



NEW YORK STATE - JULY 2023

Recovery Plan and Performance Report



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Executive Summary



The State and Local Fiscal Recovery Funds (SLFRF), as awarded 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 continuing to aid in the State's recovery from the COVID-19 pandemic.

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 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 required to be fully expended by December 31, 2026.

In the third year of the program, New York State remains committed to funding programs that serve New Yorkers and drive outcomes that uphold the principles established in the American Rescue Plan. Of the \$23.4 billion, the State centrally administers approximately \$12.7 billion which is planned to 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 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 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 Governor Kathy 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. 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.

New York meets these important goals by funding selected projects and programs through a transfer of Federal aid to the General Fund. Despite the recent terminations of the National Emergency and Public Health Emergency declared by the Federal government, the State remains committed to monitoring the needs of New Yorkers and utilizing SLFRF resources to mitigate any remaining challenges.

New York State initially received its SLFRF award early in State Fiscal Year 2022 (SFY 2022²). During SFY 2022, 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, in SFY 2023, Governor Kathy Hochul directed the use of \$2.35 billion of the State's remaining \$8.2 billion award towards providing essential government services and serving the individuals, businesses, and communities that have suffered the most during the COVID-19 pandemic. In SFY 2024, which began April 1, 2023, the New York State Financial Plan expects to direct another \$2.25 billion to SLFRF projects.

Commitment to Transparency

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

New York State directed SLFRF funds toward five programs in SFY 2023 and 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.

² New York Fiscal Year; April 1 to March 31



NYS directed SLFRF funds toward five programs in SFY 2023.

01 Small Business Recovery Grants

\$221 Million



Small and micro businesses throughout New York State have been awarded grant funds through the COVID-19 Pandemic Small Business Recovery Grant Program. Between SFY 2022 and 2023 approximately \$750 million in economic support was provided to over 40,000 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.

02 NYS COVID-19 Pandemic Rental Assistance Grants

\$149 Million



The State's Office of Temporary and Disability Assistance (OTDA) administers New York's Emergency Rental Assistance Program (ERAP). In SFY 2023, SLFRF funds were used to extend assistance not provided under the traditional ERAP program by providing the ERAP for moderate-income tenants and assistance directly to landlords.

Moderate-income tenants are those with an income between 80 percent and 120 percent of the Area Median Income (AMI). Under the expanded program, assistance with both rental and utility expenses was provided to households who were income ineligible for the traditional ERAP, which requires income below 80 percent of the AMI. OTDA's Landlord Rental Assistance Program (LRAP) provides rental assistance to landlords whose tenants failed to apply for ERAP, including scenarios where the tenant had left the rental property. These OTDA programs served more than 14,600 households in SFY 2023.



03 Restaurant Resiliency

\$750,000



The Restaurant Resiliency Program provided New York’s regional food banks with a total of \$750,000 in funding to create partnerships with emergency food providers (EFPs) to source meals from qualified restaurants. These meals were delivered to the EFP’s associated with the food bank’s network of providers, such as food pantries, soup kitchens, and shelters.

Qualified restaurants were evaluated and approved by the Restaurant Resiliency Team and the Regional Food Banks based on comprehensive plans submitted with metrics including specific meal content, delivery method, type of meal, ingredient sourcing, culturally specific, allergens, total meals to be delivered monthly or weekly, location of distribution or delivery, and cost of the meal. Restaurant plans were also considered based on potential business identification as minority or women-owned, payments to community-based nonprofits that work with the restaurant to support logistics and preparation associated with the meals, and/or the ability to prepare Kosher or Halal meals.

Participating restaurants were also encouraged to use New York ingredients to support New York’s farmers. Regional U.S. General Services Administration (GSA) Per Diem rates and allocations were also taken into consideration in the plan approval process before funds were allocated to food banks. Through SFY 2023, the program supplied \$24.8 million to provide over 1.1 million meals to people in need across the State, partnering with 269 restaurants.

04 Substantially Dedicated Public Health and Safety Workforce

\$1.375 Billion



In SFY 2023, New York State continued to identify workers whose duties have been substantially dedicated to public safety and direct SLFRF funds to cover costs associated with maintaining this critical workforce.

05 Provision of Government Services (Revenue Replacement)

\$604 Million



Nearly 20 million 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 and ensure continuity in the provision of essential government services.

The SFY 2024 Enacted Budget Financial Plan continues to implement the State’s careful approach to project selection that both

1

Provides critical services to citizens

2

Support communities, business, and individuals to promote equity

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.

Many people and industries suffered during the COVID-19 pandemic, including but not limited to: 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 continue to be designed to provide funding to these populations to ensure continued recovery. Additionally, SLFRF funding is enabling New York State to deliver essential government services, like public safety, which New Yorkers count on, and to provide the foundation for a strong recovery.

Additional details about the programs supporting identified individuals, businesses, and communities in need are described below:



Supporting Small and Micro Businesses

Small Business Recovery Grants

The Empire State Development Corporation (ESD), the State of New York'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 to provide Federal resources to entities that did not receive direct Federal COVID-19 support.

- 1 Program grants generally represent a significant proportion of an awarded small business' operating expenses. This investment has helped small businesses recover from the devastating impacts of the COVID-19 pandemic.
- 2 These 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

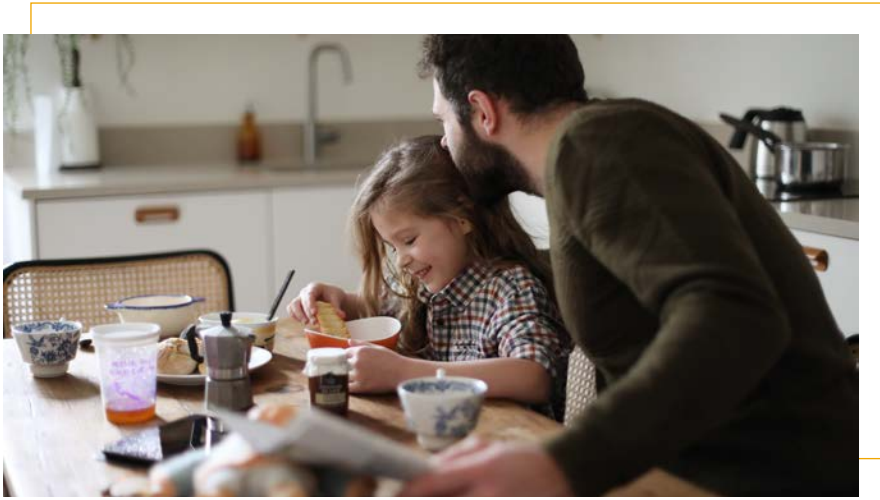
OTDA administers the State's ERAP and LRAP programs. The ERAP provides rental and utility assistance to moderate-income tenants (defined as income between 80 percent and 120 percent of the Area Median Income (AMI)), including households who were income ineligible for the standard ERAP, which requires income below 80 percent of the AMI. The LRAP provides rental assistance for landlords whose tenants failed to apply for New York's ERAP, including scenarios 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 of Agriculture and Markets (AGM) 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 SFY 2024

For SFY 2024, New York State continues to look to the State’s Financial Plan and Enacted Budget, as approved by the Governor and the legislature to identify SLFRF uses that will best position the State and its communities to continue to emerge from the conditions and uncertainty that accompanied the COVID-19 pandemic.

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 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 not only continue to provide important government services, but also continue to respond to the needs of populations that have suffered during the COVID-19 pandemic. These populations in need include but are 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.



Building a Strong Data Inventory

New York State is using its performance-informed budgetmaking tools to assign Federal funding to programs that address economic and racial disparities. As part of New York State’s Executive budgetmaking process, the Division 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.

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 Federal government’s increased focus on equity, evidence, and results.

Examples of efforts to design and implement the SLFRF funded programs with equity in mind are described below:

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

40,842 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. To date, this program has provided grants to 40,842 businesses with 90% of the grant awardees being M/WBEs.



NYS COVID-19 Pandemic Rental Assistance Grants

14,671 Households Served

Low-income populations and minority communities are particularly susceptible to housing insecurity. LRAP was available to units with rental amounts at or below 150 percent of the Fair Market rent (FMR) for their location. These limits are based on county and number of bedrooms of the rental unit. There are no citizenship or immigration status requirements to qualify for LRAP or ERAP. The combined ERAP and LRAP Grants served 14,671 households.



Restaurant Resiliency

1.1 Million Meals Distributed, 269 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 over 1.1 million meals to people in need across the State, partnering with 269 restaurants.

Community Engagement



SLFRF

Engaging New Yorkers

Governor Hochul 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 many regional and community voices across the State in the deployment of the various programs that serve the needs of New York citizens.



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.

Interagency Small Business Tour

The State recently completed an Interagency Small Business Tour to highlight State programs and services for small businesses. The tour included participation from various agencies, including the New York State Departments of Labor, the Department of State, the Department of Taxation and Finance, as well as the Workers’ Compensation Board, and Empire State Development.

State agencies also recently led a statewide listening tour engaging New Yorkers on issues impacting the mental health of youth throughout the State. The findings of this tour were published at the first-ever New York State Summit on Youth Mental Health, which was attended by over 1,000 New Yorkers. Additionally, the Governor met with U.S. Department of Health and Human Services (HHS) Secretary Xavier Barrera, Second Gentleman Douglas Emhoff, and members of the Latino community to discuss methods for furthering equity in access to mental health services.

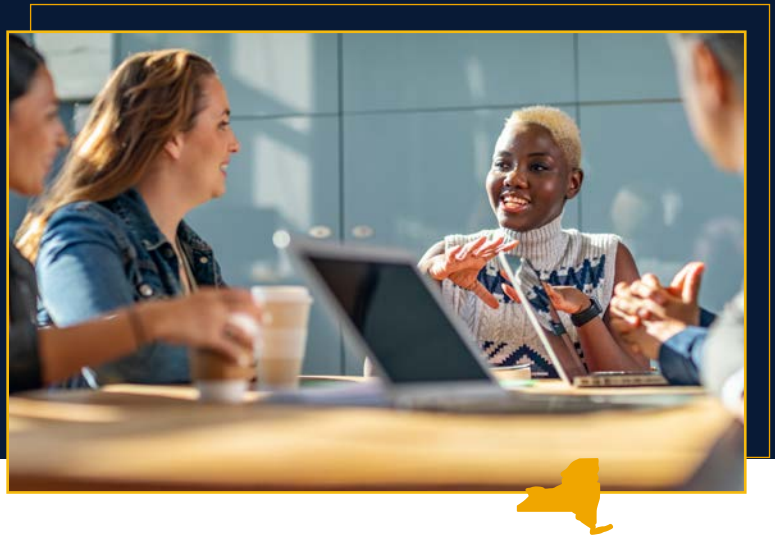


SLFRF

Labor Practices

New York State has thus far chosen to allocate its available 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, 2022 – March 31, 2023.

Use of Evidence



To date, New York State has not identified specific programs using evidence-based interventions for receipt of SLFRF in SFY 2023. The Division will continue to work with agencies 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:

1

Socioeconomic status

2

Household composition

3

Race, ethnicity, and language

4

Housing and transportation

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 2023 was directed toward both personal service and non-personal service 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 SFY 2023 Projects

Small Business Recovery Grant Program

9,944 Small Businesses Served



NYS COVID-19 Pandemic Rental Assistance Grants

14,671 Households Served



Substantially Dedicated Public Health and Safety Workforce

22,390 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. CGMS has also established process workflows for the receipt and analysis of supporting documentation which is maintained for future reviews and audits.

SFY 2023 Project Inventory Listing

Small Business Recovery Grants



| Project Number | Funding Amount | Expenditure Category | Mandatory Data Element |
|-----------------|----------------------|----------------------|-------------------------|
| 47077-23 | \$221 Million | 2.29 | 9,944 Businesses |

Project Overview

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.

Performance Report

The key performance indicator for this project is the number of businesses served by the grant program.

NYS Covid-19 Pandemic Rental Assistance Grants



| Project Number | Funding Amount | Expenditure Category | Mandatory Data Element |
|-----------------|----------------------|----------------------|--------------------------|
| 53010-23 | \$149 Million | 2.2 | 14,671 Households |

Project Overview

Economic impacts due to COVID-19 left many New York State residents unable to pay rent obligations they previously could afford prior to the pandemic. OTDA administers the LRAP which provides rental assistance for landlords whose tenants were unwilling to apply for New York’s ERAP, and including scenarios where the tenant has left the rental property. The ERAP for moderate-income tenants (defined as income between 80 percent and 120 percent of the Area Median Income (AMI)) provides rental and utility assistance to households who were income ineligible for ERAP, which requires income below 80 percent of the AMI. Over 14,600 households have been served in SFY 2023.

Use of Evidence: No evidence-based evaluations or procedures have been deployed during the life of this project.

Performance Report

The key performance indicator for this project is the number of households served by the grant program. Additional performance indicators are available on the [ERAP website](#).

Restaurant Resiliency



| Project Number | Funding Amount | Expenditure Category |
|-----------------|------------------|----------------------|
| 28351-23 | \$750,000 | 2.35 |

Project Overview

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.

Substantially Dedicated Public Health and Safety Workforce



| Project Number | Funding Amount | Expenditure Category | Mandatory Data Element |
|-------------------|------------------------|----------------------|-----------------------------------|
| 50101SD-23 | \$1.375 Billion | 3.1 | 22,390 Full-Time Employees |

Project Overview

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.

Performance Report

The key performance indicator for this project is the number of full-time employees served by this program.

Provision of Government Services



| Project Number | Funding Amount | Expenditure Category |
|-------------------|----------------------|----------------------|
| 50101GS-23 | \$604 Million | 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, parks and recreation, child and family services, public safety, services for veterans, and other general government service operations. The expenses in this project are personal service which are salary payments to individuals.

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