

Fact Sheet: NYS Fiscal Year 2025 Enacted Budget

Fiscal year 2025 budget in context

The fiscal year 2025 enacted budget totals \$237 billion, an inflation-adjusted decline of 0.4 percent from fiscal year’s 2024 total budget. In non-inflation-adjusted terms (nominal dollars) this represents an increase from fiscal year 2024’s total budget of \$231.6 billion.

While this increase is a step up from the spending level proposed by the fiscal year 2025 executive budget, it represents continued fiscal restraint. Fiscal year 2025 spending will fall to be on par with fiscal year 2022 spending, after adjusting for inflation. Spending as a share of the state economy is also likely to fall.

State operating funds spending – fiscal years 2021 to 2025, adjusted for inflation

Billions of dollars; adjusted to fiscal year 2025 dollar

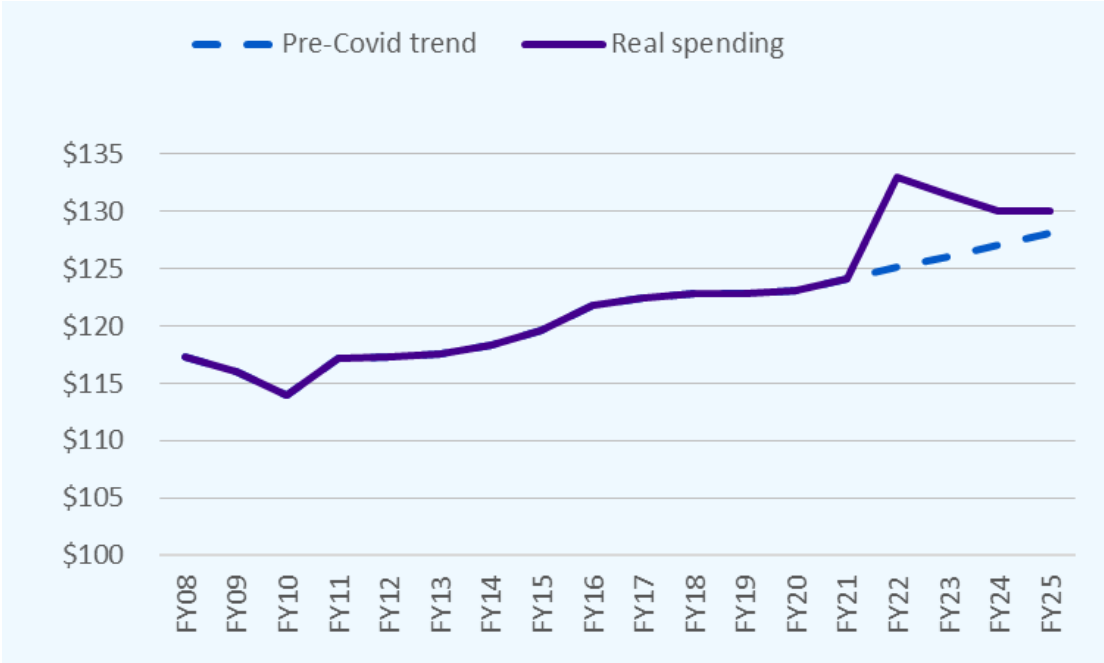
Fiscal year	State Operating Spending	All Funds Spending
2021	\$124.1	\$222.3
2022	\$132.9	\$237.1
2023	\$131.4	\$234.1
2024	\$130.0	\$237.9
2025	\$130.0*	\$237.0

*FPI projection

While the state has not published its state operating funds spending, FPI expects state spending in fiscal year 2025 to be \$130 billion, on par with its fiscal year 2024 level, after adjusting for inflation. FPI’s estimate assumes that fiscal year 2025 federal funding will exceed executive budget projections by \$3.6 billion as a result of the tax on Managed Care Organizations.

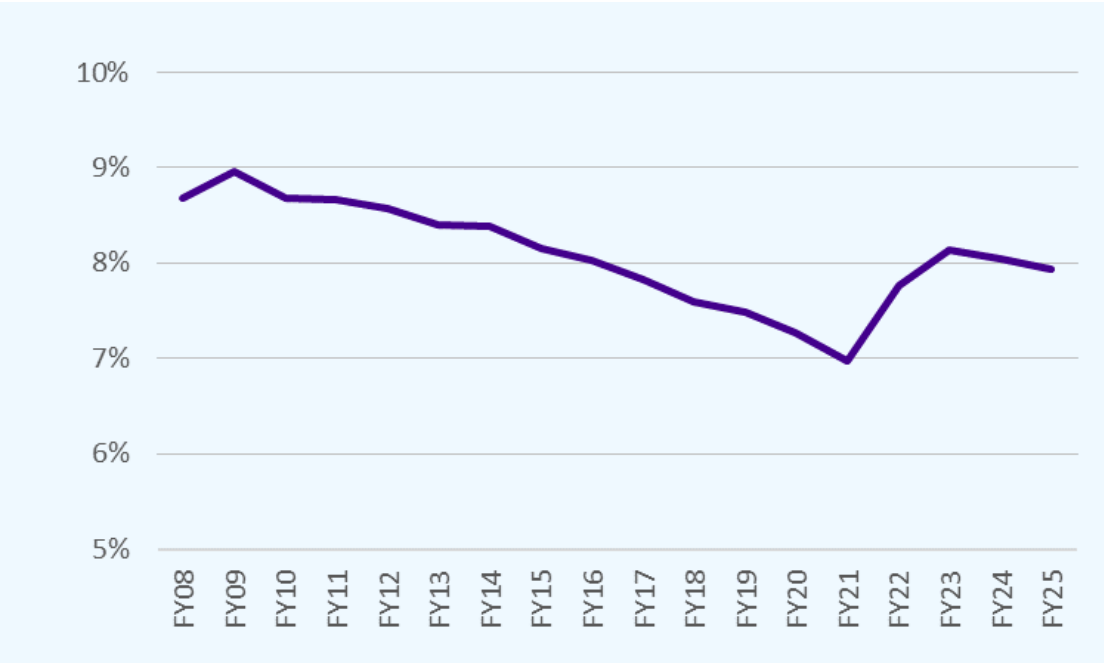
State operating funds spending and pre-Covid trend

Billions of dollars, adjusted to fiscal year 2025 dollars



State operating funds spending as a share of state personal income

Percent of total state personal income



- **Reserves:** The State currently has \$30.7 billion in reserves — [more than any time in its history](#).¹
- **Budget gaps:** The State’s forecasted budget gaps are based on extremely low revenue projections compared to both recent state trends and national economic forecasts.
 - FPI estimates that if state revenue growth over the next three years is about half of its prior ten-year average, or about half of the growth rate expected for the national economy by institutional forecasters, then [State spending will be generally balanced in the future years of the financial plan, and some years will have a surplus](#).
- **Millionaire population:** New York’s millionaire population grew by 27.5 percent (15,100 millionaire households) from 2020 - 2022.

¹ This includes unrestricted general fund balances, but excludes PTET and labor agreement reserves. Fiscal year 2025 executive budget financial plan and March 2024 State Comptroller monthly cash basis report.

Major Housing Proposals

Policy	Executive or legislative	Description	Enacted budget action
Housing Supply			
ANNY	Exec	Replace the 421-a tax incentive for multifamily buildings in NYC	Included, establishes affordability requirements of 20-25 percent of units (which exec delegated to state agency rulemaking); modifies tax benefits, creating differential benefits based on type of building
AHCC	Exec	Tax incentive for office-to-residential conversions in NYC	Included, modified to raise affordability requirements and establishes 35-year tax benefit
FAR cap	Exec	Lift restriction on residential density in NYC	Included, modified to subject newly-permitted buildings to the City's mandatory inclusionary housing affordability requirements
ADU permitting	Different bills from exec and Senate	Permit and incentivize the creation of accessory dwelling units (ADUs)	Included, with Senate proposal to incentivize ADU creation
Legalize basement units	Exec	Proposal would authorize NYC to legalize already-occupied basement apartments	Included, but limited to 15 of 59 community districts in NYC
RUSH-NY	Exec	Build housing on state-owned land	Included capital funding, but rejected authorization for two out of three proposed development sites (all on Long Island)
Upstate tax incentive	Senate	Create tax incentive for multifamily buildings outside NYC	Included

Social Housing			
NYHOC	Senate	Create an authority to develop mixed-income housing	Not included
Foundations for Futures	Assembly	Create limited-equity housing cooperatives	Not included
Tenant Protections			
HAVP	Senate and Assembly	Create a housing voucher program for families facing homelessness	Not included
Good Cause Eviction	Supported by Senate	Require lease renewal unless a “good cause” for eviction exists; cap annual rent increases	Version included that applies to NYC and is opt-in for other municipalities. Allows higher rent increases and includes carve-outs for (i) portfolios of ten units or fewer; (ii) units with rent above 245% of fair market value; (iii) housing built since 2009 (with an exemption lasting 30 years); and (iv) condos and co-ops
Individual Apartment Improvements	Neither		Changed 2019 tenant protection laws to double the amount of capital improvements in a rent-stabilized unit that can be recovered through rent increases from \$15,000 to \$30,000 (or \$50,000 in the case of tenants who have occupied their unit for 25 years)

Major Healthcare Proposals

Policy	Executive or legislative	Description	Enacted budget action
Cuts to CDPAP wages and hours	Exec	Reduce home care costs by cutting workers' wages and imposing a cap on hours for Consumer Directed Personal Assistance Program (CDPAP)	No cuts to CDPAP wages or hours; reformed to limit the number of financial intermediaries administering program to a single intermediary
MLTC reforms	Exec	Cost controls for managed long-term care plans including establishing a procurement process for Managed Long-Term Care plans (MLTC) and elimination of quality pool payments.	Procurement process for MLTC plans not included; elimination of quality pool payments included
SUNY Downstate	Exec, Senate, and Assembly	Exec proposed "transformation plan" to close hospital; Senate proposed a "sustainability plan" to maintain operations	Delayed closure and created committee to make recommendations
MCO tax	Senate and Assembly	Tax -and-rebate scheme on Managed Care Organizations that will generate approximately \$4 billion in new federal funding.	Included, but with no clarity on total revenue expectation; (budget relies on \$350 million from this source in FY25)
Medicaid reimbursement rates to hospitals and nursing homes.	Senate and Assembly	Increased Medicaid reimbursement rates for all providers, including rate increases of approximately 10% for hospitals and nursing homes.	Net increase of approximately 4% for hospitals and nursing homes; precise distribution formula to be

			determined by the department
Financially distressed hospitals	Senate and Assembly	Restores direct operating support to financially distressed hospitals of \$500 million (Assembly) or \$600 million (Senate) state-share which would have been discontinued by the executive budget.	Restores \$550 million
Consumer-focused reforms	Executive	Limits out-of-pocket costs for insulin and requires hospitals to provide expanded charity care to low-income uninsured and underinsured patients.	Included

Major Education Proposals

Policy	Executive or legislative	Description	Enacted budget action
Foundation aid changes	Exec	Changes to school aid formula would restrict spending growth	Not included
SUNY operating support	Senate and Assembly	Greater operating support to SUNY colleges	Rejects legislature's proposed increases in support for campuses; adds \$75 million for central administration
CUNY operating support	Senate and Assembly	Greater operating support to CUNY colleges	\$59 million above exec proposal
Tuition Assistance Program	Senate and Assembly	Expands tuition grant program by raising eligibility thresholds and award levels	Included

Major Climate Proposals

Policy	Executive or legislative	Description	Enacted budget action
Creating Energy-Efficient Buildings			
Affordable Gas Transition Act (AGTA)	Exec; Senate replaces with full NY HEAT Act	Eliminates the “100-ft rule” which passes cost of new gas lines to households; eliminates mandate of new gas lines provided to requesting customers	Not included
Renewable Energy Production			
RAPID Act	Exec	Expedites citing and permitting of renewable energy generation	Included with added protections for agricultural land that may slow citing and permitting significantly
Increases to tax credits available for solar energy adoption, geothermal, and energy storage units.	Senate (Assembly aligned on energy storage units)	State offers up to \$5,000 in tax credits for solar panel and geothermal installation. Senate proposed increasing the max credit to \$10,000 and expanding it to cover energy storage units	Included extension of tax credits to qualified energy storage units (batteries), but did not increase amount of credit
Curbing Industry Emissions			
Restructure and increase clean air permitting fees	Exec (Senate and Assembly propose with modifications)	Modifies air pollution fee structure and establishes the “Air Quality Improvement Fund” under the joint control of the Comptroller and the Commissioner of Taxation and Finance	Included with modifications to executive’s proposed fee structure
Transportation			

Expansion of MTA bus line services	Senate and Assembly	Expansion of free bus pilot program; expansion of Fair Fares program	Not included
Public Transit outside NYC metro-area	Senate	\$79.6 million in additional support for non-MTA transit systems	Enacted legislation adds \$10 million above the executive proposal for upstate transit
Zero-emissions buses	Senate	Require all public transit operators that receive State assistance to purchase only zero-emissions buses and related equipment beginning January 1, 2029	Not included
Climate Adaptation & Transition Justice			
Funding for clean water infrastructure	Exec, Senate, Assembly	Exec at \$250 million (a cut from prior years of \$250 million); Assembly and Senate restored funding to \$500 million	Allocated \$500 million for clean water infrastructure
Climate Superfund	Senate	Imposes one-time tax on companies with high historical emissions and allocates funds to adaptation	Not included