



"Obstacles don't define us. Rather, it is the unparalleled courage and character of us that defines us as a people. So my confidence in the future is steeped in our glorious past - in the face of adversity, we always persist. We persevere, we prevail." Governor Kathy Hochul

In The News-New York State



Governor Hochul Delivers Fourth Executive Budget

Marking her fourth "largest budget" in New York history, Governor Kathy Hochul unveiled her \$252 billion Executive spending plan for 2026 on Tuesday. The [plan](#) provides the funding for her State of the State Address proposals which focused on affordability and safety. It delivers more than \$5 billion in tax cuts, credits, and refunds to New York families, and makes record investments in education and health care.



Governor Hochul presents the Fiscal Year 2026 Executive Budget in the Red Room at the State Capitol. (Mike Groll/Office of Governor Kathy Hochul)

"A budget is more than just numbers on a page – it tells the story of who we are, what we value, and what we're fighting for. And let me be clear: your family is my fight," Governor Hochul said, continuing the mantra coined in the State of the State address.

All funds spending is projected at \$252 billion, an increase of 3.6 percent, highlighted by \$37.4 billion in total school aid (including \$1.5 billion in a newly derived Foundation Aid formula); \$35.4 billion for New York's Medicaid program, including \$1.6 billion this year in federal funding generated through an assessment on Managed Care Organizations (MCOs).

"We're in a much different place today in our projections than we were one year ago," State Budget Director Blake Washington said. "Since a year ago, our tax receipts have increased by \$6.5 billion over original projections. And then moving forward with PIT, personal income tax, leading the way, we have our tax receipts in 2026 up significantly as well — \$4.7 billion"

The spending plan, according to Washington, "does not include any income tax increases." However, it does include an extension of the Millionaire's Tax, on incomes over \$1.1 million, through 2032. Originally it was scheduled to expire in 2027.

The Hochul Administration pointed to the State's \$21.1 billion in reserves, \$5.3 billion surplus, and AA+ credit rating, as it detailed the 2026 proposed spending plan, which includes:

- \$3 billion to provide Inflation Refund checks to 8.6 million New Yorkers, including \$500 for joint filers making less than \$300,000 and \$300 for single filers making less than \$150,000.
- \$1 billion in middle-class tax cuts across five of the State's nine tax brackets, cutting rates for New Yorkers who file jointly and earn up to \$323,000 annually.
- \$1 billion over five years to support housing construction in New York City through the "City of Yes" initiative.
- \$1.8 billion in childcare assistance.
- \$1.3 billion in new capital funding for public colleges and universities in the SUNY and CUNY systems.
- \$1 billion for the clean energy transition, including thermal energy networks on State University of New York (SUNY) campuses, retrofitting homes with clean devices like heat pumps, and supporting business decarbonization.
- \$1.3 billion to support the Safety Net Transformation Fund to support hospitals serving at-risk New Yorkers.
- \$6.9 billion for the New York State Department of Transportation's (NYSDOT) capital plan.
- \$1.3 billion of the capital plan to repair local roads and bridges through the Consolidated Highway Improvement Program (CHIPs) and Pave Our Potholes (POP) initiatives.

With respect to the Metropolitan Transportation Authority (MTA), the Executive Budget assumes that the Governor and Legislature will approve the 2025-2029 MTA Capital Program within the 2026 budget. The Executive Budget includes an initial base funding proposal that acknowledges funding commitments from the State, City, MTA and the federal government totaling \$33.2 billion.

The Judiciary Budget submission, included in the Executive Budget without changes to the Office of Court Administration spending plan, increases annual operating spending by approximately \$300 million, to support general salary increases and other non-judicial staffing initiatives, including, new court clerks and attorneys, costs associated with four court officer academy classes, and increased staffing levels to address case backlogs and provide operational support to various courts.

New York City Mayor Eric Adams lauded Governor Hochul's Executive Budget, citing her inclusion of the City of Yes Funding, public safety initiatives in the City's subways, and tax relief for New Yorkers.

"Since day one of our administration, Governor Hochul has been a tremendous partner and continuously showed that she understands the needs of our city," Mayor Eric Adams said in a [prepared statement](#). "...Governor Hochul and I have been lock-step as we've served New Yorkers."

The State Legislative Fiscal Committees begin public hearings on the Executive next week. These hearings will run through the end of February in preparation for the release of the respective one-house budget proposals in mid-March. The State's fiscal year begins April 1st.



Executive Budget Revenue Proposals

ALL FUNDS LEGISLATION

(millions of dollars)

	FY 2026	FY 2027	FY 2028	FY 2029
Personal Income Tax	(4,009)	(1,950)	(878)	2,542
Enact a One-Time Inflation Refund	(3,080)	-	-	-
Provide a Middle-Class Tax Cut and Extend the Temporary PIT				
High Income Surcharge for Five Years	(458)	(1,115)	(35)	2,560
Enhance the Empire State Child Credit for Three Years	(471)	(825)	(825)	-
Establish the CATALIST NY Program	-	-	-	-
Establish a Tax Credit for Organ Donation	-	(1)	(1)	(1)
Simplify the STAR Income Definition	-	(9)	(9)	(9)
Reporting of Federal Partnership Adjustments	-	-	-	-
Extend the Clean Heating Fuel Credit for Three Years	-	-	(5)	(5)
Extend the Alternative Fuels and Electric Vehicle Recharging				
Property Credit for Three Years	-	-	(3)	(3)
Extend the Financial Institution Data Match System for Five				
Years	-	-	-	-
Consumption/Use Taxes	(8)	(2)	-	-
Eliminate Duplicative IDA SUT Exemption Reporting	-	-	-	-
Extend the Sales Tax Vending Machine Exemption for One				
Year	(8)	(2)	-	-
Business Taxes	(3,129)	(266)	(216)	(246)
Extend and Amend the Excelsior Jobs Program	-	-	-	-
Extend and Amend the Film Tax Credit	-	(111)	(115)	(115)
Expand the Credit for the Employment of Persons with				
Disabilities	-	(2)	(2)	(2)
Amend the State Historic Property Tax Credits	-	-	-	-
Extend and Double the Low Income Housing Credits	-	(15)	(45)	(75)
Impose Waiting Period Restriction and Limit Deductions on				
Institutional Real Estate Investors	-	6	6	6
Enact PTET Flexibility	(3,045)	-	-	-
Increase the Article 9A Estimated Payment Threshold	(84)	(144)	-	-
Amend the Digital Gaming Media Production Credit Program	-	-	-	-
Make a Technical Change to the Newspaper and Broadcast				
Media Jobs Program	-	-	-	-
Extend the Musical and Theatrical Production Credit for Four				
Years	-	-	(8)	(8)
Extend the Workers with Disabilities Tax Credit for Three				
Years	-	-	(1)	(1)
Extend the Hire A Vet Credit for Three Years	-	-	(1)	(1)
Extend the New York City Musical and Theatrical Production				
Other Actions	3	(43)	(43)	(9)
Make Permanent the Estate Tax Three Year Gift Addback Rule	-	-	-	-
Conduct a Study of Thoroughbred Fetlock Joint Injury				
Detection Through Advanced Imaging	3	6	6	3
Temporarily Extend the Lowered Casino Slot Tax Rates	-	(49)	(49)	(12)
Amend and Simplify the Pari-Mutuel Tax Rate Structure	-	-	-	-
Extend Authorized Use of Capital Funds by a Certain Off-				
Track Betting Corporation for One Year	-	-	-	-
Improve the Tax Warrant Process	-	-	-	-
Clarify Taxpayer Notification and Protest Rights	-	-	-	-
TOTAL ALL FUNDS LEGISLATION	(7,143)	(2,261)	(1,137)	2,287



2025 Joint Legislative Hearing Schedule

(Hearings to be held in Hearing Room B, Legislative Office Building, Albany)

January 27	Monday	1:00 PM	Agriculture & Markets/ Parks & Recreation	Mitzi Hart 518-455-2297
January 28	Tuesday	9:30 AM	Environmental Conservation/ Energy	Mitzi Hart 518-455-2297
January 29	Wednesday	9:30 AM	Elementary Education/ Secondary Education	Troy Mackey 518-455-5291
February 4	Tuesday	9:30 AM	Local Government/ General Government	Troy Mackey 518-455-5291
February 5	Wednesday	9:30 AM	Mental Hygiene	Mitzi Hart 518-455-2297
February 6	Thursday	9:30 AM	Transportation	Troy Mackey 518-455-5291
February 11	Tuesday	9:30 AM	Health/ Medicaid	Mitzi Hart 518-455-2297
February 12	Wednesday	9:30 AM	Human Services	Troy Mackey 518-455-5291
February 13	Thursday	9:30 AM	Public Protection	Mitzi Hart 518-455-2297
February 25	Tuesday	9:30 AM	Higher Education	Troy Mackey 518-455-5291
February 26	Wednesday	9:30 AM	Labor/ Workforce Development	Mitzi Hart 518-455-2297
		2:00 PM	Economic Development/ Arts	Mitzi Hart 518-455-2297
February 27	Thursday	9:30 AM	Housing	Troy Mackey 518-455-5291
		2:00 PM	Taxes	Troy Mackey 518-455-5291

In The News-New York City



Adams Administration Targets Nonprofit Contract Payments

New York City Mayor Eric Adams today signed [Executive Order 47](#) to create better communications between city government and providers as part of his effort to streamline the City's nonprofit provider payment process.

Mayor Adams instructed city agencies which have contracts with nonprofits to designate a chief nonprofit officer to report to the Mayor's Office of Nonprofit Services (MOCS) and Mayor's Office of Contract Services (MONS) to improve services, provide quality customer service, and expedite payments and communications with nonprofits. The Law Department is also directed to appoint an attorney that will provide legal advice and reform recommendations to MOCS and MONS.

"Nonprofits never hesitate to answer the call for help. Now, it's time for government to answer the nonprofit sector's call for help," Mayor Adams explained. "This common-sense executive order allows for better, smarter communications, creating direct point people in key city agencies focused on answering any and all questions from nonprofits. I look forward to our continued partnership with our nonprofit partners and ensuring they receive the timely support they deserve."



Bills Passed by the City Council

Introduction 77-A, sponsored by **Council Member Lincoln Restler** -- Reforms the current system under which former city employees and public servants are allowed to lobby city government after they have left city service. Under this bill, several former agency heads and employees of the Mayor's Office, including the Chief of Staff to the Mayor, Deputy Chief of Staff to the Mayor, Chief Counsel to the Mayor, Chief Advisor to the Mayor, Senior Advisor to the Mayor, Director of Intergovernmental Affairs, Communications Director, Press Secretary, and any public servant who directly reports to the mayor would be barred from lobbying any city agency for two years.

Introduction 697-A, sponsored by **Council Member Sandy Nurse** -- Requires the Department of Sanitation to conduct two waste characterization studies, the first of which would examine the residential and institutional waste streams and be due by January 31, 2028. The second would examine available information on the commercial waste stream and be due by January 31, 2032.

Introduction 986-A, sponsored by **Council Member Rita Joseph** -- Requires the City to develop a two-year pilot program to involve mental health professional candidates in student wellness clubs at public middle and high schools.

Introduction 989-A, sponsored by **Council Member Linda Lee** -- Requires the Department of Health and Mental Hygiene (DOHMH) to create student wellness club toolkits to help guide middle and high school students on how to create peer-led student wellness clubs.

Introduction 996-A, sponsored by **Council Member Althea Stevens** -- Requires the Commissioner of Health and Mental Hygiene to offer peer-based mental health literacy training to public middle and high school students.

Introduction 1103-A, sponsored by **Deputy Speaker Diana Ayala** -- Requires the NYPD, within 48 hours of a determination that a violent or traumatic incident has occurred, to notify the Mayor's Office of Community Mental Health (OCMH) of such incident. Upon receiving notice of a violent or traumatic incident, OCMH would be required to conduct outreach to local community members regarding the availability of mental health resources in the city, such as the 988 suicide and crisis hotline.

Briefs

President Trump Takes Office Again

The inauguration of Donald Trump as the 47th president of the United States took place on Monday, January 20th.

Due to sub-freezing temperatures, the inauguration was held in the United States Capitol rotunda. It was the 60th U.S. presidential inauguration and the second inauguration of President Trump, marking the start of his second term and the first term of JD Vance as Vice President. In his inauguration speech, President Trump declared, "The golden age of America begins now," and added, "I will simply put America first."



President Trump is sworn in by Chief Justice of the Supreme Court John Roberts

In the first days of the Trump Administration, the President signed a number of [executive orders and actions](#), many of which memorialize his campaign promises. His executive orders cover issues that range from trade, immigration, and U.S. foreign aid to demographic diversity, civil rights, and the hiring of federal workers. Some of the initiatives have been challenged in federal court.

Governor Hochul’s Executive Budget Floats “Baseline” MTA Capital Plan

Following the Legislature’s year-end rejection of the Metropolitan Transportation Authority’s \$68.4 billion 2025-2029 Capital Plan, Governor Kathy Hochul included a starting point for negotiations in her Executive Budget.

The FY 2026 Executive Budget assumes \$32.7 billion of base funding towards the 2025-2029 Capital Program. These “assumed contributions” consist of \$3 billion from the State, \$3 billion from the City of New York, \$12.3 billion from the MTA (\$3 billion of which would be self-funded by Bridges and Tunnels) and \$14.4 billion requested from the Federal government.

“... Her sort of north star is the first plan,” Budget Director Blake Washington explained. “And we’ll see where we end up in working with the Legislature...\$33 billion is already solved for and then the rest is subject to negotiations with the Legislature.”

The following initiatives will be funded under the base funding Capital Plan:

- Accessibility. Capital Program will make at least 60 more subway stations accessible, which will bring the system to more than 50% accessible and serve almost 70% of riders.
- Interborough Express. The Interborough Express will provide new rapid transit service between Brooklyn and Queens, transforming a lightly used freight railway into a new light rail line.
- Rebuild Grand Central Artery. This project will rehabilitate critical elements of the Grand Central Artery, a four-mile stretch that carries 98% of MNR service and includes Grand Central Terminal, the Train Shed, and Park Avenue Tunnel and Viaduct.
- Hudson Line Resilience. To protect against the effects of sea-level rise and severe rainstorms, the Capital Program invests in resilience upgrades to protect one of New York’s most critical passenger and freight rail lines.
- New Rolling Stock. The Capital Program aims to replace over 1,500 railcars that have reached the end of their useful life and includes a plan to purchase 500 zero-emission buses to bring the fleet to 18% electric.
- Modern Fare Gates. This project will scale up the installation of new faregates throughout the subway system to improve fare collection and system accessibility.
- Regional Investments. The Capital Program includes funding to evaluate and design potential regional projects, such as adding a third track to the MNR Harlem Line or connecting the Hudson Line service to Penn Station.

Executive Budget Funds Governor’s Proposal to Restrict Smartphone Use in Schools Statewide

Legislation included with the 2026 Executive Budget implements Governor Kathy Hochul’s proposal to create a statewide standard for distraction-free schools in New York.

This new requirement would be in place starting in the 2025-26 School Year and would apply to all schools in public school districts, as well as charter schools and Boards of Cooperative Educational Services (BOCES).

Under the program:

- No unsanctioned use of smartphones and other internet-enabled personal devices on school grounds in K-12 schools for the entire school day, including classroom time and other settings like lunch and study hall periods.
- Allows schools to develop their own plans for storing smartphones during the day — giving administrators and teachers the flexibility to do what works best for their buildings and students.
- Proposes \$13.5 million in funding to be made available for schools that need assistance in purchasing storage solutions to help them go distraction-free.
- Requires schools to give parents a way to contact their kids during the day if needed.

The Governor's proposal also clarifies that students would still be authorized to have access to simple cell phones without internet capability, as well as internet-enabled devices officially provided by their school for classroom instruction, such as laptops or tablets used as part of lesson plans.

Additionally, the Governor's proposal includes several exemptions to smartphone restrictions, including for students who require access to an internet-enabled device to manage a medical condition, where required by a student's Individualized Education Program (IEP), or for other academic purposes, such as translation.

Adams Administration Relieves \$80 Million in Medical Debt for Working-Class New Yorkers

New York City Mayor Eric Adams announced that 35,000 New Yorkers will start receiving letters notifying them that their medical debt has been eliminated, clearing \$80 million in debt under an Adams' Administration Program.

The city has partnered with Undue Medical Debt, a national New York City-based nonprofit specializing in buying and ultimately wiping out medical debt to acquire debt portfolios and retiree debt from health care providers and hospitals across New York City. Its investment of \$18 million over three years will relieve a total of over \$2 billion in medical debt for 500,000 working-class New Yorkers on a one-time basis, according to the Mayor.

NYC Council to Consider Resolution Directing the City Department of Investigation (DOI) to Review City Documents Related to Toxic Exposures at Ground Zero

The NY City Council Oversight and Investigations Committee, Chaired by Council Member Gale Brewer, will hold a hearing January 29th to consider [Resolution 560](#). The resolution requires the City Department of Investigation (DOI) to ascertain the knowledge possessed by mayoral administrations on environmental toxins produced by the September 11, 2001 terrorist attacks on the World Trade Center.

The Hearing is set for Wednesday January 29th at 1 PM in the NYC Council Chamber. If passed DOI would be required to complete a report no later than two years after the adoption of the resolution.

Per the [Committee Hearing Notice](#), individuals may testify for up to two minutes in person, by zoom, or in writing. If you plan to testify in person, please check in with the sergeants upon your arrival to the Committee Room in City Hall. If you are planning on testifying via video conference, please register in advance of the hearing at <https://council.nyc.gov/testify/>. Written testimony may be submitted to testimony@council.nyc.gov or via the Council's web- site up to 72 hours after the close of the hearing.

NY Gaming Association Board of Directors Names Former NY Senator Phil Boyle Chair of the Organization

The Board of Directors of the New York Gaming Association (NYGA), a trade association of racing and gaming venues throughout the state, has named Phil Boyle, the President/CEO of Suffolk OTB and Jakes 58 Casino and Hotel, as the next Chairperson of NYGA.

The New York Gaming Association advocates for and advances the interests of its members located at racing and gaming venues throughout the state. The association works in partnership with state government on long-term strategies to increase revenues for education, support the racing, breeding and gaming industries.

NYGA's members include gaming and racing facilities from Long Island to Western New York. Collectively, they had an economic impact of \$3.4 billion in 2024 generating \$1.06 billion for education. The member facilities directly employ more than 5,000 workers with an annual payroll in excess of \$260 million, and support 22,000 indirect additional jobs. More than \$14.2 billion has been generated by NYGA members for New York State education since video lottery terminals were first authorized by the state in 2004.

Member facilities are: Batavia Downs Gaming, Empire City Casino by MGM Resorts, Finger Lakes Gaming & Racetrack, Hamburg Gaming at Buffalo Raceway, Jake's 58 Hotel & Casino, Resorts World Casino Hudson Valley, Resorts World Casino New York City, and Saratoga Casino Hotel.

Coming Up

New York State

Monday, January 27th

New York State Senate Session,

Senate Chamber – New York State Capitol, 3 p.m.

New York State Assembly Session,

Assembly Chamber – New York State Capital, 2 p.m.

Senate Housing, Construction and Community Development Committee Meeting,

512 LOB, 11 a.m.

Senate Codes Committee Meeting, 124 CAP, 11:30 a.m.

Senate Internet and Technology Meeting, 816 LOB, 12 p.m.

Senate Judiciary Committee Meeting, 124 CAP, 12:30 p.m.

Joint Legislative Public Hearing on 2025 Executive Budget Proposal

Topic: Agriculture /Parks and Recreation

LOB Hearing Room B, Albany, 1 p.m.

Tuesday, January 28th

New York State Senate Session,

Senate Chamber – New York State Capitol, Albany, 11 a.m.

New York State Assembly Session,

Assembly Chamber – New York State Capitol, Albany

Senate Aging Committee Meeting, 904 LOB, 9 a.m.

Senate Corporations, Authorities and Commissions Committee Meeting, 912 LOB, 9 a.m.

Joint Legislative Public Hearing on 2025 Executive Budget Proposal –

Topic:Environmental Conservation,

LOB Hearing Room B, Albany, 9:30 a.m.

Senate Education Committee Meeting, 510 LOB, 10 a.m.

Senate Banks Committee Meeting, 710 LOB, 10:30 a.m.

Senate Consumer Protection Committee Meeting, 804 LOB, 10:30 a.m.

Senate Cities 1 Committee Meeting, 411 LOB, 12 p.m.

Senate Energy and Telecommunications Committee Meeting, 124 CAP, 1 p.m.

Wednesday, January 29th

Public Hearing – Horseshoe Crab Management Practices,

Roosevelt Hearing Room C, 2nd Floor, Albany, 10 a.m.

Joint Legislative Public Hearing on 2025 Executive Budget Proposal – Topic:

Elementary & Secondary Education,

LOB Hearing Room B, Albany, 9:30 a.m.

New York City

Monday, January 27th

Committee on Cultural Affairs, Libraries and International Intergroup Relations,
Committee Room – City Hall, 10 a.m.

Committee on General Welfare, Council Chamber – City Hall, 10 a.m.

Committee on Civil Service and Labor, 250 Broadway – Committee Room, 16th Floor, 1 p.m.

Tuesday, January 28th

Committee on Environmental Protection, Resiliency and Waterfronts, City Hall, 10 a.m.

Committee on Public Housing, 250 Broadway – Committee Room. 16th Floor, 1 p.m.

Committee on Aging, 250 Broadway – Committee Room. 16th Floor, 1 p.m.

Committee on Women and Gender Equity, Council Chambers – City Hall, 1 p.m.

Committee on Public Safety, Council Chamber – City Hall, 1 p.m.

Committee on Mental Health, Disabilities and Addiction, Committee Room – City Hall, 1 p.m.

Committee on Hospitals, Committee Room – City Hall, 1 p.m.

Committee on Children and Youth, Council Chambers – City Hall, 1 p.m.

Wednesday, January 29th

Committee on Oversight and Investigations, Council Chambers – City Hall, 10 a.m.

Subcommittee on Zoning and Investigations,
250 Broadway – Committee Room, 16th Floor, 11:30 a.m.

Committee on Fire and Emergency Management, Council Chambers – City Hall, 1 p.m.

Thursday, January 30th

Committee on Contracts, Council Chambers – City Hall, 10 a.m.

Committee on Higher Education, Committee Room – City Hall, 10 a.m.

Committee on Criminal Justice, Council Chambers – City Hall, 10 a.m.

Committee on Land Use, 250 Broadway – Committee Room, 16th Floor, 11 a.m.

Committee on Economic Development, Committee Room – City Hall, 1 p.m.

Committee on Fire and Emergency Management,
250 Broadway – Committee Room, 16th Floor, 1 p.m.

Committee on Parks and Recreation, 250 Broadway – Committee Room, 16th Floor, 1 p.m.

Committee on Small Business, Committee Room – City Hall, 1 p.m.

Committee on Education, Council Chambers – City Hall, 1 p.m.

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