

FY25 New York State Budget Update

Yesterday evening, Governor Hochul announced the “parameters of a conceptual agreement” on the budget. Some highlights of the announced \$237B budget are below:

Housing

- NYC
 - New 485-a incentive to build housing and 6-year extension of expired 421-a
 - Office conversion into housing and elimination of density restrictions in Manhattan
 - Pilot program for basement apartments
- NYS
 - Incentives for multifamily housing and accessory dwelling
 - \$650M for pro-housing communities statewide
 - \$500M for up to 15K units on state-owned sites

Public Safety

- \$347M to drive down gun violence in the state
- Increased penalties for assaulting retail workers and addressing sales of stolen goods
- \$40M for retail theft teams in the State Police and local law enforcement
- State and local power to padlock doors of illegal cannabis vendors for up to one year during due process
- \$36M to prosecute domestic abuse
- \$35M to thwart hate crimes

Education

- Funding for the Back to Basics reading curriculum
- Adjustment to the School Funding built-in rate of growth for FY25, and the Rockefeller Institute to examine funding formula
- Increased minimum award and raised income limits for Tuition Assistance Program

Mental Health & Healthcare

- \$19M for mental health support for school-aged children
- Changes to standards for reimbursement and out-of-network mental health coverage
- Investment in public swimming, NY Swims
- \$3B to support distressed hospitals
- \$20B for health care infrastructure
- Increase to Paid Medical Leave
- Medical debt protections for low-income New Yorkers
- Increased home care worker minimum wage

Environment

- Planting 25M trees
- \$500M for clean water
- \$50M temporary assistance for municipalities

Asylum Seekers



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- \$2.4M to support NYC's accommodation of asylum seekers

Workforce Development

- \$275M (in addition to \$125M in private funding) for Empire AI Consortium
- \$200M for four new workforce development centers

Leaders in the Assembly and Senate have described this announcement as premature, and stated that a final deal has not been confirmed. A budget vote is expected to take place later this week or early next week. The most recent budget extender runs through Thursday, April 18.

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