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RMS End of Week Update 1/23/2026



Governor Hochul Releases Executive Budget for SFY 2027 Focus on A Stronger, Safer, More Affordable New York

Earlier this week Governor Kathy Hochul unveiled the Executive Budget for Fiscal Year 2027. Her stated goals in this budget were to protect taxpayers and New York's economic growth, while preparing for uncertainty from Washington. The proposed budget includes investments to support New Yorkers without raising income taxes. The Executive Budget projects State revenue collection to increase by 9.9 percent and FY27 all funds spending is projected at \$260 billion, an increase of 0.7 percent. Governor Hochul has prioritized maintaining the State's reserves, which are currently at \$14.6 billion for an unexpected downturn or "rainy day." Additionally, New York continues to maintain an AA+ bond rating, which reduces borrowing costs. The proposed Executive Budget does not include any new taxes with the exception of a tax on nicotine products.

"Every dollar in this year's budget is being put to work to fight for families," Governor Hochul said. "While Washington tries to break our budget, we are making smart investments, protecting taxpayers and committing to delivering the services New Yorkers need most. Your family—and your future—is my fight. Together, with my partners in the Legislature, we will protect New York's future and ensure it remains the best place in the nation to raise a family."

We have attached a detailed review separately of the key sections of the Budget regarding Health and Revenue. Below are some highlights from this year's budget:

Affordability

The Governor's plan includes:

- \$4.5 billion total statewide in childcare and Pre-K services, including \$1.7 billion in new investments statewide
- Over \$3.2 billion in childcare vouchers statewide to address waitlists
- \$500 million over two years for NYC's 2-Care program
- \$60 million to pilot childcare programs in Broome, Dutchess, and Monroe Counties
- Enhance and reform the Child and Dependent Care Credit, providing 230,000 filers with an average increase in benefit of \$576

The Governor's Budget also aims to crack down on fraud to lower vehicle insurance rates for New Yorkers, reduce rising home insurance costs by increasing accountability and transparency for insurers and expanding automatic discounts for homeowners and housing providers who invest in damage mitigation measures for their homes or multifamily properties, and tackle utility costs by demanding strict fiscal discipline from utilities, empowering the State to fight more effectively for lower bills. The budget proposal also seeks to eliminate New York State income tax on tipped wages, up to \$25,000 per year. Under the proposal, the benefit will begin when New Yorkers file Tax Year 2026 returns.

Education

The Governor's budget proposes to invest in the next generation with \$39.3 billion in school aid. The proposal seeks to ensure each school district will receive an increase in Foundation Aid—helping

The Governor's plan also includes:

- \$1.6 billion for Universal Pre-K Aid in SY 2027, a \$561M (53%) increase over SY 2026 levels
- \$395 million for year two of the Universal Free School Meals program
- An expansion of back-to-basics learning to math: transforming math learning through quality instruction and professional learning
- \$34 million for library construction grants
- An additional \$90 million in support to maintain a tuition freeze for resident undergraduate students at SUNY and CUNY four-year colleges
- \$12.5 million to expand the free community college program

Access to Health and Mental Health Care

The Governor's budget proposal provides for:

- \$38.2 billion for New York's Medicaid program, including \$1.2 billion this year in federal funding generated through an assessment on Managed Care Organizations (MCOs) that will be disbursed to health care providers and programs, including hospitals, health clinics, nursing homes, assisted living programs, etc.
- \$1 billion in new capital and a minimum of \$330 million in operating funds for the existing Safety Net Transformation Program to support transformative projects that promote financial sustainability and quality of care in New York's safety net hospitals.
- \$750 million in new health care resources to promote access to high quality services provided by hospitals and nursing homes
- \$80 million to protect access to reproductive health care and to secure reproductive health centers
- \$3.2 million to improve cardiac emergency preparedness by establishing regional centers of excellence for CPR training
- \$17.5 million to expand the Teen Mental Health First Aid training to be available to all tenth graders in New York State

Housing

The Governor is committing an additional \$250 million in capital funding to accelerate the construction of thousands of new affordable homes and advancing her historic 'Let Them Build' Agenda which promises to cut red tape and bring critically needed homes to market faster.

The Governor's plan would also invest:

- \$100 million for the MOVE-IN NY homeownership program, which leverages innovative prefabricated technologies to build new homes twice as fast and at lower cost, helping more families move into high-quality starter homes
- \$50 million for the Resilient and Ready program to help homeowners recover from and better prepare for extreme weather events
- \$5 million for the Manufactured Home Park Revolving Loan Fund to finance improvements to critical infrastructure and upgrades for residents
- \$50 million for the Housing Access Voucher Pilot Program (HAVPP), consistent with the four-year pilot, designed to provide rental assistance for housing vouchers for individuals and families who are homeless or who face an imminent loss of housing
- \$40 million for the Homeowner Protection Program (HOPP) to provide legal assistance and housing counseling to help preserve homeownership and protect at-risk homeowners from foreclosure
- \$20 million for lead abatement programs to protect tenants in areas of high risk outside New York City from lead hazards
- \$153 million for the Homeless Housing and Assistance Program (HHAP) to provide capital funding for supportive housing

Safety

The Governor's Budget will invest:

- \$352 million in gun violence prevention funding, of which \$50 million is included for Law Enforcement Technology grants
- \$4.5 million for a new Crime Analysis Center (CAC) in Westchester to reach complete statewide coverage
- \$500,000 to address illegal homegrown guns, which is coupled with legislation to crack down on 3D-printed firearms and DIY machine guns
- \$35 million for Securing Communities Against Hate Crimes (SCAHC) program to protect houses of worship and other vulnerable locations
- \$77 million to continue the partnership with New York Police Department (NYPD) to increase police presence on subway platforms and trains
- \$25 million to increase support for Subway Co-Response Outreach Teams (SCOUT) to engage individuals in crisis and connect them to care, treatment, or shelter
- \$150 million in additional capital funding to complete the construction of a Statewide Emergency Operations Center
- \$6.7 million to support upgrades to forensic laboratories across the state to solve crimes more efficiently
- \$2 million to investigate and build criminal cases against auto insurance scammers and fraudsters
- \$5.3 million in funding to establish a new Urban Search and Rescue capability

Greener Future

The Governor's budget would invest:

- \$3.75 billion five-year commitment to enhancing clean water infrastructure
- \$425 million for the Environmental Protection Fund
- \$200 million for on-going parks capital projects
- \$50 million for EmPower+ Program which helps homeowners save money on energy efficiency upgrades to their homes
- \$33 million for the new Excelsior Power Program
- \$20 million for upgrades to Denny Farrell Riverbank State Park
- \$75 million for the Building Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS) capital grant program to support municipalities and nonprofit organizations in developing community centers that promote physical health, mental well-being, and community connections for youth and older adults.
- \$7 million for projects celebrating the 250th anniversary of the American Revolution
- \$15 million for dairy industry modernization grants
- \$30 million for tariff relief funding to directly support our farmers

Transportation

The Governor's budget includes:

- State Transit Operating Assistance (STOA):
 - Upstate: Funding will increase by 5.75% from 2025-26 levels. The STOA increase is funded mostly from general funds and a slight increase in PTOA funds. Dedicated Mass Transportation Trust Fund appropriations decline by a small amount.
 - Downstate Suburban County: Funding will increase by 7.45% from 2025-26 levels. The increase is funded entirely from state dedicated funds. Downstate funding Includes
 - \$19.4 million for the Lower Hudson Valley Transit Link bus service, a 76% increase from 2025-26.
- MTA: Will receive a total of \$8.6 billion in operating funding. This includes state appropriations to the MTA as well as the payroll mobility tax and other revenue received directly. State appropriations to the MTA total \$4.75 billion, an increase from \$4.41 billion in the 2025-26 budget, and includes \$25 million in state support to expand the Subway Co-Response Outreach Teams (SCOUT). The MTA would also receive \$77 million from the Division of Criminal & Justice Services budget to reimburse NYC for NYPD subway safety patrols.
- \$50 million in funding to design a reimagined Jamaica Station for subway, LIRR, and AirTrain riders
- \$25 million to begin preliminary engineering and design to extend the Second Avenue subway tunnel westward across 125th St to Broadway
- \$6 billion for the fifth year and final year of a record \$34.4 billion DOT Capital Plan which includes:
- \$1.4 billion for local roads and bridges
 - \$648 million for the Consolidated Local Street and Highway Improvement Program (CHIPS)
 - \$140 million for the State Touring Routes Program
 - \$100 million for the Pave Our Potholes Program

Economic Development

The Governor's Budget seeks to make investments in industries to support New York's workers, bolster businesses and build on this economic growth including:

- \$400 million for the NY Works Economic Development Fund
- \$100million for a second round of the Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) Fund to create power-ready sites for advanced manufacturing
- \$200 million for the Downtown Revitalization Initiative and NY Forward
- \$150 million for another round of the Regional Economic Development Council (REDC) program
- \$25 million to establish a new Semiconductor Chip Design Center that links the downstate knowledge economy to upstate manufacturing
- \$10 million to launch the Governor's Manufacturing Modernization Program to support the state's small and mid-sized manufacturers

- \$50 million for the County Infrastructure Grant Program
- \$100 million for the Quantum Research and Innovation Hub at SUNY Stony Brook
- \$60 million to establish four additional Quantum Technology Commercialization Hubs across the state, which will be regional anchors for quantum innovation and high-tech start-ups
- \$65 million for the Bolstering Biotech Initiative to make New York the epicenter of life sciences innovation
- \$10 million for the Saving Performing Arts and Cultural Experiences (NY SPACE) program which will provide grants to help nonprofit performing arts organizations acquire venues
- \$100 million for grants administered by the New York State Council on the Arts
- \$300 million in funding to support economic development and revitalization projects in the City of Rochester and Monroe County, including \$75 million for the creation of a new High Falls State Park in Rochester
- \$6 million for NY Kicks which aims to continue the momentum from the FIFA World Cup 2026 soccer tournament by building lasting infrastructure for outdoor youth recreation and funding programming, equipment, and training to maximize use of these new facilities

Food Access

The Governor's budget aims to bolster food access by including:

- \$66 million for the Hunger Prevention and Nutrition Assistance Program (HPNAP) to expand funding to the State's network of regional food banks and emergency food providers
- \$55 million for the Nourish NY Program
- \$10 million to combat food insecurity through NY PLATES, a new capital grant program for food pantries, food banks, and other hunger prevention organizations
- Upgrading New York's EBT cards to secure chip-based technology that makes cards virtually impervious to mass skimming of Supplemental Nutrition Assistance Program (SNAP) benefits, which will protect New Yorkers from this predatory behavior while the federal administration tries to strip SNAP benefits from as many New Yorkers as possible and turns a blind eye to criminals taking food from vulnerable families

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

To view all of the FY2027 budget materials please click [here](#).

RMS Health/Mental Hygiene Executive Budget Update for SFY 2027

On Tuesday, Governor Kathy Hochul released her SFY 2027 Executive Budget totaling \$260 billion, an increase in spending by 0.7% from the current year budget. It also eliminates a \$4.2 billion budget gap without increasing income or corporate taxes and addresses a \$10.3 billion decrease in federal operating funds. State spending on school aid

would increase by 4.3% and Medicaid would be increased by 11.4% under the Governor's plan. The budget expects to generate \$1.2 billion this year in federal funding through the continuation of the Managed Care Organization (MCO) tax and also assumes a cost of over \$2 billion under the Medicaid Global Cap for individuals who were in the Essential Plan. New York awaits Centers for Medicare & Medicaid Services (CMS) approval of the reactivation of the Basic Health Plan and if approval is granted, the financial plan will be updated to no longer have this \$2 billion cost to Medicaid as coverage for these individuals will shift to the Basic Health Plan. The Legislature also released its joint budget hearings schedule on Tuesday as part of ten-week budget negotiations process to reach a final agreement by April 1, 2026, the constitutional deadline for when a new budget is to be put in place for SFY 2027.

Following our review of the [Executive Budget bills](#), we have developed the linked below and attached sector-by-sector summary of the Governor's Health/Mental Hygiene budget proposal for SFY 2027.

[SFY 2026-27 Executive Budget Health/Mental Hygiene Budget Summary](#)

2026-27 Executive Budget Tax Summary

Governor Hochul outlined her SFY 2027 \$260 billion Executive Budget plan earlier this week. She touted the Empire State's better-than-expected cash position due in large part to Wall Street's success last year. Her plan would leave the highest income tax rates on the state's sizable millionaire and billionaire class untouched. It extends a corporate franchise tax by three years but does not include an increase. Of note the only new revenue raiser is a proposal to tax alternative nicotine products. The chart linked below and attached details each section and savings/cost of the revenue bill.

[Rms Tax And Business Exec Budget Update SFY 2027](#)

Joint Budget Hearings And Testimony Deadlines Announced

Please find below and attached the deadlines to request to testify in the joint budget hearings as well as the deadlines to submit written testimony. While you can submit testimony to multiple hearings you can only request to testify at one. **To request to Testify please click [here](#) or below and click the link for the hearing you wish to testify at.**

Testimony Deadlines

Joint Legislative Hearing & Hearing Date	Request to Testify Due by	Submission of Written Testimony For Individuals Providing Testimony IN PERSON	Submission of Written Testimony ONLY
Week 1			
January 27 Agriculture & Markets/ Parks & Recreation	January 23 at 12pm	January 24 at 12pm	January 27 at 5pm
January 28 Environmental Conservation/Energy	January 23 at 12pm	January 24 at 12pm	January 28 at 5pm
January 29 Elementary Education/ Secondary Education	January 23 at 12pm	January 24 at 12pm	January 29 at 5pm
Week 2			
February 3 Transportation	January 28 at 5pm	January 30 at 12pm	February 3 at 5pm
February 4 Mental Hygiene	January 28 at 5pm	January 30 at 12pm	February 4 at 5pm
February 5 Human Services	January 28 at 5pm	January 30 at 12pm	February 5 at 5pm
Week 3			
February 10 Health/Medicaid	January 28 at 5pm	February 6 at 12pm	February 10 at 5pm
February 11 Local Government/General Government	January 28 at 5pm	February 6 at 12pm	February 11 at 5pm
February 12 Public Protection	January 28 at 5pm	February 6 at 12pm	February 12 at 5pm
Break			
Week 4			
February 24 Higher Education	January 28 at 5pm	February 13 at 12pm	February 24 at 5pm
February 25 1.Labor/Workforce Development 2.Housing	January 28 at 5pm	February 13 at 12pm	February 25 at 5pm
February 26 1.Economic Development/ Arts 2.Taxes	January 28 at 5pm	February 13 at 12pm	February 26 at 5pm

Links To Request To Testify

Date	Day	Time	Hearing	Request to Testify Can be Found at:
January 27	Tuesday	9:30 a.m.	Agriculture/Parks and Recreation	Senate
January 28	Wednesday	9:30 a.m.	Environmental Conservation/ Energy	Senate
January 29	Thursday	9:30 a.m.	Elementary & Secondary Education	Assembly

February 3	Tuesday	9:30 a.m.	Transportation	Assembly
February 4	Wednesday	9:30 a.m.	Mental Hygiene	Senate
February 5	Thursday	9:30 a.m.	Human Services	Assembly
February 10	Tuesday	9:30 a.m.	Health	Senate
February 11	Wednesday	9:30 a.m.	Local/General Government	Assembly
February 12	Thursday	9:30 a.m.	Public Protection	Senate
February 24	Tuesday	9:30 a.m.	Higher Education	Assembly
February 25	Wednesday	9:30 a.m.	Workforce Dev./Labor	Senate
		2:00 p.m.	Housing	Assembly
February 26	Thursday	9:30 a.m.	Economic Dev./Arts	Senate
		2:00pm	Taxes	Assembly

Budget Director Blake Washington Holds Technical Briefing on Governor Hochul's Fiscal Year 2027 Budget Proposal

Following Governor Hochul's briefing on the Executive FY 2027 Budget Proposal Budget Director Blake Washington gave a technical briefing noting that "This year's Budget contemplates a \$260 billion budget, which is a 0.7 percent increase on an all funds basis, or a 5.7 percent increase on a State operating funds basis. State operating funds again is our State source to revenue and capital funding — exclusive of federal aid."

To begin Washington noted a few over threshold issues for the Budget. He stated “Tax increases are not necessary to fund this Budget. In fact, we have receipts on hand, and we project more into next year to provide for the funding that's authorized in this year's Budget. We do have transformative investments in childcare, which we've talked about a lot. Record amounts of school aid and investments in the health sector. And then of course, we continue on the Governor's affordability agenda and investments in housing and infrastructure, economic development — you name it. It's in this Budget and as the days go on, you'll see a lot more of the impact throughout the State of New York... when we were composing the Budget last April and May, we saw a lot of headwinds from federal policy largely. Shifting tax and immigration policy accelerating inflation and we had a federal shutdown of the government post-Budget. But those things were all negative. They all cast pall on the Budget and our revenue projections. And since then, we've defied gravity and we have a surge in high tech investment. Our stock market has made up for all the gains that were lost post liberation day. And it's fueling consumer spending throughout the State of New York.”

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

To view the technical briefing slides please click [here](#).

State Judge Rules New York's Congressional Map Must Be Redrawn

On Wednesday a state judge ordered that New York must redraw its congressional map by early February and cease using its current map, ruling that the state's current 11th Congressional District violates the New York State Constitution and dilutes the votes of Black and Latino voters.

The 11th District, which includes parts of New York City, including the entirety of Staten Island, is currently represented by Republican Rep. Nicole Malliotakis.

The ruling will likely be appealed in an appellate state court and it's unclear if the ruling will stand through the midterm elections in November.

New York adopted its current congressional map in 2024, after [procedural and legal challenges](#) to maps drawn by the state's independent redistricting commission and later the state legislature after the 2020 census. But if it stands, it could be a boon for Democrats in the midterms, potentially allowing them to flip the GOP-held 11th District if it gets redrawn by the redistricting commission in a way that would make it favor Democrats.

Given the already razor-thin margin of power in the U.S. House of Representatives, even one or two districts could mean the difference between one party winning or losing control of the House after the midterms.

House Minority Leader Hakeem Jeffries, a Democrat from New York, sounded a measured but supportive note when responding to the ruling. "This ruling is the first step toward

ensuring communities of interest remain intact from Staten Island to Lower Manhattan. The voters of New York deserve the fairest congressional map possible," he wrote in a statement.

Malliotakis, meanwhile, indicated she may consider appealing the ruling. "We are reviewing the judge's decision and our options to protect the voices of the people of Staten Island and Brooklyn. Nothing changes the fact that this is a frivolous attempt by Washington Democrats to steal this congressional seat from the people and we are very confident that we will prevail at the end of the day," she said in a statement to ABC News.

Judge Jeffrey Pearlman, a Supreme Court justice in New York County, wrote in a ruling Wednesday on a lawsuit brought by voters, who were represented by the liberal-leaning Elias Law Group, that the 11th in New York's current map violates the state's constitution because it dilutes the votes of Black and Latino voters.

"Based on the facts presented by the expert witness reports and on the record, it is clear to the Court that the current district lines of CD-11 are a contributing factor in the lack of representation for minority voters," Pearlman wrote.

Pearlman said that the state's redistricting commission should redraw the 11th District's lines by Feb. 6, based on the request of the New York State Board of Elections that any new map should be finished by then to allow the state to prepare for elections. New York's state primaries are in June.

The order itself focuses mainly on redrawing the 11th District boundaries, but this would impact neighboring districts as well and will result effectively in a new congressional map. Most of the state's districts might not be touched or changed.

Republican groups slammed the ruling, arguing that it will splinter communities in the 11th District and was a ruling made with partisan aims.

"[Gov.] Kathy Hochul and Albany Democrats did not alter this district when they had a chance in 2024. This entire exercise is a cynical attempt to enact an illegal partisan gerrymander under the guise of a voting rights case," New York GOP Chair Ed Cox said in a statement.

"This redistricting decision is a complete sham. They are trying to fracture our community because they don't like how we vote," Staten Island Republican Party Chairman Michael Tannousis said in a separate statement.

Governor Kathy Hochul released a statement in response to the ruling stating "The New York State Constitution guarantees the principles of fair representation, and New Yorkers in every community deserve these protections. The court's decision underscores the importance of these constitutional principles and directs the congressional map be

redrawn by the New York Independent Redistricting Commission, so impacted communities are fully represented and have a voice in our democracy."

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

To view Governor Hochul's statement please click [here](#).

Registration For The New York State Association Of Black, Puerto Rican, Hispanic & Asian Legislators 55th Annual Legislative Conference Open

The New York State Association of Black, Puerto Rican, Hispanic & Asian Legislators, 55th Annual Legislative Caucus Weekend will take place **February 13–15, 2026 in Albany, New York.**

The conference topics include budget, appropriations and taxation; business and economic development; energy, environment and technology infrastructure; civil rights, judiciary and history; community outreach and civic engagement; criminal justice; education and labor; emerging leaders; foreign affairs and national security; women's rights and activism; and culture, music and the arts.

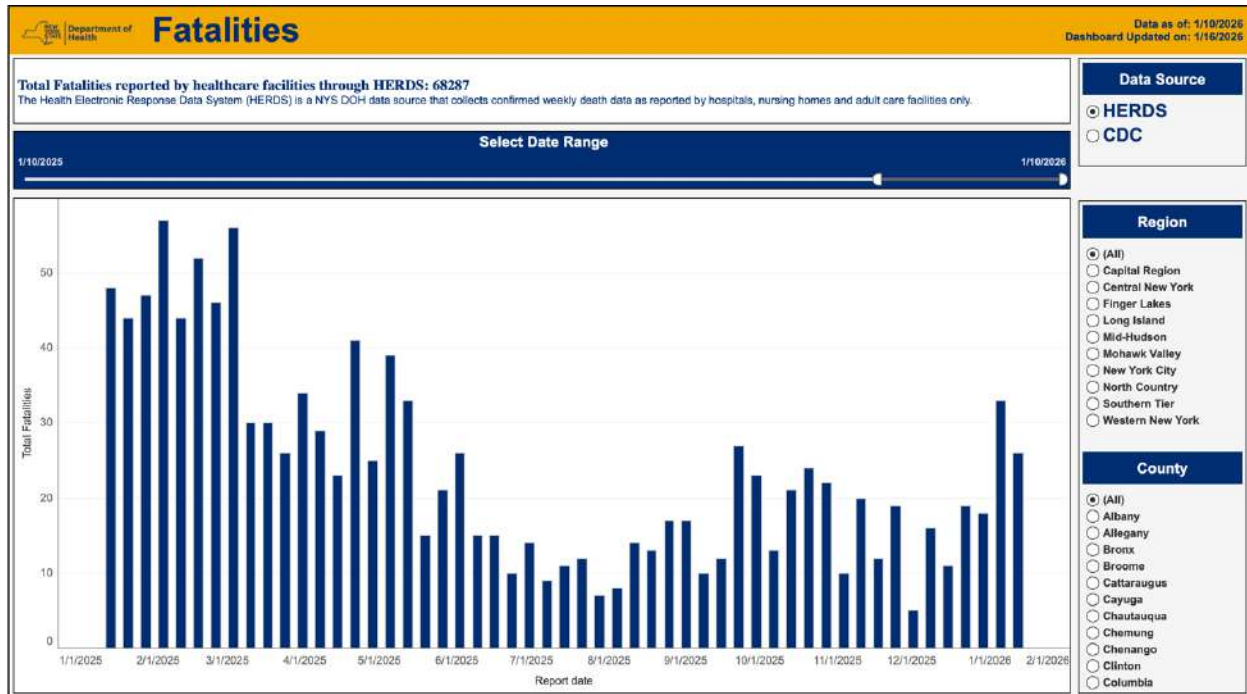
For more information or to register and buy tickets to the conference please click [here](#).

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

[Rms Tax And Business Exec Budget Update SFY 2027](#)

[SFY 2026-27 Executive Budget Health/Mental Hygiene Budget Summary](#)

[Empire State Development Tariff Resource Guide](#)

[Eliminating Distractions In Schools Resource](#)

[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/>