



*“No Man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hour of labor short enough so that after his day’s work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load” Governor Theodore Roosevelt.*

## *In The News-New York State*

### **Governor Unveils 2027 Spending Plan**

Governor Kathy Hochul this week laid out her plans for a stronger, safer, more affordable New York as she unveiled the Executive Budget for Fiscal Year 2027. Built to protect taxpayers and New York’s economic growth,

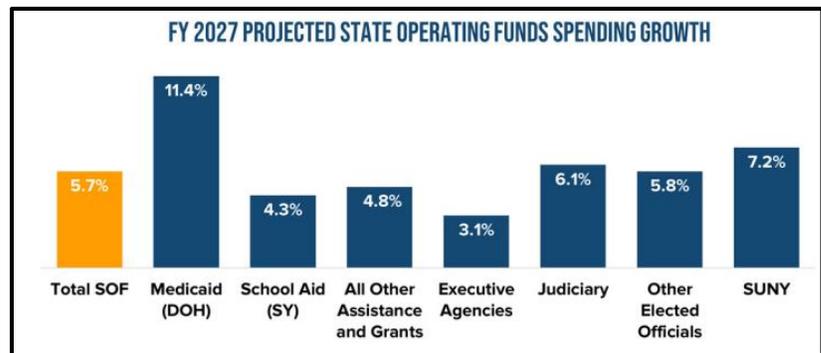


The Executive Budget proposal is estimated to drive All Governmental Funds spending to \$260 billion in FY 2027, an increase of \$1.6 billion or 0.7 percent compared to the revised current year estimate.

This year's Budget contemplates a \$260 billion budget, which is a 0.7 percent increase on an all-funds basis, or a 5.7 percent increase on a State operating funds basis. State operating funds again is our State source to revenue and capital funding — exclusive of federal aid.

Total Medicaid and Essential Plan spending is expected to be \$122.9 billion in FY 2027. This includes \$65 billion in Federal spending and \$48.5 billion in State spending.

The Executive Budget provides \$39.3 billion in total School Aid for SY2027, the highest level of State aid in history. This investment represents a \$1.6 billion (4.3 percent) year-to-year increase, including increases of \$779 million (3 percent) in Foundation Aid, \$561 million (52.5 percent) in Universal Prekindergarten Aid, and \$287 million (2.8 percent) in all other School Aid programs.



The FY 2027 Executive Budget provides a \$779 million (3 percent) increase in Foundation Aid. This growth fully funds the current formula and ensures that each school district receives at least a 1 percent year-to-year increase, bringing Foundation Aid to a total of \$27.1 billion for SY 2027.

The Executive Budget includes a Targeted Inflationary Increase of 1.7 percent to voluntary operated providers of services for OPWDD, OMH, OASAS, Office of Children and Family Services (OCFS), Office of Temporary and Disability Assistance (OTDA), and the State Office for the Aging (SOFA).

The FY 2027 State Operating Cash Estimate of \$3.2 billion reflects an increase of \$199 million (6.7%) over FY 2026. The increase includes \$150 million (5%) to support existing operations and the annualization of State-funded Medicaid spending is projected to reach \$38.7 billion, more than triple what it was in 2011.

Implements a managed care organization tax to leverage federal Medicaid funding, generating an estimated \$2.25 billion in net state revenue over five quarters following federal restrictions. Expands the Safety Net Transformation Program with \$1 billion in capital funding and at least \$330 million in operating support to strengthen safety-net hospitals.

Provide \$750 million in additional state support for hospitals and nursing homes, which with federal matching will total \$1.5 billion.

Future budget gaps are estimated at \$6 billion in FY 2028, \$9 billion in FY2029, and \$12.5 billion in FY 2030

Clean Water Infrastructure Funding. Governor Hochul is committing an additional \$3.75 billion - \$750 million per 59 ENVIRONMENT, ENERGY, & AGRICULTURE year for five years - in clean water infrastructure funding, bringing New York's total clean water investment to \$10.4 billion since 2017

One of the single largest increases in the budget will support Hochul's plan to expand child care subsidies across the state at a cost of \$4.5 billion, up from \$1.7 billion for the current fiscal year.

The governor wants to expand pre-K for 4-year-olds statewide and begin a program for 2-year-olds in New York City. The budget proposal also includes funding for the final year of Hochul's \$25 billion, five-year housing plan. The initiative's goal is to create and preserve 100,000 affordable homes throughout the state's current initiatives. An additional \$49 million (1.7%) is included to address

Allocates \$9.6 billion for transit systems across the state, with nearly all but \$1 billion of that going to the Metropolitan Transportation Authority (MTA). The remaining funds include \$370 million for upstate transport systems (a 5.8% increase for the region) and \$640 million for downstate transit services not including the MTA

Spending for New York public safety agencies is projected at \$8.25 billion. Those agencies include State Police, Department of Corrections and Community Supervision, Division of Criminal Justice Services, Division of Homeland Security and Emergency Services and Division of Military and Naval Affairs.

I need to underscore something Blake just talked about. New York State is receiving \$17 billion in revenue over the next two years that exceeds earlier projections. That's \$17 billion from high income earners, from record Wall Street bonuses. and from an economy that's booming again.

Governor Hochul's Executive Budget proposes several actions to improve affordability, speed housing construction, expand childcare opportunities, mitigate food insecurity, address energy costs and invest in clean water. While commendable, the state's long-term fiscal challenges persist, as spending growth remains above inflation and the state's economy and finances continue to be disrupted by actions taken in Washington. Out-year budget gaps are estimated to be \$27.5 billion.

State Comptroller: "Policymakers will face a complicated task crafting a budget this year given the heightened uncertainty in the economy and the prospect of even more unfavorable federal policy changes. It will be important to evaluate how budget proposals impact the costs businesses and residents are facing while also protecting essential programs and services that New Yorkers rely on.

"My office will release a more detailed analysis of the Executive Budget in the coming weeks."



## **New York State Legislative Fiscal Committees Executive Budget Hearings**



| Date        | Day       | Time    | Hearing                                      |
|-------------|-----------|---------|--|
| January 27  | Tuesday   | 9:30 AM | Agriculture & Markets/<br>Parks & Recreation |
| January 28  | Wednesday | 9:30 AM | Environmental Conservation/Energy            |
| January 29  | Thursday  | 9:30 AM | Elementary Education/<br>Secondary Education |
| February 3  | Tuesday   | 9:30 AM | Transportation                               |
| February 4  | Wednesday | 9:30 AM | Mental Hygiene                               |
| February 5  | Thursday  | 9:30 AM | Human Services                               |
| February 10 | Tuesday   | 9:30 AM | Health/Medicaid                              |
| February 11 | Wednesday | 9:30 AM | Local Government/General Government          |
| February 12 | Thursday  | 9:30 AM | Public Protection                            |
| February 24 | Tuesday   | 9:30 AM | Higher Education                             |
| February 25 | Wednesday | 9:30 AM | Labor/Workforce Development                  |
|             |           | 2:00 PM | Housing                                      |
| February 26 | Thursday  | 9:30 AM | Economic Development/ Arts                   |
|             |           | 2:00 PM | Taxes  |

## DiNapoli: Administrative Streamlining Can Strengthen Fragmented NYC Child Care Programs

A new [report](#) by State Comptroller Thomas P. DiNapoli analyzes New York City’s child care services for those under the age of five, including the demand for these programs and current measures of success, and found there are opportunities to utilize existing data to increase the cost efficiency of programs and direct expansion efforts based on the greatest need.

“The rising cost of child care, especially for children under five, is a major affordability issue facing New Yorkers, forcing many parents to choose between working and taking care of their children,” DiNapoli said. “Governor Hochul’s recently unveiled child care expansion proposal, supported by Mayor Mamdani, is laudable and aims to provide services to tens of thousands of additional children across the state in the next two years and grow over time... My office has found that existing programs in New York City are fragmented and data on outcomes and cost can be better utilized so expansion efforts are done in a cost-efficient manner and are directed to those most in need.”

According to the Comptroller, funding for the expansion of both 3-K and child care vouchers was initially backed by one-time federal resources, which the city (and to a lesser extent, the state), has slowly absorbed in recent years. The city will need to identify new resources, or redirect existing resources, to pay for further expansion, which comes at a higher cost to care for infants and toddlers.

The cost of expanding child care will vary widely based on services provided, provider types, hours and days of service and the number of seats provided, among other factors. Based on current costs and utilization rates, Comptroller DiNapoli's report estimated expansion could cost between \$2.7 billion to \$8.2 billion, excluding additional costs for services for children with disabilities. The wide range reflects the significant variability in cost-driving factors, such as the types of services provided and the number of children who receive care.

Comptroller DiNapoli recommended officials look at streamlining program administration, improving public engagement and outreach and lowering the per-participant cost of services provided across the age spectrum by improving standardization of services and reducing unfilled seats. The report found inconsistencies in information available to applicants and that the fragmentation of programs made it difficult to compare the cost effectiveness of care across services offered.

The report also notes that phased implementation has several operational and financial benefits that should improve the efficiency of any expansion of child care services, including addressing training and staffing needs, physical capacity expansion in child care deserts, more responsive application and administration processes, and a reduced chance of mismatch between demand and supply which could lead to more unfilled seats and higher costs. A summary of the number of children under five and two-year-olds by neighborhood are included in the report.

DiNapoli's report on the city's child care services for children under the age of five also found:

- The city's Administration for Children's Services (ACS) and DOE provided child care and early childhood education programming to nearly 160,000 under the age of five in Fiscal Year (FY) 2025, equal to about 35% of the city's 2024 under-five population.
- The cost of providing services to children under five in FY 2025 was about \$3.2 billion, or nearly \$20,000 per child, excluding cost of special education Pre-K services.
- Monthly ACS vouchers in use by children under five increased from an average of 29,615 in FY 2023 to 52,027 in FY 2025. Through the first four months of FY 2026, this figure increased to 64,129 vouchers in use.
- Total enrollment in the city's 3-K and Pre-K programs declined in FY 2025, suggesting the programs may be reaching a saturation point or programs are competing with vouchers. Unfilled seats across both programs exceeded 23,000 in FY 2025.
- Participation in child care programs for children under five is not uniform across all ages, as program coverage is available to about 86% of all three- and four-year olds, but only 13% of children under the age of three.

***In The News-New York City***

## **Mamdani Administration Bans Hotel Hidden Fees and Unexpected Credit Card Holds**

The Mamdani administration issued a final rule banning hotels across the city and country from charging consumers “hidden junk fees”—often labeled as “destination fees,” “resort fees,” or “hospitality service fees”—as well as unexpected credit card holds or deposits.

Mayor Zohran Mamdani joined Commissioner Sam Levine and business, consumer and labor leaders to announce DCWP’s [final rule](#) banning junk fees on hotel stays. According to the Mayor, this rule will protect both consumers coming to New York City, and New Yorkers traveling elsewhere around the country.

Economists estimate that banning hotel junk fees will save consumers more than \$46 million in 2026. The final rule goes into effect in New York City on February 21, 2026. In 2025, DCWP received over 300 complaints from consumers related to hidden hotel fees or unexpected holds.

To address this problem, DCWP [proposed](#) a rule modeled on a Federal Trade Commission (FTC) [rule](#) that makes it a deceptive trade practice under the City’s Consumer Protection Law to offer, display or advertise a price for a hotel without clearly and conspicuously disclosing the total price of the stay, including all mandatory fees. The new rule goes a step further than the FTC's rule requiring transparency on mandatory credit card holds or deposits taken as well.

“Whether you’re visiting the five boroughs for the World Cup or leaving our city for a well-deserved vacation, you deserve to know how much a hotel costs up front. This new rule will ensure that New Yorkers and visitors alike are not stuck paying hidden hotel fees, and will instead save millions of dollars each year,” said Mayor Zohran Kwame Mamdani. “In just three weeks, our administration has made it clear that deceptive business practices do not have a home here—and that City Hall will always fight for New Yorkers to know exactly what they’re paying for.”

“This final rule delivers on affordability—for New Yorkers traveling across the country to see the World Cup, and visitors who want to experience our incredible city,” said DCWP Commissioner Sam Levine. “DCWP will use its full enforcement authority to ensure hotels comply with the laws and rules of our city and we will be vigilant to ensure consumers have transparency in their transactions and that workers’ rights are respected.”

## ***Briefs***

### **NYS DMV Prepares for Launch of New, Modernized System**

The New York State Department of Motor Vehicles today announced that it will be rolling out the first segment of its new, modernized technology system to give customers better and more streamlined service, and to help DMV staff serve New Yorkers more efficiently.

The rollout of the new technology is set to take place over the long Presidents Day weekend. Beginning on Friday, February 13 at 2:00 p.m., all DMV offices will close for business, and DMV online transactions and phone services will be unavailable. DMV operations, including full service in-person, online and over the phone services are expected to resume at the start of business on Wednesday, February 18. This brief interruption will allow for the new system to be implemented and tested to ensure the successful resumption of services.

## **Speaker Heastie Announces Staff Appointment**

Speaker Carl Heastie this week announced that he has appointed Alana Sivin to serve as counsel to the Speaker of the New York State Assembly.

“Alana is a talented individual who joins the Assembly with vast experience addressing some of our state’s most challenging and complex criminal justice issues,” said Speaker Heastie. “I know she will be a vital asset to our team and will continue to serve the people of New York well as we keep moving our state forward.”

Sivin most recently served as director of the Greater Justice New York Initiative at the Vera Institute of Justice. Prior to that she was New York State director for criminal justice reform at FWD.us. She previously served as senior advisor at A More Just NYC and senior legal analyst at The Justice Collaborative. She started her career as a staff attorney and legal recruiter at New York County Defender Services and later served as senior legislative counsel to the New York City Council’s Committee on Criminal Justice.

She earned a juris doctorate from Brooklyn Law School and a bachelor’s degree in political science from Columbia University.

## **Mayor Mamdani Restarts Just Home Supportive Housing Initiative**

Mayor Zohran Mamdani announced his administration’s commitment to advancing Just Home, serving formerly incarcerated New Yorkers with complex medical needs on the campus of NYC Health + Hospitals/Jacobi. The 100% affordable housing project will create 83 new apartments in an underutilized building on the Bronx hospital grounds.

In addition, later this week, the NYC Health Department will update a Request for Proposals as part of the Justice-Involved Supportive Housing (JISH) initiative to put the city on a path to more than 350 supportive homes for justice-involved New Yorkers in the coming years. The Fortune Society will serve as the developer and service provider for Just Home.

## **NYC Comptroller Levine Projects \$2.2 Billion Budget Shortfall in Fiscal Year 2026 and \$10.4 Billion in Fiscal Year 2027**

New York City Comptroller Mark Levine announced that the City faces a \$2.2 billion budget shortfall for FY2026 and a projected \$10.4 billion gap for FY2027.

“As the state and city budget cycles begin, we find ourselves confronting a \$2 billion deficit for the current fiscal year, and a \$10 billion gap for the coming year. This wasn’t caused by a bad economy—it’s the result of budgeting decisions from the previous administration that we must now deal with,” said New York City Comptroller Mark Levine. “In February, Mayor Mamdani and his administration will have the difficult responsibility of producing a balanced preliminary budget.”

According to the Comptroller, the city’s economic outlook, though showing signs of potential weakness particularly in the labor market, does not account for this budget shortfall. The U.S. economy has continued to grow, and in New York City indicators like tourism, Broadway, commercial leasing, and the benefits of a strong stock market are driving continued strong revenues in New York City.

Comptroller Levine emphasized that the Adams Administration’s FY26 spending levels, which exceed revenue, and failure to properly budget for known, re-occurring expenses, have led to unusually high budget deficit projections for FY26 and FY27.

## **Mayor Zohran Mamdani Appoints Tricia Shimamura as NYC Parks Commissioner**

Mayor Zohran Mamdani appointed Tricia Shimamura as Commissioner of the New York City Department of Parks & Recreation. Shimamura currently serves as Manhattan Borough Commissioner for NYC Parks Department and brings more than a decade of experience advancing major infrastructure projects and working closely with communities across New York City to deliver for working people.

As Manhattan Borough Commissioner, Shimamura expanded community outreach, led the agency’s on-the-ground response to the Inwood Hill Park fires in the fall of 2024, and oversaw the reopening of Phase 1 of East River Park. Her career reflects a commitment to listening to New Yorkers and delivering results for working people.

As Director of Government Relations at Columbia University, she spearheaded an ambitious vote-by-mail initiative for more than 20,000 students during the COVID-19 pandemic. She also served as Deputy Chief of Staff to Congresswoman Carolyn Maloney, where she helped advance critical infrastructure projects including the East River Esplanade and Phase 1 of the Second Avenue Subway.

The NYC Parks Department oversees more than 30,000 acres of land — nearly 14 percent of New York City — providing essential public spaces that millions of New Yorkers rely on every day. Shimamura brings extensive experience managing large-scale public operations and navigating crises.

## **NYS Supreme Court Justice Rules NY’s 11 Congressional District Lines Unconstitutional**

A New York judge ruled Wednesday that Rep. Nicole Malliotakis’s congressional district was unconstitutionally configured and ordered the state’s Independent Redistricting Commission to create a new map ahead of the 2026 midterms.

Acting New York state Supreme Court Justice Jeffrey Pearlman, ordered the independent commission to redraw a new map by February 6<sup>th</sup>. The congressional district includes Staten Island and some of southern Brooklyn.

# ***Coming Up***

## ***New York State***

***Tuesday, January 27<sup>th</sup>***

***New York State Senate Session,***  
Senate Chamber – New York State Capitol, Albany, 3 p.m.

***New York State Assembly Session,***  
Assembly Chamber – New York State Capitol, Albany

***Joint Legislative Public Hearing on 2026 Executive Budget Proposal – Topic:***  
***Agriculture/Parks and Recreation,***  
LOB Hearing Room B, Albany, 9:30 a.m.

***Wednesday, January 28<sup>th</sup>***

***New York State Senate Session,***  
Senate Chamber – New York State Capitol, Albany, 11 a.m.

***New York State Assembly Session,***  
Assembly Chamber – New York State Capitol, Albany

***Public Hearing – Horseshoe Crab Management Practices,***  
Roosevelt Hearing Room C, 2<sup>nd</sup> Floor, Albany, 10 a.m.

***Joint Legislative Public Hearing on 2026 Executive Budget Proposal – Topic:***  
***Environmental Conservation,***  
LOB Hearing Room B, Albany, 9:30 a.m.

***Thursday, January 29<sup>th</sup>***

***Joint Legislative Public Hearing on 2026 Executive Budget Proposal – Topic:***  
***Elementary & Secondary Education,***  
LOB Hearing Room B, Albany, 9:30 a.m.

## ***New York City***

***Monday, January 26<sup>th</sup>***

***Subcommittee on Zoning and Franchises,*** 250 Broadway – 8<sup>th</sup> Floor – Hearing Room 1, 11 a.m.

***Tuesday, January 27<sup>th</sup>***

***Committee on Sanitation and Solid Waste Management,***  
250 Broadway – 8<sup>th</sup> Floor – Hearing Room 2, 11 a.m.

***Subcommittee on Landmarks, Public Sitings, Resiliency and Dispositions,***

250 Broadway – 8<sup>th</sup> Floor – Room 1, 11 a.m.

*Committee on Health*, 250 Broadway – 8<sup>th</sup> Floor – Room 3, 1 p.m.

*Committee on Contracts*, 250 Broadway – 8<sup>th</sup> Floor – Room 2, 1 p.m.

*Committee on Mental Health and Addiction*, 250 Broadway – 8<sup>th</sup> Floor – Room 1, 1 p.m.

### ***Wednesday, January 28<sup>th</sup>***

*Committee on Land Use*, 250 Broadway – 8<sup>th</sup> Floor – Room 1, 12 p.m.

### ***Thursday, January 29<sup>th</sup>***

*Committee on Finance*, 250 Broadway – 8<sup>th</sup> Floor – Room 1, 10:30 a.m.

*City Council Stated Meeting*, Council Chambers – City Hall, 1:30 p.m.

### ***Friday, January 30<sup>th</sup>***

*Committee on Transportation and Infrastructure*, 250 Broadway – 8<sup>th</sup> Floor – Room 1, 10 a.m.

*Committee on Education*, 250 Broadway – 8<sup>th</sup> Floor – Room 3, 10 a.m.

*Committee on Governmental Operations, State & Federal Legislation*,  
250 Broadway – 8<sup>th</sup> Floor – Hearing Room 2, 10 a.m.

*Committee on Children and Youth*, 250 Broadway – 8<sup>th</sup> Floor – Hearing Room 2, 1 p.m.

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