STATE & LOCAL FISCAL RECOVERY FUNDS

NYS DIVISION OF THE BUDGET

NEW YORK STATE — JULY 2025

Recovery Plan and Performance Report

NEW YORK STATE

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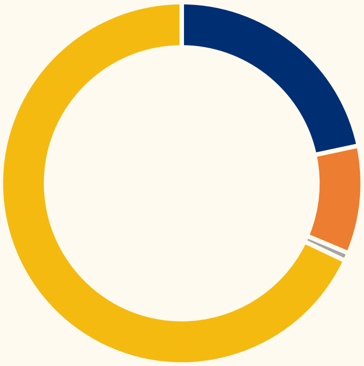
The State and Local Fiscal Recovery Funds (SLFRF), as awarded under the American Rescue Plan (ARP) Act of 2021, enabled New York State to respond to and recover from the many impacts of COVID-19 by providing funding for public health and safety, economic relief, as well as a broad variety of government services.

NYS and its local governments were awarded $23.4 billion in SLFRF

to be used during the period of performance as prescribed by the United States Department of the Treasury's regulations and guidance. Treasury's regulations and guidance established the requirements associated with the use of funds and defined the period of performance as beginning with expenses incurred on or after March 3, 2021, and obligated by December 31, 2024, with funding required to be fully expended by December 31, 2026.

In prior fiscal years, $3.4 billion in SLFRF resources were used to provide assistance to New Yorkers across the State. This included housing aid to renters and landlords; over one million meals for those in need, prepared by restaurants in need; tens of thousands of small business recovery grants; and significant resources to fund the State's public safety response to the COVID-19 pandemic.



Prior SLFRF Programmatic Spending

- Small Business Recovery Grants
- Rental Assistance
- Restaurant Resiliency
- Public Safety – Personal Service

EXECUTIVE SUMMARY

In the fifth year of the program, New York State was committed to funding government services that impact New Yorkers and drive outcomes that uphold the principles established in the American Rescue Plan Act. Of the $23.4 billion, the State centrally administered approximately $12.7 billion which was expended over State Fiscal Years (SFYs) 2022 through 2025. The remaining $10.7 billion was distributed among counties, non-entitlement units of government (NEUs), and cities.[1]

$12.7 billion to be transferred to the New York State General Fund

An additional $10.7 billion allocated to local governments*

*Including counties, non-entitlement units of government (NEUs), and cities[1]

[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 Governor Kathy Hochul provided valuable leadership throughout New York State's COVID-19 response and recovery in partnership with cities, counties, and school districts, as well as through outreach efforts. Under Governor Hochul, the New York State Division of the Budget (Division or DOB) continues to manage the closeout of the State's SLFRF award. DOB worked with State agencies to identify projects and programs that both meet the needs of New Yorkers and meet the eligibility requirements as set forth by the Final Rule and other guidance issued by the Treasury.

New York has met these important requirements by funding many COVID-19 response and recovery programs as described in previous Annual Recovery Plan and Performance Reports and continued to meet these important goals by funding government services in SFY 2025. The State's multi-year plan for use of the SLFRF has ensured the State's long-term growth and stability.

New York State received its SLFRF award early in SFY 2022[2]. In that fiscal year the State attributed $4.5 billion of the State's $12.7 billion award toward SLFRF program expenditures. Consistent with the State's established Financial Plan, $2.35 billion and $2.25 billion was utilized in SFYs 2023 and 2024, respectively. For SFY 2025, which began April 1, 2024, Governor Hochul once again directed the use of the remaining $3.65 billion of the State's award towards providing essential government services.

[2] New York Fiscal Year; April 1 to March 31

Commitment to Transparency

Through its reporting, New York State provides transparency in how the funds were used, and safeguards the funds from fraud, waste, and abuse. New York has used SLFRF funds to maximize the impact on vulnerable communities while also ensuring budget stability to support the State's goals.

In SFY 2025, New York State directed SLFRF funds toward the provision of government services and faced no extraordinary challenges during SLFRF utilization. The State continued to leverage the flexibility provided under the Final Rule to use SLFRF to cover administrative and operational costs associated with the provision of important government services.

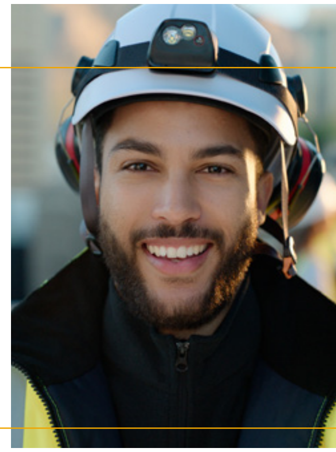
New York State recognizes the crucial role of programmatic and performance data in effectively monitoring and measuring services and resources for individuals, businesses, and communities and has guidance in place requiring its agencies to consider Federally established best practices in strategic planning, evidence-based policy making and performance management.

NYS SLFRF funds Utilized in SFY 2025

Provision of Government Services (Revenue Replacement)	$3.65 Billion
New Yorkers have access to a variety of important services through the work of State agencies (including authorities, departments, divisions, offices, public benefit corporations, and other governmental entities). In addition to public health and safety, service areas include but are not limited to: environmental protection and recreation; business, employment, and economic development; nourishment programs to those in need; temporary and disability services; transportation; criminal justice; and many other core government services.	

Use of Funds

New York continues to prioritize the use of Federal recovery funding to meet the diverse needs of New Yorkers by providing operating funds to State agencies.



New York State's established budgetmaking process considers public input and program data to inform budget recommendations. This approach to budget development extends to the selection of the State's use of SLFRF dollars to support the costs associated with maintaining the State's workforce. By helping to fund the State's General State Charges budget (GSC), the SLFRF has helped the State fulfill its responsibilities associated with staff costs, including salaries and social security contributions.

Moving Forward

Moving towards closeout of the SLFRF program, New York State will continue to finalize reporting requirements under the program.

Promoting Equitable Outcomes

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. New York State administers all programs and services with a focus on equity and outcomes.

Promoting Equity

As part of the program inventory, agencies must define each program's purpose, beneficiaries served, delivery mechanisms and the activities program staff perform to provide services, as well as additional data elements intended 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 SLFRF's increased focus on equity, evidence, and results.

Community Engagement

Engaging New Yorkers

Governor Hochul and her administration regularly engage regional and community voices from across the State.

Agency Stakeholder Engagement

The State's commitment to community engagement is also demonstrated through agency efforts to seek and receive public input associated with service implementation and resource utilization. Through community engagement, the State is working to ensure individuals, businesses, and communities receive the support that they need for future success.

Labor Practices

New York State has thus far chosen to allocate its available and future funds to Expenditure Categories other than EC5: Infrastructure Projects, and therefore this section does not apply to the Recovery Plan and Performance Report for the period of April 1, 2024 – March 31, 2025.

Use of Evidence

To date, New York State has not dedicated SLFRF funding to any specific evidence-based programs, instead programming the funding across that State enterprise maintaining a variety of government services. 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:

1

Socioeconomic status

2

Household composition

3

Race, ethnicity, and language

4

Housing and transportation

SLFRF

Performance Report

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

SLFRF funding expended during SFY 2025 was directed to fund employee related expenses and other general government service operations.

SLFRF

SFY 2025 Project Inventory Listing

Provision of Government Services

Project Number	Funding Amount	Expenditure Category
50101GS-25	**$3.65 Billion**	**6.1**

Project Overview

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, child and family services, public safety, and other general government service operations. The expenses in this project include personal service costs and GSC costs, which include salary payments to individuals; aid to localities costs; and employment taxes paid by the State.

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