



BROWN | WEINRAUB

MEMORANDUM

TO: All Clients
FROM: Brown & Weinraub, PLLC
RE: New York One-House Budget Proposal Highlights
DATE: March 11, 2026

OVERVIEW

On Monday, the Legislature released their One-House Budget Proposals in response to Governor Hochul’s Executive Budget proposal for State Fiscal Year (SFY) 2027, which begins April 1, 2026. The Governor’s Budget includes \$262.7 billion in All Funds disbursement, State Operating Funds spending, which constitutes spending from State taxes and other State revenues, totals \$157.4 billion.

The Assembly and Senate propose All Funds at \$271.9 billion (\$9.2 billion or 3.5% increase and \$269.8 billion (\$7.1 billion or 2.7% increase), respectively. In the Assembly, the increase relative to the Executive is driven by a \$6 billion increase in Federal Medicaid spending, expanded investments in School Aid, Higher Education, Human Services, and Local Government Support. In the Senate, the increase is similarly due to funding Medicaid, Foundation Aid and school aid, child care workforce support, and the Senate’s capital and infrastructure plan.

The Assembly projects All Funds receipts at \$262.1 billion, which is \$7.4 billion higher than the Executive reflecting a \$160 million reduction from SFY 2025-26 estimates. This decline is attributed to \$2.7 billion decrease in federal receipts, though the Assembly’s Financial Plan assumes \$6.6 billion in federal receipts above the executive. This overall decrease is partially offset by a projected \$2.5 billion increase in tax receipts. The Senate projects All Fund Receipts to total \$266.6 billion, which is \$8.7 billion over the Executive. As part of the revenue consensus process between all three parties, the two-year revenue forecast was increased by \$800 million.

The Assembly One-House Proposal includes various tax actions that increase net revenues by \$1 billion compared to the Executive including: 1% low- and moderate-income tax cut for taxpayers earning below \$323,200 providing \$2.1 billion in total tax relief (Revenue Part AA); and a one-time rebate check for residential utility ratepayers earning less than \$300,000 providing \$2.6

billion in relief (Revenue Part BB). The Assembly also includes a variety of new tax actions (Revenue Part AA-QQ) which includes a variety of tax credits, sales tax exemptions, a reduction to NYC PTET Rebate (OO), an increase on various NYC Business Taxes for partnerships and LLCs over \$5 million (Part PP), and a NYC Mansion Tax for Sales of High Value Properties (Part QQ)

The Senate One-House Proposal also includes various revenue proposals including a increase in personal income tax rates by 0.5% for the two top brackets (S4437a); Extend and increase the Article 9-A tax rates for three years for businesses earning over \$5 million from 7.25% to 9 % (S3942a); Adjust the NYS PTET Credit to 90% of amount paid (S7643); end a variety of tax breaks for fossil fuel companies (S3606a) and; dedicate revenues from the opioid excise tax to the NYS drug treatment and public education fund (S7641). These revenue and tax topics are covered in more detail below.

Please see the following legislative responses to the list of key initiatives that the Governor has put forward. Please note that this list is not exhaustive. A comparison chart of the Health and Mental Hygiene Article VII will be provided separately. For any questions related to these items, reach out to your lobbyist by email or phone at 518.427.7350.

REVENUE & TAXES

Eliminate Income Tax on Tipped Wages (Revenue Part B): Excludes up to \$25,000 on qualified tips per year for single filers earning up to \$150,000 and joint filers earning up to \$300,000. **Assembly & Senate Accepts.**

Retain deductibility of certain charitable contributions (Revenue Part C): Ensures donations to institutions whose tax-exempt status has been threatened by the Federal administration continue to qualify as deductible charitable contributions on State tax forms.

Assembly Accepts.

Senate Modifies: Retains deductibility of certain charitable contributions by replacing it with language to protect an organization's tax-exempt status in NYS if their status was improperly removed by the federal government (S.7880A).

Extend the Temporary Article 9-A Tax Rates for Three Years (Revenue Part E): Extends the 7.25% business income tax rate for three years, through tax year 2029, for taxpayers with a business income base over \$5 million.

Assembly Modifies: Extends the current 7.25% business income tax rate for corporate franchises with a business income base over \$5 million three years, through tax year 2029, by increasing the rate to 9.25% for businesses with an income base over \$10 million.

Senate Modifies: Extends the temporary Article 9-A tax rates for three years by increasing the rate for businesses with over \$5 million in income to nine %, based on S.3943-A.

Decouple from Certain H.R.1 Provisions (Revenue Part F): This part limits taxpayers to the standard depreciation deductions for qualified production property that were in place prior to the enactment of H.R. 1.

Assembly Accepts.

Senate Modifies: Including additional language to decouple NYS from Section 179 bonus depreciation changes, similar to the New York City proposal (S.8631-A).

Decouple NYC from Certain H.R.1 Provisions (Revenue Part G): Preserves the City’s current treatment of depreciation for qualified production property, business interest expenses, expensing of depreciable business assets, and decouples NYC from certain changes to deductions for domestic R&E expenditures.

Assembly & Senate Accepts.

Sales Tax Exemption on Retail Sale of Electronic Vehicle (EV) Charging Stations (Revenue Part O): Establish a Sales Tax Exemption for the retail sale of Electronic Vehicle (EV) Charging Stations by a commercial EV charging station. Prior to resale exemption on the purchase of wholesale electricity by an EV charging station operator will no longer apply subjecting wholesale purchases to sales tax.

Assembly Accepts, Senate Intentionally Omits.

Change Filing Deadline for Petroleum Business Tax (Revenue Part R): Change the filing deadline from monthly to annual for the Petroleum Business Tax for Commercial Vessel Operators to reduce reporting obligations and administrative burden.

Assembly & Senate Accepts.

Technical Amendments to the STAR Program (Revenue Part T): Clarifies recent changes to the Enhanced credit’s age eligibility requirements, removes unnecessary supplemental credit payment application requirements, restores inadvertently repealed language that authorized the credit for low-income filers who aren’t required to file a personal income tax return, consolidate the protest provisions and eligibility determinations, making them consistent across all STAR programs, conform the credit’s ownership eligibility date to July 1 residency date and, update “good cause” provisions for the STAR program.

Assembly & Senate Accepts.

Increase Income Eligibility Limits for Senior Citizen Rent Increase Exemptions (SCRIE) and Disability Rent Increase Exemptions (DRIE) (Revenue Part V): Increase income eligibility limits for the SCRIE and DRIE from \$50,000 to \$75,000 in New York City, with the same option being available as a local-opt in outside the City.

Assembly Intentionally Omits.

Senate Modifies: Provides a new authorization for the Commissioner of DHCR to increase thresholds annually to reflect any increase in consumer price index for urban consumers and all items published by the federal Bureau of Labor Statistics for the region which the housing is located. Also makes tax-abatement provisions permanent.

Impose Tax on Alternative Nicotine Products (Revenue Part K): by defining “alternative nicotine products” and broadening the tobacco products definition to include them.

Assembly Accepts.

Senate: The Senate modifies the Executive proposal to impose tax on alternative nicotine products by including language to also cover products containing nicotine analogs.

Create a Two-Tier Tax System on Vapor Products (Revenue Part L): introducing a distributor level tax per unit (\$0.55/unit) of vapor product imported or manufactured in the State.

Assembly Modifies: Replacing criminal penalties with civil penalties, reduces dealer penalties for possessing and selling contraband, and modifies enforcement timing and procedures relating to inspection and seizure of contraband products and adds notice and hearing safeguards before forfeiture or destruction.

Senate Intentionally Omits.

Legislative Adds:

The Assembly and Senate provided additional Revenue Parts AA-TT. Below are a few highlights of these additions which were not originally included in the Executive Budget Proposal.

Assembly Personal Income Tax (PIT) changes (Revenue Part AA): The Assembly includes language to provide a 1% tax cut for certain taxpayers with incomes below \$323,200, and to increase PIT rates on taxpayers with incomes above \$5 million.

Senate Personal Income Tax (PIT) Increase (Revenue Part FF): Increases the personal income tax rates by 0.5% for the top two brackets.

Assembly Data Mining Tax (Revenue Part II): The Assembly includes language to establish a tiered excise tax on energy used to power certain crypto mining facilities that use at least 2.25 million kilowatt-hours per year (kWh) of electricity and that use “proof-of-work” authentication methods. The tax rate would range from 2 cents per kilowatt-hour to 5 cents per kilowatt-hour.

Assembly Real Property Tax Surcharge on Vacant and Abandoned Property (Revenue Part JJ): The Assembly includes a proposal to authorize cities within the State to impose a supplementary real property surcharge on certain vacant and abandoned property. The rate would be determined through a local law.

Assembly Business Tax Increase in NYC (Revenue Part PP): The Assembly includes a proposal to increase the New York City Business Corporation Tax for Financial Corporations and Non-Financial Corporations. The proposal also includes language to increase the New York City Unincorporated Business Tax for partnerships and LLCs with business income over \$5 million.

Senate Business Tax Increase in NYC (Revenue Part SS): Authorizes NYC to increase the unincorporated business tax rate for businesses with incomes above 5 million from 4% to 4.4% and to increase New York City corporate tax rates for financial sector firms from 9% to 10.8% and for other firms from 8.85 % to 10.62 %.

Assembly Real Estate Transfer Tax / “Mansion Tax” in NYC (Revenue Part QQ): The Assembly includes language to establish a new “mansion” tax for the sales of high value properties in New York City.

Senate Real Estate Transfer Tax / “Mansion Tax” in NYC (Revenue Part TT): Increases the New York City Real Property Transfer Tax rate for one to three family residences valued above \$5 million.

ECONOMIC DEVELOPMENT

Appropriations

The Senate and Assembly make no changes to funding for the following programs:

\$150 million in new capital for **Regional Economic Development Councils (REDCS)** to support regional growth that aligns downtown and community revitalization initiatives for a coordinated approach to development.

\$100 million for another round of **Downtown Revitalization Initiative (DRI)** Funding to be used to transform downtown communities across the State. Communities are nominated by the State’s 10 REDCs based on the downtown’s potential for transformation.

\$100 million for **NY Forward** to support economic development in rural communities, including hamlets, villages and other small neighborhood scale municipal centers. These communities are selected in partnership with the REDCs and the Department of State.

\$100 million for the **Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) Fund**. This is the 2nd round of funding which proactively develops electric capacity to create power-ready sites and attract new businesses to the State.

Quantum Technology Commercialization Hubs: The Senate and Assembly accept the Governor’s proposal to include \$100 million for the SUNY Stony Brook Quantum Research and Innovation Hub. The Senate and Assembly also accept the Governor’s proposal to provide \$60 million for additional Quantum Technology Commercialization hubs.

Legislative Adds:

Legislative Discretionary Funds: The Senate adds \$40 million in discretionary funding for grants for economic development, small business community services, arts, cultural institutions and community-based organizations.

Sport Facilities and Convention Centers: The Assembly provides \$200 million in capital for municipal, educational institutions, and other non-profit owned sport facilities and municipal and non-profit convention centers.

Museums, Cultural Institutions and Greenhouses: The Assembly provides \$200 million in capital for public and private museums, arts and cultural organizations and greenhouses.

Bioscience Research Labs and Academic Medical Centers: The Assembly provides \$15 million in capital.

The Assembly provides an additional \$8.9 million for Centers of Advanced Technology, \$9.5 million for Centers of Excellence, and \$3 million for Innovation Hot Spots and NYS Incubators for a total of \$8 million. The Senate provides an additional \$1.5 million for Centers of Advanced Technology, \$3 million for Centers of Excellence, and \$1 million for the Tourism Matching Grants Program.

Article VII Proposals

Improving the Green Jobs-Green New York (GJ-GNY) Program (TED Part L): Modifies NYSERDA’s jobs program to provide customers with greater access to low-cost financing, expand the types for projects that are eligible for financing, and reduce administrative burden and costs associated with On-Bill Recovery (OBR) loans.

Assembly Intentionally Omits, Senate Accepts.

State Environmental Quality Review Act (SEQRA) Reform (TED Part R): Reforms the SEQRA process allowing for housing, infrastructure, and other projects that meet specific criteria to be built more efficiently.

Assembly Intentionally Omits.

Senate Modifies: Reforms the SEQRA by limiting the executive proposal’s SEQRA exemptions to only infill multifamily housing projects, particularly in urban areas, conditioned upon the project fulfilling minimum environmental and infrastructure standards and scaling the size of developments exempted to community context. This proposal is similar to S.3492-A.

EDUCATION

Appropriations

School Aid Total (ELFA Part A): The Executive Budget proposal provides a \$1.6 billion (4.3%) increase in School Aid, bringing the total to a record \$39.3 billion. This includes a \$779 million (3.0%) increase to fully fund Foundation Aid ensuring a 1% annual increase for districts, \$561 million (52.5%) increase in Universal Pre-K Aid, and \$287 (2.8%) increase in other School Aid programs.

Assembly & Senate Modify: Increases foundation aid base from 1% to 2%; increase weight assigned to English Language Learners from .53 to .60; adds weights for homeless or foster care students (.65 and .12, respectively). The Assembly increases school aid by \$905.6 million over the Executive and removes the cap on Pupil Needs Index while the Senate increases school aid by \$675 million over the Executive.

Universal Pre-K Aide (ELFA Part A): The Governor provides \$561 million (52.5% increase for additional support to ensure universal full-day Pre-K for all four-year-olds by the start of SFY 2029.

Assembly Modifies: to expand Universal Pre-K to support full-day instruction for four-year-old children by Fall 2028, consolidate UPK and Statewide Universal Full Day Prekindergarten into a single program, and increase funding by \$20.9 million for the instruction of three-year-old children. **Senate Modifies:** by adding the ability for school districts to receive transportation aid for universal pre-k school bus transportation costs and increases Transportation Aid reimbursement for high-needs schools by \$181.9 million.

Expense-Based Aids (ELFA Part A): The Executive’s proposal includes full funding of formula-driven expense-based aids at \$282 million or a 2.9% increase, including Building Aid.

Assembly Modifies: to include renewable energy projects in the cost allowances for building aid **Senate Modifies:** to increase Building Aid for the Big 5 city and high need districts, increase the limit for Capital Outlays from \$100,000 to \$250,000, and allow the limit to cover multiple projects. Building Aid would also be authorized for increased costs for bus garage modification to store and service electric buses.

Preschool and Summer School Special Education Programs: The Executive Budget provides \$1.27 billion to reimburse counties for the cost of preschool special education services and \$437 million to reimburse school districts for the cost of summer school services, a \$24 million (5.8%) increase.

Senate Modifies: to increase tuition at preschool special education programs consistent with the increase in Consumer Price Index and restores \$1.2 million for Summer School for the Arts

Nonpublic School Programs: The Executive Budget provides \$240 million in aid to reimburse nonpublic schools’ costs for State-mandated activities, a \$10 million (4.3%) increase.

Assembly Modifies: restore \$1 million for Nonpublic Immunization and \$500,000 for Nonpublic Academic Intervention Services.

Senate Modifies: to add \$1.5 million for reimbursement for nonpublic school immunization record keeping statewide, \$1 million for nonpublic school arts and music programs, \$500,000 for academic Intervention Services, and \$14.5 million for non-public school STEM programs.

Charter Schools: The Governor’s proposal continues additional state support for charter schools, providing a total of \$195 million for charter school supplemental tuition and \$177 million for charter school facilities aid.

Senate Modifies: to provide \$159.2 million for and extends Charter School Transitional Aid to NYC, similar to S4449

Specialized Schools:

The Assembly restores \$4.9 million in funding provides and additional \$3.4 million for 4201 schools while the Senate increase tuition rates for all Special Act school districts, 853 schools, and 4410 schools consistent with the Consumer Price Index and authorizes 4201 schools to establish a fiscal reserve fund and restore \$1.5 million in funding and adds \$15 million for 4201 Teacher Salaries

Article VII Proposals

Evidence-Based Math Instruction (ELFA Part B): Proposed legislation requires the State Education Department (SED) to provide school districts with instructional best practices in the teaching of math to students K-5. Funding to carry out this legislation includes \$6 million in total, **Assembly & Senate Accepts.**

ENVIRONMENT, ENERGY, AGRICULTURE, & PARKS

Appropriations

Sustainable Future Funding: The Assembly restores funding for the Sustainable Future Program, and allocates the \$1 billion as follows:

- \$200 million for thermal energy networks;
- \$200 million for NYPA renewable energy projects;
- \$190 million for emissions reductions programs at the Division of Housing and Community Renewal (DHCR), including at least \$40 million for DHCR’s Weatherization Program;
- \$160 million over two years for the Empower Plus program;
- \$100 million for electric school buses and related infrastructure;
- \$50 million for EV fast charging for medium and heavy-duty vehicles;
- \$50 million for the Clean Green Schools initiative; and
- \$50 million for Charge Ready NY.

The Senate restores \$1 billion as follows:

- \$300 million for the Decarbonization of Schools;
- \$250 million for the NY-SUN Program;
- \$200 million for Thermal Energy Network Projects;
- \$150 million for the EmPower+ Program; and
- \$100 million for Electric School Bus Charging Infrastructure.

Clean Water Infrastructure Funding: The Executive Budget commits an additional \$3.76 billion (\$750 million per year for five years) in clean water infrastructure. This funding will support local construction projects to improve municipal drinking water distribution, filtration systems, and wastewater treatment.

Assembly Modifies: to increase funding by \$200 million over the executive, including \$300 million for the Water Infrastructure Improvement Act, \$100 million for the replacement of lead service lines, and \$85 million for Water Quality Improvement Projects.

Senate Modifies: to add \$100 million to support lead service lines replacement; \$20 million to support Emerging Contaminants Remediation (S672b).

Advancing Excelsior Power: \$33 million in new funding to provide consumers who utilize smart thermostats and other similar technologies \$25 off their utility bill per month for one year.

Assembly & Senate Modify: to add additional parameters including allowing participants to opt-out without charge and to protect energy usage information, and to include consumer

protections with respect to cyber security standards with relevant appropriations (Senate TED Part NNN), respectively.

Article VII Proposals

Affordable Utilities Omnibus Legislation (TED Part N): Requires each gas, electric, steam, or water-works corporation include comprehensive details on the CEO's compensation in their routine rate case proposals, including how it compares to their respective median employee salary.

Assembly Intentionally Omits.

Senate Modifies: Places new requirements on utility CEO compensation, require affordability metrics, mandate filing of budget-constrained rate increase proposals, and direct the Public Service Commission to review certain inappropriate utility expenses, by directing the Commission to add additional inappropriate utility expenses to its review (S.3734B, S.1012A), require utilities to return revenues in excess of their authorized return on equity (S.7693), and clarify the Commission's parameters when evaluating budget-constrained rate increase proposals.

Modernizing Utility Rate Regulation to Protect Consumers (TED Part O): Modernizes how utility rate cases are reviewed and resolved, providing regulators more time and flexibility to evaluate from the statutory timeframe of 11 to 15 months. The PSC would also be able to set a rate plan for more than one year.

Assembly Intentionally Omits.

Senate Modifies: Places new requirements on the length of rate cases and rate plans by limiting utility recovery of rates related to delayed rate cases (S.5593), setting the timeframe of utility rate plans at between two and three years for litigated rate cases, and requiring litigated rate cases every other rate case.

Mitigating Energy Cost Burden (TED Part P): Requires for each gas and electric corporation to submit an energy affordability index annually, disclosing existing energy burden upon their residential customers.

Assembly Intentionally Omits.

Senate: Requires gas and electric utilities to provide information to establish an energy affordability index and install independent affordability monitors when certain energy burden thresholds are met by establishing additional reporting requirements for energy affordability monitors, requiring utilities to include an energy cost burden analysis in rate cases, and clarifying the ratepayer protective actions that the Public Service Commission must take with respect to energy affordability monitor findings.

Senate Adds:

- **TED Part OO** authorizing EFC to make grants and loans to non-public water systems (S8001)
- **TED Part RR** which creates a rebate of up to \$2,000 for the purchase of previously-owned zero emission vehicles (S2032a);
- **TED Part TT** which creates a rebate of up to \$1,100 for the purchase of bicycles with electric assist and electric scooters (S1047);
- **TED Part GGG** adding a heat pump rebate program of up to the lesser of \$2,000 or 30% of the overall cost of the heat pump;

- **TED Part III** enacts Accelerate Solar for Affordable Power (ASAP) Act and re-start the NY-SUN program (S6570a) and provides \$250 million for NY-SUN.
- **TED Part QQ** Enacting the Resilient NY Act (S3590a)
- **TED Part WW** expanding the Environmental Restoration Program making emerging contaminants eligible for assistance (S672b)
- **TED Part XX** establishing a five-year moratorium on spreading wastewater PFAS biosolids on land (similar to S9115a)

Assembly Adds:

- **TED Part TT Subpart A:** establishes a two-year moratorium on implementing rate increases already approved in electric and gas rate cases and any new action taken by the Public Service Commission or Long Island Power Authority that would effectuate an increase in electric or gas rates or charges. A newly established Blue-Ribbon Commission on Residential Affordability Through Energy Savings (RATES) will study the causes and origins of rising utility rates and recommend actions or reforms to reduce such rates.
- **TED Part TT Subpart B:** Requires NYSERDA and DPS to develop a program to partially offset the POWER rebate cost to the State, requiring them to: o examine the financial documents of power generators to determine if there are excess profits resulting from the sale of commodities in the New York Independent System Operator (NYISO) market; and return any profits determined to be excess profits, made after January 1, 2026, to the State.

GENERAL GOVERNMENT

Article VII Proposals

Modernize the Alcoholic Beverage Control Law (PPGG Part O): Makes several reforms including providing a thorough overhaul of the ABC Law. Further details can be provided upon request.

Assembly Intentionally Omits.

Senate Modifies: to add a list of factors including for determining whether labeling is directed at children or persons under 21.

SLA Licensing Modernization (PPGG Part P): Amends the ABC Law to create an adult care facility on-premises license, and airline lounge license, a café license, a higher education on-premises license, a hotel concessionaire license and permit, and an early morning sports bar permit, and to reissue a wholesale beer license with retail privileges.

Assembly Intentionally Omits, Senate Accepts.

Eliminate Outdated Restrictions on Dancing (PPGG Part Q): Amends the ABC Law to create a hybrid Dine and Dance on-premises liquor license. Licensees may allow patrons and/or employees dancing at an establishment under the same fees, duration, municipal notification process, and allowance for temporary retail permits as other existing on-premise liquor licenses.

Assembly Intentionally Omits, Senate Accepts.

Extend the Procurement Stewardship Act (PPGG Part CC): Extends legislation, that requires 1) contracts for commodities, services, and technology be based on the lowest price, 2) contracts for services be awarded on the basis of best value, and 3) such awards be made to responsible and responsive bidders, until June 30, 2031.

Assembly & Senate Accepts.

Extend Procurement Lobbying Law and Increase Contract Threshold (PPGG Part BB):

Ensures the government procurement process is competitive, open, and transparent by regulating and recording communications between government entities and bidders during procurement. This would also increase the threshold of a contract subject to procurement lobbying law from \$15,000 to \$50,000.

Assembly Modifies: Omits the raise in monetary thresholds, makes the effective date immediate, and omits the expiration provision.

Senate Modifies: Raises the thresholds to \$25,000 and changes the sunset provision from 2031 to 2028.

Streamline Public Procurement (PPGG Part Y): Makes the procurement process for agencies more efficient by increasing discretionary funding and streamlining processes.

Assembly & Senate Omits.

Impose Market-Based Interest Rate on Court Judgements (PPGG Part DD): Legislation to permit variable market-based, rather than fixed, interest rates to be assessed on court judgements and accrued claims.

Assembly & Senate Intentionally Omits.

Reducing Unnecessary Litigation (TED Part EE): Amends NYS's No-Fault Insurance Law and the Civil Procedure Law and Rules to: Modify the definition of "serious injury" to eliminate often manipulated criteria; Limit the amount of non-economic damages from being awarded to uninsured motorists, individuals convicted of driving while impaired, and individuals committing a felony or fleeing one at the time of the accident; Adopt rules that permit recovery of non-economic damages only if a plaintiff is not primarily at fault for causing an accident; Ensure that defendants in multi-party injury auto cases are held responsible only for the damage they cause, not damages caused by other unrelated defendants.

Assembly & Senate Intentionally Omits.

Strengthening Insurers Anti-Fraud Programs (TED Part FF): Extends the length of time an insurer has to send notice of a fraudulent claim to DFS and removes barriers to an insurer seeking to assert a defense of fraud in court. **Assembly & Senate Intentionally Omits**

HEALTH AND MEDICAID

The Senate and Assembly One House budgets included changes to the Executive's proposed budget. The following provides a high-level summary of provisions impacting the Health and Medicaid budget. *A summary matrix comparing the Senate and Assembly One-House positions on the Health and Mental Hygiene Article VII legislation is attached for additional information.*

Medicaid

Health Care Stability Fund: The Governor's budget included \$1.5 billion (All Funds) targeted for hospital and nursing home Medicaid rate enhancements.

Senate Proposal

The Senate would increase the investment to \$2.27 billion (All Funds) in FY 2026–27, allocated as follows:

- Hospitals: \$560 million (State Share) / \$1.12 billion (All Funds)
- Nursing Homes / ALPs / Hospice: \$470 million (State Share) / \$940 million (All Funds)
- FQHCs: \$80 million (State Share) / \$160 million (All Funds)
- CHHAs: \$25 million (State Share) / \$50 million (All Funds)

Assembly Proposal

The Assembly would increase the funding to \$2.35 billion (All Funds) in FY 2026–27. Like the Executive proposal, the Assembly plan would limit the funding to hospitals and nursing homes, rather than expanding it to additional provider types.

Additional Medicaid and Health Care Provisions

Hospital Vital Access Provider Assurance Program (VAPAP): The Senate restores \$500 million, and the Assembly restores \$516.6 million for VAPAP.

Safety Net Hospital Capital Funding: Both Houses accept the Governor's \$1 billion capital investment for safety-net hospitals.

Nursing Home Capital Cut: Both Houses fully restore the **15 % reduction to nursing home capital funding**.

Upstate CINERGY Demonstration: The Senate proposes creating a new CINERGY demonstration program for upstate nursing homes.

NHTD Carve-Out: The Senate proposes carving the Nursing Home Transition and Diversion (NHTD) program out of Medicaid managed care.

Hospital at Home: The Assembly rejected, and the Senate accepted, the Governor's proposal to codify the Acute Hospital at Home program into State law.

Additional Health Care Capital:

- Assembly: Includes \$1 billion for health care provider capital.
- Senate: Includes \$300 million, to be allocated pursuant to a Senate-approved spending plan.

Insurance and Regulatory Provisions

Material Transactions: The Assembly rejected and the Senate accepted the Governor’s proposal to increase DOH’s oversight of health care transactions.

Independent Dispute Resolution (IDR): Both the Senate and the Assembly rejected the Governor’s proposed changes to the IDR process.

“Cooling Off” Period:

- The Assembly rejected the Governor’s proposal to increase the mandatory “cooling off” period at the termination of contracts between insurers and hospitals from 60 to 120 days.
- The Senate accepted the Governor’s proposal to increase the “cooling off” period to 120 days but modified it to require the Department of Health (DOH) and the New York State Department of Financial Services (DFS) to jointly approve patient communications and to publish an online notice regarding contract negotiations.
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Utilization Review / Prior Authorization Reforms:

- The Senate accepted the Governor’s proposed changes to the utilization review and prior authorization processes.
- The Assembly modified the proposal to allow more frequent utilization review for chronic conditions in certain circumstances.

Transition to Fee-for-Service: The Senate included language urging the Department of Health (DOH) to explore the viability of transitioning certain programs—such as Managed Long-Term Care (MLTC) and outpatient mental health services, among others—from managed care to a fee-for-service model.

School-Based Health Centers (SBHCs) Medicaid Carve-Out: Both Houses include legislation to permanently carve SBHCs out of Medicaid Managed Care. Without this legislation, SBHCs would transition to Medicaid Managed Care on April 1, 2026.

Workforce

Health Care Worker Flexibilities: The Assembly and Senate both rejected the Governor’s scope of practice package.

Temporary Staffing Agencies:

- The Senate accepted the Governor’s proposal to limit the amount of profit temporary staffing agencies may retain.
- The Assembly modified the proposal to expand current law to cover subcontractors and rejected the proposed profit cap.

Mental Hygiene and Human Services Funding

Targeted Inflationary Increase: The Assembly and Senate both modified the Governor's proposed 1.7% targeted inflationary increase for eligible mental hygiene and human services programs, increasing it to 4% to support targeted salary increases for the workforce.

HIGHER EDUCATION

Appropriations

HEOP: The Assembly adds \$10 million to the Executive proposal. The Senate adds \$5 million.

STEP: The Assembly adds \$4.5 million to the Executive proposal. The Senate adds \$2.2 million.

CSTEP: The Assembly adds \$3.4 million to the Executive proposal. The Senate adds \$1.7 million.

Tuition Assistance Program (TAP): The Assembly authorizes TAP for graduate students, not to exceed \$5,565 per year depending on income and status as dependent. The Assembly also increases the income threshold from \$7,000 to \$30,000 for eligibility for maximum TAP and from \$125,000 to \$150,000 for eligibility for a minimum TAP award.

Excelsior Scholarship: the Assembly proposes increasing the income threshold for Excelsior Scholarships at SUNY and CUNY to \$150,000, from current level of \$125,000. The Senate would allow the income of enrolled Excelsior Scholarship recipients to increase marginally beyond \$125,000 without disqualifying them from the scholarship.

Student Loans: the Assembly would authorize the State to fund and administer a student loan program. The Assembly did not include the Governor's proposal to protect private education loan borrowers and cosigners. The Senate expanded upon the protections called for by the Governor.

HECAP: The Governor's budget proposal eliminated funding for HECAP. The Senate added \$50 million and the Assembly added \$40 million.

Support for Students with Disabilities: The Senate authorizes TAP to be used for non-degree granting programs that serve students with disabilities.

CHILD CARE

Appropriations

Additional Child Care Subsidies: \$1.23 billion (40% increase) to bolster Child Care Assistance Program (CCAP), the State's subsidy program for families below 85% of the State median income. **Assembly Modifies:** to provide additional childcare subsidies for all localities by allowing counties to roll over supplemental funding into future years.

Child Care Friendly Zoning: \$1 million in funds for localities that adopt zoning regulations that increase child care capacity.

Assembly Omits.

Capital Funding for Child Care: \$100 million in capital grants to facilitate child care providers' ability to expand enrollment capacity and serve additional children. \$25 million of this money is reserved for child care efforts of local governments.

Assembly Accepts.

Assembly Adds:

- \$250,000 for a Child Care Cost Estimate Model Study to determine the actual cost of providing child care.
- \$100 million or 40,000 slots for afterschool programs serving youth up to age 18.
- \$18.7 million to eliminate minimum wage eligibility requirements to qualify for child care assistance.

Senate Adds:

- \$500 million for Child Care Worker Retention Grant Program.
- Restores \$600,000 for Child Care Facilitate Enrollment Program.
- \$34 million in additional support (total of \$100 million) for childcare pilot programs for children aged 0-3 in cities with a population of less than one million.

Article VII Proposals

Enhance and Reform the Child and Dependent Care Credit (Revenue Part A): This bill decouples the credit from the federal tax code and creates a standalone State credit. The reformed credit provides greater benefit to families and reduces complexity in claiming the credit but is only eligible to full-year NYS residents.

Assembly Accepts.

Senate Modifies: Enhances and reform the child and dependent care credit by phasing out the credit for single filers making \$500,000 and married filers making \$1 million, based on S.8632.

Expand Masters-in-Education Teacher Incentive Scholarships to early childhood educators (ELFA Part F): Expands eligibility for the scholarship to individuals seeking a master's degree in early childhood education. The bill allows individuals who earn such a master's degree to satisfy the service obligation by serving as employees at eligible child care agencies. \$1 million is allocated to implement this legislation.

Assembly & Senate Accepts.

Reduce Unnecessary Burdens on Child Care Providers (ELFA Part H): Extends the period for which a child care program's license or registration is valid from four to six years and provides

the Office of Children and Family Services greater flexibility in setting new training standards for child care staff and volunteers.

Assembly Intentionally Omits.

Senate Modifies: accepts extensions of licenses and registrations to six years and retains provisions for volunteer coverage and provider flexibility. The Senate rejects the elimination of fixed-hour training requirements and any modifications to training hours and topics.

HOUSING & PROPERTY INSURANCE

Appropriations

Housing Access Vouchers Pilot Program: \$50 million in new local assistance consistent with the four-year Housing Access Voucher Pilot Program to provide rental assistance in the form of housing vouchers for individuals and families who are homeless or who face an imminent loss of housing.

Assembly & Senate Modifies: to increase funding by \$200 million for a total of \$250 million.

Fair Housing Testing: \$2 million in new local assistance funding to protect against discriminatory housing practices.

Assembly Modifies: restore \$2 million for a total of \$4 million.

Senate Modifies: to increase funding by \$6 million for a total of \$8 million.

Assembly Adds

- \$125 million for New York Housing and Future Rental Program
- \$52 million of Land Banks
- \$10 million for the Small Rental Housing Development Initiative

Senate Adds

- \$1 billion in various Housing Capital Programs including:
 - Restoring \$30 million for the Block-by-Block Infill Housing Program
 - Restoring \$10 million for the Small Rental Housing Development Initiative
 - Increase \$40 million to the Statewide Affordable Housing Relief Initiative
 - \$25 million in new funding for a Jobs and Housing Pilot Program to develop affordable housing and promote labor and apprenticeship participation in construction.

Article VII Proposals

Authorize Mortgage Insurance Fund (MIF) Utilization (ELFA Part M): Allow the utilization of \$117.5 million in excess reserves to support vital community development and housing programs including the Neighborhood and Rural Preservation Programs (\$18.19 million), the Rural Rental Assistance Program (\$25.38 million), and Homeless Housing Programs (74.18 million) such as the Solutions to End Homelessness Program, the NYS Supportive Housing Program, and the Operational Support for AIDS Housing Program.

Assembly Modifies: to transfer \$111.75 million in excess Mortgage Insurance Fund (MIF) reserves to provide an additional \$7.85 million for Neighborhood Preservation Programs (NPPs), an additional \$3.21 million for Rural Preservation Programs (RPPs). The Assembly restores the carveout for the Neighborhood Preservation Coalition and provides an additional \$25,000 for a total of \$275,000 and preserves the Rural Housing Coalition carveout of \$250,000.

Senate Modifies: to authorize the utilization of MIF reserves to increase funding for the Rural Preservation Program from \$5.36 million to \$9.427 million and increase the funding for the Neighborhood Preservation Program funding from \$12.83 million to \$20.68 million. Such increases include funding carve-outs of \$275,000 each for the Rural Preservation Coalition and Neighborhood Preservation Coalition.

J-51 Tax Incentive Reform (ELFA): Provides a tax abatement for 100% of the certified reasonable cost of alterations and improvements to eligible affordable rental and owner-occupied buildings in NYC. Abatement would be up to 20 years and available for eligible preservation work completed after June 30, 2026, and before June 30, 2036.

Assembly Intentionally Omits, Senate Accepts.

Tenant Protections from Pervasive Harassment (ELFA Part P): Legislation establishes a new Class D felony offense of aggravated harassment of rent-regulated tenants. An owner would be guilty when engaging in systemic ongoing course of conduct with the intention to induce rent-regulated tenants to vacate apartments in two or more residential buildings or commits harassment in the first degree twice in five years.

Assembly Intentionally Omits.

Senate Modifies: Creates a new crime of aggravated harassment of a rent-regulated tenant to specify that such harassment must occur to three or more tenants in two or more residential buildings (S.8559-A).

Homeowners' Insurance Loss Ratio Benchmark (TED Part CC): Requires homeowner insurers who meet certain requirements to refile their rates with DFS, for prior approval, if the insurer had a loss ratio below specific regulated levels for the prior two calendar years.

Assembly Intentionally Omits.

Senate: Requires large homeowners' insurers to resubmit rates for approval if their actual loss ratios over a two-year period fall below a DFS-established benchmark by requiring the benchmark to account for both actual loss ratios and investment returns over three years by incorporating elements of S.9281.

Automatic Property Insurance Premium Reductions (TED Part DD): Requires insurers to offer discounted premium rates to homeowners and commercial property owners who make certain improvements that enhance fire prevention, building security, roof integrity, and water damage mitigation.

Assembly Intentionally Omits.

Senate: Providing automatic property insurance premium reductions for risk mitigation measures by incorporating elements of S.8583-A, including requiring: actuarially appropriate premium reductions based on demonstrated property-specific actions; public insurer disclosure of information on available discounts, including the amount and specific mitigation actions; allowing policyholders to appeal mitigation discount determinations.

Reporting Requirements for Insurers of Multi-Family Housing (TED Part GG): Requires insurers who issue certain policies to residential properties that contain two or more dwellings to file a report with DFS by March 1st every year. The contents of the report will include, at minimum, information on collected premiums and claims paid.

Assembly Intentionally Omits, Senate Accepts.

Senate Adds:

- **ELFA Part Q:** Establishes the New York First Home Savings Program, providing tax-advantaged savings accounts for first-time home buyers (S.1157).
- **ELFA Part R:** Establishes the Affordable Independent Senior Housing Assistance Program, providing grant funding for resident assistance programs for seniors (S.9214).
- **ELFA Part T:** The Senate advances language to establish the Mobile and Manufactured Home Replacement Program (S.2721).
- **ELFA Part II:** The Senate advances language to establish the Jobs and Housing Pilot Program, providing capital funding for affordable and workforce housing construction and preservation to projects that promote apprenticeship programs, commit to wage standards, and utilize labor organization pension financing (amended version of S.2523).

Assembly Adds:

- **ELFA Part Q:** Codifies the Homeowner Protection Program (HOPP) to provide free housing counseling and legal services to homeowners related to homeownership retention such as preventing foreclosure and deed theft.

LABOR & CONSUMER PROTECTION

Appropriations

Youth Employment Programs. Additional \$2.9 million to provide year-round employment opportunities for at-risk youth through the Summer Youth Employment Program and the Youth Opportunities Program.

Assembly Modifies: Providing \$100 million to create the Learning Empowering and Developing (LEAD) Summer Youth Program, intended to supplement the Summer Youth Employment Program (SYEP) to provide employment and career exploration opportunities for households with income under 400 % of the Federal Poverty Level (FPL).

Senate Modifies: Providing \$20 million for a Year-Round Youth Employment Program pilot, related to ELFA Part HH (S184).

Combat Wage Theft. \$5 million in new annual funding for a grant program administered by the Department of Labor to support district attorneys in smaller, rural jurisdictions to take on new criminal wage theft investigations.

Assembly & Senate Modifies: to redirect these funds to the Department of Labor to conduct wage theft investigations in-house.=

Article VII Proposals

Fighting Back Against Criminal Fraudsters (PPGG Part F): Expands the definition of “fraudulent insurance act” to include staging a motor vehicle accident while also simplifying the criteria of various degrees of insurance fraud and healthcare fraud.

Assembly & Senate Intentionally Omits.

Protecting Elections from Misleading or Deceptive AI Content (PPGG Part S): Requires that materially deceptive media contains data identifying its creator and prohibits distribution of non-consensual materially deceptive media prior to an election.

Assembly & Senate Intentionally Omits.

Fight Workers’ Compensation Fraud (PPGG Part W): Legislation to allow the Workers’ Compensation Board to use employer assessments to administer a proposed \$17 million grant program for district attorneys to establish staff dedicated workers’ compensation fraud units. The grant would also support employees and medical providers who follow the law.

Assembly Intentionally Omits.

Senate Modifies: Allows the Workers’ Compensation Board to collect a new assessment on businesses to fund workers' compensation fraud units in DA's offices by substituting a modified version of S.7950A.

Protecting Tenants from Unfair Utility Shutoffs (TED Part Q): Protects tenants from utility shutoffs due to nonpayment by the landlord, rather than the tenant while ensuring tenants continue to receive critical services from the utility. Permits the utility to seek a lien against the owners of a multiple-unit dwelling for unpaid bills.

Assembly Intentionally Omits, Senate Accepts.

Labeling for AI-Generated Content (TED Part X): Requires generative AI platforms to apply provenance data to synthetic content produced or modified by AI systems.

Assembly Intentionally Omits.

Senate Modifies: Enacts the "Digital Content Provenance Act" to require digital provenance data in content generated by artificial intelligence. The Senate modifications reduce the right to cure from 30 days to 15 days for a first offense, followed by escalating penalties for repeat offenders, in order to deter bad actors.

Safe by Design Act (Ted Part Y): Requires operators of online platforms to incorporate default settings to facilitate a safer online experience for children such as: privacy settings to limit the ability of non-connections to message children, view their posted content or tag them in content, and to disable the display of children’s location information; disable the use of integrated AI chatbots; require online platforms to enable parents to set spending limits and view transactions history.

Assembly Intentionally Omits.

Senate Modifies: Establishes the "Safe by Design Act,” intended to protect minors on digital platforms, by closing a loophole exempting certain gaming platforms and requiring platforms to disable friend suggestions for minors.

Prohibiting Misleading “Discounts” in Sales (TED Part Z): Makes it an unlawful practice for a seller to advertise a reduction in the price of an article as compared to a price previously offered by such seller, unless that previous price was the actual price that the product was offered to the public for sale.

Assembly & Senate Intentionally Omits.

Regulation of Data Brokers (TED Part AA): Requires data brokers operating in NYS to register with DFS, honor requests from consumers via a centralized request submission system to have their personal data deleted, and refrain from selling or sharing new personal data, and make certain disclosures on their websites. Data brokers required to register would be assessed in pro rata shares to defray the costs of administering this legislation.

Assembly Modifies: Changes the date of deletion and registration obligations from January 31st rather than July 1st and authorizes DFS to charge a reasonable access fee for using the state deletion mechanism.

Senate Modifies: Regulates businesses that collect and sell consumers' personal information by expanding the circumstances under which data brokers must respect consumer requests that their data not be shared or sold, requiring data brokers to comply with cyber-security protocols, covering additional data brokers in the program, and limiting exceptions.

Premium Increase Explanations (TED Part BB): Requires insurers to include the amount a premium will increase from a prior policy period with an explanation prior to renewal when the premiums associated with homeowners or automobile insurance policy increase by more than 10%. Specific language will also be required on premium bills or declaration pages informing consumers of their right to request a written explanation for any premium increase which must be responded to within twenty days of the insurance companies' receipt of such request.

Assembly Intentionally Omits.

Senate Modifies: to require auto, homeowners and residential property insurers to provide written explanations for premium increases over 10% by requiring explanations for every increase (as proposed in S.9281).

Senate Adds:

- **ELFA Part JJ:** establishes a New York State Worker Protection and Labor Enforcement Fund to provide dedicated, recurring funding for the Department of Labor to enforce the Labor Law by utilizing monetary damages and penalties recovered from prior enforcement actions (S.2455).
- **ELFA Part KK:** requires public employers to develop and implement plans to prevent abusive conduct and bullying in the workplace (S.4925).
- **TED Part SS:** creating a utility intervenor funding program to support parties representing consumer and small business interests in rate cases (S.2477).
- **TED Part NNN:** requires the Executive's Excelsior Power Program - which includes an accompanying appropriation to provide discounts for use of smart thermostats - to include consumer protections with respect to cyber security standards and utilities' control over temperature adjustments.
- **ELFA Part MM:** Increases Temporary Disability Insurance benefits, provide coverage for individuals who have experienced pregnancy loss, allow for intermittent daily leave, and allow

employers who are subject to collective bargaining agreements to temporarily waive certain provisions (modified version of S.172A).

LOCAL GOVERNMENT

Local Government Assistance: The Senate and Assembly accept the Governor’s proposal to provide an additional \$500 million to New York City, \$30 million to the City of Buffalo, and \$20 million to the City of Albany in direct assistance on top of \$150 million in additional funding for Temporary Municipal Assistance.

Assembly Funding for Aid and Incentives for Municipal Governments (AIM):

The Assembly provides an additional \$1.5 billion in Additional Temporary Municipal Assistance over three years, including: \$1 billion for the City of New York; and \$500 million for other cities, towns, and villages across the State. The additional AIM would be tied to certain requirements from the municipality receiving such funds, including a requirement that such funds will be used to offset projected budget deficits, mitigate property tax increases, and maintain public safety. There would also be reporting requirements for municipalities that utilize such funds.

The Assembly provides an additional \$20 million in Miscellaneous Financial Assistance, including: \$10 million for the City of Rochester; and \$10 million for the City of Syracuse.

Senate Funding for Aid and Incentives for Municipal Governments (AIM):

The Senate adds \$302 million, each year, for the next two years, in Aid and Incentives for Municipalities (AIM) for the City of New York. The Senate also adds:

- \$40 million for the City of Rochester.
- \$40 million for the City of Yonkers.
- \$30 million for the City of Syracuse.
- \$15 million for the City of Albany.
- \$300,000 for the Village of New Paltz for police and fire services.

Article VII Proposals

AIM Redesign Task Force (PPGG Part GG): The Senate provides \$250,000 and includes language to establish a New York Aid and Incentives for Municipalities (AIM) redesign task force.

Increasing Flexibility for the Municipal ZEV Grant Program (TED Part S): Bill removes caps on Municipal Zero Emissions Vehicle (ZEV) Program rebates. Rebate caps may be set administratively by DEC, in consultation with NYSERDA, based on program demand and changing needs of municipal customers. **Assembly Intentionally Omits, Senate Accepts**

Senate Adds:

- **PPGG Part VV:** Modifies the Citizens Reorganization Empowerment Grant (CREG) program to extend eligibility to school districts to cover costs of studies and plans necessary for school district reorganization.

- **PPGG Part BBB:** Allows municipalities to assess and collect property taxes from certain businesses who operate on tax-exempt lands (S.664).

PUBLIC SAFETY & JUSTICE

Article VII Proposals

Streamline Justice by Reducing Costs and Delays in NY Grand Jury Proceedings (PPGG Part I): Legislation to modernize the grand jury procedures by classifying any witness located more than 100 miles from a grand jury proceeding as a special witness and allow such witness to provide remote testimony using video conference technology.
Assembly & Senate Intentionally Omits.

Protecting Safe Access to Worship and Health Care (PPGG Part K): Legislation that defines “place of religious worship,” and updates the definition of “health care facility” while expanding criminal interference in the second degree to include demonstrations occurring inside or within 25 feet of a reproductive health care facility or place of religious worship.
Assembly Intentionally Omits.

Senate Modifies: Expands the crime of Criminal Interference with Health Care Services or Religious Worship by substituting the Executive bill with legislation that establishes a new misdemeanor offense for unlawfully obstructing access to a place of worship. This new legislation strengthens existing laws that protect religious institutions. It also affirms the Senate's commitment to upholding the First Amendment rights to free speech and free exercise of religion.

Sensitive Locations Protection Act (PPGG Part L): Legislation to ensure that sensitive locations can be protected from civil immigration enforcement except where a federal officer has a judicial warrant. Such locations owned or operated by state, local, or public authorities are required to deny access to non-public areas of sensitive locations to civil immigration enforcement agents without a judicial warrant. Private owners or operators of sensitive locations are empowered to adopt this restriction. The Attorney General, a local government, or private individuals are able to enforce the law.

Assembly & Senate Intentionally Omits.

TRANSPORTATION

Appropriations

The Department of Transportation (DOT): The Executive Budget provides more than \$6 billion, for a total of almost \$33.4 billion, for the fifth and final year of the DOT Capital Plan. This is an increase of \$11 billion (47%) from the last five-year DOT Capital Plan. Funding for the Consolidated Highway Improvement Program (CHIPS) and the Marchiselli program are maintained at the FY 2025 level of \$688 million.

Senate Adds: \$600 million, of which slightly more than half (54%) is for local highway and bridge programs; the balance supports construction and modal programs administered by DOT.

Assembly Adds: more than \$300 million, with nearly one-third (31%) for local highway and bridge programs; the balance supports modal programs administered by DOT.

Article VII Proposals

Stop NYC’s Super Speeders through Intelligent Speed Assistance (TED Part D): Legislation to improve traffic safety in NYC by authorizing an Intelligent Speed Assistance Device Pilot Program.

Assembly Intentionally Omits.

Senate Modifies: Authorizes NYC to establish a pilot program requiring drivers with certain speeding or speed camera violations to install a speed restrictor in their vehicles by replacing it with similar bill language from S.4045-C, which establishes a statewide program administered by the DMV, mandates installation based on defined statewide thresholds, and sets fixed installation periods.

Dashboard Camera Premium Reductions for Automobile Insurance (TED Part II): Requires insurance companies provide a reduction in premium costs for automobile insurance to an insured driver who equips their vehicle with a dashboard camera.

Assembly Intentionally Omits.

Senate Modifies: Requires auto insurers to offer premium discounts for vehicles equipped with 1080p dashboard cameras by adding consumer data privacy protections.