

January 19, 2021



Dear Members:

Today Governor Cuomo presented his [State Fiscal Year \(SFY\) 2021-2022 Executive Budget](#), calling it [Reimagine | Rebuild | Renew](#)". During their presentations, both the Governor and State Budget Director Robert Mujica reiterated that the State Budget will rely heavily on anticipated federal funding to come from President-Elect Joe Biden's \$1.9 trillion "American Rescue Plan". The Executive Budget Proposal has been drafted assuming that the federal government will act on the next stimulus package before March 31<sup>st</sup> and that New York will receive, at a minimum, \$6 billion in relief.

In the Governor's presentation, he stressed that while he expects a minimum \$6 billion to come from the new administration's plan, he argues that a fair stimulus package would allocate \$15 billion for New York. Should the State receive \$15 billion in relief, many measures in the Governor's proposal as it is currently written, such as an increase in taxes and across-the-board cuts, would be avoided.

We are still awaiting the release of budget bills which will provide necessary details on the Executive's plan, however, below are highlights:

**Two Approaches to the SFY 2021-2022 Executive Budget:**

The Executive Budget Proposal is constructed to allow for either of the two approaches:

**1. NY Receives \$6 Billion in Federal Relief – "Worst Case Scenario"**

- In this scenario, NYS will need to cut/raise \$9B
- Raise taxes; increasing top rate from 8.82% to 10.86%
- Medicaid funding would be cut by \$600M
- Continue 5% across the board reductions - \$900M

**2. NY receives \$15 Billion in Federal Relief - "Fair Funding"**

- Restores 5% across the board reductions - \$900M
- Housing:
  - Fund rental assistance: \$1.3B
  - Fund \$20B plan for more than 100,000 homes
  - Add \$250M for 15-year goal of 20,000 affordable homes with supportive services
  - Fund \$128M for Homeless Housing and Assistance
- Healthcare
  - Continue support for 1.6 million New Yorkers on Medicaid
  - \$100M to eliminate co-pays for 400,000 low income NYers
  - \$420M to promote access to vital health care services
  - \$200M for Essential plan Quality Pool

Additionally, the Executive Budget Proposal anticipates that the legalization of online sports betting would generate \$500M and the legalization of adult-use cannabis would generate \$350M.

During his presentation, the Governor also emphasized a call on the Federal Government to repeal SALT, as it is a recurring, unfair financial burden on New York.

**Specific measures impacting LeadingAge NY Members include:**

**Capital Financing for Essential Health Care Providers:** The FY 2022 Executive Budget continues \$3.8 billion in capital investments for health care providers to transition into fiscally sustainable systems and to support capital projects, debt retirement, and working capital.

**Create the New York Public Health Corps:** The New York Public Health Corps will assist in supporting COVID-19 vaccination operations and establishing a best-in-the-nation emergency response public health capacity that lasts beyond the COVID-19 pandemic.

**Local Distressed Hospital Funding Pool:** The FY 2022 Budget continues the Distressed Provider Relief Fund to support financially distressed hospitals and nursing home facilities throughout the state through the collection of a portion of sales tax revenue from counties and New York City, generating \$500 million in designated funding through FY 2022.

**Minimum Wage:** The Budget includes nearly \$2.0 billion to support the direct cost of the FY 2022 minimum wage increases for health care workers that provide Medicaid-reimbursed services. This includes funding to reconcile any identified underpayments in prior years.

**Enhancing Nursing Home Quality of Care:** The Executive Budget advances a series of actions that advance the goal of ensuring nursing homes spend an appropriate level of their resources on resident care. They include but are not limited to:

- The Department of Health will increase the existing Nursing Home Quality Pool with an emphasis on rewarding quality based on staffing practices.
- The Department of Health will promulgate regulations governing the review and approval of any contracted staffing arrangements between nursing homes and staffing agencies that provide or arrange for direct care staff.
- Medicaid reimbursement rates will include only staffing costs related to staffing contract arrangements that comply with regulatory requirements and only to the extent that such costs are determined by the Department to be consistent with the rates paid for comparable employed clinical staff and/or consistent with fair market value and commercial reasonableness.

**Telehealth:** The State is advancing a comprehensive package of telehealth reforms that will increase access to telehealth services. These include:

- Continuing telephonic delivery of care and establishing interstate licensure, expanding covered telehealth providers;
- expanding reimbursement for patient monitoring, integrating telehealth into the Statewide Health Information Network for New York (SHIN-NY);
- promoting innovative technologies and approaches by increasing training and education opportunities;
- and establishing a pilot program to facilitate telehealth for vulnerable populations.

**Affordable Housing:** The Budget continues the \$20 billion, comprehensive five-year investment in affordable housing, supportive housing and related services to provide New Yorkers with safe and

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secure homes. Funding continued in the Executive Budget for affordable housing includes \$3.5 billion in capital resources, \$8.6 billion in State and Federal tax credits and other allocations, and \$8 billion to support the operation of shelters, supportive housing units, and rental subsidies. This includes the commitment of capital resources for developing or rehabilitating affordable housing targeted to low-income seniors, aged 60 and above.

### **Workforce**

**Expand SUNY's free Online Training Center** to enable New Yorkers to enroll in additional employment certification programs for quality jobs in high-demand, growing industries like health care and advanced manufacturing. The Training Center will give more New Yorkers in every region of the state — from rural communities to urban centers — another opportunity to receive free job training certifications and then automatically be admitted to any one of SUNY's 30 community colleges for future career advancements.

**Support for BSN in 10:** Beginning in Fall 2021, SUNY and CUNY will implement priority admission to nursing programs so the 40,000 nurses and nursing candidates in need of completing their baccalaureate credentials can receive a quality and affordable education within the state.

### **Next Steps**

The policy team will be thoroughly reviewing the budget bills once they become available and we will distribute a comprehensive memo on the Executive Budget Proposal, covering all service lines, no later than next Tuesday, Jan. 26th.

At the same time, we will begin working on our advocacy message in preparation for our upcoming Advocacy Days and other advocacy initiatives.

If you haven't already begun, ***now is the time to schedule virtual meetings with your lawmakers!*** Given the fiscal position of the State and the unknown relief to come from the federal government, your advocacy is vital in accomplishing our budgetary and legislative goals. Please schedule meetings with your lawmakers on our designated **Virtual Advocacy Days**:

- Thursday, Feb 4<sup>th</sup>
- Friday, Feb 5<sup>th</sup>
- Thursday, Feb 11<sup>th</sup>
- Friday, Feb 12<sup>th</sup>

Once you have a meeting scheduled, please send the details to Sarah Daly at [sdaly@leadingageny.org](mailto:sdaly@leadingageny.org). LeadingAge NY staff would be happy to join you in your meeting and/or help set up the meeting via Zoom. Additional resources for members to use in setting up meetings include the [Find Your Legislator tool](#).

Lastly, to help members prepare for advocacy in this unique legislative session, LeadingAge NY is hosting a [2021 Government and Virtual Advocacy Webinar](#), **this Friday, Jan. 22<sup>nd</sup> at 10:30 AM**. During the webinar, we will be reviewing where we are in the state budget process and how members can make the most of virtual advocacy. [Click here to register!](#)

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As always, thank you for your continued advocacy. Please contact the policy team if you have any questions.

**Ami J. Schnauber**

V.P., Advocacy and Public Policy

LeadingAge New York

P 518.867.8383 | D 518.867.8854

F 518.867.8384 | C 518-605-2310