



# SFY2022-23 NEW YORK STATE BUDGET

WALTER PACHOLCZAK, VP OF GOVERNMENT AFFAIRS

On Saturday April 9th Governor Kathy Hochul and the Legislature reached a final agreement on the \$220B State Fiscal Year 23 (SFY23) New York State Budget. This is the largest state budget in history and increases spending by more than \$4B over the Executive Budget proposal. The late budget was caused by several contentious policy issues including bail reform, temporary suspension of the gas tax, and alcoholic drinks to go.

The SFY23 New York State Budget included significant capital funding for transportation, economic development, higher education, health care, and a \$4.2B Clean Water, Clean Air and Green Jobs Environmental Bond Act that will be on the General Election ballot for voter approval or disapproval.

New laws in the SFY23 New York State Budget include reauthorization of design-build that requires a project labor agreement study; Clean Water, Clean Air, and Green Jobs funding that conceptually requires a project labor agreement study; three downstate casinos, expanding the jurisdiction of the Department of Environmental Conservation on wetlands, young and experienced driver commercial driver's license program, and other laws outlined in this budget summary.

The Governor and Legislators failed to reach agreements on imposing tougher penalties for offenses on highway and transportation workers, the 421-a affordable housing program, and increased penalties for toll violators.

## Sections

### I. Major Capital Appropriations

### II. Article VII – Legislation

## CAPITAL PROJECTS (S.8004-D/A.9004-D)

### Transportation

#### Appropriates \$8,466,576,000

- Five-year capital program - \$32,800,000,000
- Local highway and bridge assistance - \$6,100,000,000
- Core DOT program - all construction on the state system and federal aid construction on the local system averages \$2.644B per year and spends \$13.224B in total on core highway construction.
- Priority/Signature project construction totals \$4.15B over the five-year plan, or \$0.83B annually.

#### Transportation Capital Obligations FY2021 through FY2027

NYSDOT Capital Program (in Million \$)	SFY Enacted 2020-21	SFY Enacted 2021-22	SFY Enacted 2022-23	SFY Proposed 2023-24	SFY Proposed 2024-25	SFY Proposed 2025-26	SFY Proposed 2026-27	Total 2022-2027
State/Local Construction	\$2,571	\$2,340	\$2,575	\$2,599	\$2,603	\$2,679	\$2,767	\$13,224
Signature	\$1,030	\$1,410	\$850	\$1,300	\$1,900	\$100	-	\$4,150
State/Local Construction/Signature	\$3,601	\$3,750	\$3,425	\$3,899	\$4,503	\$2,779	\$2,767	\$17,373
Engineering/Administration	\$994	\$732	\$1,039	\$1,041	\$1,042	\$1,043	\$1,045	\$5,210
Preventative Maintenance	\$360	\$360	\$391	\$391	\$391	\$391	\$391	\$1,955
Right of Way	\$37	\$67	\$75	\$75	\$75	\$75	\$75	\$375
Facilities/Equipment	\$32	\$32	\$37	\$37	\$37	\$37	\$37	\$185
Other Federal	\$25	\$25	\$26	\$26	\$26	\$26	\$26	\$131
Rail	\$72	\$72	\$90	\$90	\$90	\$90	\$90	\$450
Aviation	\$17	\$17	\$27	\$27	\$27	\$27	\$27	\$135
Non-MTA Transit	\$125	\$85	\$160	\$160	\$140	\$120	\$120	\$700
CHIPS/Marchiselli	\$477.8	\$577.8	\$577.8	\$577.8	\$577.8	\$577.8	\$577.8	\$2,889
Local PAVE-NY	\$100	\$150	\$150	\$150	\$150	\$150	\$150	\$750
Local POP	-	-	\$100	\$100	\$100	\$100	\$100	\$500
EWR	\$65	\$100	\$100	\$100	\$100	\$100	\$100	\$500
Local BRIDGE-NY	\$100	\$100	\$200	\$200	\$200	\$200	\$200	\$1,000
Local State Touring Routes Program	-	\$100	\$100	\$100	\$100	\$100	\$100	\$500
Airport Program	\$100	-	\$150	\$0	0	\$0	\$0	\$150
<b>NYSDOT Plan Total</b>	<b>\$6,106</b>	<b>\$6,168</b>	<b>\$6,648</b>	<b>\$6,974</b>	<b>\$7,559</b>	<b>\$5,816</b>	<b>\$5,806</b>	<b>\$32,800</b>

## CAPITAL PROJECTS (S.8004/A.9004-D)

Local NYSDOT Funding	Enacted Budget 2021	Enacted Budget 2022
CHIPS	538.1M	538.1M
PAVE-NY	150M	150M
POP	--	100M
EWR	100M	100M
State Touring Routes	100M	100M
#Marchiselli	39.7M	39.7M
BRIDGE-NY	100M	200M
Total	1,027.8M	1,227.8M

### Metropolitan Transportation Authority

**Reappropriates \$8,632,223,000**

### City University of New York

**Appropriates \$965,847,000**

- General maintenance and improvements - \$344,222,000
- Program changes, enhancements, and improvements - \$538,000,000
- Project administration - \$38,832,000
- General maintenance and improvements - \$44,793,000

### Education Department

**Appropriates \$137,690,000**

- Library construction - \$34,000,000
- Nonpublic school health and safety projects - \$45,000,000
- Schools for Native American reservations - \$35,700,000

### Environmental Conservation

**Appropriates \$10,160,600,000 (state and federal)**

- Clean Water, Clean Air and Green Jobs Environmental Bond Act - \$4,200,000,000
- Environmental Protection Fund - \$400,000,000
- Clean Water Infrastructure - \$500,000,000
- New York Works - \$90,000,000

### Office of General Services

**Appropriates \$443,800,000**

- Facilities maintenance and operations - \$71,000,000
- Maintenance and improvement of real property facilities - \$325,800,000

### Department of Health

**Appropriates \$2,089,739,000**

- Facilities maintenance and operations - \$12,266,000
- Health care facility transformation program - \$1,600,000,000
- Maintenance and improvements of existing facilities - \$64,904,000

### Division of Housing and Community Renewal

**Appropriates \$5,303,200,000**

- Housing program - \$4,505,000,000
- Public housing assistance - \$400,000,000 (\$350M NYCHA / \$50M statewide)
- Mitchell-Lama - \$100,000,000

### Olympic Regional Development Authority

**Appropriates \$102,500,000**

- Maintenance of improvement of existing facilities - \$102,500,000

### Office of Parks Recreation and Historic Preservation

**Appropriates \$364,900,000**

- Maintenance improvements of existing facilities - \$71,400,000
- New York Works - \$252,000,000

### State University of New York

**Appropriates \$1,716,202,000**

- General maintenance and improvements - \$1,360,000,000
- Project administration - \$26,353,000
- State University Residence Hall Rehabilitation Fund - \$75,000,000
- General maintenance and improvements - \$56,883,000

### New York State Urban Development Corporation

**Appropriates \$4,481,204,000 (state and federal)**

- New York Works - \$320,000,000
- Restore NY grants - \$250,000,000
- Regional Economic Development Councils - \$150,000,000
- ConnectAll Initiative - \$300,000,000
- Offshore wind - \$500,000,000
- Regional Economic and Community Assistance Program - \$800,000,000
- Long Island Investment Fund - \$350,000,000
- Buffalo Bills - \$600,000,000

## 2022-23 NYS Budget - Article VII Legislation

***FY 2023 Executive Budget with legislative summaries. Strikethrough parts were omitted in the final budget agreement.***

### **Transportation, Economic Development and Environmental Conservation (S.8008-C/A.9008-C)**

#### **PART A - Highway Safety SLOW Act ~~Omitted.~~**

This bill would address highway safety by imposing tougher penalties for offenses committed against highway and transportation worker, and for drivers who cause physical injury to pedestrians or bicyclists. The bill would also clarify responsibilities of motor vehicle operators and owners to improve safety on roadways and impose other requirements to increase the safety of the roadways and roadwork.

#### **PART B - ~~Increase to the CHIPS Bidding Threshold~~ ~~Omitted.~~**

This bill would increase the competitive bidding threshold under the Consolidated Local Street and Highway Improvement Program from \$350,000 to \$750,000

#### **PART D - ~~Authorizes Entry to Lands Adjacent to State Highways for Safety Purposes~~ ~~Omitted.~~**

This bill would expand the purposes for which the Department of Transportation (DOT) is authorized to enter lands adjacent to State highways to include maintaining the safe functionality of State transportation infrastructure when such operation is directly impacted by storm damage or retaining wall or drainage structure failure.

#### **PART F - Electronic bid submissions for Thruway Authority contracts**

Allows for sealed proposals submitted by a bidder include electronically secure proposal submissions as permitted by the Thruway Authority. Establishes a process for accommodating force majeure events that prevent the submission of a sealed electronic proposal, including but not limited to internet and power outage events, and automatically confirming receipt of any sealed electronic proposal received.

#### **PART H - Increase MTA Design-Build Threshold**

Increases the threshold for mandatory use of design-build contracting for MTA projects from \$25M to \$200M for new construction or \$400M for the rehabilitation or replacement of existing assets.

#### **PART J - MTA Tax Increment Financing**

Extends the MTA's ability to enter into tax increment financing and other alternative financing arrangements for one year.

#### **PART K - Utility Relocations on MTA Projects ~~Omitted.~~**

This bill would require utility companies to perform work required to support MTA's relocation of their utilities on a

schedule and in a manner reasonably determined by MTA after consultation with the utility companies.

#### **PART N - Toll Violation Enforcement ~~Omitted.~~**

Increases criminal penalties for toll violations.

#### **PART U - Enhancement of the Brownfield Opportunity Program**

Shifts certain responsibilities for the nomination and designation of Brownfield Opportunity Areas (BOAs) from the Department of Environmental Conservation to the Department of State by clarifying the application and public participation requirements for nomination and designation of BOAs.

#### **PART AA - Extend the Infrastructure Investment Act (Design-Build)**

This bill extends the Infrastructure Investment Act for an additional 5 years until December 31, 2027. Requires a project labor agreement (PLA) on design-build projects over \$25M, if a PLA is not authorized the state entity shall not use design-build. For projects less than \$25M the authorized state entity shall conduct a PLA feasibility study. PLAs require the participation in apprentice training programs.

#### **PART EE - ~~Authorize the dormitory authority to provide its services to not-for-profit corporations~~ ~~Omitted.~~**

This bill would provide the Dormitory Authority of New York State (DASNY) with authorization to provide finance, design, and construction services to not-for-profit organizations for capital infrastructure projects.

#### **PART FF - ~~Expand prequalification program to include Dormitory Authority of the State of New York~~ ~~Omitted.~~**

This bill would expand New York's prequalification program to include the Dormitory Authority of the State of New York (DASNY).

#### **PART GG - ~~Authorize downtown communities to utilize the Dormitory Authority of the State of New York's planning, design, procurement, and construction management services to facilitate and support the New York State Downtown Revitalization Initiative~~ ~~program~~ ~~Omitted.~~**

This bill would authorize Dormitory Authority of the State of New York (DASNY) to provide planning, design, procurement, and construction management services to downtown communities that have been selected as part of the New York State Downtown Revitalization Initiative (ORI) program.

#### **PART JJ - ConnectALL Initiative**

Exempts the fiber optic right of way fee for only ConnectALL program grantees and waives the fee for all projects going forward, provided that outstanding fees continue to be due.

## 2022-23 NYS Budget - Article VII Legislation (ct'd)

### **PART KK – Solid Waste Management**

Amends the Clean Water Infrastructure Act of 2017 for the Solid Waste Mitigation Program by increasing the cap from \$25M to \$50M.

### **PART LL - Extend and Enhance the Brownfield Cleanup Program**

The brownfields cleanup program is extended for ten years and makes certain recreational facilities eligible for brownfield tax credits.

### **Parts NN and OO – Environmental Bond Act**

The Environmental Bond Act is \$4.2B and appears intent on requiring the following labor standards: prevailing wage, state and municipal entities receiving at least \$25M or projects greater than \$50M require apprenticeship agreements; projects receiving at least \$25M conceptually require a project labor agreement (PLA); private projects receiving funds and utilizing a PLA are not subject to article 8 of the labor law; a municipality or state entity may require that the private owner of a project, or a third party acting on the owner's behalf, enter into a labor peace agreement with at least one bona fide labor organization; and Buy America provisions for structural steel and iron with limitations.

### **PART PP - Increased Support to the Environmental Protection Fund from the Real Estate Transfer Tax**

Increases the transfer from real estate taxes to the Environmental Protection Fund from \$119.1M to \$257.4M.

### **PART QQ – Wetlands**

Amends the Freshwater Wetlands Act by expanding the Department of Environmental Conservation's jurisdiction over wetlands smaller than 12.4 acres in size, eliminates the mapping of wetlands as a jurisdictional prerequisite, requires improved landowner notification, and provides an improved process for jurisdictional determinations.

### **Part UU – Water Pollution Loan Fund**

Makes school districts eligible for wastewater infrastructure funding from the Clean Water State Revolving Fund.

### **~~PART VV – Strengthen Code Enforcement Standards~~ ~~Omitted.~~**

This proposed bill would strengthen the State's oversight authority over local governments' administration and enforcement of the Energy Code by increasing penalties on local government for failure to enforce the Energy Code, expanding DOS enforcement and authorizing DOS to delegate Energy Code enforcement powers to neighboring jurisdictions.

### **~~PART CCC – Gas Service~~ ~~Omitted.~~**

This bill would authorize the Public Service Commission (PSC) to disallow gas corporations from covering the costs of the first 100 feet of infrastructure between a natural gas

main and a building proposed to be served by natural gas. Eliminating this requirement for gas corporations to pay these costs, commonly referred to as "100-foot rule," would increase costs to the applicant developer and require them to consider alternative, cleaner, fuel sources. However, the bill would continue to permit the 100-foot rule in limited circumstances where electrification of a building is not a practical alternative.

### **~~PART EEE – Advanced building codes, appliance, and equipment efficiency standards, and the Building Benchmarking Act of 2022~~ ~~Omitted.~~**

This bill would enact building benchmarking, remove current barriers in the Energy Law that could impede the adoption of updates to the State Energy Conservation Construction Code (Energy Code), require zero on-site greenhouse gas emissions for new construction no later than 2027, and increase the state's efficiency standards for appliances and equipment. This bill proposes product and appliance standards that would set performance and efficiency standards that reduce energy and water use. Adoption of energy efficiency and greenhouse gas standards would conserve energy and water, reduce pollution, and save money.

### **PART GGG – Young and Experienced Driver Commercial Driver's License Program**

Establishes and implements a commercial driver's license class A young adult training program. Young adult is defined as an individual 18, 19 or 20 years of age. Establishes an entry-level driver training requirements prescribed by the federal motor carrier safety administration under appendices A, C, D and E of part 380 of title 49 of the code of federal regulations, as may be amended from time to time, and include no less than three hundred hours. of behind-the-wheel training under the immediate supervision and control of an experienced driver.

### **PART JJJ – Department of Tax & Finance Analysis of Tax Credits, Deductions, and Incentives**

Provides for an independent economic impact analysis of the return on investment of economic development related tax credits, deductions, and incentives, the economic impact of each relevant program, including direct and indirect benefits, including the creation of temporary project hires, the fiscal impact of each relevant program, and including revenues received and forgone by municipalities and the State. The analysis will be submitted to State policymakers.

### **PART LLL – MTA Capital Plan Data Published on Website**

Codifies an MTA capital program dashboard.

### **PART MMM – WIRED Broadband Act**

The Working to Implement Reliable and Equitable Deployment of Broadband Act (WIRED Broadband Act) establishes a division of broadband access and



## 2022-23 NYS Budget - Article VII Legislation (ct'd)

broadband advisory council to implement all broadband grant programs. The WIRED Act also contains language on some program specifics, labor standards, reporting requirements, municipal broadband authorization, and prevailing wage provisions for both private and municipal deployment using State grants. The negotiated package also includes the prospective repeal of the Right of Way permit fee for fiber deployment and \$1.45B in federal and State funding for broadband related projects.

### **PART NNN – State Subsidy and Aggregate Economic Benefits Database**

Codifies the Empire State Development Corporation's database of deals detailing all economic development benefits, loans, grants, subsidies, and tax incentives and to expand the scope of the database to all state agencies and authorities that provide these incentives. The language also makes available specific information regarding contract documents, award timelines, full-time and part-time jobs created, and expenditure and recapture of funds.

### **Education, Labor and Family Assistance (S.8006-C/A.9006-C)**

#### **PART H - Allow Use of College Savings (529) Accounts for Apprenticeship Programs.**

Makes qualified apprenticeship expenses eligible for spending out of college savings (529) accounts.

#### **~~PART W – Increase Criminal Penalties for Wage Theft~~ Omitted.**

This bill would increase the criminal penalties for egregious wage theft and violations of other labor laws to align with other comparable criminal offenses. The severity of the criminal penalty would correspond to the specified amounts of wage theft per employee. The bill would also require payment of lost wages to employees as restitution.

#### **~~PART CC – Amend New York City's Floor-Area Ratio Limit on Residential Density~~ Omitted.**

This bill would amend state law to return to New York City authority with respect to the floor-area ratio limit on residential density. Existing State law limits the maximum density of residential floor area ratio (FAR) in New York City to 12.0, even though it does not limit the overall allowable floor area that may comprise other uses.

#### **~~PART DD – Facilitate the Conversion of Hotel and Commercial Space into Residential Housing~~ Omitted.**

This bill would increase housing supply by facilitating the conversion of hotels and commercial office space in New York City into residential housing.

#### **~~PART EE – Encourage Transit-Oriented Development of Housing~~ Omitted.**

This bill would encourage the development of multi-family

housing within close proximity to public transportation.

#### **~~PART II – Affordable Housing~~ Omitted.**

This bill was the Executive's Affordable Neighborhoods for New Yorkers 485-w tax incentive proposal.

#### **PART RR – Downstate Casinos**

Authorizes three downstate casino licenses.

### **Revenue (S.8009-C/A.9009-C)**

#### **PART RR – Gas Tax Holiday**

Suspends the motor fuel and state sales tax from June 1 to December 31, 2022.

### **Health (S.8007-C/A.9007-C)**

#### **~~Part KK – OASAS Capital Program Reforms~~ Omitted.**

This bill would expand access to addiction services in New York State by expediting the development of capital projects to support voluntary-operated addiction services programs.