



HUMAN SERVICES



Too many families across the State are struggling to make ends meet. The FY 2026 Executive Budget builds on Governor Hochul's work to address higher living costs and help families get ahead. By further encouraging housing growth, the State aims to lower the cost of housing and make a permanent home more obtainable for people across the income spectrum. Investments to stabilize the child care industry and expand access ensures more families have high-quality options for child care and more money in their pockets at a time when it's most needed. The Budget also enhances programs that provide lifeline support for vulnerable New Yorkers, bolster social and economic justice, and open doors to opportunity.

New York's human services agencies provide holistic support across a variety of program areas designed to ensure the safety and well-being of the State's most vulnerable residents, advance housing stability, connect families to child care, provide Unemployment Insurance benefits, safeguard workers' rights, and support New York's veterans and their families.

The **Office of Temporary and Disability Assistance (OTDA)** and the **Office of Children and Family Services (OCFS)** oversee programs that support and provide financial assistance to elderly and disabled persons who are unable to work; services for public assistance recipients to prepare for and secure employment; child support enforcement; child care assistance to assist low- and middle-income working families; protective services for children and adults; and services for at-risk youth in communities, local detention centers, and State-operated facilities.

Homes and Community Renewal (HCR) preserves and creates affordable housing while promoting community development. The **Office of National and Community Service (NCS)** supports community service grants that provide public health services, youth education, assistance to individuals with disabilities, and disaster preparedness.

The **Department of Labor (DOL)** protects workers, operates the State's Unemployment Insurance system, and promotes workforce development. The Division of Human Rights (DHR) protects civil rights in the areas of employment, housing, public accommodations, education, and credit.

The **Department of Veterans' Services (DVS)** connects veterans, members of the armed forces, and their families to the economic, medical, and social benefits and services they have earned through active-duty military service.

EXPANDING AFFORDABILITY AND OPPORTUNITY

Housing Creation and Access

Governor Hochul has remained focused on the impact the housing crisis is having on New York. In communities across the State, families and individuals at all income levels, all ages and phases of life, are struggling to find or remain in a stable, affordable home.

The fundamental cause of the housing crisis is lack of supply – there are more people that wish to live in New York than there are homes. The single most important thing New York can do to alleviate this crisis is to create more housing.

Governor Hochul has taken bold steps to encourage housing growth and support local governments who take tangible steps to address the crisis. Starting with her Executive Orders, she created the Pro-Housing Community Program to provide priority consideration for up to \$650 million in State discretionary funds to localities committed to housing growth.

Building on this momentum, the FY 2025 Budget achieved a landmark housing deal that ended decades of inaction. It enacted several initiatives to address New York's housing crisis by encouraging increases to the housing supply, expanding affordability, protecting tenants and homeowners, and improving housing equity. Such actions included incentives to turn hotels, commercial buildings, and unused State-owned facilities into housing; tax incentives to create new housing in New York City and in the rest of the State at local option; authority to lift outdated restrictions on residential density in New York City; a pilot program to legalize existing basement and cellar apartments; and new protections for tenants and homeowners to combat price gouging and discrimination. Reflecting the State's geographic and demographic diversity, the State is

also investing in varied forms of housing, including mobile and manufactured homes, small rental buildings, accessory dwelling units, homeownership opportunities, and public housing.

These historic actions complement and build upon the Governor's \$25 billion, five-year Housing Plan, which is also on track to create and preserve 100,000 affordable homes by the end of FY 2027, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes. Funding includes \$5.7 billion in capital resources, \$8.8 billion in State and Federal tax credits and other Federal allocations, and \$11 billion to support the operation of shelters and supportive housing units, and to provide rental subsidies. This investment represents the largest, broadest, and most ambitious housing plan in New York State history.

Together, these creative solutions and historic investments are already making an impact to spur development around the State. To date, more than 420 local governments have submitted letters of intent to become Pro-Housing Communities, of which more than 250 have been certified. Additionally, with the pledge of support from the State, New York City passed zoning changes and other permissive actions to develop housing under the City of Yes for Housing Opportunity program. The reforms and investments under this program are expected to create more than 80,000 new homes.

Child Care Affordability

Governor Hochul understands that the high cost of child care comes at a time when many families can least afford it, if child care is available at all. Since the Governor took office, New York State has taken sweeping measures to expand access to child care, improve affordability for young families, and stabilize the child care industry, investing more than \$7 billion over four years.

Eligibility for the Child Care Assistance Program has increased from 200 percent of the Federal Poverty Level – \$62,400 for a family of four – to the Federal maximum, 85 percent of the state median income – \$108,631 for a family of four. More than half of young children in New York are now eligible for child care

assistance, based on income. Co-pays for families receiving child care assistance have been capped at one percent of family income above the poverty level. Previously, co-pays could be as high as 30 percent.

Families also have improved access to child care – the maximum subsidy amount increased to cover the cost of child care at 80 percent of providers, up from 69 percent of providers prior to recent actions. Families also have greater stability, as a new requirement ensures subsidies are available for a minimum of twelve months.

To support the child care industry, expedite its recovery from the pandemic, and position it for growth, child care providers were provided more than \$1.4 billion for stabilization and workforce retention since 2021. Support for providers was continued through increases in the maximum subsidy rate, which increased an average of 48 percent since 2019.

To improve the quality of services and access to care, the FY 2025 Budget included funding to increase payment rates to providers that are accredited by a nationally recognized child care organization, who participate in New York's Quality Rating & Improvement system, or have completed training and are an active participant in the OCFS Non-Patient Epinephrine Auto-Injector Initiative.

The FY 2025 Budget also included funding to increase access to early childhood mental health consultants for child care providers and for Family Child Care Networks (FCCNs), which support small family and group family child care providers. The FCCNs provide operational and business assistance to these providers in order to expand capacity.

The Governor has also partnered with the business community to incentivize responsible employers to offer child care to their employees through the New York State Employer-Supported Child Care (ESCC) pilot program. In the ESCC pilot, employers will contribute a third of the cost of care for families between 85 percent and 100 percent of the median income, and the State will match it, reducing out-of-pocket costs for these families and generating millions of dollars in new financial support for child care.

This builds on the Business Navigator program, established in FY 2024, which operates in each of the 10 Regional Economic Development Council regions to help interested businesses identify options to support employees' child care needs.

Together, these record investments are reducing out-of-pocket child care expenses for families, increasing access to quality care statewide, and supporting the sector's vital workforce. The FY 2026 Executive Budget reflects that the Governor's commitment to child care access is unwavering, with new efforts to support families and bolster child care providers.

PROPOSED FY 2026 BUDGET ACTIONS

Increase the Housing Supply and Access to Housing

The FY 2026 Executive Budget furthers the work of adding housing, removing barriers to development, and encouraging local governments to pursue smart, sustainable growth strategies. The steps outlined below build on the historic package of reforms enacted in FY 2025, and complement the five-year, \$25 billion comprehensive Housing Plan to create and preserve 100,000 affordable homes, including 10,000 homes with support services for vulnerable populations, and electrify an additional 50,000 homes.

- **Support Growth in Pro-Housing Certified Communities.** Governor Hochul's Executive Order No. 30 created the Pro-Housing Community Program to recognize and reward communities that have taken steps to address the housing crisis. The FY 2025 Budget made the Pro-Housing designation a requirement for localities to access \$650 million in discretionary funding. The Executive Budget continues to encourage participation by providing \$100 million in capital funding to assist Pro-Housing communities with critical infrastructure projects, and \$10.5 million for technical assistance grants.
- **Provide New York City with Tools to Increase Housing.** The City of New York shares the goal of adding new housing supply and has announced investments and passed legislation to enable zoning changes and other permissive actions to further housing development through the City of Yes for Housing Opportunity program. The investments and reforms under this program are expected to create more than 80,000 new homes. Governor Hochul has committed \$1.025 billion in State funding to support the City's efforts.
- **Build More Starter Homes.** The housing market often neglects construction of starter homes, which prevents young families from becoming homeowners and keeps older New Yorkers from downsizing. To address this undersupply, which limits mobility within the market, the Executive Budget provides \$50 million in new capital funding to incentivize the building of more starter and modular homes.
- **Support First-Time Homeowners with Down Payment Assistance.** Saving enough money to make a down payment to purchase a home is a significant barrier to homeownership, especially for low- and moderate-income buyers. The Executive Budget provides \$50 million to support New Yorkers struggling to save for down payments and help more individuals and families achieve the dream of homeownership.
- **Launch New York's First Mixed-Income Revolving Loan Fund.** The Executive Budget dedicates \$50 million for a Mixed-Income Revolving Loan Fund to provide low-cost second mortgages to spur development of mixed-income rental housing outside of New York City. The fund will fill construction financing gaps by providing a lower-cost and more flexible form of capital than is generally available in market financing.
- **Double Low-Income Housing Credits and Increase Flexibility of Historic Tax Credits.** The New York State Low Income Housing Tax Credit Program (SLIHC) has been critical to supporting the development of housing for low-and middle-income households. The Budget doubles the credits available each year. The Budget also decouples the use of Federal and State Historic Tax Credits and removes geographic restrictions on their use for projects that include affordable housing to better support investment in affordable housing projects.

- Create an Affordable Homebuyer Tax Incentive.** Even when homes are developed for the express purpose of being sold to low- and moderate-income homebuyers, local property tax assessments value the homes based on market value, presenting barriers to creating homes low- and moderate-income homebuyers can afford to purchase. The Executive Budget creates an affordable homebuyer property tax incentive at local opt-in for homes built with assistance from governmental entities, nonprofits, land banks, or community land trusts, and sold to low- and moderate-income homebuyers. This will help make the dream of homeownership more attainable by bringing costs down and increasing the supply of affordable homes.
- Support Families Over Investors.** Hedge funds, private equity firms, and other institutional investors have played an increasingly significant role in the single-family and two-family housing market in recent years, often at the expense of New York families. Legislation submitted with the Budget will disincentivize bulk purchases of single-family and two-family homes by removing the tax benefits of institutional investors and establishing a 75-day period in which corporate landlords cannot bid on single-family homes. This will give individuals and families a fair chance to access homeownership opportunities.
- Protect Housing Affordability.** The Budget advances legislation to ban collusion through the use of rent price-fixing software to protect renters from unnecessary rent increases, strengthen laws to combat home appraisal discrimination, and grant rent-regulated tenants the same protections for security deposits as all other tenants. It also provides legislation to reduce the Mitchell-Lama shelter rent taxes by half in New York City and allow for the same by local opt-in, statewide, to provide developments much needed relief from escalating cost increases. Finally, it provides \$40 million in funding for the Homeowner Protection Program for legal services to prevent foreclosures.
- Equip Communities to Reclaim Vacant Properties for Housing.** Many municipalities struggle to acquire and redevelop vacant and abandoned buildings. Legislation submitted with the Budget will strengthen municipalities' authority to acquire vacant and abandoned buildings and authorize them to adopt tax exemptions to further the redevelopment of these properties into critically needed homes.
- Increase Capital to Create and Preserve More Supportive Housing.** The Homeless Housing and Assistance Program (HHAP) provides capital resources to create housing, including permanent affordable and supportive housing, specifically for homeless individuals. The FY 2026 Executive Budget includes an additional \$25 million to meet the ongoing demand for supportive housing and to maintain existing units that provide a safe place to live for many of the most housing insecure and vulnerable New Yorkers.
- Ensure Stable Housing for Vulnerable Populations.** The Budget supports an increase to the Empire State Supportive Housing Initiative (ESSHI) and New York State Supportive Housing Program (NYSSHP) rates. ESSHI has financed the supportive and operating costs of over 9,600 newly developed units as part of the Governor's Housing Plan. NYSSHP provides support for over 20,000 people to live safely and stably in affordable housing. To ensure that New York State's supportive housing stock remains viable and accessible to those who need it most, the ESSHI rates will be increased from \$25,000/unit to \$31,000/unit, with an additional \$3,000 for units in the New York City metro area, and NYSSHP funding will be increased by more than 40 percent.
- Strengthen Storm Resiliency.** The FY 2026 Executive Budget dedicates \$50 million to expand and strengthen the Rapid Response Home Repair Program and the Resilient Retrofits Program, which makes permanent retrofits and rapid home repairs to respond to future natural disasters. This will allow the State to respond more quickly in the wake of disasters and to help a wider spectrum of homeowners and victims. The Budget also continues funding for the Blue Buffers Buyout Program to encourage voluntary home buyouts in areas most prone to flooding.

Bolster Child Care Affordability and Access

Continuing the State's more than \$7 billion four-year plan to expand access to child care and improve affordability for young families, the FY 2026 Budget provides nearly \$1.8 billion in resources towards child care assistance – more than double the \$832 million provided in the FY 2022 budget. This funding supports the recent expansion of family eligibility, which is now at the Federal maximum, 85 percent of the state median income, or \$108,631 for a family of four. It also supports the cap on co-pays for families receiving subsidy at one percent of family income above the poverty level. These transformations are reaffirmed in the Executive Budget and strengthened by additional improvements to the child care sector as outlined below.

- **Provide Child Care Construction and Renovation Grants.** To facilitate child care providers' ability to expand enrollment capacity and serve additional children, the FY 2026 Executive Budget provides \$100 million in capital grants for child care centers, counties, and municipalities. This funding will expand the availability of child care, including in child care deserts where the need is most pronounced, and will support necessary repairs and renovations at existing programs. In addition, \$10 million in Federal funds will be used to help family child care programs cover renovations and repairs that are necessary to provide safe, high quality child care. Existing capital programs have been reserved for child care centers only, and this will ensure that smaller, primarily home-based entities also have access to assistance.
- **Launch a Child Care Worker Substitute Pool.** The reliability of child care is fundamental to parents' ability to go to work, school, or job training programs. The Executive Budget supports a child care worker substitute pool pilot program, initially for providers serving children who receive child care assistance.
- **Create the New York Coalition for Child Care.** To formalize the partnership between businesses, unions, and providers, the New York Coalition for Child Care is created. The Executive Budget includes \$1 million to support the work of the Coalition.

Invest in Social Services and Equity

Enhance the Empire State Child Credit. The Executive Budget enhances the State's child tax credit for three years by increasing the maximum credit from \$330 to \$1,000 for children under the age of four and \$500 for children ages four through sixteen. Furthermore, the Governor's proposal eliminates the restrictive earned income requirement, allowing low-income New Yorkers to fully benefit from the credit.

Support New Mothers. To combat maternal mortality challenges and support new mothers, the State will work with Baby2Baby to provide maternal health and newborn supplies boxes that will include screening tools for postpartum depression and anxiety, mental health information, self-care products, diapers, blankets, and swaddles. Additionally, New York State and Baby2Baby will provide 10 million diapers to low-income families. The FY 2026 Executive Budget includes \$8 million to provide postpartum boxes and \$1.5 million for diapers.

Establish the Birth Allowance for Beginning Year (BABY) Benefit. In an effort to improve maternal and infant health for the State's most under-served households, the Executive Budget invests \$8.5 million, annually, to support an enhanced benefit of \$100 per month throughout pregnancy and an additional \$1,200 payment at birth for New Yorkers who receive Public Assistance.

Increase Dual Enrollment in SNAP and WIC. To help more families afford their grocery bills and support better health and life outcomes for young children, OTDA, in consultation with DOH, will undertake a data-matching process to identify and contact participants who may be missing out on Federally-funded benefits. Supplemental Nutrition Assistance Program (SNAP) or Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) recipients will be matched for dual eligibility in both programs, connecting more families to available benefits.

Increase Access to Government Services. The FY 2026 Budget provides \$600,000 to install self-service kiosks in high-need communities to provide access to public benefits like SNAP, WIC, and

child care services at high traffic locations such as community centers, libraries, religious institutions, and bus shelters.

Protect Child Victims. The Executive Budget doubles the investment in Child Advocacy Centers to strengthen protections for child victims of crimes. This funding will support dedicated advocates to accompany the victim through every phase of an investigation and legal proceedings and keep the child's identity private.

Combat Youth Homelessness. The FY 2026 Executive Budget adds \$3.5 million to expand services to youth who are unstably housed or homeless, and to ensure that youth who need stable shelter and transitional housing can find it.

Expand Mentoring Initiatives. The Executive Budget provides \$455,000 to enhance mentorship and support for populations of Black and Latina girls through the creation of the Black Girls Mentoring Initiative and expansion of the existing Latina Mentoring Initiative.

Launch Get Offline, Get Outside 2.0. Youth programming yields significant benefits for children and their overall well-being. The FY 2026 Executive Budget increases funding by \$15 million to provide additional resources for the development of youth programming that will create thousands of opportunities on sports teams, drama programs, music lessons, community garden programs, debate clubs, volunteer resources, martial arts, and more.

Launch a Demonstration Program to Mitigate the "Benefits Cliff". Lower-wage workers may decline promotions or opportunities to transition from part-time to full-time work because of concerns that an increase in income will be offset by a reduction in public benefits. This can be a barrier to career advancement for lower-income New Yorkers and also presents challenges for employers. To evaluate the prevalence and impact of this while simultaneously supporting workforce participation, Governor Hochul will launch the Monroe Ladder Demonstration Program. The program will bring together resources from employers and Monroe County and will help address any real or perceived loss of means-tested

public benefits by providing work incentive payments and financial counseling.

Extend Temporary Operator Provisions for Shelters.

The Executive Budget advances legislation to extend the authority for OTDA and OCFS to appoint a temporary operator for emergency shelters when a shelter has failed to comply with the legal or regulatory requirements necessary to operate.

Extend and Make Permanent the Current Structure of Financing Committee on Special Education Placements.

The room and board costs for children with severe disabilities placed by Committees on Special Education are shared between local social services districts and school districts. There is no State share for New York City placements, and the former 18.42 percent State share for placements outside of New York City has been eliminated since the FY 2021 Enacted Budget. To continue this statewide consistency, the Executive Budget makes the current funding structures permanent, thereby aligning the fiscal responsibility with the school district responsible for the placement.

Maintain Support for the Migrant Crisis. The FY 2024 and FY 2025 Enacted Budgets committed a total of \$4.3 billion in extraordinary State funding for the humanitarian crisis that brought thousands of asylum seekers to the City of New York and across in the State. The FY 2026 Executive Budget continues to make these funds available for reimbursement of expenditures, and to support ongoing needs. The State response to the crisis includes covering the cost of three Humanitarian Emergency Response and Relief Centers (HERRCs), deployment of Division of Military and Naval Affairs (DMNA) National Guard members, municipal reimbursement for short term shelter services for migrant individuals and families, and other services such as relocation, legal, and case management.

Continue Investments in Youth Employment Programs.

Continuing the efforts included in the FY 2025 Enacted Budget, the FY 2026 Executive Budget invests an additional \$3.3 million to provide year-round employment opportunities for at-risk youth through the Summer Youth Employment Program (totaling \$51.5 million) and the Youth Opportunities Program (totaling

\$40.6 million). This additional funding will ensure that State-supported youth employment opportunities are maintained at existing levels.

Digitize Youth Working Papers. As part of Governor's effort to improve efficiency of government processes, the Executive Budget includes \$10 million to support legislation to digitize working papers for minors and create a one-stop online portal for young people, caregivers, employers, and school administrators.

Create New Registered Apprenticeships and Pre-Apprenticeships in High-Demand Occupations. The Executive Budget includes \$10 million for providers of registered apprenticeships and pre-apprenticeships in high-demand occupations to cover partial apprentice wages, training costs, and for underrepresented groups, wraparound services.

Facilitate New Training Pathways into High-Demand Occupations. The Budget includes \$8 million to launch a new initiative to support employer-led training. Additionally, DOL will collaborate with school districts and businesses to recruit high school students for a summer work experience program in high-demand fields.

Address the Shortage of American Sign Language Interpreters in the State. The Budget includes funding to support the creation of an ASL fellowship program, pairing recent graduates with experienced interpreters.

Expand DOL Wage Theft Enforcement Power. The Executive Budget includes legislation to expand DOL's enforcement power to include the authority to levy liens, seize financial assets, and issue a stop work order following an unpaid wage theft judgement.

Align Child Labor Law Penalties with Severity of Violation. The Executive Budget advances legislation to raise the maximum civil penalties and include felony level charges for violations that result in serious injury to children.

Alleviate Unemployment Insurance Interest Payment for Employers. The Executive Budget includes funding to eliminate the estimated \$165 million in interest payments that employers would otherwise be charged in 2025 for the loan balance

owed to the US Treasury for the Unemployment Insurance Trust Fund.

Bolster the State's Ability to Eliminate Discrimination. The Executive Budget helps ensure complaints of unlawful discrimination are investigated, including through an historic \$11 million increase for the Division of Human Rights (DHR) staff and operations, and legislation to increase the efficiency of DHR's discrimination intake process. This represents a 52 percent increase in funding from FY 2025, supporting 108 new FTEs. Since FY 2021, funding for DHR will have increased by 243 percent.

Expand Support to Gold Star Families. The Executive Budget proposes legislation to expand eligibility of the Gold Star Annuity from parents of service members who died in combat to immediate family members of any service member who dies while on active duty.

Expand Suicide Prevention Initiatives for Veterans. The Executive Budget includes a \$1 million investment to expand suicide prevention initiatives for veterans, including enhanced risk assessment training, outreach tools, gun safety programs, and improved access to mental health services.

Expand Military Family Relief Initiatives. The Executive Budget includes \$350,000 for the Military Family Relief Fund to support various initiatives that will enhance the lives of military families in New York State.