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RMS End of Week Update 11/7/2025



New York State Election Update

With a national spotlight on the highly contested New York City (NYC) mayoral race, Zohran Mamdani has officially triumphed over former Governor Andrew Cuomo and Republican candidate Curtis Sliwa to become the first Muslim and South Asian mayor-elect with a near [nine percentage point lead](#) against Cuomo. After formally entering the race in the fall of 2024, the 34-year-old State Assemblyman quickly rose into the public eye due to his bold democratic socialist agenda and focus on affordability and relating to everyday people. As Mamdani and President Trump fire shots back and forth related to Trump's threats to cut federal funding and deploy the National Guard to NYC, only time will tell how Mamdani will address enormous economic and political pressures facing the city.

In the meantime, as he begins to prepare to be inducted as mayor in January 2026, a [Politico article](#) published this week details members of his women-led team that will help him in this transition including former first deputy mayor Maria Torres-Springer, former Federal Trade Commission Chair Lina Khan, nonprofit president Grace Bonilla, and city budget expert Melanie Hartzog who will be his transition co-chairs. Further, progressive political strategist Elana Leopold, a de Blasio alum and senior Mamdani campaign adviser, will serve as the transition's executive director. Together, they have years of experience working in former mayor administrations with backgrounds in social services, finance, city budgeting and housing development.

Impact on the State Senate and Assembly

With Mamdani's win, three Democratic Socialists of America (DSA) members have indicated they are interested in running to represent Assembly District 26 in Queens. According to a [City & State article](#), the candidates include Diana Moreno, who has been deeply involved in DSA and helped to elect DSA-endorsed candidates, Mary Jobaida, a

past candidate for neighboring Assembly district 37, and Rana Abdelhamid, a Muslim community organizer and founder of a women's self-defense organization. Additionally, as anticipated, changes are coming in Manhattan across multiple levels as current State Senator Brad Hoylman-Sigal (D) won the Manhattan borough president election and current State Assemblymember Harvey Epstein (D), representing the Lower East Side, was elected to the New York City Council District 2. Current Assemblymember Tony Simone has indicated that he may run for Hoylman-Sigal's seat and local City Council members may also be interested, while candidates for Epstein's seat remain unclear. Simone's decision to run would also trigger another special election for the 75th Assembly District, covering Chelsea, Hell's Kitchen, Midtown, and part of the Lincoln Center area.

Taking a look upstate, as detailed below current State Senator Sean Ryan's win will prompt a special election for the 61st Senate district with potential candidates including Erie County Democratic Party Chair Jeremy Zellner and current Assemblymember Jonathan Rivera who co-chaired Ryan's mayoral campaign. Assemblyman Rivera's decision to run would again trigger a special election for the 149th Assembly District representing parts of the cities of Buffalo and Lackawanna, the town of Hamburg including the villages of Blasdell and Hamburg, and the hamlet of Lake View. Lastly, in the special election for Assembly District 115 in the North Country to replace Democrat Billy Jones, Michael Cashman was declared the winner this morning. Beating out Republican candidate Brent Davison, Cashman (D) served as the youngest town supervisor in Plattsburgh's history and was in office for nine years.

Mayoral Elections and Beyond

History was also made with voters electing Democrats Dorcey Applyrs and Sharon Owens as the first Black mayors of Albany and Syracuse. Malik Evans (D) was also reelected to serve a second term as mayor of Rochester, easily beating out the Republican challenger while noting however in his [victory speech](#) that he commends all candidates for running as "this is a tough time to be an elected official." Additionally, current State Senator Sean Ryan defeated Republican and independent candidates in the mayor's race in Buffalo to become the city's first newly-elected mayor in 20 years.

Nationwide, as briefly mentioned in our update earlier this week, Democrats swept key races including the governorships of New Jersey and Virginia, while in California voters approved Proposition 50 which will allow state legislators to redraw districts before the midterm elections, generating five Democratic-leaning Congressional districts. Asked about how they achieved these victories by *The Hill*, as detailed [here](#), Democratic National Committee Chair Ken Martin shared that "these candidates had a lot in common...they were focused on kitchen table issues, not on gilded ballrooms. They were focused on affordability."

Mayor-Elect Mamdani's Tax Package Has to Go Through Albany

Mayor-elect Mamdani's overarching imperative is to persuade Governor Hochul and the state's other leading Democrats to find a way to pay for his proposals to freeze the rent, make buses fast and free, and make childcare available to all New York families. That would almost certainly mean raising taxes — something lawmakers are typically loath to do. Next year, when the governor and legislators face re-election, they could be especially reluctant.

The mayor-elect has proposed a new two percentage point tax increase on residents making more than \$1 million a year, which mayor-elect Mamdani says would net about \$4 billion annually. **The increase would raise the city income tax on the wealthy to about 5.9 percent from about 3.9 percent.**

Under that scenario, an individual making \$2 million a year who pays roughly \$77,000 in city income taxes could pay \$117,000 — a roughly 50 percent increase. Some business leaders and economists have argued that such an increase would lead people to decamp to Connecticut or Florida.

The Governor has repeatedly pledged not to raise income taxes. **But she has been less dismissive of Mayor-elect Mamdani's proposal to raise the corporate tax rate from 7.5 to 11.5 percent**, which would bring New York in line with the highest corporate tax rate in the nation, New Jersey. **However, this calculation omits the NYC corporate income tax which is 8.85 percent which would bring the total above 16 percent(at the highest rate). This is on top of a range of other taxes(MTA Surcharge, Payroll Mobility Tax. etc.)**

Senate Deputy Majority Leader Gianaris suggested that Mayor-elect Mamdani's unyielding focus on the topic, and the response it got from New York City voters, could be enough impetus for lawmakers to more seriously consider raising taxes on the wealthy. As reported in the New York Times.

“The freak-out about millionaires getting taxed is mostly coming from the millionaires,” Senator Gianaris said. “And not even all of them!” – New York Times

At the center of the drama is Governor Hochul who is facing challenges from all sides this upcoming election. Governor Hochul, a moderate Democrat, is facing a challenge from the left from Lieutenant Governor Delgado. Also coming into play will be whether mayor-Elect Mamdani chooses to endorse Governor Hochul. Governor Hochul endorsed Mayor-elect Mamdani, but he hasn't endorsed either Governor Hochul or LG Delgado yet. Governor Hochul is also expected to face a [heated re-election challenge](#) next year from Representative Elise Stefanik, a Republican star and a staunch ally of President Trump. Nassau County Executive Bruce Blakeman also openly discussed also throwing his hat in the Governor's race this week.

Representative Elise Stefanik Launches Run For New York Governor

GOP Rep. Elise Stefanik launched her expected run for governor in New York, blaming Democratic Governor Kathy Hochul for the state's high cost of living and tying the governor to New York City Mayor-elect Zohran Mamdani.

Stefanik's 2½-minute [launch video](#) focuses largely on affordability. And while she is a staunch ally of Donald Trump, her campaign video does not make any references to the president.

"There's no question: New York is facing an affordability crisis," a narrator says in Stefanik's launch video, which also features commentators calling Hochul the "worst governor in America."

Stefanik is the first high-profile Republican to launch a campaign, and she's been weighing a run for governor for months. She said back in April that she would announce her decision after the 2025 elections, following GOP Rep. Mike Lawler's announcement that he would not run for governor. Nassau County Executive Bruce Blakeman has also openly discussed throwing his hat in the Governor's race this week.

Stefanik had been nominated to be Trump's ambassador to the United Nations, but Trump withdrew her nomination amid concerns that a competitive special election to replace her in Congress could further shrink the narrow GOP majority.

First elected to Congress in 2014, then the youngest woman elected to the House, Stefanik has risen through the ranks of the GOP leadership, serving as conference chairwoman in the last Congress. She built a national profile as a vocal defender of Trump during his first impeachment in 2019 and has become a prolific fundraiser.

Stefanik will face an uphill battle in the traditionally Democratic state. Trump made significant gains in New York in 2024, improving on his 2020 election margin by 11 points, the largest swing toward Trump of any state in the country. But he still lost New York by 13 points last year.

Governor Hochul is running for her second full term after succeeding Andrew Cuomo in 2021 following his resignation amid sexual harassment allegations, which he has denied. Governor Hochul won her first full term by about 6 points in 2022, defeating two primary challengers in the process. She is facing a primary challenger again, this time from her lieutenant governor, Antonio Delgado.

Shortly after Stefanik's announcement, the Hochul campaign issued a response, calling Stefanik a loyal ally of Trump. Hochul campaign communications director Sarafina Chitika said in a statement, "Sellout Stefanik is Donald Trump's number one cheerleader in Congress and his right-hand woman in his war on New York. Apparently, screwing over New Yorkers in Congress wasn't enough – now she's trying to bring Trump's chaos

and skyrocketing costs to our state. While Stefanik puts Trump first and New York last, Governor Hochul is lowering costs, cutting middle-class taxes, and fighting for the New Yorkers Stefanik abandoned.”

For more information please click [here](#).

Governor Hochul Announces Findings Of Preliminary New York State Tariff Report

Earlier today Governor Hochul announced the findings of the New York State Tariff Disruptions Report, a statewide analysis documenting the impacts caused by the Trump Administration’s tariff policies. The report outlines that tariffs are imposing an effective 21 percent tax on imported goods, costing New York families an estimated \$4,200 annually. Additionally, inflation is nearly 52 percent higher than the 10-year average. These tariffs have generated price surges across critical sectors and are threatening to reverse years of economic growth and job creation in New York State. The report can be found [here](#).

“New Yorkers are seeing firsthand what these tariffs really are — a tax on hardworking families and employers,” Governor Hochul said. “Under my leadership, the State’s economy was growing in all areas. We achieved record tourism numbers, a private sector job growth rate that outpaces the nation, and unprecedented commitments from businesses to grow jobs. Tariffs are threatening to undermine all of this. They raise prices on everything from milk and medicine to steel and housing materials, while doing nothing to strengthen our economy. Tariffs are destabilizing markets, straining small businesses, and punishing the very people who keep our state moving.”

New York State agencies were required to investigate and report the economic and social impacts of federal tariffs. This coordinated response, ordered through a July 14, 2025, directive from the Governor’s Office of State Operations, tasked Empire State Development and the Office of General Services with leading a cross-agency analysis covering cost increases, supply chain disruptions, and threats to jobs and small businesses across New York’s economy. New York State’s tariff resource guide can be found [here](#).

Preliminary results demonstrate that tariffs have already caused measurable setbacks in multiple sectors:

- **Agriculture:** Farms statewide face higher expenses for fertilizer and equipment. One farmer indicated that his business faces increases up to \$20,000 annually, while milk exports have fallen 7 percent.
- **Construction:** Material costs have climbed by 15–25 percent, adding around \$11,000 to each new single-family home, impacting housing and infrastructure projects across the state.

- Tourism: Reduced Canadian travel led to nearly 400,000 fewer visitors to New York in May of 2025 as compared to May 2024, cutting deeply into a sector that employs one in ten New Yorkers.
- Health Care: Tariffs on imported equipment and pharmaceuticals have forced increased costs and caused strain on operations and have raised premiums for state employee health plans by \$14.5 million.
- Manufacturing: Input costs have risen 20 percent, cutting profit margins and delaying investments for hundreds of New York manufacturers reliant on cross-border supply chains.

In April, New York joined a coalition of states in suing the Trump Administration for unlawfully and unilaterally imposing tariffs under the International Emergency Economic Powers Act (IEEPA). The Supreme Court of the United States heard arguments on the case on Wednesday, November 5.

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

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

Mid-Year Quickstart Reports Released By New York State Senate Democratic Majority Finance Committee And Assembly Ways & Means Committee

This week mid-year reports (known as “Quickstart”) reviewing State financial and economic information and projections were released by the majority conferences in each chamber of the State legislature. Consistent with the Division of Budget’s (DOB) Mid-Year Financial Plan [Update](#) released last week, all parties agree that there are increased revenues as outlined below.

Total revenue projection by all parties does not eliminate a deficit forecast for next year’s state budget. The DOB’s estimate forecasts a \$4.2 billion budget gap - needless to say, increases in revenue/or increases in spending combined with federal reductions over the next six months will impact this forecast. Please find a copy of the reports attached and linked accordingly (Senate [report](#), Assembly [report](#)), as well as brief highlights below.

Senate Report Overview:

The Finance Committee projects that **All Funds receipts for State Fiscal Year (SFY) 2025-26 and 2026-27 will increase by \$7.6 billion from SFY 2024-25 actuals and \$4.9 billion from the SFY 2025-26 estimate**, with personal income tax receipts so far making up the largest share of all funds receipts (45.7%) and the Pass-Through Entity Tax projected to be revenue neutral for the State. Regarding economic outlook, the Committee highlights the Federal Reserve’s October 2025 Beige Book’s finding that economic activity in the Second District (New York, Northern NJ, Fairfield County CT, Puerto Rico, U.S. Virgin Islands) has seen a slight decline and the services sector has seen consistent moderate decline.

However, specific to New York State, wage growth was ahead of the U.S. with estimates at 5.8 percent compared to 5 percent on a national level, consumer spending has increased modestly, and the housing market remains solid. The economy is currently growing at a slower pace than projected in the SFY 2025-26 Economic and Revenue Consensus and persistent high inflation, elevated interest rates, the ongoing U.S. government shutdown, and trade and tariff challenges are creating uncertainty and may have negative impacts. Noting eligibility and qualification changes for Medicaid enacted in H.R. 1 effective January 1, 2026, Finance Committee staff point to **DOB's estimated cost of \$3 billion to the State if individuals who currently qualify and are enrolled in Essential Plan are moved to Medicaid.**

Assembly Report Overview:

Overall, Ways & Means (W&M) Committee staff find that the State remains in a solid fiscal position with **receipts currently exceeding disbursements by \$723 million in the General Fund and \$1.5 billion in All Funds. They report that All Funds receipts for SFY 2025-26 will increase by 5.7 percent from SFY 2024-25 actuals (nearly \$7 billion) driven largely by the annual growth of \$5.2 billion in tax collections (\$4.6 billion growth in personal income tax collections and \$554.8 million in Consumption Taxes).** Notably however, due to the significant \$13.6 billion decrease in federal receipts, they state that they expect All Funds revenues to decrease by 3.6 percent for a total of \$249.3 billion in SFY 2026-27.

Similar to the Senate's analysis, the Assembly found that nonfarm wages and salaries growth continued at 7.4 percent in SFY 2024-25 and project growth to decelerate to 5.7 percent in SFY 2025-26 and 3.6 percent in SFY 2026-27. Nonfarm employment in the State increased by 2.4 percent in SFY 2024-25 however this is estimated to decrease to 1 percent in growth in SFY 2025-26 and 0.5 percent in SFY 2026-27 due to weaker growth in business investment and personal consumption amid a broader economic slowdown. They highlight the same risks to the State economy resulting from the national economy as the Senate Finance staff as well as the central role Wall Street and the financial markets play in the State economy.

Lastly, emphasizing the significant impacts on federal funding for State and local government and the State's overall Financial Plan, they highlight the below chart developed by DOB summarizing H.R. 1 savings and costs.

FEDERAL HOUSE RECONCILIATION H.R. 1				
SAVINGS/(COSTS)				
(\$ in millions)				
	SFY 2025-26	SFY 2026-27	SFY 2027-28	SFY 2028-29
TOTAL	(952)	(3,548)	(4,395)	(4,292)
TAX RECEIPTS (ALL FUNDS)	(922)	(960)	(761)	(648)
Corporate Franchise Tax	(900)	(950)	(780)	(660)
Personal Income Tax	(22)	(10)	19	12
HEALTHCARE	(30)	(2,570)	(3,598)	(3,608)
Disallowing Premium Tax Credit	0	(2,251)	(3,052)	(3,062)
Restrictions on Qualified Immigrants	0	(241)	(483)	(483)
Community Engagement Requirements	0	(50)	(40)	(40)
Reproductive Health Services	(16)	(5)	0	0
Vaccine Coverage	(14)	(23)	(23)	(23)
SNAP	0	(18)	(36)	(36)
Increasing Administrative Cost Sharing	0	(18)	(36)	(36)

Source: NYS Division of the Budget

New York's Budget Gap Shrinks But Medicaid Cuts Leave A \$3B Hole

A recent article in Crains Health Pulse highlighted that New York State is projecting a smaller budget gap next year than previously anticipated thanks to higher-than-expected tax revenues. But looming cuts to Medicaid and uncertainty about the fate of an insurance program for low income residents still threaten to punch a sizable hole in New York's financial plan.

The state is now facing a \$4.2 billion budget gap in the next fiscal year, down from \$10 billion projected earlier, according to a mid-year update from the state's Division of the Budget, six months into the fiscal year. The projection paints a rosier outlook than in April when officials were hedging against a possible recession and deep cuts to Medicaid.

Six months later the risk of recession appears more remote. The state is forecasting tax collections to be up by \$2.6 billion this year and by \$5.3 billion next year due to higher wage growth and a strong stock market along with a lesser impact from new tariffs in the immediate term. What remains is a budget gap next year dominated by a \$3 billion hole from new Medicaid obligations to cover cuts included in the One Big Beautiful Bill Act, which President Donald Trump signed earlier this year.

The gap has shrunk respectively in the outyears but remains high, down to \$10 billion in fiscal year 2028 and \$12.6 billion the following year. New York also holds \$14.6 billion in reserves, nearly eight times as much as a decade ago, which can be used to cover some spending during a fiscal crisis, according to the report.

The Hochul administration's main gambit to reduce the gap further has been to ask the federal government to absolve it of its obligation to provide health coverage to approximately 450,000 New Yorkers earning between 200 and 250% of the federal poverty level, between \$30,000 and \$39,000 a year.

The state received permission to expand its insurance program for low income residents, the Essential Plan, in 2024 under the Biden administration. But in a petition to the Centers for Medicare and Medicaid the state Department of Health said it no longer could afford the additional enrollees after the federal government cut \$7.5 billion to the plan, about half its annual contribution.

That decision remains pending. If it is approved some recipients will seek insurance at a higher premium through the state marketplace while others will lose coverage.

Governor Hochul has repeatedly said the state would not be able to entirely make up for the lost federal funding and that some services could take a hit. Whether the better outlook means some hard decisions may be avoided, “It’s too soon to tell. Risks still remain and there is a lot of volatility and uncertainty at the federal level,” in addition to the remaining gap, said Division of the Budget spokesman Tim Ruffinin.

In recent weeks, Hochul has taken steps to replace reductions in federal funding, including providing \$35 million in aid to Planned Parenthood and \$106 million in emergency food assistance after the Trump administration said it would not use contingency funds to pay for food stamps, or SNAP, during the government shutdown.

On Friday, a federal judge ordered the administration to fund the program, saying the move to deny funding was likely unlawful after New York and 25 other states filed a lawsuit. A day before, several advocates for low-income New Yorkers cited the higher tax collections in a push for the state to fund the full monthly cost of SNAP benefits for 3 million residents – \$650 million – if the new funding were to stop on November 1. Hochul said Thursday that the state could soften the blow with the emergency aid but cannot backfill the full amount.

New York State Department of Health “Know Your Rights” Resources

The New York State Department of Health is asking for your help with distributing “Know Your Rights” resources from the New York State Office of New Americans (ONA). They ask that you please share with your staff and, to the extent your agency or organization works with the public, to your networks and the general public. You can do this by:

- Distributing the attached and [linked](#) flyer, which includes a QR code that will direct people to the New York State Office of New Americans’ website.
- Distributing the materials and resources from New York State Office of New Americans’ website. If your agency or organization has physical office or building locations accessible to the public (i.e. waiting room, lobby, service delivery location) and you can print and put up the flyer.
- Distributing the link to the New York State Office of New Americans’ “Know Your Rights” webpage: <https://dos.ny.gov/know-your-rights>.

OMIG New York RAC Provider Portal Launched

Performant, the NYS Office of the Medicaid Inspector General's (OMIG) New York Medicaid Recovery Audit Contractor (RAC), has implemented a portal that enables providers to exchange data and information (including PHI) more effectively and efficiently.

The recently established New York RAC – Provider Portal enables providers to receive and respond to correspondence from Performant, on behalf of OMIG. In addition to providing a secure, portal-based solution to receive documents and provide responses, the portal allows providers to download copies in a PDF format that can be easily transferred into their EHR or practice management software. Documents exchanged in the portal are accessible throughout the audit process, which includes 60-days post providers' receipt of a Final Audit Report (FAR). While providers will continue to receive a certified mail copy of the documents as required, these documents that are accessible via the portal prior to receipt of the copy via mail affords providers added time to review and process requested information.

For additional information on the portal, including registration information and guidance, please visit OMIG's website at: [Medicaid Recovery Audit Contractor | Office of the Medicaid Inspector General](#).

Performant's Provider Services team is happy to assist providers that have questions via email at: CustServ@performantcorp.com or by phone at: 866-227-5742, Monday – Friday, 9am to 5pm EST.

NYS Approves The Northeast Supply Enhancement (NESE) Pipeline Project

Earlier today New York Environmental Regulators approved a major Trump-backed underwater gas pipeline in a U-turn for state energy policy.

The state Department of Environmental Conservation issued crucial water permits for the Northeast Supply Enhancement project, which it had rejected three times in the past. At the same time, the DEC announced that the even larger Constitution pipeline, slated to cross New York into New England, would not move ahead. Both pipelines were priorities for President Donald Trump

Governor Hochul said she stood by the DEC's decisions. "We need to govern in reality," she said in a statement Friday. "We are facing war against clean energy from Washington Republicans, including our New York delegation, which is why we have adopted an all-of-the-above approach that includes a continued commitment to renewables and nuclear power to ensure grid reliability and affordability."

NESE is set to be New York’s first new gas pipeline in at least a decade, and by far the state’s largest expansion of fossil fuel infrastructure since passing its flagship climate law in 2019.

Climate advocacy groups called it a betrayal. “Hochul has shown New Yorkers she’d prefer to do Trump’s dirty work rather than protect our waterways from pollution,” said Laura Shindell, New York state director at Food & Water Watch. “She hasn’t kept her promises to fight against skyrocketing energy bills or the climate crisis. But New Yorkers will fight Hochul’s dirty pipeline every step of the way — alongside our communities — until it is stopped for good.”

The DEC’s [letter](#) for the NESE permits did not detail how the pipeline’s construction would meet state water standards when the agency found the opposite five years ago, except noting that burying the pipeline two feet shallower than previously planned would dredge up less toxic sediment. The main permit requires Williams, the pipeline builder, to pay about \$24 million to compensate for damages to fish and clam habitats.

The DEC stated outright that the project is “inconsistent” with the emissions requirements of the state’s climate law but said that mandate was overridden by energy regulators’ September finding that the pipeline was needed to maintain a reliable gas system downstate.

The pipeline is projected to cost upwards of \$2 billion, adding an extra \$7.50 per month to average gas bills for National Grid customers in New York City and Long Island, the utility has estimated.

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

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/>