

## Capital Region Chamber's Budget Summary SFY 2022\*

**We are pleased that the budget includes:**

- \$750 million for the new Wadsworth Lab Center. Now we need to make sure ground is broken and building starts.
- \$1 billion for Small Business Relief & Recovery Assistance (which includes money for restaurants and arts/cultural organizations)
- The continuation of the Middle-Class Tax Cuts
- New round of REDC at \$750 million
- \$644 million public/private investment in offshore wind program (including at the Port of Albany)
- Continued support for the state's \$311 billion infrastructure plan.

**We are disappointed** that that the budget includes an increase in the Corporate Franchise Tax Rate (from 6.5% to 7.25%). In a nutshell, here's why New York's private sector employers are still recovering from the COVID recession, and our recovery to date has lagged behind national trends. At a time when New York State should be promoting economic growth and private sector investment, business tax increases are simply counter-productive and will have an adverse impact on New York employers and employment opportunities.

**The Chamber's Recovery & Equity Agenda Successes:**

**Although we did not get a permanent and broad personal income tax reduction for small businesses, the budget did include \$1 billion for Small Business Relief and Recovery Assistance. However, the current relief package is too restrictive. We will support efforts to broaden the reach of the grant programs, so they are available to more small businesses.**

**\$1 Billion Small Business and Arts Relief and Recovery Assistance:** The FY 2022 Enacted Budget includes a robust \$1 Billion small business, arts, entertainment and restaurant relief package to help businesses and other organizations recover from the impacts of the pandemic:

- COVID-19 Pandemic Small Business Recovery Grant Program: Provides \$800 million in grant funding for small businesses including for-profit arts and cultural institutions impacted by the COVID-19 pandemic.
- New York Restaurant Resiliency Grant Program: \$25 million in grant funding to support restaurants that provide meals to distressed and under-represented communities.
- Arts and Cultural Organization Recovery Grant Program: \$40 million to provide grants through the New York State Council on the Arts to eligible arts and cultural nonprofit organizations to assist in the recovery from the COVID-19 pandemic.
- Restaurant Return-To-Work Tax Credit: Provides up to \$35 million in tax credits to support restaurants hard hit by the pandemic through 2021.
- New York City Musical and Theatrical Production Tax Credit: Provides up to \$100 million in tax credits to jump start the industry and support tourism activity in the City.
- Extend and Enhance the Musical and Theatrical Production Credit for Four Years: In order to support musical and theatrical productions that occur in the State but outside of New York City, the Budget extends this credit for four years through 2025 and increases it by \$4 million to \$8 million.

**We were successful in ensuring increased funding for Workforce Training was included.**

Advance the Economic Recovery through Workforce Development: The FY 2022 Enacted Budget enacts a COVID-19 Recovery Workforce Initiative, which invests \$50 million for training in high-growth industries, employer-driven training for low-income workers and funding for small businesses to re-train and hire furloughed, laid-off or new employees. The investments will provide durable skills that lead to high-quality jobs and support the growth of small businesses recovering from COVID-19 impacts.

**We were successful in getting assistance for restaurants and the tourism/hospitality sectors.**

- New York Restaurant Resiliency Grant Program: \$25 million in grant funding to support restaurants that provide meals to distressed and under-represented communities.
- Restaurant Return-To-Work Tax Credit: Provides up to \$35 million in tax credits to support restaurants hard hit by the pandemic through 2021.
- Extend and Enhance the Musical and Theatrical Production Credit for Four Years: In order to support musical and theatrical productions that occur in the State but outside of New York City, the Budget extends this credit for four years through 2025 and increases it by \$4 million to \$8 million.
- Continued Investment in Tourism: The COVID-19 pandemic caused a precipitous drop in travel, hitting New York's tourism industry particularly hard. As New York State advances its scientific-based reopening efforts, the FY 2022 Budget includes additional funding to attract visitors from around the world and boost the tourism economy. The program includes a ninth round of \$15 million in competitive funding through the Market NY initiative to support marketing projects that promote regional attractions.

**We were successful in getting funding for our performing arts venues.**

- Recovery Grants for Nonprofit Arts and Cultural Organizations: The FY 2022 Enacted Budget includes a new \$40 million fund that will provide general operating support to assist nonprofit arts and cultural organizations as they recover from the impact of the COVID-19 pandemic. The Budget also includes an additional \$20 million for new capital grants to help arts and cultural organizations comply with COVID-19 health regulations, including outdoor performance space projects, flexible seating, HVAC and filtration upgrades. Combining this new funding with the State's annual \$40 million arts grant program, the Enacted Budget will include over \$100 million in grants for arts and cultural organizations through the New York State Council on the Arts.

**We were successful in getting funding for local governments.**

- Secured Federal Support for Local Governments: The Budget includes appropriation authority for local governments to receive Federal support that Governor Cuomo fought tirelessly for. The historic package of \$10.8 billion in Federal aid for local governments is a lifeline to localities, helping to support essential workers and government employees, assist the vaccination efforts, boost local economies and support the network of local government services that New Yorkers depend on.

**We have advocated for school funding that is fair and equitable to all school districts. This year's school funding increased by \$3 billion.**

\$29.5 Billion in School Aid: The FY 2022 Enacted Budget provides \$29.5 billion in State funding to school districts for the 2021-22 school year through School Aid, the highest level of State aid ever, supporting the operational costs of school districts that educate 2.5 million students statewide. This investment represents an increase of \$3.0 billion (11.3 percent)

compared to the 2020-21 school year, including a \$1.4 billion (7.6 percent) Foundation Aid increase. Approximately 75 percent of this increase is targeted to high-need school districts.

**\$13 Billion in Federal Aid to Public Schools:** The FY 2022 Enacted Budget programs \$13 billion of federal Elementary and Secondary School Emergency Relief and Governor's Emergency Education Relief funds to public schools. This funding, available for use over multiple years, will help schools safely reopen for in-person instruction, address learning loss, and respond to students' academic, social, and emotional needs due to the disruptions of the COVID-19 pandemic. The Budget allocates \$629 million of these funds to school districts as targeted grants to support efforts to address learning loss through activities such as summer enrichment and comprehensive after-school programs. In addition, the Budget uses \$105 million of federal funds to expand access to full-day prekindergarten programs for four-year-old children in school districts statewide in the 2021-22 school year.

**We were successful in getting increased funding for childcare.**

**Expand Child Care Availability and Affordability:** The FY 2022 Enacted Budget directs \$2.3 billion in Federal childcare resources to expand the availability, quality and affordability of childcare. Increases in childcare subsidies will expand access, co-pays would be lowered to not more than 10% of family income above the poverty level and essential workers would receive childcare tuition support. Childcare providers would receive \$1.3 billion in stabilization grants to support expenses, as well as additional funds for cleaning and safety. Further investments would be made to increase capacity in childcare "deserts" and help parents find the childcare provider that's right for them.

**Enact Employer Child Care Credits:** The FY 2022 Enacted Budget enhances the Excelsior Jobs Program and Employer Provided Child Care Credit, providing meaningful incentives to employers to help them provide much needed childcare to their employees. The Excelsior Jobs Program is enhanced to allow for an expanded up to five percent Investment Tax Credit component and a credit up to six percent of ongoing net childcare expenditures provided by the credit recipient. The Employer Provided Child Care Credit is also enhanced by doubling the current credit percentages to 50 percent of qualified childcare expenditures and 20 percent of qualified childcare resource and referral expenditures while increasing the per taxpayer cap from \$150,000 to \$500,000.

**We were successful in getting an increase in Tuition Assistance Program Funding.**

**Increase Maximum TAP Award by \$500:** The Enacted Budget includes \$88 million to raise the maximum TAP award from \$5,165 to \$5,665, increasing TAP awards for approximately 185,000 New York residents attending public and private colleges in New York.

**Enact a TAP Gap Funding Plan:** The Enacted Budget includes a four-year plan to fund the gap in financial aid between TAP and tuition that is covered by SUNY and CUNY tuition credits. The plan gradually increases State support to fully cover an estimated \$158 million in annual TAP tuition credits by the 2024-25 academic year.

**We were successful in getting increased funding for community colleges.**

**Increase Aid to Community Colleges by \$50 Per Student with a Funding Floor:** The Enacted Budget increases community college formula aid from \$2,947 per student to \$3,197 per student and includes a funding floor at 98 percent of prior year formula aid. These changes will provide an additional \$25 million in State support to over 200,000 community college students in the 2021-22 academic year.

**We were successful in having the Middle-Class Tax Cut continued.**

Continuing Middle Class Tax Cuts: The FY 2022 Enacted Budget continues to lower Personal Income Tax rates for middle-class New Yorkers. In 2021, the fourth year of the multi-year tax cuts enacted in 2016, income tax rates have been lowered from 6.09% to 5.97% for taxpayers filing jointly in the \$43,000-\$161,550 income bracket, and from 6.41% to 6.33% in the \$161,550-\$323,200 income bracket. These cuts are expected to save 4.8 million New Yorkers over \$2.2 billion this year. When the cuts are fully phased in, middle class taxpayers will have received an income tax rate cut up to 20 percent, amounting to a projected \$4.2 billion in annual savings for six million filers by 2025. As the new rates phase in, they will be the State's lowest middle-class tax rates in more than 70 years.

*\*(Source for dollar amounts and budget initiative details: [www.governor.ny.gov](http://www.governor.ny.gov))*