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Guide to the Budget Debate



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Analysis of the Legislature's "One-House" Budgets

The Healthcare Stand-off: Executive and Legislature at Odds over Medicaid

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The one-house budgets reflect a sharp disagreement between the Governor and the legislature on Medicaid spending. The executive budget proposes sharp cuts to several areas of Medicaid spending — most notably home care worker wages — and provides only limited support for financially distressed hospitals.

The Senate and Assembly one-house budgets soundly reject the executive's approach. Both houses' budget proposals reject virtually all of the executive budget's cuts and instead propose substantial rate increases, particularly for hospitals and nursing homes. To pay for their proposals, the one-house budgets propose a new Medicaid tax that would generate $4 billion in additional federal revenue.

The Education Debate: Legislators Counter Executive Spending Restraint

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The fiscal year 2025 executive budget attempts to curb spending growth by restricting school aid to districts across the state, and fails to address SUNY and CUNY deficits.

The Senate and Assembly reject the proposed executive changes to school aid, and add funding above the previously planned increase. While the legislative proposals do not represent transformative investments in the State's education system, they would shore up the precarious fiscal situations facing schools and public universities across the state.

This Year's Housing Debate: Right Direction, but Not Far Enough

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As described in FPI's fiscal year 2025 budget briefing, a comprehensive set of housing policies must address three dimensions of housing needs in the state:

- **Increasing Supply**: ensuring the sufficient supply of market rate of housing, which must involve land use reform (i.e., eliminating restrictive zoning regulations) and may involve incentives or direct investment to stimulate new construction;
- **Protecting Tenants**: protecting existing tenants from market pressures and from predatory acts by landlords; and
- **Building Social Housing**: publicly financing and constructing below-market housing for low- and middle-income households.

Only by addressing each of these dimensions can New York develop enough high-quality housing to meet the needs of all New Yorkers, so that families are able to maintain financial stability as their needs evolve. This table below organizes the current executive and legislative housing proposals into FPI's three pillars of housing, along with commentary on the policy options and ensuing debate.

The Senate's Housing Proposal: An Important Milestone Toward Comprehensive Housing Policy

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The Senate's fiscal year 2025 budget proposal makes substantial progress toward a comprehensive, ambitious housing package. The policies included address the overall supply of housing using a combination of (1) tax incentives for housing, (2) changes to zoning regulations that will allow for more housing construction, and (3) direct spending on new housing development. The Senate also proposes the creation of the New York Housing Opportunity Corporation (NYHOC) to purchase and develop new affordable housing in the state.

Analysis of the Governor's Executive Budget

The Full Budget Briefing

This publication provides analysis of state economic and fiscal trends, tax policy recommendations, and analysis of the executive budget's proposals on education & higher education, healthcare, housing, and climate policy.

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Executive Budget Financial Plan

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National and State Economic Outlook

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State Fiscal Outlook

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Tax Policy

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