



Executive Order 38 Update **Court of Appeals to Hear Appeal**

The Court of Appeals has decided to hear an appeal of lawsuits challenging Executive Order 38, which limits the amount of money an entity that receives state funds may spend on executive compensation and/or administrative costs.

The court's decision should resolve a split in the Appellate Division over Executive Order 38. The Second Department [upheld](#) the entire regulation in 2015, but earlier this year, the Third Department [struck down](#) restrictions on the use of non-state funds for executive compensation and/or administrative costs (while upholding restrictions on the use of state funds for such purposes).

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