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RMS End of Week Update 3/21/2025



Governor Hochul Eyes NYC Tax Hike To Fund MTA In Closed-Door Talks

According to recent press reports Governor Hochul's office has floated the idea of increasing a tax on large New York City employers to help pay for billions of dollars in repairs and improvements to the MTA's bus and rail systems. In closed-door state budget negotiations with legislative staff this week, the governor's team discussed the possibility of hiking the payroll mobility tax in the five boroughs for the second time in three years. The MTA would then leverage that money to borrow additional funds to at least partially close a \$35 billion gap in its five-year capital plan, a list of planned construction projects meant to modernize the subway's aging infrastructure, including its electrical systems and train yards.

President Donald Trump's administration has threatened the MTA's federal funding and attempted to stop a congestion toll on drivers in part of Manhattan, either of which would create an even bigger hole in the transit authority's budget. The potential tax increase is

among a menu of proposals under consideration to help fund the MTA, according to a press story in the Gothamist. The state Assembly has publicly floated the idea of surcharges on for-hire vehicles or online deliveries, though the negotiations between Governor Hochul and legislative leaders remain ongoing.

The governor didn't include a specific MTA funding plan in her \$252 billion state budget proposal in January; nor did the state Senate or Assembly when they unveiled their budget plans last week.

Speaking with reporters at the Capitol on Thursday, Assembly Speaker Carl Heastie acknowledged the governor, and legislative leaders are discussing different possibilities for the MTA.

"The discussion on revenue raisers is definitely going to have to be a part of the MTA, since we're going to request [help] from our federal government, but I told you I don't expect much on that end," he said.

The existing mobility tax is a fractional percentage of a business' payroll costs and applies to those within the 12 counties within the MTA's service region. The hike Hochul floated, however, would likely only apply to employers with large payrolls within New York City, though it's not clear exactly what the threshold would be, according to the sources.

Kathryn Wylde, president and CEO of the business group Partnership for New York City, said the state shouldn't increase the payroll tax at a time when the federal government is reportedly weighing limits to state and local corporate tax deductions.

"It's just not the moment to be raising corporate taxes," Wylde said.

The state Assembly's Democratic majority mentioned the payroll tax hike as a possibility to fund the MTA when it issued its budget proposal last week, along with a surcharge on online deliveries, such as those from Amazon, or a fee on taxis and ride-share apps, like Uber and Lyft. Speaker Heastie said he believes the federal government should be expected to pitch in more for the transit system, but — with Trump in charge — he's not anticipating it.

"I don't expect that we'll be told anything positive, that they will assist in any way," Heastie said. "And then we'll have to figure out how to fund the MTA."

A federal funding boost is, at best, a wild longshot, given Trump's efforts to cut federal spending and his ongoing battle with the MTA over the fate of the congestion toll.

On Tuesday evening, when U.S. Transportation Secretary Sean Duffy threatened to withhold funding from the MTA unless the authority's leaders provided "actions and plans to reduce crime on its system" federal help became even less likely.

On Thursday, Duffy announced the federal government would give the state a 30-day extension to cease its congestion pricing program, which charges drivers a toll when they enter Manhattan below 60th Street. Duffy had previously set a Friday deadline to end the toll, though Governor Hochul had stated she would not comply with his order unless a court told her otherwise.

For more information please click [here](#).

Governor Hochul Highlights Progress Made Under New York's Congestion Pricing Program

Governor Hochul joined business leaders, transit advocates and elected officials to highlight ongoing progress under New York's congestion pricing program. In the months since congestion pricing took effect, traffic is down, and business is up — as the program delivers benefits for commuters from across the New York metro area and for businesses and offices in Manhattan's Central Business District (CBD) according to the press release.

"Since congestion pricing took effect over two months ago, traffic is down and business is up — and that's the kind of progress we're going to keep delivering for New Yorkers," Governor Hochul said. "Every day, more New Yorkers are seeing and hearing the benefits for our commutes, quality of life and economy — and we're not going back."

MTA CEO and Chair Janno Lieber said, "Congestion relief is working, cars and buses are moving faster, foot traffic is up and even noise complaints are down. That's why in poll after poll more and more New Yorkers are saying they want those benefits to stay — and they will."

Since the congestion pricing program took effect on Jan. 5, it has delivered a wide array of benefits according to data from the MTA and other reports and studies from business groups and other data sources.

Traffic Is Down

- Traffic is down 11 percent in the CBD in February compared to the same time last year.
- Three million fewer vehicles entered the CBD in January and February compared to the same time last year.
- Traffic is moving up to 30 percent faster on bridge and tunnel crossings in February compared to the same time last year.
- Commuters saving up to 21 minutes per trip into the CBD.

- Bus service is faster throughout the CBD, with up to 23 percent customer trips on express buses delayed 10 minutes or more.
- Complaints about excessive car horn honking within the CBD were down by more than 70 percent in January and February compared to the same time last year.

Business Is Up

- Broadway show attendance was up 19 percent in January and February compared to the same time last year.
- Restaurant reservations in the CBD rose 5 percent from January to mid-March compared to the same time last year.
- Retail sales in the CBD are on track to be \$900 million higher in 2025 compared to last year.
- Workers coming to the office in the CBD on an average weekday increased 6.6 percent in February compared to the same time last year.

Transit Ridership Increasing

- Transit ridership in January and February 2025 has grown significantly compared to the same time last year.
- Bus ridership is up 9 percent
- Subway ridership is up 6 percent
- Long Island Railroad ridership is up 8 percent
- Metro-North Railroad ridership up 4 percent

For more information please click [here](#).

Healthcare Union 1199SEIU is calling on "the state" to delay the CDPAP transition

1199SEIU United Healthcare Workers East has joined the growing chorus of health care and advocacy organizations calling for the state to delay the April 1 deadline to consolidate Medicaid's consumer-directed personal assistance program, or CDPAP.

The rapidly approaching deadline gives the program's roughly 280,000 consumers and their personal assistants just under two weeks to sign up for a new administrative system run by the financial services company Public Partnerships, LLC. After that point, all other fiscal intermediaries must cease operations by law, according to language in last year's state budget that enacted the consolidation.

About 124,000 consumers had completed their registration as of Wednesday, according to the state Department of Health. Another 26,000 have started the process. Meanwhile, 45,000 more are in the process of transitioning from CDPAP to personal care services, another type of home care covered by Medicaid, according to the department.

“With over 100,000 workers who still need to start their registration process, there must be immediate and urgent action to mitigate disruption for consumers and the workers who care for them,” 1199SEIU President George Gresham said in a statement.

The union is urging Governor Hochul to sign an executive order extending the deadline, allowing at least some fiscal intermediaries besides PPL to continue operating. That would buy time to focus on engaging consumers with high needs and in certain ZIP codes with high numbers of unreached consumers, such as Flushing and Elmhurst in Queens, the union wrote in a letter Thursday to the health department.

The union also asked that PPL delay enrollment in employer-sponsored health insurance to ensure that CDPAP workers will have access to high quality and affordable benefits. The Hochul administration maintained that the shift is on schedule.

“Hundreds of thousands of CDPAP consumers and workers have already taken action as part of the State’s transition, which remains on track for April 1,” Hochul spokesperson Sam Spokony said in a statement. “As 1199 noted, the State has made this progress despite waves of misinformation spread by certain businesses trying to disrupt the transition to protect their own profits. As we’ve consistently said, the State will keep working with all stakeholders to support consumers and workers throughout this process.”

To view 1199’s statement please click [here](#).

Budget Update

The Senate and Assembly released their FY 2026 "one-house" budget bills last week and both houses passed their Budget Resolutions related to their house budget bills. This week all Joint Budget Subcommittees met and 2 and 3-Way negotiations are now ongoing between the Senate, Assembly, and the Governor with a goal of reaching a final budget deal by the April 1 deadline. We will keep you updated as the budget process continues.

SFY 2025-26 H/MH Budget Summary Comparison RMS Tax/ Revenue Table

Universal School Meals: Governor Hochul Reaffirms Commitment to Providing Free Breakfast and Lunch to More Than 2.7 Million Students

This week Governor Hochul stood with elected officials at Albany City School District’s Eagle Point Elementary School to recommit to her 2025 State of the State proposal to ensure every single one of New York’s over 2.7 million students can receive breakfast and lunch for free at school. This program will build on federal support to help save parents money, address food insecurity among New York kids, and create more opportunities for students to succeed.

The federal government continues its efforts to slash vital food assistance programs — including attempting to dismantle the U.S. Department of Education, threatening cuts to the Community Eligibility Provision in the National School Lunch program and eliminating over \$1 billion in federal funding to help bring local food to schools and food banks.

“I’m fighting to make school meals free for every student in New York — giving every young person the nourishment they need to thrive in the classroom and putting money back in families’ pockets,” Governor Hochul said. “As the federal government takes a hammer to vital food assistance programs, we’re stepping up to the plate by filling the plates of those who need it most.”

New York State currently receives \$2 billion in federal funding to support school meal programs. Governor Hochul’s proposal would build on that support to ensure that every student in the state has access to a healthy breakfast and lunch at school. By eliminating any financial requirements to receive this benefit, New York State will level the playing field and give parents back the money they would be spending.

Offering free school meals is a proven and effective way to help keep kids in school and able to focus in the classroom. Additionally, free school meals are estimated to save families \$165 per child in grocery spending each month and have been shown to support learning, boost test scores, and improve attendance and classroom behavior.

The FY25 Enacted Budget included \$180 million to help incentivize eligible schools to participate in the federal Community Eligibility Provision (CEP) program, allowing all students in participating schools to eat breakfast and lunch at no charge regardless of their families’ income. The Governor’s 2025 State of the State initiative requires all school districts, charter schools, and nonpublic schools that participate in the national school lunch and breakfast program to provide free breakfast and lunch meals to all students regardless of their families’ income, thereby reducing costs for families and ensuring that no student goes hungry at school. Under this initiative, the State will pay the student’s share of costs for all meals served to students not already receiving free meals, expanding eligibility for free meals to nearly 300,000 additional students.

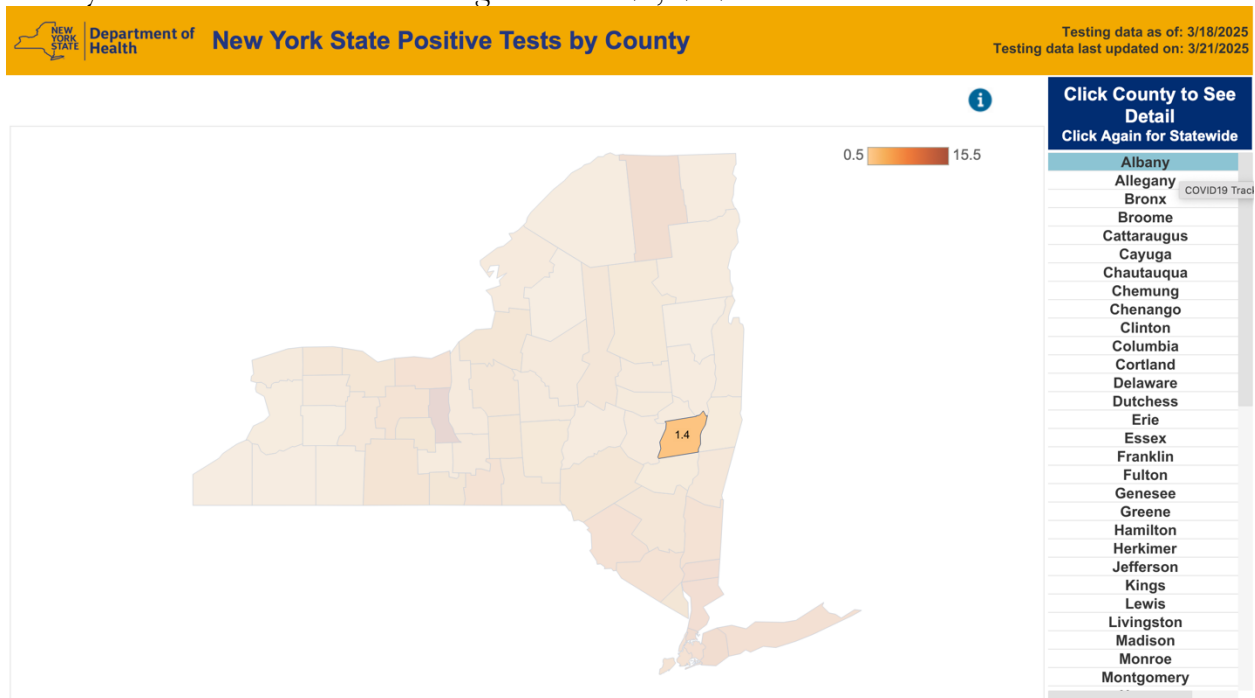
State Senator Patricia Fahy said, "When kids and students are hungry, they cannot learn. Washington's attacks on and threats to federal funding for school lunches only doubles our resolve to provide free, healthy meals for all New York students, regardless of ZIP code. Not only is it good for our students, it's great for our farmers—providing them with access to local schools and enabling their fresh produce and food to be served in our schools. I commend Governor Hochul for making this a priority in this year's budget and look forward to every New York student have access to food and meals at school."

Assemblymember Gabriella A. Romero said, “Having free breakfast and lunch available for kids means they’re able to stay in school and have a better time in the classroom. Every student should have the chance to have a healthy, filling meal at school, without income cutoffs. We’ve seen the incredible impact free school meals have – they improve attendance and classroom behavior, help raise test scores, and support overall learning, all while saving families around \$165 per child on groceries. Expanding the program so that every student is eligible means every school in our state can help keep kids fed, full, and focused.”

For more information please click [here](#).

NYS COVID-19 Monitoring Dashboard

Below we have included the link to the State’s Testing Tracker which includes the State’s overall testing status--by clicking on the link above you can view the testing results by county. This data is current through March 20, 2025.



Use this link to view the State’s updated [COVID-19 Hub](#).

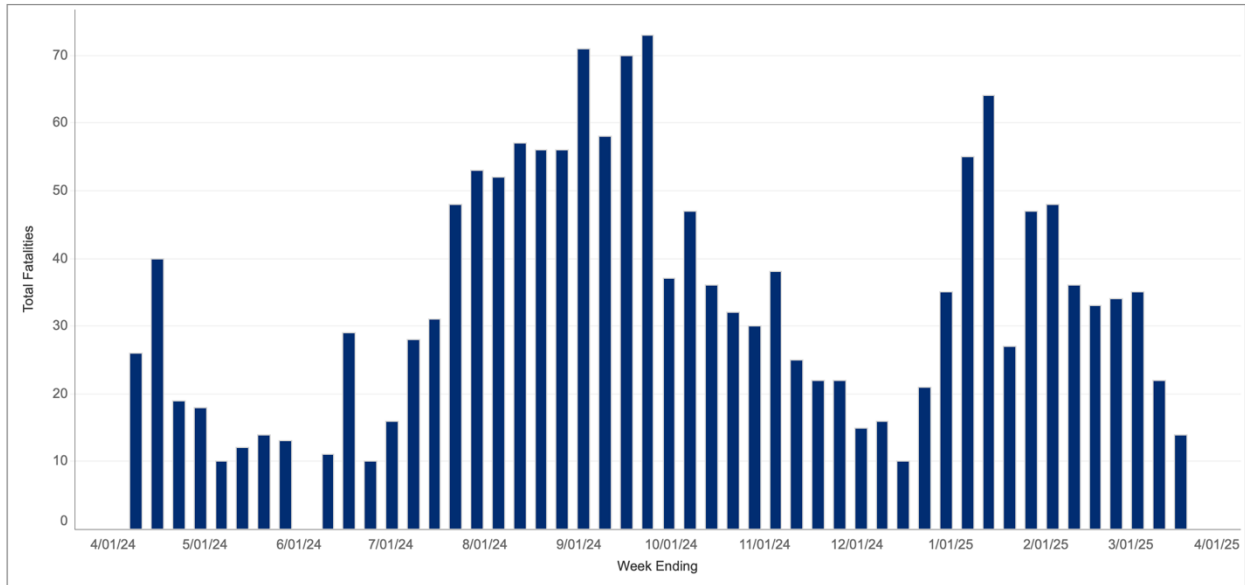
NYS COVID-19 Fatalities Tracker

Below we have included the Fatalities Tracker with the webpage where updated numbers can be found throughout the week linked [here](#).



Total Fatalities reported to and compiled by CDC : 85079

This weekly COVID-19 provisional death certificate data reported by NYS DOH and NYC to the CDC includes those who died in any location, including hospitals, nursing homes, adult care facilities, at home, in hospice and other settings.



Helpful Links and Resources

[SFY 2025-26 H/MH Budget Summary Comparison](#)

[RMS Tax/ Revenue Table](#)

[Center for Disease Control and Prevention](#)

[Department of Financial Services information and resources](#)

[New York COVID-19 Vaccine Information Page](#)

Department of Health

<https://coronavirus.health.ny.gov/home>

[COVID-19 Guidance for Medicaid Providers](#)

Office of Mental Health

<https://omh.ny.gov/omhweb/covid-19-resources.html>

OPWDD

<https://opwdd.ny.gov/coronavirus-guidance>

State Education Department

<http://www.op.nysed.gov/COVID-19.html>

NYS Department of Labor

<https://dol.ny.gov/>