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RMS End of Week Update 11/14/2025



Division of Budget SFY 2027 Quick Start Budget Meeting Overview

On November 12th, the State Division of Budget held a Quick Start Budget meeting for SFY 2027.

Representatives in attendance include Budget Director Blake Washington, Matt Howard (Deputy Budget Director), Mark Massaroni (Deputy Budget Director), Rita Doulis (Deputy Comptroller for Budget and Policy Analysis in the Comptroller's Office), Jeff DeGironimo (Senate Finance Secretary, Minority Conference), Chris Friend (New York State Senate Minority Conference), Philip Fields (Secretary to the Assembly Ways and Means Committee), Josh Risler (NYS Assembly Republican Conference).

Blake Washington shared that the State's finances remain favorable, with tax revenues higher than expected thanks to increased revenues from the pass-through entity tax (PTET) and income taxes, a stronger labor market, higher consumer spending, and positive economic outlook. Wall Street has been performing well, and the State relies heavily on this sector, those bonuses will be important to tax revenues. \$3.3 billion in breathing room from increased revenue receipts (lowering the state's budget gap from \$7.5 billion to \$4.2 billion) puts the State in a good place, however \$800 million in new costs through April 1, 2026, and \$3.4 billion for SFY 2026-27 thanks to federal enactment of HR1 is a significant concern.

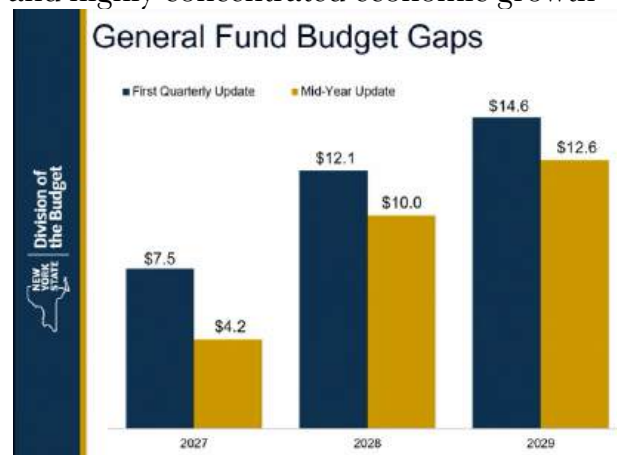
Taking a closer look, all conferences estimate the U.S. GDP to grow by 1.7-1.9 percent in 2026, with inflation easing a bit recently. Budget Director Washington shared that state

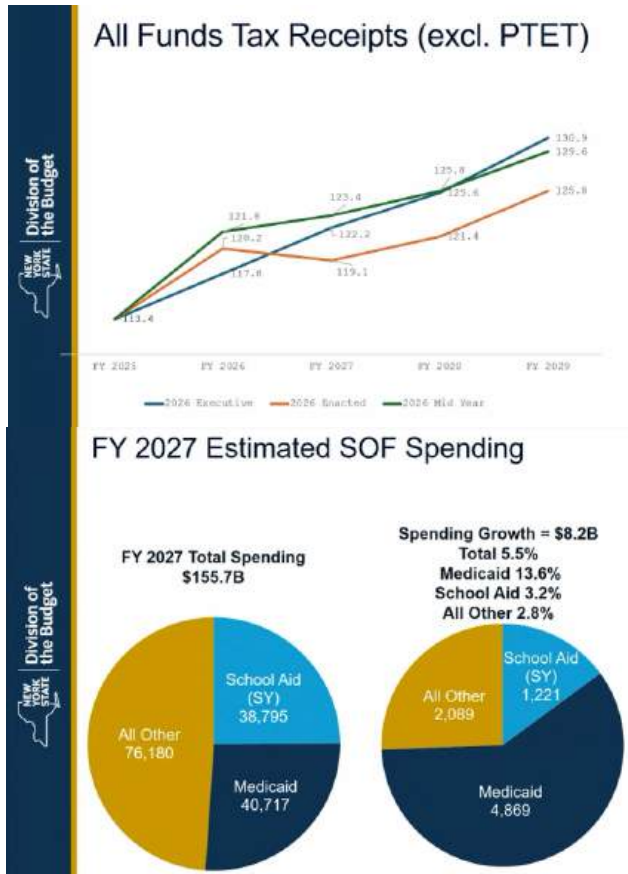
agencies are doing everything they can to find efficiencies and critically looking at contracts and spending items, which helped to enable the Executive to handle the \$750 million budget gap this year. Several charts included below from the meeting provide further details on the State's budget gaps, tax receipts, State spending with a specific look at Medicaid enrollment, economic outlook factors, and more.

Economic and tax forecasts risks for the State include highly concentrated economic activity, for example a downturn in Wall Street has a large impact on the State, as well as progressive income tax structure; financial sector performances and bonuses; federal policy risks including monetary policy, federal spending, tax code changes; and global risks.

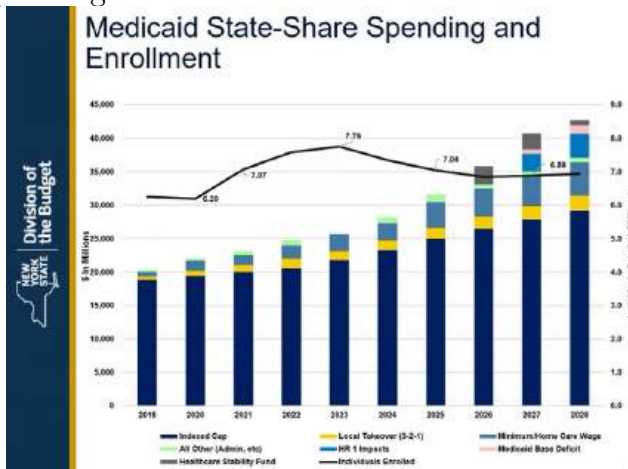
Conclusions:

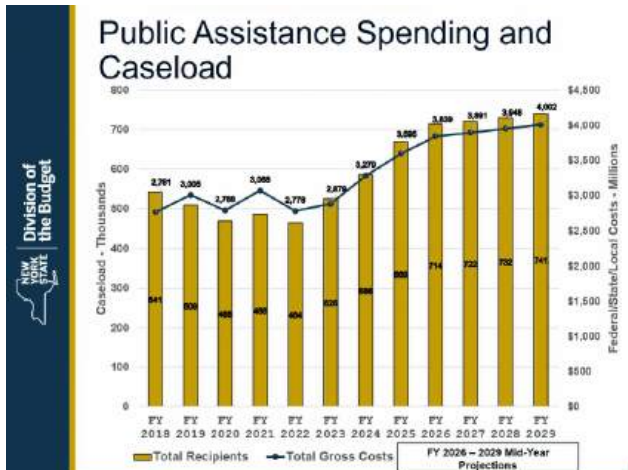
- The economic outlook for the US and NYS has improved compared to forecasts from spring 2025
- Tax receipts forecasts for the current and upcoming fiscal year have been revised upward by a total of \$4.4 billion
- Medicaid and school aid continue to be drivers of spending growth in the current and outyears
- Cumulative outyear budget gaps were reduced in the Mid-Year update but remain
- Uncertainty to New York's economy and financial plan remain elevated driven by Federal policy and highly concentrated economic growth





Wage growth, stubborn high enrollment, and HR1 impacts are the reasons for the nearly \$5 billion growth in spending on Medicaid





Cost increases largely because of lower federal funding assistance

Comparison of Spending Estimates

FY 2027 State Operating Funds (millions of dollars)					
	Executive Mid-Year Estimate	Estimates			
		Senate Majority	Senate Minority	Assembly Majority	Assembly Minority
School Aid (School Year)	38,795	38,795	38,276	38,902	38,574
Medicaid	40,717	40,717	40,717	40,717	40,717
Public Assistance	824	824	824	814	847
Subtotal	80,336	80,336	79,817	80,433	80,138
All Other Disbursements	75,356	75,356	75,356	75,356	75,356
Total Disbursements	155,692	155,692	155,173	155,789	155,494

US Economic Outlook

U.S. FORECAST ANNUAL CALENDAR YEAR Percent Change				
	FY 2024	FY 2025	FY 2026	FY 2027
REAL U.S. GDP				
Assembly Majority	2.8	1.9	1.8	1.9
Assembly Minority	2.8	2.0	1.7	1.7
DOB	2.8	2.0	1.9	1.9
Senate Majority	2.8	1.9	1.7	1.7
Senate Minority	2.8	2.0	1.9	1.9
CORP PROFITS W/ IVA & CCA				
Assembly Majority	5.1	3.5	0.9	5.4
Assembly Minority	5.1	7.3	1.8	4.4
DOB	5.1	1.6	(0.0)	3.5
Senate Majority	5.1	2.3	0.8	4.4
Senate Minority	5.1	1.6	(0.0)	3.5
3-MONTH T-BILL RATE				
Assembly Majority	5.2	4.2	3.3	2.9
Assembly Minority	5.0	4.1	3.2	2.7
DOB	5.0	4.1	3.3	3.0
Senate Majority	5.1	4.2	3.2	2.7
Senate Minority	5.0	4.1	3.3	3.0

A lack of timely data and heightened economic uncertainty due to the Federal government shutdown complicate the outlook.

NYS Labor Market Comparison

NEW YORK FORECAST ANNUAL CALENDAR YEAR Percent Change				
	CY 2024	CY 2025	CY 2026	CY 2027
NONFARM EMPLOYMENT				
Assembly Majority*	2.6	1.3	0.5	0.5
Assembly Minority	2.6	1.2	0.2	0.2
DOB*	2.6	0.3	0.1	0.5
Senate Majority	1.7	0.3	0.1	(0.2)
Senate Minority	2.6	0.3	0.1	0.5
WAGES				
Assembly Majority*	5.5	4.9	4.4	4.7
Assembly Minority	5.5	4.8	4.3	3.7
DOB*	5.5	4.4	3.1	3.6
Senate Majority	5.1	4.5	3.5	3.7
Senate Minority	5.5	4.4	3.1	3.6
PERSONAL INCOME				
Assembly Majority*	6.6	6.3	4.3	3.9
Assembly Minority	6.6	6.1	4.3	3.3
DOB*	6.6	5.5	3.1	3.7
Senate Majority	5.9	5.8	3.5	3.3
Senate Minority	6.6	5.5	3.1	3.7

Wage growth will slow in the coming year

Revenue Comparison – FY 2026

MID-YEAR ESTIMATES REVENUE COMPARISON FY 2026 (millions of dollars)					
Executive Mid-Year Estimate	Estimates				
	Senate Majority	Senate Minority	Assembly Majority	Assembly Minority	
Personal Income Taxes	64,590	65,255	65,040	65,708	64,819
User Taxes and Fees	22,957	23,374	23,265	23,444	23,064
Business Taxes	29,663	29,521	29,872	29,552	29,707
Other Taxes	2,746	2,821	2,804	2,927	2,748
All Funds Taxes Subtotal	119,956	120,971	120,981	121,631	120,338
General Fund Misc. Rec. & Fed. Grants	4,214	4,214	4,214	4,236	4,214
Education Gaming	4,917	4,971	4,917	4,983	4,987
Total Receipts	129,087	130,156	130,112	130,850	129,539

Revenue Comparison – FY 2027

MID-YEAR ESTIMATES REVENUE COMPARISON FY 2027 (millions of dollars)					
Executive Mid-Year Estimate	Estimates				
	Senate Majority	Senate Minority	Assembly Majority	Assembly Minority	
Personal Income Taxes	67,589	68,298	67,485	68,317	68,181
User Taxes and Fees	23,622	24,060	23,861	24,251	23,779
Business Taxes	29,433	29,550	29,587	29,245	29,467
Other Taxes	2,917	2,998	2,891	3,081	2,910
All Funds Taxes Subtotal	123,561	124,906	123,824	124,894	124,337
General Fund Misc. Rec. & Fed. Grants	3,112	3,112	3,112	3,134	3,112
Education Gaming	4,882	4,958	4,882	5,008	5,031
Total Receipts	131,555	132,976	131,818	133,034	132,480

The Executive is a bit less optimistic than the rest of the conferences.

To view the full meeting please click [here](#).

Shutdown Ends

The longest government shutdown in U.S. history has ended after over a month. President Donald Trump signed legislation late Wednesday to reopen the federal

government, hours after the House of Representatives voted 222–209 to approve a funding package

Under the agreement, federal employees will receive back pay for the missed weeks. Federal agencies, preschools, and food benefit programs will resume operations, and delayed economic data releases will restart.

Trump signed the bill around 10:25 p.m. Wednesday, shortly after the House vote. In televised remarks from the Oval Office, he blamed Democrats for the shutdown. “The extremists in the other party insisted on creating the longest government shutdown in American history, and they did it purely for political reasons,” Trump said, surrounded by House Republicans.

All but two House Republicans voted in favor of the measure, while only six Democrats supported it. The Senate had approved the deal earlier in the week after several Democrats dropped policy demands over health care to end the stalemate.

Governor Hochul criticized Republican leadership following the deal, saying the shutdown caused unnecessary hardship for New Yorkers. “At a time when Republicans control every lever of the federal government, they shut it down, creating chaos in our airports, in our federal workforce, and for hungry families who depend on SNAP,” Governor Hochul said in a statement.

She urged New York’s congressional Republicans to extend Affordable Care Act tax credits and focus on affordability for working families.

Rep. Joseph Morelle (D–Irondequoit) said he voted against the bill because it “fails to bring down the crushing cost of health care for working people.”

Senate Minority Leader Chuck Schumer has not yet released a formal statement but took to social media to press House Speaker Mike Johnson on health care, writing: “So, Speaker Johnson... where’s your healthcare plan?”

On the Republican side, Rep. Claudia Tenney (R–Utica) said Democrats “manufactured a crisis to damage President Trump’s America First agenda,” adding that House Republicans had pushed for a “clean” funding bill from the start.

Rep. Elise Stefanik (R–Saratoga County), who recently announced a run for governor, said she voted to “end the shameful Schumer Shutdown” and accused Hochul of “cheering on the shutdown.”

“New Yorkers are already facing an affordability crisis,” Stefanik said. “They deserve a governor who can deliver results and save New York.”

The shutdown's long-term political impact remains to be seen, but for now, federal workers and agencies across New York are preparing to resume operations.

To view the full article please click [here](#).

Mayor-Elect Mamdani and Governor Hochul Meet To Discuss Their Challenges

With seven weeks left until he takes office as mayor of New York City, Zohran Mamdani met with Governor Kathy Hochul on Thursday to strategize over how to stand up to President Trump.

The leaders met at Hochul's office in Manhattan for more than an hour, seeking to show that they would be prepared if Trump sent a surge of immigration agents or National Guard into the city as he has elsewhere in the country.

The governor's office said in a statement that "both agreed that New York is safe and that a federal surge would not improve public safety," especially with crime rates dropping in the city.

Hochul and Mamdani also discussed universal childcare and how to make it a top priority in Albany next year. The issue was a major campaign pledge by Mamdani, who proposed making child care free for all children from ages 6 weeks to 5 years.

Grace Rauh, executive director of Citizens Union, a civic group, expressed enthusiasm over their plans. "The political stars are aligning for childcare, and New York is poised to do something big," she said.

The question of how to respond to Trump could be one of Mamdani's greatest early challenges. Trump has fiercely criticized Mamdani and threatened to remove billions of dollars in federal funding from the city.

Mamdani has spoken to several Democratic governors, including Wes Moore of Maryland, JB Pritzker of Illinois and Josh Shapiro of Pennsylvania, to get their advice about Trump and other issues, according to his spokeswoman Dora Pekec. He has also texted with Gavin Newsom, the governor of California.

Mamdani said on Tuesday that he was planning to reach out to Trump before he takes office. He has said that he would work with Trump on issues like lowering grocery costs and would stand up to him if he targeted immigrants or removed federal funding.

"I'll say that I'm here to work for the benefit of everyone who calls the city home and that wherever there is a possibility for working together toward that end, I'm ready,"

Mamdani told NBC New York. “And if it’s to the expense of those New Yorkers, I will fight it.”

The meeting with Hochul came as the leaders are trying to show that they can work together despite representing different wings of their party. Despite Hochul recently raising doubts about Mamdani’s plan for free buses, she said on Monday that she would have conversations with him about how to secure funding for buses while weighing other budget concerns.

“I want to make sure the new mayor is successful,” she said. “He excited a lot of people about his vision.”

To view the full article please click [here](#).

The NYS Division Of Budget (DOB) Public Hearings On The FY 2027 Executive Budget

The NYS Division of Budget (DOB) will hold public hearings on the FY 2027 Executive Budget on Monday, November 17 at 11:00 a.m.

Formal Hearing:

NYS Department of Agriculture & Markets
Stephen McGrattan, First Deputy Commissioner
11:00 a.m. - 11:40 a.m.

Capital Hearing:

NYS Division of Housing and Community Renewal (HCR)
RuthAnne Visnauskas, Commissioner
11:50 a.m. - 12:30 p.m.

Webcast for Hearings:

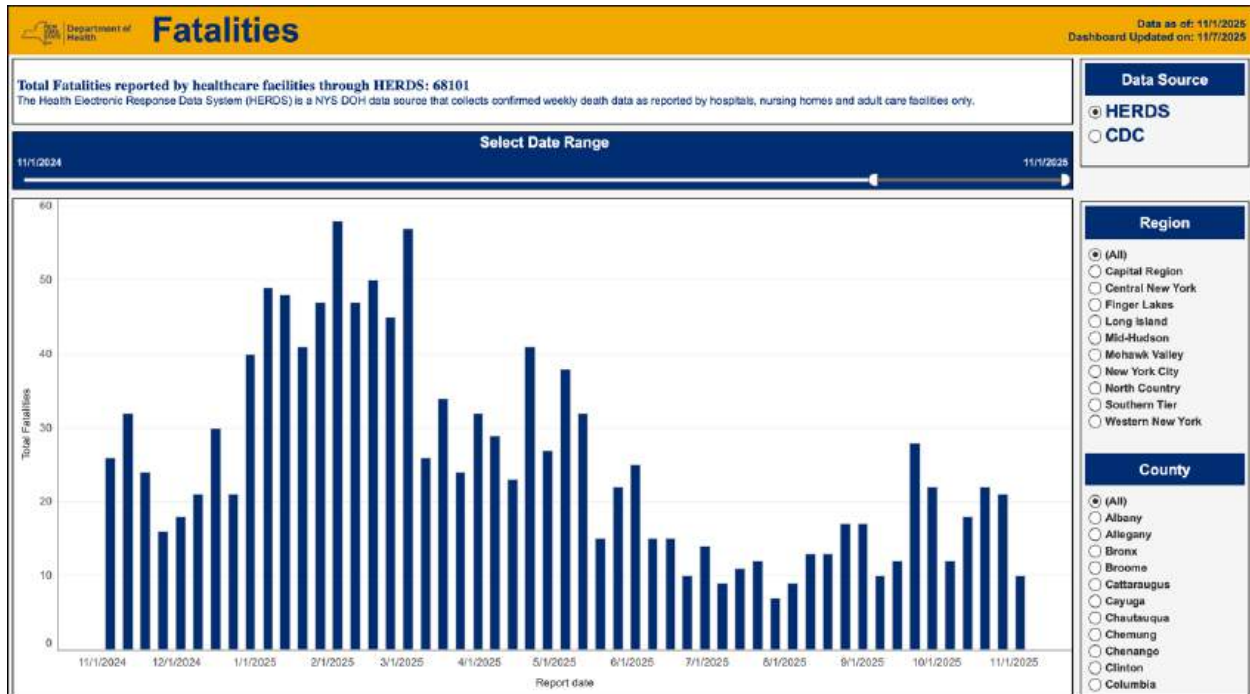
<https://vimeo.com/event/2656267>

NYS COVID-19 Monitoring Dashboard

Use this link to view the State’s updated [COVID-19 Hub](#).

NYS COVID-19 Fatalities Tracker

Below we have included the Fatalities Tracker with the webpage where updated numbers can be found throughout the week linked [here](#).



Helpful Links and Resources

[Empire State Development Tariff Resource Guide](#)

[Eliminating Distractions In Schools Resource](#)

[RMS Final Budget Tax/Revenue Table](#)

[RMS SFY 2025-26 Final Budget H/MH Summary](#)

[Center for Disease Control and Prevention](#)

[Department of Financial Services information and resources](#)

[New York COVID-19 Vaccine Information Page](#)

Department of Health

<https://coronavirus.health.ny.gov/home>

[COVID-19 Guidance for Medicaid Providers](#)

Office of Mental Health

<https://omh.ny.gov/omhweb/covid-19-resources.html>

OPWDD

<https://opwdd.ny.gov/coronavirus-guidance>

State Education Department

<http://www.op.nysed.gov/COVID-19.html>

NYS Department of Labor

<https://dol.ny.gov/>