



CAPITAL PLAN OVERVIEW



Governor Hochul continues to make significant infrastructure investments across the State that will play a critical role in building New York’s future: creating jobs, growing the economy, increasing mobility, and keeping New York residents healthy and safe. The Executive Budget builds on major investments made over the last two years in transportation; affordable and supportive housing; economic and community development; environmental initiatives; increased access to care and housing opportunities for individuals with mental health issues; health care transformation; public safety; and investments in higher education.

MAJOR INFRASTRUCTURE INVESTMENTS UNDERWAY

Governor Hochul is committed to delivering transformative infrastructure projects that are supported by the State, local governments, public authorities, private entities, and the Federal government. The State budget includes investments in projects that will improve the State's transit systems, modernize airports, and rebuild infrastructure to upgrade the State's transportation network in a timely manner and prepare for future generations. Major infrastructure investments currently underway include:

Gateway Hudson Tunnel Project. The rail tunnels under the Hudson River used by Amtrak play a critical role as the connection for New England rail traffic to the rest of the eastern seaboard, giving this project national significance. These aging tunnels were seriously damaged by Superstorm Sandy and are in dire need of repair and expansion. Upon completion, this project will revitalize existing rails and tunnels, and add a new, two-track tunnel under the Hudson River. Project costs are estimated at \$16.1 billion.

Pennsylvania Station Area Civic and Land Use Improvement Project. The State has completed the transformation of the James A. Farley Post Office building into the Moynihan Train Hall and opened a new, state-of-the-art expanded West End Concourse at Penn Station. The concourse provides direct access to 17 of the station’s 21 tracks for Long Island Rail Road (LIRR) commuters and intercity rail passengers, offering an underground connection between the Moynihan Train Hall and Penn Station via 33rd Street with a direct link to the 8th Avenue Subway (A/C/E Trains).

Expanding on this vision, Governor Hochul plans to create a commuter-first Penn Station. The reconstructed Penn Station will create a double-height, light-filled train hall that more than doubles

TRANSFORMATIVE INFRASTRUCTURE PROJECTS (billions of dollars)			
	Total Project Costs	State Share	Other Funding Partners Share ¹
Transformative Projects Total	109.7	11.8	97.9
Gateway Tunnel Project ²	16.1	1.4	14.7
MTA Capital Plan 2020-2024 ³	52.1	3.1	49.0
Commuter-First Penn Station ⁴	22.0	7.0	15.0
Transform JFK Airport	19.5	0.3	19.2

¹ Includes funding from Federal & local govts, public authorities, and other funding outside of the State budget.

² Project costs are based on the October 2023 financial plan for the Gateway Hudson Tunnel Project. Total includes financing costs.

³ State share excludes new revenue sources enacted by the State to fund \$25 billion of the capital plan.

⁴ State budget includes \$1.3 billion appropriation to initiate the project. Funding shares still being determined.

passenger space from 123,000 square feet to 250,000 square feet and nearly doubles the number of entrances from 12 to 20. The station reconstruction complements a station expansion that will increase track and train capacity by 40 percent to more effectively accommodate the service needs of travelers and commuters at the busiest transit hub in the Western Hemisphere. Project costs are estimated at \$22 billion.

MTA 2020-2024 Capital Program. The \$52.1 billion capital program represents the largest investment in MTA infrastructure in State history, at almost 70 percent larger than any previous program. The program prioritizes critical investments to revitalize the subway system, including improving signal technology, increasing accessibility, and improving quality of life issues. The capital program also makes investments in LIRR and Metro North Railroad commuter rail and bus service upgrades. The FY 2025 Executive Budget includes funding to further efforts to expand the MTA's transit networks, including:

- **The Interborough Express.** The Executive Budget includes \$45 million in funding to advance design and engineering for this project, which will connect neighborhoods along a 14-mile existing freight right-of-way from Bay Ridge, Brooklyn, to Jackson Heights, Queens. The Interborough Express planning and environmental linkages study recommended light rail as the preferred option for providing fast, frequent service connecting the Interborough with up to 17 different subway lines and the LIRR.
- **Second Avenue Subway—Expanding West.** With Phase 2 underway, the next major potential phase of this project is extending the Q line west along 125th Street, with three new stops at Lenox Avenue, St. Nicholas Avenue and Broadway in Manhattanville. The Executive Budget includes \$16 million in funding to advance a feasibility study, environmental review and preliminary engineering for this project.

Transforming John F. Kennedy Airport. The State is proceeding with a historic \$19.5 billion plan to transform John F. Kennedy International Airport (JFK) into a modern, 21st century airport through an overhaul of the airport's eight disparate terminal sites into one unified JFK Airport. Work will include demolishing old terminals, utilizing vacant space, and modernizing infrastructure, while incorporating the latest in passenger amenities and technological innovations. This record investment includes \$15.6 billion in private sector funding and will increase the airport's capacity by at least 15 million passengers annually. The first new facilities apart of this transformation opened in 2023.

FIVE-YEAR CAPITAL PLAN & BUDGET

The State's Five-Year Capital Plan includes \$95 billion in projected capital spending over a five-year period. Funding for the plan will include State bonds, State PAYGO (Pay-As-You-Go, e.g., taxes and fees); and Federal funding. The table below outlines capital plan spending by function and includes funding source.

FY 2025 EXECUTIVE BUDGET CAPITAL PLAN HIGHLIGHTS

Major initiatives added or continued in FY 2025 include:

Five-Year Department of Transportation Capital Plan. The Executive Budget includes approximately \$7.6 billion for the third year of a five-year, \$32.9

CAPITAL SPENDING BY FUNCTION AND FINANCING SOURCE CAPITAL PROGRAM AND FINANCING PLAN FY 2024 THROUGH FY 2029 (millions of dollars)						
Spending	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Transportation and Transit	7,241	7,981	8,232	8,685	8,452	8,393
Education	489	604	497	223	173	101
Higher Education	1,802	2,124	2,367	2,099	1,911	1,890
Economic Development	1,583	2,496	2,325	2,033	1,951	2,813
Mental Hygiene	766	903	955	864	835	835
Parks and Environment	1,769	2,147	2,156	2,175	2,182	2,184
Health	971	983	1,887	1,715	1,341	1,099
Social Welfare	1,371	1,650	1,570	1,518	1,485	1,485
Public Protection	564	752	654	569	554	549
General Government	530	518	532	457	518	455
All Other ¹	(1,408)	(1,347)	(1,170)	(978)	(1,342)	(1,350)
Total	15,677	18,811	20,005	19,360	18,059	18,454
Off-Budget Spending ²	(7)	(13)	0	0	0	0
Net Cash Spending	15,670	18,798	20,005	19,360	18,059	18,454
Financing Source	FY 2024 Projected	FY 2025 Projected	FY 2026 Projected	FY 2027 Projected	FY 2028 Projected	FY 2029 Projected
Authority Bonds	4,941	6,473	9,731	11,130	9,956	10,303
Federal Pay-As-You-Go	3,629	3,816	4,112	3,911	3,924	3,924
State Pay-As-You-Go	6,442	8,064	5,774	4,022	3,866	3,872
General Obligation Bonds	664	458	388	298	313	355
Total	15,677	18,811	20,005	19,360	18,059	18,454

¹ All Other category includes spending for Statewide elected offices, equipment, grants for local and community projects, and a spending offset that accounts for potential under-spending projected to occur as a result of normal timing related to the delivery of capital projects.

² Represents spending for the EXCEL program which occurs directly from bond proceeds held by public authorities.

billion Department of Transportation (DOT) Capital Plan. The DOT Capital Plan leverages Federal funding commitments made in the Infrastructure Investment and Jobs Act to support the final phases of major infrastructure projects, including the Hunts Point Interstate Access Improvement and the replacement of I-81 in Syracuse. The plan also supports new large-scale projects, including: modernizing the Livingston Avenue Bridge in Albany; reconnecting neighborhoods across the Kensington Expressway in Buffalo; converting Route 17 to I-86 in Orange and Sullivan Counties; and assessing ways to improve road capacity at the Oakdale Merge in Suffolk County. The DOT Capital Plan also includes an additional \$1 billion for the “Bridge NY” program and \$1 billion for the Pave Our Potholes (POP) program, and continues funding commitments to local highway and bridge programs at planned levels.

Five-Year Housing Plan. The Executive Budget continues a \$25 billion, five-year 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 as part of the State’s plan to electrify 1 million homes and make another 1 million electrification-ready. Funding includes \$5.7 billion in State 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. Additionally, the FY 2025 Executive Budget establishes a \$500 million fund to support infrastructure upgrades on State sites and properties that could be repurposed to create up to 15,000 units of housing.

Mental Health Capital Investments. The Executive Budget continues to build on the Governor’s investments in expanding capacity to care for people with mental illness by funding an additional 200 new psychiatric inpatient beds. The funding covers 125 State-operated inpatient beds, including 15 for children and adolescents, 85 for adults, and 25 forensic; and 75 Transition to Home beds.

Empire AI Consortium. The FY 2025 Executive Budget includes \$250 million to create the Empire AI Consortium, a partnership of New York’s public-

and private-research institutions, that will establish a state-of-the-art artificial intelligence computing center to promote research and development. In addition to capital grant funding proposed in the Executive Budget, Empire AI will be supported with \$125 million from private partners and \$25 million from the State University of New York (SUNY).

High-Technology Research and Development. The Executive Budget supports continued investment in high-tech semiconductor manufacturing and innovation, including:

- \$1 billion in new and existing resources to construct a new 50,000 sq. ft. facility to support the High NA Extreme Ultraviolet (EUV) Lithography Center and procure a High NA EUV tool. This initiative partners with leaders in the semiconductor industry to establish a next-generation research and development center at NY CREATES’ Albany NanoTech Complex.
- \$110 million to create One Network for Regional Advanced Manufacturing Partnerships (ON-RAMP), an initiative that will construct new workforce development centers in upstate New York and provide training opportunities related to advanced manufacturing.
- \$100 million to continue investing in shovel-ready sites to attract high-tech manufacturing to New York.

Create Access to Swimming. The Executive Budget proposes \$150 million to create the New York Statewide Investment in More Swimming (NY SWIMS), an initiative that will support equitable and widespread access to safe swimming opportunities. NY SWIMS includes \$60 million to build 10 new swimming pools in underserved communities, \$60 million to develop and install floating pools in natural waterways, and \$30 million for pop-up swimming pools that can be deployed to communities that would otherwise not have access to outdoor pools.

Climate and Flood Resiliency. The Executive Budget includes funding for investments to mitigate damage from major flooding events, including: \$250 million from the 2022 Clean Water, Clean Air and Green Jobs

Environmental Bond Act to promote voluntary home buyouts in communities most vulnerable to flooding; \$130 million for Green Resiliency Grants to support flood control infrastructure projects; and \$40 million to launch the Resilient and Ready program, which will support low and moderate income homeowners with resiliency improvements and assist with repairs in the event of a catastrophic event.

Clean Water Infrastructure. The Executive Budget adds \$500 million over two years to support clean water infrastructure, raising the State's total investment to \$5.5 billion. This funding will support local construction projects to improve municipal drinking water distribution, filtration systems, and wastewater treatment infrastructure.

Clean Water, Clean Air, and Green Jobs Bond Act. In November 2022, voters approved a \$4.2 billion bond act that will support: capital improvements and enhancements in flood risk reduction/restorations; open space, working lands conservation, and recreation; climate change mitigation; and water quality improvement and resilient infrastructure. The Environmental Bond Act supports various initiatives within the FY 2025 Executive Budget, including resiliency and land improvement efforts. In September 2023, Governor Hochul released a roadmap for P-12 schools to transition bus fleets to zero-emission vehicles funded, in part, with \$500 million from the Environmental Bond Act.

Local Capital Grants. In addition to traditional capital grant programs, the Executive Budget proposes \$135 million for new County Partnership Grants to support public safety and infrastructure investments. Additionally, the Budget includes \$14.7 million for grants to local Boards of Election to replace and upgrade electronic polling equipment, as well as \$15 million for municipalities to purchase equipment needed to respond to emergency weather events, including regional flooding.

Public Safety Investments. The Executive Budget proposes an additional \$35 million for the Securing Communities Against Hate Crimes program, \$10 million for Securing Reproductive Health Centers capital grants, and \$50 million of funding for communities most impacted by gun violence.

Economic and Community Development. The Executive Budget provides \$880 million in new economic and community development funding across a number of programs, including \$150 million for the Regional Economic Development Council (REDC) program; \$200 million for the Downtown Revitalization Initiative, including NY Forward funding to increase support for rural communities; \$400 million for the New York Works Economic Development Fund; \$50 million for the Restore-NY Communities program; and \$82.5 million for the Olympic Regional Development Authority (ORDA).

State Parks. The Executive Budget allocates \$300 million in capital funding to the Office of Parks, Recreation and Historic Preservation, including investments in public swimming facilities that support the State's initiative to provide expanded access to safe swimming opportunities. Additionally, the Executive Budget funds the installation of security equipment in all State Parks.

Agriculture. The Executive Budget proposes new investments to support New York's agriculture industry, including \$55 million in capital grants for on-farm milk storage technologies and processing infrastructure, \$5 million to reinvigorate New York's aquaculture industry through the Blue Food Transformation, and \$5 million to grow New York's bioeconomy. The Executive Budget also continues a multi-year \$50 million investment to support kitchen facilities that prepare meals for K-12 schools from New York State farm products.

Higher Education. The Executive Budget proposes \$1.2 billion in new capital funding for SUNY and CUNY, including \$1.05 billion to maintain and preserve campus facilities and make strategic investments, and \$154 million for community colleges.

Arts and Education. The Executive Budget supports investments in cultural arts and education, including \$34 million for library construction grants, \$50 million for capital grants administered by the New York State Council on the Arts (NYSCA), and \$28 million for State-owned schools.

COMMITTED TO DEBT AFFORDABILITY

Governor Hochul is using a disciplined approach to control and target new borrowing to keep debt affordable and within the State's debt limit. The Capital Plan includes \$9 billion of cash resources for pay-as-you-go capital spending, which is being used in place of higher cost taxable debt issuances. This proactive management of the State's debt costs will enable the affordable delivery of infrastructure investments.

State debt will continue to remain affordable as evidenced by the following debt metrics:

- Over the past decade the State has been disciplined in its use of debt, while making significant investments in the State's infrastructure. From FY 2015 to FY 2024, debt outstanding has increased from \$54.2 billion to \$55.9 billion (projected), or an average of 0.3 percent annually. By comparison, in the prior 10 year period, debt grew by 1.6 percent annually.
- State-supported debt is projected to remain within the statutory debt caps throughout the Five-Year Capital Plan as a result of the strategic cash contribution of \$9 billion over multiple years to reduce debt issuances.
- State-related debt outstanding as a percentage of personal income is expected to remain below historical levels across the Five-Year Capital Plan and is projected at 4.8 percent in FY 2029.
- Debt service costs are estimated at \$6.4 billion in FY 2025, after adjusting for debt service prepayments, which is an increase of 7 percent from FY 2024.