



NEW YORK STATE - JULY 2022

SLFRF Recovery Plan Performance Report



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Executive Summary



The State and Local Fiscal Recovery Funds (SLFRF) under the American Rescue Plan (ARP) Act of 2021 enables New York State to provide funding for a broad variety of government services, including those intended to aid in the State's recovery from the COVID-19 pandemic.

As we move into the second year of the program, New York State remains committed to funding programs and working toward outcomes that uphold the principles established in the American Rescue Plan.

NYS and its local governments received \$23.4 billion total in SLFRF

to be used during the period of performance as prescribed by the United States Department of the Treasury Final Rule 31 CFR Part 35 RIN 1505–AC77 Coronavirus State and Local Fiscal Recovery Funds (Final Rule). Treasury's Final Rule establishes the requirements associated with the use of funds and defines the period of performance as beginning with expenses incurred on or after March 3, 2021 and obligated by December 31, 2024, with funding fully expended by December 31, 2026. Of the \$23.4 billion, the State directly received and administers approximately \$12.7 billion which will be spent over the lifetime of the program. The remainder was distributed among counties, non-entitlement units of government (NEUs), and cities.¹

\$12.7 billion allocated directly to NYS government

\$10.7 billion allocated to local governments*

*Including counties, non-entitlement units of government (NEUs), cities¹

¹ The NYS Division of the Budget does not have direct financial control or central oversight over how federal funds provided directly to localities were expended.

SLFRF Background

New York State received this award early in Fiscal Year 2022 (FY 2022²) which began on April 1, 2021 and ended on March 31, 2022. For FY 2022, Governor Kathy Hochul directed the use of \$4.5 billion of the State's total \$12.7 billion award toward providing essential government services and serving the individuals, businesses, and communities that have suffered the most during the COVID-19 pandemic.

Governor Hochul has remained committed to addressing COVID-19 response and recovery in partnership with cities, counties, and school districts, as well as through outreach efforts. On June 20, 2022, while presenting new COVID-19 preparedness initiatives to protect public health and support ongoing pandemic response, Governor Hochul discussed the use of surveys intended to understand New Yorkers' pandemic-related feelings and needs.³ Under the leadership of Governor Hochul, the New York State Division of the Budget (Division or DOB) continues to centrally manage the use of SLFRF funds. DOB works with State agencies to identify projects and programs that both meet the needs of New Yorkers hardest hit by the pandemic and meet the eligibility requirements as set forth by the Final Rule and other guidance issued by the Treasury and funds these projects and programs through a transfer of Federal aid to the General Fund.

Commitment to Transparency

Through its reporting, New York State promotes transparency in how the funds are used, and safeguards the funds from fraud, waste, or abuse. As the State enters the second quarter of FY 2023, New York will continue to use SLFRF funds to maximize the impact of the available funds on vulnerable communities while also providing necessary budget stability to allow the State to continue to recover from and respond to any additional effects of the pandemic.

² New York Fiscal Year; April 1 to March 31

³ <https://www.governor.ny.gov/news/video-audio-photos-rush-transcript-governor-hochul-announces-new-covid-19-preparedness>



NYS directed SLFRF funds toward five programs in FY 2022

01 Restaurant Resiliency

\$24 Million



The Restaurant Resiliency Program provided New York's regional food banks with the funding to source meals from qualified restaurants. These meals were delivered to emergency feeding programs associated with the food bank's network of providers, such as food pantries, soup kitchens, and shelters. Participating restaurants were encouraged to use New York ingredients to support New York's farmers. From October 2, 2021, through March 31, 2022, the program provided over one million meals to people in need across the State, partnering with 279 restaurants. Most of these meals were provided during the holiday season, an especially difficult time for the food insecure.

02 Small Business Recovery Grants

\$526 Million



Small and micro businesses throughout New York State have been awarded grant funds through the COVID-19 Pandemic Small Business Recovery Grant Program. Providing over \$500 million in economic support to over 30,000 entities, the program was created to provide flexible grant assistance to small businesses, micro-businesses and for-profit independent arts and cultural organizations in the State of New York who have experienced economic hardship due to the COVID-19 pandemic.

03 NYS Covid-19 Pandemic Rental Assistance Grants

\$183 Million



OTDA (Office of Temporary and Disability Assistance) created the Landlord Rental Assistance Program (LRAP) and the Emergency Rental Assistance Program (ERAP) to support New York residents unable to pay rent obligations they previously could afford prior to the pandemic. ERAP has provided significant economic relief to help low and moderate-income households at risk of experiencing homelessness or housing instability by providing rental arrears, temporary rental assistance and utility arrears assistance. LRAP has provided rental assistance for landlords whose tenants were unwilling to apply for the ERAP, including where the tenant has left the rental property. Over 17,900 households have been served in Fiscal Year 2022.



04	Substantially Dedicated Public Health and Safety Workforce	\$968 Million	
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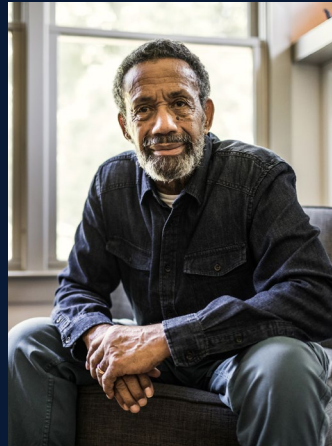
New York State identified workers whose duties have been substantially dedicated to public safety; SLFRF funds were used to cover costs associated with maintaining this workforce.

05	Provision of Government Services	\$2.794 Billion	
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New York State provides more than 3,500 government services to more than 20 million New Yorkers through the work of its State agencies (including authorities, departments, divisions, offices, public benefit corporations and other governmental entities). Service areas include but are not limited to public health and safety; environmental protection; business, employment and economic development; nourishment programs to those in need; temporary and disability services; transportation; criminal justice; and many other core government services.

New York State did not encounter any extraordinary challenges during the process of SLFRF utilization beyond the normal trials associated with learning and integrating the Final Rule and associated guidance. New York State understands the importance of collecting programmatic and performance data and the vital role this data plays in effectively monitoring and measuring services and resources dedicated to individuals, businesses, and communities most impacted by the COVID-19 pandemic.

Use of Funds



In New York State, the nature of COVID-19 recovery requires the ability to align funding with the diverse and evolving needs of New York's citizens and ensure continuity in the provision of essential government services.

Through the FY 2023 Enacted Budget Financial Plan, the State is maintaining its approach **to utilize SLFRF to achieve two primary goals.**

1

Provide critical services to its citizens

2

Support communities, businesses, and individuals that have been historically disadvantaged and have suffered most acutely through this pandemic

When developing the State budget, New York State considers program data, including metrics related to program outputs, outcomes, populations, and financing to inform budget recommendations. New York applied its performance-informed approach when selecting the State's SLFRF programs.

New York State has identified populations that have suffered acutely during the COVID-19 pandemic, including but not limited to small and micro business owners and employees, food-insecure and housing-insecure New Yorkers, landlords of economically disadvantaged residents, and restaurant owners and employees. Programs funded through SLFRF are designed to provide relief to these populations.

Additionally, SLFRF funding is enabling New York State to maintain essential government services, like public safety, which New Yorkers count on, and which provide the foundation for a strong recovery.

Programs supporting identified individuals, businesses, and communities

USE OF FUNDS



Supporting Small and Micro Businesses

Small Business Recovery Grants

The Empire State Development Corporation (ESD), the State of New York State's chief economic development entity, is administering the Small Business Recovery Grant program to assist COVID-19-impacted small businesses that typically have the least access to resources. The program strategically encourages participation from micro-businesses, socially and economically disadvantaged business owners, minority and/or women owned businesses, and small businesses that did not receive adequate federal COVID-19 support. Program grants generally represent a significant proportion of an awarded small business' operating expenses, and the investment has helped small businesses recover from the devastating impacts of the COVID-19 pandemic. Grant awards from the program are allowing small businesses across the State to cover costs such as payroll, rent or mortgage payments, personal protective equipment (PPE) expenses, utility bills, and any costs associated with compliance with COVID-19 health and safety protocols.



Supporting Housing-Insecure Individuals and Landlords

NYS Covid-19 Pandemic Rental Assistance Grants

OTDA (Office of Temporary and Disability Assistance) created the Landlord Rental Assistance Program (LRAP) and the Emergency Rental Assistance Program (ERAP) to support New York residents unable to pay rent obligations they previously could afford prior to the pandemic. ERAP has provided significant economic relief to help low and moderate-income households at risk of experiencing homelessness or housing instability by providing rental arrears, temporary rental assistance and utility arrears assistance. LRAP has provided rental assistance for landlords whose tenants were unwilling to apply for the ERAP, including where the tenant has left the rental property.



Supporting Restaurants and Food-Insecure Individuals

Restaurant Resiliency

The Restaurant Resiliency Program provided New York's regional food banks with the funding to source meals from qualified restaurants. Meals were delivered to emergency feeding programs associated with the food bank's network of providers, such as food pantries, soup kitchens, and shelters. Emergency food providers worked directly with restaurants deemed eligible for the program by the Department to create an agreement plan to suit their locations and participants' needs. Restaurants needed to show the capacity to develop meals aligning with MyPlate.gov standards, be up-to-date with licensing requirements, and have passed health inspections. Participating restaurants were encouraged to use New York ingredients to support New York's farmers.



Moving Forward in FY23

In FY23, New York State continues to identify programs that focus on general government services central to supporting individuals and communities most impacted by the COVID-19 pandemic for receipt of SLFRF.

Salaries supporting agencies engaged in transportation, agriculture, mental health, tax and finance, and children and family services will be prioritized, as well as public workers that are substantially dedicated to New York State's public safety operations. In addition to these aspects of government services, the State will also focus on rental assistance for populations who live in the State's rural regions, programs dedicated to the immunization of children and adults from vaccine-preventable diseases, and a program focused on the reduction of lead exposure to children and expectant mothers.

Promoting Equitable Outcomes



SLFRF

SLFRF has provided New York State with the opportunity to respond effectively to disparities highlighted during this public health crisis and to continue to deliver New York's critical services and programs to all citizens.

Strategic Budget Making

New York State is using its performance-informed budget making tools to assign federal funding to programs that address economic and racial disparities. These critical funding assignments are made in consultation with the State’s program inventory established by the Division in 2019⁴. The program inventory was designed to inform New York State’s executive budget making process and requires agencies to establish an inventory of all agency operations and provide summary data about their programs. The Division works with agencies to ensure agency budgets are aligned with the needs of program beneficiaries and populations. Agencies identify population needs and appropriate program criteria, recommend expenditure of funding, and monitor program activities.



Building a Strong Data Inventory

In 2021, the agency program inventory assignment was revised to collect specific information for the purpose of informing the review and selection of SLFRF programs and projects during the FY 2023 executive budget making process. Agencies were required to define each program’s purpose, beneficiaries served, delivery mechanisms and the activities program staff perform to provide services. Additional data elements were collected to identify programs that prioritize economic and racial equity as a goal, provide an opportunity for community engagement and public input, and encourage capacity building within underserved communities. These efforts inform the State’s ability to respond to the Federal government’s increased focus on equity, evidence, and results.

Promoting Equity

New York State administers all programs and services with a focus on equity and outcomes. As discussed in the overview of funding, New York State is using the SLFRF to respond to the needs of populations that have suffered acutely during the COVID-19 pandemic, including but not limited to small and micro business owners and employees, food-insecure and housing-insecure New Yorkers, landlords of economically disadvantaged residents, and restaurant owners and employees.

⁴ Budget Bullet L-1221 (<https://www.budget.ny.gov/guide/bprm/l/l-1221.html>)

Designing SLFRF Program and Projects with Equity in Mind

Through these programs, the State of New York achieved its goal of providing resources to those individuals, businesses, and communities that were most impacted by the COVID-19 pandemic.



Small Business Recovery Grants

30,257 Grants Provided

To ensure that minority and women-owned businesses are aware of Small Business Recovery Grants, the State has partnered with Lendistry, a minority-led Community Development Financial Institution. Lendistry works to increase awareness of the program among M/WBEs and prioritize these businesses once they are qualified as eligible. This program has provided grants to 30,257 businesses.



NYS Covid-19 Pandemic Rental Assistance Grants

17,989 Households Served

Low-income populations and minority communities are particularly susceptible to housing insecurity. To be eligible for the ERAP program, a resident's household income must be at or below 80 percent of the Area Median Income (which varies by county). In the first 30 days of the program, OTDA prioritized processing applications of the poorest, most at-risk households. The combined Emergency Rental Assistance Program and Landlord Rental Assistance Grants served 17,989 households.



Restaurant Resiliency

1 Million Meals Distributed, 279 Restaurant Partners

Restaurants involved in the Restaurant Resiliency program represent the unique diversity of the State, with many participating restaurants preparing Kosher and Halal meals and representing minority and women-owned businesses. The program distributed one million meals to people in need across the State, partnering with 279 restaurants.

Community Engagement



SLFRF

Engaging New Yorkers

Governor Hochul has demonstrated New York State’s commitment to community engagement and outreach in many health and safety-related policy areas including those specific to COVID-19. The Administration has engaged various regional and community voices across the State in the deployment of the various programs that serve the needs of New York citizens. Governor Hochul and the New York State Department of Health (DOH) have worked collaboratively with school districts to execute issue-specific surveys and to gather feedback.



Agency-Led Efforts to Engage Communities and Improve Health

The State’s commitment to community engagement is also demonstrated through agency efforts to seek and receive public input associated with program implementation and resource utilization. Through community engagement, the State is working to ensure individuals, businesses, and communities receive the support that they need to fully recover from the impact of the COVID-19 pandemic.

Diversity and Racial Equity Workgroup

One example of these outreach efforts is the Diversity and Racial Equity Workgroup facilitated by the New York State Department of Agriculture and Markets, which provides an opportunity for engagement to members of historically disadvantaged communities. The Workgroup was made up of New York State farmers, advocates, and other institutional and industry stakeholders, representing a wide swath of New York’s agricultural community. The Workgroup developed a report to share the perspectives of historically unrepresented farmers and provide recommendations to the State and the agricultural industry to foster a more equitable industry and food system that empowers Black, Indigenous, and People of Color (BIPOC) farmers.



SLFRF

Labor Practices

New York State has chosen to allocate its available funds to Expenditure Categories other than EC5: Infrastructure Projects and therefore this section does not apply to its 2022 Recovery Plan and Performance Report.

Use of Evidence



New York State has not identified programs using evidence-based interventions for receipt of SLFRF in FY 2022. The Division will continue to work with agencies and use program inventory data to inform the selection of programs and projects for funding during the upcoming Executive Budget process.

In New York State, agencies and the Division routinely use both program data and statistical data generated both internally and supplied externally by reliable sources like the U.S. Census Bureau. Data sets like the American Community Survey – which provides information on social, economic, housing, and demographic characteristics - have long been supporting policy analysis and decision-making. New York also uses the Centers for Disease Control/ Agency for Toxic Substances and Disease Registry Social Vulnerability Index (CDC/ATSDR SVI) when determining need and assessing current efforts to address areas including poverty, lack of vehicle access, and crowded housing. CDC/ATSDR SVI is grouped into databases by four themes – socioeconomic status; household composition; race, ethnicity and language; and housing and transportation.

NYS is Continuing to Refine a Statewide Data Strategy that will Improve Access to Data by:

- 1** Completing a living comprehensive repository of data sets
- 2** Determining the usefulness and utilization of datasets for sharing between agencies
- 3** Developing mechanisms by which data can be accessed by agencies and the public as appropriate

In addition to enhancing the State's ability to better respond to future emergencies, the improvements to the data environment will enhance performance management efforts by standardizing and expediting access to data sets that contain important output and outcome metrics. With improved access to data the State will also increase its capacity to conduct formal program evaluations and increase the State's use of evidence-based programs to deliver critical services to New Yorkers.

Performance Report

New York State uses a performance-informed approach for the development of the State budget, and considers program data, including metrics related to program outputs, outcomes, populations, and financing to inform budget recommendations. New York focuses on performance management and drives State agencies to maximize programmatic impact and effective, efficient, and equitable outcomes.

SLFRF funding expended during FY 2022 was directed toward both personal service and non-personal services costs associated with the pandemic-response programs listed below and to fund employee related expenses incurred during the provision of government services. Program performance measures are provided where appropriate.

Key Performance Indicators for Identified FY 2022 Projects

Small and Micro Business Owners and Employees

30,257 Businesses Served



NYS Covid-19 Pandemic Rental Assistance Grants

17,989 Number of Households Served



Substantially Dedicated Public Health and Safety Workforce

19,806 Number of Full-Time Employees



New York State is working to ensure the efficient and appropriate use of Federal dollars made available to mitigate the budgetary impact of COVID-19 and has implemented the centralized management of recovery and reimbursement funding across all impacted State Agencies, Departments and Public Authorities. This approach to the use of Federal funds incorporates guidance from the White House Office of Management and Budget (OMB) emphasizing that recipients of Federal funds maximize the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with the need for programs to demonstrate they are achieving their stated goals.

The Division provides centralized guidance to agencies and requires project and expense data be provided to the Division using the Centralized Grants Management System (CGMS) for review. CGMS standardizes workforce data generated across multiple agencies and authorities to maintain consistency in reporting and documentation. It also has established process workflows for the receipt and analysis of supporting documentation which is maintained for future reviews and audits.

FY2022 Project Inventory Listing

Small Business Recovery Grants



Project Number	Funding Amount	Expenditure Category	Performance Metric
47077	\$526 Million	2.29	30,257 Businesses

Empire State Development (ESD), the State of New York's chief economic development entity, is administering the program to assist COVID-19 impacted small businesses that typically have the least access to resources. The program strategically encourages participation from micro-businesses, socially and economically disadvantaged business owners, minority and/or women owned businesses, and small businesses that did not receive adequate federal COVID-19 support. Program grants generally represent a significant proportion of an awarded small business' operating expenses, and the investment has helped small businesses recover from the devastating impacts of the COVID-19 pandemic. Grant awards from the Program are allowing small businesses across the State to cover costs such as payroll, rent or mortgage payments, personal protective equipment (PPE) expenses, utility bills, and any costs associated with compliance with COVID-19 health and safety protocols.

NYS Covid-19 Pandemic Rental Assistance Grants



Project Number	Funding Amount	Expenditure Category	Performance Metric
53010	\$183 Million	2.2	17,989 Households

Economic impacts due to COVID-19 left many New York City residents unable to pay rent obligations they previously could afford prior to the pandemic. OTDA (Office of Temporary and Disability Assistance) created the LRAP (Landlord Rental Assistance Program) and the New York State Emergency Rental Assistance Program (ERAP). ERAP provides significant economic relief to help low and moderate-income households at risk of experiencing homelessness or housing instability by providing rental arrears, temporary rental assistance and utility arrears assistance. LRAP provides rental assistance for landlords whose tenants were unwilling to apply for ERAP, including where the tenant has left the rental property.

Restaurant Resiliency



Project Number	Funding Amount	Expenditure Category
28351	\$25 Million	2.35

The Department of Agriculture and Markets (AGM) is administering this program which utilizes local restaurants using locally sourced supplies to provide meals to those in need. The organization of the program allows for unique upstream and downstream benefits within the hospitality industry through the deployment of these funds. The program provides Food Grant Assistance Payments to support food banks and other facilities primarily dedicated to addressing food insecurity associated with the COVID-19 pandemic. The program provides impacted and disproportionately impacted communities with food programs and services to address the negative economic impacts of the pandemic. This project was obligated for \$25 million, but only \$24 million was spent during FY 22 to ensure consistency with New York State's financial plan reporting.

Substantially Dedicated Public Health and Safety Workforce



Project Number	Funding Amount	Expenditure Category	Performance Metric
50101SD	\$968 Million	3.1	19,806 Full-Time Employees

These costs are associated only with salaries of individual employees whose responsibilities are determined by the State of New York to be substantially dedicated either to Public Health or Public Safety response.

Provision of Government Services



Project Number	Funding Amount	Expenditure Category
50101GS	\$2.794 Billion	6.1

This project incorporates all programs utilizing SLFRF to provide government services to the citizens of the State of New York. This project includes salary costs associated with general government services including tax and finance, transportation, parks and recreation, agriculture, child and family services, public safety, and other general government service operations. The expenses in this project are distinguished between personal service which are salary payments to individuals (\$1.424 billion) and non-personal service (\$1.37 billion). Expenses in this project that are not personal service expenses include Social Security Payments the State has made on behalf of its employees (\$636 million) and payments to local governments assisting with support services and programs initiated by those local governments (\$689 million). Additional local government services associated with probation aide (\$45 million) were also included in this project.

FY2023 Project Inventory Listing

IN DEVELOPMENT

Substantially Dedicated Public Health and Safety Workforce



Project Number	Funding Amount	Expenditure Category
50101SD	To Be Determined	3.1

This program is a continuation of the project established in the 2021 Recovery Plan and Performance Report. These costs are associated only with salaries of individual employees whose responsibilities are determined by the State of New York to be substantially dedicated either to Public Health or Public Safety response.

Provision of Government Services - Immunization Program



Project Number	Funding Amount	Expenditure Category
50101GS	\$7 Million	6.1

This program is an individual highlight within the broader “Provision of Government Services” in an effort to provide the U.S. Treasury Department insight and transparency as to New York State’s utilization of SLFRF.

The program focuses on preventing the occurrence and transmission of vaccine-preventable diseases by ensuring the delivery of vaccines to children and adults through education, outreach and other program initiatives.

Provision of Government Services - Lead Poisoning Prevention Program



Project Number	Funding Amount	Expenditure Category
50101GS	\$14 Million	6.1

This program is an individual highlight within the broader “Provision of Government Services” in an effort to provide the U.S. Treasury Department insight and transparency as to New York State’s utilization of SLFRF.

The purpose of the program is to reduce blood lead levels and lead exposure in children and expectant women through primary and secondary prevention.

Provision of Government Services - Rural Rental Assistance Program



Project Number	Funding Amount	Expenditure Category
50101GS	\$22 Million	6.1

This program is an individual highlight within the broader “Provision of Government Services” in an effort to provide the U.S. Treasury Department insight and transparency as to New York State’s utilization of SLFRF.

The Rural Rental Assistance Program provides New York State rental subsidies for projects financed with mortgages from the United States Department of Agriculture (USDA) Rural Housing Services (RHS) (formerly Federal Farmers Home Administration) 515 Program. These direct rent subsidies are provided to project owners for low-income elderly and family tenants residing in RD financed multifamily projects in rural areas of New York State.

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