

Governor Kathy Hochul

2023 New York State of the State Address

Thank you, Lieutenant Governor Delgado.

I'm proud to have you by my side as we deliver for the people of New York.

And thank you to Rev. Dr. W. Franklyn Richardson for that beautiful invocation.

I also want to thank my partners in government:

State Comptroller Tom DiNapoli.

State Attorney General Tish James.

Senate Majority Leader Andrea Stewart-Cousins.

Speaker of the Assembly Carl Heastie.

Majority Leader Crystal Peoples-Stokes.

Minority Leader Assemblyman Will Barclay.

Minority Leader Senator Rob Ortt.

My fellow elected officials, it is an honor to be back in this Chamber ...

finally with you in person.

Just a year ago, Omicron forced us to be remote.

Today, I speak not only to you...

...but to those we have the privilege of serving.

PAUSE

My fellow New Yorkers: After three very difficult... tragic... painful... years...

...I'm proud to say that the State of our State today is strong... but we have work

to do.

Last year, in the face of immense hardship and uncertainty, we endured.

We proved to the world that New York may get knocked down.

But we always... always... get back up.

Because of that, I am optimistic about the upcoming year and the future.

We still have some big challenges ahead...

but the fight to do what is right is always worth pursuing.

I'm steeled by the knowledge that if we come together, in this pivotal moment...

...and if those of us in positions of power do what needs to be done for the people of New York...

...our shared potential... is limitless.

As I said in my Inaugural Address: When we are united, there is no stopping us.

And when it comes to the mountains yet to be climbed...

we are ready to scale them this year...

because of the hills we already climbed in the past.

In 2022, we made historic investments to...

...Strengthen and upgrade our infrastructure...

...build a world-class public transit system...

...create strong public education...

...confront climate change ...

...fortify our healthcare system...

...help our small businesses recover from Covid...

...and spur economic development across the State.

We landed the largest investments in state history...

Including \$20 billion from IBM and \$100 billion from Micron...

We expedited tax cuts for the middle class, gave property tax rebates...

and suspended the gas tax when prices at the pump hit record levels.

You've passed... and I've signed... over 840 bills.

PAUSE

In response to tragedy... and the spreading plague of gun violence...

we've strengthened our gun safety laws – which were already the strongest in the nation.

When the Supreme Court overturned Roe v. Wade, we took bold steps to ensure that...

here in New York, access to reproductive healthcare remains a human right.

And even though we had unprecedented revenues ...

and were flush with one-time federal aid,

thanks to our partners in Washington Majority Leader Schumer ..

Senator Gillibrand and the entire Congressional Delegation...

We also put aside money for a rainy day.

That was clearly a smart thing to do...

given that one year later, a majority of economists are predicting a recession.

And it's also one of the reasons why we will not be raising income taxes this year.

I thank the Legislature for being partners in addressing the challenges of 2022.

When I was here last, I spoke of the New York Dream.

For generations, people from all over the world have come here...

...in pursuit of the American Dream.

I am here today because that dream was realized by my family.

And I want more New Yorkers to have access to the same opportunities that my family had.

That is what public service is all about.

The great Frances Perkins... FDR's labor secretary... once said:

"A government should aim to give all the people under its jurisdiction the best possible life."

That's it.

That's the job.

That's what we're here to do.

And we cannot say that we are done yet.

Because... even though we have set the table for what should be the most prosperous time in New York history.

If New Yorkers don't feel safe in our communities...

...if they can't afford to buy a home... or pay the rent...

...then the dream stays out of reach.

We're already seeing signs of out-migration that we cannot ignore....

something that I know all too well from growing up in Western New York,

at a time when jobs were so hard to find.

We cannot allow that to happen again.

The good news is: It doesn't have to be this way.

What I will discuss today is a broad overview of key policies that will make New York more affordable...

more livable...

and safer.

Let me tell you how we plan to do that...

PAUSE

My number one priority has always been... and will always be... to keep New Yorkers safe.

And not a day has gone by that I haven't been laser-focused on this objective.

The pandemic caused so much havoc in our State... country... and society itself.

And it had a profound effect on public safety.

The pervasive unease that wormed its way into our day-to-day lives...

the social isolation... and the economic distress...

Led to a nationwide rise in crime and gun violence...

that we are now combatting.

To respond, we developed new strategies and invested in new programs...

Strengthening our gun violence prevention laws... by passing even stronger ones and closing loopholes.

Banning ghost guns and expanding bail eligibility for gun crimes...

Tougher prosecutions of gun trafficking...

Mandating use of Red Flag laws...

leading to more than 5,000 cases ..

where we kept guns out of the hands of people who shouldn't have them...

and kept innocent people from being hurt.

Raising the minimum age to 21 to purchase semi-automatic weapons ...

Launching a first-in-the-nation 9 state task force on illegal guns...

which took more than 10,000 illegal guns off our streets this past year.

And tripling our investments in gun violence interruption programs.

We've collaborated with local governments like never before...

From putting more cops on the subways...

to bringing down barriers in Rochester, so that stakeholders are finally working together...

And our efforts are starting to work...

Last year, we saw a double-digit decrease in both homicides and shootings.

But we're still far from pre-pandemic crime levels – and our work is still far from done.

PAUSE

There has been no aspect of the discussion around public safety more controversial than bail reform.

As with so much in politics today,

the conversation quickly turns into a debate between two opposing camps with no common ground.

But I believe there are several things most people can agree upon.

First, the size of someone's bank account should not determine whether they sit in jail,

or return home... before they have even been convicted of a crime.

That was the goal of bail reform. it was a righteous one, and I stand by it.

Second, bail reform is not the primary driver of a national crime wave created by a convergence of factors,

including the pandemic.

And third, that the bail reform law as written now leaves room for improvement.

As leaders, we cannot ignore that,

when we hear so often from New Yorkers that crime is their top concern.

And so, to my partners in the legislature, let's start with this shared understanding...

and have a thoughtful conversation during the budget process...

about improvements we can make to the law.

Of course, we know changing our bail laws will not automatically bring down crime rates.

We also must remember that the comprehensive, record investments we are making in...

education, housing and mental health...

all go toward stabilizing communities and addressing historic inequalities.

Those investments must continue.

I'm also proposing the **largest investment ever**...

in the State's Gun Involved Violence Elimination initiative, also known as GIVE...

Which saves lives in the communities that are hardest hit by gun violence.

To put it simply—we're investing in what we know works.

Shootings in Buffalo are down 32%...

In Long Island, they're down 29%...

in Westchester, 27%... all GIVE jurisdictions.

I've also directed State Police to play a more direct role in combating violent crime in our communities.

So we're going to expand State Police Community Stabilization Units ...
to 25 communities across the state.

PAUSE

When it comes to keeping people safe and protecting their well-being,
fixing New York's mental health care system is essential — and long overdue.

Even before COVID, rates of mental illness had been on the rise.

And since the onset of the pandemic...

more than one in three New Yorkers have sought mental health care, or know someone who has.

Too many of them can't get it.

The barriers are seemingly endless.

No appointments available close to home.

Insurance won't cover care.

Long waits for psychiatric beds in hospitals.

As a result, people have been forced to suffer in silence.

Illness grows when it isn't treated.

And so, it is no surprise that the number of people suffering from mental illness has continued to grow.

We have underinvested in mental health care for so long...

and allowed the situation to become so dire...

that it has become a public safety crisis, as well.

New Yorkers are anxious on the subway and on our streets,
when they see individuals who appear to need help....

...people who are unable to care for themselves properly...

...people who could cause harm to others, or themselves...

...people who are at risk of being victimized.

I'm declaring that the era of ignoring the needs of these individuals is over.

Because our success as government leaders...

is measured by our ability to lift up and support all our constituents.

Today marks a reversal in our state's approach to mental health care...

This is a **monumental shift** to make sure no one falls through the cracks.

I'm proud to announce we will be investing **more than
\$1 billion dollars...**

and making critical policy changes to finally... and fully...

meet the mental health needs of our state.

PAUSE

Right now, nearly **3,200** New Yorkers struggling with severe mental illness or addiction are living on the street and subways.

At the same time, we have insufficient levels of...

inpatient psychiatric beds and outpatient services.

We will add 1,000 inpatient psychiatric beds in New York State —
funding 150 new beds in State facilities and bringing 850 psych beds in hospitals
back on line.

This is more than half of the beds we have lost since 2014...

and they will serve more than 10,000 New Yorkers each year.

These actions are overdue...

Last year, we were asked to increase hospital reimbursement rates...

to enable psychiatric beds to be financially viable.

We did that, and provided \$27.5 million in funding and higher reimbursements—

Yet... hundreds of these beds still remain offline.

And that's not acceptable.

So, we will now **insist** that these beds be brought online,

and seek greater authority for the Department of Health...

to ensure full cooperation in meeting these objectives.

This is a moral imperative, **and**, it is a public safety imperative.

We'll also invest in services that allow patients to begin re-integrating...

in a way that is safe for them and for the community...

... so our inpatient beds don't get backed up,

because more appropriate
out-patient treatment options are unavailable.

We know that supportive housing is a tool for both prevention and recovery.

That's why my plan includes building more than **3,500 residential units,**

supported by intensive mental health services.

And we'll make sure that as patients move from one kind of treatment to another,
no one gets left behind.

Our plan requires facilities to discharge high-risk patients into intensive

wraparound services.

And I'll propose legislation that prohibits insurance companies...
from denying access to critical mental health services.

PAUSE

Finally, we're going to focus on our children.

Because too many schools provide no mental health support.

Our children need preventive services now...

to stop them from needing intensive services in the future.

We aim to reduce unmet mental health needs

among children by at least half in the next five years.

PAUSE

So whether we're talking about a child with behavioral challenges, or an adult suffering from depression...

... no one should go without a screening...

... or a doctor's appointment

... or counseling.

And cost should never be a barrier.

That includes care for those suffering from addiction... especially those struggling with opioids.

There are too many families, including my own, who have endured the pain of losing a loved one.

That's why we will do more, working with federal and local partners...

to stop the flow of illicit drugs into our communities and address new deadly additives like Zy-la-zeen...

We'll send resources to localities that are working to shut down fentanyl suppliers...

We will keep expanding access to technology that can detect deadly drugs before they are used,

and that can reverse overdoses.

And we will create a new interagency task force that examines every possible solution.

Because we must meet this crisis with the urgency it demands.

PAUSE

At the outset.... I said we must improve the quality of life for New Yorkers.

But you can't really talk about quality of life without talking about cost of living.

With inflation soaring...

Prices are going up on everything families need to buy.

And on top of that, paying the monthly rent or mortgage— it's just overwhelming.

So let's talk about everyone's largest expense: housing.

I think about my own family's story.

My parents started married life in a trailer park.

On my dad's salary from the steel plant, they eventually were able to live in a tiny upstairs flat.

And from there, they saved up and got a little Cape Cod house.

As we grew older and my dad changed jobs...

I watched my parents' success unfold through the progression of homes they could afford.

They knew how important housing was, and they raised us to fight for change.

They were activists, and they volunteered for an organization called...

“Housing Opportunities Made Equal”— at a time and in a place when that was very controversial.

They understood that for a society to reach its full potential...

equal access to housing is a must.

Because when there's not sufficient housing for people at all income levels... they struggle.

If things get bad enough... they leave in search of opportunity elsewhere.

PAUSE

Over the last ten years, our state has created 1.2 million jobs –
but only 400,000 new homes.

Many forces led to this state of affairs.

But front and center are the local land use policies ...

that are THE most restrictive in the nation.

Through zoning, local communities hold enormous power to block growth.

Between full-on bans of multi-family homes...

and onerous zoning and approvals processes...

they make it difficult ... even impossible ... to build new homes.

Think about that. People want to live here, but local decisions to limit growth mean they can not.

Local governments can and should make different choices.

I spent 14 years in local government, and our community had a citizen-driven Master Plan that allowed for targeted housing and economic growth... while preserving green space.

I know this can be done.

But it hasn't been. Between 2010 and 2018 ...

Nassau... Suffolk...Westchester.... and Putnam Counties...

each granted fewer building permits per capita...

than virtually all suburban counties across:

Massachusetts, Connecticut, Southern California,

New Jersey, Pennsylvania, and Northern Virginia.

And when it comes to New York City...

other metro areas are creating new housing at TWO to FOUR times the rate that we are.

Boston's rate is almost double.

Washington DC... triple.

Seattle four times.

With less supply... demand drives up prices.... And who gets squeezed?

Middle income families and low income families.

That's why since becoming governor, housing has been front and center in my agenda.

The budget we passed together last year included a **five-year,**

\$25 billion plan to create and preserve **100,000** affordable homes...

the single largest housing investment in our state's history.

We unlocked **billions** for NYCHA,

through the creation of the New York City Public Housing Preservation Trust.

We created the **\$25 million** Eviction Prevention Legal Assistance Program...

making sure vulnerable renters have the representation they deserve in court.

We invested **\$539 million** in the Homeowner Assistance Fund...

...and we made **\$100 million** in rent supplements available.

Much was accomplished together, and I want to thank Leader Andrea Stewart-Cousins and Speaker Carl Heastie for prioritizing housing.

They rightly recognize that too many of our people are struggling to find a place to call home,

and they are looking to us for bold leadership.

Decisive action is called for now.

PAUSE

Today... I'm proud to introduce the New York Housing Compact...

...a groundbreaking strategy to catalyze the housing development we need for our communities to thrive...

For our economy to grow..... and our state to prosper.

The Compact pulls together a broad menu of policy changes...

that will collectively achieve the ambitious goal of **800,000** new homes over the next decade.

The Compact sets clear expectations for the growth we need...

...while at the same time, giving localities plenty of tools, flexibility, and resources...

to stimulate that growth.

Every single locality across the state will have a target for building new homes.

Upstate, the target is for the current housing stock to grow by 1% every three years.

Downstate, 3% every three years.

Many localities across the state are already hitting these goals... many others are falling just a bit short.

And in our small towns and villages, just a handful of new homes will mean they hit their targets.

But the reality is that some communities will need to effect real change to build the homes we need.

This is not a one-size-fits-all approach.

Local governments can meet these targets however they want...

and shape the ways they expand building capacity...

...such as redeveloping old malls and office parks... incentivizing new housing production...

Or updating zoning rules to reduce barriers.

We know this is a big ask.

And that's why localities will get help from the State to accomplish this shared objective.

We will offer substantial new funding for infrastructure...

like schools, roads, and sewers needed to support growing communities.

And we will cut red tape to allow projects to move forward quickly...

while still protecting the health, safety, and environment of our communities.

But when communities haven't made good-faith efforts to grow...

...when proposed housing projects are languishing for no legitimate reason...

the State will implement a new fast-track approval process.

Because to do nothing is an abdication of our responsibility to act in times of crisis.

PAUSE

The Housing Compact is also laser-focused on transit-oriented development.

We all know that the MTA is the lifeblood of the New York City metro region...

and we will continue to invest in and ensure its long-term fiscal health.

Our investments in our world-class commuter rail lines...

have connected more people to jobs,

and created more thriving downtowns.

That's why it makes sense to build new housing in those same areas...

that's what happens in cities across the globe.

So as part of the Compact, any municipality with a train station ...

will rezone the area within a half-mile of the station...

...to allow for the creation of new housing... within the next three years.

Finally, the reality is that we can't meet the demand for housing ...

without an incentive program like 421a in New York City. Without it, developers will only build condominiums...

or build elsewhere... which isn't the outcome we need.

To meet our housing goals,

we will work with the Legislature on a replacement for this critical piece of the puzzle.

PAUSE

Overall, this plan IS ambitious. But that's what New Yorkers expect and deserve from their leaders.

Today... we say no more delay...

no more waiting for someone else to fix this problem.

Housing is a human right. Ensuring enough housing is built is how we protect that right.

There's a saying, "Never let a good crisis go to waste."

And we will not waste this opportunity.

We just need everyone and every community to do their part.

PAUSE

Solving our housing crisis would be a huge step toward making New York more affordable...

But it has to be part of a broader approach.

Homeowners and renters are worried about paying their energy bills...

Because rates are at record highs, driven by geopolitical forces outside our control...

but hitting our wallets right here at home.

This winter, we will face energy prices...

that are 20 to 30 percent more costly compared to last year.

That forces too many low-income families to decide:

Do we keep the thermostat turned up? Or do we put food on the table?

No one should have to make that choice.

And it doesn't help that New York has some of the oldest homes in the nation.

They're less insulated... harder to heat and with higher greenhouse emissions.

In fact, buildings are the largest source of emissions in our state...

... accounting for a third of our greenhouse gas output...

...as well as pollution that aggravates asthma and endangers our communities.

So today... I'm proposing an ambitious series of policies...

to insulate our most vulnerable households from exorbitant energy bills...

...and to clear the path forward for a more sustainable future.

We're calling it "The EmPower Plus" program, and it will help low-income families retrofit their homes by:

... adding insulation... upgrading appliances...

and switching from fossil fuels to clean electric heating systems.

This program will reach tens of thousands of households within a year.

Homes that electrify will be eligible for a first-in-the-nation Energy Affordability Guarantee –

...a promise that they will never spend more than 6 percent of their income on electricity.

And we also want to ease the burden on our residents struggling with high electric bills.

So we'll be providing at least **\$165 million in relief** to more than **800,000 utility customers**.

We know that the key to long-term sustainability – for our wallets and our planet –

...is weaning ourselves from fossil fuels.

To set us on that path, I'm proposing a plan...

to end the sale...

of any new fossil-fuel-powered heating equipment by **2030**.

And I'm calling for all new construction to be zero-emission, starting in **2025 for small buildings and 2028 for large buildings**.

We are taking these actions because climate change remains the greatest threat to our planet...

and to our children and grandchildren.

In 2019, this legislature instituted aggressive mandates and deadlines for reducing emissions.

And now ... we are executing on that plan.

Of course, we must do so thoughtfully...

In a way that prioritizes affordability, ... protects those who are already struggling to get by...

And corrects the environmental injustices of the past.

With this in mind, we're pursuing a nation-leading **Cap-and-Invest** program...

To cap greenhouse emissions... invest in the clean energy economy...

...and prioritize the health and economic well-being of our families.

Big emitters will have to purchase permits to sell polluting fuels.

The dirtier the fuel – the bigger the price tag.

And the "invest" part of the program will accelerate the clean energy transition with much-needed funding, and include a universal Climate Action rebate...

...taking revenues and sharing them with our residents, to cover utility bills... transportation costs... and de-carbonization efforts.

And what's great about Cap-and-Invest is that it offers us flexibility...

So we can focus our efforts on the biggest polluters...

and ensure families, farms and small businesses aren't crushed by costs.

But even then, we need changes to make Cap-and-Invest work for New York.

We will propose specific changes in the law to allow us to fund universal rebates from Cap-and-Invest revenues... providing more than \$1 billion for New York

families each year.

Combined with federal investments, we can help every New Yorker with the costs of the transition.

PAUSE

As we help families with energy costs and transitioning to the future,
we know that the future belongs to our children.

As the first mother to lead this state...

I know first-hand the impact that the lack of affordable childcare has on families.

But as Governor.... I also know the impact on the state's economy.

More than 35 years ago, I was working on Capitol Hill, for Senator Daniel Patrick Moynihan.

I loved my job – but there were no affordable child care options available to me.

So I had to put my career on hold... to raise my children.

It's too often moms, in particular, who are forced to make this huge sacrifice.

That's why I was so proud to announce **\$7 billion over four years...**

for affordable child care in last year's budget, and we worked together to get it done.

We brought down out-of-pocket costs for more families...

... and expanded the supply of care in areas that were severely lacking.

But too many families aren't accessing the resources that are available.

Less than 10% of families who are eligible for child care assistance are actually enrolled.

This is the legacy of a system that is difficult to navigate - **by design.**

That has to change.

Our plan will streamline and centralize the child care application process....

... expand access for the most vulnerable families...

increase income eligibility...

and lower co-pays...

while also supporting the child care providers... who are indispensable for working parents.

PAUSE

Now, if we really want to tackle the affordability crisis head-on...

we must recognize that low-wage workers have been hit hardest by high inflation.

The average monthly cost of goods and energy for low-income households...

has jumped by more than 13% in just two years.

That pushes families to the breaking point.

So, as a matter of fairness and social justice...

I am proposing a plan to peg the minimum wage to inflation.

If costs go up, so will wages.

Like other states that have implemented this policy...

we will put guardrails in place to make increases predictable for employers,

and create flexibility in the event of a recession.

But this important change will give the nearly 900,000 minimum-wage workers a lifeline...

Those workers are more likely to be women...

many of whom are single moms... and they are more likely to be people of color.

Putting more money in their pockets helps them... and our economy overall —
As it goes back to local businesses and services.

PAUSE

These initiatives and policies...
new investments and approaches...
are just the tip of the iceberg.

What you've heard for the last hour are my top priorities to improve the lives of New Yorkers.

But this is in no way an exhaustive list.

In fact, I know many of you are looking forward to reading our **275**-page book containing **147** policy proposals.

But to recap: My goals are straightforward and clear.

We will make New York safer.

We will make New York more affordable.

We will create more jobs opportunities for the New Yorkers of today... and tomorrow.

We will open doors to the communities and people...

Who've historically been blocked from equal chances at success.

PAUSE

As other States continue to slide backwards when it comes to basic and fundamental rights...

We will protect and enshrine those rights.

And we will continue to be nation-leading in every way.

PAUSE

The task ahead of us is daunting... and the stakes could not be higher.

But I am fortunate to live in the home once occupied by...

one our State's greatest leaders and thinkers... named Roosevelt.

Eleanor Roosevelt once said,

"You who are going to build a new world...

must go forward with courage."

We will build a new world. And we will be courageous.

We will do the hard things... the necessary things...

to lift up and support New Yorkers... and clear a path for them to realize... the New York Dream.

That is my promise to the people of New York,

and I will work with the members of the legislature to keep that promise.

Thank you.

May God bless the great State of New York, and may God Bless America.