

# 2025 State of the State Summary of Proposals

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## Introduction

On January 14<sup>th</sup>, Governor Kathy Hochul presented her 2025 State of the State address, which included proposals she hopes to accomplish in the year ahead. The sections that follow highlight proposals that may be of interest to county governments. Many of these proposals are expected to be included with more detail in Governor Hochul's State Fiscal Year (SFY) 2026 Executive Budget, which is set to be released on January 21<sup>st</sup>.

## Affordability: Housing

Governor Hochul presented the following proposals to support a more robust and affordable housing market in New York State.

- Establish a down payment assistance program for first-time homebuyers.
- Disincentivize bulk purchases of homes by hedge funds and private equity firms by amending the tax law and creating a waiting period for institutional investors to bid on single- and two-family homes.
- Establish new capital funding to incentivize the building of more starter homes, including the use of factory-built and modular development.
- Allow local governments to opt into providing an affordable homebuyer property tax incentive to bring down costs and increase the supply of homes.
- Create a \$100 million Pro-Housing Supply fund for certified Pro-Housing Communities to assist with infrastructure projects necessary to create new housing, such as sewer and water infrastructure upgrades.
- Provide technical assistance for Pro-Housing Communities.
- Streamline environmental review for modest housing development.
- Empower communities to redevelop vacant properties into housing by strengthening municipal authority to acquire vacant and abandoned buildings and authorizing localities to adopt a tax exemption to incentivize redevelopment of these properties into affordable housing.
- Launch the Mixed-Income Revolving Loan Fund to spur mixed-income rental development outside New York City.
- Double the amount of the tax credits available through the New York State Low Income Housing Tax Credit Program.

## Affordability: General Taxation and Direct Payments

To improve the tax climate in New York, Governor Hochul proposes to:

- Cut middle class taxes by up to 5%. This would benefit families earning up to \$323,200 per year in personal income and is estimated to deliver over \$1 billion in tax relief to more than 8.3 million taxpayers.
- Issue \$3 billion in one-time inflation rebate payments to New Yorkers. Joint tax filers who make less than \$300,000 would receive a \$500 payment, and all single New York taxpayers who make less than \$150,000 would receive a \$300 payment.
- Expand the child tax credit to increase the average credit and provide relief to middle-class families who were previously ineligible. The expansion would be

phased in over two years, starting in 2025 for children under four and extending to older children in 2026.

- Create the New York State Birth Allowance for Beginning Year (BABY Benefit) to provide New Yorkers who receive public assistance a \$100 per month benefit during pregnancy and an additional \$1,200 payment at birth.

## **Agriculture**

To support New York State's agricultural industry, Governor Hochul proposes to:

- Establish the Food and Fiber Small-Scale Processing Grant Program to enhance local food supply chains.
- Integrate agriculture education into public-school curriculum.
- Support the sustainability of the dairy industry through funding research and implementing climate-resilient practices on dairy farms.
- Increase funding for the Farmworker Housing Program to address rising construction costs and program oversubscription.
- Support farmland protection efforts funded by the Environmental Bond Act with new investments in tracking lost farmland and capacity building within land trusts.

## **Economic Development**

To attract and grow businesses and support the workforce, Governor Hochul proposes to:

- Invest in the semiconductor industry and supply chain.
- Launch a new round of FAST NY that prioritizes semiconductor manufacturing and supply chain projects, as well as cleantech and green economy projects.
- Provide Artificial Intelligence (AI) technical assistance to small businesses.
- Refocus the REDC initiative on projects that serve as economic anchors, such as cultural venues, waterfront revitalization efforts, and mixed-use development projects.
- Launch the Promote Opportunity with Electric Readiness for Underdeveloped Properties (POWER UP) program with \$300 million in seed funding for the development of electric capacity to create power-ready sites and attract new businesses.
- Expand public broadband and cell service by launching the Excelsior Broadband Network, a new statewide public broadband network, and the Mobile Service Connectivity Initiative.

## **Education**

To support the training and education New Yorkers need to succeed, the Governor Hochul will:

- Make community college free for students ages 25-55 pursuing associates degrees in high demand occupations, including nursing, teaching, technology, and engineering. The State will cover the costs of tuition, books, and fees for

participants in this program and will increase funding for career support infrastructure to connect students with job opportunities.

- Simplify and expand TAP eligibility for part-time students.
- Create a cybersecurity fellows program with community colleges that places graduates in two-year jobs in state government.

## **Environment and Energy**

Governor Hochul put forth the following series of proposals to protect New Yorkers from extreme weather, support the transition to clean energy, and safeguard our state's water resources.

- Direct over \$1 billion in new spending towards New York's climate agenda.
- Create a new grant program for businesses to replace high-emission refrigeration equipment with low-emission alternatives.
- Identify Clean Energy Zones (CEZs) to encourage the development of regional concentrations of clean electric generation paired with transmission.
- Develop a Master Plan for Responsible Advanced Nuclear Development to guide nuclear project development. New York State will also participate in a multi-state Consortium on Nuclear Energy focused on driving down costs and sharing risks.
- Increase funding for the Rapid Response Home Repair Program and Resilient Retrofits Program to help homeowners prepare for and recover from extreme weather events.
- Allocate Environmental Bond Act funding to a second round of the Green Resiliency Grant (GRG) program, which provides grants for green infrastructure.
- Invest in coastal resiliency through a new Department of State grant program.
- Provide an additional \$500 million for water infrastructure.

## **General Government**

To support today's governmental operations, the Governor proposes that the state will:

- Authorize municipalities to use the Dormitory Authority of the State of New York (DASNY)'s planning, design, procurement and construction management services.
- Mandate reporting of local government cyber incidents. This proposal would require local governments to report cybersecurity incidents and ransom payments through a centralized platform. In addition, the legislation will mandate the reporting of payments made to cybercriminals.
- Require cybersecurity awareness training for all local government employees. The state will cover the cost of this training.

## **Health and Human Services**

To make it more affordable and attractive to raise families in New York, Governor Hochul proposes to:

- Invest \$100 M in capital grants to help fund childcare centers. Counties will be an eligible entity to apply for these funds.

- Create a child care substitute pool to broaden availability of child care.
- Increase dual enrollment in the Supplemental Nutrition Assistance Program (SNAP) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) through a state data-matching process.
- Provide free universal school meals (breakfast and lunch).
- Expand funding to maintain and improve supportive housing.
- Increase funding for counties to address local needs related to Assisted Outpatient Treatment (AOT).
- Provide high school students with teen Mental Health First Aid (MHFA) training.
- Expand access to opioid treatment medications in underserved areas.
- Allow paramedics to administer buprenorphine.
- Enhance veteran suicide prevention initiatives.
- Combat youth homelessness through expanded services and legislation to allow runaway and homeless youth to consent to their own behavioral healthcare.

## **Public Safety and Criminal Justice**

To combat and prevent crime, Governor Hochul proposes to:

- Create a new NYS Crime Analysis & Joint Special Operations Command Headquarters (CA-JSOC).
- Expand Medicaid coverage for pre- and post-release services for juveniles to 21 and for those in foster care, up to 26.
- Discovery reform:
  - Eliminate the incentive to delay discovery challenges.
  - Clarify that information requiring subpoenas in order to obtain is not necessary for certifying discovery compliance.
  - Expand the scope of automatic redaction to include sensitive details such as witnesses' physical addresses and personal data unrelated to the case.
  - Reduce the requirement to provide 48-hour notice before a defendant's statements can be presented to a grand jury to 24 hours.
- Remove the 25-year-old maximum age restriction for law enforcement recruitment and allow non-New York residents to apply for correctional officer positions.
- Introduce legislation to define EMS as an essential service and require counties to ensure all residents have adequate access to these services. The legislation will also require counties to develop a county EMS mapping tool that will allow New York State to identify and fill gaps in coverage.

## **Quality of Life and Infrastructure**

The following proposals were also proposed in the Governor's State of the State address.

- Expand investment in swimming facilities through NY SWIMS. The Governor will increase the allocation by \$50 million for a total funding commitment of \$200 million.

- Invest in playgrounds through a new initiative called New York Places for Learning, Activity and Youth Socialization (NY PLAYS).
- Invest in New York Building Recreational Infrastructure for Communities, Kids and Seniors (NY BRICKS). Municipalities, including counties, can apply for up to \$15 million per project to fund the design and construction of community centers, as well as land acquisition costs.
- Allow the Dormitory Authority of the State of New York (DASNY) to provide design and construction assistance to municipalities.