



FY2026 Enacted Budget Update

Topline Overview

Our initial budget requests for this year were for a 7.8% Targeted Inflationary Increase (TII), establishment of a wage commission to analyze disparities in rates of pay between state and voluntary providers, and increased access to capital funding to better meet the state's climate goals. Unfortunately, only the TII remained in the Enacted Budget, albeit at a much lower level than desired.

However, the advocacy towards transferring rate setting to OPWDD from DOH will continue outside the budget process. We will be working on this goal for the remainder of this session.

Total OPWDD Increases

Total resources for OPWDD (state share only) = \$5.5B = 7.3% increase

\$500M Investment in Rate Increases

Late last month, Governor Hochul and OPWDD announced final rate increases for nonprofit I/DD providers. The 2024-25 budget included \$130M for rate rebasing - \$350M when combined with Federal matching funds. Thanks to our ardent advocacy and collaboration with the state, Governor Hochul's administration leveraged an additional \$500M investment to better align the final provider rates with the true cost of delivering services. These increases are retroactive to July 1, 2024, and will be integrated into the reimbursement rates we receive for delivering services moving forward. Total investment: \$850M All Funds including federal share

2.6% Inflationary Increase

The Enacted Budget includes an across-the-board 2.6% targeted Inflationary Increase for nonprofit I/DD providers, bringing total investment in the OPWDD budget to the full suggested spending cap for FY2025-26. The value of this investment for the field in state share dollars is \$144 million.

\$75M Investment in The Institute of Basic Research

The proposed Executive Budget includes a five-year capital investment of \$75M to renovate and modernize the Institute of Basic Research in Developmental Disabilities (IBR). Located at the College of Staten Island, on the former Willowbrook State School Campus, IBR studies the causes of developmental disabilities, conducts research and offers services to help people with developmental disabilities and their families. The proposed investment includes the development of a Genomics Core facility to allow for the customized identification of genetic causes underlying an individual's developmental disability and creation of space for a Willowbrook learning center.

\$25M for Regional Disability Clinics

The Executive Budget includes \$25 million in capital funding to support the development of Regional Disability Clinics. Funds would support one-time costs for building modifications and equipment designed to increase accessibility and improve quality of healthcare for people with developmental disabilities who access services in Article 16 and Article 28 clinics.

\$53 for Minimum Wage Increases

The proposed budget includes \$53 Million for OPWDD and the Offices of Mental Health and Addiction Services and Supports to meet the new minimum wage requirements, preventing the minimum wage increase from becoming an unfunded mandate for providers.

Article VII Budget Bills

Health & Mental Hygiene

Part K – Updates to Temporary Operator Statute (not included)

Purpose: This bill would amend the Temporary Operator statute which authorizes the Commissioner of Health to place a Temporary Operator in a hospital or adult care facility in certain circumstances, including serious financial instability or conditions that endanger the life, health or safety of patients or residents.

Part W – Nurse Licensure Compacts (not included)

Purpose: This bill would amend the Education Law to allow New York State to enter into an interstate licensure compact for medical professionals, the Interstate Medical Nurse Licensure Compact for registered nurses (RNs) and licensed practical nurses (LPNs). This initiative will promote greater mobility within these professions, helping to attract and retain skilled workers, especially in light of the ongoing staffing challenges facing the healthcare industry.

Part X – Advance Access to Dental Care (not included)

Purpose: This bill would expand the scope of practice for dental hygienists and establish the practice of collaborative practice dental hygiene and enable dental hygienists to handle additional procedures currently within the exclusive scope of dentists.

Part Y – Hospital at Home (not included)

Purpose: This bill would build upon the “Acute Hospital Care At Home” demonstration program from the federal Centers for Medicare and Medicaid Services (CMS) during the COVID-19 public health emergency by authorizing general hospitals to provide care in patient’s homes without obtaining a license as a home care agency. Participating hospitals would be required to submit operating cost data to the Department of Health annually.

Part Z – Make the Preferred Source Program Permanent (passed)

Purpose: This bill would make permanent the amendments to the State's Preferred Source Program that would otherwise expire during 2025. The State's Preferred Source Program was established by §162 of State Finance Law to allow selected providers to be exempted from competitive procurement procedures. Amendments made in 2022 required that preferred sources perform at least 50 percent of the work on purchases made through this program and increased the OGS Commissioner review threshold to \$100,000. These modifications helped promote integrated employment for individuals with disabilities.

The Arc New York has extensively advocated for initial amendments and to make this act permanent.

Part BB – Make permanent the authority for Office of Mental Health and the Office for People With Developmental Disabilities to appoint temporary operators (passed)

Purpose: This bill would allow the Office of Mental Health (OMH) and the Office for People With Developmental Disabilities (OPWDD) the permanent authority to appoint temporary operators to preserve limited resources; ensure the health and safety of patients and individuals; and protect the State's investment in such programs, services, and facilities. This makes permanent the statutory factors used to evaluate circumstances when a temporary operator may be necessary to ensure a program's viability and protect the health and safety of patients and individuals; the duties and responsibilities of a temporary operator; limitations on the temporary operator's liability and the duration of a temporary operator appointment; provisions for notice to the established operator and the available review when the established operator disagrees with the relevant commissioner's intent to appoint a temporary operator; and the continuing obligations of the established operator.

Part CC – OPWDD Managed Care Statute Extender (passed)

Purpose: Extends managed care statutes related to the Office for People with Developmental Disabilities (OPWDD). This bill would amend section 84 of Part A

of Chapter 56 of the Laws of 2013, as amended by section 1 of Part EE of Chapter 57 of the Laws of 2023, to extend statutes related to implementing managed long-term care plans for OPWDD through December. Enactment of this bill is necessary to preserve statutory flexibility if OPWDD was to transition its service delivery system to Managed Care.

Part EE – Involuntary Commitment and Assisted Outpatient Treatment (passed)

Purpose: This bill makes amendments to the standards for involuntary commitment and Assisted Outpatient Treatment (AOT) to better address the needs of individuals with severe mental illness. This bill will provide greater access to critical mental health services and eliminate unnecessary administrative programmatic burdens while protecting due process.

Note: This bill is focused on people being supported by OMH and NOT on people being supported by OPWDD.

Part FF – Targeted Inflationary Increase (passed with 2.6%)

Purpose: This bill would provide a 2.6 percent Targeted Inflationary Increase (TII) for eligible mental hygiene and other human services programs for the period April 1, 2025 to March 31, 2026. The TII will authorize additional financial support to assist not-for-profit providers with increasing costs.

Note: For all intents and purposes, the 2.6% TII should be viewed as a flexible COLA

Education, Labor and Family Assistance (ELFA)

Part O – Permanently Extend Committee on Special Education Financing Structure (passed)

Purpose: This bill enacts into law provisions to make permanent the current structure of financing Committee on Special Education (CSE) residential placements outside of New York City. It amends section 3 of Part N of Chapter 56 of the Laws of 2020 to remove the April 1, 2025 sunset and make these provisions permanent. Part N of Chapter 56 of 2020 eliminated the 18.424

percent State share for residential placements made by a school district CSE outside of New York City and increased the school district's share by an equal amount, from 38.424 percent to 56.848 percent. This Chapter also shifted the 50 percent State share for certain placements to the NYS School for the Blind or the NYS School for the Deaf to the school district. These changes better aligned fiscal responsibilities with the entity that makes the placement decisions and provided parity with New York City's funding structure for CSE placements.

Part R – Authorize the Pass-Through of any Federal Supplemental Security Income Cost of Living Adjustment (passed)

Purpose: This bill would authorize Federal Supplemental Security Income (SSI) benefits to be increased in 2025 to account for the SSI Cost of Living Adjustment (COLA), which stands around 2.5%, and allow those benefits to be further increased in 2026 if federal benefits are increased in the first half of the calendar year. It would also update the Personal Needs Allowance (PNA) for SSI recipients to congregate care and allow for those to be adjusted in 2026 based on any federal SSI COLA in the first half of the calendar year.

Additional Information: Social Services Law (SSL) establishes amounts for the monthly SSI standard of need (the maximum combined federal and state benefit) for all SSI recipients in various living arrangements. The SSL also establishes specific amounts for the PNA for SSI recipients in congregate care.

The bill would increase the standard of need for all SSI recipients based on their living arrangements to reflect the federal SSI COLA. The bill further would provide for the SSI standards of need to be increased in 2026 if the federal SSI benefit is increased in the first half of that calendar year. This bill also would set forth the 2025 PNA amounts for SSI recipients in congregate care, which varies depending on the type of congregate care setting, and to allow those amounts to be automatically increased in 2026 by the percentage of any federal SSI COLA that becomes effective within the first half of the calendar year 2026.

Part V – Expand DOL Enforcement Power for Wage Theft (passed)

Purpose: This bill would expand the Department of Labor's (DOL) enforcement powers by making it easier to collect lost wages and grant DOL additional enforcement powers to collect lost wages when an employer has violated wage payment provisions. Additionally, this bill would authorize the seizure of assets to satisfy employer debt owed to employees. When enforcing wage payment laws, this bill would allow DOL to issue a warrant to the respective county sheriff, commanding it to levy and sell the real and personal property. Upon receipt of the warrant, the sheriff would be required to file with the county clerk within five days and pay any collected funds to DOL within 60 days. These are the same enforcement powers DOL is authorized to use for collection of unpaid contributions owed to the Unemployment Insurance Trust Fund.

Public Protection & General Government

Part J – Create Safer Workplaces for Survivors of Gender-Based Violence (passed)

Purpose: This bill would strengthen and expand gender-based violence workplace policies across New York State agencies and vendors, requiring all New York State agencies and authorities to adopt workplace policies on gender-based violence, while also extending these requirements to state vendors and contractors.

The Office for the Prevention of Domestic Violence (OPDV) would be required to develop and publish a model workplace policy on gender-based violence for State agencies and vendors to use to comply with these provisions.

Part M – Protecting Individuals with Intellectual Disabilities against Trafficking (not included)

Purpose: This bill would add protections against trafficking for individuals with intellectual disabilities and amend the Penal Law to establish that a person is guilty of sex trafficking, a class B felony, if such person intentionally advances or profits from the prostitution of someone with an intellectual disability.

Revenue Bill

Part A – Enact a One-Time Inflation Refund (passed)

Purpose: This bill would create a one-time inflation refund tax credit as a personal income tax credit for certain taxpayers for the 2025 tax year. Taxpayers who were full-year residents in 2023 and whose income in that year was below a certain threshold would receive an advanced payment of a tax credit in 2025.

Part B – Provide a Middle-Class Tax Cut and Extend the Temporary Personal Income Tax (PIT) High Income Surcharge

Purpose: The bill would provide a middle-class tax cut and extend the temporary PIT high income surcharge for three years and would reduce the tax rates paid by married couples with incomes up to \$323,200 who file jointly.

Part U – Expand the Credit for Employment of Persons with Disabilities (passed)

Purpose: This bill would increase the available tax credit for employers who employ persons with disabilities, by amending the Tax Law related to personal income tax and business franchise tax to increase the tax incentive to employers that employ persons with disabilities.

Under current law, the maximum credit per qualified employee is limited to \$2,100. This bill would increase the amount of the credit for taxable years beginning on or after January 1, 2025, to \$5,000 in qualified first-year wages earned by each qualified employee or, alternatively, where the federal work opportunity tax credit applies, \$5,000 in qualified second-year wages earned by each qualified employee.