



OVERVIEW

Among the agencies responsible for ensuring that New York State government is operating effectively are:

The Office of General Services (OGS) is responsible for a wide array of State support services including managing and leasing properties, designing, building, and maintain State facilities, and establishing contracts for goods, services, and technology. \$1.48 billion in funding is included in the Executive Budget.

The Department of Civil Service is responsible for providing human resource management services to the State and local governments, assisting State agencies with workforce recruitment, administering exams, overseeing job classifications, and administering employee benefits. \$69.0 million in funding is included in the Executive Budget.

The Office of Cannabis Management (OCM) is responsible for developing a comprehensive regulatory structure to monitor and control the cultivation, processing, manufacturing, distribution, transportation, and sale of cannabis in New York State. \$46 million in funding is included in the Executive Budget.

The Division of Alcoholic Beverage Control (ABC) operates under the direction of the State Liquor Authority (SLA). ABC/SLA is responsible for regulating and issuing licenses for the manufacture, sale and distribution of alcoholic beverages within the State. \$15.7 million in funding is included in the Executive Budget.

The State Board of Elections (SBOE) is responsible for executing and enforcing all laws related to elections, overseeing the conduct of elections and the disclosure of campaign finance activities. SBOE is also responsible for reviewing the practices of all local boards of elections, facilitating ballots for State offices, approving the voting systems, maintaining the Statewide voter registration database, and implementing various federal programs. \$30.4 million in funding is included in the Executive Budget.

The Office of Employee Relations (OER) is responsible for various activities related to collaborative labor relations, workforce training, education, and benefits. Operating under the Public Employees' Fair Employment Act (the Taylor Law), OER assists in relations between the State and its employees. \$11.76 million in

funding is included in the Executive Budget.

PROPOSED EXECUTIVE BUDGET ACTIONS

Equity and Economic Justice in New York's Cannabis Industry

Governor Hochul's nominees for the Chair of the Cannabis Control Board (CCB) and Executive Director of the Office of Cannabis Management (OCM) were confirmed by the Legislature in September 2021. These were the first confirmed nominees of the Governor's administration. Soon after, the remaining members of the CCB were appointed, which included two other nominations made by the Governor.

As Governor Hochul prioritized getting New York's cannabis industry up and running, the CCB responded swiftly and held their first meeting in October 2021. Since that time, the CCB, as well as OCM, have been creating and implementing a comprehensive regulatory framework for New York's cannabis industry, including the production, licensing, packaging, marketing and sale of cannabis products.

Through the direction provided in the Marijuana Regulation and Taxation Act (MRTA), along with the support of Governor Hochul, the CCB and OCM have been making efforts to provide progressive opportunities to those from communities historically impacted by prohibition. OCM will have a goal of awarding 50 percent of all licenses to social and economic equity applicants, including individuals from impacted communities, MWBEs, distressed farmers, justice-involved individuals, and service-disabled veterans.

For adult-use cannabis, the MRTA established two State taxes and one local tax. There is a State tax based on the milligrams of THC in the product, a 9 percent excise tax and a 4 percent local excise tax. The State projects \$56 million in revenue (includes \$40 million in license fees) in FY 2023, \$95 million in FY 2024, \$158 million in FY 2025, \$245 million in FY 2026, \$339 million for FY 2027 and \$363 in FY 2028. All State cannabis revenue will be deposited in the Cannabis Revenue Fund in which 40 percent would be directed to education, 40 percent to the Community Grants Reinvestment Fund and 20 percent to the Drug Treatment and Public Education Fund. For the local tax, 25 percent is directed to the county and 75 percent is directed to the city, town or village within the county.

The Executive Budget includes the creation of a \$200 million public-private fund to provide direct capital and startup support to social equity applicants, ensuring that New York State's cannabis industry is the most diverse and inclusive in the nation. Additionally, OCM will create a State-run business incubator to further support equity applicants.

RESTORING FAITH IN GOVERNMENT

Anti-Discrimination Investigations: The Executive Budget expands upon the Office of Employee Relations' current responsibility for investigating all complaints of employment-related protected class discrimination in agencies.

- \$2.5 million in additional funding for increased investigations staff.
- This increase in funding and staffing will allow OER to conduct investigations within the 30-day timeframe.
- Additionally, this staff will take proactive steps in combating discrimination through in-person education/training for state employees.

Modernizing Civil Service Exams: The FY 2023 Executive Budget provides \$5.8 million in additional funding to the Department of Civil Service (DCS) to continue modernizing the State's exam process, including the creation of a new Test Validation and Evaluation Unit within DCS that will continually create and evaluate exam content to maintain the highest levels of integrity, establishing new SUNY campus test centers, and funding for technical assistance for online/virtual exams.

- Additionally, the Executive Budget advances several pieces of legislation that will make the exam process more accessible, resulting in a more diverse and inclusive state workforce.

INVESTING IN STATE GOVERNMENT INFRASTRUCTURE

The Executive Budget invests \$242 million in state government facility infrastructure projects including:

- \$176 million for various Empire State Plaza (ESP) infrastructure projects that will address the natural deterioration that causes



recurring mechanical failures, structural vulnerabilities, and power outages.

- \$41 million for the renovation of the Capitol Eastern Approach Staircase.
- \$25 million for recurring deferred maintenance funding to address the backlog of projects across the State.

Electrifying the State Fleet. The Executive Budget provides \$17 million in funding for a phased-in approach to electrifying the State fleet by 2035. This increase in funding will cover the incremental costs associated with purchasing zero-emission vehicles versus diesel engine vehicles (i.e., increased vehicle costs, and charging infrastructure). This annual funding is estimated to grow as the percentage of zero-emission vehicles purchased by the State increases through 2035.

Streamlining SLA Licensing System. The Executive Budget provides the State Liquor Authority (SLA) with \$2 million in additional funding to address lagged processing times for new licenses. This increase in funding will allow SLA to hire additional staff to expedite the timeframe for processing new licenses, resulting in businesses receiving their licenses sooner and being able to operate and generate revenue sooner.