply chain; coordinate workforce development and community investments between local, state, federal, and private partners; lead efforts to create, attract, and retain the highly skilled workforce needed; and support cohesive development focused on smart growth principles.

Improve the Excelsior Program to Attract Businesses and Jobs to New York State

The Excelsior Jobs Program provides job creation, investment, and research and development incentives to firms in targeted industries, under a pay for performance structure. The program encourages businesses to relocate to New York, or expand here, while maintaining strict accountability standards to guarantee that those businesses deliver on commitments. In recent years, the program has been

expanded to create a child care tax credit, a green economy tax credit, and the green CHIPS credit, which led to one of the largest manufacturing investments in U.S. history. Now, Governor Hochul will make improvements to the program to support additional critical priorities for the state, such as assisting disadvantaged communities and populations, as well as advancing the green economy.

Empire State Development will provide additional incentives to projects that are at least LEED Silver Certified or are located in disadvantaged communities. These changes will enhance the Excelsior Jobs Program and make the program more reflective of the State's priorities to build sustainably and invest in disadvantaged communities.

Establish Minority and Women's Business Enterprises Certification Reciprocity

New York has long led the way in uplifting Minority and Women-Owned Business Enterprises (MWBE) through ambitious contracting goals and free business development support. In the 2022 Fiscal Year, the State

exceeded its nation-leading MWBE contracting goal, achieving a 30.64 percent MWBE utilization rate on State contracts, which represented nearly \$10 billion in business with minority and women-owned businesses.

There are multiple MWBE certifications in New York State, each with its own distinct requirements and complex and lengthy processes. Governor Hochul is proposing to streamline the MWBE certification process by pursuing reciprocity with major MWBE certification systems utilized across the state. This effort will make it easier for MWBEs to become certified, and to participate in this critical program.

Take a Truly Statewide Approach to Economic Development Near Campuses

Governor Hochul is focused on ensuring that the jobs of tomorrow are developed in New York today. In alignment with that vision, she will launch the Extended Prosperity and Innovation Campuses (EPIC) initiative, to support the growth of new businesses and help form strong partnerships between the private sector and the state's leading educational centers. Technology-related innovations have been strong growth engines for

the State, leading to millions of dollars in investments and the creation of high-wage jobs. Governor Hochul knows that with additional support for our existing innovation engines, New York can lead the nation in developing new technologies and reap the benefits of unparalleled economic growth.

EPIC replaces the START-UP NY program, which was hamstrung by its design. Critically, EPIC will: have the same requirements, benefits, and eligibility criteria upstate and downstate; support a wider range of innovation businesses; be streamlined to remove barriers; and increase the amount of space in the state dedicated to growing innovation and creating jobs.

Participating businesses will operate tax-free for 10 years on or near eligible university or college campuses. These partnerships give businesses direct access to advanced research laboratories, development resources, and experts in key industries, resulting in increased commercialization of new technologies and ensuring mutually beneficial collaborations. Synergies will grow as SUNY moves to implement the Governor's transformational vision for our state's higher education system.

Establish a New State Initiative to Focus on Supply Chain Resiliency

Our national security and economic prosperity are dependent on a secure global supply chain. From food to medicine, this vital system provides the goods that feed our families and support our way of life. As recent events have shown, the global supply chain is dynamic, growing in size and complexity, and vulnerable to a host of threats such as natural disasters or product recalls.

Governor Hochul will establish a new State initiative to proactively secure supply chains for critical commodities and products by attracting and supporting those industries that provide essential supplies to manufacturers in New York. State agencies will collaborate on identifying key industries to attract that would enhance the state's economic security and prosperity by providing vital products. Empire State Development will then work with those industries and offer targeted incentives to relocate to New York.

SECTION IX: GROWING NEW YORK'S AGRICULTURAL SECTOR

New York's agricultural industry is a critical part of our state's history, its economy, and its future. That is why Governor Hochul took major steps last year to provide support for the industry, including:

- Increasing the Farm Workforce Retention Tax Credit.
- Establishing a new refundable Overtime Tax Credit, to fully offset increased costs due to overtime wage increases.
- Increasing the Investment Tax Credit from four percent to 20 percent.

The sector, however, continues to face significant challenges that threaten the continued prosperity of farms across the state, the jobs they provide, and the fresh and healthy food they produce for New Yorkers. That food seems more critical now than ever before, as vulnerabilities in our supply chains underscore the

importance of having agricultural production close to home.

Maintaining small, independent farms is harder than ever, and there is also a growing strain on the workforce. In 2017, the average age of New York farmers was 57, up from 54 a decade earlier,⁹⁷ and only nine percent of farmers in New York are under the age of 35. At the same time, nearly half of the state's farm workers come from outside of the U.S., and the increased difficulty of crossing borders exacerbated existing workforce shortages, resulting in production declines.

The New York agriculture sector's difficulties have been compounded by global developments that are far beyond the control of local farmers and consumers. In the short term, there has been an estimated four percent reduction in worldwide grain production following Russia's invasion of Ukraine.⁹⁸ Relatedly, the COVID-19 pandemic brought to light weaknesses in the local food supply chain, including the high costs of transporting food and the difficulty that farmers' markets have in adapting to an increasingly online marketplace. For those needing essential items, failures

in the supply chain can be devastating and dangerous, highlighting the need for local cultivation of plants and livestock to produce food, fibers, and fuels right here at home.

Yet, despite the uncertainty the agricultural industry faces in these areas, New York is an agricultural leader. The State's food producers and processors have great resources: access to land, water, rich soils; one of the best land grant systems in the U.S. and agriculture educational organizations; and access to the largest marketplace in the world, making the need for a more resilient food system even more critical.

To address these challenges and capitalize on these opportunities, Governor Hochul is proposing a series of initiatives to strengthen New York's agricultural sector for years to come.

Use State Purchasing Power to Bolster Demand for NY Agriculture

Leveraging the \$1.3 billion that New York State spends through its agencies and publicly funded facilities on food procurement, Governor Hochul will take action to

increase the resilience and capacity of New York's food system. She will direct food grown in New York to be purchased by State agencies and State-funded programs. This action will create additional demand for New York-grown agricultural products and stimulate further economic investments in farm production and food processing in New York.

Specifically, Governor Hochul will issue an Executive Order (EO) directing New York State agencies and related institutional entities to increase the percentage of food they source from New York producers, with a target of 30 percent. The EO will direct the Office of General Services to ensure that its centralized food contracts prioritize sourcing from New York producers. It will require agencies to report food purchases, including those by contracted service providers, to the Office of General Services to aid in the review of agency spending, policy, and operations regarding overall food purchases. The Executive Order would also invite county and municipal governments, as well as local school districts, to join in meeting this goal.

At the same time, Governor Hochul will introduce legislation to increase discretionary spending limits for

New York-sourced food items for school districts and municipal governments. Purchases made under the discretionary allowance must be reported to the Office of General Services for inclusion in the annual Food Metrics report.

Create a Food Supply Workforce Pipeline

Governor Hochul will direct the Department of Agriculture and Markets to address the food supply workforce shortage by engaging with agricultural producers and processors to train and recruit new entrants in the food and agricultural fields. The Department will work with key stakeholders to identify internships and apprenticeships in horticulture, dairy management, crop production, food manufacturing, food distribution, and other related industries. The Department will also work with educational institutions to ensure that the necessary skills and standards required by the industry are being taught to the future workforce. Building a pipeline for the next generation of agricultural workforce, including Black, Indigenous, and People of Color (BIPOC) farmers, will be a priority. Connections will be made with workforce development

entities to match and place the new workforce with industry opportunities.

This initiative will also focus on connecting migrant individuals and asylum seekers with agricultural and food industry jobs. The Governor has separately proposed to increase funding for legal services, which will support these individuals in achieving legal work status. The Department will partner with the Cornell Small Farms Program and Cornell Cooperative Extension for screening, language services, basic skill development, and placement.

With the right encouragement, training, and resources, our food industry can once again be a sector filled with young, ambitious farmers.

Make the Investment Tax Credit Refundable

Modernizing farm equipment can yield real benefits to New York's farms and to our climate. Governor Hochul will make crucial changes to the State's program of tax incentives to drive the adoption of new equipment, including state-of-the-art anaerobic biodigesters that can decrease emissions. The recently-adopted 20

percent Investment Tax Credit (ITC) for farmers will be modified to make it a refundable tax credit for a period of five years.

Recent challenges, including supply chain disruptions due to the pandemic, volatile input and commodity prices, and increased labor costs, have placed many farms in a position where their tax liabilities do not allow them to benefit from this tax credit or afford them the ability to invest in their businesses. Allowing the ITC to be refundable will spur farm investments in qualified capital expenses.

Support “Scratch” Cooking Facilities for School Food

Governor Hochul will provide \$50 million over five years to support “scratch” cooking facilities that will facilitate the use of fresh New York State farm products in meal preparation for K-12 school children. The School Food Infrastructure Grant Program will support regional food assets, such as commissary-type kitchens, to aggregate, store, process, and prepare farm products, and make scratch cooking for schoolchildren possible. Currently, many school districts rely on heat-and-serve

methods for highly processed foods because they lack the equipment and time to cook from scratch — a necessity to prepare much of New York State farm produce. This program improves student nutritional health with fresh-made food, reduces food insecurity, increases market opportunities for farmers and related food businesses, and strengthens the resilience of our state’s food system.

Expand Urban Agriculture Infrastructure and Community Gardens

Community gardens bolster neighborhoods with more than just healthy food. They increase green space, lower carbon footprints, provide recreational spaces, encourage community cooperative engagement, support physical activity, and offer skill development and workforce training opportunities. Community garden leaders, many of whom are volunteers, bring varied levels of management experience and often need training on how to start and sustain a community garden. In addition, because community gardens are often located on vacant or less desirable plots of land, soil testing protects the health and safety of the people

working in them and the food produced in these gardens.

Governor Hochul will launch three initiatives to encourage the creation of new community gardens and increase the productivity of those already operating:

- Establish a Community Gardens Grant Program to support the creation of new or expansion of existing community gardens.
- Create a Community Gardens Leadership Certification Program to provide training and continuing education.
- Provide funding for soil testing, as well as associated outreach and training.

In cooperation with Cornell Cooperative Extension's Harvest NY Community Gardens Team, the curriculum and training for the leadership certification will focus on preparation for the distinct challenges faced in the establishment and development of these important sites. In conjunction with soil testing that also includes support for community gardens to interpret results in order to inform plantings, gardens will have the well-

rounded foundation and ongoing development needed to establish a sustainable presence.

Provide Grant Funding to Expand Food Access

Initial start-up capital for retail food stores can create new access points for markets, shorten supply chains, and promote equitable food access. Governor Hochul will provide \$10 million in grant funding to support the establishment of farm markets, supermarkets, food cooperatives, and other similar retail food stores, along with supporting infrastructure in underserved communities and regions of the state. The program will improve food access opportunities in areas that suffer from poor food access.

Increase Food Manufacturing

Growth and expansion of food manufacturing in the state will create new connections with agricultural producers and continue to foster the already-existing connections to create a more resilient food system. Governor Hochul will direct Empire State Development (ESD) and the Department to ensure New York's food

manufacturing sector continues to grow and expand. ESD and the Department of Agriculture and Markets will assemble an interagency team that will work with new and expanding food manufacturers to ensure that obstacles and solutions are identified during project development. The agencies will examine and evaluate existing incentives and make recommendations for new programs to spur further investment in food manufacturing in the state.

SECTION X: LIFTING UP ALL NEW YORKERS

New York stands for the proposition that everyone should have the opportunity to realize their dreams. Our state is recognized as the birthplace of equality and progress movements. It continues to be a beacon for people all over the world seeking to escape oppression and violent conflict. The state Human Rights Law, first passed in 1945, is one of the oldest and most expansive anti-discrimination laws in the country. New Yorkers can and should be proud of this legacy.

The pandemic exposed vast disparities along socioeconomic lines, and poverty, hate crimes, inequity, and discrimination continue to harm far too many New Yorkers. What is required are policies and practices focused on lifting up all residents, especially those who are often left behind.

That is why Governor Hochul has prioritized the needs and rights of the marginalized, including immigrants, refugees, communities of color, New Yorkers with low incomes, people with disabilities, the LGBTQ+

community, and women. In her first year in office, Governor Hochul:

- Signed pioneering legislation to protect reproductive rights.
- Provided \$35 million in funding to protect and support abortion providers.
- Signed into law landmark bills to empower survivors of sexual violence and harassment.
- Created an Office of the Chief Disability Officer to ensure the needs of people with disabilities are being addressed.
- Increased income eligibility for child-care subsidies through the State Child Care Assistance Program.
- Increased funding for the Liberty Defense Project and the Office of New Americans.
- Expanded language access in State government.
- Increased the amount that public assistance recipients can earn and save before being determined ineligible for benefits.

- Raised the threshold for New York’s Essential Plan health care coverage to 250 percent of the federal poverty line.
- Invested more than \$1.1 billion to support New Yorkers with necessary housing and utility assistance due to pandemic impacts through the Office of Temporary Disability Assistance.
- More than doubled the minimum State financial support for local veterans service agencies.
- Invested \$7.7 million in the statewide expansion of the successful Joseph P. Dwyer Veterans’ Peer-to-Peer Support Program.
- Increased food assistance for veterans facing food insecurity.

Governor Hochul will continue this work in 2023, building on New York’s proud legacy at the vanguard of social justice.

Protecting Reproductive Rights and Access

In the aftermath of the Supreme Court overturning *Roe v. Wade*, we are facing a national crisis in abortion

access. Fourteen states have already outlawed abortion, and an additional 12 states are considered hostile to abortion rights. Sixty-six clinics closed across 15 states in the 100 days after the Supreme Court's decision. Forty million women of reproductive age live in states that have banned or threaten to ban abortion. ⁹⁹

Under Governor Hochul's leadership, New York will continue to be a safe haven for all those seeking abortion care and will implement policies to further expand access to contraception and improve maternal health outcomes. Governor Hochul will:

Increase Reimbursement Rates for Reproductive Health Providers

Governor Hochul has made nation-leading investments in reproductive health care, including the creation of a groundbreaking Abortion Provider Support Fund in 2022. While other states have banned abortion and shut down clinics, New York's reproductive health care system, including family planning clinics and abortion care providers, is facing unprecedented pressure. To address this challenge, Governor Hochul will increase

Medicaid reimbursement rates for reproductive health providers.

Implement Over-The-Counter Contraception Access

Governor Hochul will propose legislation to expand access to hormonal contraception by allowing pharmacists to directly prescribe such medications. This will align New York with the other 20 other states that allow for pharmacist-prescribed hormonal contraception. Pharmacist prescribing will help address access disparities for marginalized populations, who are more likely to live closer to a pharmacy than a physician's office.

Safeguard Abortion Access through Data Privacy Protections

Governor Hochul will propose legislation to protect the personal data, including location history and search history, of anyone who seeks abortion care in New York.

Ensure Abortion Access at Public College Campuses

Students at SUNY and CUNY deserve comprehensive access to reproductive health care, including abortion services. That is why Governor Hochul will ensure all public colleges and universities in the SUNY and CUNY systems either offer medication abortion in their college health centers or establish a relationship with a local reproductive health care provider to directly refer students to a trusted facility for abortion services, an approach that will improve students' access to abortion while allowing institutions to meet their needs in the way that best fits their campus infrastructure.

Enact the Equal Rights Amendment

In July 2022, the New York State Legislature passed a resolution in support of the state Equal Rights Amendment, the first step toward amending the New York State Constitution to protect abortion rights. Governor Hochul will work with legislators to pass the resolution a second time so that it may go to the voters on the ballot in 2024.

Modernize Gender-Based Violence Policies and Procedures

Governor Hochul proposes to amend the State's Domestic Violence Model Policy, which has not been updated in more than 30 years and reflects an outdated approach to domestic violence survivors and their needs. Governor Hochul will also direct her administration to update corresponding policies for providing social services and screening potential survivors.

The revision of the Domestic Violence Model Policy will transform how services are provided to survivors of gender-based violence, with the goal of increasing the number of survivors who receive services, including the Family Violence Option, a federal program that protects survivors of domestic violence, and housing navigators trained in screening for domestic and gender-based violence.

Reinvigorate the Interagency Coordinating Council for Services to Persons who are Deaf, Deafblind, or Hard of Hearing

More than 530,000 people in New York have a hearing impairment, and yet no State agency directly serves them. The State once had an Interagency Coordinating Council designed to focus on the needs of the deaf, deafblind, and hard of hearing communities, but it rarely met and was unpopular with the deaf and hard of hearing communities due to its limited powers, low participation, and little representation of the communities it was intended to serve.

With the adequate resources to do so, Governor Hochul will reinvigorate this council, within the Office of the Chief Disability Officer, which will coordinate council operations, engage with stakeholders across the state, gather data, and formulate policies to serve the community, among other initiatives.

Connect People with Disabilities to Inclusive Internships

At Governor Hochul's direction, and based on New York City's Inclusive Internship Program, a full-time coordinator in the Department of Labor will connect people with disabilities to inclusive internships with State agencies aimed at leading to stable, long-term

employment. This will provide critical experience for people with disabilities seeking to enter the workforce and will advance the State’s efforts to become a model employer.

Designate New York as a Model Employer for People with Disabilities

Governor Hochul will issue an Executive Order aimed at making New York a “model employer for people with disabilities.” As part of this effort, the State will identify policies and practices that will help increase the employment rate and decrease the poverty rate of people with disabilities, in addition to working with businesses to facilitate the adoption of inclusive policies and practices that support integrated employment.

Increase Legal Services Support for Office for New Americans

New York is experiencing a significant increase in arrivals from war-torn countries, such as Afghanistan and Ukraine, as well as asylum seekers crossing the

southern border. This is straining the Office for New Americans' ability to provide free, community-based legal services to new arrivals. Governor Hochul will increase funding for the Office's network of legal and employment services.

Provide Funding for Refugee Resettlement Programs

Resettlement programs enlist experienced community partners to provide culturally sensitive assistance while newcomers navigate legal processes in order to provide for the successful establishment of migrants and asylum seekers in communities and local economies. In response to the recent influx of migrants into New York, Governor Hochul will provide funding for the Enhanced Services to Refugees Program, which is distributed to refugee resettlement agencies around the state.

Support Retraining for Immigrants with Experience in Specific Skilled Professions

Governor Hochul will provide funding to one or more programs that retrain immigrants who previously worked in skilled professions. A model is Cooper Union’s Retraining Program for Immigrant Engineers (RPIE), which currently helps about 225 immigrant, refugee, and asylee engineers who are unemployed or underemployed gain access to higher paying jobs through training and job placement assistance. Grants will support programs that retrain for specific skilled professions, such as architecture, construction, information technology, and project management.

Create Housing for Older LGBTQ+ New Yorkers

Older LGBTQ+ New Yorkers face distinct challenges in accessing affordable and affirming housing. Smaller family support networks make LGBTQ+ seniors more reliant on community service providers. Many older LGBTQ+ residents put off important housing decisions out of fear of being mistreated by housing providers and neighbors alike. Governor Hochul will direct HCR to provide funding specifically for affordable housing projects that are LGBTQ+-affirming for older New Yorkers.

Protect New Yorkers from Predatory Banking Fees

In July 2022, the Department of Financial Services took action to prohibit certain unfair and deceptive overdraft and non-sufficient funds (NSF) — known as “junk fees.” However, the Department lacks sufficiently clear legal authority to address other overdraft and NSF fees that disproportionately harm low and moderate-income New Yorkers. To change that, Governor Hochul will propose nation-leading legislation that comprehensively addresses abusive bank fee practices, including stopping the opportunistic sequencing of transactions in a way designed to maximize fees charged to consumers, ending other unfair overdraft and NSF fee practices, and ensuring clear disclosures and alerts of any permissible bank processing charges.

Increase Access to Education for Public Assistance Recipients

For New Yorkers receiving public assistance, the majority of whom have not obtained a degree beyond a high school diploma or equivalent, access to education

is vital. It is an important step toward maintaining long-term employment and family-sustaining wages that will enable them to be financially stable when they are no longer receiving public assistance. Yet our current Social Services Law makes it unnecessarily difficult to pursue and complete higher education.

To remove this barrier, Governor Hochul will propose legislation to eliminate the statutory requirement that any enrollment in post-secondary education beyond 12 months must be combined with a minimum of 20 hours of weekly participation in paid employment, work activities, or community service. Governor Hochul will also propose to allow individuals to participate in educational and vocational training programs, when consistent with their employment assessment, including two-year post-secondary degree programs. Finally, to ensure individuals do not immediately lose access to public assistance or experience a steep drop in benefits on reentering the workforce, Governor Hochul will propose legislation to allow for a one time disregard of income received from participating in a job training program or other working activity, and all earned income (up to 200 percent of the Federal

Poverty Level) that a public assistance recipient derives from job entry for a maximum of six consecutive months. Together, these changes will make it easier for individuals utilizing public assistance to reenter the workforce and maintain economic stability.

Launch Mobile Veterans Service Centers

Hundreds of thousands of veterans in New York live in rural or small city areas. The resulting isolation from veteran service offices can be potentially dangerous for these veterans and their families, cutting them off from health care, benefits advocacy, and other important services. Instead of requiring veterans, service members, or military families to travel to a New York State Division of Veterans' Services Office, Governor Hochul will launch New York State's first-ever fleet of Mobile Veterans' Services Centers, bringing the Division's accredited Veterans Benefits Advisors and their best-in-class technologies on the road to meet New York's veterans, service members, and military families where they work, live, and thrive.

Improve Veteran and Military Cultural Competency in Supportive Housing

Supportive housing providers throughout New York receive State funds to designate a certain number of their housing units for veterans, ensuring that housing opportunities exist throughout the state to prevent New York's military heroes from being forced onto the street. But housing providers and their staff are not always trained in military cultural competency and may lack an understanding of the various state and federal resources available to veterans and military families. To address this, Governor Hochul will issue an Executive Order requiring supportive housing providers that are receiving State funds for veteran-designated housing units to complete an annual training program developed and implemented by the New York State Division of Veterans' Services. The training program will include a focus on military cultural competency and access to benefits and services for veterans and military families. Supportive housing providers will be able to receive this training program annually, free of charge.

Expand Fresh Connect Program to Fight Food Insecurity

Veterans nationwide confront food insecurity all too frequently. The pandemic only heightened this pre-existing problem for many of the people who served in our nation's military. Under Governor Hochul's leadership, New York State expanded the distribution of FreshConnect checks in 2022, allowing county veterans' service agencies to distribute the checks that allow veterans and their families to purchase healthy food at farmer's markets around the state. This year, New York State will double the number of FreshConnect checks available for veterans experiencing food insecurity, enabling more veterans to benefit from this important program.

SECTION XI: BUILDING A STRONG, EQUITABLE CHILD CARE SYSTEM

As New York families with young children know firsthand, the pandemic dealt a crushing blow to the child care sector. Child care programs have long operated on the slimmest of margins, unable to raise tuition high enough to cover the enormous costs of providing quality care — including living wages to the staff nurturing and educating our youngest children. As classrooms closed and entire programs shut their doors, parents scrambled to find the alternative care arrangements needed to maintain their jobs — and their family’s economic stability. And as happened all too often before the pandemic, it was disproportionately women, who are more likely to be secondary earners, who dropped out of the workforce as a result. More than one in three women who had children and were out of work during the pandemic cited child care as the reason, compared to one in seven men.¹⁰⁰ Families for whom not working was not an option were left to navigate a fragile, patchwork system.

Meanwhile, young New Yorkers left for states where living costs, including child care, are lower — the top state that New Yorkers aged 26 to 44 moved to was New Jersey, where average child care costs are 19 percent lower.¹⁰¹

With a deep commitment to increasing access to quality, affordable child care, informed by her own experience as a parent, Governor Hochul responded quickly to this crisis upon taking office, taking action on the recommendations of The Child Care Availability Task Force, which she co-chaired as Lieutenant Governor. Leveraging the expertise of the Task Force and new federal support for child care, the Governor worked with the Legislature to pass a budget directing historic public investments to New York’s child care system. Highlights of the landmark budget include:

- Committing \$7 billion over four years to the child care assistance program.
- Increasing income eligibility for child care assistance from 200 percent to 300 percent of the federal poverty level, extending eligibility to more than half of young children in New York as of August 1, 2022.

- Increasing State reimbursement rates to providers to expand the number of programs from which families can choose.
- Investing \$50 million to establish a child care capital program.
- Investing \$343 million to stabilize programs at risk of closure and support the child care workforce.
- Investing \$15.6 million to expand child care at SUNY and CUNY campuses.
- Eliminating onerous work requirements for parents who are students pursuing higher education.

These initiatives are already bearing fruit, and enrollment in the Child Care Assistance Program (CCAP), our primary publicly-funded child care system, is expected to increase as the State, in partnership with program administrators and stakeholders at the local level, continues to ensure newly eligible families are aware of these resources. However, CCAP still only serves a small fraction — less than 10 percent — of children whose families meet the income requirements,

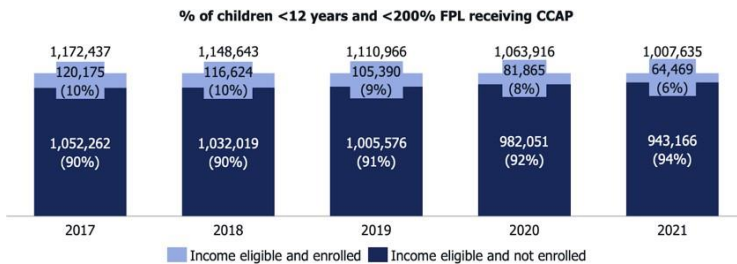
and child care capacity continues to be strained, as workers leave the classroom.

With the aim of maximizing our investments, this next year Governor Hochul will focus on three main goals: (1) making it easier for families to access financial assistance for which they are eligible; (2) providing support to the child care workforce; and (3) engaging the business community in new ways to build supply and reduce costs for more families. These additional supports and policy changes will provide a strong foundation on which to build in the years to come.

Streamline and Centralize the Application for Child Care Assistance

Given the political roots of the federal child care subsidy program and the dearth of public dollars that have historically been dedicated to it, we have for far too long made it incredibly difficult for families to access the financial assistance that is available to help bring down the cost of child care. In 2021, only about six percent of families with children eligible for child care assistance through CCAP received a subsidy, down from 10 percent in 2017 and 2018. While policy changes made

in 2022 have enabled more families to access assistance and participation is gradually increasing, the universe of eligible families also expanded, and we continue to reach only a small share of households in need of care. This is due in large part to onerous eligibility processes and requirements. Indeed, families have immediate needs for child care, yet more than half of all applications are determined to be incomplete and sent back to families, sometimes requiring three, four, and five more attempts.



Less than 10 percent of children whose families meet income requirements receive child care assistance

To change this paradigm, Governor Hochul’s administration will deploy a statewide electronic solution allowing families to pre-screen for eligibility

and apply for child care assistance, removing any redundant processes and unnecessary reporting requirements placed on families. By streamlining and centralizing the application for child care assistance, simplifying the process of presenting documentation, and creating an online application option for all counties, Governor Hochul aims to dramatically increase the number of applications completed successfully.

Raise Eligibility to the Maximum Allowed Under Federal Law

Last year, Governor Hochul and the Legislature enacted the first ever expansion of income eligibility for the state's child care program, from 200 percent to 300 percent of the Federal Poverty Level. This year, to build on that progress, Governor Hochul will propose raising the income limit to the maximum allowed by federal law in order to cover families earning up to 85 percent of New York's median income. In real terms, this will increase the income limit for a family of three from just under \$70,000 to nearly \$80,000. As a result, the families of an estimated 113,000 more children will

become eligible for assistance for the first time, helping to reduce out-of-pocket costs for more households.

Expedite Enrollment for Families Receiving Other Benefits

Many existing programs that families in need of child care assistance participate in, such as the Supplemental Nutrition Assistance Program (SNAP), the Home Energy Assistance Program (HEAP), Medicaid, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), set income eligibility at lower levels than the CCAP. Yet these families are still required to prove they are income-eligible if and when they apply for child care assistance. To address this redundancy and make it easier for such families to access care, families in receipt of SNAP, HEAP, Medicaid, and WIC will be able to use that information to demonstrate that they are income-eligible for child care. As a result of these changes, an estimated 83,400 children in already-eligible families will have easier access to the Child Care Assistance Program.

Rationalize Eligibility Requirements Across All Counties

Governor Hochul will standardize eligibility across local districts by ensuring that our most vulnerable families — families experiencing homelessness and families caring for a child in foster care or kinship care — are provided child care assistance as long as funds are available. Additionally, the State will cap family co-payments at one percent of family income above the poverty level, as about half of districts already do, rather than the 10 percent cap that is the current statewide rule. For many families, contributing 10 percent of their income toward care remains prohibitive. We estimate that as a result of this change, 10 percent of families would see a reduction in their co-pays, making it easier for families to take part in the program. The State will standardize policies on absences, too. Districts' policies on payments for absences vary widely, with 11 districts providing reimbursement for up to 80 days before a family becomes responsible for paying out of pocket, but over 20 districts only covering 24 absences. The State will

mandate that districts cover 80 absences in an effort to standardize the most generous policy across counties.

Establish Workforce Retention Grant Program

Throughout the pandemic, child care providers worked tirelessly to provide care to children of first responders, working long hours for low wages. The reality is that there is no quality child care without these dedicated educators, from those in centers to our family child care providers, who nurture and care for children. That is why Governor Hochul will use unspent federal funds to establish a new Workforce Retention Grant Program to provide payments to existing staff in 17,000 programs statewide, tackling the exodus from the sector head-on. Grants will also be used to cover payroll tax assistance and support staff recruitment strategies, including sign-on bonuses for new employees and other expenses related to hiring new staff, making it more financially reasonable to pursue this career option. This is a critical and timely step toward stabilizing the workforce, as the State and Child Care Availability Task Force continue to undertake the important work of evaluating alternative workforce compensation models. Benefits will also

accrue to middle-income families across New York who might otherwise see tuition increases as programs look for more revenue to retain staff and keep their doors open.

In addition, many child care programs offset a portion of the cost of tuition for their own employees, which causes them to lose money. By providing enrollment assistance to employees who work at licensed and registered child care programs, regardless of the roles they work, we will honor the vital role child care providers play in educating children and lessen expenses for their own families.

Pilot a New York State Employer-Supported Child Care Program

One of the biggest barriers for New Yorkers with children seeking to rejoin the workforce is the cost of child care. To better address affordability for families ineligible for CCAP and bring in new resources from employers, Governor Hochul will establish the New York State Employer-Supported Child Care (ESC) pilot program in certain regions of the state to facilitate

splitting the costs of care for eligible employees between the State, employers, and employees, as Michigan has recently done. In the ESC pilot, employers will contribute a third of the cost of care for families between 85 percent and 100 percent of median income, and the State will match it, reducing out-of-pocket costs for these families and generating additional financial support for child care.

Adopt a Statewide Business Income Tax Credit for Child Care

Last year, New York City established a new business income tax credit for employers that create or expand child care access for employees. Capped at \$25 million annually, NYC estimated that employers would create 6,000 new infant and toddler seats if the credit is fully utilized. Given limitations on eligible expenses, and other restrictions in design, the preexisting federal and State employer-provided child care credit has not been widely utilized by employers. Governor Hochul proposes to have New York adopt the more flexible business income tax credit statewide for two years, to align with the timeline for the NYC credit and allow for

outcomes to be evaluated at the same time. We expect statewide adoption to increase the number of employers covering some share of child care costs for their employees.

Create a Business Navigator Program

Governor Hochul recognizes the critical role child care plays in economic development. Employers across New York have reported wanting to better support their employees' child care needs but not knowing where to start, and Governor Hochul believes there is more the State can do to leverage the Regional Economic Development Councils (REDC) and Child Care Resource and Referral Agencies to that end. In the coming year, she will establish a Business Navigator program in each of the 10 REDC regions to help interested businesses identify options to support employees' child care needs, as well as develop a statewide employer child care guidebook, making good on another one of the State task force's recommendations.

SECTION XII: PRIORITIZING TRANSPORTATION SAFETY, EQUITY, AND EFFICIENCY

New York’s network of roads, rail, and waterways connects us to each other and to a stronger economic future for the state. Making our transportation systems safer, speedier, and more sustainable is a priority for Governor Hochul, who has worked to deliver unprecedented investment in transportation infrastructure, driving real progress on a holistic capital plan that is on track to modernize and reimagine projects in every region of our state. Over the last year, Governor Hochul and her administration:

- Concluded the final scoping report on the Kensington Expressway Project, which will reconnect the east-west neighborhoods across the depressed section of Buffalo’s Kensington Expressway corridor and reestablish the green space originally provided by Humboldt Parkway — without compromising the long-term capacity

of the important regional transportation link provided by the expressway.

- Completed the Long Island Rail Road's historic Third Track project on time and under budget. The new 9.8-mile track runs from Floral Park to Hicksville.
- Began the third and final phase of the \$1.7 billion Hunts Point Access project that will reduce congestion, enhance bicycle and pedestrian safety, and provide easier access to Hunts Point Terminal Market in the Bronx.
- Brought the \$739 million Kew Gardens Interchange project in Queens to fruition. The Interchange is a multiphase undertaking to revamp this heavily-traveled commuter corridor and improve access to JFK Airport, increase safety, fortify climate resilience with upgraded stormwater drainage along the roadways, and create pathways for pedestrians and bicyclists.
- Together with the City of Rochester, undertook the Inner Loop East Transformation Project which will convert a sunken section of

expressway to the east of Downtown Rochester to an at grade “complete street” that will include bicycle and walking paths.

- Achieved federal and state alignment on the I-81 Viaduct Project, which will remove the existing elevated structure that has divided the City of Syracuse for decades, disproportionately impacting residents of color, and replace it with the new Business Loop 81, as well as an integrated Community Grid that will disperse traffic along local north-south and east-west streets.
- Broke ground on the Metro-North Penn Station Access project, which will create four new stations in the Bronx and bring rail service within one mile of 500,000 residents. The project will be the largest expansion of the Metro-North Railroad since it was founded in 1983. By offering rail service to and from Manhattan, Westchester, and Connecticut, this will expand access to jobs, education and entertainment for East Bronx communities. Additionally, the project will substantially reduce travel times,

provide reverse commuting opportunities, and offer a critical second route into Manhattan for the first time ever through Metro-North.

- Completed the \$400 million, privately-financed JFK Terminal 8 expansion and modernization.

Alongside major investments in our state's infrastructure, Governor Hochul has also advanced a number of transportation policy priorities, including:

- Signed a groundbreaking package of street safety bills that: allowed New York City's Speed Camera program to operate 24/7; provided additional support for 'complete streets' projects across the state to better adapt our roadways to the needs of pedestrians, bikers, and transit riders; and added a requirement for instruction in pedestrian and bicycle safety as part of the DMV's prelicensing course for drivers.
- Signed the historic Gateway Phase One Memorandum of Understanding (MOU) with the State of New Jersey and the Port Authority of New York & New Jersey, which outlines the sources, uses, and timing of funding on behalf of

both states for the Hudson River Tunnel Project and the Portal North Bridge.

- Committed \$1 billion to the Pave our Potholes program, designed to pave roads across our State.
- Delivered significant new funding to electrification initiatives, which will put more electric buses on the road and more charging stations in underserved areas.
- Won a major federal grant allowing the Metropolitan Transportation Authority (MTA) to install security cameras across its fleet of subway cars, helping deter crime and increase rider confidence.

Secure the MTA's Future

The MTA functions as the circulatory system for New York City and its surrounding areas by connecting communities and serving as a sustainable foundation for the region's economic growth. Without our subways,

buses, and commuter trains, New York would be at a standstill.

Despite a resurgence in ridership from the worst days of the pandemic, the MTA faces uncertainty about its financial future. Achieving long term fiscal stability is essential to ensuring that New Yorkers can continue to rely on a world-class transportation system that gets them to their jobs, families, and destinations, reliably and affordably.

Governor Hochul is committed to working with MTA leadership, legislative partners, the City of New York, the federal government, and other critical stakeholders on a comprehensive set of solutions to the structural challenges facing the MTA in order to put the Authority on sound fiscal footing for many years to come.

Simultaneously, the State will continue its progress towards implementation of congestion pricing, which will provide a reliable source of critical capital funding for the MTA. Following the release of its comprehensive congestion pricing environmental assessment in August 2022, New York expects signoff from the Federal Highway Administration in early 2023.

Make the MTA’s “City Ticket” Available 24/7

The MTA established the low-cost, flat-fare City Ticket to encourage the use of commuter rail stations within New York City. Currently, it is only available during off-peak hours; peak hour railroad trips within city limits cost as much as \$10.75. Now, at Governor Hochul’s direction, and as recommended by the *New New York* Panel convened by Governor Hochul and Mayor Adams, the MTA will make a low-cost, flat-fare City Ticket available 24/7, at a modest premium during peak hours. This will create a better, more affordable transit option for residents of neighborhoods like Wakefield and Woodlawn in the Northern Bronx, and Rosedale and Laurelton in Southeast Queens. And expanding the City Ticket will spur growth in outer borough job centers in Fordham, Jamaica, and Flushing. In all, roughly 10,000 trips on an average weekday will be made more affordable.

Move Forward on Light Rail Option for the Interborough Express

Governor Hochul's Interborough Express (IBX) will create a new transit connection between Brooklyn and Queens, taking advantage of an existing underutilized freight rail right-of-way that runs from Sunset Park to Jackson Heights. Upon construction, IBX will slash travel times between the two boroughs, cut congestion, and expand economic opportunities for the people who live and work in the surrounding neighborhoods.

The Interborough Express planning and environmental linkages study recommends light rail as the preferred option for providing fast, frequent service, connecting the Interborough with up to 17 different subway lines and the Long Island Railroad. Over the coming months, Governor Hochul and the MTA will work to complete the environmental review in order to ensure the IBX's inclusion in the MTA's next Five Year Capital Plan.

Expand EV Charging Infrastructure

Electric vehicles have seen rapid adoption across the U.S., skyrocketing from around 280,300 electric cars

registered in 2016 to approximately 1.45 million in 2021. However, New York ranks just 29th in the nation for electric vehicles per capita, far behind our peers, including California and Washington D.C. Public charging infrastructure is critical to meet demand and spur new investment in electric vehicles.

The transportation sector accounts for nearly half (47 percent) of the state's current greenhouse gas emissions, and much of that comes from cars and light duty trucks. To continue addressing the need to decrease these dangerous emissions, New York State will receive \$175 million over five years in federal funds to establish an interconnected network of reliable charging for electric vehicles, which incentivizes EV purchasing. Under Governor Hochul's leadership over the next year, New York will continue to work with agency partners and other stakeholders to determine the most efficient and effective way to provide incentives that support the installation, operation, and maintenance of infrastructure to continue leading the transition to 100 percent zero-emission on-road vehicles. These funds will be used to invest in charging infrastructure, which will be built within one travel mile

of designated EV corridors, with charging stations no more than 50 miles apart.

New York will build out its charging station network on 1,787 centerline miles of interstate highways and 290 centerline miles of state highways within the state's EV Alternative Fuel Corridor. Corridors will include many of the state's most-traveled interstate and state highways, including the Thruway, Northway, and other major roadways.

Improve Bus Reliability

Buses should be speedy and reliable, but too often the actions of other drivers can disrupt service and pose real threats to passenger safety. From illegally blocking bus stops to impeding traffic in bus lanes, cars failing to follow the law impose real burdens on bus riders trying to get to their destination. To help speed up our bus network and drastically improve commuter experiences, Governor Hochul is directing the MTA to install Automated Bus Lane Enforcement (ABLE) cameras on 900 buses. This investment builds on work the MTA has done to install cameras on 123 buses,

which have already resulted in fewer of the illegally parked vehicles that slow down bus trips. With the additional cameras, 80 percent of bus lanes will be covered — vastly increasing the dependability of buses and reducing travel times by discouraging illegal parking in bus lanes.

Governor Hochul will also seek to make the law permanent and expand it to allow the cameras to enforce all New York City traffic rules in bus lanes.

Allow New York City to Lower Its Speed Limit

Governor Hochul is committed to making New York the safest state in the country for pedestrians, cyclists, and drivers alike. Tragically, research demonstrates that many of the collisions and fatalities that occur on the roads are preventable through better policies that prioritize safety over speed and encourage smarter, safer driving.

To better allow New York City to adjust its speed limit to account for the dangers of fast driving in urban environments, Governor Hochul is introducing legislation to ease state restrictions in State law that

prevent the lowering of the citywide speed limit below 25 miles per hour and the City's school speed limit below 15 miles per hour. Giving New York City the autonomy to change its speed limit can help the City determine how best to safeguard its own streets.

Spur Transportation Innovation Upstate

Access to public transportation provides measurable and immeasurable benefits to communities. To help more New Yorkers get where they need to go, Governor Hochul will launch a new program to expand access to public transit in upstate and non-MTA-accessible communities.

Governor Hochul's Innovative Mobility Initiative will provide funding for public transportation services for riders facing barriers to traditional public transit and for the creation of new options in locations currently without transit. The initiative will provide funding for a five year pilot program, allocating \$1 million to each of the seven largest non-MTA systems, while smaller systems throughout the state would jointly be eligible for a competitive fund of \$3 million. Awardees can use

funds to: serve as a 20 percent match for federal funds; purchase technology that enables a local app-enabled trip request and fare payment structure for public transit; purchase smaller vehicles; and otherwise create a transit service that suits local needs. The initiative would encourage innovation and flexibility in service of equity, accessibility, reduced costs, and better environmental outcomes.

Take High Risk Drivers Off the Road

Increasing road safety requires a multipronged approach to end high-risk driving that endangers everyone on the road. Governor Hochul will direct the Department of Motor Vehicles to amend regulations to increase the number of points associated with dangerous driving and decrease the threshold at which dangerous drivers are disqualified from holding a license. She will also direct the DMV to amend regulations to lower the bar for permanent license forfeiture for reckless drivers who continue to drive under the influence of mind-altering substances. Collectively, these changes would reduce the number of

high-risk driving incidents by taking persistently dangerous drivers off the road.

Empower The Department of Transportation to Seize Dangerous Vehicles

The Department of Transportation (DOT) is charged with helping to ensure safety on the roads.

However, though DOT can effectively regulate stretch limousines, the agency is not able to suspend, seize, and impound other dangerous large passenger vehicles like vans, ambulettes, motor coaches, buses, and party buses. There are more than 62,000 such vehicles within New York State, and their operation can carry additional safety risks. Governor Hochul will propose legislation to make this change and give DOT the added capacity to ensure safer roads.

Stop Secondary Crashes

The longer a traffic accident or dangerous incident remains on the roadway, the more likely there is to be a secondary incident, increasing the risk of death or

serious personal injury to the public and emergency responders. Governor Hochul will propose legislation to require drivers of a vehicle involved in an accident with no personal injury to move their vehicle to a safe location and clear the travel lanes in a safe and timely manner. This would reduce the likelihood of secondary crashes. Reducing the congestion caused by minor crashes will also help to avoid unnecessary motorist delays and adverse environmental effects.

Close the DWI Loophole

Since the passage of Vince's Law in 2014, the Vehicle and Traffic Law has imposed strict penalties on drivers convicted of three or more convictions of Driving Under the Influence (DWIs) within 15 years, and provided that a person twice convicted of a DWI where personal injury has occurred cannot be relicensed. However, not all incidents where personal injury has occurred are included in the law, leaving a loophole where certain instances of DWI are treated with more leniency than others, even when they involve substantially similar conduct and similarly injurious results. New York will amend the law to ensure that all persons twice

convicted of a DWI where personal injury has occurred cannot be relicensed, thereby removing some of the state's most dangerous drivers from the road.

SECTION XIII: IMPROVING STATE GOVERNMENT: THE CUSTOMER EXPERIENCE

New Yorkers deserve a government that works, one that provides services that are as fast, seamless, and efficient as what we experience as consumers in the rest of our daily lives. Unfortunately, New Yorkers commonly experience significant bureaucratic friction when seeking to obtain benefits and services from the state government — whether filing for unemployment insurance, getting a driver’s license renewed, filing taxes, or signing up for benefits programs.

This friction can take many forms. These processes might require residents to take time off work to attend in-person appointments, parse through lengthy applications and verbose websites, or wait weeks for back-office processing before receiving their benefits.

These administrative burdens amount to a “time tax” on New Yorkers, which can detract from the rest of their lives and leave them feeling disempowered, frustrated,

and cynical about their government and elected officials.¹⁰² Worst of all, this "time tax" can even serve as a barrier standing in the way of low-income New Yorkers being able to participate in critical safety net services that have been proven to lift families out of poverty. Eligible New Yorkers who are unable to navigate these bureaucratic hurdles might decline or miss out on child care assistance, food assistance programs, and tax relief. Less than 10 percent of families meeting the income requirements take advantage of child care assistance, and enrollment has declined over the past 10 years despite increased funding. (It is important to note, however, that Governor Hochul and the Legislature expanded eligibility in the Fiscal Year 2023 budget, and the total number of children participating in the State's child care program grew by 19 percent from January to September 2022.)

Even when residents receive the support to which they are entitled, the eligibility determination process can delay access to their benefits. It often takes weeks and multiple in-person appointments before individuals applying to certain anti-poverty programs receive an

eligibility determination. This problem was exacerbated by the pandemic, when government programs across the country struggled to keep up with increased demand.

While some of these sorts of government inefficiencies are common across the U.S., others are particular to New York. A recent national survey ranked New York in the bottom quarter of states in customer experience.¹⁰³ Respondents ranked New York State services below unpopular stalwarts such as cable television companies, electric utilities, and airlines. Even car insurance companies outranked our state in satisfying customers.

Governor Hochul is committed to making government customer-centered. She is proposing a series of initiatives that will put the experience of New Yorkers at the center of both policy and service delivery, leading to faster processing times and greater efficiency, along with significant improvements in residents' interactions with government. In the long-term, this will increase public trust, drive rates of participation in public programs, and save taxpayer money by lowering administrative expenses.

Make Customer Experience and Benefits Participation a State Priority

Every day, millions of New Yorkers interact with a service provided by New York State government, whether that be commuting to work, using food assistance to feed their families, or exploring a state park. These day-to-day interactions define your experience of your government and its leaders.

And yet, like many government entities across the country, most New York State agencies do not have metrics or goals related to customer experience (CX). Many benefits programs do not measure the administrative burden imposed on New Yorkers who are seeking services, or set goals related to reducing those burdens. If New York State aspires to be one of the most equitable and customer-friendly state governments in the nation, we must commit to making customer experience a priority.

In recent years, the federal government has committed to the same cause. In December 2021, President Biden signed an Executive Order on “Transforming Federal Customer Experience and Service Delivery to Rebuild Trust in Government.”¹⁰⁴ This order enshrined the

federal government's commitment to CX in law and laid out 36 specific priorities aimed at making government interactions less burdensome, including an emphasis on putting people at the center of everything the federal government does.

Governor Hochul will sign New York's first Executive Order on customer experience, creating a statewide action plan to direct agencies to begin collecting data on the delivery of services in New York State, setting performance targets to reduce the "time tax" on residents, and establishing a regular process to review progress. She will also direct agencies to study and improve access to services, including taking steps to make it easier for beneficiaries of one benefits program to enroll in other programs. In order to ensure that this initiative is successful, Governor Hochul will appoint a Chief Customer Experience Officer to oversee this statewide transformation.

Complementing the Executive Order, the Executive Chamber and Division of the Budget will lead the development of a statewide guidebook identifying the key principles and objectives for delivering premiere service to all New Yorkers.

Through these initiatives, Governor Hochul will increase access to benefits and improve the customer experience New York State provides.

Simplify the Child Care Assistance Application Process

New Yorkers can often find themselves attempting to navigate confusing processes when seeking to obtain benefits and services from their government. New York's Child Care Assistance Program (CCAP) is no exception. Currently, the program is state-supervised and locally administered. This means residents must navigate different eligibility requirements depending on where they live and are required to apply for benefits through their local social service district.

To add to this confusion: as of January 2022, only three of 58 county websites provide clear instructions on applying for child care benefits, including detailed information on eligibility requirements to help parents decide whether to apply, as well as an application available for download¹⁰⁵.

This administrative burden means families get lost in the process and do not receive the assistance they need. Less than 10 percent of families meeting the income requirements to partake in the child care assistance program are doing so, a clear sign that the program is not reaching all eligible families. Enrollment has declined over the past 10 years despite an increase in funding, and a recent survey indicates that 76 percent of parents in New York State are concerned about a lack of affordable child care.¹⁰⁶

Governor Hochul will take a client-centered approach to modernizing CCAP, by simplifying the documentation process for applying for child care and standardizing eligibility and benefits across local social service districts. The Governor will also launch a statewide electronic solution that will allow families to pre-screen for eligibility and apply for child care assistance. Furthermore, the State's plan will make it far easier to determine eligibility for child care assistance for families receiving Medicaid and other programs by simplifying the application process and removing duplicative paperwork. Through these initiatives, along with those discussed in the section entitled "Reducing

Administrative Barriers to Accessing Quality Child Care,” New York State will dramatically increase the number of eligible families who access state child care assistance, and the total number of children who will benefit.

Improve the Client Experience of Food Benefits for Women, Infants and Children

Only about half of the eligible families in New York participate in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Additionally, even WIC-enrolled families do not consistently make use of the program: nearly 10 percent do not redeem any of their food benefits, and only 81 percent of the cash value benefit for fruits and vegetables is redeemed each month. Administrative processes are known to be burdensome on mothers and families, but it is difficult to know exactly why clients are refraining from redeeming all of their benefits without seeking feedback from New Yorkers themselves.

A focus on client feedback will lead to improvements in the WIC client experience. Governor Hochul will

improve the delivery of WIC services by implementing new ways of gathering WIC client feedback through live chat, email, text, and surveys, and acting on that feedback to provide WIC services that are informed by and work for all New Yorkers.

Make it Easier to Obtain Tax Credits

Administrative burdens in government programs can result in New Yorkers leaving money on the table, particularly when it comes to tax credits and refunds.

Each year, between six percent and 18 percent of New Yorkers who are eligible for the State's Earned Income Tax Credit, and at least four percent of those who are eligible for the Empire State Child Credit (ESCC), do not receive it because they do not claim the credits despite being eligible. This leaves at least \$45 million undistributed annually.

Outdated methods of communication between residents and the Department of Taxation and Finance (DTF) can also lead to delays, confusion, and missed refunds. DTF sends 830,000 School Tax Relief (STAR) checks through the mail each year to eligible homeowners. In 2021,

17,000 of these checks were not deposited, either because they were damaged, lost, or forgotten. Additionally, last year, DTF mailed more than 400,000 physical letters to residents asking for documentation to verify information reported on their tax returns. Only 37 percent of recipients responded on time, resulting in potential bills or refund adjustments.

Governor Hochul is proposing to improve the customer experience of DTF by implementing a "mobile document upload" to enable taxpayers to respond to DTF requests by uploading documentation on their phones, reducing reliance on snail mail, and improving on-time response rate from 37 percent to 50 percent. The Governor's plan will also implement direct deposit capability for STAR credits to reduce the need to mail paper checks to beneficiaries and expedite the process of getting payments to homeowners by about five days. The Department of Finance — and by extension, taxpayers themselves — will save \$200,000 per year in expenses associated with mailing paper checks. Collectively, these proposals will ensure that more New Yorkers receive the financial assistance they and their families need.

Save Time for Residents and State Workers with E-Signature Technology

Government services across the country are heavily reliant on paper-based processes, and New York is no exception. A recent study of the federal government estimated that in 2021, paper forms cost Americans \$117 billion and 10.5 billion hours spent.¹⁰⁷ Similarly, an analysis in New York indicated that the State processes more than 10 million paper transactions annually. New Yorkers are already making use of digital tools, with 52 percent of residents accessing state services through online applications and portals using a mobile device. It's time for our state to catch up to the demand for digital services.

Today, many forms can be completed online, but because they cannot be signed electronically, they must still be printed, signed, and scanned. This adds an unnecessary burden to residents and makes for slower processing times, delaying access to services and benefits.

Governor Hochul is proposing to accelerate the use of electronic signature technology within New York State government, starting with a select group of agencies

that will implement this option by the end of 2023. This will improve customer experience, facilitate faster processing times, limit in-person interactions, and reduce the effort required to fill out and submit paper forms.

Lower Call Wait Times and Reduce Reliance on Phone Calls

During the pandemic, the closing of physical offices led to a spike in demand for state services via digital channels. Today, a majority of residents in the U.S. (60 percent) report a strong preference for accessing state services digitally, compared with 30 percent for phone and 27 percent for in-person.¹⁰⁸

Governor Hochul is proposing an initiative to accelerate the adoption of “omnichannel” communication platforms that will enable residents to interact with state workers at select agencies through their preferred method of communication, including voice, live chat, text, or email. This initiative will reduce call volume and in-person visits by using artificial intelligence-powered chatbots and voice automation to answer the most

common questions without the need to interact with a customer service representative. Improving the efficiency of agency staff will reduce call handle time and enable agencies to address all phone calls they receive, allowing them to assist more residents per day and leading to better outcomes for New Yorkers.

For the Department of Motor Vehicles (DMV), this effort, part of a broader customer service transformation, will result in reducing caller wait time by 30 percent and eliminating 200,000 calls per year over the next five years.

Launch “One ID for New York State” to Improve Digital Access

Today, many New Yorkers possess multiple login accounts for New York State government websites and applications, which often causes confusion, forgotten passwords, and poor user experience. This also opens the door for bad actors to create fraudulent accounts.

It also results in some residents being prompted to submit duplicate information when trying to access services provided by different agencies. In addition,

they may need to wait for each agency to complete an identity verification process before receiving benefits, delaying the process.

Governor Hochul will establish “One ID for New York State,” which will lay the groundwork for transforming the customer experience of interacting with State government while simultaneously improving security and privacy protections. Rather than prompting residents to create separate logins and passwords for each state agency and repeatedly undergo time-consuming identity verification processes, this initiative will give New Yorkers full control of their personal information and the use of a single, verified login across State agencies — the NY.GOV ID+.

This initiative will speed up access to benefits and services, make it easier for people to verify and secure their identities, prevent fraudulent account creations and lead to a better and more seamless customer experience of New York State government, allowing people to confidently interact with State agencies in pursuit of critical state services and resources.

Building First-Rate Digital and Design Teams

New York State has more than 100 websites, 1,000 web applications, and administers thousands of resident-facing transactions, from registering for a fishing license to paying an E-Z Pass toll. Many of these websites and services are not user-friendly. They are full of acronyms and bureaucratic language, with some still not optimized to work on mobile devices despite an average of 55 percent of New Yorkers accessing the sites and services on their phones.

The State employs only a small number of designers who specialize in the experience of users, and it lacks a set of universal design standards that would ensure that each of these transactions is easy to use, accessible, and adequately serving the public. Without a modern and innovative approach to digital service delivery — and dedicated resources — New York State will continue to struggle to provide equitable, accessible, and easy-to-use services for its residents.

Governor Hochul will expand New York State's capacity to design digital services that New Yorkers deserve by investing in experience and qualified staff. Governor Hochul proposes growing the team of user experience

researchers and designers within the Office of Information Technology Services (ITS) and the Digital Team in the Office of General Services.

The mission of these teams will be to support and deliver quality digital services and user experiences to all New Yorkers. These first-rate experts will be deployed to redesign and improve the State's most common points of resident interaction, creating a consistent and improved digital customer experience and ensuring measurable, positive impacts.

SECTION XIV: IMPROVING STATE GOVERNMENT: AGENCY OPERATIONS

To achieve the broad array of initiatives outlined in the State of the State, Governor Hochul is committed to improving the operations of government. This means rebuilding the public sector workforce, which has faced substantial workforce shortages and hiring challenges as a result of the COVID-19 pandemic. It means providing efficient, effective shared services to State agencies. Finally, it means eliminating requirements and barriers that consume government resources and slow commerce without serving any meaningful public purpose.

Rebuild the Public Sector Workforce

New York State's government workforce is facing a shortage of more than 12,500 workers, with more than 26 percent of the State's workforce eligible to retire

within the next five years. In addition, the workforce does not reflect the rich diversity of New York State, with people of color dramatically underrepresented in comparison to the private sector.

There are multiple barriers when it comes to hiring and retaining individuals in the civil service. The timing of the exams required to enter civil service employment is the largest hurdle that candidates face in seeking competitive employment within the New York State government. Prospective recruits who miss an exam are unable to retake the test until it is offered again, which could be as far away as four years — or more.

Additionally, an antiquated compensation system based largely on a 1950s model makes it difficult for New York State to compete with other employers. Current outreach, education, and recruitment efforts are severely limited due to agency staffing levels. To meet expectations and practices of a 21st century institutional operation, the Office of General Services needs to align building space standards, design, and utilization with new telecommuting policies and the remote workforce.

To meet jobseekers where they are and encourage participation in a rewarding public sector career, Governor Hochul proposes a comprehensive series of reforms, with the goal of eliminating barriers to entry for jobs in the Civil Service and building and retaining a pipeline of new diverse talent into the State workforce. Specifically, the Governor's plan would:

- Amend the Civil Service Law to allow agencies to continuously recruit for a variety of titles, add to the pool of qualified candidates at more regular intervals, and create a more efficient and modernized exam process. Continuous recruitment exams offered on an ongoing basis will be held via a hybrid of online training and experience exams, multiple choice exams via remote proctoring (online), and instate operated computer-based testing centers.
- Modernize the civil service pay structure through the development of a new job evaluation system for all job titles in the civil service that better meets the needs of employers and the current job market. The new, modernized system will take into consideration pay equity

requirements for analyzing jobs to ensure fairness across all titles and put New York on a more level playing field with the private sector.

- Establish strategically located Centers for Careers in Government across New York State where on-site civil service specialists will serve as direct liaisons between the Department of Civil Service, New York State agencies, regional educational institutions, community-based organizations, and jobseekers. The centers will be responsible for communicating all available New York State government employment opportunities to stakeholders, as well as working closely with Executive Branch New York State Agencies to facilitate ongoing outreach and recruitment activities to promote these regional opportunities. The centers will also serve as a regional resource to help jobseekers navigate the Civil Service Merit System — including the exam and hiring process.
- Organize a “Public Service Matters” marketing campaign which will be coordinated across agencies to spotlight New York’s tradition of

excellence in public service, while highlighting the diverse opportunities available across State government — and the benefits of employment with New York State. Using enhanced marketing materials, efforts will include multilingual ads in both digital and print to reach a young and diverse audience.

- **Expand Nurses For Our Future.** As part of Governor Hochul’s commitment to continuously grow the New York State Health Care Workforce, the Governor launched the Nurses For Our Future Scholarship program in 2021. This new innovative program will be continued this year to further help address the critical nursing shortage facing our health care sector, and State agencies in particular. The initiative will require recipients to commit to work in a nursing position withing New York State for a set period of time after graduating in order to encourage the next generation of nurses to begin a rewarding career in either New York State government or the private sector. The scholarship program would support tuition costs

for nursing studies at either a public or private college or university.

- Establish a study and pilot projects to modernize State office buildings owned and leased by the Office of General Services. Update buildings through improved design and efficiency that facilitates hybrid work schedules, while increasing collaboration and productivity. This will include establishing criteria for the reconfiguration of spaces for a hybrid workforce that promotes the culture of the tenant agency and the health and satisfaction of New York State employees.

Expand Access to Paid Parental Leave

Despite the well-documented positive benefits of paid parental leave to maternal and infant health, family economic security, and workforce retention, the U.S. is the only developed country in the world without a national paid parental leave policy. New parents and caregivers depend on a patchwork of various federal, state, and local leave policies, in addition to any

employer-sponsored benefits. New York has long led on leave, ensuring access to partially paid family leave for employees of most private employers. However, the majority of the State workforce does not currently have such coverage, and those that are covered do not have fully paid parental leave.

Parents should never have to choose between a paycheck and caring for their child. That is why, this year, Governor Hochul will build on the progress of New York's Paid Family Leave law by taking steps to offer State employees 12 weeks of fully paid parental leave to use for bonding with a newborn, fostered, or adopted child. The Governor will direct the Office of Employee Relations to institute this policy for all unrepresented employees as soon as possible and will engage state unions to make progress toward this goal through collective bargaining.

Replace the State's Paper-Based Procurement Process With An eProcurement System

New York is the last large state without an eProcurement system, relying on a primarily paper-

based procurement process. Challenges of this outdated process include increased costs for vendors, duplicative work, disconnected processes, insufficient performance metrics, reduced authorized user adoption of contracts, and barriers to participation for Minority and Women-Owned Business Enterprises (MWBE) and Service-Disabled Veteran-Owned Business Programs (SDVOB).

Governor Hochul's administration will replace the State's paper-based procurement process with an eProcurement system to facilitate digital transactions with vendors, reduce redundancies, enhance accessibility, increase standardization across procurements, and create a single point of entry for vendors to view solicitations and manage contracts. New York can leverage a portion of the 0.75 percent fee paid by vendors on all sales to authorized users (e.g., State agencies, municipalities, or nonprofits) to offset recurring costs.

Create the Small Business 24/7 Portal

Small businesses are the lifeblood of New York's economy. To support them, Governor Hochul is

directing the Department of Labor to lead an effort to upgrade and expand the existing Business Express website into a new, user-friendly portal designed to assist small businesses in accessing the information they need to start or grow their business in New York State. The new Small Business 24/7 Portal will offer an enhanced and intuitive user experience, including a streamlined assessment that allows the business owner to be immediately directed to the information and services most relevant to their needs. The system will also offer targeted recommendations on available State programs and resources, such as loan and grant opportunities, as well as connections to local entrepreneur assistance providers. Additional enhancements include an improved phone hotline option that provides prompt access to professional staff who can directly address the specific needs of any business.

Streamline LLC, LLP, and LP Formation

Limited liability companies (LLCs), limited liability partnerships (LLPs) and limited partnerships (LPs) must submit extraneous affidavits of publication with

the Department of State when they register to do business in New York. Difficulties in obtaining these affidavits can cause unnecessary technical rejections of businesses' applications. To make business formation easier in New York, Governor Hochul proposes to eliminate the affidavit requirement and replace it with a simple affirmation process. This will reduce the time it takes to file, decrease the rejection rate, and reduce administrative costs. In addition, this move will slash overtime and temporary staffing costs, and allow the Department of State staff to prioritize other critical filings.

Make it Easier for Code Officials to Work in New York

New York State requires Certified Code Enforcement Officials to complete the Code Enforcement Basic Training Program offered by the Department of State, even if they already hold other relevant, nationally recognized certifications. Governor Hochul proposes to allow the Department of State to accept these alternative certifications, in order to eliminate an

unnecessary obstacle for code officials to work in New York.

Eliminate Technical Filing Requirements for Municipalities

Currently, municipalities must consecutively number local laws filed with the Department of State, an overly technical requirement that leads to the unnecessary rejection of numerous local laws. Governor Hochul proposes to eliminate these cumbersome filing requirements, in order to help localities avoid rejection of laws on technical grounds and reduce delays in the laws becoming effective.

Eliminate Course Attendance List Mailings

Under current regulations, schools that offer occupational licensing courses are required to maintain records of all students attending the courses and to mail the Department of State lists containing the names of students attending the courses. Governor Hochul proposes to modify this requirement to permit schools

to maintain records of student attendance and provide them to the Department of State upon its request, thereby saving paper, time, and mailing costs for providers of occupational licensing courses and training.

Provide Equity and Opportunity in Cosmetology

Cosmetology professionals in the State are required to complete qualifying education that costs, on average, more than \$16,000. The qualifications take more than one year to complete before cosmetologists can begin to learn, gain experience, and earn money in a beauty salon. Governor Hochul will create a cosmetology trainee license and training option to eliminate the costs and barriers of pre-licensing education while still ensuring competency and safety among professionals in the industry. This change will assist the approximately 1,000 individuals training to become cosmetologists each year.

Reduce Paperwork for Condominium Declarations

The Real Property Law requires lengthy condominium declaration filings to the Department of State that can be more than 300 pages long, even though these declarations are already on file with the County Clerk and filed with the Department of State. Governor Hochul proposes to remove this duplicative filing requirement and simplify the process by requiring a condominium board to file only the designation of the Secretary of State as its agent for service of process.

Rewrite the Alcohol and Beverage Control Law on a Policy-Neutral Basis

New York's Alcohol and Beverage Control (ABC) Law has grown organically throughout the 90 years since the end of prohibition, but there are many inconsistencies in the byzantine chapter, both structural and substantive.

This makes it difficult for New York's restaurant and hospitality industries to understand regulations, let alone comply with them. Prior proposals to rewrite the ABC law have not been successful, partly because they

have been bound up with proposals for substantive reform. Indeed, the Commission to Study Reform of the ABC Law is still under way. In the meantime, Governor Hochul will advance a policy-neutral rewrite of the existing ABC Law, in order to improve legibility and understanding of the existing law, and to foster a clearer conversation in the future about any proposed reforms.

END NOTES

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