

# GOVERNMENT RELATIONS

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## THE STATE BUDGET PROCESS



Earlier this year, NYS Governor Kathy Hochul presented her FY2023 Executive Budget. The \$216 billion budget plan includes several bold initiatives focused on pandemic recovery, healthcare, infrastructure, education, small business, and workforce development.

We were pleased to have NYSDOL Commissioner Reardon present a State of the State and Budget Presentation to our membership. Some of the proposals highlighted included:

### Small Business Measures

The Executive Budget includes a new capped refundable tax relief program targeting COVID-19-related expenses for small businesses in New York.

- Up to \$250 million in additional relief to small businesses.
- Eligible COVID-19-related capital investments include, but are not limited to, costs associated with expanding space to accommodate social distancing, HVAC equipment, expenses related to outdoor space expansions, as well as machinery and equipment to facilitate contactless sales.
- Proposal to increase the small business subtraction modification from 5 percent to 15 percent of net business income or farm income, as well as expand the benefit to include pass-through entities with less than \$1.5 million NY-source gross income.

### Workforce Development Initiatives

The Executive Budget includes:

- The Office of Workforce and Economic Development - a new Office of Workforce and Economic Development at Empire State Development to coordinate efforts statewide through the State's Regional Economic Development Councils, and in conjunction with the Department of Labor, the State University of New York, and the City University of New York.
- Significant resources for a package of workforce development initiatives and downtown and community revitalization initiatives that would be coordinated with REDC-driven economic development strategies where appropriate.
- \$11 million in additional funding to improve the MWBE program and ensure timely and efficient processing of MWBE certifications for qualified businesses.

### Education Proposals

- Provide financial aid for workforce credential programs at community colleges for high-demand fields, as well as expand part-time tuition assistance program (TAP) to cover students enrolled in workforce credential programs at community colleges in high-demand fields.
- The Executive Budget includes \$15.6 million to expand childcare to all SUNY and CUNY campuses.

Joint Legislative Hearings have been underway in Albany as the budget process continues. MACNY's Martha Ponge testified before the Joint Legislative Hearing on Workforce Development to highlight our many new workforce development initiatives and to request restored funding of the Manufacturers Intermediary Apprenticeship Program (MIAP). Funding of this successful program has remained flat for the last several years and was eliminated in the 2022-23 Executive Budget. In addition, MACNY President & CEO Randy Wolken testified before the Joint Hearing on Economic Development in support of tax parity for all NYS manufacturers. All hearings have been held virtually.

As the state budget deadline of April 1st nears, the Senate and Assembly have been working to pass their own one-house budgets by considering the public's testimony and the Executive Budget. Following those hearings, Senate/Assembly Joint Conference Committee Hearings take place so that legislators can debate different spending and revenue priorities and negotiate any possible amendments to the Executive Budget. Ultimately, a final State Budget will be debated and passed.

As the 2023 Legislative Session continues, we will keep you up to date on our efforts to support and advocate for the manufacturing industry within Central New York and beyond. Thank you to those of you who have helped such efforts by calling or sending sign-on support letters to the Governor and state legislators regarding tax parity and/or MIAP. As always, we appreciate your efforts.