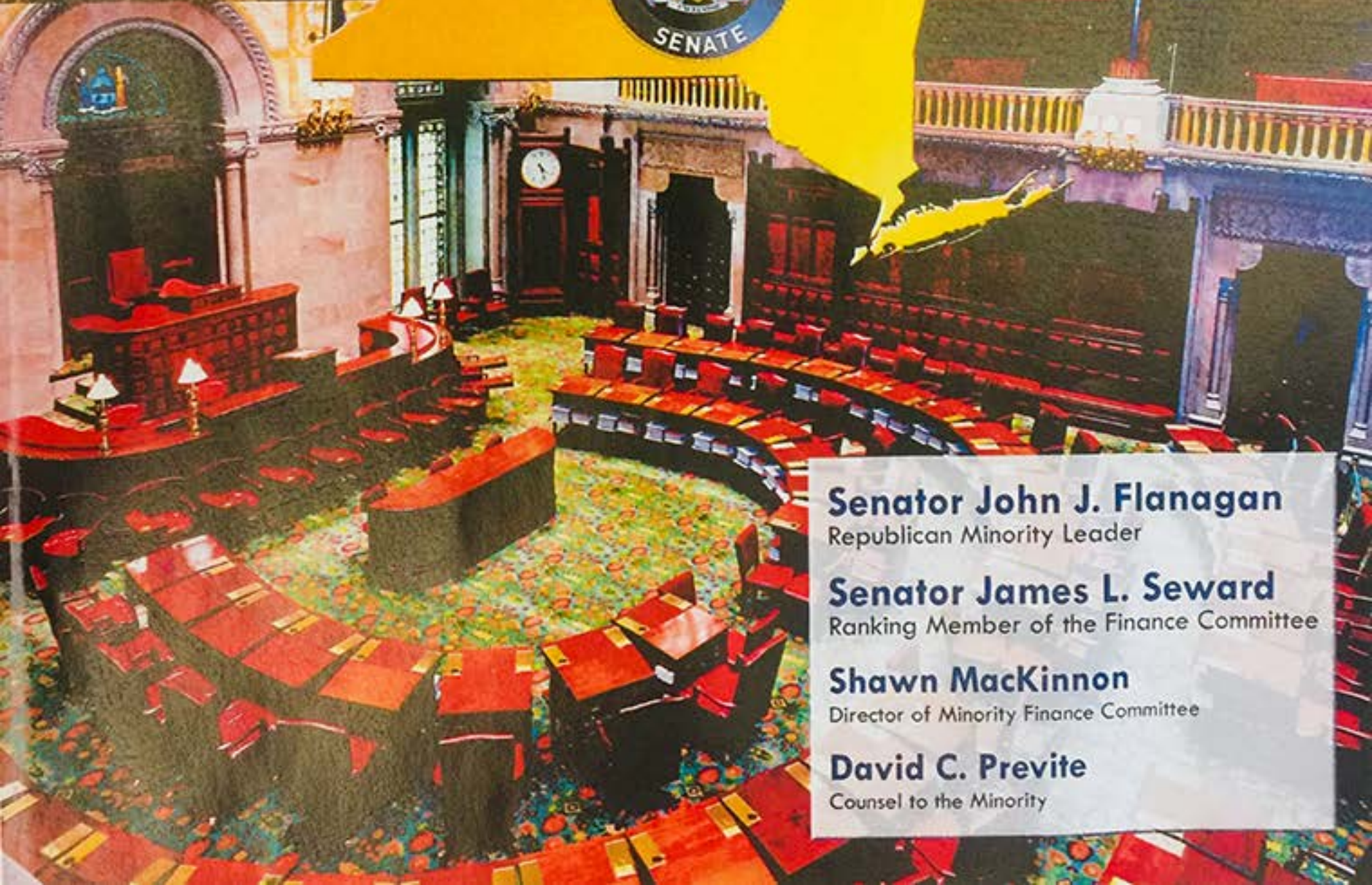
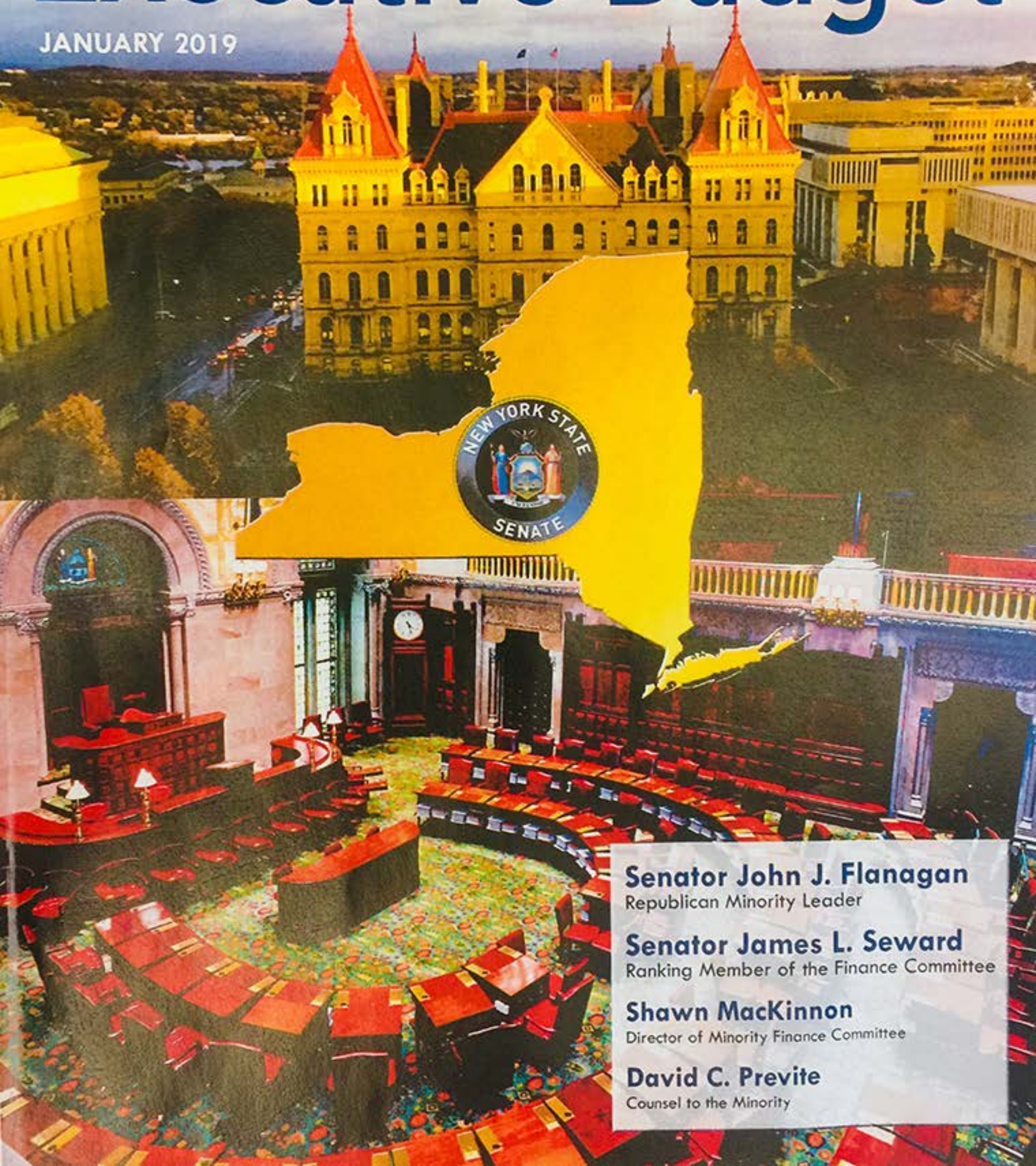


New York State Senate Republican Minority

Finance Committee / Counsel Staff Analysis of the FY 2020

Executive Budget

JANUARY 2019



Senator John J. Flanagan
Republican Minority Leader

Senator James L. Seward
Ranking Member of the Finance Committee

Shawn MacKinnon
Director of Minority Finance Committee

David C. Previte
Counsel to the Minority

**THE SENATE
STATE OF NEW YORK**

414 CAPITOL
ALBANY, NEW YORK 12247
(518) 455-3131

41 S. MAIN STREET
ONEONTA, NEW YORK 13820
(607) 432-5524

E-MAIL
SEWARD@NYSENATE.GOV

WEBSITE
SEWARD.NYSENATE.GOV



JAMES L. SEWARD
SENATOR, 51ST DISTRICT

**RANKING MEMBER
FINANCE COMMITTEE**

COMMITTEES
RULES
EDUCATION
HIGHER EDUCATION
INSURANCE

January 22, 2019

Dear Senators,

Enclosed herewith is the “Staff Analysis of the FY 2020 Executive Budget.” It is intended to assist the members of the Finance Committee and the Senate as a whole, in our deliberations. We hope that our readers find it useful.

The analysis of the Executive Budget begins with a summary of the spending plan. It then offers an explanation of proposed changes that affect receipts and provides for Senate Issues in Focus. Finally, it provides a summary of the Executive’s Article VII language bills submitted as part of the Executive Budget. The report provides an analysis of the appropriations recommended this year and an analysis of the governor’s recommendations.

Each member of the Senate Finance Committee devotes considerable time and effort to the passage of a budget that serves the interest of every New Yorker. I am most grateful for their cooperation. It is also a pleasure to thank the staffs of both the Senate Finance Committee, and the Counsel and Program Office, whose assistance has been invaluable.

Sincerely,

JAMES L. SEWARD
Ranking Member, Finance

Report of the Minority Senate Finance Committee



STAFF ANALYSIS OF THE FY 2020 EXECUTIVE BUDGET

As Prepared by the Senate Republican Minority Finance Committee / Counsel Staff

Shawn MacKinnon
Director, Finance Committee Minority

David Previte
Counsel to the Minority

Thomas Havel, Deputy Director

Finance Staff

Brendan Boyle	Maria LoGiudice
Sharon Carpinello	Lauren Melendez
Jeffrey DeGironimo	Mark Nachbar
Peter Drao	Steven Rodway
James Eagan	Dave Thoman
Benjamin Eddy	Charles Vaas
Nicole Fosco	Jeffrey Wetherbee
Kevin Gannon	

Counsel/Program Staff

Nicola Coleman	Barbara McRedmond
Robert Farley	Joseph Messina
Colleen Glavin	Paul Midey
Allison Gold	Anthony Piscitelli
Dave Gruenberg	Lorrie Pizzola
Lisa Harris	Nicole Stewart
Benjamin Kosinski	

Publication Editor

Keith McNab

Support

Mary Morelli
David Burns

TABLE OF CONTENTS



SECTION ONE: HIGHLIGHTS OF THE FY 2020 BUDGET

OVERVIEW OF THE FY 2020 BUDGET – FINANCIAL PLAN TABLES	1
SUMMARY OF AGENCY SPENDING	
<i>Education</i>	21
<i>Higher Education</i>	33
<i>Health – Medicaid</i>	41
<i>Transportation</i>	55
<i>Environmental Conservation, Agriculture and Housing</i>	62
<i>Public Protection</i>	76
<i>Economic Development</i>	86
<i>Mental Hygiene</i>	94
<i>Human Services</i>	104
<i>General Government and Local Government Assistance</i>	116
<i>Receipts, Taxes and Fees</i>	135

SECTION TWO: SENATE ISSUES IN FOCUS

Middle Class Income Tax Cut / Child and Dependant Care Credit	145
New York State Property Tax Relief	147
New York City Property Tax Growth.....	154
Foundation Aid	158
College Affordability	161
Transportation Capital Programs	164
Congestion Pricing.....	170
Executive Criminal Justice Proposals	174
Executive Proposal on Ethics and other Governmental Operations	178
State Spending Cap	185
Minimum Wage - \$15 per hour (Update)	187
Recreational Marijuana	193
Workforce Update.....	196
Energy and Environment	199
Local Government Impact and Continued Savings to Counties	200

SECTION THREE: SUMMARY OF ARTICLE VII LEGISLATION AND APPENDICES

Executive Budget Public Hearing Schedule	203
Summary of Article VII Bills.....	204

SECTION ONE

HIGHLIGHTS OF THE EXECUTIVE BUDGET

OVERVIEW



The New York State Senate Republican Minority has led the way over the last eight years in a bipartisan fashion, to enact on time state budgets that achieve our key goals of controlling taxes and spending, creating jobs, and investing in key areas like education, health care and the environment.

The FY 2020 Executive Budget, as proposed, continues to employ a budgeting strategy that reduces long-term structural deficits through increased taxes and moving current state operating funds spending out of the state operating fund calculation and disbursement controls. The largest spending increases under the Executive's plan are State aid to education \$956 million and Medicaid \$1 billion while keeping the overall state operating spending within the self-imposed two percent spending cap. The two percent constraint on state spending has saved taxpayers in excess of \$52 billion over the last eight years.

While no new tax relief is proposed in FY 2020, the Executive budget continues the phase-in of the Senate Republican Minority initiated Middle Class Tax cuts which when fully phased in by 2025 will provide \$4.2 billion in tax relief. In addition, the Executive keeps the promise on the property tax rebate program which outside of the STAR program will be the only direct property tax relief provided by the State. This program initiated by the Senate Republican Minority will provide \$1.3 billion in property tax relief for eligible homeowners.

The Executive has proposed a number of gap closing actions to eliminate a \$3.1 billion dollar deficit for FY2020. These proposals in turn reduce projected out year financial gaps and in fact create surpluses projected in FY2022 and FY2023.

To reduce the financial gaps the Executive Budget utilizes financing mechanisms, such as extending the high earners tax rate which was set to statutorily decrease as of December 31st of this year, propose new taxes on internet transactions, eliminate sales tax exemptions on energy sold by energy service companies, stop the growth in the STAR program for homeowners who receive the exemption, reduce eligibility within the STAR program for those homeowners who currently receive the exemption, defer a Human Services cost of living adjustment and the proposal of several new fees. The Executive Budget estimates that the General Fund will remain in balance on a cash basis for FY 2020 and the Financial Plan projects a four-year General Fund surplus of \$2.633 billion.

The Executive Budget revenue outlook continues to reflect the recent uncertainty and atypical receipts patterns the State has been experiencing, and the Executive has again adjusted revenue projections. In comparison to the FY 2019 Mid-Year update, tax receipts are revised downward by \$396 million. This downward trend when added to the estimates in the Division of Budget 2019 Mid-Year report project an overall reduction of \$1.6 billion for FY 2020.

The FY 2020 Executive Budget continues to propose language within the appropriation bills providing the Executive with broad powers to reduce certain local assistance payments by a uniform amount in the event that any revenue to the State including federal aid is reduced from projected levels.

In addition to this proposal the Executive has advanced language allowing the Director of the Division of Budget to reduce funding for local assistance programs if revenues projected to

support those specific local assistance programs are not realized throughout the fiscal year. In the event of a shortfall in tax receipts in excess of \$500 million, the Director of the Budget would be authorized to uniformly reduce local assistance programs. The Legislature, once the plan is received, will have 90 days to respond with an alternate plan otherwise the Director of Budget's plan becomes law.

In conjunction with these two proposals the FY 2020 Executive Budget includes broad interchange language within the appropriation bills.

FINANCIAL PLAN

The FY 2020 Executive Budget financial plan projects a structural surplus through FY 2022 of \$2.6 billion after tax actions.

All Funds FY 2020 spending is projected at \$175.2 billion, an increase of \$3.5 billion or two percent. All Funds disbursements are projected to exceed receipts in FY 2019 and FY 2020. The Executive proposes to fund the difference from other available resources including extraordinary monetary settlements and General Obligation (GO) bond proceeds used to reimburse capital spending planned from other funding sources in the first instance.

FY 2020 ALL FUNDS SPENDING <i>(billions of dollars)</i>			
2019	2020	Change	Percent
\$171.7	\$175.2	\$ 3.5	2.0%

FY 2020 State Operating Funds spending is projected at \$102 billion, an increase of \$1.9 billion or 1.9 percent from FY 2019.

FY 2020 STATE OPERATING FUNDS SPENDING <i>(billions of dollars)</i>			
2019	2020	Change	Percent
\$100.1	\$102.0	\$ 1.9	1.9%

BUDGET SURPLUS / (GAP)

The Executive Budget estimates that the General Fund will remain in balance on a cash basis for FY 2020 and projects a four-year structural surplus of \$2.6 billion.

Executive Budget Surplus / (Gap) Estimate <i>(millions of dollars)</i>	
FY 2020	\$0
FY 2021	(\$747)
FY 2022	\$904
FY 2023	\$2,476
Structural Surplus	\$2,633

The Executive Budget closes the projected \$3.1 billion budget gap estimated in the Mid-Year Update. The Executive projects an FY 2021 General Fund cash deficit of \$747 million after revenue and gap closing actions.

FY 2020 Budget Gap Closing Plan <i>(millions of dollars)</i>	
Mid-Year Surplus / (Gap) Estimate	(\$3,070)
Agency Operations	\$283
Local Assistance	\$1,986
Capital Projects / Debt Management	\$843
All Other	\$242
Total Spending Changes	\$3,354
Revenue Actions / Resource Changes	\$1,283
Tax Receipt Reestimates	(\$1,567)
Total Resource Changes	(\$284)
Executive Budget Surplus / (Gap)	\$0

RECEIPTS

The Executive Budget projects FY 2020 State Operating Funds receipts at \$107.2 billion, an increase of \$1.9 billion or 1.8 percent. FY 2020 All Funds receipts are projected to increase from \$170 billion to \$172.9 billion, an increase of \$2.9 billion or 1.7 percent. The All Funds receipts increase reflects an increase in State tax revenue of \$4.4 billion, offset by a miscellaneous receipts decrease of \$2.5 billion.

Receipts <i>(billions of dollars)</i>				
	FY 2019	FY 2020	Change	Percent
State Operating Funds	\$107.2	\$109.1	\$1.9	1.8%
All Funds	\$170.0	\$172.9	\$2.9	1.7%

The FY 2020 Executive Budget includes no new tax reductions in FY 2020 and only \$4 million in reductions in FY 2021. Instead, the Executive imposes numerous new and increased taxes and fees. The Executive Budget includes \$1 billion in tax and fee increases in FY 2020, growing to \$4.1 billion in FY 2021.

RESERVES

The Executive Budget projects a FY 2020 General Fund closing balance of \$5.9 billion, a decrease of \$1.047 billion over the projected closing balance for FY 2019. Included within the FY 2020 reserve total is \$2.3 billion for statutory reserves; \$7 million in the Community Projects Fund; \$21 million in a contingency reserve for claims made against the State, \$155 million for potential labor agreements and \$500 million for debt reduction. There is also approximately \$2.9 billion in financial settlement proceeds.

MAJOR SPENDING AREA HIGHLIGHTS

HEALTH - MEDICAID

The FY 2020 Executive Budget recommends \$73.8 billion in All Funds cash disbursements for the Department of Health (DOH), a net increase of \$3.2 billion or 4.5 percent. This amount constitutes the largest area of the Executive Budget

The FY 2020 Executive Budget recommends All Funds Medicaid spending, to be \$71.2 billion, an increase of 3.9 percent for FY 2020. When adding the \$7.7 billion local share of Medicaid, the gross spending on Medicaid increases to

\$78.9 billion, an increase of \$1.4 billion or 1.7 percent over current year spending. The Medicaid Global Cap's growth is 3 percent for FY 2020, allowing for \$19.4, an increase of \$568 million. The Executive proposes DOH Medicaid spending to total \$21.7 billion in FY 2020, which includes statutory exemptions for Medicaid spending outside the Global Cap. When adjusting for Medicaid spending in other agencies, State Operating Funds Medicaid spending increases by approximately \$1 billion or 4.4 percent.

There are numerous Medicaid Redesign Team (MRT) proposal included in the Executive Budget that impact managed care, transportation, long-term care, pharmaceuticals, and hospitals.

The Executive Budget recommends All Funds cash disbursements of \$5.3 billion for DOH Public Health spending, an increase of \$246 million of 4.9 percent for FY 2020. The Executive Budget also includes a number of notable Article VII proposal, including:

- The Reproductive Health Act
- Comprehensive contraception coverage
- Codifying the New York State of Health and other sections of the Affordable Care Act
- Fertility insurance mandate
- Regulating Pharmacy Benefit Managers
- Tobacco Control reforms, specifically raising the smoking age to 21

The Executive Budget also includes a comprehensive proposal for the legalization of adult cannabis use.

SCHOOL AID

The FY 2019-2020 Executive Budget provides \$27.7 billion in school aid, an increase of \$96.6 million or 3.6 percent above FY 2019. This proposal provides for an increase of \$411 million for expense based and other categorical aids for the 2018-19 school year. Under the Executive Budget, Foundation Aid is increased by \$338 million over the prior year. Additional funding of \$156 million is provided in a fiscal stabilization fund with distribution of such funds to be negotiated by the Legislature. Funding of \$250 million within Foundation Aid is provided for community schools, an increase of \$50 million.

The Executive Budget funds expense-based aids and other categorical initiatives at present law levels for an increase of \$411 million. However, the Executive proposes eliminating most expense-based aids in 2020, replacing them with a lump sum grant to districts that would grow by the rate of inflation. The Executive would also take steps to reduce the amount of building aid a district can take advantage of.

The Executive Budget increases Foundation Aid by \$338 million and distributes 86 percent of the increase in Foundation Aid to low wealth districts, including New York City. All school districts receive an increase in Foundation Aid under this proposal with 181 districts receiving a minimum one quarter of one percent year over year increase.

The Executive Budget provides for a \$250 million Community Schools set-aside which is an increase of \$50 million above 2018-19 levels. This set-aside is included in total Foundation Aid. Similar to FY 2019, \$150 million of the set-aside retains its flexibility while \$100 million must be used to support the transformation of schools into community hubs.

The Executive Budget includes \$834 million in funding for Universal Pre-Kindergarten, with most of that intended for four-year old children.

The Executive proposes capping STAR property tax exemption benefits at 2019-20 levels, beginning with the 2020-21 school year, in an effort to limit state spending on STAR. The STAR income tax credit would be allowed to continue increasing at a rate not to exceed two percent annually.

The Executive also proposes reducing the income eligibility for the STAR exemption from \$500,000 to \$250,000. The income eligibility for the STAR credit would remain \$500,000.

HIGHER EDUCATION

The FY 2020 Executive Budget recommends All Funds spending of \$17.1 billion for New York State public and private higher education programs. This represents an increase of \$153 million or 0.9 percent from FY 2019.

Cash spending at SUNY would increase \$91 million, or 1.1 percent, from \$8.3 billion to \$8.4 billion. CUNY cash spending would increase \$25 million, or one percent, from \$1.6 billion to \$1.7 billion. The Higher Education Facilities Capital Matching Grants Program disbursements would decrease by \$625,000, and the Higher Education Services Corporation – which is responsible for providing tuition assistance and state scholarship programs – would decrease \$68 million, or 6.3 percent.

The Executive Budget recommends flat base aid support for SUNY Senior State colleges. The SUNY system is expected to approve a \$200 increase of in-state tuition in academic year 2019-20. This would represent the third of four years of authorized tuition increases.

SUNY's community colleges receive state aid via formula based on the enrollment of full-time

equivalent (FTE) students. The Executive Budget leaves the formula unchanged year-to-year at \$2,847/FTE. A decrease in enrollment would reduce assistance by \$9.9 million.

The FY 2019 Executive Budget provides a \$926 million capital appropriation for SUNY. This represents a \$300 million decrease, or 25 percent. Senior colleges would receive flat funding of \$550 million for critical maintenance. SUNY teaching hospitals would receive \$100 million in new capital authority.

Operating funds for CUNY Senior Colleges would increase by \$73 million or 2.7% within the FY 2020 Executive Budget. The CUNY system is expected to approve a \$200 increase for in-state tuition in academic year 2019-20. Similar to SUNY, this increase represents the third of four years of authorized tuition increases.

CUNY's community colleges receive state aid via formula based on the enrollment of full-time equivalent (FTE) students. The Executive Budget leaves the formula unchanged year-to-year at \$2,847/FTE. A revised estimate of enrollment results in a decrease of \$17 million.

The FY 2019 Executive Budget provides a \$380 million capital appropriation for CUNY. This represents a \$20 million increase, or eight percent, from FY 2019. Senior college appropriation would remain unchanged at \$284 million, while community college projects would increase \$68 million.

The FY 2020 Executive Budget provides \$948 million for the Tuition Assistance Program (TAP), and includes language within the appropriation to allow undocumented immigrants to be eligible for State financial aid programs. The Excelsior Scholarship and the Enhanced Tuition Award, which were established in the FY 2018 Enacted Budget, would receive \$118 million and \$7.2 million, respectively. The Excelsior Scholarship

covers tuition costs for eligible students at SUNY and CUNY schools while the Enhanced Tuition Award provides financial aid to eligible students at private colleges and universities.

The Higher Education Capital Matching Grant Program would not receive a new round of funding for private colleges and universities.

The FY 2020 Executive Budget provides \$46.9 million in funding for arts and cultural grants administered by the New York State Council on the Arts. This represents a decrease of \$160,000 in funding from FY 2019.

HUMAN SERVICES

The Fiscal Year (FY) 2020 Executive Budget recommends a decrease in All Funds cash disbursements of \$410 million, or four percent, for all human services agencies, with total recommended spending of \$8.7 billion.

The FY 2020 Executive Budget recommends \$200 million in appropriation authority to support the continued implementation of Raise the Age. This proposal would include reform measures such as comprehensive diversion, probation, programming and placement services for 16 and 17 year old youths who will be involved in the juvenile justice system as the age of criminal responsibility changed to age 17 on October 1 2018 and will change to age 18 on October 1, 2019.

The FY 2020 Executive Budget proposes to intercept local assistance program payments from counties for their share of the \$55 million cap instead of issuing bills to counties. Currently, counties are billed for 50 percent of youth facility costs. Since FY 2016, the State has capped the amount billed annually at \$55 million statewide. The Executive Budget recommends that the state intercept local payments for the county shares of CY 2017 youth facility costs and CY 2018 youth facility costs. The Executive claims that this

practice would produce a savings of \$110 million. Under this proposal, the billings would return to one year of youth facility costs by FY 2021. The Executive claims this approach will reduce State spending and provide administrative relief to both the State and counties as a result of not having to process billings and payments for youth facility operations.

The FY 2020 Executive Budget recommends a redesign of the State's human services training program with the establishment of a centralized training center in Rensselaer. The purpose of this initiative is to expand the opportunities for curriculum development and maximize training effectiveness through increased use of simulation-based trainings at the new, state-of-the-art training facility. The Executive claims to be able to manage this facility within existing resources.

The FY 2020 Budget proposes new requirements to expand background checks to comply with the Federal Family First Prevention Services Act as well as creating the Family First Transition Fund. This fund will leverage Federal and private foundation funds to provide counties and foster care agencies with support to expand kinship and foster care family capacity, helping the State comply with these requirements.

The FY 2020 Budget would recommend eliminating statutory provisions that require domestic violence victims to apply for Public Assistance. Current statute permits providers to charge victims with sufficient resources a fee for services. This practice has been determined by the Federal government to contradict Federal rules for Family Violence Prevention Services Act (FVPSA) funding.

The FY 2020 Executive Budget would establish a 10 percent local share for New York City for the Family Assistance program, which provides aid to eligible families earning less than 200 percent of the Federal Poverty level. This is consistent with

the existing 10 percent local share that the City pays for the Emergency Assistance to Families program. The Executive estimates that this provision would save the state \$72 million annually.

The FY 2015 Enacted Budget authorized a limit on rent paid by New York City residents living with HIV/AIDS who receive Public Assistance. The State cost for this limit, no more than 30 percent of monthly income toward rental costs, was paid for with funds from financial settlements in FY 2016 through FY 2019. The FY 2020 Budget would shift the cost of this program to Safety Net Assistance, creating a permanent funding source for the program.

The Executive Budget proposes expanding the HIV/AIDS rent cap to establish a program that would authorize districts outside of New York City to opt in to a program to partner with a Medicaid managed care organization (MCO) and a non-for-profit service provider to assist public assistance recipients living with HIV in maintaining or securing stable housing. Through this program, the State would provide up to \$1 million per district, the MCO's would provide a dollar-for-dollar match to the State funds, and the service provider would connect the recipient to housing and other services.

The Executive Budget seeks to increase funding for the Summer Youth Employment Program by \$4 million, bringing the programs total to \$44 million. The Executive claims that approximately 19,000 youths were employed through the 2018 program, consistent with the previous year.

The Executive Budget would provide \$4.5 million to continue supporting the 16 communities in the Empire State Poverty Reduction Initiative (ESPRI). This funding will ensure that all 16 cities continue to provide services to their communities throughout the upcoming fiscal year.

The FY 2020 Executive Budget reduces the appropriation authority for the UI program by \$52 million, to \$2.8 billion. This is due to a combination of a decrease in UI benefit payments due to reduced utilization and the strong health of the fund.

MENTAL HYGIENE

The FY 2020 Executive Budget recommends \$7.4 billion in All Funds cash disbursements in Mental Hygiene spending, an increase of \$177 million, or 2.4 percent

The Executive proposes \$121 million in mental hygiene savings by deferring for one year the Cost Of Living Adjustment for human services agencies, as required by Chapter 57 of the Laws of 2006, and the OPWDD Medicaid Inflationary Trend Factor.

The Executive proposes a \$62.5 million in new State spending increase to support the direct cost to not-for-profit providers of the scheduled minimum wage increase for direct care, direct support, and other workers.

The Executive proposes \$60 million in new state funding, with a federal match of \$60 million for expanded OPWDD services. The Executive proposes the continuation of the transition to managed care for the developmentally disabled population receiving services under OPWDD.

The FY 2020 Executive Budget includes over \$200 million to continue funding addressing the heroin and opioid crisis; however, there is not significant new resources to combat the epidemic.

The Executive proposes to not advance additional OMH inpatient bed reductions in FY 2020; however, the Executive proposes to attempt completing prior year targeted goals for reductions. There are no proposed closures of state-operated psychiatric centers in FY 2020.

There is no new planned reinvestment outside the Executive attempting to meet prior year goals.

The Executive proposes a series of reforms relating to insurance coverage for mental illness and Substance Use Disorders (SUD). The Executive maintains that current coverage is not meeting the needs of individuals in crisis, and this proposal would rebalance parity between health and mental hygiene insurance.

TRANSPORTATION

The FY 2020 Executive Budget proposes an All Funds cash spending level for the Department of Transportation (DOT) of \$8.5 billion, a decrease of \$480 million, or 5.6 percent from FY 2019.

The Executive Budget provides \$5.8 billion in overall cash operating assistance to the State's transit systems, an increase of \$299 million or 5.4 percent. Including operating assistance that is now off budget, the MTA would receive \$5.3 billion, an increase of \$263 million or 5.3 percent. Non-MTA transit systems would receive \$568 million, including \$350 million for Downstate non-MTA transit systems and \$218 million for Upstate transit systems, reflecting a 6.9 percent increase.

Under the Executive's proposal, the Consolidated Highway Improvement Program (CHIPS) would receive \$438.1 million, and the Municipal Streets and Highways Program ("Marchiselli") would receive \$39.7 million. This maintains the funding for these programs at the FY 2019 base levels. The Executive Budget does not include the \$65 million in Extreme Winter Recovery funds that was part of last year's Enacted Budget.

The FY 2020 Executive Budget recommends an All Funds cash spending level for the Department of Motor Vehicles (DMV) of \$350 million, a \$10.8 million or 3 percent increase from last year. This increase is attributable to additional operating costs to accommodate the second year of the

drivers' license renewal cycle along with the added processing work in DMV offices due to the implementation of REAL ID. The Executive proposes a DMV workforce of 2,345 FTE positions, which maintains existing staffing levels. The FY 2020 Executive Budget recommends an All Funds cash spending level of \$675 million for the MTA, a \$125 million or 18.5 percent decrease from last year. This decrease is attributable to the Executive proposal to transfer additional MTA operating assistance off budget. This year the Executive is proposing to transfer dedicated MTA Aid Trust revenues (\$265 million) off budget. Last year's Enacted Budget moved the payroll mobility tax (\$1.5 billion) off budget.

The Executive proposes that the MTA build and operate a congestion pricing tolling program in Manhattan for motor vehicles operating on or below 60th Street, but not including the FDR Drive. The MTA would set congestion pricing fees to support \$15 billion of new investments in the upcoming 2020-2024 MTA Capital Program and subsequent programs.

The Executive maintains the State's overall \$8.6 billion funding commitment to the MTA's \$30.3 billion 2015-2019 Capital Program. In addition, the FY 2020 Executive Budget includes appropriation language requiring passage of legislation relating to congestion tolling, MTA organizational reform and speed cameras prior to these funds being released.

PUBLIC PROTECTION

The FY 2020 Executive Budget recommends All Funds disbursements of \$5.5 billion, a decrease of \$30 million or .5 percent over FY 2019 for all public protection agencies. This primarily is attributable to decreases in non-recurring Legislative additions within the Division of Criminal Justice Services (DCJS).

The Executive recommends \$3.38 billion in All Funds appropriations for the Department of Corrections and Community Services, an increase of \$84 million from FY 2019.

To compliment stipulations within the New York Civil Liberties Union (NYCLU) settlement, the Executive proposes \$70 million in appropriation authority to construct alternative to solitary confinement buildings. An increase of 153 FTEs due to the settlement is also proposed.

The projected prison population will be approximately 47,400 by April 2019.

The Executive Budget recommends \$275.6 million in All Funds appropriations for DCJS, a decrease of \$37 million from FY 2019. The Executive proposes a decrease of \$27 million in Legislative General Fund Local Assistance programs. The Executive includes new funding of \$10.5 million for Gang Prevention efforts. The plan would be submitted by the Commissioner of DCJS and subject to the approval of the Director of Budget.

The Executive provides \$1.57 million in All Funds appropriations for the Division of Homeland Security and Emergency Services, an increase of \$32 million from FY 2019. This is primarily attributable to a non-recurring appropriation for local interoperability grants.

The Executive Budget recommends \$956.6 million in All Funds appropriations for the Division of State Police (DSP), a decrease of \$38 million from FY 2019. This decrease is primarily attributable to the elimination of Federal Capital Equitable Sharing Funds. To comply with State Comptroller policy changes for intergovernmental transfers, the appropriation for Policing The Thruway is increased by \$9 million.

The Executive Budget recommends \$211 million in All Funds support for the Office of Indigent

Legal Services, an increase of \$49.7 million from FY 2019. This is wholly attributable to the statewide implementation of the Hurrell-Harring Settlement terms, which was part of the FY 2018 Enacted Budget. The proposal allows for an increase of two FTEs to handle increased workload associated with statewide implementation.

The Executive Budget recommends \$157.6 million in All Funds support of the Division of Military and Naval Affairs, an increase of \$1.1 million from FY 2019. This is primarily attributable to an increase of \$5 million for maintenance projects for Armories across the State, which is offset by the elimination of Federal Capital Equitable Sharing Funds.

ECONOMIC DEVELOPMENT AND JOB CREATION

The FY 2020 Executive Budget recommends All Funds appropriations of \$178 million for State Operations and Aid to Localities economic development programs, this is a decrease of \$18.1 million, or 9.2 percent from the FY 2019 Enacted Budget.

General Fund appropriations are recommended at \$166 million, which is a decrease of \$22.1 million or 11.7 percent. This decrease is primarily driven by the elimination of Legislative additions totaling \$19.5 million.

The FY 2020 Executive Budget recommends a capital appropriation of \$820.3 million. This is a decrease of \$445 million or 35.2 percent from FY 2019.

AGRICULTURE/ENVIRONMENT/ HOUSING

The FY 2020 Executive Budget recommends All Funds disbursements of \$2.7 billion, a decrease of \$38.3 million for the State's Environmental Conservation, Energy, Agriculture, and Housing

agencies. Increases in funding are recommended for the Adirondack Park Agency (\$87,000); the Department of Environmental Conservation (\$91.9 million); the Department of Public Service (\$1.6 million); the Olympic Regional Development Authority (\$17.3 million); the New York Power Authority (\$30.7 million); the Office of Parks, Recreation and Historic Preservation (\$3.4 million); and the Hudson River Park Trust (\$5 million). Decreases are recommended for the Division of Housing and Community Renewal (\$127.6 million); Department of Agriculture and Markets (\$57.8 million); and for the Energy Research and Development Authority (\$2.4 million).

The FY 2020 Executive Budget recommends All Funds appropriations of \$1.7 billion for the Department of Environmental Conservation (DEC), an increase of \$512.2 million, or 41 percent from FY 2019. This increase largely reflects the first installment of \$500 million for the five-year \$2.5 billion in funding for the Clean Water Infrastructure. This first installment would be applied to drinking water infrastructure, wastewater protection, and water quality protection throughout the State.

The FY 2020 Executive Budget recommends All Funds appropriations of \$4.68 million for the Adirondack Park Agency, an increase of \$140,000, or 3 percent, from the current year. This increase is primarily due to the increase in personal service growth. Staffing levels for the APA are projected to remain unchanged at 54 FTE positions.

The FY 2020 Executive Budget recommends All Funds appropriations of \$175 million for the Department of Agriculture and Markets (NYSDAM). This represents a net decrease of \$11.6 million, or -6 percent, from the current fiscal year. These changes reflect the elimination of legislative local assistance additions and one-time capital adds for the State Fair, improvements at county fairs and assistance for animal shelters.

The FY 2020 Executive Budget recommends All Funds appropriations of \$17.7 million for the New York State Energy Research and Development Authority (NYSERDA). This represents an increase of \$700,000, or 4 percent, from the current fiscal year. The increase is necessary to meet the State's obligations to a federal cost sharing agreement with the US Department of Energy for the management and administration of the nuclear fuel reprocessing plant at West Valley.

The FY 2020 Executive Budget recommends All Funds appropriations of \$104.6 million for the Department of Public Service (DPS), a net increase of \$9.2 million, or 9.7 percent, from the current fiscal year. This increase primarily results from a personal service estimate and a non-personal service increase. Staffing levels for DPS are projected to 528 FTE positions, an increase of 8 FTEs from the current year.

The FY 2020 Executive Budget recommends All Funds appropriations of \$459.2 million for the Division of Housing and Community Renewal (DHCR), a net decrease of \$203.3 million, or -44.21 percent, from current levels. The decrease is attributed to the elimination of funding for the New York City Housing Authority (\$250 million) for capital projects affecting the health and safety of tenants at housing developments.

The FY 2020 Executive Budget recommends All Funds appropriations of \$170 million for the Olympic Regional Development Authority (ORDA), an increase of \$37 million, or 53 percent from the FY 2019 Enacted Budget. This reflects additional capital spending at ORDA facilities for energy efficiency upgrades and renovation projects. The Executive expects these changes to allow ORDA to reduce operating costs at its venues.

The FY 2020 Executive Budget recommends All Funds appropriations of \$172 million for the New York Power Authority (NYPA). This represents a

net decrease of \$43 million from the current fiscal year. This net decrease reflects a reduction in the State's repayment of funds previously transferred by NYPA to the State.

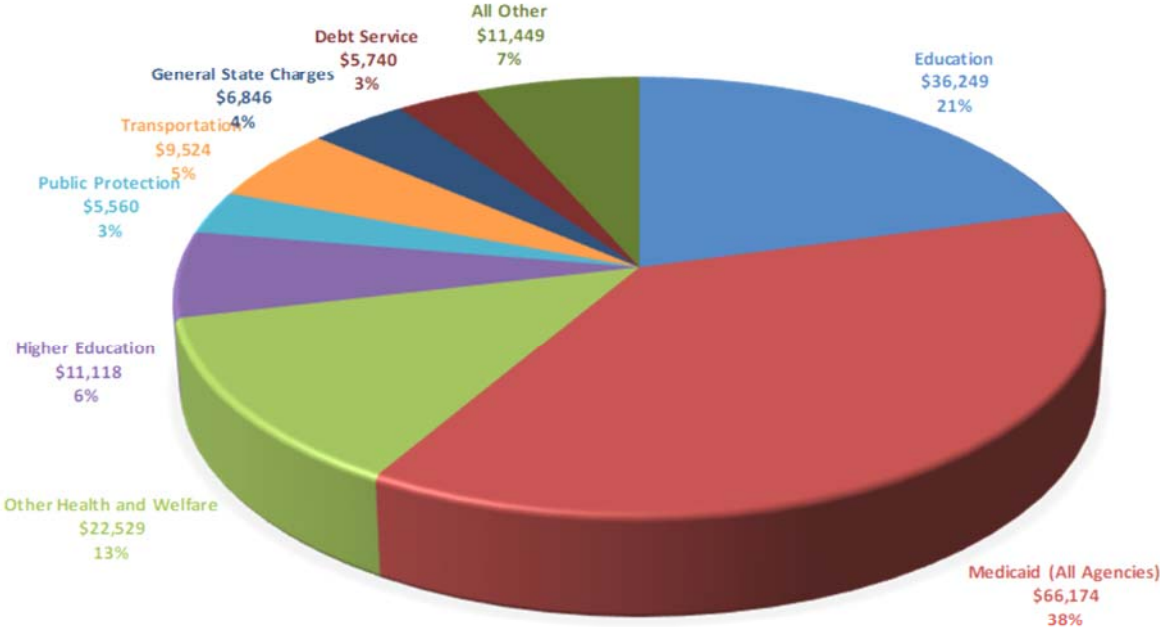
The FY 2020 Executive Budget recommends All Funds appropriations of \$481.4 million for OPHRP, an increase of \$45.5 million, or 10 percent from the FY 2019 Enacted Budget. This funding increase can be attributed to a \$22 million increase in the State Park Infrastructure Fund for phase II construction of the Shirley Chisholm State Park.

STATE OPERATIONS / WORKFORCE

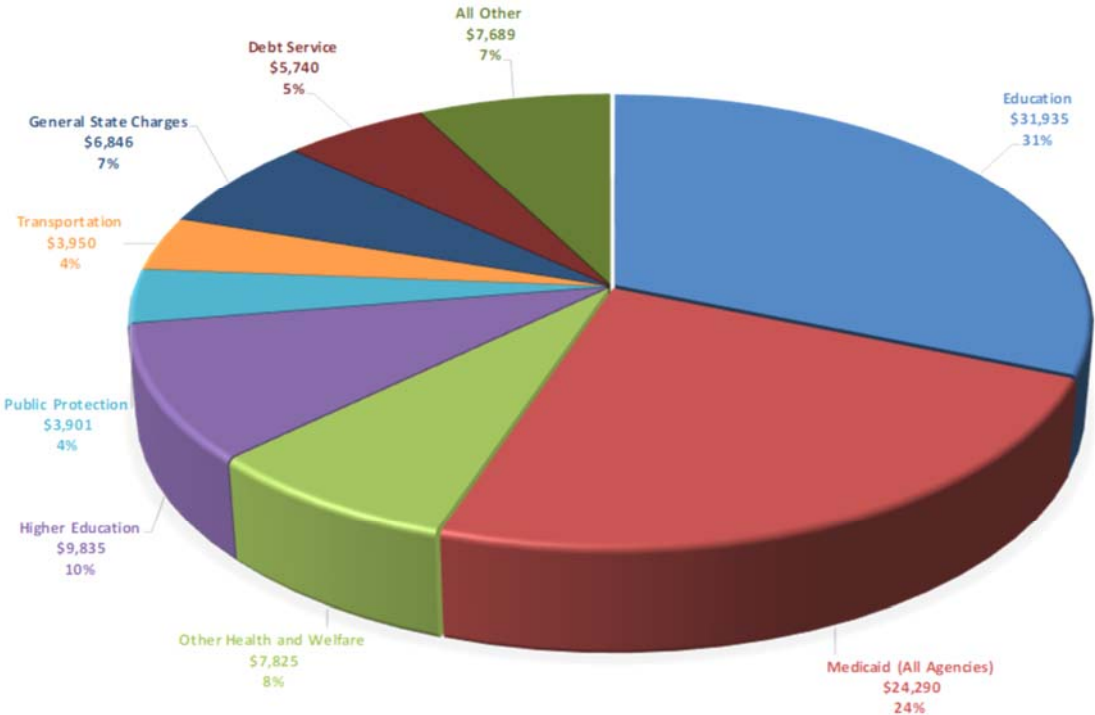
The number of State employees is expected to increase modestly. The FY 2020 Executive Budget proposes a net All Funds workforce increase of 678 full time equivalent (FTE) positions from 183,705 to 184,383. This change is due to an increase of 9,087 new hires offset by 8,409 FTE employees leaving due to normal attrition. There are no layoffs or newly announced facility closures anticipated.

Major workforce net changes proposed in FY 2020 include a 154 FTE increase within the Department of Health; a 153 FTE increase within the Department of Corrections and Community Supervision; a 110 FTE increase within the Department of Taxation and Finance; a 94 FTE in the Department of Housing and Community Renewal (HCR); a 40 FTE increase within the Office of Mental Health; and a 40 FTE increase within Department of State.

**FY 2020 EXECUTIVE BUDGET ALL FUNDS CASH DISBURSEMENTS
PERCENTAGE BY MAJOR FUNCTION**



**FY 2020 EXECUTIVE BUDGET STATE OPERATING FUNDS CASH DISBURSEMENTS
PERCENTAGE BY MAJOR FUNCTION**



FY 2020 Executive's Tax and Revenue Action Proposals				
(Millions of Dollars)				
	FY 2020	FY 2021	FY 2022	FY 2023
Revenue Reductions				
Create the New York State Employer-Provided Child Care Credit	\$0	\$0	(\$1)	(\$1)
Create the Employer Recovery Hiring Tax Credit	\$0	\$0	(\$2)	(\$2)
Extend Clean Heating Fuel Credit for Three Years	\$0	\$0	(\$6)	(\$6)
Extend Workers with Disability Credit for Three Years	\$0	(\$4)	(\$4)	(\$4)
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0
Make Technical Changes to the Farm Workforce Retention Credit	\$0	\$0	\$0	\$0
Make the Property Tax Cap Permanent	\$0	\$0	\$0	\$0
Expand the Current Historic Rehabilitation Credit	\$0	\$0	\$0	\$0
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0
Decouple the Taxability of State Incentives	\$0	\$0	\$0	\$0
Decouple from IRC Federal Basis for New York State Manufacturing Test	\$0	\$0	\$0	\$0
Total Revenue Reductions	\$0	(\$4)	(\$13)	(\$13)
Tax, Fee, Revenue Increases				
Extend the Millionaires Tax Five Years	\$771	\$3,560	\$4,799	\$5,487
Extend Personal Income Tax Limitation on Charitable Contributions for Five Years	\$0	\$86	\$175	\$180
Close the Carried Interest Loophole	\$0	\$0	\$0	\$0
Nonresident New York State Gambling Winnings	\$0	\$1	\$1	\$1
Discontinue the Energy Services Sales Tax Exemption	\$96	\$128	\$128	\$128
Enact the Cannabis Regulation and Taxation Act	\$0	\$83	\$85	\$141
Enact a Comprehensive Tobacco Control Policy	\$2	\$19	\$19	\$19
Impose a Supplemental Auto Rental Tax Surcharge outside the MCTD	\$11	\$22	\$22	\$22
Expand the New York State Bottle Bill Program	\$0	\$18	\$20	\$20
Make the Waste Tire Fee Permanent	\$18	\$24	\$24	\$24
Impose Penalty on the Use of Lead Paint	\$1	\$1	\$1	\$1
Simplify Video Lottery Gaming (VLG) Rate and Additional Commission Provisions	\$5	\$5	\$5	\$5
Impose a Statutory Cap on Casino Free Play	\$0	\$6	\$0	\$0
Extend Certain Tax Rates and Certain Simulcast Provisions for Five Years	\$0	\$0	\$0	\$0
Impose Bus Inspection Fee	\$1	\$2	\$2	\$2
Increase Notice of Violation Fine	\$3	\$5	\$5	\$5
Increase Indigent Legal Services Fund Support	\$66	\$66	\$66	\$66
Recognize Value of State Assets	\$5	\$10	\$30	\$30
DOT Fiber Optic State Right of Way	\$15	\$30	\$50	\$50
Additional Biannual Attorney Reregistration Fee- \$50	\$0	\$0	\$0	\$0
Criminal Background Check Fee Increase- \$25	\$0	\$0	\$0	\$0
Student Loan Servicer Registration Fee- \$750	\$0	\$0	\$0	\$0
Total Tax Increases	\$994	\$4,066	\$5,432	\$6,181
Enforcement Actions				
Increase Tax Return Audits	\$12	\$120	\$120	\$120
Internet Sales Tax Collection Expansion	\$125	\$250	\$250	\$250
Extend Tax Preparer Penalties for Five Years	\$14	\$18	\$18	\$18
Improve STAR Credit Notifications	\$0	\$0	\$0	\$0
Require Mobile Home Park Reporting to DTF	\$0	\$0	\$0	\$0
Allow Disclosure of Certain Information on Co-op Information Returns	\$0	\$0	\$0	\$0
Permanently Extend DTF Authorizations to Manage Delinquent Sales Tax Vendors	\$0	\$0	\$0	\$0
Make e-File Mandate Permanent	\$0	\$0	\$0	\$0
Extend Sales Tax Exemption Related to the Dodd-Frank Act	\$0	\$0	\$0	\$0
Codification of GILTI Taxation Rules	\$0	\$0	\$0	\$0
Extend Three-Year Gift Addback and Require Binding New York State QTIP Election	\$0	\$0	\$0	\$0
Technical Correction to New York City Enhanced Circuit Breaker	\$0	\$0	\$0	\$0
Total Enforcement Actions	\$151	\$388	\$388	\$388
Total Revenue Actions Before Cash Flow Changes	\$1,145	\$4,454	\$5,820	\$6,569
Cash Flow Changes				
Cap Annual Growth in STAR Exemption Benefits at Zero Percent*	(\$60)	(\$119)	(\$175)	(\$238)
Lower Basic STAR Exemption Income Eligibility Requirement*	(\$125)	(\$122)	(\$119)	(\$116)
Total Off Budget Spending Shifts	(\$185)	(\$241)	(\$294)	(\$354)
Net Total Revenue Actions	\$960	\$4,209	\$5,513	\$6,202

* This represents a shift from spending to an increase in personal income tax refunds, and does not include an estimated \$46 million in lost benefits to taxpayers who do not elect to make switch to the STAR PIT credit.

ALL FUNDS CASH FINANCIAL PLAN



FY 2018 through FY 2020 (millions of dollars)

	2018 Results *	2019 Current	Change	Percent	2020 Proposed	Change	Percent
Opening fund balance	11,105	12,749	1,644	14.80%	11,486	(1,263)	-9.91%
Receipts							
Taxes	79,266	77,537	(1,729)	-2.18%	81,979	4,442	5.73%
Miscellaneous receipts	27,262	29,614	2,352	8.63%	27,158	(2,456)	-8.29%
Federal grants	58,942	62,809	3,867	6.56%	63,772	963	1.53%
Total receipts	165,470	169,960	4,490	2.71%	172,909	2,949	1.74%
Disbursements							
Grants to local governments	121,995	127,480	5,485	4.50%	130,583	3,103	2.43%
Departmental Operations:							
Personal Service	13,838	14,426	588	4.25%	14,745	319	2.21%
Non-Personal Service	7,020	7,030	10	0.14%	6,962	(68)	-0.97%
General State charges	8,175	8,734	559	6.84%	9,046	312	3.57%
Debt service	5,873	5,975	102	1.74%	5,694	(281)	-4.70%
Capital projects	6,843	8,026	1,183	17.29%	8,158	132	1.64%
Total disbursements	163,744	171,671	7,927	4.84%	175,188	3,517	2.05%
Net other financing sources (uses)	(82)	448			440		
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	1,644	(1,263)			(1,839)		
Closing Fund Balance	12,749	11,486	(1,263)	-9.91%	9,647	(1,839)	-16.01%

Notes

* FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, for the fiscal year ended March 31, 2018.

All Funds is the most comprehensive measure of State spending because it includes federal transfer payments (or grants).

All Funds disbursements are expected to exceed receipts (including other financing sources) by FY 2019 and FY 2020 with the difference funded from other available resources including Extraordinary Monetary Settlements and general obligation (GO) bond proceeds to reimburse planned first-instance capital spending.

STATE FUNDS CASH FINANCIAL PLAN



FY 2018 through FY 2020 (millions of dollars)

	2018 Results*	2019 Current	Change	Percent	2020 Proposed	Change	Percent
Opening Fund Balance	11,134	13,039	1,905	17.11%	11,795	(1,244)	-9.54%
Receipts							
Taxes	79,266	77,537	(1,729)	-2.18%	81,979	4,442	5.73%
Miscellaneous receipts	27,061	29,412	2,351	8.69%	26,956	(2,456)	-8.35%
Federal grants	79	80	1	1.27%	79	(1)	-1.25%
Total Receipts	106,406	107,029	623	0.59%	109,014	1,985	1.85%
Disbursements							
Grants to local governments	68,705	70,743	2,038	2.97%	72,520	1,777	2.51%
Departmental Operations:							
Personal Service	13,170	13,765	595	4.52%	14,092	327	2.38%
Non-Personal Service	5,651	5,619	(32)	-0.57%	5,557	(62)	-1.10%
General State charges	7,853	8,381	528	6.72%	8,702	321	3.83%
Debt service	5,873	5,975	102	1.74%	5,694	(281)	(0.05)
Capital projects	5,684	6,711	1,027	18.07%	7,063	352	0.05
Total Disbursements	106,936	111,194	4,258	3.98%	113,628	2,434	2.19%
Net other financing sources (uses)	2,435	2,921			2,832		
Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	1,905	(1,244)			(1,782)		
Closing Fund Balance	13,039	11,795	(1,244)	-9.54%	10,013	(1,782)	-15.11%

Notes

* FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, for the fiscal year ended March 31, 2018.

State Funds includes all State spending except Federal transfer payments.

STATE OPERATING FUNDS CASH FINANCIAL PLAN



State Operating Funds Cash Financial Plan

FY 2018 through FY 2020

(millions of dollars)

	2018	2019	Change	Percent	2020	Change	Percent
	Results*	Current			Proposed		
Opening fund balance	11,625	13,607	1,982	17.05%	11,889	(1,718)	-12.63%
Receipts							
Taxes	77,953	76,116	(1,837)	-2.36%	80,562	4,446	5.84%
Miscellaneous receipts	21,334	22,006	672	3.15%	19,549	(2,457)	-11.17%
Federal grants	74	75	1	1.35%	74	(1)	-1.33%
Total receipts	99,361	98,197	(1,164)	-1.17%	100,185	1,988	2.02%
Disbursements							
Local Assistance Grants	65,604	66,392	788	1.20%	67,966	1,574	2.37%
Departmental Operations:							
Personal Service	13,170	13,765	595	4.52%	14,092	327	2.38%
Non-Personal Service	5,651	5,619	(32)	-0.57%	5,557	(62)	-1.10%
General State charges	7,853	8,381	528	6.72%	8,702	321	3.83%
Debt service	5,873	5,975	102	1.74%	5,694	(281)	-4.70%
Capital projects	0	0	-	n/a	0	0	n/a
Total disbursements	98,151	100,132	1,981	2.02%	102,011	1,879	1.88%
Net other financing sources (uses)	772	217			90		
Excess (Deficiency) of Receipts over Disbursements and Reserves	1,982	(1,718)			(1,736)		
Closing Fund Balance	<u>13,607</u>	<u>11,889</u>	(1,718)	-12.63%	<u>10,153</u>	(1,736)	-14.60%

Notes

* FY 2018 results as reported by the State Comptroller's Annual Report to the Legislature on State Funds Cash Basis of Accounting, for the fiscal year ended March 31, 2018.

The Executive uses State Operating Funds as the primary a measure of State spending because it encapsulates the cost of current operations.

The Executive is expected to propose and negotiate with the Legislature to enact, budgets in each fiscal year that hold State Operating Funds spending growth to two percent. Absent budget actions to adhere to the two percent benchmark, FY 2020 State Operations Funds spending would increase by \$4.7 billion or 4.7 percent.

GENERAL FUND CASH FINANCIAL PLAN



FY 2018 through FY 2020 (millions of dollars)

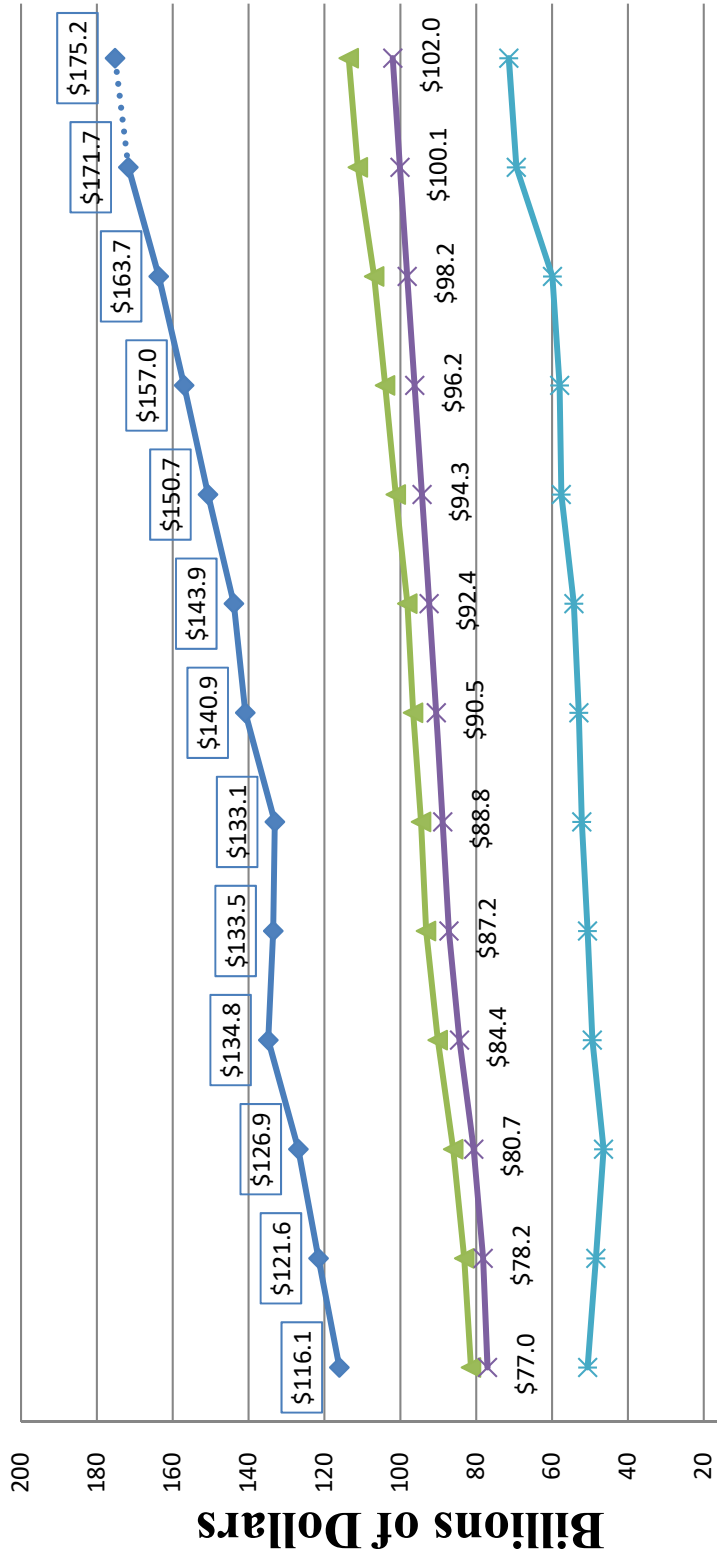
	2018 Results	2019 Current	Change	Percent	2020 Proposed	Change	Percent
Opening Fund Balance	7,749	9,445	1,696	21.89%	6,950	(2,495)	-26.42%
Receipts							
Taxes	49,656	36,827	(12,829)	-25.84%	39,660	2,833	7.69%
Miscellaneous receipts	3,129	3,109	(20)	-0.64%	2,071	(1,038)	-33.39%
Federal grants	-	-	-	n/a	-	0	n/a
Transfers From Other Funds	18,635	32,566	13,931	74.76%	34,453	1,887	5.79%
Total Receipts	71,420	72,502	1,082	1.51%	76,184	3,682	5.08%
Disbursements							
Local Assistance Grants	46,072	50,283	4,211	9.14%	51,865	1,582	3.15%
Departmental Operations:							
Personal Service	6,136	8,787	2,651	43.20%	8,949	162	1.84%
Non-Personal Service	2,092	2,981	889	42.50%	2,996	15	0.50%
General State charges	5,572	7,336	1,764	31.66%	7,633	297	4.05%
Transfers To Other Funds							
Debt service	1,047	804	(243)	-23.21%	537	(267)	-33.21%
Capital projects	2,191	2,713	522	23.82%	2,995	282	10.39%
State Share Medicaid	1,333	0	(1,333)	-100.00%	0	0	n/a
SUNY Operations	1,015	1,020	5	0.49%	1,174	154	15.10%
Other	4,266	1,073	(3,193)	-74.85%	1,082	9	0.84%
Total Disbursements	69,724	74,997	5,273	7.56%	77,231	2,234	2.98%
Excess (Deficiency) of Receipts over Disbursements and Reserves	1,696	(2,495)			(1,047)		
Closing Fund Balance	<u>9,445</u>	<u>6,950</u>	(2,495)	-26.42%	<u>5,903</u>	(1,047)	-15.06%

Notes

The General Fund is the major operating fund of the State and the traditional measure of State spending; however over the years it has become less reliable as a measure due to spending and taxes in other funds.

Cash Disbursements By Function FY 2020 Executive Budget	All Funds		State Funds		State Operating Funds		General Fund	
	Thousands (\$)	Percent	Thousands (\$)	Percent	Thousands (\$)	Percent	Thousands (\$)	Percent
Local Assistance								
Economic Development / Government Oversight	1,270,856	0.97%	1,262,801	1.74%	206,437	0.30%	147,788	0.28%
Education, school aid	30,356,692	23.25%	27,539,334	37.97%	27,139,334	39.93%	23,318,734	44.96%
Education, STAR	2,185,995	1.67%	2,185,995	3.01%	2,185,995	3.22%	-	0.00%
Education, other	3,161,975	2.42%	2,384,668	3.29%	2,350,668	3.46%	2,337,537	4.51%
Health, other	9,499,209	7.27%	2,255,770	3.11%	1,698,749	2.50%	756,993	1.46%
Health, Medicaid (all components)	63,120,222	48.34%	21,728,816	29.96%	21,728,816	31.97%	16,153,676	31.15%
Higher Education	2,956,949	2.26%	2,956,949	4.08%	2,945,074	4.33%	2,945,074	5.68%
General Government	210,545	0.16%	152,338	0.21%	142,338	0.21%	23,688	0.05%
Local Government Assistance	743,561	0.57%	743,561	1.03%	743,561	1.09%	743,561	1.43%
Mental Hygiene (adjusted)	2,063,452	1.58%	1,908,983	2.63%	1,775,576	2.61%	1,770,209	3.41%
Parks and Environment	401,424	0.31%	245,154	0.34%	5,149	0.01%	1,299	0.00%
Public Protection	1,349,738	1.03%	449,167	0.62%	381,784	0.56%	152,628	0.29%
Social Welfare, other (adjusted)	4,039,096	3.09%	2,183,470	3.01%	1,543,111	2.27%	1,538,527	2.97%
Social Welfare, welfare asst	3,853,442	2.95%	1,226,866	1.69%	1,226,866	1.81%	1,226,866	2.37%
Transportation	5,348,858	4.10%	4,807,373	6.63%	3,532,080	5.20%	109,851	0.21%
All Other	21,174	0.02%	489,112	0.67%	360,402	0.53%	638,502	1.23%
Total Local Assistance	130,583,188	100.00%	72,520,357	100.00%	67,965,940	100.00%	51,864,933	100.00%
Percent of Total Spending		74.54%		63.82%		66.63%		72.60%
State Operations								
Personal Services	14,745,561	48.02%	14,092,279	49.79%	14,092,279	49.79%	8,949,446	45.71%
Non Personal Services	6,914,952	22.52%	5,510,322	19.47%	5,510,322	19.47%	2,995,853	15.30%
General State Charges	9,046,569	29.46%	8,702,556	30.75%	8,702,556	30.75%	7,633,136	38.99%
Total State Operations	30,707,082	100.00%	28,305,157	100.00%	28,305,157	100.00%	19,578,435	100.00%
Percent of Total Spending		17.53%		24.91%		27.75%		27.40%
Capital Projects								
Personal Services	8,157,789	100.00%	7,062,915	100.00%	-	100.00%	n/a	n/a
Percent of Total Spending		4.66%		6.22%		0.00%		
Debt Service								
Personal Services	5,739,845	100.00%	5,739,845	100.00%	5,739,845	100.00%	n/a	n/a
Percent of Total Spending		3.28%		5.05%		5.63%		
Total FY 2020 Spending	175,187,904	100%	113,628,274	100%	102,010,942	100%	71,443,368	100%

Multi-Year Cash Disbursements Trend



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All Funds	\$116.1	\$121.6	\$126.9	\$134.8	\$133.5	\$140.9	\$143.9	\$150.7	\$157.0	\$163.7	\$171.7	\$174.7	\$175.2
State Funds	\$81.4	\$83.1	\$86.0	\$90.1	\$93.2	\$94.5	\$96.6	\$98.1	\$101.2	\$104.0	\$106.9	\$111.2	\$113.6
State Operating Funds	\$77.0	\$78.2	\$80.7	\$84.4	\$87.2	\$88.8	\$90.5	\$92.4	\$94.3	\$96.2	\$98.2	\$100.1	\$102.0
General Fund	\$50.6	\$48.4	\$46.4	\$49.4	\$50.6	\$52.2	\$52.9	\$54.3	\$57.6	\$58.0	\$59.9	\$69.4	\$71.4

WORKFORCE IMPACT

ALL FUNDS - Major Agencies



FY 2018 Through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Major Agencies								
Children and Family Services, Office of	2,887	2,964	(468)	468	0	0	0	2,964
Corrections and Community Supervision, Department of	29,351	29,175	(614)	767	0	0	153	29,328
Education Department, State	2,575	2,692	(269)	269	0	0	0	2,692
Environmental Conservation, Department of	2,887	3,110	(234)	239	0	0	5	3,115
Financial Services, Department of	1,356	1,381	(55)	55	0	0	0	1,381
General Services, Office of	1,811	1,931	(323)	323	0	0	0	1,931
Health, Department of	4,690	5,462	(718)	872	0	0	154	5,616
Information Technology Services, Office of	3,471	3,489	(130)	130	0	0	0	3,489
Labor, Department of	2,935	2,987	(285)	285	0	0	0	2,987
Mental Health, Office of	13,911	13,677	(1,455)	1,495	0	0	40	13,717
Motor Vehicles, Department of	2,301	2,344	(266)	266	0	0	0	2,344
Parks, Recreation and Historic Preservation, Office of	1,751	2,024	(152)	169	0	0	17	2,041
People with Developmental Disabilities, Office for	18,867	18,590	(1,078)	1,078	0	0	0	18,590
State Police, Division of	5,609	5,741	(311)	311	0	0	0	5,741
Taxation and Finance, Department of	3,898	3,975	(142)	252	0	0	110	4,085
Temporary and Disability Assistance, Office of	1,923	1,989	(234)	234	0	0	0	1,989
Transportation, Department of	8,501	8,520	(383)	383	0	0	0	8,520
Workers' Compensation Board	1,082	1,109	(89)	89	0	0	0	1,109
Subtotal - Major Agencies	109,806	111,160	(7,206)	7,685	0	0	479	111,639
Minor Agencies	0	0	0	0	0	0	0	0
Subtotal - Subject to Direct Executive Control	109,806	111,160	(7,206)	7,685	0	0	479	111,639
University Systems								
City University of New York	13,726	13,632	0	0	0	0	0	13,632
State University Construction Fund	142	152	0	0	0	0	0	152
State University of New York	45,882	46,092	0	0	0	0	0	46,092
Subtotal - University Systems	59,750	59,876	0	0	0	0	0	59,876
Independently Elected Agencies								
Audit and Control, Department of	2,630	2,663	(212)	212	0	0	0	2,663
Law, Department of	1,822	1,839	(139)	139	0	0	0	1,839
Subtotal - Independently Elected Agencies	4,452	4,502	(351)	351	0	0	0	4,502
Grand Total	174,008	175,538	(7,557)	8,036	0	0	479	176,017

WORKFORCE IMPACT

ALL FUNDS - Minor Agencies



FY 2018 Through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Minor Agencies								
Adirondack Park Agency	54	54	(1)	1	0	0	0	54
Aging, Office for the	89	95	(16)	16	0	0	0	95
Agriculture and Markets, Department of	460	483	(50)	79	0	0	29	512
Alcoholic Beverage Control, Division of	113	120	(8)	8	0	0	0	120
Alcoholism and Substance Abuse Services, Office of	736	737	(109)	109	0	0	0	737
Arts, Council on the	27	30	(3)	3	0	0	0	30
Budget, Division of the	234	261	(45)	45	0	0	0	261
Civil Service, Department of	345	362	(67)	67	0	0	0	362
Correction, Commission of	29	32	(2)	2	0	0	0	32
Criminal Justice Services, Division of	408	435	(24)	24	0	0	0	435
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	136	153	(13)	13	0	0	0	153
Elections, State Board of	69	81	(6)	10	0	0	4	85
Employee Relations, Office of	33	77	(3)	3	0	0	0	77
Executive Chamber	97	136	(50)	50	0	0	0	136
Financial Control Board, New York State	12	12	(1)	2	0	0	1	13
Gaming Commission, New York State	417	411	(19)	38	0	0	19	430
Higher Education Services Corporation, New York State	183	176	(15)	15	0	0	0	176
Homeland Security and Emergency Services, Division of	504	605	(29)	38	0	0	9	614
Housing and Community Renewal, Division of	608	682	(86)	180	0	0	94	776
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	160	164	(19)	19	0	0	0	164
Indigent Legal Services, Office of	24	34	0	2	0	0	2	36
Inspector General, Office of the	87	92	(7)	7	0	0	0	92
Interest on Lawyer Account	9	9	0	0	0	0	0	9
Judicial Conduct, Commission on	40	43	(3)	3	0	0	0	43
Justice Center for the Protection of People with Special Needs	422	430	(33)	26	0	0	(7)	423
Labor Management Committees	72	77	(6)	6	0	0	0	77
Lieutenant Governor, Office of the	4	7	(1)	1	0	0	0	7
Medicaid Inspector General, Office of the	405	426	(52)	52	0	0	0	426
Military and Naval Affairs, Division of	390	405	(45)	45	0	0	0	405
Prevention of Domestic Violence, Office for	24	27	(2)	2	0	0	0	27
Public Employment Relations Board	30	33	(3)	3	0	0	0	33
Public Ethics, Joint Commission on	52	52	(4)	4	0	0	0	52
Public Service Department	494	520	(26)	34	0	0	8	528
State, Department of	493	525	(52)	92	0	0	40	565
Statewide Financial System	135	142	(11)	11	0	0	0	142
Tax Appeals, Division of	23	27	(1)	1	0	0	0	27
Veterans' Affairs, Division of	83	98	(15)	15	0	0	0	98
Victim Services, Office of	79	102	(24)	24	0	0	0	102
Welfare Inspector General, Office of	7	7	(1)	1	0	0	0	7
Subtotal - Minor Agencies	7,591	8,167	(852)	1,051	0	0	199	8,366

FACT SHEET: EDUCATION

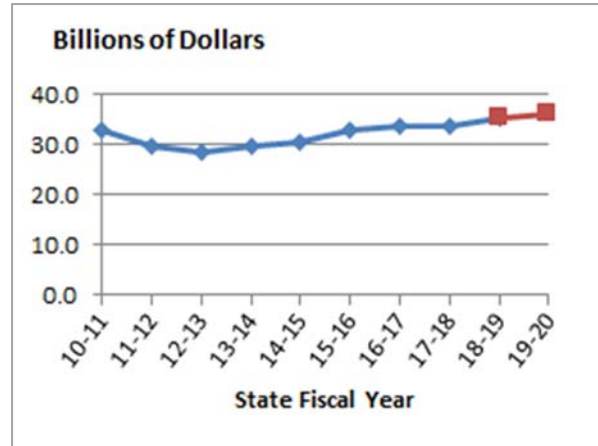


- The FY 2020 Executive Budget provides \$27.7 billion in school aid, an increase of \$956 million or 3.6 percent above the 2017-18 school year.
 - Foundation Aid increases by \$338 million or 1.9 percent
 - All school districts would receive an increase in Foundation Aid, with minimum increase of a one quarter of one percent (0.25%) year over year gain (181 districts)
 - Formula continues to use school district need and wealth as determining factors in its distribution
 - \$250 million allocation within Foundation Aid dedicated to community schools, an increase of \$50 million
 - Formulas for expense-based aids and other categorical initiatives are unchanged for 2019-20, increasing \$411 million
 - Starting 2020-21, 11 different expense-based would be consolidated and future growth would be driven by inflation, not district spending behavior
 - Beginning July 2019, certain building aid reforms to reduce state liability in reimbursing for school district construction
 - \$156 million in unallocated foundation aid, to be negotiated by the Legislature
- Allow for the creation of regional STEM Magnet High Schools by BOCES. Creation would be voluntary and allow students in grades 9-12 to study in an intensive STEM environment
- Extend Mayoral Control of the New York City school district for three years, expiring June 30, 2022
- Eliminate requirement that state standardized assessments be used as a component of teacher evaluations
- Allow school districts to enter into agreements for the installation, operation, and maintenance of school bus stop cameras (identical to the FY 2018-19 Executive proposal)
- School districts to develop plans driving foundation aid increases to schools within the district that are deemed significantly high need and low funded
- Limit future increases in school aid to the ten-year annual income growth in New York
- Encourage STAR recipients to convert from the STAR Exemption to the STAR Credit:
 - Cap Exemption growth at zero percent, while allowing Credit to increase two percent annually
 - Reduce income eligibility for the Exemption from \$500,000 to \$250,000, while Credit income eligibility remains \$500,000

EDUCATION



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	35,370	36,203
Annual Growth Rate	4.4%	2.4%
5 Year Average Growth (Actual)		3.5%



Education Department

The Executive Budget provides a State Operations All Funds appropriation for the State Education Department of \$611 million, an increase of \$9 million. SED is granted additional spending authorization for revenues generated through activities such as licensure of out-of-State Medical schools, management of interstate reciprocity agreements for online courses, and fees associated with application for licensure of various professions.

The Executive shifts \$4.1 million from State Operations to Capital spending, as discussed in the Capital section. The proposed budget continues funding for the following:

- \$8.4 million to create and print more of the standardized assessment test forms. The Legislature, initially approved this funding in 2015 to ensure a reduction in standalone field testing and the release of a significant number of test questions to teachers.
- Funding of \$800,00 for the Office of Religious and Independent Schools

- Funding of \$800,00 for the Office of Family and Community Engagement
- Funding of \$225,000 for continued support of state monitors in the East Ramapo School District

2019-20 School Aid Proposal

The FY 2019 Executive Budget provides \$27.7 billion in school aid, an increase of \$956 million or 3.6 percent above the FY 2019 school year. Highlights of this proposal include an increase of \$338 million in Foundation Aid, a \$411 million increase in expense base aids and other categorical initiatives, and a \$50 million increase in new and existing grant opportunities. Additional funding of \$156 million is also provided, to be disbursed by the Legislature during budget negotiations.

Foundation Aid: The Executive proposal increases Foundation Aid by \$338 million, or 1.9 percent. The Foundation Aid formula uses school district need, fiscal capacity, wealth and other measures as determining factors in its distribution. The Executive proposal distributes 86 percent of the increase in Foundation Aid to high need school

districts (including New York City). All school districts receive an increase in Foundation Aid under this proposal with 181 districts receiving a minimum one quarter of one (0.25) percent year over year gain.

Community Schools: The Executive Budget provides for a \$250 million Community Schools setaside within Foundation Aid, which is an increase of \$50 million above 2018-19 levels. Community schools are designed to provide students and their families access to support services in a school setting. These schools partner with the community to provide resources including social services, legal, medical, dental or any other service which would improve student academic achievement. Similar to FY 2019, \$150 million of the setaside retains its flexibility, while \$100 million of the setaside must be used to support the transformation of schools into community hubs.

Expense-Based Aids: The Executive proposal maintains current law formulas for reimbursable aid categories for 2019-20. Expense-based aid is calculated based on claims submitted by school districts on expenses for transportation, special education, BOCES, hardware and software technology, and building aid. The increase of \$411 million is a reflection of the State's reimbursement obligation based on increased spending by school districts in these aid categories.

Proposed changes to the aids beginning in 2020-21 are further discussed in the Article VII section.

Fiscal Stabilization Fund: The Executive proposal provides \$156 million for a fiscal stabilization fund with distribution of such funds to be negotiated by the Legislature.

The following aid formulas represent present law funding:

High Tax Aid: The Executive maintains prior year funding at \$223 million.

Building Aid: The Executive increases building aid by \$272 million for a total of \$3.2 billion.

High Excess Cost Aid: The Executive decreases High Excess Cost aid by \$19.2 million for a total of \$619.7 million. The reduction in aid is a result of district claim activity as opposed to proposed statutory changes.

Private Excess Cost Aid: The Executive increases Private Excess Cost aid by \$32 million for a total of \$404 million.

BOCES Aid: The Executive increases BOCES aid by \$21.7 million for a total of \$971 million.

Transportation Aid: The Executive increases Transportation aid by \$76.6 million for a total of \$1.99 billion.

Academic Achievement Grant: The Executive proposal maintains current funding of \$1.2 million.

Supplemental Educational Improvement Grant: The Executive maintains current funding at \$17.5 million.

Charter School Transitional Aid: The Executive increases Charter School Transitional Aid by \$1.2 million for a total of \$39.9 million.

Academic Enhancement Aid: The Executive maintains funding at \$9.57 million.

Supplemental Public Excess Cost Aid: The Executive maintains funding at \$4.3 million.

Full Day Kindergarten Conversion Aid: The Executive budget provides an incentive for districts to convert to a full day kindergarten program. Districts would receive the existing

incentive available under current law and would receive 50 percent of that amount in the second year of conversion. The Executive provides an increase of \$60,000, to \$2.8 million total.

Center for Autism and Related Disabilities at SUNY Albany

The Executive reduces funding for the Center by \$500,000, from \$1.2 million to \$740,000.

Universal Pre-K for Three and Four year olds

The Executive proposal includes \$834 million in funding for Universal Pre-Kindergarten in the 2019-20 school year, reflecting an increase of \$26 million. Approximately 123,000 students will be served through this funding.

An appropriation of \$20 million for prekindergarten to expand high-quality, half-day and full-day prekindergarten for three- and four-year-old children in high-need school districts would be reduced by \$5 million, to \$15 million total. Preference for these funds is given to the few remaining high-need school districts currently without a prekindergarten program.

Charter Schools

The Executive maintains the existing formula adopted in FY 2018 for charter schools. Schools located in New York City would receive \$24.9 million, an increase of \$2.6 million. This is in line with the prior year Executive commitment.

Special Education

The Executive maintains funding at \$1.035 billion to support the State's share of pre-school special education costs.

For State supported schools for the blind and deaf (also known as 4201 schools), the Executive reduces funding from \$105.4 million to \$102.9 million.

Nonpublic School Aid

The Executive Budget increases funding for mandated services by \$7 million or 3.6 percent for non-public schools for a total of \$193 million.

The Executive Budget maintains \$25 million for non-public school safety grants, increases STEM program funding from \$15 million to \$20 million, and eliminates \$7 million for the nonpublic immunization program.

Other Major budget actions include:

NY State Food Purchasing Incentive

The Executive Budget continues \$10 million to incentivize school districts to purchase food from New York farmers for school lunch programs.

Education of Homeless Children

An additional \$1 million is provided to provide additional reimbursement for school district costs associated with educating homeless children, for a total of \$31.2 million.

Library Aid

The Executive Budget eliminates a \$5 million legislative add in library funding, and provides \$91.6 million.

Teachers of Tomorrow

The Executive maintains the prior year funding at \$25 million. Up to \$15 million, or 60 percent, will be allocated to New York City.

Computer Science Master Teacher Awards

The Executive Budget maintains \$3 million which includes an increase of \$1 million for teachers in high needs districts who commit to mentoring, leading, and otherwise working closely with new teachers focused on computer science. Teachers will be awarded \$15,000 per year for four years.

Smart Start Program

The Executive Budget provides \$6 million to expand high quality computer and science programs. Schools that receive an award will work with their REDC's to create a program that meets the needs of regional businesses.

Empire State Excellence in Teaching Awards

The Executive Budget provides \$400,000 to fund a third round of teaching awards for at least 60 teachers. Teachers would receive \$5,000 each for professional development.

Teacher Mentor Intern

The Executive maintains funding at \$2 million to continue allowing new teachers to be paired with experienced teachers.

Empire State After-School Grants

The Executive Budget provides \$45 million for a second round of funding for public after school programs which includes an increase of \$10 million. Programs must be located in the State's 16 Empire State Poverty Reduction Initiative (ESPRI) Communities, or located in a school district with high rates of student homelessness, or located in a school district in at-risk areas of Nassau or Suffolk County.

My Brother's Keeper

The Executive Budget provides \$18 million for a third round of grant funding for My Brother's Keeper.

Math and Science High schools

The Executive Budget provides \$1.4 million for Math and Sciences High Schools which is a reduction of \$461,000 compared to prior year funding.

Smart Scholars Early College High School Program

The Executive Budget maintains \$1.9 million in competitive grant funding for early college high schools. This program promotes the pairing of higher education institutions with high schools to allow students to participate in dual high school and college level courses to increase graduation and college completion rates.

Early College High Schools

The Executive Budget maintains \$9 million to expand the State's early college high school programs.

Advanced Placement Fees for Low-Income Students

The Executive Budget increases funding by \$1.8 million, for a total of \$5.8 million to subsidize the cost of advanced placement test fees for low-income students. The Executive also provides \$1 million for advanced placement technical assistance.

QUALITYstarsNY Program

The Executive Budget maintains funding for QUALITYstarsNY of \$5 million through FY

2020. The QUALITYstarsNY program is currently a voluntary program that monitors the quality of pre-kindergarten programs.

New York State Center for School Safety

The Executive Budget maintains prior year funding at \$466,000. The center is responsible for disseminating information and providing training and technical assistance on violence prevention to schools and communities.

Public Broadcasting Aid

The Executive Budget provides \$14 million in state support for New York's nine public television stations and 17 public radio stations.

NYC Community Learning Schools

The Executive Budget eliminates \$500,000 for NYC Community Learning Schools.

Continued Cost of Minimum Wage

The Executive Budget maintains an appropriation of \$17.18 million to offset the increased costs of implementing changes to minimum wage.

Small Government Assistance to School Districts

The Executive maintains funding of \$1.87 million.

Teacher Resource Centers

The Executive provides \$14.3 million for funding Teacher Resource Centers obligations from the FY 2019 enacted budget. No

National History Day

The Executive proposes eliminating funding of \$125,000.

Capital Projects

The Executive provide a new appropriation of \$4.1 million for costs associated with personnel involved in the maintenance and operation of various facilities. This change allows for certain salaries and fringe benefits to not count against the State's two percent State Operations spending cap, and is similar to actions previously taken with other State agencies.

The Executive Budget appropriates \$2.5 million for new computer hardware for the Department.

The Executive Budget provides \$14 million for library construction projects which is a reduction of \$20 million from 2018-19.

The Executive Budget appropriates \$25 million in capital funds for non-public schools, community centers and day care centers for safety and security projects at facilities deemed at risk of hate crimes or attacks due to their ideology, beliefs, or mission.

The Executive Budget does not provide a new round of Breakfast After the Bell equipment grants. The Executive provided \$7 million for this purpose in FY 2019.

The Executive Budget provides \$7.2 million to the Office of the Professions at SED for development of an online licensing system, an increase of 2.9 million.

The Executive provides a \$30 million appropriation for projects that address health and safety needs at State-supported schools for the blind and deaf.

Article VII:

Contracts for Excellence

The Executive maintains Contract for Excellence provisions for specific school districts and imposes maintenance of effort provisions at FY 2019 levels.

Regional STEM High Schools

The Executive authorizes BOCES programs to establish Regional STEM Magnet Schools for students in grades 9-12. BOCES would determine the payment methodology for participating school districts, and participation would be optional. Two BOCES could also jointly operate a Regional STEM school. Unlike other types of Regional High Schools operated by BOCES, the operation of Regional STEM High School would not require the corresponding shuttering of another high school.

This program is analogous to the Tech Valley High School that was established by legislation in 2005. Located in East Greenbush on the SUNY Albany East Campus, the school provides a specialized curriculum emphasizing project-based and high-tech learning. Students receive a degree from their home school district upon graduation.

School Bus Stop Cameras

The Executive proposes to allow school districts to enter into agreements for the installation, operation, and maintenance of school bus stop cameras. The cameras automatically record the license plate of any vehicle illegally passing a school bus. The costs of such cameras would not be state aidable. However, districts would be entitled to be paid directly the fines imposed on such violators. Districts would be entitled to receive \$250 per fine. The Executive advanced

this proposal the prior year, but it was not included in the enacted budget.

School Level Funding Plans

The FY 2019 Enacted budget required certain school districts to submit detailed information regarding total funding allocations for individual schools within their districts. A total of 75 school districts were required to submit data in 2018-19, with 300 schools required in 2019-20, and all school districts thereafter. Starting in FY 2020, the State will begin examining schools of similar type (e.g., multiple high schools) within individual districts. School districts with schools identified as significantly high need and low funded would be required to develop a plan to rectify the funding inequity.

High needs schools would be identified by the proportion of students requiring additional resources due to poverty status (eligible for free and reduced priced lunch), English Language Learner status, or disabilities. Low funded schools would be identified as receiving per pupil funding less than the weighted average per pupil funding of matching school types within the district.

This proposal would only identify high need schools based on the composition of the student body. It would not consider academic outcomes such as attendance rankings or test performance in determining high need status.

For each school designated as being high need and low funded, the district would be required to develop a plan, approved by SED, to increase per pupil expenditures to achieve equity, as determined by the percentage of increased foundation aid is reserved for the specific school. School districts would not be eligible for an increase in state aid until a funding plan has been submitted and approved by SED and DOB.

Personal Income Growth Index Cap

The Executive limits future increases in school aid to the ten-year average annual income growth for New York. This proposal is similar to the ten-year income growth cap currently utilized to manage Medicaid growth. The ten-year personal income growth is 3.6 percent for 2019-20.

Building Aid Ratio Adjustments

School districts may receive partial reimbursement for building construction, paid annually over a number of years. A district's building aid ratio determines the percentage of a project's cost the district will be reimbursed for, and is based on a formula related to the property wealth of the district.

The Executive establishes a new tier for building aid to determine the State share of project costs. The new formula would go into effect July 1, 2019, and would not apply to existing projects. It reduces the minimum proportion of a project that the State is required to fund.

The Executive also limits the data a school district may utilize to determine their building aid ratio. Districts may currently use the higher of their current year ratio or any prior year ratio computed, dating back to 1981-82. The Executive would require building aid ratios be computed using recent data.

The Executive also limits the extent to which incidental costs are aidable. Projects have a maximum amount of expenses eligible for building aid, and any costs exceeding the Maximum Cost Allowance (MCA) are born entirely by local taxpayers. However, incidental costs are not capped in the same way traditional construction costs are and may be reimbursed at the actual project cost, rather than the cost allowance level. The Executive makes

reimbursement available for incidental cost MCAs the same as construction MCAs, and both would be limited to the actual cost allowance, rather than the actual project cost. Incidental costs include, but are not limited to: site purchase, site work for play fields, paving of parking lots, and original furnishings.

Eliminate Several Expense-Based Aids

The Executive stops reimbursing schools for costs related to 11 expense-based aids:

- Textbooks
- School Library Materials
- Computer Software
- Instructional Computer Hardware
- BOCES Aid
- Supplemental Public Excess Cost Aid
- Transportation Aid
- Special Service Aid for Large City School Districts
- Academic Enhancement Aid
- High Tax Aid
- Transitional Aid for Charter School Payments

Beginning in school year 2020-21, school districts would receive an amount equal to their prior-year combined aid for these categories, adjusted for inflation and any positive change in weighted daily attendance. It is unknown how many school districts would benefit or be harmed under the proposal.

Annul Professional Performance Reviews (APPR)

The Executive removes the requirement that state standardized assessments be utilized as a component of teacher evaluations. Local school districts, after negotiating with local bargaining units, may still utilize assessments for teacher and principal evaluation, as well as other means of growth measurement. Although the original APPR

bill sought to link assessments to evaluations, implementation has been delayed and exams are not currently used to evaluate teachers.

Student Misconduct Interactions

Every school would be required to define the roles and responsibilities of any personnel and law enforcement in response to student misconduct. This would include memoranda of understanding with security and school resource officers, to be incorporated into the district's safety plan.

Healthy Relationships Education

A Healthy Relationships Education Instruction Program will be included in existing health education classes for all students in grades six through 12. Topics shall include age appropriate information regarding teen dating violence, safe use of technology, and characteristics of a healthy relationship.

Special Education Waivers

A local school district, private school, or BOCES would be allowed to submit an application for waiver from special education provisions. The waiver process would require notification to any impacted students and families, who would be allowed to provide written comment on the proposed changes. Waivers may only be provided if SED believes the proposed changes will allow the school to implement an innovative program that is consistent with federal requirements and will enhance student achievement and/or opportunities.

Reporting on Homeless Youth Expenditures

Any school receiving reimbursement for the education of homeless children and youth would

be required to submit an annual report to SED accounting for their use of funds in order to allow for the identification of best practices to support homeless youth.

The Executive budget provides \$32 million for this reimbursement in 2019-20, which allows for additional funding for school district costs associated with educating homeless children.

Sex Discrimination

The Executive requires every school district to adopt and distribute a policy regarding sex discrimination, which shall specifically address discrimination against pregnant and parenting students. Policies must include the right to attend classes, participate in extracurricular activities, make up missed classwork, and be protected from harassment regardless of pregnant or parenting status.

Mayoral Control

The Executive extends mayoral control of the New York City school district by three years, sunsetting June 20, 2022. Absent legislation, the current structure providing New York City's mayor with control of the school district will expire June 30. This policy was last extended in 2017 when a two-year extension was passed. The State provided mayoral control over New York City schools in 2002.

School Tax Relief Program

The Executive proposes a number of initiatives to reduce State spending on the STAR program as well as create administrative improvements. Changes to State spending would not in all cases reduce overall benefits to homeowners, but change the number of recipients who receive a personal income tax credit rather than a property tax exemption, thus lowering the level of general

funds spent on the program. The State would merely forego tax revenue rather than reimbursing school districts for property tax exemptions they provide. The net effect is to allow for additional spending growth while remaining inside the two percent spending cap.

Cap STAR Exemption Benefit Growth

The STAR property tax exemption and personal income tax credit are both allowed to increase by up to two percent annually. The Executive proposes allowing the credit to continue increasing by up to two percent annually, but homeowners filing for the property tax exemption would be capped at zero percent. The Executive estimates that this will reduce revenues by \$106 million in FY 2019-20 and \$207 million in FY 2020-21.

Reduce Income Limit for the STAR Exemption

The Executive proposes reducing the income limit for the STAR property tax exemption from \$500,000 to \$250,000. The limit for filing for a STAR tax credit would remain \$500,000, forcing those earning \$251,000-\$500,000 annually to switch from the exemption to the credit. The Executive estimates that this will reduce revenues by \$125 million in FY 2019-20 and \$122 million in FY 2020-21. This will also reduce State spending by an equal amount.

Allow For Sharing of Information

The Executive proposes allowing the Department of Taxation and Finance (DTF) to share information with local assessors, disclosing names of property owners. If the Department believes a homeowner is ineligible for STAR, the information could be used by the local assessor to prevent the homeowner from taking advantage of other exemptions with similar requirements. Conversely, DTF would be allowed to share names of homeowners it believes are eligible for enhanced STAR and are not currently participants, encouraging them to apply. A county's Director of Real Property Tax Services could also be informed

by DTF of a death of a STAR recipient and the decedent's name, address, and date of birth.

Sharing Real Estate Transfer Tax Information of Co-ops

The Executive proposes allowing DTF to share Real Estate Transfer Tax filing information regarding co-op owners with local assessors. Because co-op owners purchase shares, rather than units, assessors often have trouble identifying owners who are due STAR Credit payments. The Department would be allowed to share information listed on those forms that cooperative housing corporations must file annually.

Mobile Home Filing Requirements

The Executive proposes amended filing requirements for owners and operators of mobile home parks. Park landlords must currently submit names, addresses, services provided, and current park rules and regulations to the Department of Housing and Urban Renewal on an annual basis via paper forms. The Executive would require these reports instead to be filed electronically with the Department of Taxation and Finance, which is currently developing an online filing system in order to streamline the administrative process. The Executive would also require landlords file on a quarterly, rather than annual basis.

Similar to co-op apartments, assessment records often fail to properly reflect the names and addresses of tenants in manufactured home parks, potentially delaying the issuance of STAR checks.

Anti-Fraud and Abuse Actions

The Executive proposes allowing DTF to verify the age and residency of Enhanced STAR exemption recipients to ensure they meet program requirements. DTF currently only has the ability to verify income eligibility. These provisions would also be applied to the STAR credit. Anyone found to have put materially false information on a STAR application would be precluded from receiving STAR benefits for six years.

Education Aid SY 2019-20				
(in millions)				
Formula Aids	2018-19	2019-20	Change	Percent Change
Foundation Aid	\$ 17,790.79	\$ 18,128.79	\$338.00	1.90%
Community Schools Aid	\$ 200.01	\$ 250.00	\$ 49.99	24.99%
Special Education – High Cost	\$ 638.86	\$ 619.71	\$ (19.15)	-3.00%
Special Education – Private	\$ 372.35	\$ 404.33	\$ 31.98	8.59%
Reorganization Operating Aid	\$ 6.46	\$ 5.59	\$ (0.87)	-13.47%
Textbook Aid	\$ 175.27	\$ 176.51	\$ 1.24	0.71%
Computer Hardware Aid	\$ 36.48	\$ 37.49	\$ 1.01	2.77%
Computer Software Aid	\$ 45.03	\$ 45.68	\$ 0.65	1.44%
Library Materials Aid	\$ 18.55	\$ 19.06	\$ 0.51	2.75%
BOCES Aid	\$ 949.39	\$ 971.06	\$ 21.67	2.28%
Special Services Aid	\$ 257.21	\$ 253.83	\$ (3.38)	-1.31%
Transportation Aid	\$ 1,913.93	\$ 1,990.49	\$ 76.56	4.00%
High Tax Aid	\$ 223.30	\$ 223.30	\$ -	0.00%
Universal Pre-K	\$ 807.86	\$ 833.71	\$ 25.85	3.20%
Academic Achievement Grant	\$ 1.20	\$ 1.20	\$ -	0.00%
Supp. Ed. Improvement Grant	\$ 17.50	\$ 17.50	\$ -	0.00%
Charter School Transition Aid	\$ 38.69	\$ 39.88	\$ 1.19	3.08%
Full Day Kindergarten	\$ 2.75	\$ 2.82	\$ 0.07	2.55%
Academic Enhancement Aid	\$ 9.57	\$ 9.57	\$ -	0.00%
Supplemental Special Education	\$ 4.31	\$ 4.31	\$ -	0.00%
Building Aid	\$ 2,956.54	\$ 3,228.87	\$272.33	9.21%
Formula Aid TOTAL	\$ 26,266.06	\$ 27,013.71	\$747.65	2.85%
Categorical Aids				
Teachers of Tomorrow	\$ 25.00	\$ 25.00	\$ -	0.00%
Teacher Mentor Intern	\$ 2.00	\$ 2.00	\$ -	0.00%
School Health Services	\$ 13.84	\$ 13.84	\$ -	0.00%
Roosevelt	\$ 12.00	\$ 12.00	\$ -	0.00%
Urban Suburban Transfer	\$ 5.86	\$ 5.86	\$ -	0.00%
EPE	\$ 96.00	\$ 96.00	\$ -	0.00%
Homeless Pupils	\$ 30.23	\$ 31.23	\$ 1.00	3.37%
Incarcerated Youth	\$ 15.00	\$ 14.00	\$ (1.00)	-6.67%
Bilingual Education	\$ 17.50	\$ 17.50	\$ -	0.00%
Education of OMH/OMR Pupils	\$ 54.25	\$ 55.00	\$ 0.75	1.38%
Special Act School Districts	\$ 2.70	\$ 2.70	\$ -	0.00%
Chargebacks	\$ (51.50)	\$ (51.50)	\$ -	0.00%
BOCES Aid for Special Act	\$ 0.70	\$ 0.70	\$ -	0.00%
Learning Tech Grants	\$ 3.29	\$ 3.29	\$ -	0.00%
Native American Building	\$ 5.00	\$ 5.00	\$ -	0.00%
Native American Education	\$ 51.39	\$ 52.28	\$ 0.89	1.73%
School Bus Driver Safety	\$ 0.40	\$ 0.40	\$ -	0.00%
Subtotal	\$ 283.66	\$ 285.30	\$ 1.64	0.58%
GSPS Total	\$ 26,549.71	\$ 27,299.00	\$749.29	2.82%
Competitive Grants	\$ 184.11	\$ 234.11	\$ 50.00	27.16%
Fiscal Stabilization Fund	\$ -	\$ 156.60	\$156.60	
School Year Total	\$ 26,733.82	\$ 27,689.71	\$955.89	3.58%

Education Proposed Disbursements - All Funds (Millions of Dollars)				
Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
School Aid FY	29,293,883	30,356,692	1,062,809	3.63%
STAR	2,424,259	2,185,995	(238,264)	-9.83%
Programs for the Disabled	1,984,600	2,044,637	60,037	3.03%
All Other	1,568,046	1,537,060	(30,986)	-1.98%
School Aid-Other	99,342	78,195	(21,147)	-21.29%
Totals:	35,370,130	36,202,579	832,449	2.35%

FACT SHEET: HIGHER EDUCATION

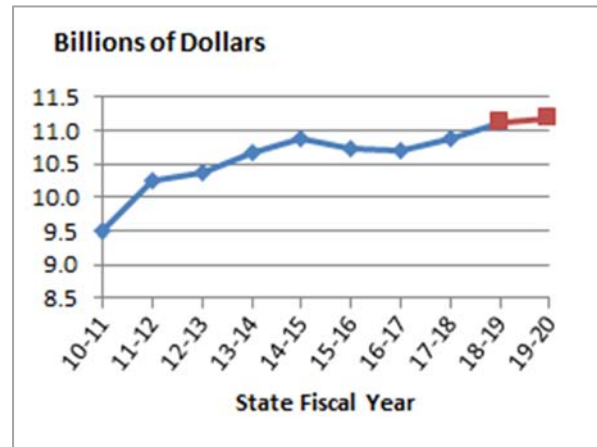


- The Fiscal Year (FY) 2020 Executive Budget proposes an All Funds spending authorization of \$17.1 billion, an increase of \$153 million, or 0.9 percent, over the current year:
 - Increase of \$73.8 million to SUNY, for a total of \$11.1 billion
 - Increase of \$117 million to CUNY, for a total of \$4.7 billion
 - Decrease of \$27 million to HESC, for a total of \$1.2 billion
 - No new round of capital projects at non-public schools through HECap (formerly \$30 million)
- State Operations support for senior colleges at SUNY and CUNY held flat. Executive would provide for increased fringe benefit costs at senior colleges: an additional \$41 million at SUNY and \$47.7 million at CUNY
- New “Family Empowerment Pilot Program” at community colleges:
 - Would benefit single parents attending community colleges at SUNY and CUNY
 - Provides supports such as childcare, tutoring, and other resources to enhance likelihood of academic success for participants
 - \$3 million at SUNY and \$2 million at CUNY (assisting 240 and 160 students, respectively)
- Decrease in community college funding at SUNY and CUNY:
 - Community colleges are reimbursed based on full-time equivalent (FTE) student enrollment
 - Reimbursement rate held flat at \$2,847 per FTE
 - CUNY community college funding decreases \$17.4 million as a result of prior overestimates in enrollment, and SUNY community college funding decrease of \$9.9 million due to lower enrollment numbers
- Provides third year of funding for the Excelsior (for SUNY and CUNY students) and Enhanced Tuition Award (for private school students) Scholarship Programs:
 - Increases the family income threshold from \$100,000 to \$110,000 to participate. Threshold would rise to \$125,000 in 2019-20 and beyond
 - Number of Excelsior participants to increase from 27,000 to 30,000. Cost would increase from \$94 million to \$118 million
 - Number of Enhanced Tuition Award participants would increase from 4,000 to 16,000. Cost would increase from \$6 million to \$23 million
- Allows undocumented students to receive State financial aid, with a \$27 million appropriation for increased TAP expenses. Does not appropriate additional funds to cover Excelsior costs
- Increase in TAP expenditures of \$15 million, from \$933 million to \$948 million

HIGHER EDUCATION



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	11,117	11,164
Annual Growth Rate	2.3%	0.4%
5 Year Average Growth (Actual)		0.9%



The FY 2020 Executive Budget recommends All Funds cash disbursements of \$11.1 billion for New York State public and private higher education programs. This represents an increase of \$47.6 million, or 0.43 percent, from FY 2019.

Cash spending at SUNY would increase \$90.1 million, or 1.1 percent, from \$8.3 billion to \$8.4 billion. CUNY cash spending would increase \$25 million, or 1.6 percent, from \$1.63 billion to \$1.66 billion. Higher Education Facilities Capital Matching Grants Program disbursements would decrease \$625,000. The Higher Education Services Corporation, which is responsible for administering the State’s financial aid programs including TAP and Excelsior, would decrease \$68 million, or 6.3 percent.

State University of New York (SUNY)

The Executive recommends appropriations of \$11.1 billion, an increase of \$73.8 million, or 0.7 percent, from FY 2019. This is the result of a \$10 million decrease in Aid to Localities, a \$385 million increase in State Operations, and a \$301 million decrease in Capital appropriations.

State-Operated Senior Colleges

The Executive Budget recommends flat State support for individual Senior State colleges. The FY 2018 Enacted Budget authorized SUNY to increase tuition by \$200 annually for four years, although the Executive Budget does not provide any additional spending authority. Academic Year (AY) 2020 is anticipated to be a third year of \$200 tuition increases, reaching \$7,070 annually.

The Executive covers increased fringe benefit costs. The FY 2020 fringe benefit costs total \$1.7 billion, an increase of \$41 million. Several Legislative additions are eliminated, including the following:

- \$5 million for Educational Opportunity Program
- \$2 million for the ATTAIN Lab Program
- \$1.5 million for Small Business Development Centers
- \$600,000 for the Harvest NY program
- \$500,000 for Central NY Blood Cord Center
- \$100,000 for the American Chestnut Restoration Project

The three SUNY teaching hospitals at Brooklyn, Stony Brook, and Syracuse receive no operating subsidy in the Executive budget – prior to FY 2019 the hospitals received a combined \$78 million annually. They are provided additional spending authority of \$347 million, reflecting additional projected revenues by the institutions.

A \$109.5 million transfer is provided to the SUNY system, to be paid by June 30, 2019. This payment does not change overall spending within the financial plan, but accelerates a payment to June that would otherwise be paid in November. This would allow SUNY to receive the payment in the 2018-19 Academic Year, rather than 2019-20, and is in response to the newly negotiated contract agreed to between the system and UUP.

Community Colleges

Community colleges receive State aid via formula based on the enrollment of full-time equivalent (FTE) students. The FY 2019 enacted budget increased the reimbursement rate by \$100, to \$2,847/FTE. The Executive proposes to leave this unchanged. A projected large decrease in enrollment would reduce assistance by \$9.9 million. This decrease continues a trend of declining enrollment driven primarily by demographic changes and stable economic growth as fewer individuals seek education at these institutions.

The Executive proposes a new program to provide assistance to single parents attending community colleges. A \$3 million appropriation supports approximately 240 students, providing services such as childcare and other supports for recipients. Conversely, a \$1.1 million legislative addition for childcare centers would be eliminated, reducing funding to \$1 million total, and the SUNY Orange BRIDGE appropriation of \$100,000 would be eliminated.

Capital

The FY 2020 Executive Budget provides \$926 million in capital appropriation authority for SUNY. This represents a decrease of \$301 million, or 24.5 percent. Senior Colleges would receive \$550 million. A language change to reappropriated capital funds would subject certain projects to pre-audit by the inspector general prior to the expenditure of any funds.

SUNY Senior College Capital Funding (\$thousands)	
Albany	\$9,744
Alfred Ceramics	\$806
Alfred State	\$2,174
Binghamton	\$10,268
Brockport	\$5,309
Brooklyn Health Center	\$2,626
Buffalo College	\$6,162
Buffalo University	\$19,484
Canton	\$1,801
Cobleskill	\$1,878
Cornell	\$9,132
Cortland	\$4,606
Delhi	\$1,885
Empire State	\$400
Environmental Science and Forestry	\$2,324
Farmingdale	\$5,496
Fredonia	\$3,383
Geneseo	\$3,385
Maritime	\$1,893
Morrisville	\$2,250
New Paltz	\$4,731
Old Westbury	\$2,877
Oneonta	\$3,953
Optometry	\$927
Oswego	\$5,404
Plattsburgh	\$3,847
Potsdam	\$3,753
Purchase	\$5,042
State University Plaza	\$1,159
Stony Brook (Including Health Center)	\$23,289
Syracuse Health Center	\$2,328
SUNY Polytechnic	\$1,084
University-Wide/Unspecified	\$396,600
Total SUNY Senior College Capital	\$550,000

Similar to prior years, Stony Brook and Upstate would each receive an additional \$50 million in spending authority, for a total of \$100 million. Traditionally, SUNY’s teaching hospitals self-fund any construction costs, including the debt service on the projects they undertake.

Although a \$78 million subsidy to SUNY’s teaching hospitals was discontinued in last year’s enacted budget, a \$79 million capital appropriation was provided to the hospitals for which the State would agree to cover the debt service. No such appropriation is provided in this year’s Executive Budget, despite the continued lack of operating subsidy.

An appropriation of \$37 million is provided for projects at community colleges. This represents a decrease of \$37.2 million, or 50 percent. These projects require a 1:1 dollar match from a local government sponsor – typically the county government the college resides within.

SUNY Community College Capital Funding (\$thousands)	
Adirondack	\$549
Columbia-Greene	\$10,150
Corning	\$250
Dutchess	\$662
Erie	\$3,000
FIT	\$4,500
Finger Lakes	\$3,375
Herkimer	\$1,250
Hudson Valley	\$6,311
Jamestown	\$500
Mohawk Valley	\$700
Monroe	\$1,928
North Country	\$255
Orange County	\$735
Schenectady	\$671
Suffolk	\$2,575
Sullivan	\$100
Westchester	\$1,155
TOTAL	\$38,666

City University of New York (CUNY)

The Executive recommends appropriations of \$4.7 billion, an increase of \$117 million, or 2.5 percent, from FY 2019. This is the result of \$25 million in increased Aid to Localities, a \$73 million increase in State Operations, and a \$19 million increase in Capital appropriations.

Senior Colleges

Operating funds for senior colleges would increase \$73 million, or 2.7 percent.

The Executive provides \$47.7 million systemwide for increased fringe benefit costs. Tuition revenue reflects a projected \$200 increase in tuition in AY 2020 to \$6,930. Legislative additions for the SEEK Program, CUNY Pipeline at the Graduate Center, and Community Legal Service Network would be eliminated. The Murphy Institute for Labor studies is funded at \$2 million, reflecting a transition for the Institute into the School of Labor and Urban Studies.

Community Colleges

Community colleges receive State aid via formula based on the enrollment of full-time equivalent (FTE) students. The FY 2019 budget increased the reimbursement rate by \$100, to \$2,847/FTE. The Executive would leave this unchanged. Despite relatively flat enrollment, a reconciliation with previous overestimates results in a decrease of \$17.4 million for community college aid.

The Accelerated Study in Associate Program, previously funded at \$2.5 million, is eliminated under the Executive proposal. The program is designed to improve graduation rates and reduce remediation costs. The Executive cuts legislative additions of \$902,000 for childcare centers, reducing the total available amount to \$813,000.

Similar to SUNY, a \$2 million appropriation is included to provide comprehensive services to approximately 160 single parents at CUNY community colleges.

Capital

The FY 2020 Executive Budget provides a \$389 million capital appropriation for CUNY. This represents a \$19.8 million increase, or 5.4 percent, from FY 2019. Senior College appropriations would be left unchanged at \$284 million. A language change to reappropriated capital funds would subject certain projects to pre-audit by the inspector general prior to the expenditure of any funds.

CUNY Senior College Capital Funding (\$thousands)	
Baruch	\$3,379
Brooklyn	\$8,005
City	\$6,716
Grad School & University Center	\$1,373
Honors College	\$98
Hunter	\$6,331
John Jay	\$848
Lehman	\$4,166
Medgar Evers	\$703
NYC College of Tech	\$1,903
Queens	\$6,125
Staten Island	\$5,118
York	\$2,100
University-Wide Improvement Needs	
<i>ADA Compliance</i>	\$6,147
<i>Bathroom Facilities</i>	\$1,024
<i>CUNY TV Renovation</i>	\$300
<i>Ed. Technology Initiative</i>	\$6,659
<i>Energy Conservation</i>	\$4,098
<i>Health and Safety</i>	\$9,220
<i>Mechanical & Infrastructure</i>	\$7,171
<i>Occupancy/Public Assembly</i>	\$2,049
<i>Preservation of Facilities</i>	\$12,396
<i>Science & Tech Equipment</i>	\$5,020
<i>Science Lab Upgrades</i>	\$2,049
<i>University-Wide Critical Maintenance</i>	\$181,222
TOTAL	\$284,220

Community college appropriations total \$68 million, an increase of \$20 million. Identical to SUNY community colleges, capital projects must receive a 1:1 dollar match from the local sponsor (New York City).

CUNY Community College Capital Funding (\$thousands)	
Bronx	\$2,013
Borough Manhattan	\$3,400
Hostos	\$3,500
Kingsborough	\$2,000
LaGuardia	\$35,250
Queensborough	\$1,350
University-Wide Improvement Needs	
<i>Unspecified Critical Maintenance</i>	\$17,740
<i>Facilities Supporting CUNY in the Heights</i>	\$3,040
TOTAL	\$68,293

Higher Education Services Corporation (HESC)

The Executive Budget recommends All Funds appropriations of \$1.2 billion to support HESC's

operations. This is a net decrease of \$28 million, or 2.2 percent, from FY 2019. The decrease is primarily driven by a change in accounting for financial aid program recipients enrolled in SUNY institutions. Potential re-estimations may have been made of several financial aid programs that were previously funded at levels greater than necessary, although as of publication this data has not been made available.

The Executive Budget provides \$948 million for the Tuition Assistance Program (TAP), the primary source of financial aid assistance from the State. This represents a \$15 million increase, or 1.7 percent. The Executive estimates Article VII language allowing undocumented citizens to access financial aid would increase TAP spending by \$27 million.

The Excelsior Scholarship, enacted in FY 2018 to cover tuition costs for eligible SUNY and CUNY students, would rise to \$118.6 million in its second year of implementation, an increase of \$166,000. The Enhanced Tuition Award, directed at private school students, is projected to decrease from \$22.9 million to \$7.2 million. While this award was agreed to be funded at a higher number when enacted, it has experienced lower-than-expected participation rates. Changes encouraging greater participation were made last year, although the impact of these changes are unknown. Additional discussion of these and other scholarship programs is included in the College Affordability Issues in Focus section.

The Executive includes new language establishing a transfer from the State General Fund to SUNY, representing financial aid owed to SUNY students. This aid was previously appropriated twice – once in the HESC budget to represent student financial aid awards, and again in SUNY's budget, reflected as revenue. The transfer is for \$165 million in the current academic year. The total will equal \$200 million on a full academic year. This change will

allow the State to claim lower State Operations spending against the cap.

Higher Education Capital Matching Grant Program (HECap)

The Executive discontinues \$30 million in HECap funding. The HECap program was established in FY 2006 and provided \$150 million in capital for private and independent colleges and universities on a formulaic basis. In FY 2015 the Legislature established additional funds for competitive grants requiring a 3:1 match by recipients. While the Executive and Legislature also provided new \$30 million appropriations in FY 2017 and FY 2019, the Executive does not provide a new appropriation for FY 2020.

Council on the Arts

The FY 2020 Executive Budget provides \$47 million in funding for arts and cultural grants administered by the New York State Council on the Arts. The Aid to Localities appropriation would decrease by \$160,000, or 0.4 percent, from \$42.6 million to \$42.5 million. This represents the elimination of two Legislative additions: \$60,000 for Auburn Public Theatre, and \$100,000 for CNY Arts. Funding of \$220,000 is transferred to the Nelson A. Rockefeller Empire State Plaza Performing Arts Center Corporation, colloquially known as the “Egg”.

Overview of Changes in State Support in Higher Education (\$thousands)			
Program	FY 2019	FY 2020	Change
CUNY			
Fringe Benefits	769,755	817,445	47,690
Family Empowerment Pilot	-	2,000	2,000
Community Legal Service Network	50	-	(50)
CUNY in the Heights	100	-	(100)
Education Opportunity Programs	1,349	1,124	(225)
CUNY Pipeline at Graduate Center	250	-	(250)
CC Childcare	1,715	813	(902)
CUNY LEADS	1,500	-	(1,500)
ASAP Remedial Program	2,500	-	(2,500)
SEEK Employment Program	28,077	23,397	(4,680)
Community College Base Aid	259,024	241,612	(17,412)
SUNY			
Fringe Benefits	1,721,000	1,762,127	41,127
Family Empowerment Pilot	-	3,000	3,000
Stony Brook Alganquian Language Project	50	-	(50)
Orange County CC Bridge Program	100	-	(100)
American Chestnut Restoration Project	100	-	(100)
Benjamin Center at New Paltz	100	-	(100)
Cornell Center in Buffalo	150	-	(150)
State Vet College at Cornell	500	250	(250)
Stony Brook Center for Italian Studies	300	-	(300)
Central NY Blood Cord Center	500	-	(500)
Harvest NY	600	-	(600)
Graduate Diversity Fellowships	6,639	6,039	(600)
CC Childcare	2,099	1,001	(1,098)
Small Business Opportunity Centers	3,473	1,973	(1,500)
ATTAIN Lab Program	6,500	4,500	(2,000)
Educational Opportunity Centers	55,536	50,536	(5,000)
Educational Opportunity Programs	32,170	26,808	(5,362)
Community College Base Aid	477,774	467,883	(9,891)
HESC			
DREAM Act	-	27,000	27,000
STEM & Misc. Scholarships	59,692	60,681	989
Excelsior Scholarships	118,418	118,584	166
Teacher Loan Forgiveness	1,000	-	(1,000)
STEM Scholarship for Privates	4,000	-	(4,000)
Enhanced Tuition Award Program	22,863	7,212	(15,651)

Article VII

Senator Jose R. Peralta DREAM Act

The Executive proposes to allow undocumented students to be eligible for State financial aid programs. Eligibility for high school graduates would be limited to individuals who graduated high school in New York within the past five years or who get a GED. There is no time or age restriction for persons qualifying for financial aid by moving to New York to take the GED.

Participants would also be required to file an affidavit with the college stating they have submitted an application to legalize their

immigration status or will submit one as soon as they are able to do so. An additional \$27 million is included in the Tuition Assistance Program for this purpose. Although not currently able to access financial aid programs, the State provides some subsidy for undocumented persons through the provision of in-state tuition rates at SUNY and CUNY institutions.

The Act would be named after Senator Jose Peralta, a State Senator who championed the legislation before suddenly passing away in fall of 2018.

Minority Ownership of Accounting Firms

The Executive proposes to allow for minority ownership of Public Accounting firms by individuals who are not Certified Public Accountants. Ownership of a simple majority of a firm by shareholders licensed to practice public accountancy would still be required.

Arts Capital Grants

The Executive converts a dormant revolving loan fund for capital arts projects into a grant program in order to disburse its remaining balance. The program, operated by the NY State Council on the Arts, carries a \$900,000 balance but has not made a loan in over ten years. The proposed language change would allow the Council to spend down the balance on capital projects of up to \$50,000 per recipient with no requirement for repayment.

The fund derives revenue from a “State of the Arts” custom license plate. Each plate results in a \$25 annual fee paid to the Council on the Arts, and the license plate generates approximately \$10,000 annually.

For-Profit College Reporting and Admonishment

The Executive requires for-profit institutions of higher education that provide job training or programs leading to an associates or baccalaureate

degree to provide additional accounting to SED. Schools must demonstrate that no less than 20 percent of their annual revenues are derived from tuition revenues, not including Federal or State financial aid programs such as Pell Grants or TAP. Additionally, no less than 50 percent of annual expenditures could be spent on student instruction (including salaries and fringe benefits of instructors, but not administrators).

Schools must also provide detailed financial statements disclosing revenues and expenditures, including a listing of total compensation to all officers, senior administrators, owners, board members, and other individuals. The information would then be posted on SED’s website.

Proprietary institutions failing to meet these requirements for two consecutive academic years would result in an inability to enroll new students. HESC would be authorized to terminate financial aid to future students of schools not in compliance, though not currently enrolled students. As the State has taken several measures to increase the number of students able to access college tuition-free, this measure would damage schools who predominantly enroll those students.

This proposed change is similar to the federal “90-10 Rule,” which requires proprietary schools to derive ten percent of their revenue from sources other than federal financial aid. The federal rule excludes military and veterans benefits, including the G.I. Bill. The 90-10 Rule is commonly cited as the reason for the closure of ITT Tech, which lost federal funding after failing to meet the bar. It is unknown how many New York institutions would not meet the proposed criteria. Importantly, the federal rule does not examine State tuition grants, while this proposal would take into account both Federal and State financial aid.

**Higher Education
Proposed Disbursements - All Funds
(Thousands of Dollars)**

Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
SUNY	8,339,853	8,430,567	90,714	1.09%
CUNY	1,632,513	1,657,865	25,352	1.55%
Higher Education Services Corp.	1,085,377	1,017,552	(67,825)	-6.25%
Higher Education Capital Grants Program	12,500	11,875	(625)	-5.00%
Higher Education - Misc.	441	441	0	0.00%
Council on the Arts	46,113	45,953	(160)	-0.35%
Totals:	11,116,797	11,164,253	47,456	0.43%

FACT SHEET: HEALTH



The FY 2020 Executive Budget recommends \$73.8 billion in All Funds cash disbursements for the Department of Health (DOH), a net increase of \$3.2 billion or 4.5 percent.

Medicaid:

- Recommends All Funds Medicaid spending of \$71.2 billion, an increase of 3.9 percent. When adding the \$7.7 billion local share of Medicaid, the gross spending on Medicaid increases to \$78.9 billion, an increase of \$1.4 billion or 1.73 percent over current year spending.
- Extends Medicaid State Global Spending Cap for one year (through March 31, 2021), which is projected to remain within required parameters at \$19.4 billion, an increase of \$568 million, or three percent.
- The FY 2020 Executive Budget projects DOH State Funds Medicaid spending to be \$21.7 billion, which is above the global cap spending amount, an increase of \$132 billion over FY 2019. This amount is above global cap spending since certain spending increases, such as minimum wage support, are excluded from the global cap.
- The Executive proposal advances several Medicaid Redesign Team (MRT) proposals including Medicaid pharmacy cost savings provisions, transportation initiatives, various initiatives impacting managed care and long-term care, and several other initiatives.

Public Health:

Recommends All Funds spending of \$5.27 billion, an increase of \$246 million, or 4.9 percent for FY 2020.

- The Executive Budget proposes a number of Article VII initiatives, including
 - The Reproductive Health Act
 - Codifying the New York State of Health and other sections of the Affordable Care Act
 - Regulating Pharmacy Benefit Managers
 - Tobacco Control reforms, specifically raising the smoking age to 21
 - Comprehensive contraception coverage
 - Fertility insurance mandate

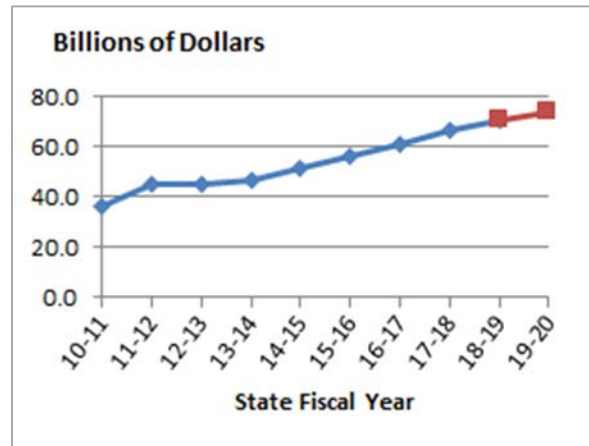
State Office for the Aging

- Recommends All Funds spending of \$251 million, an increase of \$14.8 million or 6.3 percent. The increase is attributable to a \$15 million Executive add in the Expanded In-home Services for the Elderly Program (EISEP).

HEALTH - MEDICAID - AGING



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	70,844	74,044
Annual Growth Rate	6.8%	4.5%
5 Year Average Growth (Actual)		8.2%



Department of Health (DOH)

The Fiscal Year (FY) 2020 Executive Budget recommends All Funds cash disbursements of \$73.8 billion, a net increase of \$3.2 billion or 4.5 percent.

All Funds Cash Disbursements (\$ in thousands)			
	FY 2019	FY 2020	Change
Medicaid	\$58,805,575	\$61,911,066	\$3,105,491
Medicaid Administration	\$1,793,664	\$1,603,478	(\$190,186)
Essential Plan	\$4,942,550	\$4,968,998	\$26,448
Public Health	\$5,021,244	\$5,267,249	\$246,005
Total DOH	\$70,563,033	\$73,750,791	\$3,187,758

The Executive includes language throughout DOH State Operations appropriations that:

- Providing that no funds may be available for certification or payment under the appropriation until the Legislature has finally acted upon the Aid to Localities budget and the Director of the Division of the Budget (DOB) has determined that those appropriations are sufficient.

- Providing the Director of DOB with authority to transfer appropriations between any State agency or public authority.

The Executive proposes a workforce of 5,616 Full Time Equivalents (FTEs), a net increase of 154 over current year levels. This increase is composed of: 101 new FTEs associated with the phased-in takeover of the local administration of the Medicaid program; 28 with increased responsibilities related to the prevention of lead poisoning; ten associated with the Medical Indemnity Fund; eight associated with Behavioral Health Parity; and seven associated with increased opioid related services.

Medicaid

The FY 2020 Executive Budget projects All Funds Medicaid spending of \$71.2 billion, an increase of \$2.6 billion, or 3.9 percent. When adding the \$7.7 billion local share of Medicaid, the gross spending on Medicaid increases to \$78.9 billion, an increase of \$1.4 billion or 1.7 percent over current year spending. This also includes Essential Plan funding.

PROPOSED ALL FUNDS MEDICAID SPENDING (\$ in thousands)				
	FY 2019	FY 2020	Change	Percent
Federal Funds	\$45,156,000	\$46,769,000	\$1,613,000	3.6%
DOH State Share	\$20,297,000	\$21,630,000	\$1,333,000	6.6%
Essential Plan (EP)				
State Total	\$87,000	\$84,000	(\$3,000)	-3.4%
Other State Agencies (OSA):				
Mental Hygiene	\$2,851,000	\$2,569,000	(\$282,000)	-9.9%
Foster Care	\$85,000	\$91,000	\$6,000	7.1%
Education	\$99,000	\$78,000	(\$21,000)	-21.2%
Corrections	\$2,000	\$2,000	\$0	0.0%
Total State Share with EP (All Agencies)	\$23,421,000	\$24,454,000	\$1,033,000	4.4%
All Funds Medicaid with EP	\$68,577,000	\$71,223,000	\$2,646,000	3.9%
Local Share	\$8,951,000	\$7,655,000	(\$1,296,000)	-14.5%
Gross All Funds- Includes Local Share	\$77,528,000	\$78,878,000	\$1,350,000	1.7%

Global Spending Cap and Related Provisions

The Executive proposes extending the state Medicaid Global Cap for one year through FY 2021. Enacted in FY 2012, the Global Cap limits DOH Medicaid spending growth to the 10-year rolling average of the Medical component of the Consumer Price Index (CPI), which is currently estimated at 3 percent, in order to contain Medicaid program growth and spending increases. Also extended for one year as part of the Executive’s proposal, is the authority for the Commissioner of Health to develop a Medicaid Savings Allocation plan should state expenditures exceed the cap amount. The Executive anticipates spending under the Global Cap to total \$19.4 billion in FY 2020, an increase of \$568 million. The Global Cap is estimated to grow to \$20 billion in FY 2021.

In statute, there are select exemptions to the Global Cap calculation, including funding for increases to the minimum wage as enacted in FY 2017. The Financial Plan continues to fund increases in the minimum wage for health care providers outside the Global Cap, totaling \$1.1 billion in FY 2020. The Executive also includes proposals stating that in the event receipts are less than projected in the FY 2020 and FY 2021 Financial Plan, payments may be reduced in

accordance to a written allocation plan promulgated by the Director of the Budget.

The Executive proposes to achieve savings of \$544 million in FY 2020 and \$574 million in FY 2021 within the Medicaid Global Cap. The Executive Budget would achieve Financial Plan relief by shifting \$425 million of non-DOH Medicaid expenses into the Global Cap, and would make other investments with savings outside the cap.

Health Care/Medicaid. State spending on Health Care Transformation investments and Medicaid is \$19.6 billion, reflecting growth of \$680 million 3.6 percent in FY 2020 – this does not include not DOH Medicaid spending or the minimum wage support. The Global Cap is expected to provide \$440 million in General Fund savings in FY 2020. Total Department of Health Medicaid spending, including spending outside the Global Cap, is expected to increase by \$1.3 billion to \$21.7 billion in FY 2020, or 6.6 percent. The FY 2020 Executive Budget recommends total state Medicaid spending of \$24.4 billion, an increase of \$1 billion, or 4.4 percent.

DOH State Medicaid

The FY 2020 Executive Budget projects DOH State Medicaid spending to be \$21.7 billion, an increase of \$1.3 billion or 6.5 percent over FY 2019, which exceeds the Global Cap. Of the total \$1.3 billion growth in DOH Medicaid, \$611 million is attributable to spending increases that are excluded in statute from the Global Cap calculation, which includes state takeover of local growth, minimum wage, and Medicaid Administration.

DOH State Medicaid Year to Year Change State Funds (\$ in millions)

	FY 2019	FY 2020	\$ Growth	% Change
Department of Health Regular Medicaid	\$12,701	\$13,551	\$850	6.7%
State Takeover of Local Growth	\$917	\$1,100	\$183	20.0%
Minimum Wage	\$703	\$1,131	\$428	60.9%
Essential Plan*	\$87	\$84	(\$3)	-3.4%
Medicaid Administration/Other (NYSOH)	\$332	\$272	(\$60)	-18.1%
Other State Funds/DOH Medicaid Local	\$5,644	\$5,576	(\$68)	-1.2%
DOH Medicaid Spending	\$20,384	\$21,714	\$1,330	6.5%

*The Essential Plan is not a Medicaid program, however, state funded resources are managed under the Global Cap.

The known and estimated impact of the minimum wage increase on Medicaid is as follows:

- FY 2018: \$255 million
- FY 2019: \$703 million
- FY 2020: \$1.13 billion
- FY 2021: \$1.21 billion
- FY 2022: \$1.29 billion
- FY 2023: \$1.36 billion

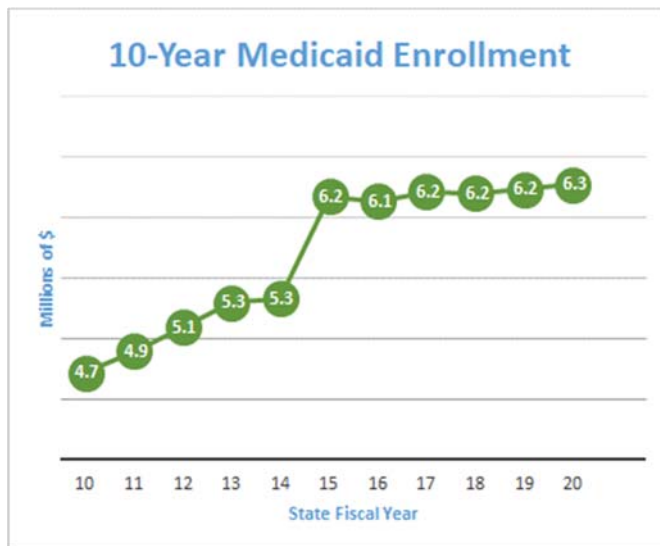
These funds are allocated to implement new minimum wage requirements, and will be used to support direct salary costs and fringe benefits for health care workers reimbursed by the Medicaid program.

Medicaid Minimum Wage Impacts			
(\$ in millions)			
	FY 2019	FY 2020	Increase
Home Care (MLTC)	\$589.8	\$969.6	\$379.8
Home Care (MMC)	\$27.7	\$41.8	\$14.1
Personal Care	\$55.5	\$80.0	\$24.5
Home Health	\$8.8	\$12.7	\$3.9
Nursing Homes	\$7.1	\$9.9	\$2.8
Inpatient	\$0.6	\$1.1	\$0.5
Outpatient (Clinic)	\$4.7	\$5.7	\$1.0
Assisted Living Programs	\$1.9	\$2.3	\$0.4
Hospice	\$0.0	\$0.1	\$0.1
Transportation	\$7.0	\$7.8	\$0.8
Total	\$703.3	\$1,131.0	\$427.7

The FY 2020 Executive Budget continues the state takeover of the local share of Medicaid growth. The State projects aggregate relief at \$3.7 billion to local districts in FY 2020. Over the next five years, the State will assume more than \$20 billion in Medicaid expenditures from localities.

Medicaid Enrollment

The Executive estimates in FY 2020, approximately 6.28 million individuals, more than one-third of New Yorkers, will be enrolled in the Medicaid program.



Proposed FY 2020 Medicaid Redesign Team (MRT)

The Executive proposes multiple initiatives implementing FY 2020 MRT recommendations. The MRT was established in 2011 and was comprised of state staff and Legislators, along with a wide range of stakeholders from the health care industry. It was charged with making reforms to the health care system in order to contain spending and improve health outcomes. The various MRT work groups are no longer active, however the final MRT report issued in May 2012 has served as a multi-year blueprint of prospective changes to the Medicaid program.

Many of the FY 2020 Executive proposals require legislative action while others can be accomplished administratively. The net fiscal impact of the proposals are estimated to be State budget neutral within the Global Cap in FY 2020 and FY 2021.

Executive MRT related proposals include:

Pharmacy Initiatives

- Drug Cap: Extends the Drug Cap to FY 2021 and increases target savings by \$13.7 million in FY 2020. This would be achieved through several initiatives, including strengthening DOH’s negotiating of rebates while allowing greater flexibility.
- Prescriber Prevails: Eliminates prescriber prevails for all prescription drugs, saving \$18.7 million in FY 2020 and \$22.5 million in FY 2020.
- Over the Counter Drugs (OTC): Authorizes DOH to eliminate Medicaid reimbursement for OTC drugs that are available without a prescription and increase the co-pay for OTC drugs from \$0.5 to \$1. The Executive assumes state savings of \$12.3 million in FY 2020 and \$16.4 million in FY 2021.
- Establish Drug Pricing Models: Limits payments to Pharmacy Benefit Managers (PBMs) for services provided to Medicaid Managed Care (MMC) Organizations, saving \$43.3 million in FY 2020.

For additional information, refer to Part B of the Health and Mental Hygiene proposal in the Article VII section.

Transportation Initiatives

- Transportation Carve-Out: Carves Managed Long Term Care (MLTC) transportation capitated rates back into FFS, with the exception of the Program of All-Inclusive Care for the Elderly (PACE). The FY 2012 budget authorized the state to contract with transportation managers to coordinate Non-Emergency Medical Transportation (NEMT) for other Medicaid populations. This proposal would shift the responsibility of coordinating MLTC transportation services from Managed Care Organizations (MCOs) to the state-contracted transportation managers.

SFY 2020 Health Care Savings Proposals - Executive Budget				
State Investments / (Savings) \$ in Millions				
Initiative	Effective Date	Legal - Admin	FY 2020	FY 2021
			State \$	State \$
Pressures on Global Cap				
Financial Plan Target	4/1/19		\$425	\$425
Pharmacy Savings Initiatives				
Reduce Coverage for OTCs	7/1/19	Legal	(\$12)	(\$16)
Eliminate Prescriber Prevals	4/1/19	Legal	(\$19)	(\$22)
Establish Fair Drug Pricing Models in Managed Care through improved Pharmacy Benefit Manager (PBM) oversight	4/1/19	Legal	(\$43)	(\$43)
Drug Cap Enhancements	4/1/19	Legal	(\$14)	(\$23)
Total Pharmacy Savings			(\$88)	(\$105)
LTC Savings Initiatives				
LTC Savings Initiatives				
Spousal Support	4/1/19	Legal	(\$6)	(\$6)
Community Spouse Resource Level	7/1/19	Legal	\$0	\$0
Reduce the Home Equity Limit	7/1/19	Legal	\$0	\$0
Establish per-member per-month payment for Fiscal Intermediary Services	7/1/19	Legal	(\$75)	(\$75)
CFCO Readiness	7/1/19	Admin	(\$25)	\$0
NH Case Mix Adjustment	4/1/19	Admin	(\$123)	(\$123)
SOFA EISEP Investment	4/1/19	Admin	\$15	\$15
SOFA EISEP DOH MA Offset	4/1/19	Admin	(\$34)	(\$34)
Close shelter expense loophole in trusts	10/1/19	Legal	\$0	\$0
MLTC Manage Utilization of Personal Care	4/1/19	Admin	(\$25)	(\$25)
Total LTC Savings			(\$272)	(\$248)
Managed Care Savings Initiatives				
State takeover of third party health insurance disenrollment	4/1/19	Admin	(\$19)	(\$19)
Additional TPHI Recoveries	4/1/19	Admin	(\$4)	(\$14)
Transition Flushing Support to VBP QIP	4/1/19	Admin	(\$30)	(\$30)
OMIG MC Recoveries	4/1/19	Legal	(\$4)	(\$9)
Total Managed Care Savings			(\$56)	(\$71)
Transportation Initiatives				
Managed Long-Term Care transportation care Carveout	10/1/19	Legal	(\$6)	(\$13)
Adult Day Health Care (ADHC) Transportation Carveout	4/1/19	Admin	(\$4)	(\$4)
Eliminate Rural Transit Assistance	4/1/19	Legal	(\$4)	(\$4)
Eliminate Supplemental Ambulance Rebate Payments	4/1/19	Legal	(\$3)	(\$3)
NYC Livery Rate Reduction	4/1/19	Admin	(\$6)	(\$6)
Total Transportation Care Savings			(\$24)	(\$30)
Other Savings				
Promote promising DSRIP ideas to reduce unnecessary utilization	4/1/19	Legal	(\$10)	(\$10)
Health Home Rate Reduction	7/1/19	Admin	(\$5)	(\$5)
Promote Primary Care and reduce potentially avoidable inpatient services	9/1/19	Legal	(\$5)	(\$10)
Reimburse National Diabetes Prevention Program	7/1/19	Legal	(\$1)	(\$1)
Medicare Part B Cost Sharing Proposals	7/1/19	Legal	(\$18)	(\$23)
Supportive Housing Federal Waiver	1/1/20	Admin	(\$18)	(\$24)
Reinvest Supportive Housing	1/1/20	Admin	\$0	\$15
Eliminate Major Academic Centers of Excellence Payment	4/1/19	Legal	(\$25)	(\$25)
Eliminate Population Health Improvement Program	4/1/19	Admin	(\$8)	(\$8)
Total Other Savings			(\$89)	(\$91)
Other Investments				
Recognize Applied Behavioral Analysts	10/1/19	Admin	\$6	\$13
Fund additional year of Ambulance Rate Adequacy Increase	4/1/19	Admin	\$3	\$6
SUNY DSH Investment	4/1/19	Admin	\$60	\$60
Electronic Visit Verification (EVV) Investment	4/1/19	Admin	\$10	\$15
OTB Retiree	4/1/19	Admin	\$3	\$3
Increase the United Hospital Fund (UHF)	4/1/19	Admin	\$0	\$0
Nursing Home Transition and Diversion (NHTD)	4/1/19	Admin	\$2	\$2
Traumatic Brain Injury (TBI)	4/1/19	Admin	\$11	\$11
Behavioral Health Parity	4/1/19	Legal	\$1	\$1
Maternal Mortality	4/1/19	Legal	\$4	\$4
Early Intervention	4/1/19	Admin	\$4	\$4
Total Other Investments			\$104	\$119
TOTAL			\$0	\$0

- The Executive assumes state savings of \$6.4 million in FY 2020.
- Rural Transit Assistance: Eliminates the annual payment to public rural transportation providers, which was enhanced to mitigate the impact related to the transition of NEMT providers to a private transportation manager. The Executive assumes state savings of \$4 million in FY 2020.
- Supplemental Ambulance Payments: Eliminates the supplemental ambulance payment of \$3 million in FY 2020 and administratively reinvests those funds into a rate increase of \$3.1 million in FY 2020 for ambulance providers.

For additional information, refer to Part A of the Health and Mental Hygiene proposal in the Article VII section.

Hospital Initiatives

- State University of New York Disproportionate Share Funding: Fully funds the non-federal share, with a cost of \$60 million in FY 2020.
- Academic Centers of Excellence: Eliminates the additional temporary funding to non-major public academic medical centers, generating \$24.5 million in savings in FY 2020.
- Regulatory Requirements for Delivery System Reform Incentive Payment (DSRIP) Program: Waives regulatory requirements for providers involved with DSRIP projects to avoid duplication of requirements. The Executive maintains that this will result in further integration of health and behavioral health, resulting in \$10 million in savings in FY 2020.
- Promoting Primary Care: Reduce rates and payments to facilities with a high percentage of avoidable inpatient services, with a portion of the savings reinvested in preventative care, maternity care, and other ambulatory services. This proposal is estimated to generate \$5 million in savings in FY 2020.

For additional information, refer to Part H of the Health and Mental Hygiene proposal in the Article VII section.

Long Term Care Initiatives

- Fiscal Intermediaries: Establishes a per member per month payment for Fiscal Intermediaries for the Consumer Directed Personal Assisted Services Program based upon economies of scale, resulting in \$75 million in savings in FY 2020.
- Spousal Support: Eliminates the ability for community spouses to decline payment for an institutionalized spouse. The Executive assumes state savings of \$7.5 million (\$15.6 million All Funds) in FY 2020.

For additional information, refer to Part G of the Health and Mental Hygiene proposal in the Article VII section.

Other Initiatives

- National Diabetes Prevention Program: Allow for reimbursement for this evidence-based program, which would have an immediate net savings impact of \$900,000 in FY 2020.
- Medicare Part B: Limits Medicaid payments for Medicaid Part B services for dual eligible to not exceed the amount that would have been reimbursed under normal Medicare. The Executive also recommends reducing reimbursement for psychologist and ambulance services. These proposals would generate \$17.5 million in savings.

State Spending Administrative Actions

In addition to the Executive's proposals that require legislative action, there are numerous actions impacting State spending, that DOH intends to implement administratively. These actions and their FY 2020 state fiscal impact include:

Long Term Care

- Nursing Home Case Mix Adjustment: Adjust the case mix to include data sets throughout the year for more accurate representation, generating savings of \$75 million in FY 2020.
- Expanded In Home Services Program (EISEP): Divert aging individuals from accessing more intensive services, such as personal care and nursing homes, by providing needed services through the EISEP program. The Executive proposes a \$15 million investment in the State Office for the Aging programs, which would result in \$34 million in savings in FY 2020.
- MLTC Personal Care Utilization: Allow MMC organizations to amend service plans to more accurately reflect changed need, generating savings of \$25 million in FY 2020.

Managed Care

- State Takeover of Third Party Health Insurance Disenrollment: Transfer the Medicaid disenrollment function from local social services district to the State, increasing the efficiency of disenrollment when Medicaid beneficiaries when enrolled in other health coverage. This proposal would generate savings of \$18.7 million in FY 2020.
- Additional Third Party Health Insurance Recoveries: Change model contracts to expand the ability of the Medicaid Inspector General to recoup premiums, generating \$3.9 million in savings.

Transportation

- Adult Day Health Care Carve-Out: Carve Adult Day Health Care (ADHC) transportation capitated rates back into specialized management services. This proposal would shift the responsibility of coordinating MLTC transportation services from Managed Care Organizations (MCOs) to the state-contracted transportation managers. The Executive

assumes state savings of \$4.1 million in FY 2020.

- NYC Livery Fee Reduction: Reduce the New York City livery fee. The Executive assumes state savings of \$6.1 million in FY 2020. This would be a reduction of three dollars per fees applicable to livery, livery over five miles, and green taxis.

Other Initiatives

- Health Homes: Reduce reimbursement to more accurately reflect improvements in an individual's condition, generating savings of \$5 million.
- Housing Federal Waiver: Seek federal waiver allowing for federal matching funds for housing related activities that are currently state only funded, generating \$18.3 million in savings in FY 2020.
- Population Health Improvement Program (PHIP): Eliminate support for the aforementioned program, which was designed to bring the community together to gather data and analytics to support Preferred Provider Organizations and other DSRIP goals. The Executive maintains that this is a discontinuation of seed funding and the goal of such programs should be self-sustainability, saving \$7.8 million in FY 2020.
- Recognize Applied Behavioral Analysis (ABA): Expand Medicaid coverage to this service available to children, impacting approximately 4,000 children. ABA is evidence-based therapy for individuals on the autism spectrum. This recommendation would cost \$6.4 million in FY 2020 and \$13.1 million in FY 2021.

The Health Care Savings Table lists all proposed MRT Phase proposals that would require a fiscal investment or achieve savings.

Medicaid Savings Plan Extender

The Executive proposes a one-year statutory authority extension that would allow a reduction in spending during the fiscal year in the event that Medicaid dollars or federal operating funds are reduced by \$850 million or more during FY 2020 or FY 2021. The Director of the Division of the Budget will submit a plan to the Legislature that reduces spending. The plan must be equally and proportionally reduce appropriations and cash disbursements in the General Fund and State Special Revenue Funds. If the Legislature does not enact their own plan within 90 days, DOB's plan goes into effect. This has been included in the Enacted Budget in prior years.

New York State of Health (NYSOH)

Executive Order #42 was issued by Governor Cuomo in 2012 establishing the New York State Health Benefit Exchange, now known as the New York State of Health (NYSOH).

Along with establishing the parameters of the NYSOH, the Executive Order also stated that the Exchange would be funded entirely with federal funds through January 1, 2015, but then would become wholly self-funded. The Executive Order also explicitly clarified that no state or county taxpayer dollars would be used for such purpose.

The Executive Budget includes \$289 million in State spending in FY 2020, a decrease of \$5 million from current year levels. The total operating budget is projected to decrease by \$1 million in FY 2020 to \$575 million.

A total of 4.7 million people have enrolled in health insurance coverage, including Medicaid, the Essential Plan, and Child Health Plus through the NYSOH.

The FY 2020 Executive Budget recommends the codification of the NYSOH. For additional

information, refer to Part T of the Health and Mental Hygiene proposal in the Article VII section.

Basic Health Plan (Essential Plan)

Background

Pursuant to the Affordable Care Act (ACA), states were given the option to establish a basic health plan. In 2014, the Executive found the establishment of a Basic Health Plan to be in the financial interest of the state, and submitted a blue print to the Centers for Medicare and Medicaid Services (CMS) in December of 2014 requiring approval to phase in its implementation beginning in FY 2015.

The FY 2015 Enacted Budget authorized the establishment of the Basic Health Plan. Under the plan, citizens between 138 and 200 percent of the FPL, who would otherwise be eligible to purchase coverage through the NYSOH, would pay no premium or a small premium based on income level. Coverage is provided with no premium for certain aliens who legally reside in the U.S. (in New York) and whose income is below 138 percent of the FPL. **While the program is outside of Medicaid, it is financed within the Medicaid Global Cap.** The Basic Health Plan is known as the Essential Plan in New York.

The Basic Health Plan was implemented in two phases:

- Phase One: On April 1, 2015, approximately 225,000 legally residing aliens who were previously enrolled in state-only funded Medicaid (excluding children, pregnant women, and individuals requiring long-term care services) were transferred into the plan. Saving Medicaid approximately \$1 billion.
- Phase Two: On January 1, 2016, approximately 213,000 enrollees in Qualified

Health Plans (QHPs) through NYSOH transitioned into the plan.

Total enrollment in the Basic Health Plan is projected to increase to 748,572 in FY 2020 from 743,421 in FY 2019.

FY 2020 Basic Health Plan Budget

The Executive Budget includes \$4.9 billion in federal support for the Basic Health Plan to cover premium and cost sharing expense for enrollees. Additionally, \$84 million in state support is proposed to cover the costs of premiums and cost sharing for the portion of costs that is not federally reimbursed. Total All Funds spending is projected at \$4.9 billion.

Essential Plan Annual Trust Fund Estimates (\$ in millions)			
	FY 2019	FY 2020	FY 2021
Opening Balance	\$376	\$790	\$1,060
Sources			
Federal Subsidy	\$3,266	\$3,607	\$4,033
Growth in Tax Credits	\$492	\$545	\$463
Medical Loss Ratio Remittance	\$220	\$41	\$0
Rate Reduction to Plans (4.4%)	\$165	\$165	\$165
Federal Cost Sharing Reduction (CSR) Settlement	\$1,106	\$660	\$660
Eligibility Correction	\$60	\$138	\$138
Other	(\$40)		
Subtotal	\$5,269	\$5,156	\$5,459
Uses			
Program Costs	(\$4,181)	(\$4,210)	(\$4,259)
Transition VBP-QIP from Medicaid to EP	(\$675)	(\$675)	(\$675)
Subtotal	(\$4,856)	(\$4,885)	(\$4,934)
Trust Fund Balance	\$790	\$1,060	\$1,586

Health Care Reform Act (HCRA)

The New York State Health Care Reform Act was enacted in 1996 as a mechanism to finance a portion of state health care initiatives, and to deregulate inpatient hospital rates paid by private insurers.

The FY 2020 Executive Budget estimate HCRA revenues of \$5.95 billion and disbursements of \$5.95 billion, with a closing balance of zero.

Office of the Medicaid Inspector General (OMIG)

The FY 2020 Executive Budget provides All Funds cash disbursements of \$42.8 million, a decrease of \$5.2 million or 11 percent for OMIG. The Executive proposes a workforce of 426 FTEs, which is consistent with current year levels.

The Executive recommends language clarifying OMIG’s authority to recover overpayments and ensuring program integrity within the MMC and MLTC programs. This proposal is expected to generate \$4.1 million in savings.

For additional information, refer to Part V of the Health and Mental Hygiene proposal in the Article VII section.

Public Health

The FY 2020 Executive Budget recommends Public Health spending, excluding Medicaid and the Essential Plan, at \$5.27 billion, an increase of \$246 million, or 4.9 percent from current year levels. Increased spending in FY 2020 is mainly attributable to local assistance spending growth.

FY 2020 Executive Budget Public Health Proposals	
Initiative	(\$ in millions)
State Operation	12.4
Lead Staff (SOTS)	4.4
Personal Service- Recognize Growing Costs	4.0
Health Facilities Investment	4.0
Aid to Localities	(27.1)
SOFA - Defer FY20 COLA Increase	(5.1)
SOFA - EISEP Investment	15.0
Early Intervention: Increase EI Rates	0.8
GPHW - Reduce NYC to 20% from 36% - No County Increase/Fringe	(26.9)
GPHW - Lead (SOTS) - No increase in LPPP Grants	2.354
Shift TBI to the Medicaid Global Cap	(11.465)
Shift NHTD Waiver Housing Subsidies to the Medicaid Global Cap	(1.842)

* This does not include Base Re-estimates or other minor initiatives

Aid to Localities

Early Intervention Program

The EI program provides therapeutic and support services to children under the age of three with confirmed disabilities (e.g. autism, cerebral palsy) or developmental delays. The program serves approximately 69,000 children annually and is jointly financed by State and local governments.

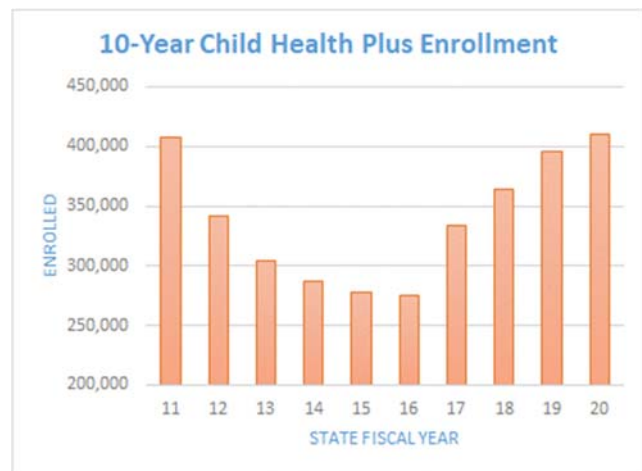
EI Program service providers must first seek reimbursement for services by third party payers including health insurers and Medicaid. Services ultimately not covered by the child's health insurance or Medicaid are paid by the locality in which the child resides. The State reimburses localities for 49 percent of their payments to providers.

The FY 2020 Executive Budget recommends increasing rates by five percent, a \$3.6 million cost to the Medicaid program and \$800,000 cost to the State. This would be an unfunded mandate upon counties since they would be required to match the increase. There would be an approximate cost to

New York City of \$500,000, and approximately \$300,000 for the rest of the state.

Child Health Plus (CHP)

The Executive estimates that CHP enrollment will continue to increase in FY 2020 after trending downward between FY 2012 and FY 2016. Enrollment is projected to increase by approximately 15,500 children in FY 2020, with a total enrollment of 410,703.



The Executive Budget allocates \$416 million, an increase of \$52 million, in FY 2020 to support the Child Health Plus Program, which ensures children of families with household incomes up to 400 percent of the Federal Poverty Level (FPL), if these children are not eligible for Medicaid. Federal matching participation is traditionally 65 percent for eligible children, but was raised to 88 percent as a result of the ACA, for 2015 through October 2019.

State Operations

Increase to DOH Workforce

The FY 2020 Executive Budget recommends an increase of \$12.6 million in personal service. The increase is primarily associated with an additional 154 FTEs. This increase in FTEs is primarily

attributable to the Medicaid Administration takeover.

Capital

The Executive Budget recommends the continuation of \$3.8 billion in capital investments for providers to transition into sustainable systems, and proposes \$5 million be used for regional perinatal centers or other health providers to establish rural telehealth applications.

Statewide Health Care Facilities Transformation Program (HCFTP)

The FY 2020 Executive Budget does not recommend a new phase for the HCFTP program, which provides health care facilities funding to support capital projects, debt retirement, working capital and other non-capital needs that facilitate transformative activities intended to improve access to healthcare services.

The Executive Budget recommends language awarding up to \$300 million in Phase III applications using Phase II funding. For additional information, refer to Part Q of the Health and Mental Hygiene proposal in the Article VII section.

Life Sciences Laboratory

The FY 2020 Executive Budget proposes \$750 million for the Capital Region Life Science Lab (Wadsworth). This would continue to be a joint effort between DOH and Empire State Development.

Article VII proposals

The Executive Budget recommends several legislative proposals in the FY 2020 Article VII legislation.

- Commission on Universal Care: Establish a Universal Access Commission to evaluate

options for achieving universal access to health care that would report its finding to the Governor. For additional information, refer to Part N of the Health and Mental Hygiene proposal in the Article VII section.

- Codification of the ACA: Codify various insurance related provisions of the ACA into statute. For additional information, refer to Part J of the Health and Mental Hygiene proposal in the Article VII section.
- Pharmacy Benefit Managers: Establish a program to regulate PBMs, which would include registration, licensure, examination, disclosure and reporting requirements, as well as penalties. For additional information, refer to Part I of the Health and Mental Hygiene proposal in the Article VII section.
- Medical Indemnity Fund: Transfer custody of the MIF from the Department of Financial Services to DOH. For additional information, refer to Part K of the Health and Mental Hygiene proposal in the Article VII section.
- New York City Greater Public Health Works Program: Reduce the reimbursement for non-emergent expenditures over the base grant for New York City from 36 percent to 20 percent, generating 26.9 million in savings. For additional information, refer to Part O of the Health and Mental Hygiene proposal in the Article VII section.
- Tobacco Control: Raise the minimum age sales age for tobacco products from 18 to 21, end the sale of tobacco products in pharmacies; end the sale of flavored e-cigarette liquids; and restrict various other provisions regarding the sale of tobacco products. For additional information, refer to Part UU of the Revenue proposal in the Article VII section.
- Exposure to Lead Paint: Create minimum standards on the maintenance of painted surfaces containing lead based paint; establish presumptions on certain structures containing lead based paint and the process for overcoming such presumptions; and authorize

the authority of local code enforcement officers for implementation as well as penalties. For additional information, refer to Part P of the Health and Mental Hygiene proposal in the Article VII section.

Women’s Agenda

The Executive proposes various initiatives that would affect public health, including:

Comprehensive Contraception Coverage

The Executive proposes to codify in law the health insurance coverage, without cost sharing, of all FDA approved contraceptives, including emergency contraception.

For additional information, refer to Part M of the Health and Mental Hygiene proposal in the Article VII section.

Reproductive Health Act

The Executive proposes to remove the regulation of abortion from the state’s penal code, and from certain sections of the public health law and education law.

For additional information, refer to Part S of the Health and Mental Hygiene proposal in the Article VII section.

Maternal Mortality Review Board

The Executive proposes to establish a Maternal Mortality Review Board within DOH. The board would be required to review all maternal deaths in the State and develop recommendations to improve care and management; and develop recommendations to address Severe Maternal Morbidity and racial disparities in maternal outcomes. The board would consist of 15 multidisciplinary experts that are appointed by the Commissioner of the Department of Health.

For additional information, refer to Part R of the Health and Mental Hygiene proposal in the Article VII section.

Fertility Insurance

The FY 2020 Executive Budget proposes to mandate all individual, as well as all small and large group policies, provide the following:

- Coverage for standard fertility preservation services when a medical treatment may directly or indirectly cause iatrogenic infertility.
- Coverage for three cycles of in-vitro fertilization used in treatment of infertility

The Executive Budget also would prohibit discrimination against an insured individual seeking such treatment

For additional information, refer to Part L of the Health and Mental Hygiene proposal in the Article VII section.

State Office for the Aging (SOFA)

The FY 2020 Executive Budget recommends \$250.7 million in All Funds cash disbursements for SOFA, an increase of \$14.8 million or 6.3 percent from the FY 2019 levels. The increase is attributable to a \$15 million new initiative for the Expanded In-Home Services for the Elderly Program (EISEP). This would increase community based supports for older adults, helping to maintain independence and providing cost savings from more intensive levels of care.

The FY 2020 Executive Budget proposes a workforce of 95 FTEs, consistent with current year levels.

Elimination of FY 2020 Human Services Cost of Living Adjustment (COLA)

The FY 2020 Executive Budget recommends the elimination of the statutory FY 2020 COLA increase, which would result in \$5.1 million in State savings. For further detailed information, refer to Part Y of the Health and Mental Hygiene proposal in the Article VII section of the report.

Private Pay Model

Authorize SOFA to implement private pay protocols for programs by administered by the Office. This would require private pay to supplement, not supplant, state funding. For additional information, refer to Part U of the Health and Mental Hygiene proposal in the Article VII section.

Health - Medicaid - Aging Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Office for the Aging	235,956	250,713	14,757	6.25%
Medical Assistance	58,802,575	61,911,066	3,108,491	5.29%
Medicaid Administration	1,793,664	1,603,478	(190,186)	-10.60%
Essential Plan	4,942,550	4,968,998	26,448	0.54%
Public Health	5,021,244	5,267,249	246,005	4.90%
Medicaid Inspector General	48,043	42,820	(5,223)	-10.87%
Totals:	70,844,032	74,044,324	3,200,292	4.52%

FACT SHEET: TRANSPORTATION



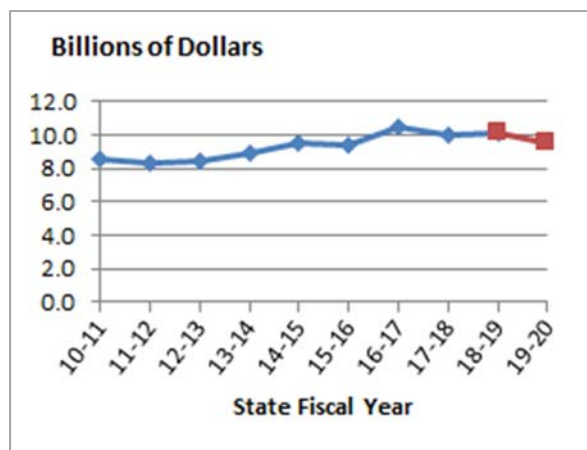
The Executive Budget includes All Funds spending for Transportation of \$9.5 billion, a decrease of \$594 billion or six percent from last year.

- **Department of Transportation (DOT):** The FY 2020 Executive Budget proposes a \$480 million (5.6 percent) decrease in spending. The decrease is largely due to the proposal to shift revenues in the MTA Aid Trust account (appropriated under DOT) to be “off budget” and have payment go directly to MTA. The Executive Budget provides \$4.4 billion to the DOT capital program, which is funded at \$27.3 billion over six years.
- **Local Highway Funds:** The Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highway Program (“Marchiselli”) maintain FY 2019 funding levels of \$438.1 million and \$39.7 million, respectively. The \$100 million Local PAVE NY and \$100 million Local BRIDGE NY programs are continued in FY 2020. The \$65 million for Extreme Winter Recovery included in the FY 2019 Enacted Budget is not renewed.
- **Department of Motor Vehicles (DMV):** DMV spending for FY 2020 increases by \$10.8 million (three percent) from FY 2019 to \$350 million. The proposed funding level would accommodate the second year of the driver’s license renewal cycle and the implementation of REAL ID.
- **Transit Funding:** The FY 2020 Executive Budget includes an overall increase of \$263 million in operating assistance to the MTA (\$5.25 billion total). Funding for the non-MTA Downstate transit providers includes an increase of \$26 million (eight percent), including \$11 million (\$3 million increase) for transit over the Mario M. Cuomo Bridge. Operating assistance for Upstate public transit systems would increase by \$11 million (five percent) with funding from a proposed expansion of an auto rental surcharge.
- **Metropolitan Transportation Authority (MTA):** The FY 2020 Executive Budget recommends an All Funds cash spending level of \$675 million for the MTA, a \$125 million or 18 percent decrease from FY 2019. The Executive continues the State’s \$8.6 billion multi-year funding commitment to the MTA’s \$30.3 billion 2015-2019 Capital Program.
 - The Executive Budget includes a proposal authorizing the MTA to build and operate a congestion tolling program for vehicles entering Manhattan below and inclusive of 60th Street, but not including the FDR Drive. Fees would support \$15 billion toward future five-year MTA capital spending programs.
- **Thruway Authority:** The Executive Budget maintains previous capital commitments for the Thruway Authority, including funding for the new Governor Mario M. Cuomo Bridge that replaced the Tappan Zee Bridge. The Thruway is working to implement system-wide cashless tolling. **There are no proposed toll increases through 2020.**

TRANSPORTATION



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	10,117	9,524
Annual Growth Rate	0.7%	-5.9%
5 Year Average Growth (Actual)		3.6%



The functional area of Transportation includes the Department of Transportation (DOT), the Department of Motor Vehicles (DMV), the Metropolitan Transportation Authority (MTA) and the Thruway Authority. The FY 2020 Executive Budget proposes a total spending level of \$9.5 billion for all transportation agencies, a decrease of \$594 million or six percent. This section mainly discusses overall changes to the transportation budget. For a detailed discussion of the capital commitments and proposals, refer to the “Transportation Capital Programs” Issues in Focus section.

Department of Transportation (DOT)

DOT maintains and improves more than 44,500 highway lane miles and 7,900 bridges. In addition, the Department subsidizes locally operated transit systems and partially funds local government highway and bridge construction, as well as rail and airport programs. The Department’s headquarters is located in Albany, and DOT currently operates 11 regional offices in Schenectady, Utica, Syracuse, Rochester, Buffalo, Hornell, Watertown, Poughkeepsie, Binghamton, Hauppauge and New York City.

The FY 2020 Executive Budget includes 8,520 Full-time equivalents (FTEs) for the Department, which is unchanged from FY 2019.

The FY 2020 Executive Budget recommends an All Funds cash spending level of \$8.5 billion, a decrease of \$480 million, or 5.6 percent from FY 2019. This decrease is largely attributable to the shift of some MTA aid off budget (\$419 million), allowing revenues to flow directly to the MTA. A similar proposal was approved in FY 2019, shifting the payroll mobility tax (approximately \$1.4 billion) off budget. The decrease is also attributable to lower spending for the DOT capital plan, which is in its final year.

The FY 2020 Executive Budget also includes transfer language under certain appropriations authorizing the Director of the Budget to increase, decrease, or transfer funds without limit.

Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

- Extends a supplemental auto rental surcharge (5%) that is now only collected in the Metropolitan Commuter Transportation District (MCTD) to the remainder of the State.
 - The additional funds (\$22 million annually) would be directed to Upstate public transportation systems.
- Authorizes DOT to assess a fee for fiber optic cables installed along the State highway right of way.
 - This is anticipated to generate \$15 million for FY 2020 and \$50 million annually thereafter to the Dedicated Highway and Bridge Trust Fund (DHBTF)
- Increases penalties to enhance limousine, bus, and taxi and livery safety, including banning certain types of stretched or modified vehicles, increasing civil and criminal penalties, and strengthening DOT's ability to remove dangerous vehicles and operators from the road in a timely manner.
 - This would also establish a \$120 fee on inspections of for-profit buses, limousines, and other liveries under DOT's jurisdiction, generating \$1.1 million for FY 2020 and \$2.2 million annually thereafter to the DHBTF
- Increases penalties for assaulting of airport workers, highway workers, certain MTA employees, and DOT inspectors.

Transit Operating Aid

DOT provides oversight and funding for public transit operators, including the MTA, the four upstate regional transportation authorities (Capital District Transportation Authority, Rochester–Genesee Regional Transportation Authority, Niagara Frontier Transportation Authority, and Central New York Regional Transportation Authority), and other (usually county-sponsored) transit systems.

Transit Operating Assistance Cash Disbursements (Dollars in Thousands)			
	FY 2019 Enacted	FY 2020 Proposed	Difference
Downstate			
NYCTA	1,858,788	1,964,239	105,451
MTA Commuter Rail	669,184	713,139	43,955
Payroll Mobility/Aid Trust	694,334	275,244	-419,090
Subway Action Plan	194,000		-194,000
Verrazano	13,800	13,800	0
Budget Subtotal	3,430,106	2,966,422	-463,684
Off Budget Payroll Mobility	1,468,517	1,613,250	144,733
Off Budget - Aid Trust	0	265,000	265,000
Off Budget FHV	103,750	420,000	316,250
Off Budget Subtotal	1,572,267	2,298,250	725,983
MTA Total	5,002,373	5,264,672	262,299
Rockland	3,501	3,754	254
Staten Island Ferry	34,151	36,625	2,474
Westchester	57,321	61,474	4,153
Nassau - NICE Bus	69,329	74,352	5,023
Suffolk	26,966	28,920	1,954
Suffolk - Shuttle	500	500	0
NYC DOT	91,263	97,876	6,613
MMCB LHTL	8,000	11,000	3,000
Remaining Systems	33,105	35,503	2,399
Non-MTA Total	324,135	350,005	25,870
Subtotal Downstate	5,326,508	5,614,677	288,169
Upstate			
CDTA	37,157	39,134	1,978
CNYRTA	33,918	35,723	1,805
RGRTA	41,183	43,375	2,192
NFTA	53,498	56,345	2,848
Remaining Systems	40,899	43,076	2,177
Subtotal Upstate	206,654	217,654	11,000
Program Totals	5,533,162	5,832,330	299,169

The FY 2020 Executive Budget provides \$5.82 billion in overall cash operating assistance to the State's transit systems, an increase of \$299 million or 5.4 percent. Including off budget assistance, the MTA would receive \$5.25 billion, reflecting an increase of \$263 million or 5.3 percent. Non-MTA transit systems would receive nearly \$568 million, including \$350 million for Downstate non-MTA transit systems and \$218 million for Upstate transit systems, reflecting a 6.9 percent increase.

The MTA's operating assistance increase includes the off budget transfer of payroll mobility tax (\$1.6 billion) revenues approved last year, as well as the proposed off budget transfer of MTA aid trust revenues (\$265 million). The FY 2019 Enacted Budget also authorized new passenger

surcharges on app-based for-hire vehicle trips (\$2.75) and yellow and green taxi trips (\$2.50) effective January 1, 2019. While these new surcharges are projected to ultimately generate about \$420 million annually, the fees have yet to take effect due to ongoing litigation by the taxi industry.

The increase received by Upstate transit systems (\$11 million increase from FY 2019) would be provided by expanding an auto rental surcharge that is currently limited to the downstate Metropolitan Commuter Transportation District, making it statewide.

Local Highway and Bridge Funding

The Executive Budget maintains levels of funding for the Consolidated Highway Improvement Program (CHIPS) and the Municipal Streets and Highway Program (“Marchiselli”) at FY 2019 levels of \$438.1 million and \$39.7 million, respectively.

An additional \$65 million for Extreme Winter Recovery added by the legislature for FY 2019 is not included in the FY 2020 Executive Budget.

The FY 2020 Executive Budget continues the final year of the five-year Local PAVE NY and BRIDGE NY programs, which each provide \$100 million per year (\$500 million total) to municipalities for pavement and bridge projects.

Department of Motor Vehicles

The responsibilities of the Department of Motor Vehicles (DMV) include administering the State’s motor vehicle laws, promoting traffic safety, verifying identities and issuing secure documents, including driver’s licenses and vehicle registrations, and collecting revenues. DMV has three regional headquarters and 27 district and branch offices. In addition, County Clerk offices

act as DMV agents at 102 locations throughout the State. DMV serves more than 20 million customers annually.

The FY 2020 Executive Budget recommends an All Funds cash spending level of \$350 million, a \$10.8 million or 3 percent increase. This increase is attributable to additional operating costs to accommodate the second year of the license renewal cycle and increased activity in DMV offices resulting from implementation of REAL ID.

The Executive Budget requests a DMV workforce of 2,344 FTE positions, which remains unchanged from FY 2019.

The FY 2020 budget does not include the \$375,000 for Special Traffic Options Programs for Driving While Intoxicated (STOP-DWI) that was added by the legislature in FY 2019.

Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

- Authorizes the testing of autonomous vehicles for an additional two years, to April 1, 2021, and makes other changes to support autonomous vehicle development.
- Extends the provisions of the ignition interlock program for two years, to September 1, 2021.
- Extends the State surcharge on motor vehicle infractions for an additional two years, to September 1, 2021.
- Provides local governments with the ability to authorize the use of certain lower speed scooters and motorized bicycles within their jurisdiction.

Metropolitan Transportation Authority

The Metropolitan Transportation Authority (MTA), the largest transit provider in North America, is responsible for operating, maintaining and improving public transportation in the Metropolitan Commuter Transportation District (MCTD), which consists of New York City and the counties of Westchester, Nassau, Suffolk, Dutchess, Putnam, Orange and Rockland. The MTA's operations include subway and bus systems in New York City, the Long Island Rail Road, Metro-North Railroad, and MTA Bridges & Tunnels.

The FY 2020 Executive Budget recommends All Funds spending of \$675 million, a decrease of \$125 million or 18.5 percent. This decrease is attributable to the Executive proposal to transfer some MTA aid off budget.

Additional transit aid to the MTA is appropriated under DOT and discussed in the Transit Operating Aid section. Details on the MTA capital program are included in the "Transportation Capital Programs" Issues in Focus section of this report.

Article VII Provisions

The Executive proposes the following Article VII Legislation (additional detail is provided under section three of this report):

- Authorizes the MTA to construct, install, maintain, and operate a congestion tolling program for vehicles entering Manhattan below and inclusive of 60th Street, but not including the FDR Drive:
 - Tolling program fees would be established by the MTA
 - After the reimbursement of program expenses, congestion tolling revenues would be deposited into a dedicated fund reserved to pay for projects in the MTA's 2020-2024

Capital Program, to support at least \$15 billion toward the program:

- This proposal is separate from the congestion surcharge included in the FY 2019 budget for for-hire vehicles south of 96th street in Manhattan
- Extends New York City's authorization to operate a photo speed violation program in school zones to July 1, 2022, and allows the City to install an additional 150 monitoring systems, raising the number of authorized systems to 290:
 - Revenue from the additional cameras would be provided to the New York City Transit Authority to support capital safety improvements
 - The fiscal impact is to be determined
- Authorizes the MTA to reform its organizational structure with a majority vote of the MTA Board required to approve the reforms
- Authorizes that revenues (taxi surcharge, supplemental license and registration fees, and auto rental surcharge) dedicated to the MTA Aid Trust Account pursuant to statute be sent directly to the MTA, without need of appropriation. In a similar measure, last year's Enacted Budget took the MTA payroll mobility tax off budget
- Removes the 10-route limit on the number of bus lane enforcement cameras, and authorizes the use of such cameras for stopping, standing, parking violations in New York City while in the congestion toll zone or designated bus lanes. Enforcement revenues would provide additional financial support for the MTA (amount to be determined)
- Extends provisions of law, from July 1, 2019 to July 1, 2021, authorizing binding arbitration by the Public Employment Relations Board (PERB) for disputes between the Metropolitan Transportation Authority and its labor representatives

- Provides customers of toll facilities that operate electronic tolling systems certain rights regarding the notification of tolls and payment of tolls by mail.

Transportation Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Department of Transportation	8,978,222	8,498,504	(479,718)	-5.34%
Department of Motor Vehicles	339,247	350,012	10,765	3.17%
Thruway Authority	0	0	0	0.00%
Metropolitan Transportation Authority	800,000	675,000	-125,000	-15.63%
Totals:	10,117,469	9,523,516	(593,953)	-5.87%

FACT SHEET: ENVIRONMENT, AGRICULTURE AND HOUSING



Adirondack Park Agency

- All Funds appropriations of \$4.68 million for the (APA), an increase of \$140,000
- Changes primarily reflect the increase in personal service growth.

Department of Agriculture & Markets

- All Funds appropriation authority of \$175 million, a net decrease of \$11.6 million.
- Reduction of \$13 million in local assistance programs due to the elimination of several Legislative additions from FY 2019.
- Proposes \$2.5 million to the State Fair for on-going renovations.

New York State Energy Research and Development Authority

- All Funds appropriation authority of \$17.7 million, an increase of \$700,000.
- Increases reflect additional anticipated West Valley remediation costs.
- Transfers \$23 million from Regional Greenhouse Gas Initiative (RGGI) assessment funds to the General Fund.

Department of Environmental Conservation

- All Funds appropriation authority of \$1.7 billion, an increase of \$512.2 million.
- Increase largely reflects the first installment of \$500 million of \$2.5 billion in funding for the Clean Water Infrastructure Act.
- Environmental Protection Fund maintained at \$300 million.
- Provides language that would prohibit the use of single-use plastic bags to consumers at the point of purchase.
- Provides language that would expand the bottle bill to include additional container classifications.
- Provides language that would prevent the leasing of State land for production, exploration, and development of oil and natural gas within the North Atlantic Planning Area.

Division of Housing and Community Renewal

- All Funds appropriation authority of \$459.2 million, a decrease of \$203.3 million.
- The decrease reflects the elimination of funding for the New York City Housing Authority (\$250 million) for capital projects affecting the health and safety of tenants at housing developments.
- Utilizes \$12 million in surplus Mortgage Insurance Fund reserves to support: the Neighborhood and Rural Preservation Programs.
- Provides language that would prohibit housing discrimination based on lawful source of income.

The Hudson River Valley Greenway Community Council

- All Funds appropriation authority of \$321,000, the same level from the FY 2019 Enacted Budget.

The Executive proposes a \$99.7 million capital re-appropriation to efforts related to the completion of the Empire State Trail. The trail is a three-year initiative by the Executive to develop a multi-use trail network along the Hudson River Valley Greenway and Erie Canalway trails.

Olympic Regional Development Authority (ORDA)

- All Funds appropriation authority of \$170 million, an increase of \$37 million from the FY 2019 Enacted Budget.
- The Executive proposes \$70 million of new capital funding to implement a strategic plan to modernize ORDA facilities and venues to support the 2023 World University Games.
- The Executive Budget includes \$2.5 million in New York Works capital sub-allocated from the Office of Parks, Recreation and Historic Preservation to ORDA for various capital improvements at ORDA facilities

Office of Parks, Recreation and Historic Preservation

- All Funds appropriation authority of \$481.4 million, a net increase of \$45.5 million from the FY 2019 Enacted Budget.
- The increase reflects a \$22 million increase in the State Park Infrastructure Fund for phase II construction of the Shirley Chisholm State Park.

Department of Public Service

- All Funds appropriation authority of \$104.6 million, a net increase of \$9.2 million from the FY 2019 Enacted Budget.
- This increase primarily results from a personal service estimate and a non-personal service increase.

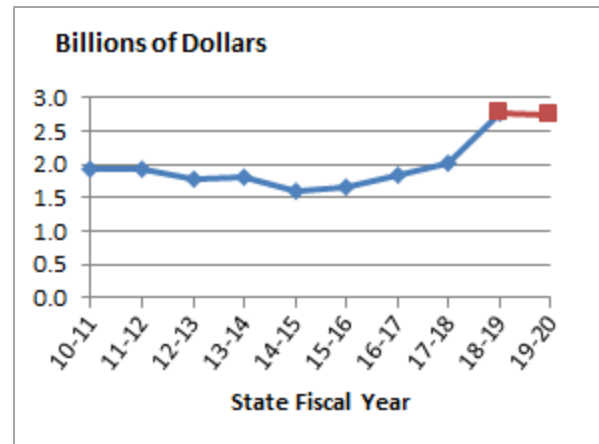
New York Power Authority (NYPA)

- All Funds appropriation authority of \$172 million a net decrease of \$43 million from the FY 2019 Enacted Budget.
- Includes reappropriations of \$4.2 million for the Canal Corporation to fund the Canal System Development Fund and \$64.5 million for NYPA's continued development of the Empire State Trail (Erie Canalway segment).
- Proposes language to authorize NYPA to provide energy related projects to any of its power customers.
- Proposes language to authorize NYPA to develop renewable energy projects to assist the State in making clean energy standards and goals.

ENVIRONMENTAL CONSERVATION, AGRICULTURE AND HOUSING



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	2,778	2,739
Annual Growth Rate	38.3%	-1.4%
5 Year Average Growth (Actual)		2.9%



The FY 2020 Executive Budget recommends All Funds disbursements of \$2.7 billion, a decrease of \$38.3 million for the State’s Environmental Conservation, Energy, Agriculture, and Housing agencies. Increases in funding are recommended for the Adirondack Park Agency (\$87,000); the Department of Environmental Conservation (\$91.9 million); the Department of Public Service (\$1.6 million); the Olympic Regional Development Authority (\$17.3 million); the New York Power Authority (\$30.7 million); the Office of Parks, Recreation and Historic Preservation (\$3.4 million); and the Hudson River Park Trust (\$5 million). Decreases are recommended for the Division of Housing and Community Renewal (\$127.6 million); Department of Agriculture and Markets (\$57.8 million); and for the Energy Research and Development Authority (\$2.4 million).

Environmental Conservation (DEC)

The FY 2020 Executive Budget recommends All Funds appropriations of \$1.7 billion for the Department of Environmental Conservation (DEC), an increase of \$512.2 million, or 41

percent from FY 2019. This increase largely reflects the first installment of \$500 million for the five-year \$2.5 billion in funding for the Clean Water Infrastructure. This first installment would be applied to drinking water infrastructure, wastewater protection, and water quality protection throughout the State.

The Executive proposes \$55.2 million for the New York Works Statewide Capital Infrastructure Program that would be used to improve land access, renovate campgrounds, repair dams, and renovate DEC facilities.

Legislative Initiatives Eliminated:

- *Town of North Elba/ORDA* \$250,000
- *Adirondack Lake Survey Corp.* \$250,000
- *Long Island Commission for Aquifer Protection* \$250,000
- *Research Applied Technology Education and Service, Inc.* \$200,000
- *Town of Geneva – Seneca Lake Watershed Manager* \$200,000
- *Chautauqua Lake Association* \$150,000
- *Sustainable South Bronx* \$140,000

- *Water Quality Monitoring in Manhasset Bay, Hempstead Harbor, Oyster Bay Harbor, and Cold Spring Harbor* \$125,000
- *Atlantic States Marines Fisheries Commission* \$100,000
- *Chautauqua Lake Partnership* \$95,000
- *Lime Lake Cottage Owners Association* \$41,000
- *OSS Project, Inc.* \$25,000

Staffing levels for DEC are projected to increase to 3,155 FTE positions, a five FTE increase from the current fiscal year.

The FTE increase would be attributed to the operation of Frontier Town in the Adirondacks, which is scheduled to open in spring 2019.

Environmental Protection Fund (EPF)

The FY 2020 Executive Budget proposes to maintain spending for the Environmental Protection Fund at \$300 million. The Executive has requested those funds be disbursed as follows:

- \$38.2 million, an increase of \$51,000, for solid waste programs
- \$85.6 million, an increase of \$2 million, for parks and recreation programs
- \$152.2 million, a decrease of \$4.1 million, for open space programs
- \$21.5 million, an increase of \$2 million, for climate change programs

See the EPF Chart following this section for full program funding.

Article VII Provisions

Expansion of the Returnable Container Act (RCA) (AKA “Bottle Bill”)

The Executive proposes to expand the RCA, which would include the following beverage containers: sports drinks, energy drinks, juices,

and ready to drink teas and coffees. Small stores have the option to place a limit on the number of containers a person may redeem for a deposit, which would be 72 per person per day.

According to the Executive, this proposal is estimated to increase State revenue by \$20 million.

Banning Single-Use Plastic Bags

The Executive proposes to prohibit the use of single-use plastic bags to consumers at the point of purchase. According to the Executive, this prohibition would not apply to bags used for the following: containing or wrapping uncooked meat, package bulk items for nuts, grains, fruits, vegetables, candy, plastic bags that are prepackaged for sale to customers, garment bags, or plastic bags provided by restaurants or other eating establishments.

Prohibition of Offshore Drilling

The Executive proposes to prevent the leasing of State land for the production, exploration, and development of oil and natural gas within the North Atlantic Planning Area (federal waters adjacent to the coastal waters of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey).

Petroleum bearing vessels that transport crude oil would be prohibited from carrying crude from the North Atlantic Planning Area through State navigable waters, including Nassau and Suffolk counties.

Please see additional Article VII descriptions in the Article VII section of the White Book.

Adirondack Park Agency (APA)

The FY 2020 Executive Budget recommends All Funds appropriations of \$4.68 million for the (APA), an increase of \$140,000, or 3 percent, from

the current year. This increase is primarily due to the increase in personal service growth. Staffing levels for the APA are projected to remain unchanged at 54 FTE positions.

Agriculture and Markets (NYSDAM)

The FY 2020 Executive Budget recommends All Funds appropriations of \$175 million for the Department of Agriculture and Markets (NYSDAM). This represents a net decrease of \$11.6 million, or -6 percent, from the current fiscal year. These changes reflect the elimination of legislative local assistance additions and one-time capital adds for the State Fair, improvements at county fairs and assistance for animal shelters.

Staffing levels for NYSDAM are projected to increase 512 FTE positions, an increase of 29 FTE positions over the current year.

The Executive recommends the elimination of \$13 million in local assistance programs initiated by the Legislature. Please see chart following this section for full list of changes in the Agriculture and Markets Aid to Localities budget.

The Executive proposes a \$2.5 million to the State Fair for on-going rehabilitation and repairs of fair facilities. The Executive also proposes \$1.1 million for the “Taste New York” program, which promotes locally grown food and beverage in the state.

Green Thumb

The FY 2020 Executive Budget recommends All Funds appropriations of \$3.56 million for Green Thumb, an increase of \$243,000, or 7 percent over the current fiscal year. This change is due to increases in personal service resulting from changes in the minimum wage.

Green Thumb is a work program for senior citizens, 55 years of age or older, of limited income, administered by Green Thumb Environmental Beautification, Inc. Employees assist in tasks at various State agencies, which may include planting flowers, general upkeep of grounds, and clerical work. The New York State Legislature has funded this non-profit organization annually since its creation in 1974.

The Greenway Heritage Conservancy of the Hudson River Valley

The FY 2020 Executive Budget recommends All Funds appropriations of \$166,000 for the Greenway Heritage Conservancy of the Hudson River Valley (Conservancy), the same as for the previous eight fiscal years. The Conservancy is tasked with promoting the preservation of natural and cultural resources in the Valley, serves as a land trust for acquiring property important to the Greenway and developing the Hudson River Valley Greenway Trail. The Conservancy is funded entirely from the General Fund.

The Hudson River Valley Greenway Community Council

The FY 2020 Executive Budget recommends All Funds appropriations of \$321,000 to support administration, technical assistance, and local planning grant programs for the Hudson River Valley Greenway Community Council as well as a \$99.7 million capital re-appropriation to efforts related to the completion of the Empire State Trail. The trail is a three-year initiative by the Executive to develop a multi-use trail network along the Hudson River Valley Greenway and Erie Canalway trails.

The Council is comprised of a 25 member advisory board and one staff member that promotes the preservation of natural and cultural resources in the Hudson River Valley.

Hudson River Park Trust

The FY 2020 Executive Budget recommends All Funds appropriations of \$23 million in new capital funding for the Hudson River Park Trust to complete the final phase of capital funding for park completion. This funding level is a \$27 million decrease from the current year.

Division of Housing and Community Renewal (DHCR)

The FY 2020 Executive Budget recommends All Funds appropriations of \$459.2 million for the Division of Housing and Community Renewal (DHCR), a net decrease of \$203.3 million, or -44.21 percent, from current levels. The decrease is attributed to the elimination of funding for the New York City Housing Authority (\$250 million) for capital projects affecting the health and safety of tenants at housing developments.

The funds for the \$2.5 billion Affordable and Homelessness Housing Plan continue in reappropriations.

The Executive proposes \$72 million in capital funding for the Governor's Office of Storm Recovery to continue support for ongoing Super Storm Sandy reconstruction and other natural disasters.

The Executive proposes \$11 million in state operations funding for the creation of a Tenant Protection Unit.

The Executive proposes \$5 million in capital funding for the manufactured Home Advantage Program for the purpose of funding loans and grants for mobile and manufactured homes.

The Executive anticipates a staffing level increase to 776 FTEs, an increase of 94 FTEs from the

current year. This increase is attributed to administration needs for application processing and the investigations of possible rent law violations.

Article VII Provisions

Mortgage Insurance Fund

The FY 2020 Executive Budget includes Article VII language that would utilize \$12 million in surplus Mortgage Insurance Fund (MIF) reserves, to support the following programs:

- Neighborhood Preservation Program (\$8.48 million)
- Rural Preservation Program (\$3.53 million)

Lawful Source of Income Non-Discrimination Act of 2019

The FY 2020 Executive Budget includes Article VII language that would add lawful source of income to the Human Rights Law and prohibit housing discrimination based on lawful source of income.

Please see additional Article VII descriptions in the Article VII section of the White Book.

State of New York Mortgage Agency

The FY 2020 Executive Budget recommends All Funds appropriations of \$215 million for the State of New York Mortgage Agency (SONYMA), a net decrease of \$7.4 million, or -3 percent, from current levels.

SONYMA is a public benefit corporation that issues taxable and tax-exempt bonds and uses the proceeds to purchase low-interest rate mortgage loans. These loans assist low-and moderate-income residents of New York.

SONYMA receives no direct operating support from the State. Statute requires the State to

guarantee certain obligations of the Agency. The Executive Budget recommended appropriations satisfy this statutory requirement, although no cash disbursements are projected to be made from the appropriation.

New York State Energy Research and Development Authority

The FY 2020 Executive Budget recommends All Funds appropriations of \$17.7 million for the New York State Energy Research and Development Authority (NYSERDA). This represents an increase of \$700,000, or 4 percent, from the current fiscal year. The increase is necessary to meet the State's obligations to a federal cost sharing agreement with the US Department of Energy for the management and administration of the nuclear fuel reprocessing plant at West Valley.

The bulk of the estimated \$1.34 billion in NYSEDA revenue comes from off-budget programs funded through mandatory surcharges imposed upon ratepayers and utility companies. These funds are used by NYSEDA to implement the goals of the 2015 State Energy Plan, with the goal of reducing carbon emissions and increased use of renewable energy resources.

Article VII Provisions

NYSERDA Assessment

The FY 2020 Executive Budget includes the annual authorization for NYSEDA to finance a portion of its research, development and demonstration, policy and planning programs, and Fuel NY program from assessments on gas and electric corporations pursuant to section 18-a of the Public Service Law. This section would authorize collection of an amount not to exceed \$19.7 million in assessments, and includes sub-allocations of: \$1 million to DEC for the climate change program; \$150,000 to NYSDAM for the Fuel NY program; and \$750,000 for the

University of Rochester laboratory for laser energetics.

Regional Greenhouse Gas Initiative and NYSEDA General Fund Transfers

In Article VII Sweeps and Transfers language, the FY 2020 Executive Budget proposes to transfer \$23 million in off-budget assessed Regional Greenhouse Gas Initiative (RGGI) funds to the General Fund. This annual reauthorization language allows the State Comptroller to transfer \$913,000 from the unrestricted corporate funds of NYSEDA to the General Fund. These funds are used to offset New York's debt service requirements related to the Western NY Nuclear Service Center.

Department of Public Service

The FY 2020 Executive Budget recommends All Funds appropriations of \$104.6 million for the Department of Public Service (DPS), a net increase of \$9.2 million, or 9.7 percent, from the current fiscal year. This increase primarily results from a personal service estimate and a non-personal service increase. Staffing levels for DPS are projected to 528 FTE positions, an increase of 8 FTEs from the current year.

Article VII Provisions

Cable TV Revenue for Department of Health

The Executive again proposes the annual authorization for the Department of Health (DOH) to receive funds to finance certain public service education programs through a special assessment on cable television companies.

The Executive also proposes language to authorize NYSDAM, the Department of State, DEC, and the Office of Parks, Recreation and Historic Preservation to recover direct and indirect expenses relating to their participation in general utility ratemaking proceedings, in state energy

policy proceedings, or in certification proceedings relating to the siting of major electric generation or transmission.

Climate Leadership Act

The Executive proposes to amend various sections of law to establish greenhouse gas emissions standards and begin steps that would make the State carbon neutral by implementing the following:

- Create a Climate Action Council that would be tasked with developing recommendations on how to create a carbon neutral economy
- Develop measures that would reduce statewide greenhouse gas emissions by forty percent by 2030 and 80 percent by 2050 (from 1990 levels)
- Require each State energy plan to include policies that would allow the state’s electricity demand to be supplied wholly from one hundred percent clean energy by 2040

New York Power Authority

The FY 2020 Executive Budget recommends All Funds appropriations of \$172 million for the New York Power Authority (NYPA). This represents a net decrease of \$43 million from the current fiscal year. This net decrease reflects a reduction in the State’s repayment of funds previously transferred by NYPA to the State.

The Executive Budget also includes reappropriations of \$4.2 million for the Canal Corporation to fund the Canal System Development Fund and \$64.5 million for NYPA’s continued development of the Empire State Trail (Erie Canalway segment).

Article VII Provisions

NYPA to Provide Energy-Related Services to Any Customers

The Executive proposes language to authorize NYPA to provide energy related projects, programs, and services to any of its power customers. NYPA would also be authorized to design, construct, install, lease, and operate electronic vehicle charging stations for public use throughout the State.

NYPA to Develop Renewable Energy Projects

The Executive proposes language to authorize NYPA to develop renewable energy projects, procure, and sell renewable products to public entities and NYPA customers to assist the State in meeting any clean energy standard or goals. The language also authorizes NYPA to fully recover associated costs from those who purchase renewable power and to issue bonds or notes for financing these projects.

NYPA Sweep

In Article VII Sweeps and Transfers language, the FY 2020 Executive Budget proposes to transfer \$20 million from NYPA to the General Fund to support energy related activities.

Olympic Regional Development Authority

The FY 2020 Executive Budget recommends All Funds appropriations of \$170 million for the Olympic Regional Development Authority (ORDA), an increase of \$37 million, or 53 percent from the FY 2019 Enacted Budget. This reflects additional capital spending at ORDA facilities for energy efficiency upgrades and renovation projects. The Executive expects these changes to allow ORDA to reduce operating costs at its venues.

The Executive proposes \$70 million of new capital funding to implement a strategic plan to modernize ORDA facilities and venues to support the 2023 World University Games.

Similar to previous years, the Executive Budget includes \$2.5 million in New York Works capital sub-allocated from the Office of Parks, Recreation and Historic Preservation to ORDA for various capital improvements at ORDA facilities.

Office of Parks, Recreation and Historic Preservation (OPRHP)

The FY 2020 Executive Budget recommends All Funds appropriations of \$481.4 million for OPRHP, an increase of \$45.5 million, or 10 percent from the FY 2019 Enacted Budget. This funding increase can be attributed to a \$22 million increase in the State Park Infrastructure Fund for phase II construction of the Shirley Chisholm State Park.

Staffing levels for OPRHP are projected to increase to 2,041 FTE positions, an increase of 17 FTEs from FY 2019 levels.

Legislative Initiatives Eliminated:

- *Poppenheusen Institute \$125,000*
- *Coastal Preservation Network \$30,000*
- *The Staten Island Zoological Society \$25,000*
- *Friends of Cunningham Park \$20,000*
- *Nassau County Museum of Art \$15,000*
- *Sinfonietta of Riverdale \$10,000*

FY 2019 Executive Environmental Protection Fund Proposal			
	FY 2019 Enacted	FY 2020 Executive	Change
SOLID WASTE			
Landfill Closure/Gas Management	\$700,000	\$700,000	\$0
<i>Essex County</i>	\$300,000	\$300,000	\$0
<i>Hamilton County</i>	\$150,000	\$150,000	\$0
Municipal Recycling	\$14,000,000	\$14,000,000	\$0
<i>Food donation/recycling/organics projects</i>	\$2,000,000	\$2,000,000	\$0
Secondary Marketing	\$149,000	\$200,000	\$51,000
Pesticide Database	\$1,800,000	\$1,800,000	\$0
<i>Long Island Pesticide Prevention</i>	\$200,000	\$200,000	\$0
Environmental Justice	\$7,000,000	\$7,000,000	\$0
<i>Connect Kids</i>	\$1,000,000	\$1,000,000	\$0
<i>EJ community impact and job training grants</i>	\$3,000,000	\$3,000,000	\$0
<i>Non profit competitive grants</i>	\$500,000	\$0	(\$500,000)
<i>Community groups and indian tribes</i>	\$100,000	\$0	(\$100,000)
<i>SUNY ESF Center for Native Peoples and the Environment</i>	\$350,000	\$0	(\$350,000)
<i>Community Garden Grant Program</i>	\$0	\$0	\$0
Natural Resource Damages	\$2,025,000	\$2,025,000	\$0
Pollution Prevention Institute	\$4,000,000	\$4,000,000	\$0
<i>Interstate Chemicals Clearinghouse</i>	\$100,000	\$100,000	\$0
Environmental Health	\$6,500,000	\$6,500,000	\$0
<i>Clean SweepNY Program</i>	\$500,000	\$500,000	\$0
<i>Center for Clean Water at Stony Brook for 1,4 Dioxane</i>	\$1,000,000	\$1,000,000	\$0
<i>Children's Environmental Health Centers</i>	\$2,000,000	\$2,000,000	\$0
<i>Fresh Connect</i>	\$625,000	\$625,000	\$0
<i>Land Banks - Lead Abatement</i>	\$0	\$0	\$0
Brownfield Opportunity Areas (BOA)	\$2,000,000	\$2,000,000	\$0
Solid Waste Total	\$38,174,000	\$38,225,000	\$51,000
Environmental Protection Fund Continued.			
	FY 2019 Enacted	FY 2020 Executive	Change
PARKS & RECREATION			
Waterfront Revitalization	\$14,000,000	\$15,000,000	\$1,000,000
<i>Inner City/Underserved</i>	\$9,000,000	\$9,000,000	\$0
<i>Climate Change Resiliency Planning/LWRP Updates</i>	\$2,000,000	\$2,000,000	\$0
<i>Niagara River Greenway</i>	\$200,000	\$200,000	\$0
<i>Adirondack Projects</i>	\$660,000	\$0	(\$660,000)
Municipal Parks	\$19,500,000	\$19,500,000	\$0
<i>Innecity/Underserved</i>	\$10,000,000	\$10,000,000	\$0
<i>Tivoli</i>	\$250,000	\$250,000	\$0
<i>Hudson River Valley Trail Grants</i>	\$500,000	\$500,000	\$0
<i>Lake George Park Commission</i>	\$0	\$0	\$0
<i>SUNY ESF</i>	\$120,000	\$120,000	\$0
<i>Paul Smiths College</i>	\$180,000	\$180,000	\$0
<i>Ulster Co Rail Trail</i>			\$0
<i>NYC East River Esplanade</i>			\$0
<i>Bronx Zoo</i>	\$1,000,000	\$0	(\$1,000,000)
<i>Finger Lakes Land Trust to enhance public access to preserves</i>	\$0	\$0	\$0
Public Access & Stewardship	\$32,638,000	\$33,700,000	\$1,062,000
<i>Belleayre</i>	\$1,000,000	\$1,000,000	\$0
<i>Parks and Trails Friends Group Capacity Grants</i>	\$1,000,000	\$1,000,000	\$0
<i>Empire Forest Incentive Program</i>	\$0	\$0	\$0
<i>Old Fort Niagara State Park Improvements</i>	\$150,000	\$0	(\$150,000)
<i>Hudson River Valley Trail Grants Program</i>	\$0	\$0	\$0
Hudson River Park (HRP)	\$3,200,000	\$3,200,000	\$0
Zoos, Botanical Gardens and Aquaria Program	\$15,000,000	\$15,000,000	\$0
Administration of Nav Law 79-b Programs	\$2,000,000	\$2,000,000	\$0
Parks & Recreation Total	\$86,338,000	\$88,400,000	\$2,062,000

Environmental Protection Fund Continued.			
	FY 2019 Enacted	FY 2020 Executive	Change
OPEN SPACE			
Land Acquisition	\$35,000,000	\$32,387,000	(\$2,613,000)
Urban Forestry	\$1,000,000	\$1,000,000	\$0
Land Trust Alliance	\$2,500,000	\$2,500,000	\$0
Regions 1, 2 and 3	\$3,000,000	\$3,000,000	\$0
Tug Hill Tomorrow Land Trust for Army Compatible use Buffer	\$0	\$1,000,000	\$1,000,000
Community Forest Program	\$0	\$500,000	\$500,000
Lake George Park Commission	\$700,000	\$200,000	(\$500,000)
Working Firest Conservation Easements	\$0	\$3,000,000	\$3,000,000
Adirondack Forest, Long Lake, N. Hudson, Minerca, Indian Lake and Newcomb	\$1,000,000	\$0	(\$1,000,000)
Albany Pine Bush Commission	\$2,675,000	\$2,675,000	\$0
City of Schenectady - Woodlawn Preserve	\$0	\$0	\$0
LI Pine Barrens Commission	\$2,000,000	\$2,000,000	\$0
Environmental Commissions	\$1,063,000	\$1,063,000	\$0
Susquehanna River Basin Commission	\$259,000	\$259,000	\$0
Delaware River Basin Commission	\$359,500	\$359,500	\$0
Ohio River Valley Water Sanitation Commission	\$14,100	\$14,100	\$0
Interstate Environmental Commission	\$41,600	\$41,600	\$0
New England Interstate Water Poll. Control Comm.	\$38,000	\$38,000	\$0
SUNY ESF Center for Native Peoples and the Environment	\$350,000	\$0	(\$350,000)
LI South Shore Estuary Reserve	\$900,000	\$900,000	\$0
Agricultural Non-Point Source Poll Cont	\$17,000,000	\$18,000,000	\$1,000,000
Cornell Integrated Pest Management	\$1,000,000	\$1,000,000	\$0
Cornell Cooperative Ext Suffolk County	\$500,000	\$500,000	\$0
Cornell pesticide management education program	\$250,000	\$250,000	\$0
Non-Agricultural Non-Point Source Poll Cont	\$7,000,000	\$7,000,000	\$0
Cornell Community Integrated Pest Management	\$550,000	\$550,000	\$0
Farmland Protection	\$18,000,000	\$17,000,000	(\$1,000,000)
ACUB	\$1,000,000	\$0	(\$1,000,000)
Cornell Land Classification and Master List of Soils	\$90,000	\$95,000	\$5,000
Biodiversity stewardship	\$1,350,000	\$1,350,000	\$0
Pollinator Protection	\$500,000	\$500,000	\$0
Cornell - adverse impacts of pesticides, bee husbandry	\$300,000	\$300,000	\$0
Cary Institute of Ecosystem Studies - Catskill enviro research	\$100,000	\$100,000	\$0
Hudson River Estuary Plan	\$6,500,000	\$6,500,000	\$0
Mohawk River	\$1,000,000	\$1,000,000	\$0
Finger Lk-Lk Ontario Watershed	\$2,300,000	\$2,300,000	\$0
Lake Erie Watershed Protection	\$250,000	\$250,000	\$0
Water Quality Improvement Prog	\$20,250,000	\$18,250,000	(\$2,000,000)
Suffolk Co - 50% match to address nitrogen	\$3,000,000	\$3,000,000	\$0
Suffolk Co - sewer improvement projects	\$1,500,000	\$1,500,000	\$0
Nassau County Bay Park Outfall Pipe	\$5,000,000	\$5,000,000	\$0
Testing and monitoring wells in Nassau	\$400,000	\$0	(\$400,000)
Long Island Regional Planning Council	\$250,000	\$250,000	\$0
Statewide Drug Collection Program at Pharmacies	\$1,000,000	\$1,000,000	\$0
Update source water assess plans and protect prog	\$5,000,000	\$5,000,000	\$0
Removal and disposal of firefighting foam with PFOS	\$100,000	\$100,000	\$0
Cleanup of Scajaquada Creek	\$0	\$0	\$0
Long Island Commission for Aquifer Protection	\$0	\$0	\$0
Oceans & Great Lakes Initiative	\$17,250,000	\$17,250,000	\$0
Peconic Bay Estuary Program	\$200,000	\$200,000	\$0
Great Lakes Commission	\$60,000	\$60,000	\$0

Environmental Protection Fund Continued.			
	FY 2019 Enacted	FY 2020 Executive	Change
Invasive Species	\$13,300,000	\$13,300,000	\$0
<i>Lake George</i>	\$450,000	\$450,000	\$0
<i>Cornell Plant Certification Program</i>	\$120,000	\$120,000	\$0
<i>Cornell Golden Nematode</i>	\$0	\$62,000	\$62,000
<i>Eradication</i>	\$6,050,000	\$6,050,000	\$0
<i>Cornell for hemlock wooly adelgid</i>	\$500,000	\$500,000	\$0
<i>Central Pine Barrens Joint Planning and Policy Comm.</i>	\$250,000	\$250,000	\$0
<i>Southern Pine Beetle Eradication</i>	\$500,000	\$500,000	\$0
Soil & Water Conservation Districts	\$10,000,000	\$10,500,000	\$500,000
Agricultural Waste Management	\$1,500,000	\$1,500,000	\$0
<i>Cornell dairy acceleration program</i>	\$700,000	\$700,000	\$0
Open Space Total	\$156,338,000	\$152,225,000	(\$4,113,000)
CLIMATE CHANGE MITIGATION & ADAPTATION			
Greenhouse Gas Management	\$1,000,000	\$1,500,000	\$500,000
<i>Regenerate NY Grant</i>	\$0	\$500,000	\$500,000
<i>Cornell natural working lands agricultural inventory</i>	\$0	\$500,000	\$500,000
State Vulnerability Assessments - NYS Climate Council	\$3,000,000	\$2,000,000	(\$1,000,000)
<i>Wood Products Development Council</i>	\$0	\$200,000	\$200,000
State Climate Adaptation Projects	\$0	\$0	\$0
<i>Local Govt CRRRA</i>	\$0	\$0	\$0
Smart Growth	\$2,000,000	\$2,000,000	\$0
Climate Resilient Farms Program	\$2,500,000	\$5,000,000	\$2,500,000
<i>Cornell Soil Health</i>	\$200,000	\$200,000	\$0
<i>Dutchess County SWCD HV Carbon Farming Pilot</i>	\$0	\$200,000	\$200,000
<i>Study of incentives for carbon sequestering</i>	\$0	\$0	\$0
Climate Smart Communities Competition	\$10,650,000	\$10,650,000	\$0
<i>Renewable energy projects in low income housing</i>	\$0	\$0	\$0
<i>Resiliency planting program</i>	\$500,000	\$500,000	\$0
Climate Change Total	\$19,150,000	\$21,150,000	\$2,000,000
ENVIRONMENTAL PROTECTION FUND TOTAL	\$300,000,000	\$300,000,000	\$0

Agriculture Local Assistance Programs				
Item	Executive FY 2019	Enacted FY 2019	Executive FY 2020	Change
Ag. Child Development Program	\$8,275,000	\$9,275,000	\$28,408,000	\$19,133,000
Cornell Diagnostic Lab	\$4,425,000	\$5,425,000	\$0	(\$5,425,000)
Cornell Quality Milk Program	\$1,174,000	\$1,174,000	\$0	(\$1,174,000)
Cornell Cattle Health Assurance	\$360,000	\$360,000	\$0	(\$360,000)
Cornell Johnes Disease	\$480,000	\$480,000	\$0	(\$480,000)
Cornell Rabies	\$50,000	\$610,000	\$0	(\$610,000)
Cornell Avian Disease	\$252,000	\$302,000	\$0	(\$302,000)
Cornell Farm Net (Farm Family Assistance)	\$384,000	\$872,000	\$0	(\$872,000)
Cornell Hops and Barley - Born, Bred and Brewed	\$40,000	\$300,000	\$0	(\$300,000)
Golden Nematode/Cornell	\$62,000	\$62,000	\$0	(\$62,000)
Future Farmers of America (FFA)	\$730,000	\$842,000	\$0	(\$842,000)
Cornell Ag in the Classroom	\$267,000	\$380,000	\$0	(\$380,000)
Cornell Association of Ag Educators	\$303,000	\$416,000	\$0	(\$416,000)
Apple Growers Association	\$206,000	\$750,000	\$0	(\$750,000)
Wine & Grape Foundation	\$713,000	\$1,023,000	\$0	(\$1,023,000)
Farm Viability Institute	\$400,000	\$1,900,000	\$0	(\$1,900,000)
Center for Dairy Excellence	\$150,000	\$150,000	\$0	(\$150,000)
Local Fair Assistance	\$340,000	\$500,000	\$0	(\$500,000)
Pro-Dairy	\$822,000	\$1,201,000	\$0	(\$1,201,000)
EBT at Farmers' Markets	\$138,000	\$138,000	\$0	(\$138,000)
TasteNY	\$1,100,000	\$1,100,000	\$1,100,000	\$0
Farm-To-School	\$750,000	\$750,000	\$0	(\$750,000)
North Country Farm-To-School	\$0	\$300,000	\$0	(\$300,000)
Redevelopment of the Wool Center at the State Fair	\$0	\$25,000	\$0	(\$25,000)
Maple Producers	\$0	\$225,000	\$0	(\$225,000)
Tractor Rollover Prevention	\$0	\$250,000	\$0	(\$250,000)
Apple R&D Advisory Board	\$0	\$500,000	\$0	(\$500,000)
Cornell Maple Research	\$0	\$125,000	\$0	(\$125,000)
Berry Growers Association	\$0	\$60,000	\$0	(\$60,000)
Cornell Berry Research	\$0	\$260,000	\$0	(\$260,000)
Christmas Tree Farmers	\$0	\$125,000	\$0	(\$125,000)
Corn & Soybean Growers Association	\$0	\$75,000	\$0	(\$75,000)
Cornell Honeybee Program	\$0	\$150,000	\$0	(\$150,000)
Cornell Onion Research	\$0	\$50,000	\$0	(\$50,000)
Cornell Vegetable Research	\$0	\$100,000	\$0	(\$100,000)
Suffolk Co Deer Fencing	\$0	\$200,000	\$0	(\$200,000)
Eastern Equine Encephalitis	\$0	\$175,000	\$0	(\$175,000)
Farm Viability Dairy Profit Teams	\$0	\$220,000	\$0	(\$220,000)
Genesee County Ag. Academy	\$0	\$100,000	\$0	(\$100,000)
Long Island Farm Bureau - Grown on Long Island	\$0	\$100,000	\$0	(\$100,000)
Island Harvest	\$0	\$20,000	\$0	(\$20,000)
North Country Low Cost Vaccines	\$0	\$25,000	\$0	(\$25,000)
Northern NY Ag Development - CCE Jefferson	\$0	\$600,000	\$0	(\$600,000)
Turfgrass Association	\$0	\$150,000	\$0	(\$150,000)
Wood Products Council	\$0	\$100,000	\$0	(\$100,000)
Farm-to-Seniors Program	\$0	\$0	\$0	\$0
Cornell Vets to Farms	\$0	\$115,000	\$0	(\$115,000)
North Country Ag Academy - St Law-Lewis BOCES	\$0	\$200,000	\$0	(\$200,000)
New York State Brewers	\$0	\$75,000	\$0	(\$75,000)
New York State Distillers Guild	\$0	\$75,000	\$0	(\$75,000)
New York State Cider Association	\$0	\$75,000	\$0	(\$75,000)
Farm to Table Trail	\$0	\$50,000	\$0	(\$50,000)
Cornell Sheep Farming	\$0	\$0	\$0	\$0
Farmer "Muck Boot" training camp	\$0	\$0	\$0	\$0
Seeds of Success School Gardens Program	\$0	\$100,000	\$0	(\$100,000)
Cornell Labor Specialist	\$0	\$200,000	\$0	(\$200,000)
Chautauqua Co Bee Keepers	\$0	\$0	\$0	\$0
Non Point Source Pollution Control, Farmland Pres. And other ag programs	\$0	\$0	\$20,000,000	\$20,000,000
Cornell University hard cider research	\$0	\$200,000	\$0	(\$200,000)
Farmers Nutrition Program	\$0	\$500,000	\$0	(\$500,000)
American Farmland Trust - Resource Center	\$0	\$200,000	\$0	(\$200,000)
American Farmland Trust - Regional Navigator	\$0	\$200,000	\$0	(\$200,000)
Concord Grape Research	\$0	\$300,000	\$0	(\$300,000)
NYS Vet Diagnostic Lab for Heard and Bulk Milk Testing for Salmonella	\$0	\$200,000	\$0	(\$200,000)
TOTAL	\$21,421,000	\$34,435,000	\$49,508,000	\$15,073,000

**Environmental Conservation, Agriculture and Housing
Proposed Disbursements - All Funds
(Thousands of Dollars)**

Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Adirondack Park Agency	4,819	4,906	87	1.81%
Agriculture and Markets	155,386	97,584	(57,802)	-37.20%
Department of Environmental Conservation	1,201,546	1,292,737	91,191	7.59%
Energy Research Development Authority	22,877	20,450	(2,427)	-10.61%
Department of Public Service	80,639	82,249	1,610	2.00%
Housing and Community Renewal	880,103	752,494	(127,609)	-14.50%
Olympic Regional Development Authority	61,293	78,676	17,383	28.36%
Power Authority	5,250	36,000	30,750	585.71%
Parks, Recreation and Historic Preservation	365,660	369,101	3,441	0.94%
Hudson River Park	0	5,000	5,000	NA
Totals:	2,777,573	2,739,197	(38,376)	-1.38%

FACT SHEET: PUBLIC PROTECTION



The Executive Budget proposes total All Funds cash disbursements of \$5.53 billion, a decrease of -0.5 percent from FY 2019.

- **Public Safety Initiatives**
 - \$10 million in new State-wide Youth Anti-Gang programing
 - \$1 million new appropriation to continue an existing program that aims to reduce the risk of catastrophic weapon attack
 - \$500,000 in continued funding for Long Island Youth Gang Prevention efforts
 - Does not provide new funding for New York City Bridge and Tunnel Security and counter terrorism efforts. The FY 2018 Enacted Budget included a \$100 million two-year appropriation

- **Continued Expansion of Statewide Indigent Legal Services**
 - \$49 million in new appropriation authority for implementation of county-created plans, bringing the total support to \$100 million
 - Requires approval from the Director of Budget before any funds could be dispersed
 - \$300,000 for four employees to continue expanding agency operations
 - Continuation of \$24 million in support for the original five Hurrell-Harring Lawsuit Counties (Onondaga, Ontario, Schuyler, Suffolk, and Washington)

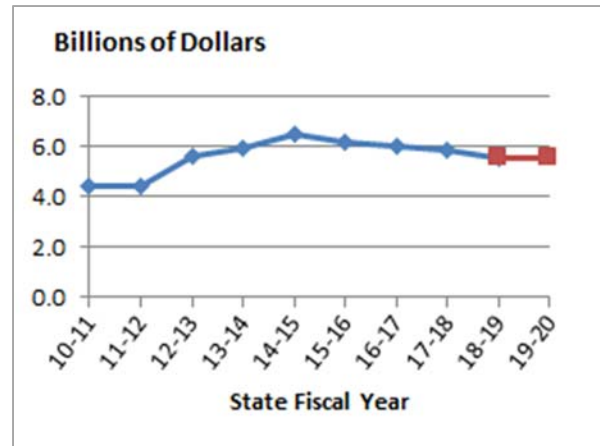
- **FY 2019 Criminal Justice Reform Proposals:** The Executive proposes Article VII language to implement various criminal justice reforms that would:
 - Eliminate cash-bail for all crimes
 - Ban bump stocks and enacts Red Flag orders of protection
 - Enact the Child Victims Act, which eliminates the criminal statute of limitations for sexually related felony offenses committed against a child, extends the civil statute of limitations, and creates a one year window for time-barred civil claims to be commenced.

- **Proposals Affecting State Inmates**
 - \$70 million in additional capital projects to expand therapeutic-based segregation
 - \$10.5 million for additional 153 FTEs from 2014 New York Civil Liberties Union (NYCLU) lawsuit settlement
 - \$1 million elimination of a Legislative addition for Facility Personal Safety Initiatives
 - Various reentry proposals aimed at aiding the formerly incarcerated including to allow those over age 55 with debilitating conditions to be eligible for parole

PUBLIC PROTECTION



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	5,560	5,530
Annual Growth Rate	-5.7%	-0.5%
5 Year Average Growth (Actual)		1.0%



The FY 2020 Executive Budget recommends All Funds cash disbursements of \$5.5 billion, a decrease of \$30 million or 0.5 percent over FY 2019 for all public protection agencies.

Department of Corrections and Community Supervision (DOCCS)

The FY 2020 Executive Budget recommends \$3.38 billion in All Funds appropriations for the Department, an increase of \$84 million from FY 2019 levels. This increase is primarily the result of an additional \$70 million in Capital appropriations as well as an increase of \$14 million in State Operations funding.

The Executive recommends a Capital Budget of \$497 million, an increase of \$70 million from FY 2019 levels. This increase is for additional funding capital maintenance directly related to alternatives to solitary confinement construction proposed in Article VII language.

The Executive recommends State Operations General Fund disbursements of \$2.85 billion, an

increase of \$11 million from FY 2019 levels. The Department's State Operations increases by:

- \$10.5 million for 153 additional Full Time Equivalents (FTE)
 - This is in response to a 2014 Lawsuit settled with the New York Civil Liberties Union
 - These additional obligations will require 116 Correction Officers and 37 Program Staff
- \$3 million for use of Federal Medicaid retro-reimbursement to fund a new Electronic Medical Records system

These increases are offset by decreases of:

- \$1 million in a Legislative addition for Facility Personal Safety Initiatives
- \$500,000 for the annualization of Affirmative Action Officer Transfer
- \$350,000 expansion of Shock Programming
- \$200,000 Prior year savings annualized

The Executive Budget makes no changes to Aid to Localities spending levels for FY 2020.

The prison population is projected at 47,400 by April 2019.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail provided under section three of this report):

- Eliminating reference to Capital Punishment within current statute that complies with the 2004 Court of Appeals Case
- Removes statutory bans on convicted individuals from obtaining certain occupational licenses
- Eliminates a mandatory six-month suspension of driver licenses for those convicted of non-driving drug crimes
- Develop guidelines to prevent law enforcement booking information from becoming unwarranted invasions of privacy
- Remove references to undisposed cases from appearing on criminal history records
- Allow inmates over 55, with debilitating conditions caused by their age, to be eligible for parole if they lack the means of self-care while incarcerated. Those convicted of severe murder charges or life without parole would be ineligible
- Establish new sentencing guidelines for convicted individuals who were found to be domestically abused

Division of Criminal Justice Services (DCJS)

The FY 2020 Executive Budget recommends \$275.6 million in All Funds appropriations for DCJS, a decrease of \$36.9 million from FY 2019 levels. The Executive recommends a decrease of \$16 million in appropriation authority for Federal Equitable Sharing Agreements, as well as a

decrease of \$21 million in Aid to Localities funding.

Traditional Criminal Justice Aid to Localities Program Funding

The Executive proposes a decrease of \$18 million in General Fund Local Assistance programs. This decrease is mostly attributable to the elimination of \$26.9 million in Legislative additions from FY 2019.

The Executive continues to provide \$500,000 for MS-13 Gang Prevention efforts on Long Island that would be allocated pursuant to a plan submitted to and approved by the Director of Budget. The Executive introduces a new \$10 million appropriation to curb at-risk youth gang violence prevention in conjunction with the Office of Children and Family Services to be allocated regionally.

The Executive proposes \$4.8 million for continual funding of Operation SNUG. The Executive combines four SNUG appropriations into one, removing language identifying certain counties receiving Operation SNUG funding. The changes in Local Assistance are outlined in the *FY 2020 Criminal Justice-Aid to Localities Programs* table.

Legal Services Assistance Fund (LSAF)

The Executive eliminates Legislative additions within the Special Revenue Fund that total \$4.8 million. These initiatives fund local programs involving civil and criminal legal defense, domestic violence or veterans legal services totaling \$3.8 million, and \$600,000 for Indigent Parolee Programs. The Executive transfers \$1 million in General Fund spending in Aid to Prosecution to the LSAF.

FY 2019 Executive Proposed Funding- Legal Services Assistance Fund			
Programs	FY 2019 Enacted Amount	FY 2020 Proposed Amount	Change
Aid to Prosecution*	\$2,592,000	\$3,592,000	\$1,000,000
Aid to Defense	\$2,592,000	\$2,592,000	\$0
District Attorney and Indigent Legal Attorney Loan Forgiveness Program	\$2,430,000	\$2,430,000	\$0
Statewide Indigent Legal Services for persons leaving prison	\$2,200,000	\$2,200,000	\$0
Indigent Parole Program (Legislative Item)	\$600,000	\$0	(\$600,000)
Civil/Criminal Legal Services; Domestic Violence Civil/Criminal Legal Services (Legislative Items)	\$3,780,000	\$0	(\$3,780,000)
TOTAL	\$14,194,000	\$10,814,000	(\$3,380,000)
* The Executive reduces General Fund spending with the transfer of Aid to Prosecution to this Special Revenue Account			

Article VII Proposals

The Executive also proposes the following Article VII language (see additional detail in section three of this report):

- Creates an alternative to cash bail for defendants arrested on all charges
- Continues provisions allowing the District Attorney of New York County to dispose funds recovered before filing an accusatory instrument, which is to sunset on March 31, 2019
- Prohibits a sexual orientation panic defense for 2nd degree murder
- Amends the Rape Shield Law to include victims of sex trafficking
- Creates the crime of non-consensual dissemination of sexually explicit images intended to harm the photographed individual
- Eliminates the criminal statute of limitations for Rape in the 2nd and 3rd degrees
- Increases criminal penalties for assaulting members of the press
- Bans bump stocks and similar rapid-fire modification devices

- Extends the waiting period before firearms may be transferred in certain situations

Division of State Police

The FY 2020 Executive Budget recommends \$956.6 million in All Funds appropriations for the Division of State Police (DSP), a decrease of \$38 million from FY 2019 levels.

The Executive proposes a Capital Budget of \$127.5 million, an increase of \$11 million from FY 2019. This increase is the result of \$6 million for a new station in Oswego County and \$5 million for maintenance and improvement of existing facilities.

The Executive proposes a \$49 million decrease in State Operations from FY 2019 levels. This decrease is attributable to the elimination of Department of Justice/Treasury Equitable Sharing appropriations (\$60 million). This increase is offset by increases in funding of:

- \$9 million to conform with OSC intergovernmental transfer policy change for policing the Thruway
- \$1 million for Motor Carrier Safety Assistance Grant
- \$1 million for Anticipated Anti-Methamphetamine program grant

Article VII Provisions

The Executive proposes the following Article VII language (see additional detail in section three of this report):

- Authorizes the Town of Hastings, Oswego County, to transfer ownership of real property (parkland) for the construction of a new State Police station

FY 2019 Executive Aid to Localities General Fund Legislative Additions Eliminated			
Programs	FY 2018 Enacted Amount	FY 2019 Executive Proposed Amount	Change
Legal and Individual Supportive Services	\$5,000,000	\$0	(\$5,000,000)
Law Enforcement, Anti-Drug, Anti-Crime/Crime Control and Prevention	\$2,971,000	\$0	(\$2,971,000)
Westchester Policing Program	\$1,984,000	\$0	(\$1,984,000)
Domestic Violence (Senate)	\$1,609,000	\$0	(\$1,609,000)
Additional NYS Defenders Association	\$1,059,000	\$0	(\$1,059,000)
Law Enforcement, Emergency Services - Equipment and Technology	\$860,750	\$0	(\$860,750)
Neighborhood Legal Services	\$800,000	\$0	(\$800,000)
Prisoners' Legal Services	\$750,000	\$0	(\$750,000)
Domestic Violence (Assembly)	\$609,000	\$0	(\$609,000)
Additional ATI funding	\$500,000	\$0	(\$500,000)
Finger Lakes Law Enforcement	\$500,000	\$0	(\$500,000)
Southern Tier Law Enforcement	\$500,000	\$0	(\$500,000)
Defense Services-Additional	\$441,000	\$0	(\$441,000)
Central Family Life Center	\$356,000	\$0	(\$356,000)
Make the Road NY-Anti-Gang Programming	\$300,000	\$0	(\$300,000)
New York State Civil Air Patrol	\$300,000	\$0	(\$300,000)
Brooklyn Conflicts Office	\$250,000	\$0	(\$250,000)
Community Service Society - Record Repair Counseling Corp	\$250,000	\$0	(\$250,000)
Brooklyn Legal Services Corp A	\$250,000	\$0	(\$250,000)
Legal Education Opportunity Program	\$250,000	\$0	(\$250,000)
Child Care Center of New York	\$250,000	\$0	(\$250,000)
Goddard Riverside Community Center	\$250,000	\$0	(\$250,000)
FASNY	\$250,000	\$0	(\$250,000)
City of Newburgh Fire Department	\$250,000	\$0	(\$250,000)
Neighborhood Legal Services	\$250,000	\$0	(\$250,000)
Jewish Community Council of Greater Coney Island, SNUG-Brooklyn	\$250,000	\$0	(\$250,000)
Vera Institute of Justice: Common Justice	\$200,000	\$0	(\$200,000)
Fortune Society	\$200,000	\$0	(\$200,000)
Staten Island Legal Services	\$200,000	\$0	(\$200,000)
Nassau Suffolk Law Services Committee-Veterans Rights Project	\$200,000	\$0	(\$200,000)
Legal Action Center	\$180,000	\$0	(\$180,000)
Brooklyn Defender	\$175,000	\$0	(\$175,000)
New York County Defender Services	\$175,000	\$0	(\$175,000)
Make the Road	\$150,000	\$0	(\$150,000)
Friends of the Island Academy	\$150,000	\$0	(\$150,000)
Legal Aid Society - Immigration Law Unit	\$150,000	\$0	(\$150,000)
Greenpoint Outreach Domestic and Family Intervention	\$150,000	\$0	(\$150,000)
Legal Services - NYC Dream Clinics	\$150,000	\$0	(\$150,000)
Albany Law School - Immigration Clinic	\$150,000	\$0	(\$150,000)
Neighborhood Initiatives Development Corporation	\$147,000	\$0	(\$147,000)
Rape Crisis Centers-Additional	\$147,000	\$0	(\$147,000)
Correctional Association	\$127,000	\$0	(\$127,000)
New York Prosecutors Training Institute-Additional	\$126,000	\$0	(\$126,000)
Chevra Hatzolah-Chevra Hotzolah Flatbush Park Division	\$125,000	\$0	(\$125,000)
Chevra Hatzolah-Chevra Hotzolah Boro Park Division	\$125,000	\$0	(\$125,000)
County of Schoharie	\$120,000	\$0	(\$120,000)
Queens Legal Services Corp	\$110,000	\$0	(\$110,000)
Bailey House Project FIRST	\$100,000	\$0	(\$100,000)
John Jay College	\$100,000	\$0	(\$100,000)
Center for Court Innovation	\$100,000	\$0	(\$100,000)
Greenburger Center for Social and Criminal Justice	\$100,000	\$0	(\$100,000)
Mobilization for Justice	\$100,000	\$0	(\$100,000)
SNUG- Wyndanch	\$100,000	\$0	(\$100,000)
Counties of Rensselaer, Saratoga, Columbia, and Washington	\$100,000	\$0	(\$100,000)
Richmond County District Attorney's Office-Opioid Enforcement	\$100,000	\$0	(\$100,000)
District Attorney's Office-Queens County	\$100,000	\$0	(\$100,000)
District Attorney's Office-Rockland County	\$100,000	\$0	(\$100,000)
District Attorney's Office-Bronx County	\$100,000	\$0	(\$100,000)
District Attorney's Office-Richmond County	\$100,000	\$0	(\$100,000)
South Brooklyn Legal Services	\$100,000	\$0	(\$100,000)
Kings Against Violence Initiative	\$100,000	\$0	(\$100,000)
Manhattan Legal Services	\$100,000	\$0	(\$100,000)
Her Justice	\$100,000	\$0	(\$100,000)
NYPD Law Enforcement Explorers-Bronx	\$80,000	\$0	(\$80,000)
Groundswell	\$75,000	\$0	(\$75,000)
Mohawk Consortium	\$75,000	\$0	(\$75,000)
Flatbush Shomrim Safety Patrol	\$75,000	\$0	(\$75,000)
Northern Manhattan Improvement Corporation	\$75,000	\$0	(\$75,000)
Legal Services of the Hudson Valley	\$70,000	\$0	(\$70,000)
Mobilization for Justice	\$60,000	\$0	(\$60,000)
Exodus Transitional Community Center	\$50,000	\$0	(\$50,000)
Shmira Civilian Volunteer Patrol of Boro Park	\$50,000	\$0	(\$50,000)
Legal Aid Society	\$50,000	\$0	(\$50,000)
Immigrant Justice Corps	\$50,000	\$0	(\$50,000)
Youth Represent	\$50,000	\$0	(\$50,000)
Elmcor Youth and Adult Activities Program	\$44,000	\$0	(\$44,000)
Center for the Integration and the Advancement of New Americans	\$40,000	\$0	(\$40,000)
Osborne Association	\$31,000	\$0	(\$31,000)
NYU Veteran's Entrepreneurship Program	\$30,000	\$0	(\$30,000)
Bergen Basin Community Development Corporation	\$26,000	\$0	(\$26,000)
Glendale Civilian Patrol	\$25,000	\$0	(\$25,000)
Jacob Riis Settlement House	\$20,000	\$0	(\$20,000)
Bronx Veteran Mentors, Incorporated	\$15,000	\$0	(\$15,000)
New York Police Department	\$10,000	\$0	(\$10,000)
Legislative Total	\$26,897,750	\$0	(\$26,897,750)

FY 2019 Executive Criminal Justice- Aid to Localities General Fund Programs

Programs	FY 2019 Enacted Amount	FY 2020 Executive Proposed Amount	Change
Aid to Prosecution*	\$9,957,000	\$8,957,000	(\$1,000,000)
New York State Prosecutors Training Institute (NYPTI)	\$2,178,000	\$2,178,000	\$0
Witness Protection Program	\$287,000	\$287,000	\$0
District Attorney Salary Reimbursement	\$4,212,000	\$4,212,000	\$0
Special Narcotics Prosecutor	\$825,000	\$825,000	\$0
Crime Laboratories	\$6,273,000	\$6,273,000	\$0
Soft Body Armor	\$1,350,000	\$1,350,000	\$0
Re-entry Task Force	\$3,842,000	\$3,842,000	\$0
GIVE Program	\$14,390,000	\$14,390,000	\$0
Probation Aid	\$44,876,000	\$44,876,000	\$0
Alternatives to Incarceration	\$5,217,000	\$5,217,000	\$0
ATI and Demonstration Programs/ TANF 200%	\$13,819,000	\$13,819,000	\$0
Probation Violation Centers	\$945,000	\$945,000	\$0
Operation SNUG	\$3,815,000	\$4,815,000	\$1,000,000
Operation SNUG- Bronx- Jacobi Medical Center Auxiliary	\$615,000	\$0	(\$615,000)
Operation SNUG- City of Poughkeepsie	\$300,000	\$0	(\$300,000)
Operation SNUG-Bronx Throggs Neck	\$85,000	\$0	(\$85,000)
Rape Crisis Centers	\$3,553,000	\$3,553,000	\$0
Crimes Against Revenue Program (CARP)	\$13,521,000	\$13,521,000	\$0
ATI Assessment	\$946,000	\$946,000	\$0
Gang Prevention Program	\$500,000	\$500,000	\$0
New-Anti-Gang Youth Violence		\$10,000,000	\$10,000,000
Total	\$131,506,000	\$140,506,000	\$9,000,000

*Decrease shifted from General Fund to Special Revenue Funds

Division of Homeland Security and Emergency Services

The FY 2019 Executive Budget recommends \$1.57 billion in All Funds support for the Division, an increase of \$32 million from FY 2019. This is primarily attributable to a \$25 million capital non-recurring appropriation for interoperability grant and \$5 million capital improvement projects at the State Preparedness Training Center in Oriskany, NY.

The Division’s State Operations Budget increases by \$3.6 million:

- \$1.9 million for the annualization of prior year initiatives
- \$1 million for the creation of Securing the Cities appropriation to continue an existing program aimed at reducing the risk of deployment of radiological or nuclear weapons in major cities
- \$700,000 for the transfer of an ITS contract for satellite services to the Division.

The Executive Budget recommends \$1.53 billion in Aid to Localities appropriations for the Division. This is a decrease of \$1.6 million from an elimination of a non-recurring Legislative addition for the American Red Cross.

The Executive includes \$12.6 billion in Federal Disaster funding from prior year authority (reappropriation) specifically to allow for reimbursement of Superstorm Sandy costs.

The Executive proposes \$75 million appropriation authority to support county public safety communications efforts under the Interoperable Communications Grant Program, same as FY 2019 levels, allocated as follows:

- \$65 million for new grants to continue support for county interoperable communication
- \$10 million for a new annual grant program to support operating costs, of public safety dispatch centers, factors such as population density and emergency call volume could be considered

Division of Military and Naval Affairs

The FY 2020 Executive Budget recommends \$157.6 million in All Funds support, an increase of \$1.1 million from FY 2019. This increase is primarily related to additional support for maintenance projects at armories (\$5 million). This increase is offset by the removal of Equitable sharing DOJ/Treasury appropriations totaling \$4 million.

The Division's Aid to Localities budget increases \$100,000 to \$1 million for additional support for the service members' group life insurance program.

Office of Indigent Legal Services

The Executive Budget recommends \$211 million in All Funds support, an increase of \$49.7 million from FY 2019. Of this increase, \$49.3 million would be used for the statewide implementation of the Hurrell-Harring Settlement parameters.

In November 2007 five counties – Onondaga, Ontario, Schuyler, Suffolk, and Washington – filed suit against the State, alleging a deprivation of the right to counsel for indigent defendants (defined as a criminal defendant eligible for publicly funded legal representation). The State settled with five of the plaintiffs in October 2014 after agreeing to undertake actions to increase indigent criminal counsel services through the State Office of Indigent Legal Services (ILS).

The FY 2018 Enacted Budget contained Article VII language that created a statewide indigent

legal defense plan to apply to all public defenders, legal aid society, assigned counsel programs and conflict defender offices. Statewide implementation, which will take counties from their current level of service to the Settlement terms, is an estimated \$250 million cost when fully annualized in 2023. The Executive proposes increasing the appropriation authority evenly until fully annualized. According to the Division of Budget, no disbursements to counties have been made to date from this statewide implementation appropriation

The Executive Budget increases State Operations by \$400,000 for two additional FTEs to handle increased workload associated with statewide implementation.

Article VII

The Executive proposes the following Article VII language (see additional detail in section three of this report):

- Increases the biennial attorney registration fee to \$425, an increase of \$50, or 13.3 percent. Increases the portion of this fee that is deposited in the Indigent Legal Services Fund from \$50 to \$100.
- Increases the fee collected for criminal history searches to \$90, an increase of \$25, or 38.5 percent. Increases the portion of this fee that is deposited in the Indigent Legal Services Fund from \$35 to \$60.

Office of Victim Services

The FY 2020 Executive Budget recommends \$171.8 million in All Funds support, an increase of \$52 million of FY 2019 levels. This is a result of new Federal Victims of Crime Act funding. Also proposed is moving \$2.8 million in support of Rape Crisis Centers from the General Fund to the Criminal Justice Improvement Account.

Office for the Prevention of Domestic Violence

The FY 2020 Executive Budget recommends \$5.6 million in All Funds support, unchanged from FY 2019. The Budget provides \$3.8 million and \$1.8 million for State Operations and Aid to Localities, respectively.

The Executive maintains language related to the Women's Rights Clinic at SUNY Buffalo Law School and Capital District Domestic Violence Law Clinic.

State Commission of Corrections

The FY 2019 Executive Budget recommends \$2.9 million in All funds support, unchanged from FY 2019 levels.

Interest on Lawyer Account

The FY 2020 Executive Budget recommends \$47 million in All Funds support. The Budget provides \$2 million and \$45 million for State Operations and Aid to Localities, respectively.

Department of Law

The FY 2020 Executive Budget recommends All Funds spending of \$245 million, a decrease of \$6.4 million, or 2.5 percent, from FY 2019 levels.

This spending decrease is primarily due to an \$8.5 million decrease in Capital spending on the IT Initiative program. This program funds the acquisition of IT systems and data centers, equipment and software, and services associated with the implementation of case management, e-discovery and charities registration systems.

State operations spending would increase \$1.5 million, or 0.7 percent. Personal service spending would increase \$3.3 million, or 2.3 percent. Non-personal service would decrease \$1.8 million, or 2.8 percent.

A reduction of \$5.3 million, or 53 percent, in Capital spending on the IT Initiative program would offset these increases. The IT Initiative program spending would be used to acquire equipment, software, and services associated with the implementation of case management, e-discovery and charities registration systems, as well upgrading IT systems and data centers.

The Executive proposes no change in Full Time Equivalent (FTE) positions.

Article VII

The Executive proposes the following Article VII legislation (see additional detail in section three of this report)

- Establishes an Office of Special Investigation within the Department of Law and codifies the authority of this office in the Department of Law to investigate the death of an unarmed civilian by a police officer.

Judicial Commissions

The FY 2020 Executive Budget recommends the same level of funding as in FY 2019 for the Commission on Judicial Conduct (\$5.7 million), the Commission on Judicial Nomination (\$30,000) and the Judicial Screening Committees (\$38,000).

Judiciary

The FY 2019 Executive Budget recommends All Funds spending of \$3.1 billion, an increase of \$91.7 million, or 3.0 percent.

This reflects a spending increase of \$31.6 million for employee benefit costs, and \$41.9 million, or 2.0 percent for personal service and nonpersonal service/indirect costs for Court and Agency Operations. Aid to Localities spending for the Court Facilities Incentive Aid Program and Justice Court Assistance Program would increase by \$2.7 million, or 3.4 percent. Capital projects spending would increase \$500,000, or 3.3 percent. The Judiciary transfers \$15 million for grants for civil legal services to the Interest on Lawyer Account.

The \$41.9 million increase to Court and Agency Operations reflects a personal service increase of \$50.5 million, or 3.0 percent, and a non-personal service/indirect costs decrease of \$8.6 million, or 1.8 percent.

The \$15.5 million of capital projects spending would be used to continue plans to modernize the Judiciary's computer network, provide computing equipment for judges, court staff, the court system's data centers, and provide various communications upgrades for all judges and court staff. Critical security equipment including x-ray scanning machines, magnetometers, security cameras and access control systems would also be purchased. Additionally, the Office of Court Administration would continue its efforts to enhance the court system's capabilities to digitize paper records.

Article VII

- Creates a timeframe that is intended to decrease the time between a defendant's arraignment and their trial
- Requires prosecutors and the defense to share information throughout the pre-trial process
- Eliminates the criminal statute of limitations for sexually related felony offenses committed against a child, extends the civil statute of limitations, and creates a one-year window for time-barred civil claims to be commenced
- Creates court-issued orders of protection that prohibit a person from purchasing or possessing a firearm if the court deems that person to be a harm to themselves or others
- Reduces one year maximum sentences to 364 days to prevent deportation for certain convicted immigrants
- Bans Civil Asset Forfeiture without an arrest and conviction
- Increases the biennial attorney registration fee to \$425, an increase of \$50, or 13.3 percent. Increases the portion of this fee that is deposited in the indigent legal services fund from \$50 to \$100.
- Increases the fee collected for criminal history searches to \$90, an increase of \$25, or 38.5 percent. Increases the portion of this fee that is deposited in the indigent legal services fund from \$35 to \$60.

Public Protection Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Department of Corrections and Community Supervision	3,004,496	3,003,658	-838	-0.03%
Division of Criminal Justice Services	273,523	228,197	-45,326	-16.57%
Division of State Police	825,638	828,593	2,955	0.36%
Office of Victim Services	84,250	105,295	21,045	24.98%
Commission of Correction	2,651	2,651	0	0.00%
Judicial Commissions	5,696	5,708	12	0.21%
Division of Military and Naval Affairs	143,595	183,453	39,858	27.76%
Division of Homeland Security and Emergency Services	1,104,289	1,018,977	-85,312	-7.73%
Office of Indigent Legal Services	113,290	150,900	37,610	33.20%
Office for the Prevention of Domestic Violence	2,949	3,049	100	3.39%
Totals:	5,560,377	5,530,481	(29,896)	-0.54%
Judiciary	3,044,899	3,136,600	91,701	3.01%
Department of Law	251,798	245,423	(6,375)	-2.53%

FACT SHEET: ECONOMIC DEVELOPMENT



The FY 2020 Executive Budget recommends All Funds appropriations of \$178 million for State Operations and Aid to Localities economic development programs, this is a decrease of \$18.1 million, or 9.2 percent from the FY 2019 Enacted Budget.

- General Fund appropriations are recommended at \$166 million, which is a decrease of \$22.1 million or 11.7 percent. This decrease is primarily driven by the elimination of Legislative additions totaling \$19.5 million.
- The Executive proposes extending the Minority and Women Owned Business (MWBE) program through 2024. The proposed extension includes several modifications to the program, including changes based on the disparity impact study that was released by the Division of Minority and Women’s Business Development in June 2017, and new anti-fraud provisions.
- The Aid to Localities Budget would remain at FY 2019 funding levels for the following programs:
 - Empire State Economic Development Fund \$26.2 million
 - The Centers for Advanced Technology (CAT) \$13.8 million
 - Centers for Excellence \$9.6 million
 - High Technology Matching Grants \$6 million
 - Innovative Hot Spots \$5 million
 - Retention of Football in Western NY \$4.6 million
 - Local Tourism Matching Grants \$3.8 million
 - Economically Distressed Urban and Community Development Program \$3.4 million
 - The SUNY Albany & Rensselaer Polytechnic Institute Focus Centers \$3 million
 - Entrepreneurial Assistance Program \$1.76 million
 - Technology Development Matching Grants \$1.38 million
 - Economically Distressed Community Development Matching Grant \$1.5 million
 - Industrial Technology Extension Service \$921,000
 - Women-Owned Business Development Lending Program \$635,000
 - Science & Technology Law Center Program \$343,000
 - Gateway information Centers in Binghamton and Beekmantown \$392,000
- The FY 2020 Executive Budget recommends a capital appropriation of \$820.3 million. This is a decrease of \$445 million or 35.2 percent from FY 2019.
- The FY 2020 Executive Budget recommends \$110 million in new capital spending appropriations for the following projects:

- SUNY 2020 \$55 million
- CUNY 2020 \$55 million

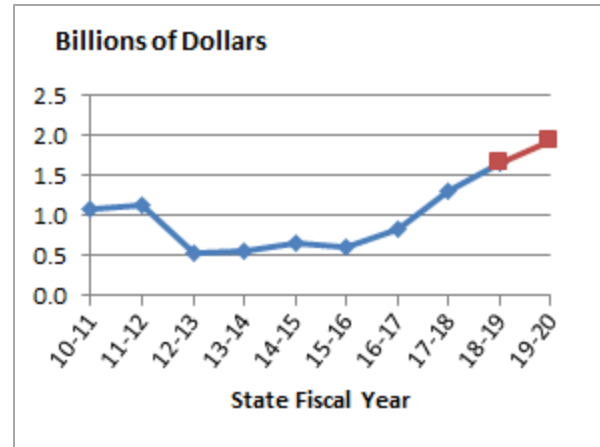
- Capital appropriations would be increased from FY 2019 Enacted Budget levels for the following programs:
 - High Technology Innovation and Economic Development Infrastructure Program \$325 million, an increase of \$25 million
 - New York Works \$220 million, an increase of \$20 million

- Capital appropriations totaling \$165.3 million would remain at the FY 2019 Enacted Budget level for the following programs:
 - Regional Economic Development Initiatives \$150 million
 - Market New York \$8 million
 - Clarkson-Trudeau Partnership \$5 million
 - Retention of Football in Western NY \$2.3 million

ECONOMIC DEVELOPMENT



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	1,665	1,936
Annual Growth Rate	27.8%	16.3%
5 Year Average Growth (Actual)		21.1%



The FY 2020 Executive Budget recommends an All Funds cash disbursement increase of \$271 million or 16.3 percent over FY 2019 for all Economic Development agencies. General Fund cash disbursements are projected to decrease by \$25.9 million or 17.9 percent below FY 2019.

The FY 2020 Executive Budget recommends All Funds appropriations of \$178 million for State Operations and Aid to Localities economic development programs, this is a decrease of \$18.1 million, or 9.2 percent from the FY 2019 Enacted Budget.

General Fund appropriations are recommended at \$166 million, which is a decrease of \$22.1 million or 11.7 percent. This decrease is primarily driven by the elimination of Legislative additions totaling \$19.5 million.

Department of Economic Development (DED)

State Operations

The Executive Budget recommends an appropriation of \$26.7 million in State Operations for the Department of Economic Development

(DED). This is an increase of \$0.5 million or 2.6 percent from FY 2019 levels. This increase is due to a new appropriation for the creation of an online database for economic development projects. There is no corresponding Article VII for this appropriation.

Aid to Localities (ATL)

The Executive Budget recommends a General Fund appropriation of \$49.7 million in the Aid to Localities budget for DED. This is a decrease of \$8.1 million or 14 percent from FY 2019 levels. This decrease is primarily due to the elimination of \$8.4 million in FY 2019 Legislative additions, offset by an increase of \$0.4 million for Taste NY agritourism.

The Agritourism funds may be used for marketing, advertising, and or retail operations to promote the sale of local New York foods and beverages. The Agritourism appropriation authorizes the following distribution of funds:

- Cornell Cooperative Extension of Nassau County – Up to \$600,000
- Cornell Cooperative Extension of Erie County- Up \$550,000

- Cornell Cooperative Extension of Sullivan County- Up to \$550,000
- Cornell Cooperative Extension of Columbia and Greene County- Up to \$450,000
- Cornell Cooperative Extension of Broome County – Up to \$415,000
- Unallocated funding- \$406,000
- Lake George Regional Chamber of Commerce- up to \$350,000
- Montgomery County Chapter of NYARC, Inc. – Up to \$350,000
- Thousand Islands Bridge Authority- Up to \$300,000

Empire State Development Corporation (ESDC) a/k/a Urban Development Corporation (UDC)

The FY 2020 Executive Budget recommends All Funds appropriations for the Empire State Development Corporation of \$910 million, a decrease of \$460 million or 33.6 percent from FY 2019. This decrease is primarily due to a \$445 million reduction in Capital Funding from FY 2019 levels.

Aid to Localities

The FY 2020 Executive Budget recommends an appropriation of \$89.6 million, a reduction in Aid to Localities of \$14.5 million or 13.9 percent from FY 2019 levels. This reduction is primarily due to the elimination of \$11 million in FY 2019 Legislative additions along with a reduction of \$3.3 million in funding for Executive initiatives for Market NY.

Capital Funding

The FY 2020 Executive Budget recommends a capital appropriation of \$820.3 million. This is a decrease of \$445 million or 35.2 percent from FY 2019. (Refer to the UDC Capital Funding Appropriation chart for details).

Article VII Proposals

The FY 2020 Executive Budget proposes the following statutory amendments:

Empire State Economic Development Fund

Extends for one year, UDC’s authority to administer the Empire State Economic Development Fund. UDC’s authority is set to expire July 1, 2019.

UDC Loan Power

Extend for one year, UDC’s loan authority. The UDC has had loan powers since 1994. The loan authority has been granted annually thereafter.

Minority and Women Owned Business (MWBE) Extension

Extends the MWBE program to 2024: The program is set to expire December 31, 2019. Additionally, this proposal makes the following changes:

- Expand the MWBE program to local governments who receive State funding for the State funded component of a project
- Add anti-fraud provisions in the penal law
- Includes several modifications to the program, including changes based on the disparity impact study that was released by the Division of Minority and Women’s Business Development in June 2017
- Gives the State advocate a role in procurement, and makes changes to net worth provisions by industry
- Creates a new Workforce Diversity Program to develop MWBE goals for different trades and occupations
- Amends statutory thresholds establishing the value of contracts subject to MWBE requirements.

Design Build Authorization

Permanently extends design build authorization to the Dormitory Authority (DASNY), ESDC, the

Department of Health (DOH), the Office of General Services (OGS), and the Olympic Regional Development Authority (ORDA).

FY 2020 Executive Urban Development Corporation Capital Funding Appropriation Changes (Thousands of Dollars)			
Program	FY 2019 Enacted	FY 2020 Proposed	Change
Clarkson-Trudeau Patnership	\$ 5,000	\$ 5,000	\$ -
Retention of Football in Western NY	\$ 2,305	2331	\$ 26
Market NY	\$ 8,000	\$ 8,000	\$ -
NY Works	\$ 200,000	\$ 220,000	\$ 20,000
REDC	\$ 150,000	\$ 150,000	\$ -
Capital Region Life Sciences Lab Phase II	\$ 600,000	\$ -	\$ (600,000)
High Technology Innovation and Economic Development Infrastructure Program	\$ 300,000	\$ 325,000	\$ 25,000
SUNY 2020	\$ -	\$ 55,000	\$ 55,000
CUNY 2020	\$ -	\$ 55,000	\$ 55,000
Total:	\$ 1,265,305	\$ 820,331	\$ (554,974)

FY 2020 Executive Economic Development Local Assistance Appropriation Changes

(Thousands of Dollars)

Program		FY 2019 Enacted	FY 2020 Proposed	Change
DED	Centers of Excellence	\$ 9,596	\$ 9,596	\$ -
	Centers for Advanced Technology	\$ 13,818	\$ 13,818	\$ -
	Technology Development Matching Grants	\$ 1,382	\$ 1,382	\$ -
	Industrial Technology Extension Services	\$ 921	\$ 921	\$ -
	SUNY Poly and RPI Focus Center	\$ 3,006	\$ 3,006	\$ -
	High Technology Matching Grants Program	\$ 6,000	\$ 6,000	\$ -
	Innovation Hot Spots and Incubators	\$ 5,000	\$ 5,000	\$ -
	Local Tourism Matching Grants	\$ 3,815	\$ 3,815	\$ -
	Gateway Information Centers in Beekmantown and Binghamton	\$ 392	\$ 392	\$ -
	Agritourism	\$ 3,565	\$ 3,971	\$ 406
	Science and Technology Law Center	\$ 343	\$ 343	\$ -
	Manufacturing Extension Partnership	\$ 9,470	\$ 13,470	\$ 4,000
	Dick's Sporting Goods Open	\$ 3,000	\$ -	\$ (3,000)
	Additional Centers of Excellence	\$ 1,277	\$ -	\$ (1,277)
	Tourism Matching Grants	\$ 1,093	\$ -	\$ (1,093)
	Center of Excellence for Bioterrorism Response	\$ 750	\$ -	\$ (750)
	Technology Development Organization Matching Grants.	\$ 609	\$ -	\$ (609)
	Small Busines Innovation Research Program	\$ 500	\$ -	\$ (500)
	Chautauqua PGA	\$ 300	\$ -	\$ (300)
	SUNY Albany NYSTAR	\$ 250	\$ -	\$ (250)
	Finger Lakes Tourism Alliance	\$ 200	\$ -	\$ (200)
	North American Center of Excellence (NAMTrans)	\$ 150	\$ -	\$ (150)
	Economic Gardening	\$ 100	\$ -	\$ (100)
	Thousand Islands/Lake Ontario Tourism	\$ 100	\$ -	\$ (100)
	Town of East Hampton Tourism	\$ 100	\$ -	\$ (100)
	Dream It Do It Western New York, Inc.	\$ 80	\$ -	\$ (80)
DED Subtotal		\$ 65,817	\$ 61,714	\$ (4,103)

FY 2020 Executive Economic Development Local Assistance Appropriation Changes
(cont.)
(Thousands of Dollars)

Program		FY 2019 Enacted	FY 2020 Proposed	Change
UDC	Minority and Women Owen Business Development	\$ 635	\$ 635	\$ -
	Economically Distressed Area Development Grants	\$ 1,495	\$ 1,495	\$ -
	Entrepreneurial Assistance Program	\$ 490	\$ 490	\$ -
	Additional Entrepreneurial Assistance Program	\$ 1,274	\$ 1,274	\$ -
	Retention of Football in Western NY	\$ 4,605	\$ 4,605	\$ -
	Urban and Community Development Program	\$ 3,404	\$ 3,404	\$ -
	Empire State Economic Development Fund	\$ 26,180	\$ 26,180	\$ -
	Executive Economic Development Initiatives, Including Advertisement	\$ 44,500	\$ 44,500	\$ -
	Market NY	\$ 10,300	\$ 7,000	\$ (3,300)
	Military Base Retention	\$ 3,000	\$ -	\$ (3,000)
	Beginning Farmers	\$ 1,000	\$ -	\$ (1,000)
	Bronx Overall Economic Development Corp.	\$ 900	\$ -	\$ (900)
	National Cancer Institute Stony Brook	\$ 670	\$ -	\$ (670)
	CenterState CEO	\$ 600	\$ -	\$ (600)
	Center State Grants for Growth	\$ 500	\$ -	\$ (500)
	Brooklyn Chamber of Commerce	\$ 500	\$ -	\$ (500)
	Queens Chamber of Commerce	\$ 500	\$ -	\$ (500)
	Community Development Revolving Loan Fund	\$ 400	\$ -	\$ (400)
	Additional MWBE Lending	\$ 365	\$ -	\$ (365)
	Additional Federal Community Development	\$ 300	\$ -	\$ (300)
	Kingsbridge Riverdale Van Cortland Development	\$ 250	\$ -	\$ (250)
	Adirondack North Country Association	\$ 200	\$ -	\$ (200)
	Canisius College	\$ 200	\$ -	\$ (200)
	MACNY Pre-Apprenticeships	\$ 200	\$ -	\$ (200)
	Staten Island Economic Development Corporation	\$ 150	\$ -	\$ (150)
	Dubois Bunche Center	\$ 125	\$ -	\$ (125)
	Chamber of Commerce of the Borough of Queens, Inc	\$ 125	\$ -	\$ (125)
	New York Women's Chamber of Commerce, Inc.	\$ 125	\$ -	\$ (125)
	Bayside Business Association Inc.	\$ 115	\$ -	\$ (115)
	Watkins Glen International	\$ 110	\$ -	\$ (110)
	New Bronx Chamber of Commerce	\$ 100	\$ -	\$ (100)
	Wildcat Service Corporation	\$ 100	\$ -	\$ (100)
	Association of Community Employment Programs for the Homeless	\$ 75	\$ -	\$ (75)
	Black Institute Inc.	\$ 75	\$ -	\$ (75)
	Auburn Welcome Center	\$ 50	\$ -	\$ (50)
	World Trade Center Buffalo Niagara	\$ 50	\$ -	\$ (50)
	Caribbeing, Inc.	\$ 50	\$ -	\$ (50)
	Buffalo Niagara International Trade Gateway Organization	\$ 50	\$ -	\$ (50)
	Sullivan Renaissance	\$ 25	\$ -	\$ (25)
	Queensborough Community College Auxiliary Enterprise	\$ 25	\$ -	\$ (25)
Sunset Park District Management Association Inc.	\$ 25	\$ -	\$ (25)	
East River Development Alliance, Inc.	\$ 25	\$ -	\$ (25)	
Centro Civico Cultural Dominicano, Inc.	\$ 25	\$ -	\$ (25)	
Inwood Art Work, Inc.	\$ 20	\$ -	\$ (20)	
Care Center of New York, Inc.	\$ 10	\$ -	\$ (10)	
UDC Subtotal:		\$ 103,923	\$ 89,583	\$ (14,340)
Economic Development Aid to Localities Grand Total		\$ 169,740	\$ 151,297	\$ (18,443)

**Economic Development
Proposed Disbursements - All Funds
(Thousands of Dollars)**

Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Department of Economic Development	88,989	73,156	(15,833)	-17.79%
Empire State Development Corp	1,543,251	1,836,248	292,997	18.99%
Economic Development Capital - Other	22,587	20,270	(2,317)	-10.26%
Strategic Investment Program	7,002	6,317	(685)	-9.78%
Regional Economic Development Program	3,500	320	(3,180)	-90.86%
Totals	1,665,329	1,936,311	270,982	16.27%

FACT SHEET: MENTAL HYGIENE

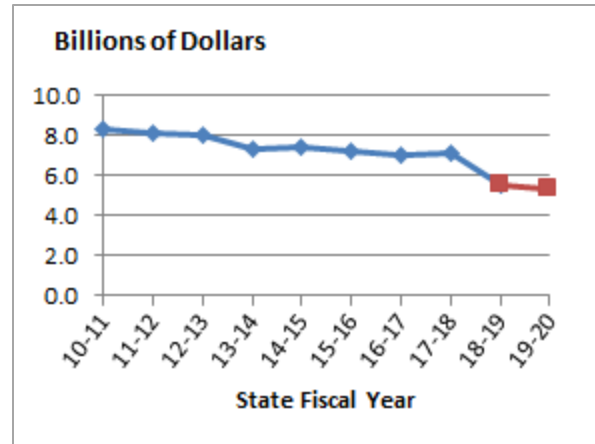


- The FY 2020 Executive Budget proposes \$5.4 billion in All Funds cash disbursements in Mental Hygiene spending, a decrease of \$204 million, or 3.7 percent. This includes \$1.8 billion in Department of Health disbursements for Office for People with Developmental Disabilities (OPWDD) and Office of Mental Health (OMH) services, an increase of \$381 million from FY 2019.
- The Executive Budget includes over \$200 million to continue funding addressing the heroin and opioid crisis; however, there is not significant new resources to combat the epidemic.
 - This would include a continuation of the jail based substance use disorder funding and a new Teen Clubhouse and Recovery Center secured by the Senate in FY 2019.
- The Executive Budget proposes reforms relating to insurance coverage for mental illness and substance use disorders.
 - The goal of this proposal is to rebalance parity between health and mental hygiene insurance coverage. This proposal would allow more individuals affected by the opioid crisis to access services and programs, as well as other individuals who are experiencing mental illness and other substance use disorders.
- The Executive proposes to not advance additional OMH inpatient bed reductions; however, the Executive proposes to attempt to complete prior years' targeted goals for reductions.
 - The Executive proposes the reduction of 25 forensic beds by allowing counties to establish jail based restoration to competency programs, reducing the need for State services totaling net savings of \$850,000
 - There are no proposed closures of state-operated psychiatric centers in FY 2020.
 - There is no new planned reinvestment outside the Executive attempting to meet prior year goals.
- The Executive proposes \$121 million in Mental Hygiene savings from the deferral of a planned Cost of Living Adjustment for Human Service Agencies. Agencies impacted outside Mental Hygiene would bring the total cost avoidance to \$141 million for the State.
- The Executive proposes \$60 million in new state funding, with a federal match of \$60 million for expanding OPWDD services.
- The Executive proposes \$62.5 million in increased funding to support the direct cost to not-for-profit providers impacted by scheduled minimum wage increases for mental hygiene not-for-profit organizations.
- The Executive proposes the continuation of the transition to managed care for the developmentally disabled population receiving services under OPWDD, and provides \$5 million to assist in provider readiness.

MENTAL HYGIENE



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	5,561	5,357
Annual Growth Rate	-21.4%	-3.7%
5 Year Average Growth (Actual)		-2.4%



The FY 2020 Executive Budget recommends All Funds cash disbursements of \$5.4 billion, a decrease of \$204 million, or 3.7 percent within all mental hygiene agencies. Accounting for Department of Health (DOH) spending for Office for People with Developmental Disabilities (OPWDD) and Office of Mental Health (OMH) services and a reclassification of Mental Hygiene spending adjustments, actual cash spending for Mental Hygiene is **increasing** by \$177 million in FY 2020, or 2.4 percent, for a total of \$7.4 billion.

Mental Hygiene Workforce

The FY 2020 Executive Budget includes a total workforce in Mental Hygiene of 33,467, an increase of 33 Full-Time Equivalents (FTEs). Major proposals include OMH opening two new forensic wards (location to be determined) for an increase of 80 FTEs, and the reduction of one forensic unit related to the implementation of jail based restoration of treatment, for a decrease of 40 FTEs. The Executive further proposes a decrease of seven FTEs in the Justice Center, related to the elimination of duplicative oversight requirements. No layoffs are anticipated in FY 2020, all FTE decreases would be accomplished through attrition.

Department of Health Mental Hygiene Offset

The FY 2020 Executive Budget recommends DOH spending of \$1.8 billion for OPWDD and OMH services. These funds are **not** reflected in the All Funds Disbursements table and chart in the beginning of this section, or the Proposed Disbursements at the end of this section. The Executive proposes increasing DOH offsets by \$381 million in FY 2020. Counting this adjustment, actual cash spending for Mental Hygiene is **increasing** by \$177 million in FY 2020, or 2.4 percent, for a total of \$742 billion.

Mental Hygiene FY 2020 Full-Time Equivalents (FTEs)			
Agency	FY 2018 Projected FTEs	Expected Change	FY 2019 Projected FTEs
OMH	13,677	40	13,717
OPWDD	18,572	-	18,572
OASAS	737	-	737
Justice Center	430	(7)	423
DDPC	18	-	18
Total	33,434	33	33,467

Department of Mental Hygiene

Proposed Executive Language

The Executive has included language in appropriations in the State Operations proposal allowing the transfer or interchange of funds, without limit, between any department, agency, or public authority. The Executive has also proposed language in the State Operations legislation that states no funds shall be available for payment until the Legislature has acted upon an Aid to Localities bill, and the Budget Director has determined that these funds are sufficient for the fiscal year.

Cost of Living Adjustment (COLA) and Medicaid Trend Factor for Not-for-Profits

The Executive proposes deferring for one year the COLA for human services agencies, as required by Chapter 57 of the Laws of 2006, and the OPWDD Medicaid Inflationary Trend Factor. This deferment results in the following cost avoidance:

- Office of Alcoholism and Substance Abuse Services (OASAS) - \$12 million
- OMH - \$37 million
- OPWDD - \$72 million

Total cost avoidance, including Mental Hygiene and other agencies, would be \$141 million.

Minimum Wage

The FY 2020 Budget recommends a \$62.5 million State spending increase to support the direct cost to not-for-profit providers of the scheduled minimum wage increase for direct care, direct support, and other workers. The amounts per state agency are:

- OASAS - \$6.7 million increase, for a total of \$18.4 million
- OMH - \$8.4 7 million increase, for a total of \$18.5million

- OPWDD - \$47.5 7 million increase, for a total of \$90.5 million

Behavioral Health Insurance Reforms

The Executive proposes a series of reforms relating to insurance coverage for mental illness and Substance Use Disorders (SUD). The Executive asserts that despite the enactment of parity laws in both New York and the federal level, comprehensive coverage is not meeting the needs of individuals in crisis. This includes the inability to access behavioral health services. The reforms would include, but not be limited to:

- Requiring minimum coverage standards
- Removing certain benefit limitations
- Prohibiting denial of medically necessary care
- Prohibiting multiple co-payments per day and requiring behavioral health copayments be equal to a primary care office visit
- Requiring naloxone coverage
- Prohibiting prior authorization for medication assisted treatment
- Prohibiting preauthorization and concurrent utilization review of SUD services during the initial 21 days of treatment (expanded from 14 days)
- Prohibiting preauthorization and concurrent utilization review of inpatient psychiatric services for youth services during the initial 14 days of treatment
- Requiring mental health utilization review staff to have subject matter expertise
- Allowing OASAS to designate a standard utilization review tool for in-State SUD treatment
- Prohibiting insurers from retaliating against providers that report insurance law violations to State agencies
- Requiring insurers to post additional detail regarding their behavioral health provider networks
- Requiring insurers to provide their most recent comparative analysis for insureds

- Allowing OMH to review and approve clinical review criteria
- Codifying parity standards in State law for both mental health and SUD
- Requiring general hospital emergency departments to have policies and procedures in place for providing Medication Assisted Treatment (MAT) prior to patient discharge
- Requires general hospital emergency departments to participate in the Prescription Monitoring Program (PMP) registry
- Requiring coverage of court ordered treatment for OASAS certified programs within New York State
- Including fentanyl analogs as controlled substances

Office of Mental Health

The FY 2020 Budget recommends Office of Mental Health All Funds cash spending of \$3 billion, an increase of \$52 million, or 1.8 percent - this includes \$220 million in DOH spending for OMH services under the Medicaid Global Cap.

State-Operated Psychiatric Centers

Starting in FY 2015, the Executive has commenced with an initiative to reduce state-operated inpatient psychiatric beds. Through October 2018, the Executive has reduced 536 adult beds and 117 children's beds. However, recent developments have led the Executive to alter the approach on bed reductions.

Inpatient Service Reductions

Unlike the previous five years, the Executive is *not* proposing new bed reduction goals to OMH Psychiatric Centers. This is due to the Executive not meeting stated reductions goals in FY 2018 and 2019. Instead of proposing new bed reductions goals, the Executive proposes a continuation of prior year target goals. This year the State Operations appropriations bill does not include language allowing the closure of

inpatient beds. Previously, the Executive included language: allowing reductions if there is a consecutive 90-day period of time that the inpatient beds remain vacant; requiring OMH to continue to invest resources to improve mental health services for each bed reduced; and requiring that the Legislature would be provided monthly status reports. While the Executive has not included this language, it has been stated that the intent is to follow the same guidelines when continuing to reduce beds in attempting to meet prior year goals.

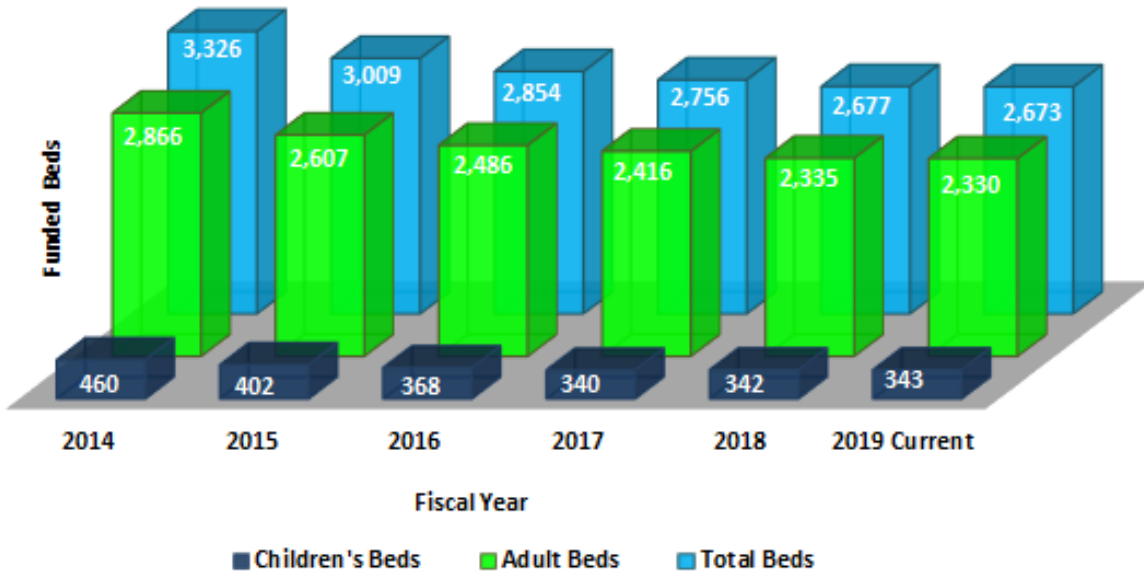
There are no planned closures of state-operated psychiatric centers for FY 2020.

The following tables show the history of bed reductions.

Office of Mental Health State Operated Bed Reductions April 2014 - October 2018

Program	Funded Beds FY 2014	Funded Beds April 1, 2018	Bed Reduction 2014- April 1, 2018	Bed Reductions April to October 2018	Funded Beds October 2018	Total Bed Reductions since 2014
Adult Facilities						
Bronx	181	156	(25)	0	156	(25)
Buffalo	183	157	(26)	(2)	155	(28)
Capital District	136	109	(27)	0	109	(27)
Creedmoor	344	333	(11)	0	333	(11)
Elmira	72	51	(21)	1	52	(20)
Greater Binghamton	90	75	(15)	0	75	(15)
Hutchings	119	117	(2)	0	117	(2)
Kingsboro	165	161	(4)	0	161	(4)
Manhattan	230	150	(80)	0	150	(80)
Pilgrim	385	277	(108)	(1)	276	(109)
Rochester	145	83	(62)	(3)	80	(65)
Rockland	430	368	(62)	0	368	(62)
South Beach	300	237	(63)	0	237	(63)
St. Lawrence	65	40	(25)	0	40	(25)
W. Heights	21	21	0	0	21	0
Adult Bed Reductions	N/A	N/A	(531)	(5)	N/A	(536)
Total Adult Beds	2,866	2,335	N/A	N/A	2,330	N/A
Children's Facilities						
Elmira	18	13	(5)	0	13	(5)
Greater Binghamton	16	14	(2)	0	14	(2)
Hutchings	30	23	(7)	0	23	(7)
Mohawk Valley	30	31	1	1	32	2
NY City Children's	172	102	(70)	0	102	(70)
Rockland	54	20	(34)	0	20	(34)
Sagamore	54	54	0	0	54	0
South Beach	12	11	(1)	0	11	(1)
St. Lawrence	28	28	0	0	28	0
Western New York	46	46	0	0	46	0
Children's Bed Reductions	N/A	N/A	(118)	1	N/A	(117)
Total Children's Beds	460	342	N/A	N/A	343	N/A
Total Bed Reductions	N/A	N/A	(649)	(4)	N/A	(653)
Total Adult and Children Beds		3326	2677	N/A	2673	N/A

OFFICE OF MENTAL HEALTH INPATIENT REDUCTIONS



Reinvestments

The Executive Budget contains no new funding associated with bed reductions, or any planned FTE reductions associated with reductions. However, the Executive has stated that previously planned reductions taking place in the upcoming fiscal year will have reinvestment associated with prior year goals. The Executive has estimated \$5.5 million as a placeholder for this reinvestment even though it is unknown how many beds would actually be reduced.

resulting from the reduction of inpatient psychiatric services at Article 28 or 31 hospitals (general or private), which since 2014 is \$19 million. The combined total of these reinvestments is \$111 million, with 71,537 individuals served. The Executive proposes to continue the formula of \$110,000 reinvestment for each net reduction in inpatient beds.

Even though the Executive Budget contains no new planned reinvestment funding, the Executive has successfully shifted resources over the last several years from inpatient to community settings. As of October 2018, the Executive invested \$92 million in annual funding into community services, serving 53,776 individuals. Reinvestments are required from state savings

Summary of OMH Community Reinvestments as of October 2018		
Geographical Region/ Psychiatric Center	New Individuals Served	Annualized Reinvestment Amount
Greater Binghamton	9,030	\$ 5,120,916
Elmira	5,755	\$ 4,413,113
Hutchings	1,751	\$ 2,960,176
Sagamore	1,989	\$ 4,506,811
Pilgrim	6,490	\$ 10,651,591
New York City	3,447	\$ 19,494,878
Rochester	3,231	\$ 6,453,603
St. Lawrence	6,546	\$ 4,841,824
Rockland/ Capital District	8,550	\$ 9,389,246
Western New York/Buffalo	5,734	\$ 6,152,917
Statewide	52,523	\$ 73,985,075
Suicide Prevention, Forensic and Risk Monitoring	N/A	\$ 1,500,000
Sustained Engagement Team	783	\$ 1,000,000
Residential Stipend Adjustment	N/A	\$ 5,725,636
Peer Specialist Certification	278	N/A
Nursing Home Transition	192	\$ 5,500,000
Unallocated FY 2019 Funding	Unknown	\$ 4,194,058
Bed Reduction Reinvestment Total	53,776	\$ 91,904,769
Article 28 and 31 Hospital Reinvestment*	17,761	\$ 18,892,411
Grand Total	71,537	\$110,797,180

Mid-Hudson Forensic Center

The FY 2020 Budget recommends an additional \$100 million appropriation in capital funding to support the replacement of the Mid-Hudson Psychiatric Center in Orange County. This is a forensic facility that provides services to inmates of prisons and local jails.

Jail Based Restoration to Competency

The FY 2020 Executive Budget recommends authorizing OMH to work with volunteering counties to establish jail based restoration to competency programs for individuals who are awaiting trial. The proposed language would also be applicable to state-operated correctional facilities.

Currently, restorations may occur on an outpatient basis or at OMH Psychiatric Centers, OPWDD

Developmental Centers, or hospitals with psychiatric units. The Executive estimates that this proposal would result in the reduction of one ward, or 25 beds, at state-operated forensic psychiatric centers, saving \$1.7 million in OMH funding. The Executive estimates that a reduction of 40 FTEs associated with this proposal would happen naturally through attrition.

Counties, at their discretion, would be able to develop residential mental health units within their respective jails, fostering the restoration of individuals without accessing care at state-operated forensic psychiatric centers. Counties would reimburse less the state under this proposal, resulting in long-term savings to participating counties. The Executive proposes \$850,000 in aid to county jails for infrastructure changes necessary to provide this program.

Mental Health Housing Initiatives

The FY 2020 Budget recommends 1,518 new residential opportunities, which include:

- 500 adult home opportunities
- 456 units from the Empire State Supportive Housing Initiative (ESSHI)
- 220 support housing opportunities
- 216 Single Residence Occupancy opportunities
- 96 opportunities for NY/NY III
- 30 other opportunities

The FY 2020 Budget recommends \$10 million in increased subsidies for existing Supportive Housing and Single Residence Occupancy programs. This funding would be used to increase rental support for existing units. This increase will impact targeted counties; however, a determination has not been made on the location of the increases.

The Executive proposes \$10 million for specialized supports to engage individuals with

mental illness who require additional care in order to achieve community living. This is applicable to individuals currently residing in adult homes. This would be used to create new opportunities in the community.

Exempt Incomes Recoveries

The Executive estimates continued savings of \$3 million by extending the ability of OMH to recover Medicaid exempt income from community residence providers until June 30, 2022. This proposal has been extended since 2010.

Office for People with Developmental Disabilities

The FY 2020 Executive Budget recommends OPWDD All Funds cash spending of \$3.7 billion, an increase of \$98 million, or 2.7 percent – this includes \$1.8 billion in DOH spending for OPWDD services under the Medicaid Global Cap.

New OPWDD Opportunities

The FY 2020 Executive Budget recommends \$120 million in new State and federal funds to support expanded and new services through OPWDD's continuum of care. These services include certified and non-residential opportunities, day programs, employment, case management, and respite services. The Executive has not provided the estimated number of individuals that this funding would benefit.

Also included in the Executive Budget is the continuation \$15 million in Capital to expand independent living housing capacity, allowing more individuals to live in their own apartment.

Transition to Manage Care

The FY 2020 Executive Budget recommends \$5 million to further support the transition of care for the developmentally disabled to a managed care

system, specifically provider readiness through the development of best practices and performance measurement and outcome tools. This process was started with the development of Regional Care Coordination Organizations (CCOs) on July 1, 2018. The Executive plans transitioning to a fully capitated rate structure within five years. Enrollment on a voluntary basis into care coordination models will begin in FY 2020.

Miscellaneous

The Executive proposes language to include OPWDD in previous enacted statute that eliminated duplicative licensure requirements for integrated services providers. Previous legislation had eliminated such requirements for DOH, OMH, and OASAS providers. This sections would now be applicable to Article 28, 31, or 32 clinics.

Office for Alcoholism and Substance Abuse Services

The FY 2020 Executive Budget recommends OASAS All Funds cash spending of \$652 million, an increase of \$26 million, or 4.1 percent. The majority of this increase is from the annualization of previous year's initiatives (\$12 million) and increases tied to the minimum wage (\$7 million). This amount also include \$9 million in delayed funding from FY 2019 Legislative Additions that is being counted as "new" funding. There are gap closing actions such as the discontinuation of legislative adds, the discontinuation of duplicative programs, among which are the Senate created Hospital Diversion and the Wraparound Services Demonstration programs, and the realization of unneeded Recovery High School Planning grants.

Heroin and Opioid Crisis

The Executive has stated that there is \$211 million in OASAS to address the heroin and opioid crisis. However, exact details of this funding have not

been made available. It does not appear that there are any new spending initiatives to combat the opioid/heroin epidemic. The Executive proposes to continue initiatives that funding was secured for in the FY 2019 Enacted Budget. This includes the creation of a new Adolescent Clubhouse and a new Recovery Center for Long Island (\$600,000). Additionally the Executive proposes the funding secured by the Legislature in FY 2019 for the Independent Substance Use Disorder and Mental Health Ombudsman be made permanent (\$1.5 million). In addition, the Executive proposes continued funding for jail based substance use disorder – while the Senate secured \$3.75 million for this purpose in FY 2019, delays in implementing the program makes it uncertain how much funding is included in the Executive proposal.

There is a significant Article VII proposal that would impact access to treatment for individuals with opioid addictions. Please see the previous section on Behavioral Health Insurance Reform Article VII proposals that have a direct impact on access to treatment issues experienced in the current opioid crisis.

OASAS Housing Initiatives

The Executive Budget recommends the creation of 189 residential beds, including 50 crisis beds and 139 Part 820 beds (stabilization/rehabilitation).

The Executive Budget recommends the continuation of funding for beds in capital development, which are expected to open over the next three fiscal years. This includes 85 crisis beds and 176 Part 820 beds.

Justice Center for the Protection of People with Special Needs

The FY 2020 Executive Budget recommends \$44.4 million for the Justice Center, an increase of

\$600,000, or 1.4 percent, related to increased personal costs.

The Executive proposes eliminating the Justice Center for oversight requirement for inpatient psychiatric units at general hospitals, as well as summer camps for children with developmental disabilities. There is current oversight by other agencies such as DOH and the Center for Medicaid and Medicare Services.

Developmental Disabilities Planning Council

The Executive proposes \$4.2 million in disbursements in FY 2020, which reflects no changes from the current fiscal year.

**Mental Hygiene
Proposed Disbursements - All Funds
(Thousands of Dollars)**

Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Office of Mental Health	2,937,708	2,769,970	(167,738)	-5.71%
Office for People With Developmental Disabilities	1,948,371	1,885,711	(62,660)	-3.22%
Office of Alcoholism and Substance Abuse	627,067	652,779	25,712	4.10%
Developmental Disabilities Planning Council	4,200	4,200	0	0.00%
Justice Center for the Protection of People with Special Needs	43,826	44,424	598	1.36%
Totals:	5,561,172	5,357,084	(204,088)	-3.67%

FACT SHEET: HUMAN SERVICES



The Fiscal Year (FY) 2020 Executive Budget recommends a decrease in All Funds cash disbursements of \$410 million, or four percent, for all human services agencies, with total recommended spending of \$8.7 billion.

Office of Children and Family Services (OCFS)

- \$200 million in appropriation authority to support the continued implementation of Raise the Age.
- Amends childcare inspection, training, and background clearance requirements to comply with the Federal Child Care Development Block Grant Act of 2014. The FY 2020 Executive Budget proposes to fund up to \$80 million for (CCDBG) compliance.
- Authorizes background clearance checks required by the Federal Family First Preventive Services Act (FFPSA) so that New York can continue to receive Federal Title IV-E funding
- Eliminates the ability of family courts to detain youth who are alleged to be a Person in need of Supervision (PINS) and limit their ability to order residential foster care placement at the disposition of a PINS.
- Authorizes OCFS to appoint a temporary operator for foster care agencies and would extend the authority of ODTA to appoint a temporary shelter operator for emergency shelters.

Office of Temporary and Disability Assistance (OTDA)

- Eliminates the State requirement that domestic violence victims seeking shelter in a domestic violence shelter apply for Public Assistance and that providers charge victims with a fee for services.
- Authorizes Federal Supplemental Security Income (SSI) benefits to be increased in 2020 by the percentage of any SSI COLA.
- Authorizes social services districts to assign Public Assistance (PA) recipients to 90-day job try-outs as work experience assignments.

Department of Labor (DOL)

- Changes the classification of wage theft from being a misdemeanor on the first offense, to a graduated system with felony charges for wages withheld greater than \$1,000 for a single employee or \$25,000 for more than one employee.

- Creates an incentive for unemployed persons to work part time by allowing two thirds of their earnings to be deducted from their weekly unemployment benefit.
- Prohibits the disclosure of personal information by public employers for all public sector employees.
- Extends binding arbitration for certain local police and fire organizations until July 1, 2024.

Division of Veterans' Affairs (DVA)

- Protects veterans from financial exploitation by prohibiting any entity from “pension poaching” vulnerable veterans and their dependents

Division of Human Rights (DHR)

- Prohibits the request of an applicant’s salary history as a factor in determining whether to offer employment to ensure equal pay.
- Prohibits discrimination based on gender identity or expression, and include offenses regarding gender identity or expression under the hate crimes statute.

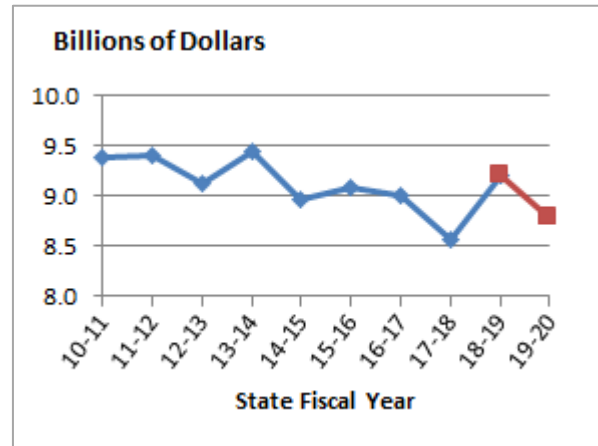
Workers' Compensation Board (WCB)

- Authorizes the State insurance Fund to invest up to 25 percent of its surplus funds in diversified index funds, with the goal of reducing costs while increasing returns
- Permits the New York State Insurance Fund to cancel a workers’ compensation policy based on the policyholder’s failure to cooperate with a payroll audit.
- Updates the authorization process for medical providers by expanding the types of health care providers to include urgent care settings, nurse practitioners, or medical care provider or supplier and amend the authorization process for those providers.

HUMAN SERVICES



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	9,202	8,792
Annual Growth Rate	7.4%	-4.5%
5 Year Average Growth (Actual)		-1.2%



The Fiscal Year (FY) 2020 Executive Budget recommends a decrease in All Funds cash disbursements of \$410 million, or four percent, for all human services agencies, with total recommended spending of \$8.7 billion.

Office of Children and Family Services (OCFS)

The FY 2020 Executive Budget recommends All Funds Spending of \$3.7 billion, a decrease of \$235 million from FY 2019. The FY 2020 Executive Budget recommends a workforce of 2,964 full time equivalents (FTE), which is unchanged from FY 2019.

State Operations

The Executive Budget recommends increasing the OCFS State Operations appropriation by \$14.8 million. The change can be attributed to the following increases:

- \$15 million increase to the Family and Children’s Services Federal Special Reserve Fund for the new Council on Children and Families (CCF) early childhood development federal grant.

- \$424,000 in additional funding within the Family and Children's Services Program (FCSP). The changes within the FCSP reflect the elimination of a \$326,000 Legislative addition for additional staff hours to take adult protective calls at the Human Services call Center.
- \$153,000 increase to the System Program to fund the transfer of two FTE’s from the Office of Technology Services to OCSF.
- \$40,000 increase within the Youth Facilities Program Enterprise Fund to allow increased sales/inventory purchases to expand sales opportunities for youth programs in facilities.

The growth within OCFS State Operations is offset by a \$721,000 decrease to the Youth Facilities Program (YFP). The YFP decrease reflects a \$754,000 shift of maintenance staff to Capital and \$33,000 in increased minimum wage costs in program contracts.

Aid to Localities

The Executive Budget recommends decreasing the OCFS Aid to Localities appropriation authority to \$494 million, a decrease of \$201 million. This

change can be attributed to decreases in the following programs:

- \$128 million decrease to the Child Care program. The change reflects a \$144 million shift to the TANF childcare account within the Office of Temporary and Disabled Assistance. The decrease is further offset by an additional \$17 million increase in General Fund support for the Child Care Program.
- \$58 million decrease to the Family and Children Services account which reflects the elimination of \$33.3 million in Legislative adds and the shift of the \$17.3 million Advantage Afterschool program from the General Fund to TANF within OTDA.
- \$19 million decrease to the Training and Development Program. The Executive states that this program is no longer needed as the local training services are being paid out of the Federal IV-E appropriation.
- \$50,000 elimination of a Legislative addition for the Helen Keller Services for the Blind, which funded the New York State Commission for the Blind.

These Aid to Localities decreases are offset by an increase of \$5 million for the creation of a new Child Care program funded through a new Federal Miscellaneous Operating Grant which is intended for lead testing in child care facilities and remediation efforts that would take place after OCFS gets the lead testing results.

FY 2019 Legislative Additions Eliminated by the Executive Office of Family and Family Services	
Item	Amount
Advantage Afterschool	\$5,000,000
Safe Harbor	\$3,000,000
Settlement Houses	\$2,450,000
Child Advocacy Centers	\$2,000,000
Kinship/caretaker relative	\$1,900,000
Community Voices for Youth and Families	\$1,500,000
United Way 2-1-1	\$1,250,000
Child Protective Service worker caseload reduction	\$758,000
New York State Alliance of Boys and Girls Clubs	\$700,000
Child care facilitated enrollment in Erie County	\$500,000
Child care facilitated enrollment in New York City	\$500,000
child care facilitated enrollment in Onondaga County	\$500,000
New Alternatives for Children	\$467,000
New York State YMCA Foundation	\$400,000
Citizens Committee for New York City	\$350,000
Hillside Children's Center Reinvesting in Youth program	\$260,000
Center for Elder Law and Justice	\$250,000
Boro Park Jewish Community Council	\$250,000
Cattaraugus Youth Bureau	\$200,000
Ohel Children's Home and Family Services	\$200,000
Opportunities for a Better Tomorrow	\$200,000
Yeled V'Yalda Early Childhood Center	\$175,000
American Legion Boys' State Program	\$150,000
Riverdale Neighborhood House	\$150,000
Kinship Navigator	\$100,000
Big Brothers Big Sisters NYC	\$100,000
Dominican Women's Development Center	\$100,000
Gateway Youth Outreach	\$90,000
Catholic Charities Community Services, Archdiocese of NY	\$60,000
Helen Keller Services for the Blind	\$50,000
Brooklyn Chinese-American Association	\$50,000
Hamaspek of Kings County	\$50,000
Young Mens and Young Womens Hebrew Association of Boro Park	\$50,000
Catholic Charities Neighborhood Services	\$50,000
St. Athanasius Catholic Academy	\$50,000
YMCA of Greater NY	\$50,000
Masores Bais Yaakov	\$50,000
Bed-Stuy Campaign Against Hunger	\$50,000
Kips Bay Boys and Girls Club	\$40,000
Harmony in the Jewish Home	\$40,000
Schenectady Foundation Weekend Backpack Program	\$30,000
Metropolitan New York Coordinating Council on Jewish Poverty	\$25,000
Be Proud, Inc.	\$5,000
Human Services initiatives	\$5,000,000
New York Immigration Coalition	\$350,000
Community Voices Heard	\$300,000
Junior Achievement of NY	\$250,000
Hispanic Federation	\$200,000
Churches United for Fair Housing	\$150,000
SBH Community Service Network	\$150,000
Bronx Jewish Community Council	\$135,000
West Indian American Day Carnival Association	\$125,000
Boy Scouts of America Greater NY Council William H. Pouch Scout Car	\$125,000
Jewish Board of Family and Children's Services	\$100,000
Jewish Child Care Association	\$100,000
Martin Luther King Multi-Purpose Center	\$100,000
The Black Institute	\$100,000
Dominico American Society of Queens	\$100,000
Families Together in New York State	\$100,000
Hillcrest Jewish Center	\$100,000
Long Island Gay and Lesbian Youth	\$100,000
Center for Family Representation	\$100,000
Chinese American Planning Council	\$100,000
Asian American Legal Defense	\$100,000
Center for Youth	\$100,000
Edwin Gould Service for Children and Families	\$90,000
Project Hope Charities	\$80,000
Central Brooklyn Economic Development Corp.	\$75,000
Together We Are	\$75,000
Housing and Family Services of Greater New York	\$65,000
Mirabal Sisters Cultural and Community Center	\$60,000
Youth Service Opportunities Project	\$60,000
Brooklyn Community Pride Center	\$50,000
Community League of the Heights	\$50,000
Community Service Society of New York	\$50,000
Crown Heights Youth Collective	\$50,000
Dominicanos USA, Inc.	\$50,000
Flatbush Development Corporation	\$50,000
Young Mens and Young Womens Hebrew Association of the Bronx	\$50,000
Elmcot Youth and Adult Activities, Inc.	\$50,000
Korean American Civic Empowerment for Community	\$45,000
One Stop Richmond Hill Community Center	\$35,000
Rocking the Boat	\$25,000
St. Luke's Community Food Program	\$25,000
Advocating for Change	\$25,000
Amudim Community Resources	\$25,000
Asian Americans for Equality	\$25,000
Bronx Arts Ensemble	\$25,000
Ecuadorian Civic Committee of New York	\$25,000
Fifth Avenue Committee	\$25,000
St. Nicholas Chess 4 Kids, Inc.	\$10,000
American-Italian Coalition of Organizations (AMICO)	\$10,000
Subtotals	\$33,340,000

Capital

The Executive Budget recommends reducing the OCFS Capital appropriation by the elimination of \$49 million in Capital funding associated with Raise the Age which is reappropriated. The \$754,000 increase in the Capital Projects fund reflects the transfer of maintenance staff to the Capital Projects fund from the Youth Facility Program.

Raise the Age

The FY 2019 Executive Budget included a \$100 million miscellaneous Aid to Localities appropriation for New York City and county costs related to the implementation of Raise the Age. The FY 2020 Executive Budget recommends \$200 million in appropriation authority to support the continued implementation of Raise the Age. This proposal would include reform measures such as comprehensive diversion, probation, programming and placement services for 16 and 17 year old youths who will be involved in the juvenile justice system as the age of criminal responsibility changed to age 17 on October 1 2018 and will change to age 18 on October 1, 2019.

Restructure Youth Facility Billings

The FY 2020 Executive Budget proposes to intercept local assistance program payments from counties for their share of the \$55 million cap instead of issuing bills to counties. Currently, counties are billed for 50 percent of youth facility costs. Since FY 2016, the State has capped the amount billed annually at \$55 million statewide. The Executive Budget recommends that the state intercept local payments for the county shares of CY 2017 youth facility costs and CY 2018 youth facility costs. The Executive claims that this practice would produce a savings of \$110 million. Under this proposal, the billings would return to one year of youth facility costs by FY 2021. The Executive claims this approach will reduce State spending and provide administrative relief to both the State and counties as a result of not having to

process billings and payments for youth facility operations.

Human Services Training Center

The FY 2020 Executive Budget recommends a redesign of the State's human services training program with the establishment of a centralized training center in Rensselaer. The purpose of this initiative is to expand the opportunities for curriculum development and maximize training effectiveness through increased use of simulation-based trainings at the new, state-of-the-art training facility. The Executive claims to be able to manage this facility within existing resources.

Federal Family First Prevention Services Act (FFPSA)

Enacted in 2018, this Act adds new restrictions on Federal room and board support for foster children placed in-group care settings. FFPSA also mandates that states conduct background checks on any individual working in a group care setting, regardless of their contact with children. The FY 2020 Budget prepares for these new requirements with legislation to expand background checks to comply with FFPSA as well as creating the Family First Transition Fund. This fund will leverage Federal and private foundation funds to provide counties and foster care agencies with support to expand kinship and foster care family capacity, helping the State comply with these requirements.

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report)

- Amends childcare inspection, training, and background clearance requirements to comply with the Federal Child Care Development Block Grant Act of 2014. Recently it was brought to the attention of OCFS that the department was not in compliance with the CCDBG. The cost for New York State to comply with the CCDBG health and safety requirements is estimated at \$78 million. The

FY 2020 Executive Budget proposes to fund up to \$80 million for CCDBG compliance.

- Authorizes background clearance checks required by the Federal Family First Preventive Services Act (FFPSA) so that New York can continue to receive Federal Title IV-E funding. This proposal would authorize State and FBI criminal background checks for current and prospective employees of programs that provide residential foster care services. This proposal would be needed to comply with Federal Title IV-E funding requirements that supports vital child welfare services. The Executive estimates that the State receives approximately \$600 million in annual Federal Title IV-E funding.
- Eliminates the ability of family courts to detain youth who are alleged to be a PINS and limit their ability to order residential foster care placement at the disposition of a PINS proceeding to only instances where the respondent youth meets the definition of a “sexually-exploited child” under New York’s Safe Harbor Law. This proposal would also eliminate the January 1, 2020 sunset on state funding for the detention and residential placement of youth alleged or adjudicated to be PINS.
- Authorizes OCFS to appoint a temporary operator for foster care agencies and would extend the authority of the Office of Temporary and Disability Assistance to appoint a temporary shelter operator for emergency shelters. The Executive estimates that there is no cost associated in implementing this proposal. OCSF claims to be able to manage this expansion with current resources.

Office of Temporary and Disability Assistance (OTDA)

The FY 2020 Executive Budget recommends All Funds spending of \$5.1 billion, a decrease of \$113

million or two percent from FY 2019. The FY 2020 Executive Budget recommends a workforce of 1,989 FTE’s, maintaining FY 2019 workforce levels.

State Operations

The FY 2020 Executive Budget recommends an appropriation authority of \$455 million increase in State Operations by \$21 million or four percent. This increase reflects increased authority to accommodate additional federally authorized staff in OTDA’s Federal Disability Determinations Division to implement improved determinations processing and updated public assistance projections as directed by the Federal Social Security Administration. Currently, the program is under target FTE’s and ODTA will be backfilling open positions. ODTA anticipates a portion of the hires to be new FTE’s and will revisit the target as needed during FY 2020.

Aid to Localities

The Executive Budget recommends increasing ODTA’s Aid to Localities appropriation by \$67.8 million bringing the total to \$5.3 billion. This increase is primarily driven by a \$57.2 million increase to the Federal Health and Human Services Fund. The increase is supported by a \$7M increase reflecting the addition of two programs for HIV/AIDS Rent Cap Program \$5 million and \$4.5 million for the continuation of the Empire State Poverty Reduction Initiative. The increases are offset by the discontinuation of Legislative additions totaling \$2.45 million.

The Executive Budget further recommends increasing the Aid to Localities appropriation by \$3 million in the Specialized Service Program for the Consolidated Homeless programs (NYS Supportive Housing Program, Solutions to End Homelessness Program, and the Operational Support for AIDS Housing program). The Executive Budget recommends the creation of a new \$500,000 Gifts to Food Banks Fund as a result of legislation enacted last year. The legislation directed the State to establish a tax

check-off box for Gifts to Food Banks, and to have OTDA administer the associated funding.

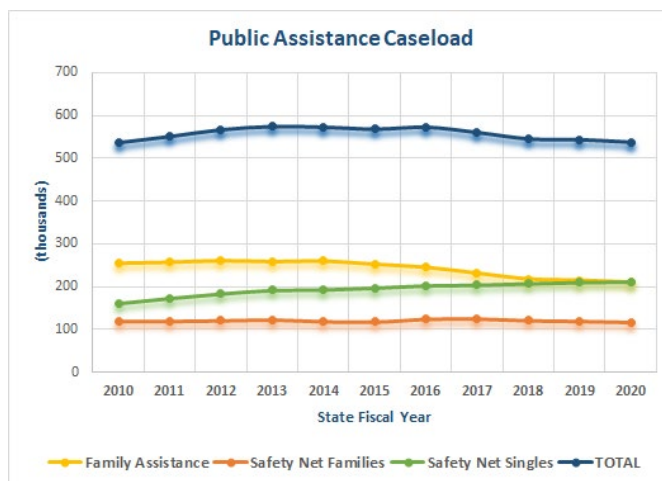
FY 2019 Legislative Additions Eliminated by the Executive Office of Temporary and Disability Assistance	
Item	Amount
Ibero-American Action League	\$50,000
Mohawk Valley Latino Association	\$50,000
Centro Civico of Amsterdam	\$50,000
Spanish Action League in Onondaga	\$50,000
Hempstead Hispanic Civic Association	\$50,000
El Centro Hispano de White Plains	\$50,000
Family Residences and Essential Enterprises	\$50,000
Center for Safety and Change	\$25,000
Community Help Park Slope	\$25,000
ATTAIN	\$4,000,000
Career Pathways	\$2,850,000
child care facilitated enrollment in the Capital District and Oneida County	\$2,600,000
child care facilitated enrollment in New York City	\$3,800,000
child care facilitated enrollment in Monroe County	\$2,000,000
Preventive Services	\$1,570,000
Welfare to Careers program	\$800,000
Wage Subsidy	\$475,000
Strengthening Families through Stronger Fathers	\$200,000
SUNY child care	\$193,000
Wheels for Work	\$144,000
CUNY child care	\$141,000
Rochester-Genesee Regional Transportation Authority	\$82,000
Centro of Oneida	\$25,000
Subtotal	\$19,280,000

Reform Residential Domestic Violence Shelter Requirements

Statutory provisions require domestic violence victims to apply for Public Assistance and permit providers to charge victims with sufficient resources a fee for services that have been determined by the Federal government that now contradict Federal rules for Family Violence Prevention Services Act (FVPSA) funding. The FY 2020 Budget would recommend eliminating statutory provisions.

Establish a New York City Share for Family Assistance to Needy Families Expenditures.

The FY 2020 Executive Budget would establish a 10 percent local share for New York City for the Family Assistance program, which provides aid to eligible families earning less than 200 percent of the Federal Poverty level. This is consistent with the existing 10 percent local share that the City pays for the Emergency Assistance to Families



program. The Executive estimates that this provision would save the state \$72 million annually.

Fund New York City HIV/AIDS Rent Cap through Safety Net Assistance

The FY 2015 Enacted Budget authorized a limit on rent paid by New York City residents living with HIV/AIDS who receive Public Assistance. The State cost for this limit, no more than 30 percent of monthly income toward rental costs, was paid for with funds from financial settlements in FY 2016 through FY 2019. The FY 2020 Budget would shift the cost of this program to Safety Net Assistance, creating a permanent funding source for the program.

Continue HIV/AIDS Rent Cap Outside of New York City

The Executive Budget proposes expanding the HIV/AIDS rent cap to establish a program that would authorize districts outside of New York City to opt in to a program to partner with a Medicaid managed care organization (MCO) and a non-for-profit service provider to assist public assistance recipients living with HIV in maintaining or securing stable housing. Through this program, the State would provide up to \$1 million per district, the MCO's would provide a dollar-for-dollar match to the State funds, and the service provider would connect the recipient to housing and other services.

Increase Funding for the Summer Youth Employment Program

The Executive Budget seeks to increase funding for the Summer Youth Employment Program by \$4 million, bringing the programs total to \$44 million. The Executive claims that approximately 19,000 youths were employed through the 2018 program, consistent with the previous year.

Continue Supporting the Empire State Poverty Reduction Initiative

The Executive Budget would provide \$4.5 million to continue supporting the 16 communities in the Empire State Poverty Reduction Initiative (ESPRI). This funding will ensure that all 16 cities continue to provide services to their communities throughout the upcoming fiscal year.

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report)

- Eliminates the State requirement that domestic violence victims seeking shelter in a domestic violence shelter apply for Public Assistance and that providers charge victims with sufficient resources a fee for services.
- Authorizes Federal Supplemental Security Income (SSI) benefits to be increased in 2020 by the percentage of any SSI COLA. The Executive claims that if the pass-through of the Federal SSI COLA is not enacted, then there will be no statutory authority to provide SSI recipients with the full amount of any Federal increase plus a State supplement at the current level.
- Authorizes social services districts to assign Public Assistance (PA) recipients to 90-day job try-outs as work experience assignments with private for-profit, non-profit and public sector entities in satisfaction of PA work requirements. This proposal also provides

penalties in the event of noncompliance by the participating for-profit, non-profit or public sector entity; and offers various protections to the PA participants.

Division of Human Rights (DHR)

The FY 2020 Executive Budget recommends \$18 million in All Funds support, unchanged from FY 2019 levels. Requested workforce of 164 FTE's remains unchanged from FY 2019.

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report)

- Prohibits the request of a applicant's salary history as a factor in determining whether to offer employment to ensure equal pay. Should the applicant voluntarily disclose their salary history, the employer would not be prohibited from discussing with the applicant about their expectations of salary, benefits or other compensation. This proposal would also expand coverage of the equal pay provisions for similar work beyond sex or gender to include all protected classes.
- Prohibits discrimination based on gender identity or expression, and include offenses regarding gender identity or expression under the hate crimes statute.
- Extends the Human Rights Law Protections to Public Educational Institutions. Current law does not permit the DHR to accepted, investigate, and adjudicate discrimination complaints from attendees in public secondary schools and universities. This proposal would expand the DHR's scope of coverage.
- Broadens the parameters for interpretation of federal Civil Rights Law. This proposal would also require that all non-disclosure agreements in employment contracts include language

stating that the employees may still file a complaint of harassment or discrimination with a governmental agency. Additionally, this proposal would require the Department of Labor to consult with DHR on the production and distribution of a workplace sexual harassment prevention poster.

- Clarifies that lactation is a pregnancy-related condition covered by the New York Human Rights Law requiring employers to make reasonable accommodations for lactation in the workplace.
- Makes it professional misconduct for a licensed professional to engage in conversion therapy with a patient under the age of 18 years.

Department of Labor (DOL)

State Operations

The FY 2020 Executive Budget recommends All Funds spending, including general state charges, remains essentially flat at \$398.4 million. This equates to an increase of \$640,000 or .16 percent. The increase can be attributed to a slight uptick of \$810,000 in General State Charges offset by a slight decrease in personal services. Requested staffing level remains unchanged at 2,987 FTE's.

Aid to Localities

Excluding Unemployment Insurance, the FY 2020 Executive Budget recommends All Funds spending of \$157 million, a decrease of \$9.5 million or 5.7 percent. This decrease can be primarily attributed to the elimination by the Executive of \$14.5 million in Legislative additions, a full listing of which can be found in the "FY 2018 Legislative Additions Eliminated by the Executive" table at the end of this section.

Department of Labor (DOL)	
Item	Amount
AFL-CIO Cornell Domestic Violence	\$150,000
AFL-CIO Cornell Leadership	\$150,000
AFL-CIO Cornell Sexual Harassment Prevention	\$150,000
BTPAP, Rochester	\$200,000
BTPAP, Nassau County	\$200,000
BTPAP, WNY	\$200,000
Chamber of Commerce OJT	\$980,000
Displaced Homemaker	\$1,620,000
New York State Pipe Trades	\$140,000
Industrial Labor Relations School. Cornell	\$50,000
Manufacturers Association of Central New York	\$750,000
North American Logger Training School	\$400,000
NYCOSH	\$350,000
NYCOSH (Long Island)	\$200,000
Solar Energy Consortium	\$500,000
Rochester Tooling	\$100,000
Summer Youth Rochester	\$300,000
Jubilee Inc.	\$100,000
Buffalo Cornell Labor Impact Study	\$42,000
OACES	\$30,000
Workforce Development Institute	\$4,000,000
Workforce Development Institute, Manufacturing	\$3,000,000
WNYCOSH	\$200,000
Worker Institute, Cornell	\$300,000
Youth Build	\$400,000
Subtotals	\$14,512,000.00

Unemployment Insurance (UI) Program

The FY 2020 Executive Budget reduces the appropriation authority for the UI program by \$52 million, to \$2.8 billion. This is due to a combination of a decrease in UI benefit payments due to reduced utilization and the strong health of the fund.

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report)

- Changes the classification of wage theft from being a misdemeanor on the first offense, to a graduated system with felony charges for wages withheld greater than \$1,000 for a single employee or \$25,000 for more than one employee.
- Creates an incentive for unemployed persons to work part time by allowing two thirds of their

earnings to be deducted from their weekly unemployment benefit. Currently, a claimant's weekly benefit is reduced 25 percent for each day worked, regardless of the number of hours worked or the amount of money earned.

- Prohibits the disclosure of personal information by public employers for all public sector employees.
- Extends binding arbitration for certain local police and fire organizations until July 1, 2024.

Division of Veterans' Affairs (DVA)

The FY 2020 Executive Budget recommends All Funds spending of \$16 million, a decrease of 1 million or 10 percent from FY 2019. The Executive Budget recommends a workforce of 98 Full-time Employees, unchanged from FY 2019 levels.

State Operations

The Executive Budget recommends increasing the Divisions appropriation authority by \$300,000 to allow for the expansion of the Veterans Benefits Advising Program.

Aid to Localities

The FY 2020 Executive Budget recommends increasing the Division's Aid to Localities appropriation authority by \$203,000 to support the Veterans Service Agencies. However, this increase is offset by the elimination of the Legislative additions.

FY 2018 Legislative Additions Eliminated by the Executive

Department of Veterans Affairs (DVA)	
Item	Amount
SAGE Veterans Project (A)	\$50,000
Helmets-to-Hardhats	\$200,000
Veterans Miracle Center	\$25,000
Veterans Justice Project	\$100,000
NYS Defenders Association Veterans Defense Program (A)	\$250,000
Research and Recognition Project	\$50,000
North Country Veterans Association	\$100,000
Legal Services of the Hudson Valley Veterans and Military Families Advocacy Project	\$200,000
Department of New York VFW of the U.S. Field Service Operations	\$125,000
Veterans Outreach Center (Monroe)	\$250,000
Vietnam Veterans of America New York State Council	\$50,000
Warrior Salute Program	\$200,000
SAGE Veterans Project (S)	\$50,000
NYS Defenders Association Veterans Defense Program (S)	\$250,000
NYS Defenders Association Veterans Defense Program - Long Island Expansion	\$220,000
West Islip American Legion	\$35,000
Total Veterans	\$2,155,000

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report):

- Protects veterans from financial exploitation by prohibiting any entity from "pension poaching" vulnerable veterans and their dependents.

Office of the Welfare Inspector General

The FY 2020 Executive Budget recommends All Funds spending of \$701,000 and increase of \$15 million or two percent from FY 2019. The agency's workforce totals seven FTE's, unchanged from the previous fiscal year.

The Executive Budget recommends \$1.3 million in appropriation authority a decrease of \$100,000 from FY 2019 levels. This decrease can be attributed to the elimination of Federal Seized Assets funds.

Workers' Compensation Board (WCB)

State Operations

The FY 2020 Executive Budget recommends an All Funds cash spending amount of \$226.4 million, an increase of \$27.4 million or 13.8 percent from FY 2019. The Board's workforce of 1,110 FTE's remains unchanged.

The \$27.4 million increase is driven by capital reappropriation spending. The FY 2016 Enacted Budget included a \$60 million Capital Projects appropriation for information technology costs associated with the agency's business process redesign project. The WCB disbursed \$3.1 million in FY 2016, \$3.7 million in FY 2017, \$4.8 million in FY 2018 and is expected to disburse \$2.5 million in FY 2019. The Executive includes no new Capital appropriations. The project is expected to be completed using only remaining reappropriation authority.

Article VII Proposals

The Executive proposes the following Article VII legislation (see additional details in section three of this report)

- Authorizes SIF to invest up to 25 percent of its surplus funds in diversified index funds, with the goal of reducing costs while increasing returns. The SIF would also be allowed to invest up to 25 percent of surplus funds in the equities of American companies rated invested grade, and up to 50 percent of surplus funds in American companies irrespective of securities ratings. According to the Division of the Budget, surpluses are necessary to sustain the solvency of the SIF to payout claims in the event overall claims surpass reserves.
- Permits the New York State Insurance Fund to cancel a workers' compensation policy based on the policyholder's failure to cooperate with a payroll audit.

- Updates the authorization process for medical providers by expanding the types of health care providers to include urgent care settings, nurse practitioners, or medical care provider or supplier and amend the authorization process for those providers. The Executive also makes amendments to expand the WCB ability to remove providers for misconduct and mediate disputes.

Miscellaneous

Office of National and Community Service

The FY 2020 Executive Budget recommends \$30.77 million in appropriation authority, an increase of \$82,000 from the FY 2019 Enacted Budget, reflecting the continuation of funding provided in FY 2019 to support the minimum wage increase.

The Executive Budget recommends a workforce of 10 Full-time Employees, which is unchanged from FY 2019 levels.

Pay For Success Contingency Reserve

The FY 2020 Executive Budget includes \$69 million to continue support of Pay for Success Initiatives, unchanged from FY 2019.

Human Services Proposed Disbursements - All Funds (Thousands of Dollars)				
Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Children and Family Services	3,004,450	2,730,794	(273,656)	-9.11%
Temporary and Disability Assist.	5,300,297	5,187,267	(113,030)	-2.13%
Welfare Inspector General	686	701	15	2.19%
Department of Labor	564,356	555,484	(8,872)	-1.57%
Workers' Compensation Board	199,008	226,439	27,431	13.78%
Division of Veterans' Affairs	17,954	16,028	(1,926)	-10.73%
Division of Human Rights	14,343	14,343	0	0.00%
National and Community Service	16,564	16,571	7	0.04%
Raise the Age	37,000	1	(36,999)	-100.00%
Nonprofit Infrastructure Capital Program	47,500	44,500	(3,000)	-6.32%
Totals:	9,202,158	8,792,128	(410,030)	-4.46%

FACT SHEET: GENERAL GOVERNMENT AND LOCAL ASSISTANCE



Overview

- General Government includes 22 agencies, boards and commissions in addition to General State Charges and Local Government Assistance
- **New York State will not amortize pension costs for FY 2020.** The Executive anticipates paying the full amount of the State's pension obligation in April, 2019 to save \$63.1 million in interest

Executive Program Reductions and Eliminations

- The Executive Budget eliminates Aid and Incentives to Municipalities (AIM) base funding to towns and villages where funding supports less than two percent of their FY 2019 All Funds budget. Although this proposal would not affect the current AIM base funding for cities, it would reduce AIM for towns and villages by a total of \$59 million
- The Executive Budget eliminates Legislative initiatives that provide targeted aid to municipalities

New Programs Proposed by the Executive

- **Make the Property Tax Cap of two percent per annum permanent**
- **Create the Office of Cannabis Management within the Division of Alcoholic Beverage Control to regulate legalized recreational marijuana.**
- Fourth round of funding totaling \$100 million for the Downtown Revitalization Initiative identical to that included in the FY 2017, FY 2018, and FY 2019 Enacted Budgets
- **Simplify Video Lottery Gaming tax rates.** The Executive advances language to simplify and adjust the vendor commission rates at the nine Video Lottery Gaming Facilities for a State Revenue increase of \$5.4 million
- **Election Reform.** The Executive recommends various reforms including early voting, publically financed campaigns, candidate tax return disclosure, a single primary date in June, voter pre-registration for 16, 17 year olds, and electronic poll books
- **Ethics Reform.** The Executive recommends various reforms including a lobbyist code of conduct, increased civil and criminal penalties for lobbyists who fail to file timely lobbying reports or comply with random audits, and an **extension of the lobbying ban to 5 years from 2 years for State officers and employees**

GENERAL GOVERNMENT AND LOCAL GOVERNMENT ASSISTANCE



All Funds Disbursements		
(Millions of Dollars)		
	Estimated FY 2019	Projected FY 2020
Cash	9,809	10,018
Annual Growth Rate	25.0%	2.1%
5 Year Average Growth (Actual)		5.4%

- Data Analytics
- Deferred Compensation Board
- Executive Chamber
- Office of Information Technology
- Office of Lieutenant Governor
- Public Employment Relations Board
- Division of Tax Appeals

Division of Alcoholic Beverage Control

The FY 2020 Executive Budget recommends all funds cash disbursements for the Division of \$11.2 million, a reduction of \$1.2 million or 9.9 percent. The reduction in cash disbursements is in stark contrast to the appropriation authority contained in the State Operations budget. All Funds appropriations are proposed to increase from \$13.3 million in FY 2019 to \$48.7 million in FY 2020, an increase of \$35.4 million or 265.6 percent. The entire increase is due to the creation of the Office of Cannabis Management which will oversee the regulation of Adult Use Cannabis which is proposed in the FY 2020 Executive Budget. At the time of publication, the Division of the Budget did not have an estimate of the number of FTEs that would be hired for the new office. The cash disbursements number in the financial plan does not reflect an accounting of any potential spending for the new office.

The number of FTEs for the Division remains unchanged at 120 from FY 2019.

Article VII Proposals

The Executive Budget proposes Article VII language to create a new Office of Cannabis Management within the Division of Alcoholic

General Government consists of 22 agencies, boards and commissions that provide a diverse array of services. It also includes General State Charges and Local Government Assistance.

The FY 2020 Executive Budget recommends All Funds Cash Disbursements of approximately \$10 billion for General Government Agencies, General State Charges and Local Government Assistance. This represents a year-over-year increase of \$209 million or 2.1 percent over FY 2019 levels. The majority of the increase can be attributed to General State Charges (\$268 million), and The Department of Taxation and Finance (\$10.6 million), The Department of State (\$4.3 million) with offsetting reductions in the Gaming Commission (\$35.6 million) Local Government Assistance (\$21.3 million), and the Office of General Services (\$6.3 million).

The following General Government Agencies are projected to have flat or near flat All Funds cash disbursement growth in FY 2020:

Beverage Control to regulate Adult Use Cannabis in the State. (for a further discussion of the Adult Use Cannabis proposal see the Issues in Focus section on “Recreational Marijuana”)

Audit and Control

The FY 2020 Executive Budget recommends All Funds spending of \$193.1 million for the State Comptroller, a decrease of \$465,000 or 4.4 percent from FY 2019.

This decrease is driven by a \$3.6 million reduction in Capital project funds representing reductions in ongoing costs for the Payserv Payroll System replacement project. This decrease is offset by \$3.1 million in additional personal service costs associated with salary growth.

The Executive requests \$9.2 million in additional fiduciary funding for the Retirement Services Program. The funding would be for additional retirement system staff. This funding would have no impact on OSC’s General Fund or State Operating Funds spending levels since it would be wholly funded from the Common Retirement Fund.

The Executive includes language in the Department’s State Operations appropriations allowing the Comptroller to pre audit State University of New York (SUNY), SUNY Construction, City University of New York (CUNY), and the Office of General Services (OGS). The Auditing criteria include contracts for SUNY and CUNY construction commodities and computer equipment valued above \$250,000, SUNY research foundation contracts in excess of \$1 million, and contracts valued over \$85,000 for OGS centralized contracts. The pre-audit would be required to be completed within 30 days of the initial submission or the contract would automatically be deemed approved by the State Comptroller.

The workforce of 2,663 FTE remains unchanged.

Division of the Budget

The FY 2020 Executive Budget recommends All Funds spending of \$29.6 million, this represents a decrease of \$827,000 or 2.7 percent over FY 2019.

This cash reduction is primarily driven by the elimination of \$527,000 for membership dues to the Council on State Government, National Conference of State Legislators, the National Conference of Insurance Legislators and a one-time legislative addition relating to New York State’s sponsorship of a Council on State Government conference held in New York.

The Executive adds new language within the appropriations providing the Director of the Division of the Budget with authority to transfer appropriations between any State agency or public authority. As in previous years, this authority is reflected throughout the State Operations Budget.

The workforce of 261 FTE remains unchanged.

Department of Civil Service

The FY 2020 Executive Budget recommends an All Funds spending level of \$14.4 million, a \$406,000 or 2.8 percent increase over FY 2019 levels.

The cash increase is driven by a shift of 12 affirmative action administrative personnel to the Department in accordance with Executive Order No. 187 “Ensuring Diversity and Inclusion and Combating Harassment and Discrimination In the Workplace” issued on August 28, 2018.

The Executive also proposes to increase the Aid to Localities appropriation by \$1 million for a total \$2 million appropriation to reimburse eligible

localities for sick leave associated with qualifying World Trade Center health conditions.

The workforce of 362 FTE remains unchanged.

Article VII Proposals

The Executive proposes the following Article VII language. There are no State savings or costs associated with these proposals. (*additional detail is provided under section three of this report*):

- Allow the Department of Civil Service or municipality to establish a continuous civil service eligibility list with open competitive examinations without eligibility restrictions
- Eliminate the requirement that the New York State Department of Civil Service hold an open competitive examination at the same time as the promotional examination in order for non-competitive and labor class employees to compete in a promotional examination
- Expand salary protection to provisional and temporary employees and permanent employees when transferring to lateral positions

Dormitory Authority of the State of New York

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report)

- Amends public authorities law to clarify that Public Authorities Law §1699(6)(b) only applies to health care projects that fall entirely within the scope of the Health Care Financing Consolidation Act wherein DASNY succeeded to the powers and duties of the New York State Medical Care Facilities Finance Agency (MCFFA).
- Permanently authorizes the DASNY to enter into design and construction management

agreements with the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP).

- Authorizes Atlantic Avenue Healthcare Property Holding Corporation (a subsidiary of the Dormitory Authority of the State of New York) to sell, exchange, transfer, lease and convey real property located in Brooklyn, New York

Office of Employee Relations

The FY 2020 Executive Budget recommends All Funds spending of \$6.4 million, an increase of \$2.6 million, or 8 percent over FY 2019.

This large cash increase is primarily driven by a shift of 40 affirmative action administrative personnel FTE to the Department in accordance with Executive Order No. 187 “Ensuring Diversity and Inclusion and Combating Harassment and Discrimination In the Workplace” issued on August 28, 2018.

The workforce of 77 FTE remains unchanged.

Department of Financial Services (DFS)

The FY 2020 Executive Budget recommends All Funds spending of \$368 million, a decrease of \$7.4 million or 2 percent from FY 2019.

Appropriation authority increases by \$8.3 million, from \$433.2 million to \$441.5 million. The increase is primarily driven by personal service salary growth within the Banking and Insurance Administration programs, and upgrades to the Department’s revenue IT systems.

The Executive proposes four new FTE positions relating to the regulation of Pharmacy Benefit Managers (see Article VII HMH Part I) and 10 new FTE relating to Behavioral Health Parity (see Article VII HMH Part BB). This increase is offset

by a \$3.4 million reduction in Healthy NY and Direct Pay spending related to the lapsing of the Entertainment Workers' Subsidy as these functions are transferred to the Health Exchange.

It is unclear why the cash disbursement for DFS does not reflect the proposed appropriation changes. According to the Division of the Budget, there is an error in the cash disbursement shown in the financial plan and it does not reflect the proposed appropriations.

The workforce of 1395 FTE increases by 14 from FY 2019 levels.

Article VII Proposals

The Executive proposes allowing DFS to license and regulate student loan servicers.

Gaming Commission

The FY 2020 Executive Budget recommends All Funds appropriations of \$408.5 million, an increase of \$49 million or 13.6 percent, from FY 2019.

The FY 2020 Executive Budget recommends State Operations appropriations of \$113.5 million, which is unchanged from FY 2019. Due to the Commission's requirement to regulate commercial gaming facilities, the Executive Budget recommends a workforce increase of 19 full-time equivalents from FY 2019's 411 level.

The FY 2020 Executive Budget recommends an appropriation amount of \$295 million for local assistance, an increase of \$49 million or 20 percent. This is primarily due to anticipated repayment of withheld Seneca Nation slot machine revenue.

Commercial and Video Lottery Gaming

As of February 2018, all four Destination Resort Casinos have opened within the Capital, Central,

and Hudson Valley regions of New York as established by the 2013 Gaming Economic Development Act. These casinos pay 80 percent of their tax to Education, with the remaining 20 percent going to host and non-host municipalities. Approximately \$32 million will be disbursed to host and non-host municipalities for FY 2019. This number is projected to increase in FY 2020 as some casinos continue to open ancillary amenities as legalized sports gambling commences. The FY 2020 Executive Budget recommends a local assistance appropriation authority of \$62 million.

The FY 2020 Executive Budget anticipates the Video Lottery Gaming (VLG) program to generate \$950 million under current law, an \$11 million increase from FY 2019, respectively. Proposed Article VII language would increase the VLG anticipated revenue to \$955 million.

Tribal State Compact

The State has exclusivity compacts with Oneida, Seneca, and St. Regis Mohawk Tribe. These exclusivity compacts require the three Nations to remit 25 percent of their slot machine proceeds to the State.

State Finance Law requires the State to share 25 percent of the revenue it receives from Native American casinos with the local host government and an additional 10 percent of the State's share with the non-host counties within the exclusivity zone.

The FY 2020 Executive Budget recommends an appropriation of \$233 million, a \$47 million increase from FY 2019. This is due to the January 2019 arbitration decision that will require the Seneca Nation to repay, and continue to pay, slot machine revenue that they ceased paying in April 2017 due to their interpretation of the Tribal State Compact. A binding repayment plan is expected to be decided by the end of the current fiscal year.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report):

Allow the New York State Thoroughbred Breeding and Development Fund and the Agriculture and New York State Horse Breeding Development Fund to use resources for retired horses

- Allow the Gaming Commission to waive the existing pre-employment restriction banning prospective employees who held a gaming occupational license within the past three years
- Codify a current regulation capping the amount of free play for commercial casinos
- Increase transparency and provide operational flexibility to Off-Track Betting Corps
- Allow for the entry into the Mid-Atlantic Drug Compact in attempt to standardize equine drug testing across state-lines
- Extend the current Advisory Committee on Equine Drug Testing and remove statutory language listing Morrisville College as the only approved equine science program
- Create two classes of casino employees and loosen restrictions on individuals with criminal histories to acquire occupations in the casino industry
- Simplify the current Video Lottery Gaming distribution structure and additional commission provisions. Allocations for Marketing and Capital Awards would no longer be lined out, but be part of a larger Commission fee. Video Lottery Terminal (VLT) rates would no longer be regressively based on revenue, but how they fall into the following four categories:
 - Proximity to a Commercial Gaming Facility
 - Proximity to a Tribal Casino
 - Operated by an Off-Track Betting Corporation
 - Amount of VLTs

See chart below for proposed fiscal impacts to gaming facilities.

PROPOSED FISCAL IMPACTS TO VIDEO LOTTERY GAMING FACILITIES IN FY 2021			
(millions of dollars)			
VENDOR	VLT RATE REFORM	ADDITIONAL COMMISSION REFORM	TOTAL
Batavia	1.7	0.0	1.7
Finger Lakes	0.1	(6.5)	(6.4)
Hamburg	0.6	0.0	0.6
Jake's 58	0.0	0.0	0.0
Monticello	0.0	0.0	0.0
Nassau OTB	0.0	0.0	0.0
Resort's World	0.0	0.0	0.0
Saratoga	1.0	(4.4)	(3.4)
Vernon	0.3	1.9	2.2
Yonkers	0.4	0.0	0.4
TOTAL	\$4.1	(\$9.0)	(\$4.9)

General State Charges (GSC)

The FY 2020 Executive Budget recommends All Funds spending of \$6.8 billion, an increase of \$268.2 million or 4.1 percent.

The Executive Budget includes a \$106.9 million or 2.8 percent increase associated with higher New York State Health Insurance Plan (NYSHIP) costs. This increase is 5.1 percent smaller than projected for FY 2019, when NYSHIP costs increased by \$315 million or 7.9 percent.

The NYSHIP increase is primarily driven by premium rate increases offset by collectively negotiated health insurance contract rate renewal reforms with the unions CSEA, DC37, UUP, PBA, a five year prescription drug contract with CVS Caremark that decreased projected State costs lower than projected medical inflation and enrollment levels. This increase is offset by savings projections associated with Executive proposals regarding changes to future retiree health benefits.

The appropriation to the Employees Health Insurance Fiduciary Fund increases by \$100 million or 25 percent, from \$300 million to \$400 million. There is no cash behind this appropriation. According to the Executive, the purpose for increasing the amount is to provide a safe guard against health insurance claims from the Empire Plan, which is entirely self insured.

The State Workers Compensation costs are increasing by \$100.6 million, or 21.1 percent. This increase is primarily driven by a \$51 million growth in the average weekly wage calculations and additional medical costs associated with medical benefit calculations. The balance of this increase reflects a \$49.5 million reduction in the use of offsetting workers compensation reserve funds that are decreasing to \$50.5 million in FY 2020, down from \$100 million in FY 2019. In FY 2017, the Executive first transferred \$210 million from the Workers' Compensation assessment paid by businesses to General State Charges to finance the Workers' Compensation costs of State employees. The Executive applied \$205 million in FY 2018.

The State will not amortize pension costs in FY 2020. The State's contribution to the pension fund will be prepaid in April 2019, rather than paid in monthly increments, saving the State \$63.1 million in interest costs.

Article VII Proposals

The Executive proposes the following Article VII language (*additional detail is provided under section three of this report*):

- Eliminate reimbursement for Income Related Monthly Adjustment Amounts (IRMAA) tied to Medicare Part B Premiums for seniors defined as being high income taxpayers
- Prohibit a public employer from disclosing home addresses, personal telephone numbers,

- personal cell phone numbers, and personal e-mail addresses of all public sector employees
- Cap reimbursement for the Medicare Part B standard premium at federal 2019 levels and subject future increases to budget negotiations
- Establish market interest rates on court judgments as opposed to the fixed rate of interest established in statute
- Implement multiple tiers of NYSHIP health insurance premium cost sharing for future New York State retirees based upon the number of years of service

The proposals above are incorporated into the GSC appropriation language.

The Office of General Services

The FY 2020 Executive Budget recommends All Funds spending of \$349.2 million, a decrease of \$6.4 million, or 1.8 percent from FY 2019.

This cash decrease is associated with an administrative shift from the General Fund to and Internal Service Fund regarding Business Service Center and operational service center costs. The decrease is offset by additional Capital Project funds of \$25 million to address critical infrastructure needs. Further details on the infrastructure project needs are not currently available.

The workforce of 1,931 remains unchanged.

Article VII Proposals

The Executive proposes the following Article VII language. There are no State savings or costs associated with these proposals. (*additional detail is provided under section three of this report*):

- Extend the Service-Disabled Veteran Owned Business Act for five years
- Give OGS the permanent authority to perform emergency construction without competitive

bidding and increases the threshold to \$2 million

- Make permanent the authority of OGS to provide energy to State agencies, public authorities, and public benefit corporations

Inspector General

The FY 2020 Executive Budget recommends All Funds spending of \$7.49 million, which is an increase of \$60,000, or 0.8 percent. Personal service spending would increase \$48,000, or 0.7 percent. Non-personal service spending would increase \$12,000, or 1.5 percent.

The appropriations include new interchange and transfer authority language that would greatly expand the authority of the Executive, through the Director of the Budget, to change appropriations at will after the budget is passed. The appropriations additionally provide new language allowing funds to be used to pre-audit certain contracts of SUNY and the SUNY Construction Fund, CUNY and the CUNY Construction fund, and the SUNY Research Foundation. Such pre-audits would be required to be completed within 30 days.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report)

- Expands oversight by the State Inspector General (IG) to include certain nonprofit organizations and foundations affiliated with SUNY or CUNY
- Expands oversight by the State IG beyond State employees to include parties who contract with the State in any State procurement
- Authorizes and requires the State IG to implement and enforce financial control

policies at certain SUNY and CUNY affiliated nonprofit organizations and foundations

- Provides for a study of the feasibility of assigning a single payee identifying code for all contractors, vendors and other payees to facilitate tracking of such entities and State expenditures
- Creates a Chief Procurement Officer in the Executive Chamber to be the principal officer tasked with oversight over state procurements

Joint Commission on Public Ethics

The FY 2020 Executive Budget recommends All Funds spending of \$5.6 million, which is an increase of \$54,000, or 1.0 percent. Personal service spending would increase \$35,000, or 0.8 percent. Non-personal service spending would increase approximately \$19,000, or two percent.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report):

- Requires lobbyists to report contributions raised from others or by the lobbyist, where the contributions are to a candidate or political action committee.
- Prohibits individuals engaged in lobbying an elected official from performing political consulting for that official. Prohibits individuals engaged in political consulting services for an elected official or candidate from lobbying that official or candidate.
- Requires certain charitable non-profit entities disclose donations to JCOPE, and authorize the Executive Director of JCOPE to issue exemptions to such disclosure.
- Imposes civil and criminal penalties on lobbyists who fail to file timely lobbying report or don't comply with a random audit.
- Extends existing two year lobbying ban for state officers and employees to five years.
- Requires various local officials, including those elected officials earning more than \$50,000 per year, to be subject to the JCOPE financial disclosure filing requirements.
- Establishes lobbyist code of conduct.

Legislature

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report)

- Would eliminate the legislative section of the freedom of information law (FOIL) and subject legislative records to agency record access provisions.

Local Government Assistance

The FY 2020 Executive Budget recommends All Funds cash disbursements of \$743.5 million, a reduction of \$21.3 million or 2.79 percent from FY 2019.

Aid and Incentives for Municipalities (AIM)

The AIM program was created in 2006, to consolidate several unrestricted aid programs referred to as revenue sharing for cities, towns, and villages. The Executive proposes \$656 million in AIM base level grants to local governments, which is a decrease of \$59 million or 8 percent from FY 2019. This proposal would not affect the current AIM base funding for cities.

According to the Executive, towns and villages that would be affected by the implementation of the proposal, have collectively, close to \$1.6 billion in reserves and would continue to be able to apply state grants and programs including Local Government Efficiency Grants and Citizen Empowerment Tax Credits.

AIM DISTRIBUTION	FY 2019	FY 2020
Big Four Cities	\$ 429	\$ 429
Other Cities	\$ 218	\$ 218
Towns and Villages	\$ 68	\$ 8
Restructuring/Efficiencies	\$ 9	\$ -
Total (in millions)	\$ 724	\$ 655

Legislative Initiatives Eliminated:

- Onondaga County - \$2,000,000
- Niagara County Industrial Development Agency - \$1,600,000
- Town of Ashford - \$500,000
- Village of Brockport - \$210,000
- City of Cortland - \$200,000
- City of Oneonta - \$200,000
- Village of Delhi - \$200,000
- Village of New Paltz - \$200,000
- Town of Vestel - \$150,000

- Village of Cobleskill - \$100,000
- City of Binghamton - \$50,000
- Village of Woodbury - \$27,000
- Village of South Blooming Grove - \$19,000
- Village of Sagaponack – \$2,000

Grants for non-payment of property taxes from the Cayuga and Mohawk Indian nations:

- Seneca County - \$340,000
- Franklin County - \$310,000
- Cayuga County - \$92,500

Downtown Revitalization:

The Executive Budget proposes a fourth round of funding totaling \$100 million for downtown revitalization initiatives financed through the Department of State. The downtown revitalization program was first proposed in FY 2017 and continued in FY 2019. The purpose of these grants is to make payments to local governments and other municipal entities for downtown development projects for transformative housing, economic development, transportation and community projects designed to increase the property tax base.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report)

- Extend binding arbitration for certain local police and fire organizations until July 1, 2024.
- Eliminate the sunset from the property tax cap and make the tax cap permanent.
- Extend the authorization for eight municipalities to operate red light cameras until December 1, 2024. These municipalities include the cities of Albany, Mt. Vernon, New

Rochelle, New York, White Plains, Yonkers and the counties of Nassau and Suffolk.

- Eliminate AIM base funding to towns and villages where funding supports less than two percent of their FY 2019 All Funds budget. This proposal would reduce spending for local government assistance by \$59 million. This proposal would not affect the current AIM base funding for cities.
- Provide Nassau County with the local option to phase-in any effects on assessment changes and tax bills charges on class one properties (one, two and three family homes) over a five-year period. These changes would be reflected on FY 2020-2021 assessment roll for properties that would be facing tax increases.

State Board of Elections (BOE)

The FY 2020 Executive Budget recommends All Funds spending of \$15.4 million, which is an increase of \$1.4 million, or 10.0 percent. Personal service spending would increase \$385,000, or 6.0 percent. Of this, \$240,000 is from federal funds. Non-personal service spending would increase \$815,000, or 11 percent. Of this, \$650,000 is from federal funds. General State charges would increase \$150,000 or 50 percent.

The FY 2019 Budget included a \$5 million appropriation to fund the creation of an election support center, development of an elections cyber security support toolkit, and related vulnerability assessments and support for local board of elections. It also included a \$23 million appropriation for federal grants to enhance election technology and improve the security of elections. The 10 percent increase in spending is largely due to spending from these one-time appropriations.

Article VII Proposals

The Executive proposes the following Article VII language (see additional detail in section three of this report):

- Requires five previous years of federal and state tax returns be provided 60 days before a general election for public disclosure.
- Creates taxpayer funded campaign finance system.
- Establishes Early Voting for 12 days prior to elections.
- Sets single date for primaries.
- Treats limited liability corporations as corporations for contribution limits.
- Establishes system of automatic voter registration at various state agencies.
- Requires employers provide employees up to three hours paid time off to vote.
- Requires polls be open from six a.m. to nine p.m. for primary elections.
- Allows 16 and 17 year olds to pre-register to vote.
- Prohibits campaign contributions by persons or entities actively bidding for government procurement contracts.
- Allows for transfer of voter registration when voter moves across counties.
- Prohibits loans to candidates or political committees by lobbyists, political action committees, labor unions, and independent expenditure committees.
- Authorizes use of electronic poll books.
- Prohibits employee of elected official from volunteering for the official's campaign.
- Requires all drivers be registered voters, unless they opt out.

Concurrent Resolutions to Amend Constitution

The Executive proposes the following concurrent resolution (see additional detail in section three of this report)

- Allows for same-day voter registration, and eliminates current requirement that voters be registered at least 10 days prior to election.
- Same day voter registration
- Eight Year Term Limits

Department of State

The FY 2020 Executive Budget recommends All Funds spending of \$143.7 million, an increase of \$4.3 million or 3.1 percent from FY 2020.

- Local Assistance spending would increase \$8.6 million, or 12 percent.
- State operating spending would decrease \$3.3 million, or 4.8 percent.
- Capital projects spending would decrease \$767,000, or 27.7 percent.

The projected cash spending is supported by \$252.3 million in appropriation authority, a decrease of \$1.4 million or 0.6 percent from FY 2019.

The Executive Budget requests 40 new full time equivalent (FTEs) in the Business and Licensing Program and increases appropriations for that program by \$3.4 million to pay for the increase. These 40 new FTEs would be work in a call center housed at the Department of State to handle calls relating to business and licensing matters. Currently, these calls are handled by a larger call center at the Department of Tax and Finance, which provides call center services for various agencies.

The capital budget includes \$100 million in funding for a Downtown Revitalization Round IV and \$2 million in cemetery vandalism maintenance funding. \$939,000 of cemetery maintenance funding was included in the aid to localities budget in FY2019, and was shifted to the capital budget in this year's budget.

The Executive Budget recommends reducing funding for the Office of New Americans by \$5 million, or 56.3 percent.

Article VII Proposals

The Executive proposes the following Article VII language (*additional detail is provided under section three of this report*):

- Extend for one year the authority of the Secretary of State to charge increased fees for expedited handling of documents
- Place responsibility for mailing a copy of service of process on plaintiffs rather than the Department of State (DOS).

Statewide Financial System (SFS)

The FY 2020 Executive Budget recommends no changes for the State Operations of SFS.

The Executive Budget includes a \$10 million Capital Project appropriation increase for enterprise technology and financial application investments for the SFS. This appropriation is located within the Office of Information Technology Capital Projects appropriations.

Department of Tax and Finance

The FY 2020 Executive Budget recommends All Funds spending of \$370.1 million, an increase of \$10.5 million or 3 percent.

The cash increase is attributable to additional funding for personal and non-personal service within the Audit and Enforcement Program to create 100 new auditor and 10 IT specialist FTE positions. The auditors would be tasked with reducing and denying fraudulent tax returns before tax refunds are issued by the State and to help recoup fraudulent returns after they have been filed and processed. The Executive estimates that the State fiscal savings derived from the new

auditor positions would be \$120 million fully analyzed.

Appropriation authority is increased by \$3.2 million, or 0.7 percent. The increase is driven \$8.2 million for the creation of the aforementioned auditor positions and offset by a \$5 million decrease resulting from the deactivation of equitable sharing appropriations. The sharing appropriations were created in FY 2019 to account for a new federal law mandating an equitable sharing fund change. The transition of the funds is now complete, negating the appropriations need.

The workforce of 4,085 FTEs increases by 110, or 2.8 percent, above FY 2019 levels.

Article VII Proposals

The Executive proposes language to avoid large tax shifts due to large equalization rate changes by allowing localities to apportion taxes based on the average property values over either a three or five year period. This will “smooth” the large equalization change over several years instead of having a large taxation shift in one year. The proposal will also allow the Department of Taxation and Finance to establish a final level of assessment without having to post a tentative level of assessment if both the Department and the local assessor agree upfront on the level of assessment.

The Executive proposes language to make the administration of property taxes more efficient by:

- Allowing local governments to provide lower assessments when a disaster is declared by the Governor without having to wait for the Legislature to pass legislation allowing such lower assessments. The proposal also delineates the amounts assessments can be reduced based on the amount of damage that is done to the property

- Allowing assessing units to give permission to the County to choose members of the Board of Assessment Review.
- Allowing the Department of Taxation and Finance (DTF) to approve assessor training classes without obligating themselves to pay for the expenses of the attendees
- Allowing the DTF to send certain notices, which currently must be done by postal mail, by email or by posting on the Department's website
- Moving the valuation date of special franchise property of utility companies from July 1 to January 1 to avoid burdensome supplemental revaluations
- Requiring electric generating facilities to file an informational report showing the inventory, revenue, and expenses associated with such property. This is intended to ease the process in which DTF values such property when requested by a local assessing unit.
- The Executive proposes language to repeal outdated reporting language by localities from the now expired tax freeze credit program.
- The Executive proposes to exempt specific energy systems from property taxes. Examples of exempt energy systems would include a solar/wind energy system, farm waste energy system, or a fuel cell electric generating system. Localities would be impacted through a reduction in real property tax receipts.

**General Government and Local Government Assistance
Proposed Disbursements - All Funds
(Thousands of Dollars)**

Agency	Estimated FY 2019	Proposed FY 2020	Change Amount	Percent
Alcoholic Beverage Control	12,483	11,244	(1,239)	-9.93%
Audit and Control	193,535	193,070	(465)	-0.24%
Deferred Compensation Board	846	891	45	5.32%
Division of the Budget	30,423	29,596	(827)	-2.72%
Civil Service	13,945	14,351	406	2.91%
State Board of Elections	14,077	15,427	1,350	9.59%
Office of Employee Relations	3,863	6,444	2,581	66.81%
Executive Chamber	13,578	13,578	0	0.00%
Financial Services	375,403	368,000	(7,403)	-1.97%
Gaming Commission	243,212	207,583	(35,629)	-14.65%
Office for Technology	659,922	654,318	(5,604)	-0.85%
Office of the Lt. Governor	614	614	0	0.00%
Office of General Services	355,614	349,275	(6,339)	-1.78%
General State Charges	6,577,707	6,845,916	268,209	4.08%
Office of the Inspector General	7,427	7,487	60	0.81%
Commission on Public Integrity	5,576	5,630	54	0.97%
Local Government Assistance	764,887	743,561	(21,326)	-2.79%
Public Empl. Relations Board	3,604	3,634	30	0.83%
Department of State	139,394	143,700	4,306	3.09%
Statewide Financial System	30,382	30,506	124	0.41%
Taxation and Finance	359,496	370,142	10,646	2.96%
Division of Tax Appeals	3,040	3,040	0	0.00%
Totals:	9,809,028	10,018,007	208,979	2.13%

FY 2020 Executive Budget All Funds Receipts (Millions of Dollars)

	Projected FY 2019	Proposed FY 2020	Change	Percent Change
Personal Income Tax	50,144	53,014	2,870	5.7%
User Taxes and Fees				
Sales and Use	15,212	16,033	821	5.4%
Cigarette and Tobacco	1,112	1,048	(64)	-5.8%
Motor Fuel Tax	531	515	(16)	-3.0%
Alcoholic Beverage	262	265	3	1.1%
Vapor Excise Tax	-	10	10	100.0%
Medical Marihuana Excise Tax	4	4	0	0.0%
Adult Use Cannabis Tax	-	0	-	n/a
Highway Use tax	144	142	(2)	-1.4%
Auto Rental Tax	130	95	(35)	-26.9%
Taxicab Surcharge	50	-	(50)	-100.0%
Total	17,445	18,112	667	3.8%
Business Taxes				
Corporation Franchise	3,977	4,362	385	9.7%
Corporation and Utilities	685	710	25	3.6%
Insurance	1,816	2,307	491	27.0%
Bank Tax	123	71	(52)	-42.3%
Petroleum Business	1,143	1,161	18	1.6%
Total	7,744	8,611	867	11.2%
Other Taxes				
Estate and Gift	1,056	1,074	18	1.7%
Employer Compensation Expense Program	-	2	2	
Real Estate Transfer	1,130	1,148	18	1.6%
Pari-Mutuel	15	15	0	0.0%
Other	3	3	0	0.0%
Total	2,204	2,242	38	1.7%
Total Taxes	77,537	81,979	4,442	5.7%
Miscellaneous Receipts	29,614	27,158	(2,456)	-8.3%
Total Receipts	107,151	109,137	1,986	1.9%
Federal Grants	62,809	63,772	963	1.5%
Total Receipts and Federal Grants	169,960	172,909	2,949	1.7%
<i>Source: New York State Division of the Budget.</i>				

FY 2020 Executive Budget General Fund Receipts (Millions of Dollars)

	Projected FY 2019	Proposed FY 2020	Change	Percent Change
Personal Income Tax				
Withholding	40,982	42,854	1,872	4.6%
Estimated Payments	16,256	17,472	1,216	7.5%
Final Returns	2,629	2,748	119	4.5%
Other Payments	1,500	1,564	64	4.3%
Gross Collections	61,367	64,638	3,271	5.3%
STAR Special Revenue Fund	(2,424)	(2,186)	238	-9.8%
Refunds	(10,050)	(10,625)	(575)	5.7%
Revenue Bond Tax Fund	(25,072)	(26,507)	(1,435)	5.7%
City/State Offsets	(1,173)	(999)	174	-14.8%
Net Collections	22,648	24,321	1,673	7.4%
User Taxes and Fees				
Sales and Use	7,120	7,506	386	5.4%
Cigarette/Tobacco	327	312	(15)	-4.6%
Alcoholic Beverage	262	265	3	1.1%
Total	7,709	8,083	374	4.9%
Business Taxes				
Corporate Franchise	3,157	3,510	353	11.2%
Corporate Utilities	515	537	22	4.3%
Insurance	1,622	2,056	434	26.8%
Bank	102	60	(42)	-41.2%
Total	5,396	6,163	767	14.2%
Other Taxes				
Estate and Gift	1,056	1,074	18	1.7%
Employer Compensation Expense Program	-	2	2	n/a
Pari-mutuel	15	15	0	0.0%
Other	3	3	0	0.0%
Total	1,074	1,094	20	1.9%
Total Tax Collections	36,827	39,661	2,834	7.7%
Miscellaneous Receipts	3,109	2,071	(1,038)	-33.4%
Total Receipts	39,936	41,732	1,796	4.5%

Source: New York State Division of the Budget.

FY 2020 Executive Budget All Funds Receipts (Millions of Dollars)

	Proposed FY 2020	Proposed FY 2021	Change	Percent Change
Personal Income Tax	53,014	55,754	2,740	5.2%
User Taxes and Fees				
Sales and Use	16,033	16,787	754	4.7%
Cigarette and Tobacco	1,048	989	(59)	-5.6%
Motor Fuel Tax	515	515	-	0.0%
Alcoholic Beverage	265	269	4	1.5%
Vapor Excise Tax	10	39	29	100.0%
Medical Marihuana Excise Tax	4	4	-	0.0%
Adult Use Cannabis Tax	-	83	83	n/a
Highway Use tax	142	143	1	0.7%
Auto Rental Tax	95	109	14	14.7%
Total	18,112	18,938	826	4.6%
Business Taxes				
Corporation Franchise	4,362	4,605	243	5.6%
Corporation and Utilities	710	717	7	1.0%
Insurance	2,307	2,354	47	2.0%
Bank Tax	71	-	(71)	-100.0%
Petroleum Business	1,161	1,108	(53)	-4.6%
Total	8,611	8,784	173	2.0%
Other Taxes				
Estate and Gift	1,074	1,135	61	5.7%
Employer Compensation Expense Program	2	8		
Real Estate Transfer	1,148	1,183	35	3.0%
Pari-Mutuel	15	15	-	0.0%
Other	3	3	-	0.0%
Total	2,242	2,344	96	4.5%
Total Taxes	81,979	85,820	3,835	4.7%
Miscellaneous Receipts	27,158	24,707	(2,451)	-9.0%
Total Receipts	109,137	110,527	1,390	1.3%
Federal Grants	63,772	64,460	688	1.1%
Total Receipts and Federal Grants	172,909	174,987	2,078	1.2%

Source: New York State Division of the Budget.

FY 2020 Executive Budget General Fund Receipts (Millions of Dollars)

	Proposed FY 2020	Proposed FY 2021	Change	Percent Change
Personal Income Tax				
Withholding	42,854	44,493	1,639	3.8%
Estimated Payments	17,472	18,199	727	4.2%
Final Returns	2,748	2,908	160	5.8%
Other Payments	1,564	1,661	97	6.2%
Gross Collections	64,638	67,261	2,623	4.1%
STAR Special Revenue Fund	(2,186)	(2,073)	113	-5.2%
Refunds	(10,625)	(10,383)	242	-2.3%
Revenue Bond Tax Fund	(26,507)	(27,877)	(1,370)	5.2%
City/State Offsets	(999)	(1,124)	(125)	12.5%
Net Collections	24,321	25,804	1,483	6.1%
User Taxes and Fees				
Sales and Use	7,506	7,862	356	4.7%
Cigarette/Tobacco	312	298	(14)	-4.5%
Alcoholic Beverage	265	269	4	1.5%
Total	8,083	8,429	346	4.3%
Business Taxes				
Corporate Franchise	3,510	3,717	207	5.9%
Corporate Utilities	537	541	4	0.7%
Insurance	2,056	2,101	45	2.2%
Bank	60	-	(60)	-100.0%
Total	6,163	6,359	196	3.2%
Other Taxes				
Estate and Gift	1,074	1,135	61	5.7%
Employer Compensation Expense Program	2	8	6	300.0%
Pari-mutuel	15	15	-	0.0%
Other	3	3	-	0.0%
Total	1,094	1,161	67	6.1%
Total Tax Collections	39,661	41,753	2,092	5.3%
Miscellaneous Receipts	2,071	2,049	(22)	-1.1%
Total Receipts	41,732	43,802	2,070	5.0%
<i>Source: New York State Division of the Budget.</i>				

FY 2020 Executive's Tax and Revenue Action Proposals				
(Millions of Dollars)				
	FY 2020	FY 2021	FY 2022	FY 2023
Revenue Reductions				
Create the New York State Employer-Provided Child Care Credit	\$0	\$0	(\$1)	(\$1)
Create the Employer Recovery Hiring Tax Credit	\$0	\$0	(\$2)	(\$2)
Extend Clean Heating Fuel Credit for Three Years	\$0	\$0	(\$6)	(\$6)
Extend Workers with Disability Credit for Three Years	\$0	(\$4)	(\$4)	(\$4)
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0
Make Technical Changes to the Farm Workforce Retention Credit	\$0	\$0	\$0	\$0
Make the Property Tax Cap Permanent	\$0	\$0	\$0	\$0
Expand the Current Historic Rehabilitation Credit	\$0	\$0	\$0	\$0
Expand the Employee Training Incentive Program (ETIP) Credit	\$0	\$0	\$0	\$0
Decouple the Taxability of State Incentives	\$0	\$0	\$0	\$0
Decouple from IRC Federal Basis for New York State Manufacturing Test	\$0	\$0	\$0	\$0
Total Revenue Reductions	\$0	(\$4)	(\$13)	(\$13)
Tax, Fee, Revenue Increases				
Extend the Millionaires Tax Five Years	\$771	\$3,560	\$4,799	\$5,487
Extend Personal Income Tax Limitation on Charitable Contributions for Five Years	\$0	\$86	\$175	\$180
Close the Carried Interest Loophole	\$0	\$0	\$0	\$0
Nonresident New York State Gambling Winnings	\$0	\$1	\$1	\$1
Discontinue the Energy Services Sales Tax Exemption	\$96	\$128	\$128	\$128
Enact the Cannabis Regulation and Taxation Act	\$0	\$83	\$85	\$141
Enact a Comprehensive Tobacco Control Policy	\$2	\$19	\$19	\$19
Impose a Supplemental Auto Rental Tax Surcharge outside the MCTD	\$11	\$22	\$22	\$22
Expand the New York State Bottle Bill Program	\$0	\$18	\$20	\$20
Make the Waste Tire Fee Permanent	\$18	\$24	\$24	\$24
Impose Penalty on the Use of Lead Paint	\$1	\$1	\$1	\$1
Simplify Video Lottery Gaming (VLG) Rate and Additional Commission Provisions	\$5	\$5	\$5	\$5
Impose a Statutory Cap on Casino Free Play	\$0	\$6	\$0	\$0
Extend Certain Tax Rates and Certain Simulcast Provisions for Five Years	\$0	\$0	\$0	\$0
Impose Bus Inspection Fee	\$1	\$2	\$2	\$2
Increase Notice of Violation Fine	\$3	\$5	\$5	\$5
Increase Indigent Legal Services Fund Support	\$66	\$66	\$66	\$66
Recognize Value of State Assets	\$5	\$10	\$30	\$30
DOT Fiber Optic State Right of Way	\$15	\$30	\$50	\$50
Additional Biannual Attorney Reregistration Fee- \$50	\$0	\$0	\$0	\$0
Criminal Background Check Fee Increase- \$25	\$0	\$0	\$0	\$0
Student Loan Servicer Registration Fee- \$750	\$0	\$0	\$0	\$0
Total Tax Increases	\$994	\$4,066	\$5,432	\$6,181
Enforcement Actions				
Increase Tax Return Audits	\$12	\$120	\$120	\$120
Internet Sales Tax Collection Expansion	\$125	\$250	\$250	\$250
Extend Tax Preparer Penalties for Five Years	\$14	\$18	\$18	\$18
Improve STAR Credit Notifications	\$0	\$0	\$0	\$0
Require Mobile Home Park Reporting to DTF	\$0	\$0	\$0	\$0
Allow Disclosure of Certain Information on Co-op Information Returns	\$0	\$0	\$0	\$0
Permanently Extend DTF Authorizations to Manage Delinquent Sales Tax Vendors	\$0	\$0	\$0	\$0
Make e-File Mandate Permanent	\$0	\$0	\$0	\$0
Extend Sales Tax Exemption Related to the Dodd-Frank Act	\$0	\$0	\$0	\$0
Codification of GILTI Taxation Rules	\$0	\$0	\$0	\$0
Extend Three-Year Gift Addback and Require Binding New York State QTIP Election	\$0	\$0	\$0	\$0
Technical Correction to New York City Enhanced Circuit Breaker	\$0	\$0	\$0	\$0
Total Enforcement Actions	\$151	\$388	\$388	\$388
Total Revenue Actions Before Cash Flow Changes	\$1,145	\$4,454	\$5,820	\$6,569
Cash Flow Changes				
Cap Annual Growth in STAR Exemption Benefits at Zero Percent*	(\$60)	(\$119)	(\$175)	(\$238)
Lower Basic STAR Exemption Income Eligibility Requirement*	(\$125)	(\$122)	(\$119)	(\$116)
Total Off Budget Spending Shifts	(\$185)	(\$241)	(\$294)	(\$354)
Net Total Revenue Actions	\$960	\$4,209	\$5,513	\$6,202

* This represents a shift from spending to an increase in personal income tax refunds, and does not include an estimated \$46 million in lost benefits to taxpayers who do not elect to make switch to the STAR PIT credit.

RECEIPTS, TAXES AND FEES



The FY 2020 Executive Budget contains a number of tax and revenue related proposals, tax decreases and revenue enhancements. The following is a list of those proposals:

Personal Income Tax

Close the Carried Interest Loophole

The Executive proposes to close the so called carried interest loophole, under which the compensation of managers or partners of hedge funds is treated as capital gains, rather than as income.

Under this proposal, this compensation would be reclassified as income, and subject to a 17 percent “fairness fee”. This fee would remain in place until the Federal government classifies this type of compensation in a similar way to this proposal. This proposal would not go into effect until Connecticut, New Jersey, Massachusetts, and Pennsylvania enact “substantially similar” legislation. Thus far only New Jersey has enacted “substantially similar” legislation.

The Executive estimates that if this proposal were to take effect, State revenue would increase by \$1.1 billion.

Extend the Millionaires Tax

The Executive proposes to extend the temporary high income tax surcharge for an additional five years, through tax year 2024. The tax rate will remain the same at 8.82 percent for married taxpayers with incomes exceeding \$2,155,350, for heads of household taxpayers with incomes exceeding \$1,616,450, and for single taxpayers

with incomes exceeding \$1,077,550. The Executive estimates this proposal will increase revenues by \$771 million in FY 2020, \$3.6 billion in FY 2021, \$4.8 billion in FY 2022, and \$5.5 billion in FY 2023.

Clarify Calculation of New York City Enhanced Real Property Tax Circuit Breaker Credit

This proposal would make a technical correction to the calculation of the New York City Enhanced Real Property Tax Circuit Breaker Credit. The law currently states how the credit will be calculated in years after 2013 and before 2016, but does not state how the credit should be calculated in subsequent years prior to the credit sunset in 2020.

This proposal clarifies that the credit continue to be calculated in the same way it was prior to 2016.

Include Certain Gambling Winnings in Nonresident NY Income

The Executive proposes to include gambling winnings above \$5,000 in the definition of nonresident New York source income, and would subject these gambling winnings to withholding. The Executive estimates that this proposal would increase revenue by \$1 million annually starting in FY 2021.

Extend PIT Limitation on Charitable Contributions for Five Years

The Executive proposes to extend the current limitations on the itemized deductions for

Personal Income Tax for five years. First enacted in 2009 and 2010, current law provides that for taxpayers with a New York adjusted gross income (NYAGI) between \$1 million and \$10 million, the New York itemized deduction is limited to 50 percent of the Federal deduction for charitable contributions. Taxpayers with a NYAGI over \$10 million have their New York itemized deduction limited to 25 percent of the federal deduction for charitable contributions. The 25 percent limitation for taxpayers with a NYAGI of over \$10 million is set to expire at the end of 2019. This proposal also makes conforming changes to the New York City administrative code. The Executive estimates this proposal will increase revenues by \$86 million in FY 2021 and \$175 million in FY 2022, and \$180 million in FY 2023.

Business Taxes

Expand the Employee Training Incentive Program Credit

The Executive proposes to expand the Employee Training Incentive Program (ETIP) Credit by allowing for training provided by the business entity, and internships in software development or clean energy to qualify. According to the Executive, the credit is underutilized, and this proposal would incentivize greater use by employers.

Provide a Sourcing Rule for GILTI Apportionment

The Executive proposes to provide a statutory sourcing rule for global intangible low taxed income (GILTI). As there is currently no sourcing rule in law, the Commissioner of Taxation and Finance has the authority to establish a sourcing rule administratively. This proposal would codify the current administrative sourcing rule, which states that the entire net amount of GILTI be

included in the denominator of the apportionment fraction.

Prior to the Tax Cuts and Jobs Act of 2017, GILTI was not taxable in New York. However, due to a technical drafting error at the Federal level, where the existing Section 951a of the Internal Revenue Code was replaced by a new Section 951A, this income is now taxable in New York. This proposal does not address this unintentional change of taxation.

This proposal would apply to taxable years beginning on or after January 1, 2018.

Decouple from IRC Federal Basis for New York State Manufacturing Test

The Executive proposes to decouple from the Federal adjusted basis for determining if a property qualifies as qualified New York manufacturing property. Currently, a taxpayer qualifies as a New York manufacturer if all of its manufacturing property is located in New York, or if its manufacturing property on an adjusted basis for Federal tax purposes is valued at greater than a million dollars. This proposal would change the valuation of the manufacturing property for the purpose of qualification from the Federal tax basis to the New York State tax basis.

Expand the Historic Rehabilitation Credit

The Executive proposes to expand the qualification of properties eligible for the Historic Rehabilitation Credit to include properties located in all State parklands. Currently, in order for a property to qualify for this credit, the eligible rehabilitation project must be located in a census tract identified as being below the median family income. This proposal would allow for projects within parklands that are leased to private entities to utilize the credit. This is meant to encourage

investment in projects requiring rehabilitation in areas that are currently ineligible for the credit.

Enact Employer Recovery Hiring Tax Credit

The Executive proposes to create a new tax credit to encourage employers to hire individuals in recovery from substance abuse disorders. This credit would be administered by the Office of Alcoholism and Substance Abuse Services. The credit would provide for one dollar per hour worked, with a minimum of 500 hours worked per employee with a cap of 2,000 hours. The credit would reduce State revenue by \$2 million annually beginning in FY 2022.

Exclude from Entire Net Income Certain Contributions to the Capital of a Corporation

The Executive proposes to decouple from the Federal tax treatment of grants from government entities by excluding these grants from New York entire net income of the corporation. The Federal Tax Cuts and Jobs Act of 2017 changed the treatment of government grants, by making them taxable. This proposal would make New York State's treatment of grants consistent with the pre Federal tax reform treatment.

Enact the New York State Employer Provided Child Care Credit

The Executive proposes to create a new tax credit for employers who qualify for the Federal Employer Provided Child Care Credit. The Federal credit is available to employers who provide child care services to their employees, or who pay for referral services for child care on behalf of their employees. The proposed New York credit would be equal to 100 percent of the Federal credit.

Individual credits shall not exceed \$150,000 annually, and would be available after January 1,

2020. The Executive estimates that this will reduce State revenue by \$1 million starting in FY 2022.

Extend the Workers with Disabilities Credit

This proposal would extend the Corporate and Personal Income Tax Workers with Disabilities Credit for three years. This credit is currently set to sunset on January 1, 2020, and goes to companies who employ individuals with developmental disabilities. This proposal would decrease revenue by \$4 million annually from FY 2021 through FY 2024.

Expand Farm Workforce Retention Credit

The Executive proposes to make technical changes to the Farm Workforce Retention Credit by transitioning from the Federal definition of agricultural work to the State definition that is used for the Agricultural Property Tax Credit. This would make the credit available for additional employees that do agricultural work, such as Christmas tree production, maple syrup production, and for employees of a farm cidery or farm winery. Special rules would also be added for farm cideries and farm wineries who also have operational space (such as a tasting room) outside the boundary of the qualified farm.

Clean Heating Fuel Tax Credit Extension

The Executive proposes to extend the credit for purchasing bioheating fuel until December 31, 2022. The current credit expires December 31, 2019. The credit is equal to \$0.01 per percent of biodiesel mixed into home heating oil, not to exceed \$0.20 per gallon. In order to be eligible for the credit each gallon of clean heating fuel must be at least 6 percent biodiesel.

This credit does not take into account the bioheating fuel mandates that exist in New York City, Long Island and Westchester County. These localities are already mandated to have at least a five percent biodiesel blend in their heating oil. This proposal does not address this fact and would continue to give the credit on the mandated portion of the fuel.

The Executive estimates this proposal would not reduce revenues by a significant amount.

Repeal the License Fee on Certain Co-Ops

The Executive proposes to eliminate the \$10 fee paid in lieu of taxes paid by cooperative corporations and rural electric cooperatives. According to the Executive, this fee is not cost effective, as filing and processing forms related to this fee are time consuming and not worth the de minimis amount of revenue received from the fee.

Sales Tax

Internet Sales Tax Collection

The Executive proposes requiring marketplace providers to collect sales and use tax on all taxable sales they facilitate.

Currently, if a seller has nexus with New York State, it is generally the responsibility of the seller to collect the required sales tax. However, if the seller does not have nexus with the State and does not collect sales tax, the responsibility to pay the sales tax falls to the purchaser. Marketplace providers facilitate sales from sellers who may or may not have nexus with the State. Currently, the Marketplace providers are not required to collect sales tax on sales facilitated through their website.

Under this proposal, a marketplace provider that has nexus with the State would be required to collect sales tax on every sale that is transacted on

their site, regardless of whether or not the seller has nexus with the State.

The Executive estimates this proposal would generate \$125 million in FY 2020 and \$250 million annually thereafter.

Impose a Sales Tax on Vapor Products

The Executive proposes to regulate and tax “Vapor” products in a similar manner as cigarettes. Vapor products are defined as “any noncombustible liquid or gel, regardless of the presence of nicotine” to include electronic cigarettes and cigars, hookah pens, and any similar devices. This proposal would require vapor products to be treated as cigarettes regardless of the nicotine content.

The new Vapor products tax would be assessed at 20 percent of the sales price.

The proposal also increases the minimum age to purchase cigarettes and tobacco products to 21 years of age and creates a minimum age to purchase vapor products of 21 years of age.

The proposal requires that any person that sells vapor products must be registered with the state and pay a \$300 per location annual registration fee.

The Executive estimates this proposal would increase All Funds revenues by \$2 million in FY 2020 and \$19 million annually thereafter. The increase in the minimum purchase age of cigarettes and tobacco products is estimated to reduce cigarette taxes by \$8 million annually. For a further discussion of this proposal please see “Health – Medicaid-Aging” in section one of this publication.

Dodd-Frank Sales Tax Exemption

The Executive proposes extending a temporary sales tax exemption for purchase transactions which become taxable as a result of the implementation of the Dodd-Frank Act; the exemption authorization is set to expire June 30, 2019 with all covered transactions being completed no later than June 30, 2024. This proposal would extend the purchase exemption to June 30, 2021 with all covered transactions being completed no later than June 30, 2024.

The Executive estimates this proposal would not reduce revenues by a significant amount.

Discontinue the Energy Services Sales Tax Exemption

The Executive proposes repealing the sales tax exemption on the transportation and delivery of gas and electricity when sold by an energy service company (ESCO) to a commercial purchaser. To qualify for the current exemption the commodity must be sold separately from delivery.

The Executive believes that this sales tax exemption is no longer needed as competition among ESCOs has increased. The Executive projects that this part would increase All Funds receipts by \$96 million in FY 2020 and \$128 million annually thereafter.

Supplemental Auto Rental Surcharge for Upstate Counties

The Executive proposes adding an additional five percent surcharge on every car rental outside of the Metropolitan Commuter Transportation District (MCTD). The revenues generated would be deposited in the Public Transportation Systems Operating Assistance Account (PTOA) for the benefit of transit systems outside of the MCTD. The tax would be imposed in every county outside

of the MCTD even though not every county has a public transportation system operating within it.

Currently, the state imposes a six percent tax on every car rental statewide with a five percent surcharge on rentals within the MCTD. The MCTD surcharge revenue is deposited in the Metropolitan Transportation Authority Financial Assistance Account which benefits the Metropolitan Transit Authority (MTA).

The Executive estimates this proposal would generate \$11 million in FY 2020 and \$22 million annually thereafter.

Excise Taxes

Excise Tax on Cannabis

The Executive proposes legalizing, regulating and imposing an excise tax on the cultivation and sale of cannabis for recreational use. The tax rates are as follows:

- Cultivation of cannabis - \$1 per dry weight gram for the flowers and \$0.25 per dry weight gram for trim
- Transfer from a wholesaler to a retailer as a percent of the invoice price:
 - 20 percent for the State
 - Two percent for the county where the retail dispensary is located.

The excise tax for medical cannabis would remain at the current seven percent of gross receipts.

The cultivation tax and the 20 percent excise tax would be deposited into a new Cannabis Revenue Fund.

Sales of cannabis would be exempt from state and local sales tax. The local sales tax rate in the vast majority of counties is four percent or more. The

two percent excise tax that would go to counties that host cannabis retailers is, in most cases, half of what the county would collect if sales of cannabis were taxable under local sales tax.

Under this proposal, the New York State Cannabis Revenue Fund would be established and all taxes from the cultivation and sale of cannabis in the state, with the exception of the two percent excise tax for the benefit of retailer host counties, would be deposited into the fund. Monies in the fund would be expended for the following purposes: administration of the regulated cannabis program, data gathering, monitoring and reporting, the Governor's Traffic Safety Committee, small business development and loans, substance abuse, harm reduction and mental health treatment and prevention, public health education and intervention, research on cannabis uses and applications, program evaluation and improvements, and any other identified purpose recommended by the Executive Director of OCM and approved by the Director of the Budget. For a further discussion of this proposal please see "Recreational Marijuana" in section two: Issues in Focus of this publication.

The Executive estimates this proposal would increase All Funds revenues by \$83 million in FY 2021 but does not expect any revenue FY 2020.

Estate and Gift Tax

Extend the Three Year Gift Addback Rule and Require Binding New York State QTIP Election

The Executive proposes to extend the three year gift addback rule for estate tax purposes for seven years until 2026, and require that the executor of a qualified terminable interest property (QTIP) make a New York State estate tax election regardless of whether a Federal estate tax filing was made.

Since 2014, New York has required that that monetary or real property gifts given by an individual that would lower the value of their estate below the threshold for the estate tax in New York made in the three years preceding the individual's death be added back into the calculation of the worth of their estate. This was intended to prevent individuals from making deathbed gifts to their family that would result in the avoidance of New York's estate tax.

A QTIP election allows a surviving spouse to defer the payment of estate tax that would have otherwise been owed after the passing of their spouse, which would then be added back into the estate of the surviving spouse after they pass away. Under current law, New York State has determined if a QTIP election has been made by looking at the Federal estate tax filing of the surviving spouse, and if they do not qualify, requires the surviving spouse file a pro forma Federal return. A recent Surrogate Court ruling found that the pro forma return did not serve as an election in the case of an individual whose husband had passed away in 2010, when there was no Federal estate tax, which means that this individual's estate does not have pay New York estate tax.

Enforcement and Other Issues

E-File Mandate

The Executive proposes making permanent the tax modernization provisions enacted in the FY 2012 budget. These provisions include the electronic filing (e-file) mandate on tax preparers who prepared more than 5 returns in the prior year, and the requirement that personal income taxpayers who use tax software to prepare their return must e-file their return. These provisions are due to sunset December 31, 2019.

Segregated Sales Tax Accounts

The Executive proposes making permanent the Department of Taxation and Finance's authority to require sales tax vendors that have been delinquent in payments to set up a segregated bank account in which the taxpayer would be required to make weekly deposits of sales tax collections. These provisions are due to sunset December 31, 2019.

Tax Shelter Reporting

The Executive proposes making permanent tax shelter reporting provisions. These provisions require taxpayers to disclose certain reportable transactions which are known to be actions that would facilitate the sheltering income from taxation. These provisions which were originally enacted in 2005 are scheduled to expire on July 1, 2019.

Tax Preparer Penalties

The Executive proposes amending and making permanent the higher tax preparer penalties which were enacted in 2005. These provisions penalize a preparer if they fail to sign a return, fail to furnish identifying numbers or reasonably should have known that they understated tax liability. The penalties are amended from "up to \$1,000" to "\$100 to \$1,000 and from "up to \$5,000" to "\$500 to \$5,000". The provisions of the law which are being amended are scheduled to expire on July 1, 2019.

Racing and Gaming

Expansion of Breeding Funds Uses

The Executive proposes to allow the New York State Thoroughbred Breeding and Development Fund and the Agriculture and New York State Horse Breeding Development Fund to use a

portion of their revenue for the aftercare of retire horses.

This proposal will not impact state revenues.

Pari-Mutuel Tax Rate and Simulcast Extender

The Executive proposes to extend by one year the lower pari-mutuel tax rates and rules governing simulcasting of out-of-state equine racing. The simulcast extension provision has been extended for several consecutive years.

This extension provision would have no fiscal impact in FY 2020 as the reduced rate is built into the FY 2019 base.

Statutory Cap on Casino Free Play

The Executive proposes to codify a current regulation capping the amount of free play for Commercial Casinos. Through FY 2023, their free play allowance will continue to be capped at 19 percent of gross gaming revenue (GGR). If free play spending exceeds 19 percent, the amount would be deemed taxable. In FY 2024 and thereafter, the casinos would be limited to 15 percent of GGR.

The Gaming Commission would have the authority to suspend the use of free play credits if it is determined, in conjunction with the Division of Budget, that the plan is not effectively increasing revenue.

Currently, free play at Video Lottery Gaming (VLG) facilities is capped at 15 percent. The Seneca and Mohawk Nations do not have regulations on free play usage. The Tribal State Compact with the Oneida Nation ties them to the State's rate.

Taxing above capped free play spending is anticipated to raise \$6 million in FY 2021.

Simplify Video Lottery Gaming rates and additional commissions

The Executive proposes to restructure the distribution rates of Video Lottery Terminals (VLT) depending on whether the facility is: (1) impacted by commercial casinos; (2) impacted by Native American casinos; (3) run by an OTB; and (4) considered large.

The distribution of VLT receipts would no longer have a progressive structure. Instead it would be a flat rate, regardless of Net Win. The proposal would also combine the Capital Award and Marketing Allowance into the Operator Commission. The Facility Operator would have discretion over how much of the money to use for those purposes, subject to approval by the Gaming Commission.

The Executive proposes to amend the additional commissions VLG facilities receive as a result of them being in close proximity to commercial casino. The proposed amended formula would provide them an additional vendor commission at a flat rate.

PROPOSED FISCAL IMPACTS TO VIDEO LOTTERY GAMING FACILITIES IN FY 2021			
(millions of dollars)			
VENDOR	VLT RATE REFORM	ADDITIONAL COMMISSION REFORM	TOTAL
Batavia	1.7	0.0	1.7
Finger Lakes	0.1	(6.5)	(6.4)
Hamburg	0.6	0.0	0.6
Jake's 58	0.0	0.0	0.0
Monticello	0.0	0.0	0.0
Nassau OTB	0.0	0.0	0.0
Resort's World	0.0	0.0	0.0
Saratoga	1.0	(4.4)	(3.4)
Vernon	0.3	1.9	2.2
Yonkers	0.4	0.0	0.4
TOTAL	\$4.1	(\$9.0)	(\$4.9)

The Executive estimates these proposals will result in a \$5 million increase in revenues when annualized. See chart below for proposed fiscal impacts to video gaming facilities.

School Tax Relief Program

The Executive proposes a number of initiatives to reduce State spending on the STAR program as well as create administrative improvements. Changes to State spending would not in all cases reduce overall benefits to homeowners, but change the number of recipients who receive a personal income tax credit rather than a property tax exemption, thus lowering the level of general funds spent on the program. The State would merely forego tax revenue rather than reimbursing school districts for property tax exemptions they provide. The net effect is to provide additional spending which would “technically” keep State spending below two percent.

Cap STAR Exemption Benefit Growth

The STAR property tax exemption and personal income tax credit are both allowed to increase by up to two percent annually. The Executive proposes allowing the credit to continue increasing by up to two percent annually, but homeowners filing for the property tax exemption would be capped at zero percent. The Executive estimates that this will reduce revenues by \$106 million in FY 2019-20 and \$207 million in FY 2020-21.

Reduce Income Limit for the STAR Exemption

The Executive proposes reducing the income limit for the STAR property tax exemption from \$500,000 to \$250,000. The limit for filing for a STAR tax credit would remain \$500,000, forcing those earning \$251,000-\$500,000 annually to

switch from the exemption to the credit. The Executive estimates that this will reduce revenues by \$125 million in FY 2019-20 and \$122 million in FY 2020-21. This will also reduce State spending by an equal amount.

Allow Sharing of Tax Information

The Executive proposes allowing the Department of Taxation and Finance (DTF) to share information with local assessors, disclosing names of property owners. If the Department believes a homeowner is ineligible for STAR, the information could be used by the local assessor to prevent the homeowner from taking advantage of other exemptions with similar requirements. Conversely, DTF would be allowed to share names of homeowners it believes are eligible for enhanced STAR and are not currently participants, encouraging them to apply. A county's Director of Real Property Tax Services could also be informed by DTF of a death of a STAR recipient and the decedent's name, address, and date of birth.

Sharing Real Estate Transfer Tax Information of Co-ops

The Executive proposes allowing DTF to share Real Estate Transfer Tax filing information regarding co-op owners with local assessors. Because co-op owners purchase shares, rather than units, assessors often have trouble identifying owners who are due STAR Credit payments. The Department would be allowed to share information listed on those forms that cooperative housing corporations must file annually.

Mobile Home Filing Requirements

The Executive proposes amending filing requirements for owners and operators of mobile home parks. Park landlords must currently submit names, addresses, services provided, and current park rules and regulations to the Department of

Housing and Urban Renewal (DHCR) on an annual basis via paper forms. The Executive would require these reports instead to be filed electronically with the Department of Taxation and Finance (DTF), which is currently developing an online filing system in order to streamline the administrative process. The Executive would also require landlords file on a quarterly, rather than annual basis.

Similar to co-op apartments, mobile home assessment records often fail to properly reflect the names and addresses of tenants in manufactured home parks, potentially delaying the issuance of STAR checks.

Clarification of STAR Check Tax Bills Notices

This proposal would make a technical correction to the statute requiring that the notice on a school tax bill state that their STAR check "will be mailed to them." As taxpayers may have already received their STAR check, it led to confusion, with some taxpayers believing that they would receive another check. This proposal clarifies this by amending this notice to read "has been or will be mailed."

Anti-Fraud and Abuse Actions

The Executive proposes allowing DTF to verify the age and residency of Enhanced STAR exemption recipients to ensure they meet program requirements. DTF currently only has the ability to verify income eligibility.

These provisions would also be applied to the STAR credit. Anyone found to have put materially false information on a STAR application would be precluded from receiving STAR benefits for six years.

SECTION TWO

SENATE ISSUES IN FOCUS

MIDDLE CLASS TAX CUT / CHILD AND DEPENDENT CARE CREDIT



Middle Class Income Tax Cut

In FY 2012, a middle class income tax cut was enacted which reduced the tax rates for middle class taxpayers from 6.85 percent to 6.65 percent and 6.45 percent. However, this tax cut was temporary and only applied to tax years 2012 through tax year 2014. The FY 2014 Enacted Budget extended these reduced tax rates through the 2017 tax year.

In anticipation of this temporary middle class tax cut expiring, the FY 2017 Enacted Budget included a Senate Republican Minority initiated \$4.2 billion middle class income tax cut which will reduce middle class tax rates by 20 percent when fully phased in. Over 4.4 million taxpayers will see a reduction in the first year, and when fully phased in, six million taxpayers will receive a personal income tax rate reduction.

Without this tax reduction, the 6.65 percent and 6.45 percent tax rates would have expired at the end of 2017 and would have reverted to the higher rate of 6.85 percent. Taxpayers would have seen their taxes increase on average by \$155, for a total of \$700 million, annually.

The first incremental reduction has occurred for tax year 2018 building on the 2011 Middle Class

income tax cut, reducing the middle class income tax rate from 6.45 percent to 6.33 percent.

The rates will continue to phase down over the next seven years until 2025 when the middle class tax rates will be reduced to 5.5 percent, a 20 percent reduction from 6.85 percent.

- For middle class taxpayers, savings will average approximately \$250 in 2018 and will grow to \$700 annually.
- When fully phased in, total savings will be \$4.2 billion annually.
- This is one of the largest income tax cuts in New York history.
- By 2019, middle class tax rates will be the lowest in 70 years.

By 2019, New York will achieve the lowest middle class tax rate since 1948 (lowest in over 70 years) and one of the largest income tax reductions in State history.

The Executive has maintained the State's commitment to cut middle class taxes in the FY 2020 Executive Budget, which is important considering that the State is currently facing budget deficit.

Who is Impacted

The Personal Income Tax brackets that will have their rate reduced by 20 percent (from 6.85 percent to 5.5 percent) are as follows:

- Single filers with taxable income between \$21,400 and \$80,650
- Heads of Households with taxable income between \$32,200 and \$107,650
- Married joint filers with taxable income between \$43,000 and \$161,550

The Personal Income Tax brackets that will have their rate reduced by 12 1/2 percent (from 6.85 percent to 6.0 percent) are as follows:

- Single filers with taxable income between \$80,650 and \$215,400
- Heads of Households with taxable income between \$107,650 and \$269,300
- Married joint filers with taxable income between \$161,550 and \$323,200

Taxpayer Savings

This rate reduction, when fully effective, will save middle-class taxpayers \$4.2 billion annually. A total of \$6.6 billion will be saved cumulatively over the first four years.

Middle Class Tax Savings By Fiscal Year (million of dollars)				
FY 2018	FY 2019	FY 2020	FY 2021	Full Implementation (FY 2026)
\$236	\$1,071	\$1,504	\$1,874	\$4,200

By 2025, when the tax cut is fully phased in, it will provide an average savings of \$700 per year to taxpayers.

Child and Dependent Credit

The FY 2018 Enacted Budget increased the Child and Dependent Care Tax Credit for certain taxpayers.

Under the Enacted Budget, roughly 200,000 families benefited as a result of the credit being expanded to taxpayers with incomes between \$50,000 and \$150,000. At the behest of the Senate Republican Minority Conference, the cap on child care expenses increased from \$6,000 to \$9,000 (depending on the number of children). These expanded benefits impact families with up to five children.

These changes will annually provide \$47 million of additional tax relief for families that qualify.

Middle Class Tax Rate Reduction											
Married Filing Jointly											
Tax Brackets*	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018								
			2018	2019	2020	2021	2022	2023	2024	2025 and beyond	
\$27,900 to \$43,000	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.85%	5.73%	5.61%	5.50%
\$43,000 to \$161,550	6.45%	6.85%	6.33%	6.21%	6.09%	5.97%	5.85%	5.73%	5.61%	5.50%	
\$161,550 to \$323,200	6.65%	6.85%	6.57%	6.49%	6.41%	6.33%	6.25%	6.17%	6.09%	6.00%	
Single											
Tax Brackets*	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018								
			2018	2019	2020	2021	2022	2023	2024	2025 and beyond	
\$13,900 to \$21,400	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.85%	5.73%	5.61%	5.50%
\$21,400 to \$80,650	6.45%	6.85%	6.33%	6.21%	6.09%	5.97%	5.85%	5.73%	5.61%	5.50%	
\$80,650 to \$215,400	6.65%	6.85%	6.57%	6.49%	6.41%	6.33%	6.25%	6.17%	6.09%	6.00%	
Head of Household											
Tax Brackets*	Tax Rates in effect for 2012-2017	Tax Rates that were set to take effect in 2018	New Tax Rates Beginning in 2018								
			2018	2019	2020	2021	2022	2023	2024	2025 and beyond	
\$19,500 to \$30,000	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.90%	5.85%	5.73%	5.61%	5.50%
\$32,200 to \$107,650	6.45%	6.85%	6.33%	6.21%	6.09%	5.97%	5.85%	5.73%	5.61%	5.50%	
\$107,650 to \$269,300	6.65%	6.85%	6.57%	6.49%	6.41%	6.33%	6.25%	6.17%	6.09%	6.00%	

*The tax brackets are indexed to the rate of inflation for tax years 2013-2017.

Bold indicates the reduced tax rates

NEW YORK STATE PROPERTY TAX RELIEF



New York State Property Tax Burden

New York State's local governments are entering their eighth year since the historic enactment of the State's property tax cap. All counties, towns, villages, certain cities, special districts and school districts in the State of New York except NYC are subject to the property tax cap relief legislation passed in 2011. The legislation was a response to growth in the local property tax burden across the State. According to the State Comptroller, growth in property taxes skyrocketed by over 73 percent for school districts between 2001 and 2011, and by 53 percent in counties. Three New York State counties (Nassau, Westchester, Rockland) placed in the top ten nationally for highest tax burden. New York State property taxes increased at an average rate of nearly six percent per year - more than twice the rate of inflation over the same period.¹ When compared to roughly 2,700 counties nationally, all New York counties are in the top 24 percent of Median Property Taxes paid between 2006 and 2010.² Of that amount, 39 counties fell within the top 10 percent of Median Property Taxes paid in the same comparison.³

When comparing property taxes as a percentage of home value, 47 New York counties were in the top 10 percent nationally between 2006 and

2010.⁴ Most of these counties are located in upstate New York. A different property tax burden exists for counties in the suburban areas surrounding New York City. When measuring property taxes as a percentage of income six New York counties were in the top 10 percent nationally in 2010: Westchester, Rockland, Putnam, Suffolk, Nassau and Orange.⁵

- Taxpayers have cumulatively saved over \$38.5 billion in property taxes due to the enactment of the tax cap.
- STAR and the Property Tax Relief Credit is projected to save taxpayers over \$4.8 billion in FY2020 separate from the property tax savings attributed the tax cap.
- New York State continues to have one of the highest tax burdens among all 50 states (amount per person).

New York State Property Tax Cap Extended

The State's property tax cap was enacted in conjunction with a State commitment to enact meaningful mandate relief as well as a statutory commitment to annual increases in State aid to schools in an amount equal to the annual growth in personal income across the State. The property tax cap was extended in the 2015 Legislative session through 2020.⁶

¹ Annual Report on Local Governments 2011, NYS Comptroller.

² Based upon a Tax Foundation report analyzing and ranking property tax data of 2,773 counties within the United States through the years 2006-2010. Comparative data available from the Tax Foundation is limited through 2010.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ S.6012 - Chapter 20 of the laws of 2015.

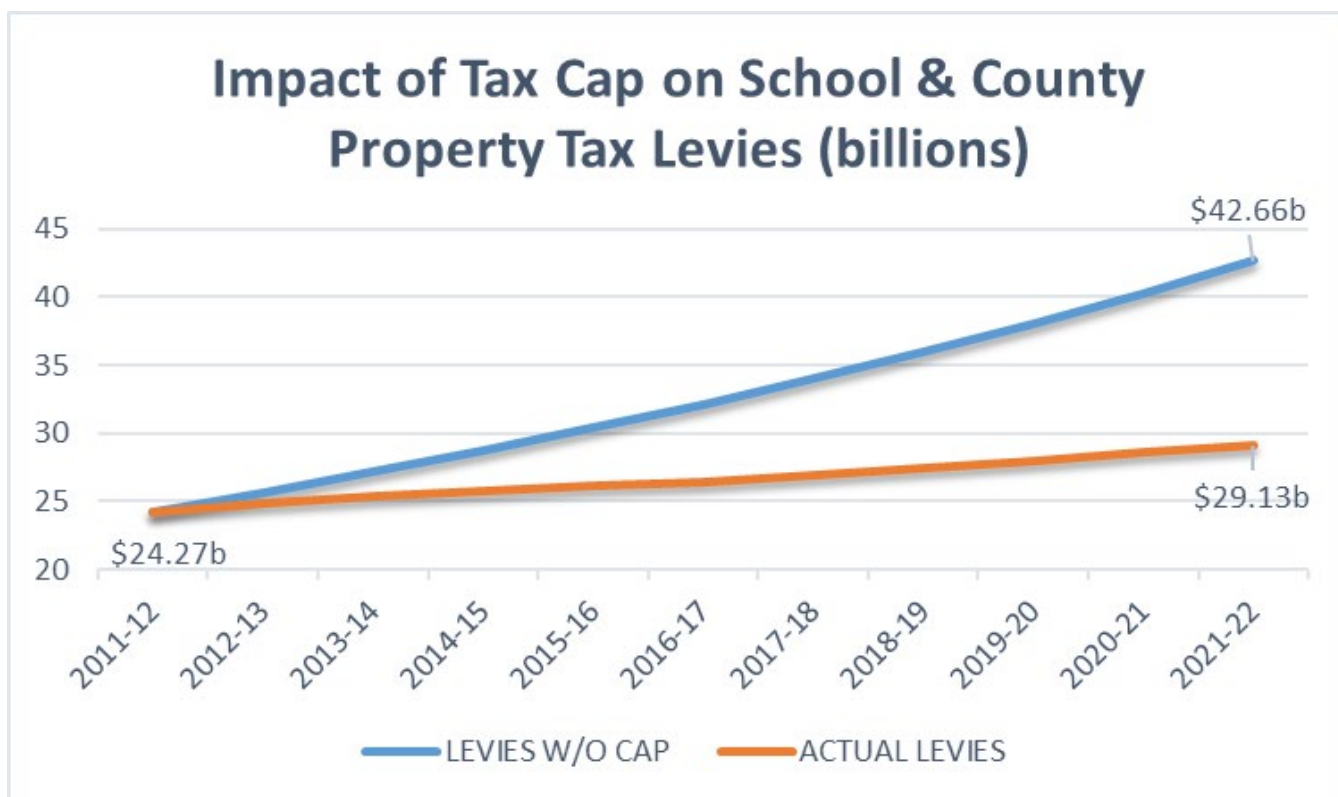
The State of New York’s property tax cap focuses on the actual property taxes levied to support school district and local government expenses. The law became effective in local fiscal years starting on or after Jan. 1, 2012. The law limits the annual growth of property taxes levied by local governments and school districts to two percent or the rate of inflation, whichever is less. **In the first seven years of the tax cap it is estimated that property tax payers saved \$38.5 billion cumulatively in school and county property taxes. Further, as the chart below shows, the tax cap is estimated to save taxpayers over \$67.0 billion cumulatively over the first ten years of its implementation.**⁷

Comparatively speaking, the property tax cap has had the greatest effect on school district tax levies. Independent school districts statewide proposed an average tax levy increase of 2.14 percent for 2018-19 and the average proposed spending increase for the same year was 2.74

percent. That compares with average tax levy increases of 2.3 in 2017-18, 0.6 percent in 2016-17, 1.1 percent in 2015-16, 2.6 percent in 2014-15, 2.9 percent in 2013-14, and 1.5 percent in 2012-13.

School budget voting behavior has also undergone a change. For example, from 1969 to the year prior to the enactment of the tax cap, the average school budget passage rate was 84 percent. However, since the introduction of the tax cap in 2012, the average passage rate for school district budgets is over 98 percent (including June re-votes).

In total, the 2018 school budget vote results show that 99.7 percent of all school budgets proposed passed in the State of New York. Of the 676 school budget votes, 16 were defeated in their first vote. On the second vote, 14 succeeded and two districts adopted a contingency budget.⁸



⁷ Estimate based on a 30 year average levy increase statewide (6 percent). Empire Center Report May of 2015.

⁸ <http://www.p12.nysed.gov/mgtserv/votingresults/>

Upon examining the votes by whether or not the district stayed within the tax cap, the distinction is more marked. In FY 2019, 640 school districts proposed budgets with tax levies that were within their tax caps and required only a simple majority to pass. Of those districts, 627, or 98 percent saw their budgets pass. In total, 15 districts had budgets with tax levies that exceeded the cap and required a 60 percent “supermajority” to pass. Of those districts, 12, or 80 percent saw their budgets pass. In the prior year, there was a 76.9 percent passage rate for first-time override attempts. The practical effect of the property tax cap has been the altering of taxing and spending behavior and fiscal discipline in budgeting at the local level.

A local government has the option to override the “tax levy limit” by passing a local law with a 60 percent majority vote of the controlling board of the local government. Upon the passage of the local law, the local government may adopt a budget and its respective tax levy at an amount over the “tax levy limit”.

For fire districts and other districts which have their own taxing authority, they may override the “tax levy limit” upon the passage of a resolution approved by 60 percent of the controlling board’s vote.

In New York State, most towns and villages have five members that comprise the controlling board.

Therefore, three out of five, or 60 percent, of the board members would need to vote in the affirmative to override the tax cap. However, in some towns and villages in New York State, the percent majority vote required to override the tax cap is actually greater than 60 percent. For example, a town or village with only three board members would need two out of three, or 66.6 percent of their board members to vote in the affirmative to override the tax cap. Conversely, a town or a village with seven board members would need five out of seven or 71.4 percent of their board members to vote in the affirmative to override the tax cap.

The Full Impact of the Property Tax Cap Takes Time to be Realized

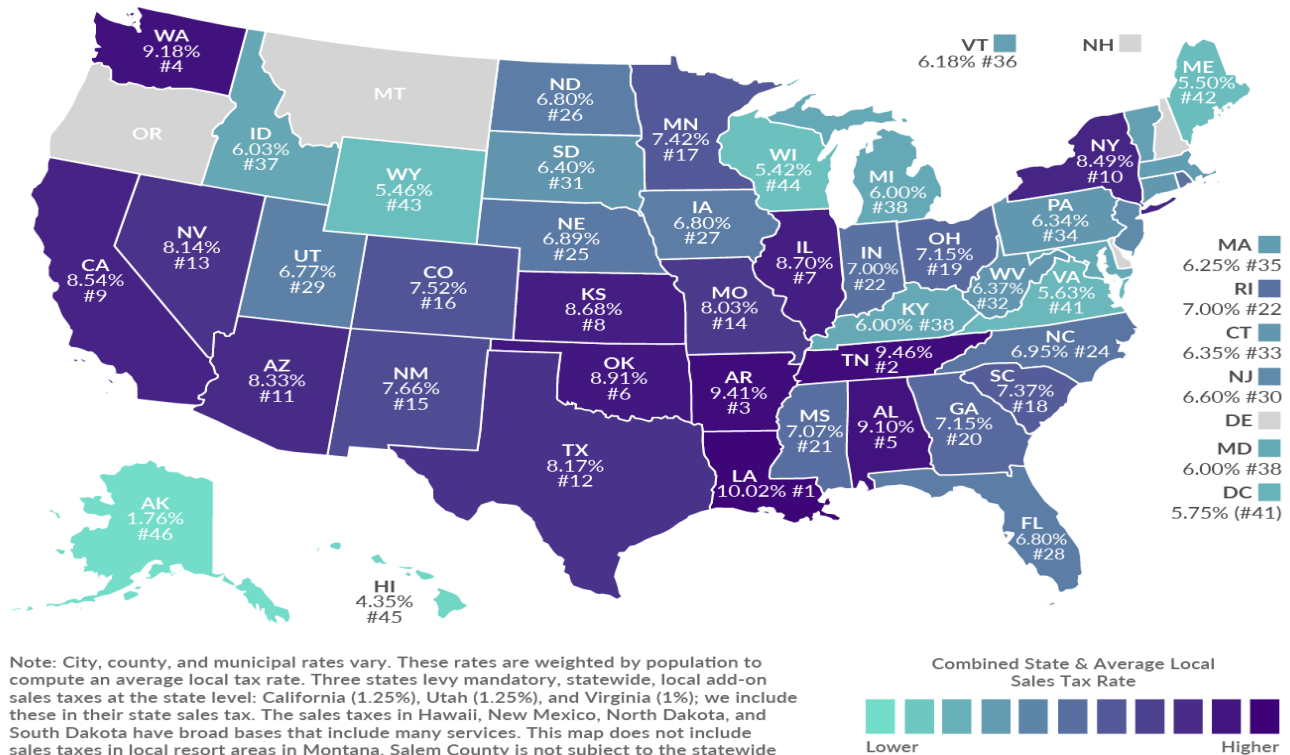
Massachusetts has the longest history with an enacted property tax cap. “Proposition 2½” both a levy cap and a rate cap, was a reaction to the fact that Massachusetts was among the highest taxed state in the nation. The cap has been successful in lowering the property tax burden in Massachusetts. In the first 20 years following the passage of “Proposition 2½”, the per capita residential property tax levy actually dropped 1.6 percent, after adjusting for inflation.⁹ According to the Tax Foundation, since the enactment of “Proposition 2½”, Massachusetts dropped from 3rd nationally in 1980 to a low of 35th in 2018 on the measure of State and local tax burden.¹⁰

⁹ NYS Commission on Property Tax Relief Final Report. 2008.

¹⁰ *State and Local Tax Burden*. The Tax Foundation. January 1, 2018.

How High Are Sales Taxes in Your State?

Combined State & Average Local Sales Tax Rates, Jan. 1 2018



Note: City, county, and municipal rates vary. These rates are weighted by population to compute an average local tax rate. Three states levy mandatory, statewide, local add-on sales taxes at the state level: California (1.25%), Utah (1.25%), and Virginia (1%); we include these in their state sales tax. The sales taxes in Hawaii, New Mexico, North Dakota, and South Dakota have broad bases that include many services. This map does not include sales taxes in local resort areas in Montana. Salem County is not subject to the statewide sales tax rate and collects a local rate of 3.3125%. New Jersey's average local score is represented as a negative.
 Source: Sales Tax Clearinghouse, Tax Foundation calculations, State Revenue Department websites

Massachusetts' business tax climate ranking, of which property taxes is a significant factor, was 29th in 2018 - more competitive than its geographic peer states of Rhode Island (37), Connecticut (47), New York (48) and New Jersey (50).⁹

In 1980, the combined Massachusetts state-local tax burden was 11 percent of residential income, well above the national average and only behind New York and Wisconsin. As of 2018, the total Massachusetts tax burden was 9.03 percent - slightly above the national average of 9.9 percent. Massachusetts moved down on the state and local tax burden rank from 11th in FY 2011 to 18th in FY 2019. New York's state and local tax burden was 12.7 percent in 2012, a full 2.8 percentage

points or 28 percent higher than the national average, and is currently 13.04 percent.¹⁰

Over the same time period Massachusetts dropped in ranking in terms of state and local tax burden while New York maintained its number one position as the state with the highest state and local tax burden.

[Beyond the Property Tax Cap: NYS' Multifaceted Approach to Relieve the Burden of High Property Taxes: State Aid to Schools/Mandate Relief/Direct Property Tax Relief](#)

⁹ 2019 State Business Tax Climate. Tax Foundation. September 26, 2018

¹⁰ 2018's Tax Burden by State. WalletHub. April 9, 2018.

Education Funding: The cap was only one part of the State’s commitment to property taxpayers, school districts and local municipalities. Over the same seven year period in which the property tax cap has been in effect the State has increased aid to school districts by \$6.7 billion, or 35 percent. The rate of inflation over that same period was only 11.6 percent.

The Executive proposes a FY 2020 general support for public schools aid increase of \$747 million, or 2.8 percent above FY 2019. The Senate has historically adopted an approach to provide substantial State aid increases to help contain local education tax increases – the largest component of local property tax levy growth.

In addition to a major infusion of additional State aid resources, the State committed to provide mandate relief to municipalities which translates into cost savings and budget relief for localities. Since January 1, 2011, the Senate has adopted a wide range of mandate relief proposals, of which over 63 have become law.

Mandate Relief: Major local savings initiatives enacted since the implementation of the Property Tax Cap include:

- State takeover of the growth in the local share of Medicaid beginning in FY 2013, saving counties approximately \$21.1 billion through FY 2020
- A Stable Pension Contribution System for municipalities and school districts (\$6.4 billion in savings over five years)
- Increased collaboration between the Office of the Medicaid Inspector General (OMIG) and local social service districts by requiring the OMIG to develop training materials for identifying fraud and abuse, to meet quarterly with representatives of local service districts, and to develop a work plan for such collaboration. Increases from 10 percent to 20 percent the local share of savings resulting from Medicaid recoveries under the county demonstration program

- Reformed Workers Compensation to provide \$45 million in annual savings to localities
- Repealed the requirement for BOCES to perform special education space requirements every five years (\$3.2 million in savings)
- Permitted school districts to take their annual census biannually (\$1.7 million in annual savings)
- Exempted school districts with less than 1,500 students from the internal control audit requirement (\$19.3 million in annual savings)
- Permitted school districts that were unable to open due to an extraordinary circumstance, natural disaster or emergency to obtain up to a 10-day waiver to the 180 school day requirement (ensures no loss in State aid)
- A four-year moratorium on assumed amortization interest rates used to calculate Building Aid (\$155 million in savings for over 500 school districts)
- Relief to various school districts facing penalties and exorbitant chargebacks (\$4 million in savings)
- An amnesty provision (to reclaim previously denied and/or recovered State Aid) for school districts that failed to submit Transportation contracts and/or submitted contracts with errors and had State Aid denied (\$10-12 million in savings)
- Permitting school districts to use excess Employee Benefit Accrued Liability Reserve (EBALR) funds to maintain educational programs for five consecutive years (Up to \$191 million in excess funds is available for districts to access)
- An amnesty provision for school districts that have late filed or unfiled final cost reports for building projects SED approved prior to July 1, 2011 (Over \$100 million in final cost report penalty avoidance (savings) and additional prior year aid (funding))
- An amnesty provision of five-year and ten-year extended building aid recovery terms for districts that have late filed final cost reports for building projects approved by SED prior to July 1, 2011

- An elimination for five years of the requirement for all districts Statewide to perform annual visual inspections of all school buildings and submit documentation of the results thereon to SED
- Relief for school districts (on teacher disciplinary procedures) by requiring the parties to select a hearing officer within 15 days and limiting the submission of evidence within 125 days of filing. Savings will result from reduced expenditures for substitute teachers and administrators as well as a reduction in legal fees

Direct Property Tax Relief: In addition to the long standing STAR program, the State has enacted two direct property tax relief provisions intended to reduce the burden of property taxes. The FY 2014 Enacted Budget included the Property Tax Freeze Credit and the FY 2015 Enacted Budget included the Property Tax Relief Credit program.

Property Tax Freeze Credit: For tax years 2014, 2015, and 2016, the State froze real property taxes by allowing homeowners to receive a reimbursement check equal to the year-over-year increase in the homeowner’s real property taxes. Approximately 2.8 million homeowners benefitted from the credit, receiving an average of \$536. The program provided over \$1.5 billion in direct property tax relief over three years.

Property Tax Relief Credit: In the 2015 Legislative session, Chapter 20 of the Laws of 2015 created the Property Tax Relief Credit. The credit totals \$3.1 billion over four years for STAR eligible homeowners who reside in property tax cap compliant school districts.

Beginning in FY 2017, STAR eligible recipients who have income less than \$275,000 and reside in a real property tax cap compliant school district received a property tax relief check. Upstate homeowners received a flat \$185 property tax relief credit check and downstate homeowners received a flat \$130 relief credit check. Those

checks were issued as advance refunds for the 2016 income tax year and were paid to eligible recipients beginning in the Fall of 2016.

After the first year, the property tax relief credit was designed to provide a credit equal to a percent of an eligible recipient’s STAR savings with the utilization of income thresholds as follows:

STAR Property Tax Rebate Income Brackets			
Bracket	Minimum	Maximum	Percent
1	\$0	\$75,000	28.0
2	Above \$75,000	\$150,000	20.5
3	Above \$150,000	\$200,000	13.0
4	Above \$200,000	\$275,000	5.5

Lower income brackets will receive a higher percent benefit based on their STAR program benefit or savings amount. Seniors who qualify for the enhanced STAR benefit will also receive the property tax relief credit checks over the four years of the program. Similarly, the credit for eligible Seniors is also calculated as a percentage of a homeowner’s STAR benefit but without regard to their income. In addition, the previously enacted NYC circuit breaker credit was extended for four years (\$85 million annually)

In the Fall of 2019, eligible homeowners are projected to receive the following benefit by region:

Region	Fall 2018 AVG Check
Statewide	\$532
Upstate	\$416
Nassau	\$726
Suffolk	\$658
Downstate Suburbs	\$775

School Tax Relief Program (STAR): The FY 2017 enacted budget restructured the current School Tax Relief Program (STAR) by phasing out direct payments to school districts on behalf of eligible homeowners by converting STAR exemptions into a refundable property tax credit for new homeowners. This conversion applied to

people who purchased their primary residence after the 2015 STAR application deadline or did not apply for the STAR exemption by the 2015 STAR application deadline.

The original STAR program provides three types of property tax relief:

Basic STAR

- Available for owner-occupied, primary residences where the resident owners' and their spouses income is less than \$500,000
- Exempts the first \$30,000 of the full value of a home from school taxes.

Enhanced STAR

- Provides an increased benefit for the primary residences of senior citizens (age 65 and older) whose income is less than \$86,000
- Exempts the first \$66,800 of the full value of a home from school taxes as of 2018-19 school tax bills (up from \$65,500 in 2017-18)

NYC PIT

- Provides a personal income tax credit for NYC residents. The credit is limited to those individuals whose income is less than \$250,000.

STAR exemptions only apply to school district taxes. They do not apply to property taxes for other purposes, such as county, town or city (except in cities where city property taxes fund schools - Buffalo, New York City, Rochester, Syracuse and Yonkers).

In FY 2020, the STAR benefits for eligible recipients across the State are estimated to exceed \$4.8 billion. The current STAR program provides property tax exemptions to seniors (\$918 million) and non-seniors (\$1.9 billion) as well as a personal income tax credit for NYC residents (\$640 million) and the Property Tax Relief Credit (\$1.3 billion). Since its enactment, the original STAR program has provided \$70.4 billion in property tax relief to eligible senior and non-senior homeowners. The table below shows the

savings provided to taxpayers over the history of the STAR program.

(millions of dollars)					
SFY	Basic	Enhanced	NYC	Rebates	Total
1998-99	\$0	\$497	\$85	\$0	\$582
1999-00	\$418	\$576	\$200	\$0	\$1,194
2000-01	\$875	\$587	\$415	\$0	\$1,877
2001-02	\$1,393	\$597	\$520	\$0	\$2,510
2002-03	\$1,512	\$612	\$540	\$0	\$2,664
2003-04	\$1,636	\$643	\$540	\$0	\$2,819
2004-05	\$1,751	\$676	\$632	\$0	\$3,059
2005-06	\$1,838	\$683	\$692	\$0	\$3,213
2006-07	\$1,865	\$759	\$696	\$674	\$3,994
2007-08	\$1,855	\$748	\$955	\$1,099	\$4,657
2008-09	\$1,781	\$710	\$733	\$1,212	\$4,436
2009-10	\$1,780	\$715	\$917	\$2	\$3,414
2010-11	\$1,875	\$760	\$599	\$0	\$3,234
2011-12	\$1,856	\$808	\$570	\$0	\$3,234
2012-13	\$1,857	\$842	\$588	\$0	\$3,287
2013-14	\$1,879	\$867	\$611	\$0	\$3,357
2014-15	\$1,734	\$930	\$627	\$0	\$3,291
2015-16	\$1,774	\$943	\$618	\$0	\$3,335
2016-17	\$1,764	\$953	\$615	\$414	\$3,746
2017-18	\$1,776	\$960	\$342	\$453	\$3,531
2018-19	\$1,717	\$929	\$626	\$957	\$4,229
2019-20	\$1,868	\$918	\$640	\$1,324	\$4,750
Total	\$34,804	\$16,713	\$12,761	\$6,135	\$70,413

The Executive has proposed a number of amendments to the STAR program to reduce State spending on the STAR program as well as create administrative improvements. These changes are to incentivize homeowners to switch from the STAR exemption to the STAR credit. Changes to State spending would not reduce overall benefits to homeowners, but change the number of recipients who receive a tax credit rather than a rebate check, thus lowering the amount spent on the program (the State would merely forego tax revenue rather than collecting taxes that are later distributed in the form of rebate checks).

These initiatives are discussed in detail within the Education State Agency Spending overview.

NEW YORK CITY PROPERTY TAX GROWTH



New York City Property Taxes – Overview

The property tax remains New York City’s largest revenue source and it has traditionally provided between 42 percent and 46 percent of the City’s overall tax revenues. Property tax receipts in New York City have continued to grow at more than the inflation rate. For City Fiscal Year (CFY) 2019, the City’s property tax is expected to raise \$27.8 billion, reflecting a one-year growth rate of six percent.

Tax levies in New York City are determined through a class share system designed to limit the tax burden on one to three family housing units in order to encourage homeowners to remain in or move to New York City, and to mitigate the tax burden on certain rental properties (generally one to ten units). However, this means that the burden of New York City’s property tax falls very heavily on commercial properties, cooperatives, and condominiums.

The general property tax levy is the one major revenue source that New York City can set by itself without State approval. The two major components of how much revenue the property tax produces for the City are the tax rate and property assessments based on actual data or market trends.

A two-year period starting in 2007 was the only time during the last 35 years that the City’s overall property tax rate declined. Action by the New York City Council (“Council”), the City’s legislative body, is required to change property tax rates. For the last ten years, the weighted overall tax rate (per \$100 of assessed value) has remained steady at 12.283 percent. In CFY 2009, the Council returned the rate to 12.283 percent

from 11.483 percent largely in response to the “Great Recession.”

While the overall citywide property tax rate has remained unchanged, tax levies can, and usually do, rise automatically based on yearly increases in assessments. Assessment increases are the primary reason that property tax revenues in New York City have been increasing at over a five percent rate since the real estate market began to recover in 2009 after the financial crisis. In addition, the tax rates for different types of properties change every year due to the City’s class share system.

New York City Real Property Tax Assessment Classes

New York City evaluates its real property for tax assessment purposes by utilizing four classes:

- Class 1: one, two, and three family homes as well as vacant land
- Class 2: rental properties with four to 10 units (2A/2B), co-ops and condos with two to 10 units (2C) and larger rentals and co-ops and condos (more than 10 units)
- Class 3: utility properties
- Class 4: commercial and office buildings

The method by which each class is valued for assessment purposes varies by its primary use: for Class 1 it is “market value”; Class 2 and Class 4 are valued by net income; and Class 3 is valued at replacement cost (for the cables and easements) less depreciation for power plants and equipment.

Caps and Shares

While property is assessed each year and there are statutory caps (not to be confused with the rest of

the state cap on property taxes enacted in 2011) on how much the levy on individual properties can increase each year (Class 1 is six percent each year and no more than 20 percent over five years. Class 2 is eight percent in one year and no more than 30 percent over five years. Class 3 and 4 have no cap, but there is a five-year phase-in for Class 4 increases). In addition, the ratio of market to assessed value can increase each year; for Class 1 it is set at six percent of market value, and for all other classes it is 45 percent. In addition, Class 1 and Class 2 increases have been further limited by enacted State legislation. This calculation is completed each year with a tentative tax roll released in January and a final roll set in May.

The four classes must each have a proportion to their true market value in the real estate market as a whole, and cannot increase over the cap limits (set forth above). This results in a smoothing of sorts that has resulted in the commercial classes (primarily classes three and four) bearing an ever increasing share of the property tax burden. The class shares system must always allocate 100 percent of the assessment among the four classes.

Current Class Shares

- Class 1: Set at 46.9 percent of total market value, but its tax levy is 14.8 percent of the total levy
- Class 2: Set at 24.5 percent of total market value, but these payers bear a 37.4 percent share of the tax levy
- Class 3: Represents 2.9 percent of the total market value, but the class is assessed a 6.3 percent share of the tax levy
- Class 4: Represents 25.7 percent of the total real estate market value, but is assessed at 41.4 percent share of the levy

It is worth pointing out that in CFY 2017 Citywide property market values for all classes surpassed \$1 trillion for the first time. The market value of all properties in the City increased by 8.8 percent in CFY 2019 to a record level of \$1.3 trillion.

Current and Projected Growth of New York City's Property Taxes

For CFY 2019, which ends on June 30, 2019, the latest estimates from the NYC Department of Finance (DoF) forecasts the property tax will generate \$27.789 billion or 46 percent of New York City's total tax revenues. This estimate would result in a 6.0 percent growth of property tax receipts over CFY 2018's collection of \$26.214 billion.

Going forward, for CFY's 2020, 2021 and 2022, the Mayor's Office of Management and Budget (OMB) estimates that property taxes will generate \$29.295 billion, \$30.711 billion and \$31.702 billion, respectively. These revenue increases would result in an average 3-year annual growth rate of 4.5 percent.

The DoF's recently released final assessment roles for CFY 2019 shows a continuation of the upward trend. According to DoF, the full market value of all properties in the City increased by \$72 billion or 5.8 percent and taxable assessed value increased by 8.3 percent to \$260 billion.

New York City's Real Estate Taxes Hurt Its Economy

Business leaders throughout New York State have made it clear that property taxes are the single largest government burden placed on their efforts to create jobs, invest, grow, and continue producing in New York State. The Executive has acknowledged the burden of property taxes, both upstate and downstate.

The Executive's 2015 State of the State - New York Opportunity agenda noted that the property tax is an impediment to economic growth. "The No. 1 business tax is the property tax. The highest tax we collect in the state of New York is the property tax," according to the Executive. Similarly, in the 2016 State of the State address, the Executive remarked that the "property tax is a killer tax in this state and it has been for a long

time. It's nothing new." Similarly, the Executive repeated this message in his 2017 State of the State, noting, "The property tax is the most burdensome tax to homeowners and business owners in every part of the state, inhibiting their ability to grow and contribute to our economy."

Still, the problem may be even more pressing today. Last year the Executive noted that while the local property tax has been an obstacle to growth, with the elimination of the federal income tax deduction for state and local taxes (SALT), it is an "economic cancer."

The Executive Budget for FY 2019 includes language that would make permanent the two percent property tax cap.

The property tax is also the "hidden drag" that makes New York's energy prices the second highest in the nation, and holds back capital investments in transportation, communications, power industries, and building modernization. (*Short Circuiting New York's Economy*. New York State Public Policy Institute, March 2010).

High property taxes are an especially onerous burden on small businesses. Unlike most taxes that rise and fall depending on how well a business does, the property tax generally does not drop when business conditions weaken. Property tax payments often become the major reason why a business closes up shop or downsizes.

By enacting a statewide cap on property taxes in 2011, the Executive and the Legislature took an historic step in reigning-in property tax growth that had been exploding at a rate of over six percent a year. The City of New York was not included in the enacted tax cap legislation.

The State property tax cap limits ad valorem levies at the lesser of two percent or the rise in the Consumer Price Index (CPI). The Senate Republican Minority Conference has calculated that the Property Tax Cap has saved taxpayer \$23 billion through FY 2018.

Ironically, the first real property tax cap actually occurred in New York City. In 2003, in order to help the residents of the City recover from the devastating effects of the 9/11 attack, the State authorized a rebate of up to \$400 to qualifying homeowners. In return, New York City government agreed to cap the City's property taxes in 2004 at current levels. Collections in 2005 were virtually flat compared to the year before at roughly \$11.5 billion. It is difficult to argue against the position that this cap aided the world's greatest city in its economic recovery.

Given last year's federal changes that limit the deductibility of state and local taxes, this may be an opportune time to finally revisit the decision to exempt New York City from the property tax cap guidelines that have so benefitted taxpayers everywhere else in the State. It seems abundantly clear that if the City had been held to the same tax policy as the rest of New York, the tax burden, especially on businesses sectors such as manufacturing and high technology, which are essential for a strong value added economy, would be significantly less. In addition, New York City's, and by extension the entire State's, reliance on the financial and legal services industries to provide the quality of life all New Yorkers deserve, could be extended to other high value sectors, thereby providing greater stability and opportunities for economic growth.

In addition, the real estate industry in New York City has come to rely heavily on certain tax abatement programs, such as the renewed 421-a program (now called Affordable New York) to somewhat offset the high property taxes on commercial properties. Limiting the growth of rising property taxes leads to the reasonable assumption that more housing stock of every type would be constructed or rehabilitated in the City without as much reliance on exemptions and abatements.

While the property tax is New York City's largest tax revenue, the City also collects a significant personal income tax. For CFY 2019, the City

expects to collect \$12.6 billion from its personal income tax, \$758 million or nearly seven percent more than in CFY 2018. For perspective, the City forecasts that it will collect a total of \$60.4 billion in taxes in CFY 2019, including \$27.8 billion in property taxes, or 2.3 percent more than last year.

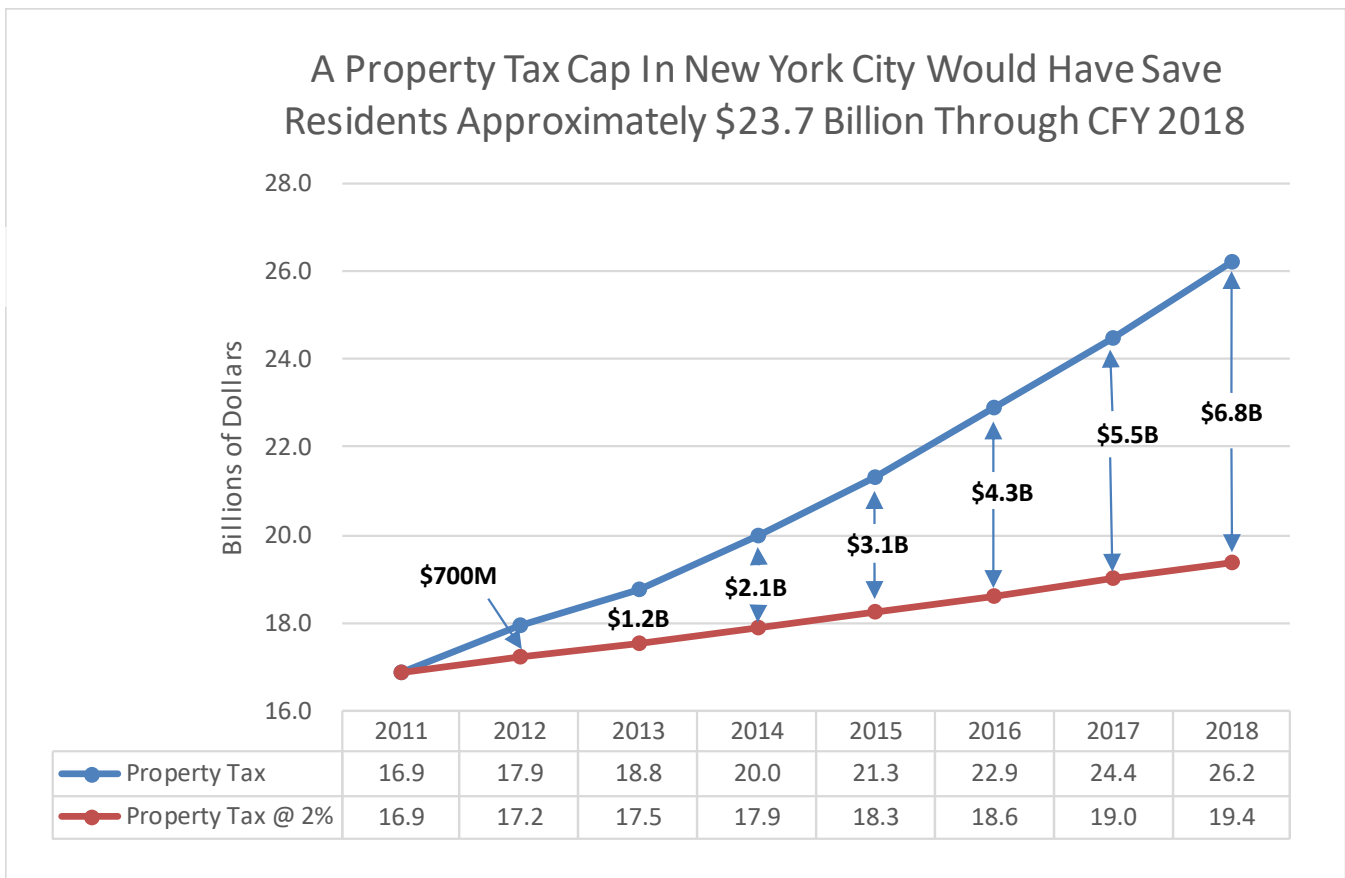
Between fiscal years 2010 and 2018, New York City property tax revenues increased by a total of \$10.0 billion, or an average annual gain of 6.2 percent. However, to illustrate the benefits of placing a limit on property tax revenue growth, if the City had held itself to a two percent property tax cap beginning in 2014, the property tax levy imposed on the City would have been about \$21.8 billion less through CFY 2018.

Such a significant level of tax savings might have encouraged the construction of greater amounts of affordable and supportive housing, as well as attracted new and increased business activity.

In May 2018, the Mayor of New York City and the Speaker of the City Council announced the

establishment of a commission that will offer recommendations to reform the city’s property tax system. The NYC Advisory Commission on Property Tax Reform is holding hearings as it examines such issues as the classification system, the methods of determining property market values and assessments and the method of determining tax rates. In developing recommendations, the advisory panel has been tasked with making the City’s property tax system “simpler, clearer and fairer.”

It is important to note that the State’s property tax cap applies against municipalities and school districts’ entire tax levy. While assessments on properties may increase, homeowners and business in New York City would actually see their tax rates fall under the property tax cap. Since the latest federal tax law changes place New York at a competitive disadvantage against states with lower taxes, it remains an opportune time to reconsider whether New York City should be required to comply with the State’s tax cap.



FOUNDATION AID



History of Foundation Aid

First enacted in the FY 2008 State Budget, Foundation Aid is the largest unrestricted source of State aid provided to 674 public school districts in New York State. It represents almost 70 percent of all formula based State aid provided annually. Prior to FY 2008, State aid was calculated and distributed to school districts in over 25 separate and complex categories of aid. Responding to public criticism and litigation, Foundation Aid consolidated all of these separate formulas and was made much more flexible and transparent by reducing the complexity and number of separate formulas.

Since its enactment, the Legislature has increased Foundation Aid from a base of \$12.5 billion to almost \$17.79 billion in FY 2019, for a 42.3 percent increase, far outpacing the rate of inflation over the same time period.

When Foundation Aid was first enacted, there was an expectation that school districts would receive full funding under the formula after a four year phase-in. The formula represented a desired amount of Foundation Aid for each public school district and is based on educational research and data analysis of what successful schools spend on providing educational programs and services to students, less a local contribution/share.

Due to fiscal constraints however, the Foundation Aid formula was phased in for the first two years, frozen for the next three years, and in FY 2013, the funding phase-in resumed but at a lower rate compared to the first two years. Statutory

changes were enacted in FY 2012 that limited the growth in general support for public schools based on the personal income growth index (PIGI) of New York State as measured by the Bureau of Labor Statistics. With the annual index averaging 3.7 percent a year since FY 2013 combined with a State spending cap, multi-billion dollar per year increases in Foundation Aid are simply unattainable.

The Executive proposes changing the calculation of PIGI and using a ten year average of PIGI to calculate increases in school aid instead of the annual index.

Since its enactment, the Foundation Aid formula concept has largely been well-received by school districts and their stakeholders. Aside from the benefit of providing school districts with more

- The State has provided a Foundation Aid increase of over \$5.29 billion or 42.3 percent since its enactment in 2007.
- In 2018-19, high need districts received \$13 billion or 72 percent of total Foundation Aid.
- The Foundation Aid formula is progressive. Low wealth-high need districts receive a greater amount of Foundation Aid per pupil compared to high wealth-low need districts.

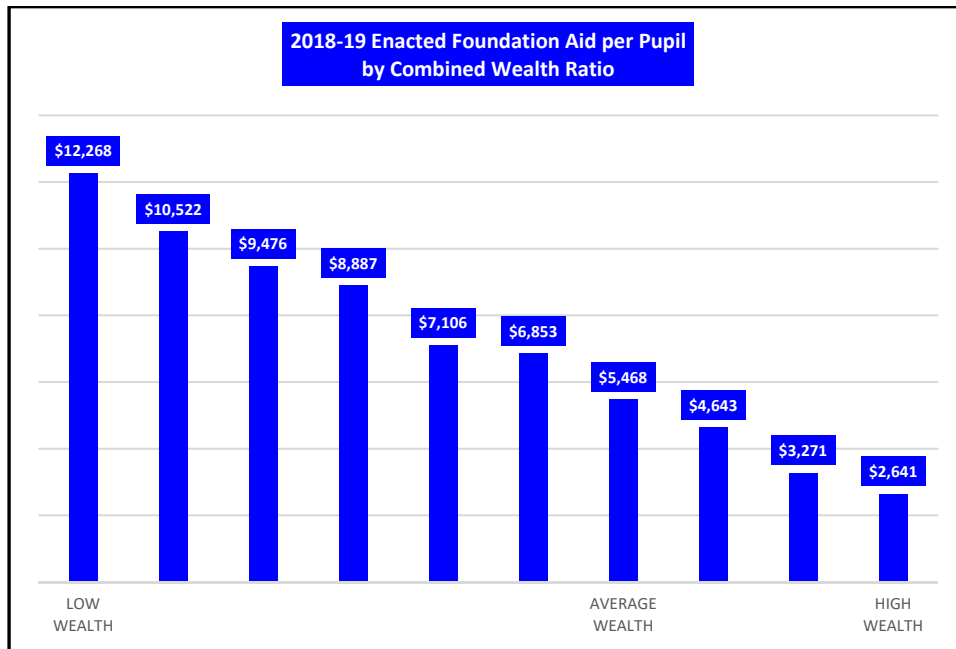
flexibility and transparency, the formula sets a new floor each year. That is, no district has received less Foundation Aid than it received in the prior year. Even in the case of dramatic changes in data factors such as district wealth, enrollment, pupil needs, etc., no district has seen

its Foundation aid reduced below prior year levels.

The Foundation Aid formula is progressive. The distribution of Foundation Aid per pupil has an inverse relationship to district wealth. Districts that have the least amount of wealth generate the highest amount of Foundation Aid per pupil. School districts with the greatest amount of

wealth generate the least amount of Foundation Aid per pupil.

The Enacted Foundation Aid chart below shows the average amount of Foundation Aid per pupil measured by wealth deciles (Combined Wealth Ratio or CWR) in the enacted FY 2019 Enacted State Budget:



School districts included in the low wealth decile have low fiscal capacity and high need and as a result, they receive the greatest amount of Foundation Aid per pupil. Conversely, school districts included in the high wealth decile have greater fiscal capacity and low need and they receive the least amount of Foundation Aid per pupil.

2019-20 Executive Budget

The Executive has proposed a multi-tiered Foundation Aid formula that maintains the phase-in concept of calculating an aspirational funding target with annual phase-in amounts designed to reach the target. Two tiers provide aid to districts based on student need and local fiscal capacity while a third tier provides a 0.0025 percent

minimum increase to all districts. Districts would receive the greater amount of these tiers which provide over \$293.1 million as a base increase.

The Executive also proposes a Community Schools increase of \$49.99 million with a minimum increase of \$100,000 for eligible districts which is a set aside within the Foundation Aid formula for a total FY 20 increase of \$338 million in Foundation Aid. Language is also provided by the Executive which restricts the use of the Community Schools increase.

Consistent with prior years since its enactment, the formula also provides for a save-harmless so no district would receive less than they received in the prior year. For the most part, many of the data factors from prior year formulas are still used

and are updated to reflect current measures in arriving at calculations.

The Executive Budget provides over \$18.1 billion in Foundation Aid for an increase of \$338 million or 1.90 percent for the 2019-20 school year. Further, **all** school districts show an increase on the State aid run with no district projected to receive less than a 0.0025 percent or one quarter of one percent year to year increase. As it relates to the distribution of the Executive’s proposed Foundation Aid increase, the following points are worth noting:

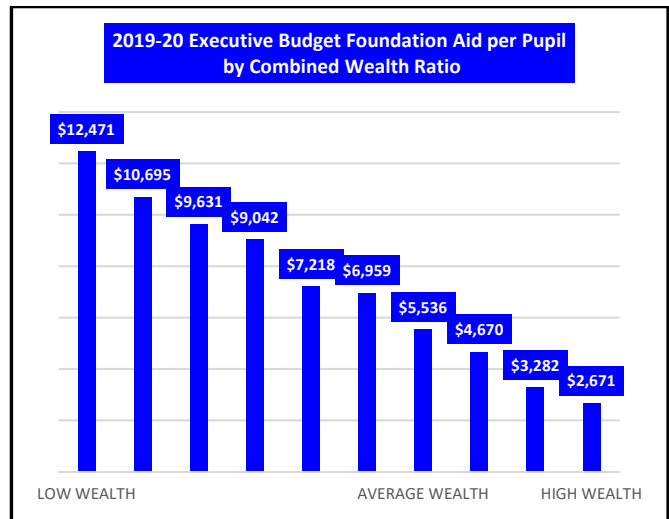
- When grouped according to Need Resource Capacity categories, \$290 million or 86 percent of the proposed Foundation Aid increase is provided to high need districts, \$44.6 million or 13.2 percent is provided to

per pupil for average need districts, and an \$8 increase per pupil for low need districts.

- When looking strictly at relative wealth as measured by a district’s Combined Wealth Ratio, 98.2 percent of the proposed Foundation Aid increase is provided to below average wealth districts including New York City.

Consistent with the concept of progressive funding shown in the Enacted Foundation Aid Chart, the Executive Budget Foundation Aid chart on the following page shows the average amount of Foundation Aid per pupil measured by wealth deciles (CWR) in the 2019-20 Executive Budget:

- The Executive has proposed a Foundation Aid increase of \$338 million.
- High need school districts would receive \$290 million or 86 percent (\$190/pupil) of the total Foundation Aid increase.
- The minimum Foundation Aid increase is .0025 or one quarter of one percent.



average need districts, and \$2.74 million or 0.8 percent is provided to low need districts.

- On a per pupil basis, the Executive has proposed a \$190 Foundation Aid increase per pupil for high need districts, a \$62 increase

COLLEGE AFFORDABILITY



New Scholarships

The FY 2018 Enacted Budgeted established three new scholarships, appropriating an additional \$142 million in financial aid to college students. These were the Excelsior Scholarship, Enhanced Tuition Award, and Part-Time Scholarship.

Excelsior Scholarship

The Excelsior Scholarship covers tuition costs for eligible students at SUNY and CUNY. To be eligible students must meet the following criteria:

- Have an adjusted gross income (AGI) of \$100,000 in Academic Year (AY) 2017-18 (increases to \$110,000 in AY 2018-19, and \$125,000 in AY 2019-20 and beyond)
- Complete 30 credits per year
- Be a student in good standing and on track to graduate on-time
- Graduate from a New York High School
- Meet Federal citizenship requirements

Students receiving the award are also required to live and work in New York for the same number of years that they receive the award, otherwise it will convert into a loan. As a “last dollar” program, the award is only applied after all other financial aid is calculated. If a student receives other aid such as a Federal Pell Grant or academic award, their Excelsior Scholarship is reduced by a corresponding amount. However, the Senate initiated language enacted in last year’s budget to provide that students receiving private scholarships that are not intended for tuition costs

Three Programs Created in FY 2018 Budget Entering Third Year of Implementation

- Excelsior Scholarship, projected to increase from \$94 million originally to \$118 million
- Enhanced Tuition Award, projected to increase from \$6 million to \$7.2 million
- Part-Time Scholarship for community college students, held flat at \$3.1 million

will not have those awards subtracted from their Excelsior Award.

Excelsior may only be applied to tuition, and does not cover institutional fees, books, housing, or other costs associated with attendance.

Participants receive a \$5,500 award from the State, with SUNY and CUNY required to waive any outstanding tuition balance. The State then reimburses SUNY and CUNY for lost tuition revenue at the AY 2017 tuition rate. The systems must cover the difference between the actual tuition rate and the AY 2017 tuition rate.

For example, SUNY tuition in AY 2019 is \$6,870 and is projected to increase to \$7,070 in AY 2020. However, the State will continue to reimburse the systems \$970, or the difference between \$5,500 and the AY 2017 tuition rate of \$6,470. SUNY must then cover the difference for each student (\$400 in AY 2019, \$600 in AY 2020). This rate will reset every four years, with the State making payments equal to the rate of tuition again in AY 2021.

A total of 30,000 students will receive Excelsior Scholarships in the upcoming academic year, with an expected cost of \$119 million.

Enhanced Tuition Award

The Enhanced Tuition Award (ETA) was included in the FY 2018 Enacted Budget for students attending not-for-profit, private institutions. Students must meet the same income and academic eligibility standards as with the Excelsior Scholarship to participate. Eligible students receive \$3,000 from the State, with their institution providing a matching award, generating a total benefit to the student of \$6,000.

Additionally, a student cannot have their tuition raised during their participation in the program. Schools have the option of participating in the program, as well as limiting the number of their students that participate to manage scholarship dollars. In the first year, 29 of 96 eligible institutions opted into the program. The program was subsequently amended to allow for-profit institutions to also participate, and there are currently 43 participating schools.

Approximately 5,000 students will participate in the ETA program in the current academic year, with a total State cost of \$6.7 million. This is less than the \$19 million originally appropriated for the program. Participation is projected to increase in AY 2020, and the Executive Budget would appropriate \$7.2 million to match this need¹.

Part-Time Scholarship

Also included in the FY 2018 Enacted Budget was a Senate initiative to assist part-time students at community colleges who were ineligible for the Excelsior Scholarship. These part-time students could receive up to \$1,500 per semester for up to two years provided they maintain a G.P.A. of 2.0 and complete at least six and no more than 11 credits per semester. An appropriation of \$3.1

million is maintained for the purpose of the program.

Differences in Implementation

Regulations for the Excelsior and ETA scholarships were approved by the Higher Education Services Corporation (HESC) Board in May of 2017. While the Excelsior Program application opened on June 7, students were not able to apply for ETA until July 7. The difference, combined with administrative hurdles in determining which students on each campus would be eligible, led to Excelsior students being informed of their eligibility much earlier than ETA recipients.

The enacting language of both programs contained a provision for a lottery to determine award recipients if there were more applicants than could be covered within appropriated amounts. Although the regulations regarding the ETA scholarship provided for such a lottery, there was no parallel lottery placed on Excelsior. While students could be denied the ETA scholarship if an insufficient amount is appropriated, this is not the case for Excelsior recipients.

The Part-Time Scholarship was not implemented a year after the program was included in the budget, although students may now apply for the funds. It is also subject to lottery provisions if more students apply than funds allow for.

Additional Financial Aid Programs

Tuition Assistance Program (TAP)

In addition to the programs enacted in FY 2018, HESC operates several other financial aid programs. The largest is TAP, which will provide a projected \$929 million in assistance to 276,000 students in AY 2019¹. This is an increase of \$6.2 million over AY 2018. Recipients must be full-time students at either public or private

¹ Participation rate information for 2019-20 is not available as of the time of this publication.

institutions with a maximum income of \$80,000 net taxable income (NTI) for dependent students, and \$35,000 for independent students. As with all New York State financial aid program, recipients must also be documented citizens and have graduated from a New York high school.

TAP awards range from \$500 to \$5,165 based on income level. State law requires SUNY and CUNY to provide the difference between \$5,165 and the cost of tuition for any student eligible for the maximum TAP award, allowing the student to attend-tuition free. Institutions are not reimbursed for this benefit. SUNY will provide a benefit of \$76 million this year to TAP recipients, and CUNY will provide a benefit of \$85 million.

TAP is operated as an “as of right” program, guaranteeing a benefit to any student who qualifies.

Other Existing Programs

The STEM (Science, Technology, Engineering, and Science) scholarship, which covers tuition for students in a recognized STEM program, was established in AY 2015. The first freshman cohort to receive the award graduated in AY 2018, and a projected 2,113 students are receiving \$12.9 million in AY 2019². Students must attend a SUNY or CUNY school, graduate within the top ten percent of their high school class, and agree to live and work in New York in a STEM field for five years after graduation.

The Senate was successful in providing \$4 million to expand the award to a limited number of students at nonpublic colleges and universities in the FY 2019 budget.

The Get on Your Feet Loan Forgiveness Program was established in FY 2016. The program covers federal student loan payments for graduates of New York institutions for two years. Participants must earn less than \$50,000 annually and

participate in the Pay As You Earn Federal repayment program. A projected 3,401 graduates are receiving a benefit of \$4.5 million in AY 2019².

A number of scholarships are also available recognizing service and sacrifice. These include:

- Veterans Tuition Awards
- Regents Awards for Children of Deceased and Disabled Veterans
- Memorial Scholarship for Families of Deceased Firefighters, Volunteer Firefighters, Police Officers, Peace Officers, and Emergency Medical Service Workers
- NYS World Trade Center Memorial Scholarship
- American Airlines Flight 587 Memorial Scholarship
- Flight 3407 Memorial Scholarship

The State also operates a number of financial aid programs to encourage participation in specific occupations. Loan forgiveness programs for physicians, nursing faculty, social workers, district attorneys, young farmers and child welfare workers are all available for individuals who graduate from New York Higher Education institutions and agree to work in a specific field/area for a specified number of years.

The total cost of these scholarships, loan forgiveness programs and awards (not including TAP, Excelsior, or ETA) is projected to be \$61 million in AY 2020, a decrease of \$12 million from the current year².

² Participation information for 2019-20 is not available as of the time of this publication.

TRANSPORTATION CAPITAL PROGRAMS

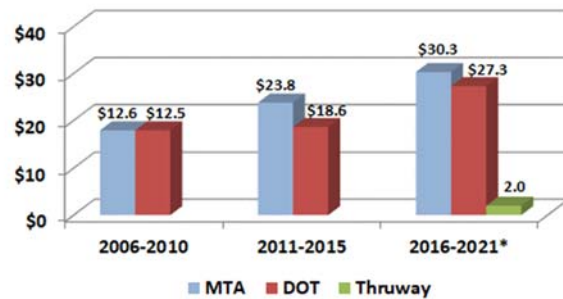


Department of Transportation Capital Plan Obligations (in millions)							
OBLIGATIONS	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Five-Year Total	FY 2021
Core Program	1,904	2,251	2,533	2,476	2,588	11,752	-
Vany Wyck-Kew/Hunts Pt-Bruckner	-	-	1,162	-	-	1,162	-
Administration w/ Aviation Bureau	77	79	76	77	78	387	-
State Forces Engineering/Program Mgmt	408	438	465	485	504	2,300	-
Preventive Maintenance	368	368	372	356	360	1,824	-
Maintenance Facilities	18	18	18	32	32	118	-
Other Federal Programs	25	25	25	25	25	125	-
Rail Development	64	72	72	72	72	352	-
Aviation Systems	14	217	27	17	17	292	-
Non-MTA Transit	57	85	105	105	85	437	-
Capital Aid to Locals	528	478	543	543	478	2,570	-
Local Pave NY/Bridge NY	200	200	200	200	200	1,000	-
Legisl Accel/Reg'l Import	100	150	130	-	-	380	-
Federal Accelerations	-	-	600	-	-	600	-
Annual Total	3,763	4,380	6,327	4,388	4,439	23,297	3,994
Thruway Stabilization	1,285	700	-	-	-	1,985	-
Annual Capital Plan	5,048	5,080	6,327	4,388	4,439	25,282	3,994
Total Transportation Capital Plan							29,276

Coordinated and Balanced Statewide Transportation Plans

After more than a decade without coordinated transportation capital programs, in FY 2017 New York adopted balanced multi-year transportation capital programs for the Department of Transportation (DOT) and the Metropolitan Transportation Authority (MTA). The FY 2020 Executive Budget continues the last year of funding for the multi-year transportation capital programs for DOT and MTA approved as part of the FY 2017 Enacted Budget, as well as the New York State Thruway Authority (Thruway). In addition, the Port Authority of New York and New Jersey has a ten-year capital plan that includes major infrastructure projects in New York State.

MTA & DOT 5-Year Capital Programs History
(in Millions of Dollars)



*The DOT Capital Program adopted in FY 2017 includes a sixth year commitment for DOT for FY 2021

The Executive, in his State of the State address, proposed to invest \$150 billion in infrastructure projects over the next five years, of which \$66 billion would be dedicated to transportation, including mass transit, railroads, airports, highways, bridges and tunnels across the state. These investments are not included in the FY 2020 Executive Budget appropriations.

The MTA is expected to propose a CY 2020-2024 Capital Program this fall, while a DOT Capital

Program for FY 2021-2025 is anticipated next year. The Executive Budget includes a proposal to implement congestion tolling in Manhattan below 60th street, which would provide, at minimum, \$15 billion towards the 2020-2024 MTA Capital Program. The Executive also highlights splitting the costs of the Program with the City of New York, but does not specify doing so in any of the budget proposals.

Department of Transportation – Road & Bridge Capital Plan

In FY 2017, the Legislature secured the largest five-year DOT commitment in state history (\$21.1 billion for FY 2016-2020), as well as a \$4 billion commitment for FY 2021, for a total six-year commitment of \$25.1 billion for DOT. Since FY 2017, the DOT capital plan has grown to almost \$27.3 billion.

The FY 2020 Executive Budget provides \$4.4 billion for the fifth and final year of the current DOT Capital Program.

The FY 2019 Enacted Budget included \$122 million for a Capital Assistance Program for Transportation, Infrastructure and Economic Development (Infrastructure Program). This funding was to be used for services and expenses, grants and cost of program administration for projects related to capital investment in transportation, water and sewer infrastructure and economic development. The funding could also be suballocated to any other state agency if appropriate. The FY 2020 Executive Budget would reduce this appropriation to \$78 million and incorporate language authorizing the State Inspector General to conduct pre-audit reviews of contracts.

Local Aid

Under the Executive's FY 2020 proposal, the Consolidated Highway Improvement Program (CHIPS) would receive \$438.1 million, and the Municipal Streets and Highways Program

("Marchiselli") would receive \$39.7 million, maintaining base funding levels that are unchanged since FY 2014.

The FY 2020 Executive Budget does not continue the one-time \$65 million legislative add for Extreme Winter Recovery included in the FY 2019 Enacted Budget.

The FY 2020 Executive Budget continues the fifth year of the five-year Local **PAVE NY** program, which provides \$100 million per year (\$500 million total) to municipalities for pavement projects. The distribution of the FY 2017-2020 Local PAVE NY allocations is based on the percentage of funding that municipalities receive through the CHIPS formula.

The FY 2020 Executive Budget also includes the fifth year of the five-year Local **BRIDGE NY** program, which provides \$100 million per year (\$500 million total) to municipalities for bridge and culvert projects, as well as an additional \$50 million from FY 2018, added by the legislature, for a total of \$550 million. The FY 2017-2020 allocations (\$450 million) of Local BRIDGE NY funding has been awarded via a solicitation process that included local input on the selection of projects as well as regional balance across the state.

Non-MTA Transit

The FY 2016-2020 DOT Capital Plan includes \$437 million in funding for Non-MTA Downstate and Upstate transit systems, including \$85 million for FY 2020. A \$20 million addition included in the FY 2019 Enacted Budget is not included in the FY 2020 proposal. Of the \$85 million proposed for FY 2020, \$20 million is lined-out for **Upstate transit systems** as follows:

- \$3.6 million for the Capital District Transportation Authority (CDTA)
- \$3.3 million for the Central New York Regional Transportation Authority (CENTRO)

- \$4 million for the Rochester-Genesee Regional Transportation Authority (RGRTA)
- \$5.2 million for the Niagara Frontier Transportation Authority (NFTA)
- \$4 million for all other Upstate transit systems (“formula” systems)

These amounts match last year’s allocations. In distributing the remaining \$65 million, DOT will work with the non-MTA Downstate and Upstate transit systems in evaluating their capital needs.

Airports

The FY 2016-2020 DOT Capital Plan includes \$292 million for aviation, including a proposed \$17 million commitment for FY 2020.

In FY 2017, the Executive implemented a \$190 million Upstate Airport Economic Development and Revitalization Competition. Airports that that were awarded funding under this competition include:

- Elmira Corning Regional Airport (\$40 M)
- Greater Rochester International Airport (\$39.8 M)
- Plattsburgh International Airport (\$38 M)
- Syracuse Hancock International Airport (\$35.8 M)
- Albany International Airport (\$22.1 M)
- Ithaca Tompkins Regional Airport (\$14.2 M)

In addition, the Executive references in his State of the State address, significant investments at John F. Kennedy International Airport (JFK) and LaGuardia Airport, both major projects for the Port Authority of New York and New Jersey.

Rail/Freight

For rail/freight, the FY 2016-2020 DOT Capital Plan includes \$352 million, including a proposed \$72 million committed for FY 2020. This funding would be distributed partially for the traditional Passenger and Freight Rail Assistance Program (approximately \$28 million), which

provides assistance for rail and port capital investments. The remaining \$44 million would be provided as part of a partnership between New York State and Amtrak, which requires the state to pay a portion of the costs (both operating and capital) of providing passenger service across the State.

Metropolitan Transportation Authority

After a major state funding commitment (\$8.3 billion) was agreed to as part of the FY 2017 Enacted Budget, the MTA’s 2015-2019 Capital Program was able to move forward. The MTA Capital Program Review Board (CPRB) first approved a \$26.6 billion 2015-2019 plan in May 2016. Amendments to the plan approved by the CPRB in July 2017 and April 2018 increased funding for the program from \$26.7 billion to \$30.3 billion.

MTA Bridges and Tunnels, which uses toll revenues to finance its capital projects, has a separate \$2.9 billion capital program that does not require CPRB approval.

Approved MTA 2015-2019 Capital Plan Funding Sources	
Funding Plan	Proposed Plan (\$ Millions)
Federal Formula, Flexible & Misc.	\$6,701
MTA Bonds	\$7,968
New York State	\$8,640
Pay-as-you-go Capital (PAYGO)	\$2,145
Asset Sales/Leases	\$1,018
City of New York	\$2,666
Federal / Core Capacity	\$100
Federal / New Starts	\$500
Other MTA Sources	\$595
Subtotal – CPRB Funds Available	30,334
Bridges & Tunnels Bonds & PAYGO	\$2,936
Total 2015-2019 Funds Available	33,270

The funding plan includes a total state commitment of \$8.6 billion that includes:

- \$1 billion commitment in FY 2016

- \$7.3 billion commitment approved in FY 2017, without dedicated funding
- \$130 million in FY 2018, including \$65 million in capital support to offset a reduced transfer in operating assistance and \$65 million for LIRR station improvements
- \$174 million in FY 2019 toward the Subway Action Plan.

The \$1 billion FY 2016 commitment includes \$750 million, payable over five years, and \$250 million from financial settlement funds to support the Penn Station Access project. The \$7.3 billion state commitment will be disbursed once the MTA has expended its own funding sources. In addition, the **FY 2020 Executive Budget includes appropriation language requiring passage of legislation relating to congestion tolling, MTA organizational reform and speed cameras prior to these funds being released.** So far, \$5.8 billion of the \$7.3 billion commitment has been appropriated. The remaining \$1.5 billion appropriation is included in the FY 2020 Executive Budget.

The City of New York’s contribution to the 2015-2019 MTA Capital Program totals \$2.7 billion. Last year’s Enacted Budget required the City to match the State’s contribution to the \$836 million Subway Action Plan for operating and capital improvements, thereby raising the City’s \$2.5 billion capital contribution to the 2015-2019 Capital Plan by \$174 million to \$2.7 billion.

Approved MTA 2015-2019 Capital Plan Spending	
Plan	Proposed Plan (\$ Millions)
Core Capital Plan	
New York City Transit	\$16,742
Long Island Rail Road	\$2,859
Metro-North Railroad	\$2,462
MTA Bus	\$376
MTA Interagency	\$243
Core Subtotal	\$22,682
Network Expansion Projects	\$7,652
CPRB Program Total	30,334
MTA Bridges & Tunnels	\$2,936
Total 2015-2019 Capital Plan	33,270

The MTA Capital Program includes a CPRB core program of \$22.7 billion, including \$16.7 billion for New York City Transit, \$2.9 billion for the Long Island Rail Road, \$2.5 billion for Metro-North Railroad and over \$600 million for MTA Bus and Interagency. This funding includes the purchase of 535 new subway cars, 1,441 new buses, and over 300 new commuter rail cars.

Another \$7.7 billion is for network expansion projects, including funding to complete East Side Access, Penn Station Access projects and the second phase of the Second Avenue Subway project. In addition, an amendment to the 2015-2019 MTA Capital Program approved in July 2017 authorized construction of the LIRR Expansion or Third Track project, which will construct an additional track and remove seven at grade railroad crossings between Floral Park and Hicksville.

MTA Network Expansion Approved MTA 2015-2019 Capital Plan	
Category	Proposed Plan (\$ Millions)
East Side Access	\$2,710
Second Avenue Subway, Phase 2	\$1,735
Penn Station Access	\$695
LIRR Expansion Project	\$2,050
Regional Investments	\$203
ESA Rolling Stock and Liability Reserve	\$131
Miscellaneous/Administration	\$129
Total - MTA Network Expansion	7,652

The April 2018 amendment incorporated the capital projects included as part of the MTA’s \$836 million NYC Subway Action Plan. The NYC Subway Action Plan is designed to improve and stabilize the system while laying the foundation for a system-wide modernization plan.

Thruway Authority

The New York State Thruway Authority has received a total of \$2 billion in financial settlement funds to support the replacement of the Tappan Zee Bridge (Gov. Mario M. Cuomo Bridge) and the Authority's core capital spending program, with \$1.3 billion coming from the FY 2016 Enacted Budget and \$700 million from the FY 2017 Enacted Budget. In addition to providing substantial capital support, the funding has allowed the Thruway to hold tolls at current levels for all drivers until at least 2020. Similar to last year, the FY 2020 Executive Budget does not provide any new funding to the Thruway Authority.

Construction of the new Gov. Mario M. Cuomo Bridge was completed in September 2018. The twin-span crossing replaces the six-decade-old Tappan Zee Bridge. The 3.1-mile bridge includes eight general traffic lanes, emergency lanes, space for future bus rapid transit and commuter rail, cashless tolling, and energy efficient LED lighting.

The Authority's 2019 budget provides for a 2019-2022 capital plan of \$2.5 billion, including \$401.5 million for the remaining costs of the Gov. Mario M. Cuomo Bridge and \$2.1 billion for system-wide Thruway projects and all electronic toll collection (cashless tolling).

The Thruway's budget multi-year capital plan includes \$302.9 million for the continued implementation of cashless tolling on a system-wide basis, including \$142.9 million for 2019. The Thruway issued a Request for Qualifications in August 2018 for qualified firms interested in performing the design, construction and other activities for implementing system-wide cashless tolling. This project is being implemented through Design-Build procurement. It is anticipated that the entire Thruway will be converted to cashless tolling by the end of 2020.

Cashless tolling has already been implemented at all fixed-price toll barriers, including:

- Gov. Mario M. Cuomo Bridge (I-87/I-287)
- North and South Grand Island Bridges (I-190)
- Harriman Toll Barrier (I-87)
- Yonkers Toll Barrier (I-87)
- Spring Valley Toll Barrier (I-87– Commercial Vehicles Only)
- New Rochelle (I-95)

In addition, the FY 2020 Executive Budget proposes language to provide certain protections for customers utilizing the cashless tolling system including certain rights regarding notification of tolls and payment of tolls by mail and electronically.

Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey (Port Authority) has an approved \$32.2 billion 2017-2026 Capital Plan. The plan includes a portfolio of over 600 projects. The Port Authority Board of Commissioners adopted the ten-year plan in February 2017.

The Port Authority's 2019 budget includes \$3.7 billion for capital spending on projects included in the 2017-2026 Capital Plan, including \$1.5 billion to continue the redevelopment of the region's airports. At LaGuardia Airport, construction is advancing on a new central terminal building and other facilities (\$8 billion) that are scheduled to be completed in 2021. Major modernization improvements (\$13 billion) at JFK International Airport are underway, including two new international terminals and roadway access upgrades. Construction of the new JFK terminals will begin in 2020 with the first new gates opening in 2023 and substantial completion anticipated in 2025.

Major improvement projects within the Capital Plan that are significant to New York State, include:

- George Washington Bridge Bus Station
- Port Authority Bus Terminal
- George Washington Bridge
- Holland Tunnel
- Lincoln Tunnel
- LaGuardia Airport
- JFK International Airport
- Stewart International Airport
- PATH
- Brooklyn Marine Terminals
- WTC Site
- WTC Transportation Hub
- Gateway Program

Port Authority of NY & NJ Proposed 2017-2026 Capital Plan	
Category	Proposed Plan (\$ Millions)
Renew Projects	\$8,755
Expand & Connect Projects	\$11,110
Partner Projects	\$4,744
Deliver Projects	\$7,583
Total - Port Authority	32,192

CONGESTION PRICING



Congestion Pricing

For more than a year, the Executive has maintained that a congestion pricing program is needed in Manhattan to address the problem of increased traffic and gridlock and to provide a new recurring revenue source to support needed capital investments for New York City's subway system. The Executive has argued that the subway system, operated by the Metropolitan Transportation Authority (MTA), is in crisis and needs substantial additional investment to modernize its antiquated signal system and make other infrastructure upgrades necessary to improve overall performance.

As a prelude to congestion pricing, the Enacted Budget for fiscal year 2019 authorized a new surcharge on for-hire vehicles trips made south of 96th Street in Manhattan to ease vehicular traffic and establish a new funding stream for the MTA. The new surcharge is \$2.75 for mobile phone application based for-hire vehicles, \$2.50 for yellow and green taxis, and \$0.75 for pooled trips. The revenues will go into an MTA "lock box," and will provide long-term funding for the Subway Action Plan, outer borough transit improvements, and a NYC general transportation account. While the surcharges were supposed to take effect at the start of 2019, a legal challenge by the taxi industry has delayed implementation.

As anticipated, the Executive Budget for fiscal year 2020 directs the MTA to design and construct the infrastructure for a congestion pricing system in New York City. Under the Executive's congestion pricing proposal, motorists and trucks will be charged to enter Manhattan below and inclusive of 60th Street, but not along the FDR Drive, beginning in 2021. If approved, New York would have the nation's first congestion pricing program.

While a proposed fee schedule has not been determined, charges may be similar to bridge and tunnel tolls on existing MTA and Port Authority of New York and New Jersey crossings. The congestion pricing plan would be designed to generate sufficient revenues to support \$15 billion of capital investment in the MTA's upcoming 2020-2024 Capital Program and include funds to support the infrastructure necessary to implement the program.

Although the originators of an earlier plan called Move NY generated political and business support for congestion pricing in recent years, until a sudden surge of subway related problems began in 2017, the Executive remained skeptical about the viability of congestion pricing. The need to address the increase in subway service problems, such as extensive and frequent delays, and fund additional modernization improvements may have persuaded the Executive to become an advocate of congestion pricing. Even Mayor Bill de Blasio, who previously opposed congestion pricing, now seems more amenable to the idea.

Congestion pricing involves using electronic or cashless tolling technology to charge vehicles that enter designated zones. It is in place in several international cities such as London, Stockholm and Singapore, where it can cost more than \$15 to drive into the main part of the city during peak periods. It has not yet been adopted anywhere else in the United States. Any congestion pricing plan adopted in New York City would be coordinated with the MTA's existing E-Z Pass and cashless tolling programs. The installation of cashless tolling at the MTA's bridge and tunnel crossings was completed in September 2017.

During the first half of 2017, New York City's subway system began to experience a series of major service-related problems that often resulted in widespread and lengthy delays. According to the MTA, problems such as frequent signal system outages, revealed the need for significant corrective action and additional investment, both short-term and on a long-term basis. In late June 2017, the Executive signed an executive order declaring a state of emergency in the subway system. The order, which remains in effect, streamlined procurement provisions.

After a comprehensive review undertaken by then newly returned (and now former) MTA chairman Joseph J. Lhota, the MTA released a Subway Action Plan designed to stabilize and improve the system by addressing the key factors of the major incidents of delay. The Subway Action Plan cost \$836 million for 2017 and 2018, and the program will be ongoing. The Enacted Budget for FY 2019 included language evenly splitting the cost of the Subway Action Plan between the State and New York City, a funding requirement strongly opposed by the City.

In August 2017, the Executive announced that it was time to revisit the idea of congestion pricing in order to provide a new revenue source to support increased MTA capital investments and address the New York City's worsening traffic problems. The Executive created an advisory panel, called Fix NYC, to develop new congestion pricing proposals. In January 2018, Fix NYC released its final report endorsing implementing congestion pricing using a phased approach.

In a follow up to the Fix NYC panel, the Enacted Budget for fiscal year 2019 established the Metropolitan Transportation Sustainability Advisory Workgroup to make recommendations to improve public transportation in the New York metropolitan region while confronting the need to both address excess traffic congestion and identify new sources of sustainable revenue for the MTA.

History

It has been over a decade since a major congestion pricing effort led by former Mayor Michael R. Bloomberg failed to gain approval in Albany. While Mayor Bill de Blasio has expressed support for a new revenue source to finance increased investment in transit, he has endorsed using a so-called "millionaires' tax" on City residents as a better way to support additional transit improvements.

In April 2007, as part of an environmental sustainability initiative called PlaNYC 2030: A Greener, Greater New York, Mayor Bloomberg proposed a traffic congestion pricing fee for vehicles travelling into or within Manhattan's central business district. The initial plan included an \$8 charge for cars and a \$21 charge for trucks that travelled south of 86th Street in Manhattan or within the congestion zone. The charge would have applied from 6:00 a.m. to 6:00 p.m. on weekdays and no vehicle would be charged more than once per day. Taxi and livery trips that began, ended, or passed through the zone would have been subject to a \$1 surcharge. It was estimated that the fees would generate \$380 million annually.

Mayor Bloomberg's proposal was not approved in Albany. Instead, legislation was passed that created the New York City Traffic Congestion Mitigation Commission to study several options, solicit public input for reducing traffic in Manhattan, and make recommendations to that end. In 2008, the commission presented a congestion pricing proposal that was a modified version of Mayor Bloomberg's plan. Differences included reducing the congestion pricing zone to south of 60th Street, reduced fees for certain low emission vehicles, and no intra-zonal charge. Despite the support of Governor David A. Paterson the commission's plan failed to gain approval in Albany, as the Legislature failed to vote on the measure.

While the subway crisis of 2017 seemingly created the latest opportunity to reconsider congestion pricing, the Move NY campaign worked steadily over the past few years to address and refine the most criticized elements of the earlier plan proposed by Mayor Bloomberg, possibly paving the way for the approval of a congestion program. The Move NY campaign was led by Sam Schwartz, a former city traffic commissioner also known as “Gridlock Sam,” and Alex Matthiessen. Mr. Schwartz also served as a member of the Fix NYC panel and Metropolitan Transportation Sustainability Workgroup, both of which recommended congestion pricing.

Move NY

A major criticism of the Bloomberg plan was that Manhattan would receive the benefits of congestion pricing while the outer boroughs would bear the costs. While the Move NY plan would add tolls to the East River bridges, the proposal includes a “toll swap” that would reduce bridge tolls in the outer boroughs, creating a benefit in areas that had strongly resisted congestion pricing. In addition, under the Move NY proposal a portion of the revenue raised from congestion pricing would be reserved for roads and bridges to benefit drivers instead of all of the revenue going to mass transit.

Move NY developed a congestion pricing plan that included Mr. Schwartz’s toll swap and revenue for roads and bridges. To address the surge in Uber and other ride-hail-application services, they also proposed adding per-mile and per-minute surcharges to fares for cabs and other for-hire vehicles in Manhattan south of 96th Street, which was intended to improve traffic flow in heavily congested business areas.

Move NY estimated that its plan would generate about \$1.5 billion annually for mass transit as well as local road improvements.

Fix NYC

The Fix NYC advisory panel, which was tasked by the Executive in 2017 with developing proposals to reduce traffic and raise revenue to modernize the subway system, released its report in January 2018. The panel recommended that the MTA make improvements to the subway system before implementing a congestion zone pricing plan in Manhattan. Under the proposal, using electronic tolling, driving into the busiest part of Manhattan, south of 60th Street, could cost \$11.52, matching the current E-ZPass rate. The charge would be daily. Motorists who have already been charged a bridge or tunnel toll to get into the city would not have to pay again.

Under the plan, trucks would pay \$25.34, and taxis and for-hire vehicles would see surcharges of \$2 to \$5 per trip. The zone for taxis and for-hire services might be extended to 96th Street. The panel recognized that over the past few years, ride-hailing companies such as Uber and Lyft have experienced a large increase in business, contributing to the increased traffic congestion in Manhattan.

The congestion pricing program would be in effect on weekdays between 6 a.m. and 8 p.m., with the possibility of longer extended hours, including weekends.

The recommendations by the Fix NYC panel built upon Move NY’s efforts, although the panel did not recommend putting tolls on the City’s free East River bridges nor did it recommend lowering existing bridge tolls in the outer boroughs. The panel estimated the congestion pricing program would be implemented over a two-year period, and that the program would generate between \$1 billion and \$1.5 billion annually, with the monies going to the MTA to fund subway improvements.

The program would be implemented in three phases over two years. Phase one would include the continuation of transit improvements in the outer boroughs and suburbs, and increased

enforcement by the New York Police Department of existing traffic laws. Phase two includes the implementation of a surcharge on taxi and for-hire vehicle trips once transportation service companies have fully installed the necessary GPS technologies. Phase three would include the activation of a zone pricing program, first for trucks, and then for all vehicles, entering Manhattan's central business district below 60th Street.

Upon the report's release, Mayor Bill de Blasio said that the proposal was a step in the right direction. However, the Mayor continued to advocate for a millionaires' tax as a better way to fund subway improvements and aid low-income commuters.

The surcharges on for-hire vehicle (\$2.75), and yellow taxi (\$2.50) trips, and pooled rides (\$0.75 each) included last year's Enacted Budget are in line with Phase two recommendations in the Fix NYC report.

Metropolitan Transportation Sustainability Advisory Workgroup

The Metropolitan Transportation Sustainability Workgroup was established as part of last year's Enacted Budget and met regularly throughout the fall of 2019 to discuss how best to address the MTA's growing operating and capital needs, and to consider new, sustainable revenue sources. The workgroup looked to build upon the work of the Fix NYC panel as it revisited the feasibility of implementing congestion pricing in New York City.

The 10-member workgroup chaired by Kathryn S. Wylde, president and CEO of the Partnership for New York City, included appointees of the Executive, Senate Majority Leader, Assembly Speaker, the New York City Mayor, and the New York State and New York City Departments of Transportation. A majority of the workgroup members agreed that the creation of a congestion pricing zone in Central Business District of

Manhattan was the preferred alternative as a new sustainable funding source for the MTA. Other cities, such as London and Stockholm, have successfully implemented congestion pricing to reduce traffic and raise funding for transit.

Next Turn?

The Executive Budget for fiscal year 2020 proposes that a congestion pricing zone be established in Manhattan south of 60th Street and not including the FDR Drive. The program would be designed to generate enough revenues (approximately \$1 billion, net) to support \$15 billion of additional MTA capital improvements.

The MTA clearly needs to continue to move forward with plans to modernize the subway system, including installing new signal technology, as well as secure a new revenue source to help fund its next five-year, multi-billion dollar capital spending program.

As of April 2018, the approved Capital Program Review Board portion of the MTA 2015-2019 Capital Program totals \$30.3 billion. The consideration of a new revenue source to support additional MTA capital investments should be done in a deliberative manner, possibly as part of the approval of the next five-year MTA program. The MTA will be releasing its proposed 2020-2024 Capital Program later this year.

The Executive also wants New York City to assume greater responsibility for funding subway improvements. Until there is an agreement between the Executive and New York City covering the State and City's responsibility for funding MTA transit capital improvements, it may be advisable to hold off on congestion pricing. Any discussion of congestion pricing should include some resolution of this issue, along with recognition that a new congestion pricing "tax" will have some adverse financial impacts on hardworking middle class families and small businesses.

EXECUTIVE CRIMINAL JUSTICE PROPOSALS



The FY 2020 Executive Budget, titled the ‘Justice Agenda’, contains extensive criminal justice Article VII language with a wide range of fiscal implications. Advanced proposals such as eliminating unconstitutional language and penalty increases have no or nominal fiscal implications, while others, such as large capital expansions for programming at state correctional facilities and reviving certain previously time-barred civil suits have larger fiscal implications.

Bail

The Executive advances language to eliminate cash bail and require defendants to be released under the least restrictive measures that will reasonably assure their attendance at their next appearance. This language creates a presumption of release for those arrested for misdemeanors and most class E felonies.

The Court would release the defendant on their own recognizance, or with non-monetary stipulations by the court including; reporting to an Office of Court Administration certified pre-trial service organization, reasonable restrictions on associations or travel, restrictions on the possession of firearms, or the required use of an electronic monitoring device. Police would be required to issue an appearance ticket, except for when the individual has an outstanding warrant, a documented history of failure to appear in court, or is charged with a crime against a member of the same family or household.

The language creates a new hearing that allows a District Attorney to petition to have the individual

held pre-trial for certain reasons. This includes the defendant is charged with a class A felony, charged with witness intimidation offenses, charged with class B or C violent felonies, pose an immediate risk to members of their family or household, have persistently failed to appear in court. If a defendant is to be detained pre-trial after a hearing, the language provides various limits for which they can be held before trial.

- Eliminates cash bail for all crimes
- Proposes new discovery and speedy trial provisions
- Bans bump stocks and proposes ‘Red-Flag’ orders of protection
- Removes Capital Punishment from Law

Discovery

The Executive advances language to reform the discovery process; including rules regarding disclosure of: evidence that is favorable to the defense (Brady information); expert opinion evidence, witnesses’ criminal history, search warrants, and evidence intended to be introduced at trial. This proposed language creates new time frames for disclosure that are shorter than existing requirements.

Language is also advanced allowing the parties, after judicial review of the material, the ability to seek protective orders and redact personal information from discovery that could hinder an open investigation.

Further, the existing crimes of witness tampering and intimidating a witness would be expanded and three new offenses would be added. These include:

- Class A misdemeanor for tampering with or intimidating a victim or witness through social media
- Class A-1 felony for tampering with a witness
- Class A-1 felony for intimidating a victim or witness

Child Victims Act

The Executive advances language that would increase the period of time when the criminal statute of limitations for sexual crimes committed against minors begins, from 18 to 23 years old. The language would also allow civil lawsuits to be brought for physical, psychological or other suffering resulting from sexual crimes committed against them while they were minors. The suit can be brought against the person responsible, or those negligent, for the conduct of those acts until the victim is 50 years old. The language would open a one-year window for previously committed offenses to be filed in civil court.

The Office of Court Administration would be required to provide judges and justices with training with respect to crimes involving the sexual abuse of minors and provide for the timely adjudication of the revived lawsuits. The language would also eliminate the need to file a notice of claim with a public entity that would be part of the lawsuit.

Domestic Violence Survivors Act

The Executive advances language that would amend the Penal Law and Criminal Procedure Law by reducing the sentences that domestic violence victims receive if the abuse was a contributing factor for committing a crime. The language would alter which offenses are eligible

to be reduced. Current law only allows violent felonies that are not sex offenses. The proposed language would expand to include nonviolent felonies, second-time felony offenses, and first and second-time felony drug offenses.

The proposed language would disallow aggravated murder, first-degree murder, any offense that would require an individual to register as a sex offender, and certain instances of second-degree murder. Any individual serving a sentence of eight years or more at the time the proposed language were to take effect, could petition their sentencing court to resentence them according to the proposed sentencing structure. Any previous time served would count towards the new sentence if granted.

Proposed Firearm Language

The Executive advances numerous pieces of language impacting the possession of firearms.

Bump Stock Ban

The Executive advances language that would ban ‘bump stocks’ and similar rapid-fire modification devices such as trigger cranks and burst-trigger systems. The possession of a trigger modification device would be a class A misdemeanor, while the manufacturing and transportation of such device would be a class E felony.

Background Check Extension

The Executive advances language relating to the waiting period for certain firearm transactions. When a firearm purchaser is not immediately approved or denied by the National Instant Criminal Background Check System (NICS), the proposed language would require the current possessor of the firearm to wait 10 days for a result from NICS before turning over the firearm. This is an increase from three days.

Extreme Risk Protection Order

The Executive advances language to create court-issued orders of protection that prohibit a person from purchasing or possessing a firearm if the

court deems that person to be a harm to themselves or others. Those allowed to petition the court for an order would include a police officer, jurisdiction-related district attorney, family or household member, or licensed-school official at which the sought individual is enrolled. If a temporary order is declared, the court would notify the individual that they may not possess or purchase firearms, and a hearing would occur within six days of the order being served to determine if a final order is to be issued. If a temporary order was not issued, a final hearing would still occur no later than 10 days after the application was filed. If a final order is issued, the individual would not be allowed to possess or purchase any firearms for upwards of a year from the date of the first order issued.

Reentry Package for Incarcerated Individuals

The Executive advances numerous pieces of language intended to assist inmates as they re-enter into the community.

Occupational Professional Licensing

The Executive proposes removing statutory bans on convicted individuals from obtaining specific occupational licensing for professions and instead require licensing agencies to assess applicants on an individualized basis based off of the requirements set forth in Article 23-A of the Correction Law. Occupational licenses that would be affected by this include:

- Licensed Cashers of Checks
- City-Wide Education Council Members
- Licensed Bingo Operator
- Notary Public
- Charitable Gaming Supplier
- Insurance Adjuster
- Real Estate Broker/Salesperson
- Public Assistance Worker
- Driving Education Teacher

Six-Month Mandatory Driving Suspension

The Executive advances a Resolution to be acted upon by the legislature to eliminate the mandatory six-month suspension of driver licenses for those convicted of non-driving drug crimes. This is being proposed in response to a federal law requiring states to either suspend the licenses of people convicted of drug offenses, pass a resolution expressing opposition to the bill, or lose eight percent of federal highway funding. Enactment of this language would satisfy the resolution requirement.

Mugshot Publication Guidelines

The Executive advances language within Public Officers Law to have the Committee on Open Government or a relevant State Agency develop guidelines to prevent law enforcement booking information, including mugshots, from becoming unwarranted invasions of personal privacy.

Appearance of Undisposed Cases on Criminal Background Checks

The Executive advances language to exclude references to undisposed cases from appearing on criminal history records. An undisposed case is a criminal action or proceeding for which there is no record of an unexecuted warrant of arrest, superior court warrant of arrest, bench warrant, and no conviction or imposition of sentence occurred.

Geriatric Parole

The Executive advances language to allow for those over 55 with debilitating conditions caused by their age to be eligible for parole. The inmate must be suffering from a chronic condition, disease, syndrome that is aggravated by age and has rendered the inmate unable to provide self-care within a correctional facility. Those with either indeterminate or determinate sentences would be eligible; except those who were serving a sentence for severe murder convictions or life without parole.

Reduction of Max Sentence for Certain Misdemeanors

The Executive advances language to reduce the definite maximum sentence of class A misdemeanors from one year to 364 days. The language also proposes that all references in statute to ‘one-year’ or ‘365 days’ actually means ‘364’ for all misdemeanors. This is in response to federal law that allows the deportation of certain immigrants who have been sentenced for crimes for one year or more.

Remove the Death Penalty from Law

The Executive advances language that would amend the Penal Law and Criminal Procedure Law to remove the sentencing and procedures associated with capital punishment from current statute. The last execution occurred in 1963 and capital punishment has been ruled unconstitutional by the New York Court of Appeals since 2004.

Executive Proposal on Ethics and Other Governmental Operations



Summary

The Executive Budget includes a Good Government and Ethics Reform proposal including two concurrent resolutions amending the Constitution to: 1) allow no excuse absentee voting; 2) allow voters to register to vote on or before election day.

The proposal consists of the following parts:

Part A would require candidates for statewide office and members of the legislature provide five previous years of federal and state tax returns to the board of elections for public disclosure 60 days before a general election.

Part B would create a taxpayer funded campaign finance system, create limits on political contributions and increase reporting of such contributions.

Part C would require the State Board of Elections to develop an on-line portal to allow individuals to register to vote on-line.

Part D would establish a system of early voting for 12 days prior to election day. Early voters could vote at any early voting site in their county, subject to certain limitation.

Part E would set a single date for state, local and federal primaries at the end of June, and would make technical changes to the Election Law.

Part F would treat limited liability corporations as corporations for purposes of contribution limits. This would close the “LLC loophole”.

Part G would establish a system of automatic voter registration at various government agencies.

Part H would require employers to provide employees up to three hours of paid time off to vote on election day.

Part I would require polls to be open on primary elections from six a.m. to nine p.m throughout the State.

Ethics and Campaign Finance Reform Proposals

- Taxpayer Funded Campaign Finance System
- Same Day Voter Registration and Voting
- Three Hours Paid Time Off For Employees On Election Day
- Single June Primary

Part J would allow 16 and 17 year olds to pre-register to vote such that they would be automatically registered upon turning 18.

Part K would prohibit campaign contributions by persons or entities actively bidding for government procurement contracts. The prohibition would extend six months after the contract award for the winner. This part would also enact a civil penalty of the greater of \$10,000 or twice the contribution where there was intent to violate this prohibition, in an action brought by

the State board of elections chief enforcement counsel.

Part L would allow for the transfer of a voter's registration when the voter moves within New York.

Part M would prohibit lobbyists, political action committees, labor unions, and persons registered as independent expenditure committees from making loans to candidates or political committees.

Part N would authorize the use of electronic poll books and require the State Board of Elections to promulgate minimum security standards related to the use of such devices.

Part O would require lobbyists to report contributions to a political candidate or political action committee raised from others by the lobbyist as well as contributions directly from the lobbyist.

Part P would prohibit individuals engaged in lobbying an elected official from engaging in political consulting for that elected official. It would also prohibit individuals engaged in political consulting services for an elected official or candidate from engaging in lobbying that official.

Part Q would require certain charitable non-profit entities to disclose donations to the Joint Commission on Public Ethics (JCOPE), and authorize the Executive Director of JCOPE to issue exemptions of such public disclosure.

Part R would lower the threshold for an individual to be deemed a lobbyist, triggering filing and disclosure requirements. Lobbyists with reportable business of at least \$500 would be required to file a statement of registration. Clients who retain a lobbyist and have lobbying expenses of at least \$500, would be required to file a semi-annual report. The current threshold for both is \$5,000.

Part S would impose civil and criminal penalties on lobbyists who fail to file a timely lobbying report or fail to comply with a random audit.

Part T would extend the existing two year lobbying ban for state officers and employees to a five year ban. Currently, state officers or employees, are prohibited from appearing or lobbying before certain state entities.

Part U would prohibit an employee of an elected official from volunteering for the campaign of that official. This would apply to officers or employees of a statewide officeholder, a state Senator, or a member of the Assembly.

Part V would require various local officials, including all local elected officials earning more than \$50,000, to be subject to the Joint Commission on Public Ethics (JCOPE) financial disclosure filing requirements.

Part W would amend the Legislative Law to establish a lobbyist code of conduct, providing minimum standards of professional conduct. A lobbyist who willfully violates the code of conduct would be subject to a civil penalty of up to \$25,000 or prohibited from engaging in lobbying activities for up to five years.

Part X would require all drivers to be registered voters unless he or she opted out.

Concurrent Resolutions to Amend the Constitution

Same Day Voter Registration

The Constitution, Article II, § 5 requires laws be made for ascertaining, by proper proofs, the citizens who shall be entitled to the right to vote and for the registration of voters be completed at least ten days prior to an election to be eligible to vote in that election. The Executive proposes a constitutional amendment to allow citizens to register to vote on any day prior to and including

the day of the election and that the eligible citizens be entitled to vote in that election.

While 17 states and the District of Columbia allow same day voter registration, the vast majority require voter registration to be completed prior to the election. Of the states that require pre-election registration, New York's ten day prior registration deadline is among the least restrictive. **In every state that allows same day voter registration, voters are required to provide proof of identity prior to casting a ballot.**

CAMPAIGN FINANCE REFORMS

LLC Treatment

The Executive proposal in Part F captures limited liability company (LLC) donations within the ambit of corporate contributions in Election Law 14-116. This provision of law has not been amended since 1978 (subd. 1) and 1981 (subd. 2) respectively. The formation of a LLC has been codified in New York Law since 1996. It is specified in statute as an "unincorporated organization." Limited Liability Company Law § 102 (m).

The Executive proposal would statutorily treat the contributions of a limited liability company as a corporation, rather than as an individual and limit such contributions to \$5,000 in the aggregate per calendar year.

A bill recently passed by the Senate(S.1101) and Assembly(A.776) goes further. The bill would require disclosure of all direct and indirect individual owners in the company and the specific proportion of their ownership. It would further require an LLC to prorate its contributions in all cases against the individual members. This provision would require that each contribution by an LLC be attributed to each individual member and count against the individual member's aggregate limits as well. If such member is itself a LLC, it must be further counted against such individual members of that LLC. This treatment

is more akin to the treatment of a contribution from a partnership than a corporation.

Taxpayer Funded Campaign Financing

The FY 2019 Executive Budget proposes creating a statewide system to publicly finance general, primary, and special elections.

How much would it Cost?

While no estimate has yet been provided, the FY 2016 proposal included a nearly identical public financing scheme that the Executive estimated would cost approximately \$166 million over a four year election cycle. As the Executive has acknowledged, the total cost to the State would be highly dependent on the number of candidates that participate in the program.

A Pilot program enacted for the statewide race for Comptroller in 2014 was not utilized. The incumbent declined to participate, having already raised nearly \$2 million; and the challenger desired to participate but was unable to generate sufficient small donations to qualify for public matching funds.

The proposed publicly financed campaign system would use a 6:1 matching system. Candidates participating in the program would be eligible to receive \$6 in public funds for each \$1 of matchable contributions, with a maximum of \$175 of eligible private funds per contributor. Additional restrictions would apply where candidates run unopposed.

The following table outlines the maximum amount of public funds each candidate could receive under this proposal.

Maximum Public Funds that Could be Received by Each Eligible Candidate (in thousands of dollars)			
Candidate	Gen/Special Election	Primary	Total
Executive	\$10,000,000	\$8,000,000	\$18,000,000
Lieutenant Governor	\$10,000,000	\$4,000,000	\$14,000,000
Attorney General	\$4,000,000	\$4,000,000	\$8,000,000
Comptroller	\$4,000,000	\$4,000,000	\$8,000,000
Member of Senate	\$375,000	\$375,000	\$750,000
Member of Assembly	\$175,000	\$175,000	\$350,000

How would it be financed?

The vast majority of the publicly financed campaign scheme would be paid for through several funding sources. The NYS Campaign Fund would be funded by:

- Income Tax Check Off Diversion of Revenue
- Abandoned Property Funds
- General Fund(by appropriation)
- Contributions by private individuals or organizations
- Other funds or sources pursuant to law

Funds would also be drawn from the General Fund when the NYS Campaign Fund lacks sufficient funds to pay claims, regardless of whether there is appropriation authority.

Additional costs would also likely be reflected in increases to the Board of Elections annual budget, which is funded by the State

Moreover, public funds received by participating candidates would likely be used to pay for Board of Elections audits (audits required for every participating candidate).

As noted above the proposed legislation would require that payments be made from the General Fund if there were insufficient funds to pay claims. Article VII, §7 of the State Constitution provides, in part, that “no money shall ever be paid out of the state treasury or any of its funds ... except in pursuance of an appropriation by law”. Accordingly, there is a strong possibility any requirement that payment be made without appropriation authority is unconstitutional.

This requirement could result in a situation where funds are expended to publicly finance election campaigns and other program funding would have to be reduced.

Public funds disbursed to a candidate’s campaign committee could ultimately be expended to pay for the cost of auditing that candidate’s publicly financed campaign. In fact, each campaign would be required to reserve at least three percent of public funds received for the post-election audit.

For a contribution to qualify as a “matchable contribution” it must be made by a natural person resident who is a resident of New York. In contrast, the Executive’s FY19 proposal required a “matchable contribution” be made by a natural person who is a United States citizen and a resident of New York.

Income Tax Check-off Box

Under the Executive proposal, beginning in 2019, the State would offer a Campaign Finance Fund Check-Off Box. Resident taxpayers who have at least \$40 in State tax liability for that year could elect to direct \$40 to the New York State Campaign Finance Fund. Married couples who file jointly may each direct \$40 to the Fund.

Whether a taxpayer checks the box would have no impact on the individual’s tax liability. If an individual checks the box, this would simply direct New York State to allocate \$40 of the individual’s tax liability to the State’s Campaign Finance Fund Special Revenue Account (SRO). The funds in this account would be used to help pay for the Executive’s taxpayer financed public campaign finance scheme. Regardless of whether any taxpayers check the box, the State would be obligated to fully fund the Executive’s taxpayer funded public campaign finance scheme through the general fund.

Disclosure of Intermediaries

The Executive’s proposal further contemplates the disclosure of intermediaries. In the realm of

disclosure of campaign contributions often certain individuals act as “bundlers” for campaign committees and physically deliver a contribution from a friend, family member or client.

In the interest of further highlighting the various individuals who may be able to exercise outside influence over an elected official, this provision seeks to cause anyone to be disclosed who delivers a donation whose name is not on the check, is not the immediate family of such donor, and is not a staff member or volunteer of the campaign disclosed to State Board of Elections. If it is an event in a person’s home at which donations are solicited and delivered and more than \$500 in aggregate donations are received, the individual “intermediary” must be disclosed.

Limit on Housekeeping to \$25,000

Currently there is no limit on funds that can be received by a Housekeeping Committee, which is limited to activities which do not benefit a specific candidate. These activities include maintaining a party headquarters and staff, as well as other lawful activities. This proposal would limit contributions to a Housekeeping Committee to \$25,000 per year.

The proposed Housekeeping limits would also require more frequent disclosure of donations or loans in excess of \$1,000. All such donations or loans must be reported within 60 days by the treasurer.

JCOPE – Financial Disclosure – Local Officials

The Executive has proposed requiring certain local officials to file financial disclosure forms with the Joint Commission on Public Ethics (JCOPE) .

This filing requirement would apply to:

- Local elected officials with a salary of \$50,000 or more; or

- Individuals elected or appointed to serve as county executive, county manager, or chair of the county board of supervisors.

Individuals covered by this new requirement would be required to file the long form Financial Disclosure Statement in section 73-a of the Public Officers Law. However, it also allows municipalities to apply to JCOPE to allow their local officials to use their own form. JCOPE may grant a request to use the local form if the requirements are similar to 73-a. Where a municipality receives approval to use its form, the local officials would still be required to file the local form with JCOPE for public inspection.

Additionally, municipalities would be authorized to adopt the 73-a financial disclosure form.

Finally, JCOPE would be granted limited jurisdiction to review the accuracy of a covered local official’s 73-a financial disclosure form but must refer any potential legal or ethical violations outside this limited jurisdiction but related to the annual statement of financial disclosure to, as appropriate, the local ethics board or local county district attorney where the municipality is located.

Freedom of Information Law

The Executive proposal subjects the legislature to the freedom of information law (FOIL) as if it were a subsidiary executive agency and not a separate branch of government.

The Legislature is subject to FOIL currently under the Public Officer’s Law in Section 88, which provides that specific records are available for public inspection and copying. Separately, the Legislative Law has long held categories of documents that are available publicly.

In addition to being a legislative body subject to the Open Meetings Law (unlike meetings of agency personnel) the Legislature proactively makes available on its website comprehensive information related to expenditures, legislation

under consideration, agendas and other information. In 2016, the Senate was recognized by the National Conference of State Legislatures for its website, with a specific focus on encouraging public interaction, feedback on legislative proceedings and ease of use.

The Legislature, in proactively publishing its expenditure data is unique. Unlike the Executive branch, specific details on allocating funds or spending funds is provided. In the Senate this information is posted biannually, and payroll data is posted biweekly.

The business of the legislature is conducted largely in public view. The records which are not publicly available, or eligible for FOIL are largely constitutionally protected by the Speech or Debate Clause in Article III, § 11 of the Constitution. There are also other categories of documents which are protected for similar reasons such as confidentiality, privacy, security, etc.

Government Vendor Campaign Contributions

The Executive proposal prohibits entities that bid on government procurement contracts from making campaign contributions to office holders of and candidates for the state government entity issuing or approving the bid. This prohibition would run from the posting of the offer until: 1) six months after the contract award for the winner; and 2) until the contract is awarded for non-winning bidders.

Additionally, this proposal would authorize the State Board of Elections chief enforcement counsel to bring a civil action to recover a civil penalty in instances where a person, organization or business entity intentionally violates this prohibition. The civil penalty would not exceed the greater of \$10,000 or two times the contribution for entities that make unlawful contributions. It would also require the return of the contribution.

Opt-Out Registration

Since the late 1980s New York has had a Motor Voter program which authorizes a customer to have the Department of Motor Vehicles (DMV) forward information such as change of address to the relevant Board of Elections.

The Executive Budget would establish a system of opt-out voter registration for qualified persons applying for a motor vehicle driver's license or identification card issued by the DMV.

The customer must simply check a box to opt-out.

The practical effect of having an individual potentially have their registration cancelled in their home state (if a new licensee in New York) or having their voter registration address changed to a temporary address can cause headaches for voters that are unintended. These consequences include a purge of the voter record, having to vote an affidavit ballot, or seek a court order on Election Day in order to vote.

Currently an individual is protected by case law and permitted to vote at an address that is not the address reflected on their driver's license. An individual is entitled to vote at a residence, or domicile, which may be an address at which the voter does not currently reside.

Since 2012, the DMV has authorized Motor Voter transactions via the Internet.

Early Voting

The Executive Budget would require early voting at polling sites for a period of 12 days prior to special, primary, and general elections.

However, the Executive Budget provides no funding for this proposal leaving counties (ie. local taxpayers) entirely responsible for shouldering the burden for this proposal. The cost in the first year alone is likely to exceed \$30 million and given that the Senate and Assembly recently passed a similar bill (S.1102, A.780), it is likely the Executive will sign a similar early

voting bill leaving the obligation of financing and implementing this proposal on local government.

One of drivers of the high cost of implementing early voting is the necessity of using electronic poll books. As part of the Executive's Budget, the Executive authorizes the use of electronic poll books but includes no funding to purchase these devices, thereby creating an unfunded mandate.

In addition to the financial costs of early voting, there may be costs in terms of the degradation of the security of our election system. If early voting sites are located in public places and are not secured during non-voting hours, this may introduce opportunities for tampering with election equipment. Additionally, to the extent electronic poll books have inherent security vulnerabilities or are required to be networked through the internet, this will introduce security risks to the integrity of elections, relative to the current system.

The Executive has also proposed a constitutional amendment to allow no-excuse absentee voting. This must be passed twice and then ratified by voters to become law. Currently, New York has a system of absentee voting which is established in the Constitution, Article II, § 2. The current provision limits the voters eligible for an absentee ballot to those who may be absent from the county, or who due to illness or physical disability may not be able to vote at the polls on Election Day. This constitutional amendment would allow all voters to participate in absentee voting.

STATE SPENDING CAP



Fiscal Responsibility

Fiscal responsibility is good for economic growth and job creation. By adhering to a self-imposed State Operating Funds spending cap of two percent for the past eight years, the Senate Republican Minority has partnered with the Executive to save taxpayers more than \$52 billion while maintaining a commitment to high priority areas such as education and health care. Adhering to a two percent spending cap will save taxpayers an additional 12.9 billion in FY 2020 to bring total savings for taxpayers to \$65 billion.

S.365 is a more stringent annual spending cap that would limit spending to the average rate of inflation of the three calendar years immediately preceding the state fiscal year for which the cap would apply (as reported by the consumer price index for all urban consumers, published by the United States Department of Labor, Bureau of Labor Statistics). The spending cap would apply only to State Operating Funds (which excludes state capital and all federal funds).

Within five days of action by the Legislature on the Executive Budget, the State Comptroller

Executive Budget

The Fiscal Year (FY) 2020 Executive Budget would increase State Operating Funds spending by \$1.88 billion or 1.9 percent and All Funds spending would increase by \$3.5 billion or two percent. State

Operating Funds school aid would increase by 3.6 percent on a school year basis and Department of Health Medicaid by 6.3 percent on an FY basis.¹

- State Operating Funds Spending Cap of 2%
- Will Have Saved \$65 billion over 9 years
- Maintains investments in health and education

Spending-Cap Bill

The Senate Republican Minority Conference has historically advocated for a statutory spending cap. To ensure the continuance of fiscal austerity, on January 9, 2018, the Senate passed the Annual Spending Growth Cap Act (S.365), which would codify a spending cap linked to inflation. **The new Senate Democratic Majority has not acted on S.365 or any other State spending cap legislation.**

would determine whether the Enacted Budget exceeds the spending cap. If the Budget exceeds the spending cap, as determined by the Comptroller, the Executive would be required to take action to reduce spending to a level that falls within the confines of the cap.

The cap could be exceeded in the event of an emergency. The Executive would be prohibited from submitting, and the Legislature would be prohibited from acting upon, a budget that contains a spending increase that exceeds the spending cap unless an emergency exists.

The Governor has the power to declare a state of emergency by Executive Order and, based upon

¹ FY 2020 Executive Budget Financial Plan, page 15.

such declaration, the Legislature would be authorized, by a two-thirds super majority, to act upon a budget with spending that exceeds the cap. The Legislation defines an emergency as an extraordinary, unforeseen occurrence such as a terrorist attack, natural disaster, invasion or economic calamity.

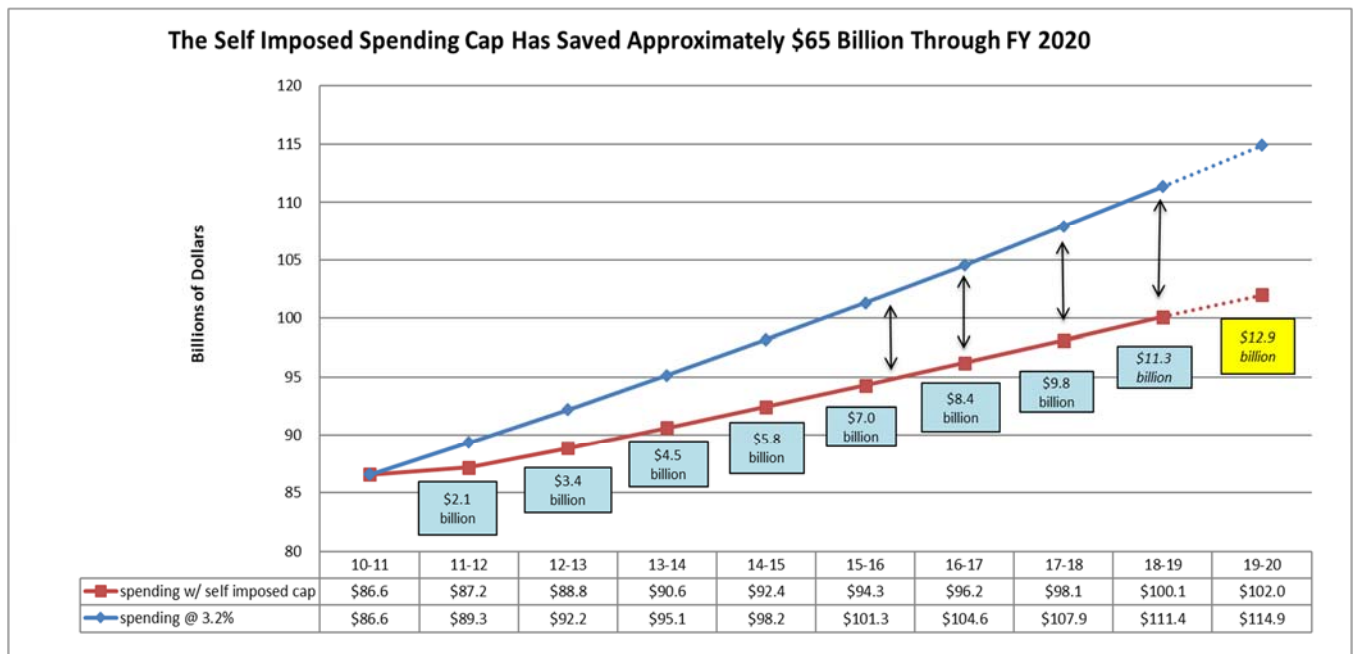
Increase Reserves

The bill would also increase the maximum reserve capacity of the rainy day fund from five percent to ten percent of the aggregate amount projected to be disbursed from the General Fund during the immediate following FY.

Statutory Reserves include \$2.3 billion of which \$1.3 billion is deposited in the Tax Stabilization Reserve and \$1 billion is deposited in the Rainy Day Reserve.

Funds can be withdrawn from the Tax Stabilization Reserve pursuant to the State Finance Law §92 (4) in the event of a shortfall in receipts or can be loaned to the General Fund during any FY pursuant to §92 (5).

Funds can be withdrawn from the Rainy Day Reserve in the event of an economic downturn or a catastrophic event as defined in the State Finance Law §92-cc (3) (a). An economic downturn is determined by the Commissioner of Labor as provided in subdivision 3 (a) (i) and a catastrophic event is defined as the need to repel invasion, insurrection, defense of the state in a time of war, or to respond to an emergency resulting from a disaster to include but not limited to an act of terrorism.



MINIMUM WAGE \$15 PER HOUR (update)



Background

The FY 2017 Enacted Budget included legislation (Chapter 54 of 2016, Part K) to incrementally increase the statutory minimum wage beginning on December 31, 2016. Historically, there had been one single minimum wage applied statewide, however, there are now separate minimum wages for: large employers in New York City (11 or more employees); small employers in New York City; Nassau, Suffolk and Westchester Counties; and the rest of the state.

As a result of Senate advocacy, the law contains a provision to protect businesses from increased labor costs in the event of an economic downturn. Beginning in 2019, and annually thereafter until the minimum wage reaches \$15 per hour in all areas of the state, the Division of the Budget (DOB) is required to conduct an analysis of the state of the economy in each region of the state and catalogue the effect of the applicable minimum wage increase to determine if a temporary suspension or delay in any scheduled increase is warranted.

In conducting this analysis, DOB must consult the New York State Department of Labor (DOL) and its Division of Research and Statistics, the United States Department of Labor, the Federal Reserve Bank of New York and other economic experts. DOB will issue a report and recommendation to the Labor Commissioner, who must take action in accordance with section 656 of the Labor Law, which governs Wage Board reports.

Minimum Wage Update:

- Scheduled increases, ranging from 15% for large employers in NYC to 6.7% upstate, took effect on December 31, 2018
- DOL has not conformed the separate, more accelerated increases for fast food workers to those in statute

December 2015 Administrative Wage Order

In December 2015, the Department of Labor issued an administrative wage order increasing the minimum wage for workers in fast food establishments that are part of a chain of 30 or more locations, which contained different increase schedules for New York City and the rest of the state. In both instances, the scheduled increases are more aggressive than those enacted statutorily. Under this order, the minimum wage for fast food workers in New York City will rise to \$15 per hour on December 31, 2018, and in the rest of the state on July 1, 2021.

Language was included in the FY 2017 Enacted Budget allowing the Commissioner of Labor to

Schedule of Statutory and Fast Food Minimum Wage Increases

Effective Date	NEW YORK CITY						LONG ISLAND / WESTCHESTER				REST OF THE STATE			
	Fast Food*		Large Employer		Small Business		Fast Food*		All Other		Fast Food*		All Other	
	\$/hour	% change	\$/hour	% change	\$/hour	% change	\$/hour	% change	\$/hour	% change	\$/hour	% change	\$/hour	% change
12/31/15	\$9.00		\$9.00		\$9.00		\$9.00		\$9.00		\$9.00		\$9.00	
12/31/16	\$12.00	33.3%	\$11.00	22.2%	\$10.50	16.7%	\$10.75	19.4%	\$10.00	11.1%	\$10.75	19.4%	\$9.70	7.8%
12/31/17	\$13.50	12.5%	\$13.00	18.2%	\$12.00	14.3%	\$11.75	9.3%	\$11.00	10.0%	\$11.75	9.3%	\$10.40	7.2%
12/31/18	\$15.00	11.1%	\$15.00	15.4%	\$13.50	12.5%	\$12.75	8.5%	\$12.00	9.1%	\$12.75	8.5%	\$11.10	6.7%
12/31/19	\$15.00	0.0%	\$15.00	0.0%	\$15.00	11.1%	\$13.75	7.8%	\$13.00	8.3%	\$13.75	7.8%	\$11.80	6.3%
12/31/20	\$15.00	0.0%	\$15.00	0.0%	\$15.00	0.0%	\$14.50	5.5%	\$14.00	7.7%	\$14.50	5.5%	\$12.50	5.9%
7/1/21	N/A		N/A		N/A		\$15.00	3.4%	N/A		\$15.00	3.4%	N/A	
12/31/21	\$15.00	0.0%	\$15.00	0.0%	\$15.00	0.0%	N/A		\$15.00	7.1%	N/A		**	

* pursuant to December 2015 administrative Wage Order

** Effective December 31, 2021, and each December 31 thereafter, the minimum wage for the Rest of the State will be as published by the Commissioner of Labor on or before October 1, based on the then current minimum wage increased by a percentage determined by the Director of the Budget, in consultation with the Commissioner, not to exceed \$15/hour. The percentage increase is to be based on indices including, but not limited to: the rate of inflation for the most recent 12-month period ending in June of that year; the rate of State personal income growth for the prior calendar year; or wage growth.

modify the December 2015 wage order to conform wage increases for fast food workers with those in statute. However, the Department of Labor has maintained the accelerated wage increase schedule for fast food workers to date, which has created disparities, unintended consequences, and some confusion among businesses and workers.

The full schedule of recent and upcoming increases in the minimum wage can be found in the “Schedule of Statutory and Fast Food Minimum Wage Increases” table.

The Cash Wage

The cash wage, or “tipped wage,” is paid to certain hospitality industry employees for whom tipping represents a significant part of their income. Employers are given a credit for tips earned by these employees up to the minimum wage. If tipped compensation is less than the minimum wage, the employer must pay the difference. Additionally, employers are not entitled to the tip credit on days when tipped workers spend more than two hours, or 20 percent, of a shift doing non-tipped work. Tipped employees do not earn below the minimum wage.

Historically, there were separate cash wages established for food service workers, service employees and service employees in resort hotels. The December 2015 Administrative wage order moved all of these employees to a single category and rate for the tipped cash wage, which was increased from \$4.90, \$5.00 and \$5.65, respectively, to \$7.50 per hour.

The FY 2017 Enacted Budget established the cash wage at two-thirds of the statutorily established minimum wage, or \$7.50, whichever is higher. Additionally, the provision of the law that linked increases in the cash wage to the federal Fair Labor Standards Act were removed.

In December 2016, an amended Hospitality Industry wage order was issued that reinstated separate categories for tipped food service workers and tipped service employees. A cash wage and corresponding tip credit were established for food service workers. For service employees, a higher cash wage and lower corresponding tip credit were established, along with a tip threshold rate, which sets forth the minimum amount employees must earn in tips in order for the employer to receive the tip credit. There are separate tip threshold rates for restaurants and all year hotels, and resort hotels.

Schedule of Hospitality Industry Cash Wage / Tip Credit / Tip Threshold Increases																
Effective Date	NEW YORK CITY								LONG ISLAND / WESTCHESTER				REST OF THE STATE			
	Large Employer				Small Business				Cash Wage	Tip Credit	Tip Threshold		Cash Wage	Tip Credit	Tip Threshold	
	Cash Wage	Tip Credit	Hotel	Resort	Cash Wage	Tip Credit	Hotel	Resort			Hotel	Resort			Hotel	Resort
Tipped Food Service Workers																
12/31/16	\$7.50	\$3.50			\$7.50	\$3.00			\$7.50	\$2.50			\$7.50	\$2.20		
12/31/17	\$8.65	\$4.35			\$8.00	\$4.00			\$7.50	\$3.50			\$7.50	\$2.90		
12/31/18	\$10.00	\$5.00	N/A	N/A	\$9.00	\$4.50	N/A	N/A	\$8.00	\$4.00	N/A	N/A	\$7.50	\$3.60	N/A	N/A
12/31/19	\$10.00	\$5.00			\$10.00	\$5.00			\$8.65	\$4.35			\$7.85	\$3.95		
12/31/20	\$10.00	\$5.00			\$10.00	\$5.00			\$9.35	\$4.65			\$8.35	\$4.15		
12/31/21	\$10.00	\$5.00			\$10.00	\$5.00			\$10.00	\$5.00			*	*		
Tipped Service Employees																
12/31/16	\$9.15	\$1.85	\$2.40	\$6.15	\$8.75	\$1.75	\$2.30	\$5.90	\$8.35	\$1.65	\$2.15	\$5.60	\$8.10	\$1.60	\$2.10	\$5.45
12/31/17	\$10.85	\$2.15	\$2.80	\$7.30	\$10.00	\$2.00	\$2.60	\$6.75	\$9.15	\$1.85	\$2.40	\$6.15	\$8.65	\$1.75	\$2.25	\$5.85
12/31/18	\$12.50	\$2.50	\$3.25	\$8.40	\$11.25	\$2.25	\$2.95	\$7.60	\$10.00	\$2.00	\$2.60	\$6.75	\$9.25	\$1.85	\$2.40	\$6.25
12/31/19	\$12.50	\$2.50	\$3.25	\$8.40	\$12.50	\$2.50	\$3.25	\$8.40	\$10.85	\$2.15	\$2.80	\$7.30	\$9.85	\$1.95	\$2.55	\$6.60
12/31/20	\$12.50	\$2.50	\$3.25	\$8.40	\$12.50	\$2.50	\$3.25	\$8.40	\$11.65	\$2.35	\$3.05	\$7.85	\$10.40	\$2.10	\$2.70	\$7.00
12/31/21	\$12.50	\$2.50	\$3.25	\$8.40	\$12.50	\$2.50	\$3.25	\$8.40	\$12.50	\$2.50	\$3.25	\$8.40	*	*	*	*

* Effective December 31, 2021, and each December 31 thereafter, the minimum wage for the Rest of the State, which serves as the basis for the hospitality industry minimum wage, will be as published by the Commissioner of Labor on or before October 1, based on the then current minimum wage increased by a percentage determined by the Director of the Budget, in consultation with the Commissioner, not to exceed \$15/hour. The percentage increase is to be based on indices including, but not limited to: the rate of inflation for the most recent 12-month period ending in June of that year; the rate of State personal income growth for the prior calendar year; or wage growth.

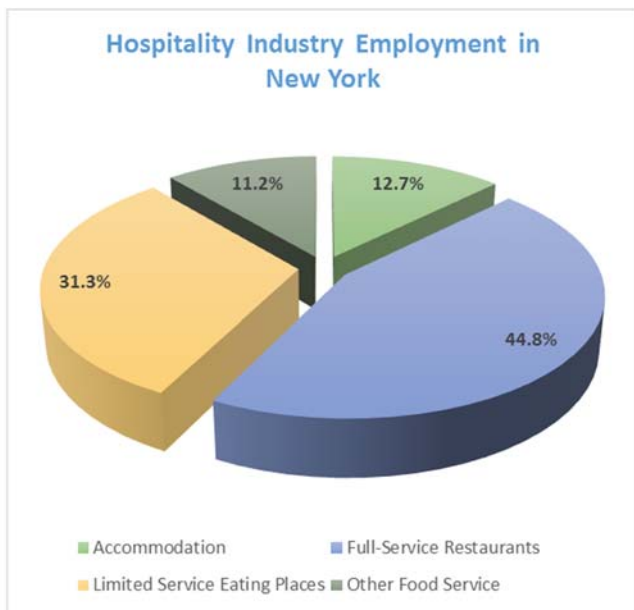
A full schedule of recent and upcoming increases in these various rates can be found in the “Schedule of Hospitality Industry Cash Wage / Tip Credit / Tip Threshold Increases” table.

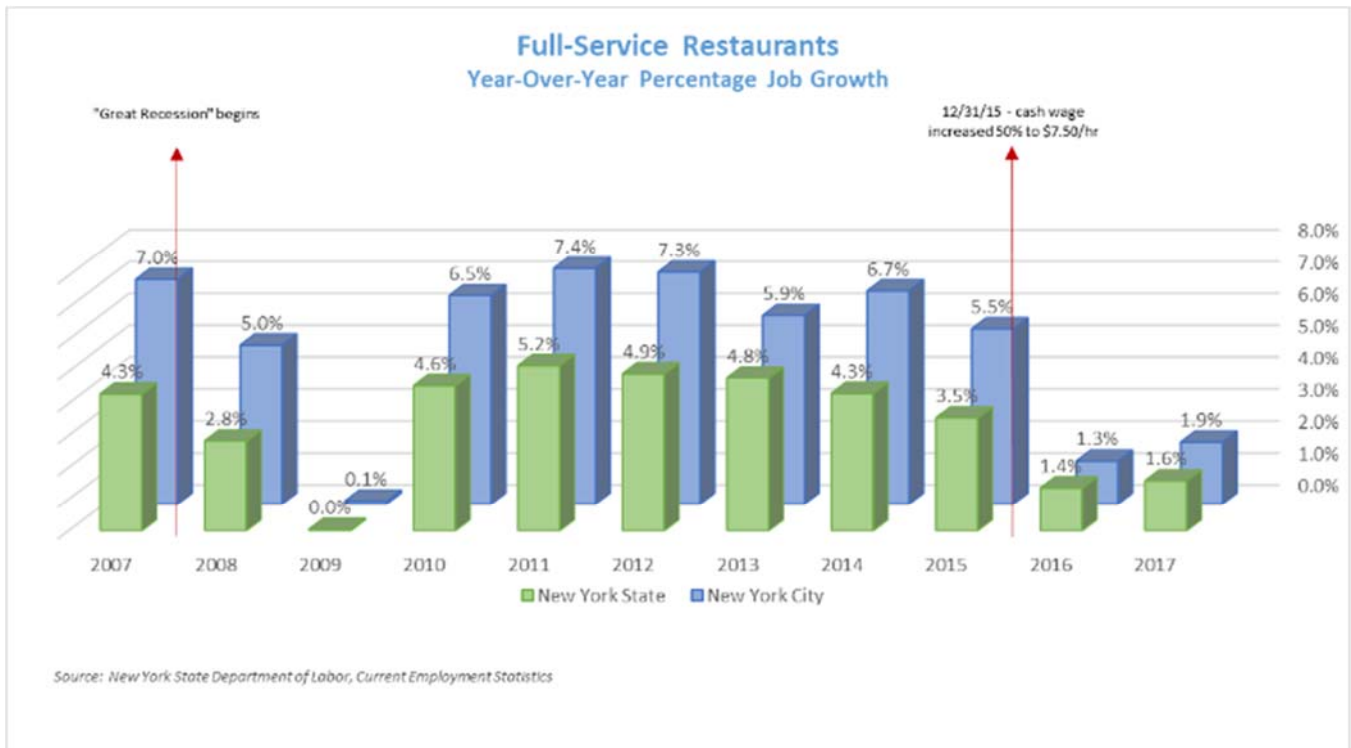
Hospitality Industry In-Depth

The hospitality industry is an important job sector in New York, representing approximately 9.5 percent of all private sector employment in 2018 and a significant concentration of minimum wage workers. Parts of this industry are impacted by the accelerated minimum wage increases for certain fast food workers pursuant to the December 2015 administrative wage order, and the remainder was impacted by a 50 percent increase in the cash wage that same year. Both workers and businesses in this sector would also be significantly impacted by any proposal to eliminate the minimum wage tip credit.

An examination of current and historical employment data for the accommodation and food services sector, as reported by the New York

State Department of Labor, yields some concerning trends, particularly for operators of food services establishments. On a statewide basis, the food services and drinking places sector





represents over 87 percent of total hospitality industry employment (see “Hospitality Industry Employment in New York” chart), with nearly half of that, 44.8 percent, being in full-service restaurants¹.

As seen in the “Full-Service Restaurants Year-Over-Year Percentage Job Growth” chart, the rate of job growth in full-service restaurants experienced a significant decline after the cash wage was increased by 50 percent, to \$7.50 per hour, on December 31, 2015, and is at its lowest levels since the great recession. The impact was more acute in New York City, where full-service restaurants comprise 47 percent of the total hospitality industry.

The limited service eating places² category, which includes, but is not exclusive to, fast food establishments that are impacted by the fast food employee minimum wage, represents another 31.3 percent of hospitality industry jobs. Pursuant to the 2015 administrative wage order, the minimum wage for covered fast food workers in New York City increased 33.3 percent, to \$12.00 per hour, which again resulted in the

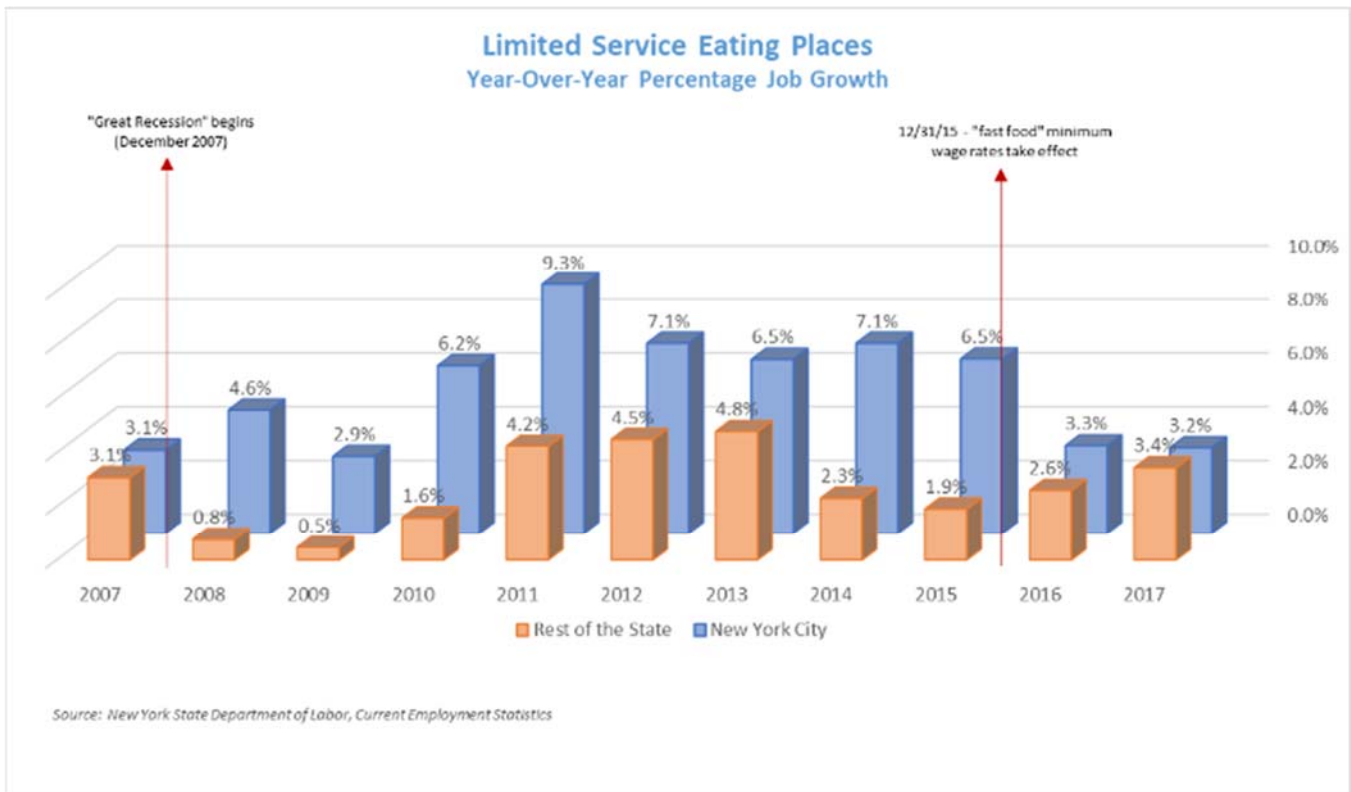
¹ Defined as establishments primarily engaged in providing food services to patrons who order and are served while seated, typically by a waiter/waitress, and pay after eating.

lowest levels of job growth since the great recession (as depicted in the “Limited Service Eating Places Year-Over-Year Percentage Job Growth” chart). The minimum wage for these workers rose to \$13.50 per hour on December 31, 2017, and will hit \$15 per hour next year.

In the rest of the state, where the wage increase for fast food workers was less severe, job growth has not seen similar declines. It remains to be seen, however, if this will be sustained as the minimum wage for fast food workers in the remainder of the state increases to \$15 per hour by July 1, 2021.

Additionally, restaurants in this sector, particularly fast-food chains, are increasingly utilizing, or are seriously considering, automated technology to replace certain workers. Recently, there have been announcements from Jack in the Box restaurants that they are replacing cashiers with automated order kiosks at some locations in California, where minimum wage increases have been similar to those in New York. Red Robin has recently announced the elimination of bus boy positions from their restaurants, after previously

² Defined as establishments primarily engaged in providing food services where patrons generally order or select items and pay before eating.



eliminating certain food preparation positions. McDonald’s, Wendy’s, Dunkin’ Donuts, along with numerous other establishments, have been installing automated kiosks at an increasing pace. The pace of this is likely to continue, if not accelerate, as the cost of labor overtakes the cost of technology.

Implications for Businesses

In a February 2016 analysis, the New York State Department of Labor estimated that increasing the minimum wage to \$15 per hour will increase labor costs for all employers, on a statewide basis, by \$15.7 billion.

On an annual basis, for each dollar increase in the minimum wage, businesses would incur a total cost of \$2,325 per full-time employee, of which \$245 is attributable to increased payroll taxes.

In total, the increase in the minimum wage from \$9.00 to \$15.00 per hour would see business wage costs increase by \$12,480 per full-time, minimum wage earning employee. Additionally, businesses would incur \$1,470 in additional annual tax liabilities (payroll taxes and Workers’

Compensation), for a total cost of \$13,950 per full-time minimum wage earning employee.

To offset these additional costs to businesses, the Senate Republican Minority Conference will continue to advocate for statewide reforms of key cost drivers, such as Workers’ Compensation, business property taxes, the cost of energy, and relief from the cost of overregulation.

State Budget Impact

Farm Workforce Retention Credit

The FY 2017 Enacted Budget included legislation (Chapter 60 of 2016, Part RR) establishing the “Farm Workforce Retention Credit,” which is an attempt to minimally offset the impact on farmers of increased labor costs associated with scheduled increases in the minimum wage.

Eligible farm employers are able to claim a refundable tax credit for each farm employee who is employed for 500 or more hours each year. The amount of the credit is \$250 for taxable year 2017, \$300 for 2018, \$500 in 2019, \$400 in 2020,

and \$600 in 2021. Although the minimum wage is scheduled to increase at different rates in different regions of the state, there is no such variation in the tax credit amounts, meaning that farmers in Nassau, Suffolk and Westchester Counties will receive a credit that is much smaller than their increased labor costs.

This credit is projected to provide savings to farmers, and a reduction in state tax receipts, of \$15 million in FY 2019, \$18 million in FY 2020, \$30 million in FY 2021, \$24 million in FY 2022, and \$37 million in FY 2023.

Minimum Wage Reimbursement Tax Credit

Originally enacted as part of the FY 2014 Enacted Budget, the Minimum Wage Reimbursement Tax Credit was established to provide employers with a tax credit for employees who are paid the minimum wage, between the ages of 16 and 19, and are students. The credit is available for taxable years 2016, 2017 and 2018, and is equal to the total number of hours worked by eligible employees multiplied by \$1.35.

Health/Medicaid

FY 2020, Medicaid spending related to the minimum wage increase is projected at \$1.13 billion, an increase of \$428 million from FY 2019.

Mental Hygiene

The FY 2019 Enacted Aid to Localities Budget for agencies under the Department of Mental Hygiene included funds in support of direct salary and related fringe benefit costs associated with the minimum wage increase for impacted organizations, as follows:

- Office of Alcoholism and Substance Abuse Services – \$10.9 million (\$12.1 million including federal funds)
- Office of Mental Health – \$9.5 million (\$13.5 million including federal funds)

- Office for People With Developmental Disabilities – \$14.9 million \$43.3 million (\$79.8 million including federal funds)

The FY 2020 Executive Budget reflects state spending increases in each of these agencies, resulting from minimum wage related expenses, as follows:

- Office of Alcoholism and Substance Abuse Services – \$6.7 million
- Office of Mental Health – \$8.4 million
- Office for People With Developmental Disabilities – \$47.4 million

Education

The FY 2019 Enacted Budget included an additional \$11 million for the impact of the minimum wage increase on schools in the 2017-18 school year. The FY 2020 Executive Budget includes approximately \$17.2 million for the impact in the upcoming 2018-19 school year.

Human Services

There is no direct impact on state funds related to the minimum wage increase in the Human Services budget. However, since most services in this area are provided on a contractual basis, the increased labor costs faced by providers will likely result in higher State contracting expenses as the minimum wage increases, or a reduced level of services provided.

For FY 2020, the Executive allocates \$13 million in funding for minimum wage increases across all human services programs,

RECREATIONAL MARIJUANA



Cannabis

The Executive Budget contains a proposal to allow the sale of adult use cannabis (recreational marijuana), which will be licensed, regulated and taxed by the state. Any person at least 21 years of age may purchase up to one ounce of cannabis or 5 grams of cannabis concentrate per day. A new Office of Cannabis Management (OCM) within the Division of Alcohol Beverage Control will be charged with oversight of the industry. The proposal also moves the codification of the medical cannabis statute from the Health Law to the new chapter 7-A “Cannabis Law”. The proposed Cannabis Law also contains the regulation of commercial hemp growers. In addition, the proposal creates a new Article 20-C of the Tax Law to impose a new excise tax on adult use cannabis and the revenue will be deposited into a new “New York State Cannabis Revenue Fund”.

The Office of Cannabis Management

The Office of Cannabis Management (OCM) is proposed within the Division of Alcohol and Beverage Control (ABC). The OCM will be responsible for licensing and regulating medical, adult use and hemp cannabis in the state. The Executive Director of OCM will also be responsible for establishing a State Cannabis Advisory Board which will advise the office on cannabis cultivation, processing, distribution, transport, testing and sale and any other matter submitted to it by the Director. The makeup of the board is solely up to the discretion of the Director. Board membership are unpaid positions, but board members may have their travel and necessary expenses reimbursed. There is a new appropriation of \$35.4 million for the

OCM which is nearly three times the appropriation of ABC (\$13.3 million). At the time of publication the Division of the Budget did not have an estimate of the number of new FTE’s that will be hired for the OCM. The Office is expected to be completely funded in the future from proceeds of the excise tax on adult use cannabis.

New York State Medical Cannabis Program

The Executive proposes to repeal current sections of Public Health law relating to the medical use of marijuana/cannabis under the Department of Health, and transfer, expand, and clarify to the newly proposed OCM. The Executive Budget would expand the list of conditions one may qualify for the Medical Cannabis program, as well as expanding the list of practitioners who may qualify under the program. Patients would now be allowed to possess up to a 60-day supply, expanded from the current 30. The number of allowed registered organizations that may manufacture medical marijuana would be increased from a maximum of five to a minimum of ten.

Furthermore, the Executive proposes Cannabis Research Licenses to permit research activities. Research purposes must be submitted to the Office. The Office would have the ability to assess applications using certain criteria, such as appropriate personnel, expertise, facilities, funding, etc. Research licensees would be able to contract with higher education institutions to perform research in conjunction with the university. All research projects would be required to be approved by the Office.

The Executive proposes that the OCM would have the authority to permit some or all of the registered organization previously registered with the Department of Health the ability to cultivate, process, distribute, and sell adult use cannabis and cannabis products. The Executive Budget would also allow the Office to hold a competitive bidding process to allow organizations to cultivate, process, distribute, and sell adult use cannabis, and to collect the fees generated from such auction to administer incubators and low or zero-interest loans to qualified social equity applicants. The Executive further proposes that individuals in the medical cannabis program, or their caretakers, older than 21 may apply to grow, possess, or transport no more than four cannabis plants per patient or eight per household. The Office would also be responsible for developing and implementing a comprehensive public health campaign regarding adult-use cannabis.

The Executive Budget also removes marijuana references in the Public Health Law as they relate to definitions, and references to marijuana in the schedule of controlled substances. The Executive proposes amending enforcement provisions under the public health law to account for the growing of cannabis by licensed individuals. The definition of smoking is amended to include cannabis for the purposes of the regulation of smoking in public areas.

Hemp

The Executive Budget proposal would require the OCM to license and regulate commercial hemp growers. There will be separate licenses established for a “Cannabinoid growers license” which will be for growers that use the hemp plants for production of food products and other hemp based products (fiber, clothing, etc.) and a “Cannabinoid extractor license” for those that extract cannabinoids from the plant. The proposed language does not delineate a specific fee structure but rather leaves the establishment of the fees up the Director of the OCM.

Adult Use Cannabis

The proposed language establishes for the licensure, regulation, sale, taxation and use of “adult use cannabis” (a.k.a. recreational marijuana). Any person at least 21 years of age may purchase up to one ounce of cannabis or 5 grams of cannabis concentrate per day. However, cannabis can not be smoked or vaped in a public place and no more than one ounce can be possessed at any one time. Violators would be subject to a fine and or imprisonment.

Separate licenses will be necessary to: grow, process, distribute, create a cooperative, dispense or sell cannabis. A cannabis retailer may not own or operate any other part of the distribution chain (no vertical integration is allowed). However, the owner of a medical cannabis business may apply for a separate adult use cannabis license and, as long as they sell both medical and adult use cannabis, they may be vertically integrated and own or operate the entire supply chain. The proposed language does not delineate a specific fee structure but rather leaves the establishment of the fees up the Director of the OCM. Licenses must be renewed every two years.

Counties and Cities of more than 100,000 can pass a local law or resolution to prohibit the cultivation, processing, distribution and/or sale of adult use cannabis within their jurisdiction. However, they may not further prohibit the use of cannabis within their jurisdiction.

Excise Tax

The proposal would impose an excise tax on the cultivation, and sale of cannabis. The tax rates are as follows:

- Cultivation of cannabis - \$1 per dry weight gram for the flowers and \$0.25 per dry weight gram for trim
- Transfer from a wholesaler to a retailer – 20 percent of the invoice price

- The transfer from a wholesaler to a retailer – two percent of the invoice price which is collected for the county where the retail dispensary is located.

The excise tax for medical cannabis will remain at the current seven percent of gross receipts.

The Executive estimates this proposal would increase All Funds revenues by \$83 million in FY 2021 but does not expect any revenue in the first year.

Sales of cannabis would be exempt from state and local sales tax. The local sales tax rate in the vast majority of counties is four percent or more. The two percent excise tax that will go to counties that host cannabis retailers is, in most cases, half of what the county would collect if sales of cannabis were taxable under local sales tax.

The cultivation tax and the 20 percent excise tax will be deposited into a new Cannabis Revenue Fund. Additionally, wholesalers must apply for a license from the Department of Taxation and Finance at the cost of \$600 every two years.

Under this proposal, the New York State Cannabis Revenue Fund will be established and all taxes from the cultivation and sale of cannabis in the state, with the exception of the two percent excise tax for the benefit of retailer host counties, would be deposited into the fund. Monies in the fund would be expended for the following purposes: administration of the regulated cannabis program, data gathering, monitoring and reporting, the Governor's Traffic Safety Committee, small business development and loans, substance abuse, harm reduction and mental health treatment and prevention, public health education and intervention, research on cannabis uses and applications, program evaluation and improvements, and any other identified purpose recommended the executive director of OCM and approved by the Director of the Budget.

Criminal Justice Provisions

The proposed language would provide protections for the use of cannabis, except in situations such as the possible loss of federal support, or if the property or workplace is registered smoke free. The proposed language makes several technical changes to the Penal Law by renaming 'marihuana' to 'cannabis'. The number of penalties for unlawful possession of cannabis would decrease from six to four, with the lowest two penalties being violations. The number of penalties for the criminal sale of cannabis remains the same; however, the qualifying weights are increased. There would also be exemptions made for certain individuals who are involved in the production or distribution of cannabis. If the bill were to become law, the Division of Criminal Justice Services and the Office of Court Administration would begin to seal criminal records of individuals who committed crimes that would now be legal under the proposed language.

WORKFORCE UPDATE



The overall number of State employees is expected to increase modestly. The FY 2020 Executive Budget proposes a net All Funds workforce increase of 678 full time equivalent (FTE) positions from 183,705 to 184,383. This change is due to an increase of 9,087 new hires offset by 8,409 FTE employees leaving due to normal attrition.

Major Changes

Department of Health (DOH)

DOH projects a workforce increase of 154 FTE, which reflects 872 new hires offset by 718 vacancies generated through attrition. The majority of the additional staff would manage the State takeover of Medicaid administration from the counties (101 FTE), and administer new lead enforcement standards (28 FTE). The latter of the new FTE hire would assume the DOH acquisition of the the Medical Indemnity Fund program (10 FTE), increase Behavioral Health Parity by making behavior health coverage comparable to acute and long term health coverage (8 FTE), and increase opioid abuse prevention practices (7 FTE).

Department of Corrections and Community Supervision (DOCCS)

DOCCS projects an increase of 153 FTE to create Special Housing Units that go beyond the agreement with the State between the New York Civil Liberties Union after the codification of solitary confinement reform.

Department of Taxation and Finance (DTF)

DTF projects an increase of 110 FTE to hire new audit program staff. The additional auditors would attempt to intercept more fraudulent refunds before they are issued and help analyze more returns for fraud after they have been filed and processed.

Department of Housing and Community Renewal (HCR)

HCR projects a workforce increase of 94 FTEs that would support administration needs of the office processing rent applications and investigating possible violations of rent laws.

- No Layoffs
- Largest Workforce increase is 153 FTE within DOCCS for Special Housing Units relating to agreements with the New York Civil Liberties Union proceeding the codification of Solitary confinement reform
- DOH projects 101 new FTE hires to manage the continued State takeover of Medicaid administration from localities

Collective Bargaining

The Civil Service Employees Association (CSEA) and DC-37 (Local 1359 Rent Regulation Service Employees) have five-year agreements that include annual salary increases of two percent for FYs 2017 through 2021.

United University Professions (UUP) ratified a collective bargaining agreement that covers academic years 2017 through 2022. The

agreement provides for a two percent general salary increase. The cost of the agreement (approximately \$253 million in FY 2020) has been included in the Financial Plan and is primarily funded by SUNY.

The Police Benevolent Association of the New York State Troopers (NYSTPBA) ratified a five-year agreement for FY 2019 through FY 2023. The agreement provides for a two percent annual general salary increases.

The Public Employees Federation (PEF) and the Graduate Student Employees Union (GSEU) have three-year collective bargaining agreements providing two percent annual salary increases in

FYs 2017 through 2019. Salary increases provided to PEF and GSEU employees also extend to Management/Confidential (M/C) employees.

The State continues negotiations with other employee unions whose contracts concluded in previous years, including the New York State Police Investigators Association (NYSPIA) and the Police Benevolent Association of New York State (PBANYS).

The Judiciary has agreements with all 12 unions represented within its workforce.

Workforce Impact Summary								
All Funds								
FY 2018 Through FY 2020								
	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Major Agencies								
Children and Family Services, Office of	2,887	2,964	(468)	468	0	0	0	2,964
Corrections and Community Supervision, Department of	29,351	29,175	(614)	767	0	0	153	29,328
Education Department, State	2,575	2,692	(269)	269	0	0	0	2,692
Environmental Conservation, Department of	2,887	3,110	(234)	239	0	0	5	3,115
Financial Services, Department of	1,356	1,381	(55)	55	0	0	0	1,381
General Services, Office of	1,811	1,931	(323)	323	0	0	0	1,931
Health, Department of	4,690	5,462	(718)	872	0	0	154	5,616
Information Technology Services, Office of	3,471	3,489	(130)	130	0	0	0	3,489
Labor, Department of	2,935	2,987	(285)	285	0	0	0	2,987
Mental Health, Office of	13,911	13,677	(1,455)	1,495	0	0	40	13,717
Motor Vehicles, Department of	2,301	2,344	(266)	266	0	0	0	2,344
Parks, Recreation and Historic Preservation, Office of	1,751	2,024	(152)	169	0	0	17	2,041
People with Developmental Disabilities, Office for	18,867	18,590	(1,078)	1,078	0	0	0	18,590
State Police, Division of	5,609	5,741	(311)	311	0	0	0	5,741
Taxation and Finance, Department of	3,898	3,975	(142)	252	0	0	110	4,085
Temporary and Disability Assistance, Office of	1,923	1,989	(234)	234	0	0	0	1,989
Transportation, Department of	8,501	8,520	(383)	383	0	0	0	8,520
Workers' Compensation Board	1,082	1,109	(89)	89	0	0	0	1,109
Subtotal - Major Agencies	109,806	111,160	(7,206)	7,685	0	0	479	111,639
Minor Agencies								
	7,591	8,167	(852)	1,051	0	0	199	8,366
Subtotal - Subject to Direct Executive Control	117,397	119,327	(8,058)	8,736	0	0	678	120,005
University Systems								
City University of New York	13,726	13,632	0	0	0	0	0	13,632
State University Construction Fund	142	152	0	0	0	0	0	152
State University of New York	45,882	46,092	0	0	0	0	0	46,092
Subtotal - University Systems	59,750	59,876	0	0	0	0	0	59,876
Independently Elected Agencies								
Audit and Control, Department of	2,630	2,663	(212)	212	0	0	0	2,663
Law, Department of	1,822	1,839	(139)	139	0	0	0	1,839
Subtotal - Independently Elected Agencies	4,452	4,502	(351)	351	0	0	0	4,502
Grand Total	181,599	183,705	(8,409)	9,087	0	0	678	184,383

Workforce Impact Summary
All Funds
FY 2018 Through FY 2020

	FY 2018 Actuals (03/31/18)	Starting Estimate (03/31/19)	Attritions	New Fills	Fund Shifts	Mergers	Net Change	Ending Estimate (03/31/20)
Minor Agencies								
Adirondack Park Agency	54	54	(1)	1	0	0	0	54
Aging, Office for the	89	95	(16)	16	0	0	0	95
Agriculture and Markets, Department of	460	483	(50)	79	0	0	29	512
Alcoholic Beverage Control, Division of	113	120	(8)	8	0	0	0	120
Alcoholism and Substance Abuse Services, Office of	736	737	(109)	109	0	0	0	737
Arts, Council on the	27	30	(3)	3	0	0	0	30
Budget, Division of the	234	261	(45)	45	0	0	0	261
Civil Service, Department of	345	362	(67)	67	0	0	0	362
Correction, Commission of	29	32	(2)	2	0	0	0	32
Criminal Justice Services, Division of	408	435	(24)	24	0	0	0	435
Deferred Compensation Board	4	4	0	0	0	0	0	4
Economic Development, Department of	136	153	(13)	13	0	0	0	153
Elections, State Board of	69	81	(6)	10	0	0	4	85
Employee Relations, Office of	33	77	(3)	3	0	0	0	77
Executive Chamber	97	136	(50)	50	0	0	0	136
Financial Control Board, New York State	12	12	(1)	2	0	0	1	13
Gaming Commission, New York State	417	411	(19)	38	0	0	19	430
Higher Education Services Corporation, New York State	183	176	(15)	15	0	0	0	176
Homeland Security and Emergency Services, Division of	504	605	(29)	38	0	0	9	614
Housing and Community Renewal, Division of	608	682	(86)	180	0	0	94	776
Hudson River Valley Greenway Communities Council	0	1	0	0	0	0	0	1
Human Rights, Division of	160	164	(19)	19	0	0	0	164
Indigent Legal Services, Office of	24	34	0	2	0	0	2	36
Inspector General, Office of the	87	92	(7)	7	0	0	0	92
Interest on Lawyer Account	9	9	0	0	0	0	0	9
Judicial Conduct, Commission on	40	43	(3)	3	0	0	0	43
Justice Center for the Protection of People with Special Needs	422	430	(33)	26	0	0	(7)	423
Labor Management Committees	72	77	(6)	6	0	0	0	77
Lieutenant Governor, Office of the	4	7	(1)	1	0	0	0	7
Medicaid Inspector General, Office of the	405	426	(52)	52	0	0	0	426
Military and Naval Affairs, Division of	390	405	(45)	45	0	0	0	405
Prevention of Domestic Violence, Office for	24	27	(2)	2	0	0	0	27
Public Employment Relations Board	30	33	(3)	3	0	0	0	33
Public Ethics, Joint Commission on	52	52	(4)	4	0	0	0	52
Public Service Department	494	520	(26)	34	0	0	8	528
State, Department of	493	525	(52)	92	0	0	40	565
Statewide Financial System	135	142	(11)	11	0	0	0	142
Tax Appeals, Division of	23	27	(1)	1	0	0	0	27
Veterans' Affairs, Division of	83	98	(15)	15	0	0	0	98
Victim Services, Office of	79	102	(24)	24	0	0	0	102
Welfare Inspector General, Office of	7	7	(1)	1	0	0	0	7
Subtotal - Minor Agencies	7,591	8,167	(852)	1,051	0	0	199	8,366

ENERGY AND ENVIRONMENT



The Executive set forth a number of proposals regarding environment and energy policy. The following is a brief overview of notable proposals.

Climate Leadership Act

The Executive proposes to amend various sections of law to establish greenhouse gas emissions standards and begin steps that would make the State carbon neutral by implementing the following:

- Create a Climate Action Council that would be tasked with developing recommendations on how to create a carbon neutral economy
- Develop measures that would reduce statewide greenhouse gas emissions by forty percent by 2030 and 80 percent by 2050 (from 1990 levels)
- Require each State energy plan to include policies that would allow the state's electricity demand to be supplied wholly from one hundred percent clean energy by 2040

New York Power Authority (NYPA) – Vehicle Charging Stations

The Executive intends to authorize NYPA to design, construct, install, lease, and operate electronic vehicle charging stations, for public use, throughout the State.

Expansion of the Returnable Container Act (RCA) (AKA “Bottle Bill”)

The Executive proposes to expand the RCA, which would include the following beverage containers: sports drinks, energy drinks, juices, and ready to drink teas and coffees. Small stores have the option to place a limit on the number of

containers a person may redeem for a deposit, which would be 72 per person per day.

According to the Executive, this proposal is estimated to increase State revenue by \$20 million.

Banning Single-Use Plastic Bags

The Executive proposes that beginning March 1, 2020; the use of single-use plastic bags to consumers at the point of purchase would be prohibited. According to the Executive, this prohibition would not apply to bags used for the following: containing or wrapping uncooked meat, package bulk items for nuts, grains, fruits, vegetables, candy, plastic bags that are prepackaged for sale to customers, garment bags, or plastic bags provided by restaurants or other eating establishments.

Prohibition of Offshore Drilling

The Executive proposes to prevent the leasing of State land for the production of oil and natural gas exploration, development, and production within the North Atlantic Planning Area (federal waters adjacent to the coastal waters of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, and New Jersey).

Petroleum bearing vessels that transport crude oil would be prohibited from carrying crude from the North Atlantic Planning Area through State navigable waters, including Nassau and Suffolk counties.

LOCAL GOVERNMENT IMPACT AND CONTINUE SAVINGS TO COUNTIES



FY 2020 Executive Budget Impact on Local Governments The FY 2020 Executive Budget includes many proposals that would have a financial impact on local governments. Areas affected would include the following:

Education

Beginning in FY 2021, the Executive Budget would create a new tier of building aid for newly approved projects to reduce the amount of incidental costs that a school district may claim, as well as reduce the state-sharing ratio of capital projects for some school districts. Additionally, the State would eliminate 11 expense-based aids beginning in FY 2021. Instead, school districts would receive a comparable amount in future years driven by inflation rather than their actual spending, as expense-based aids currently are. Since these proposals are prospective, no cost estimate to school districts can be provided.

Health

The Executive proposes to increase rates for Early Intervention providers enrolled in the Early Intervention Program. This proposal is estimated to cost counties \$300,000 and New York City \$500,000 for a total local government cost of \$800,000.

The Executive proposes to reduce the General Public Health Work (GPHW) program reimbursement to New York City from the

current 36 percent to 20 percent. The reduction is estimated to cost New York City \$27 million.

Medicaid

The Executive proposes to discontinue the Rural Transit Assistance Program. This program provides local transit operators with a Medicaid subsidy. This proposal is estimated to cost upstate counties a total of \$4 million if implemented.

Early Voting & Transfer of Voter Registration between Counties

The Executive proposes to establish early voting

- Implementation of “AIM Reliance” proposal, would reduce funding to cities and towns by \$59 million
- Discontinuation of the Rural Transit Assistance Program - \$4 million cost to upstate counties
- State continues takeover of local share of Medicaid costs – provides \$3.3 billion in local government relief

beginning 12 days before an election. The proposed budget does not provide funding. The cost of this proposal is estimated at \$30 million, and may be a significant cost to local governments.

The Executive proposes to authorize the transfer of voter registration between counties. The proposed budget does not provide any funding for this initiative. The Board of Elections does not have the resources to make voting system upgrades necessary to facilitate the transfer of numerous voter registrations.

General State Charges

The Executive proposes language that would set the court judgement and accrued claims rate payment on settlements to the variable market-based rate. Currently, this rate is set at a fixed rate of nine percent. If enacted, local government costs would be reduced, as the interest paid on claims would be lowered substantially.

Aid and Incentives for Municipalities (AIM)

The Executive proposes to eliminate AIM base funding to towns and villages where funding supports less than two percent of their FY 2019 All Funds budget. Although this proposal would not affect the current AIM base funding for cities, it would reduce AIM for towns and villages by \$59 million.

Qualified Energy Systems Exemption from Real Property Taxation

The Executive proposes to exempt specific energy systems from property taxes. Examples of exempt energy systems would include a solar/wind energy system, farm waste energy system, or a fuel cell electric generating system. Localities would be impacted through a reduction in real property tax receipts.

Continuing Savings to Counties:

Medicaid Growth Takeover

The State continues the takeover of the local growth of Medicaid providing \$3.7 billion in local government relief in FY 2020 an approximate \$400 million increase from FY 2019.

Pension Reform

The enactment of pension reform in 2011 created a new Tier 6 pension classification, which includes a variety of cost saving measures estimated to save the State, NYC, and local governments more than \$82 billion over 30 years.

These cost saving measures include new employee contribution rates, an increase to the retirement age, and additional vesting requirements.

Workers' Compensation Reform

In 2017, the State passed a historic workers' compensation reform package that immediately saved employers across the State over \$400 million in workers' compensation costs. In 2018, the Department of Financial Services approved an 11.7 percent reduction to the workers compensation loss cost rate. The reduction equates an additional savings of \$1.1 billion for employers across the State. A portion of these savings can be attributed to local government employers.

SECTION THREE

SUMMARY OF ARTICLE VII
LEGISLATION AND APPENDICES

**SCHEDULE FOR LEGISLATIVE REVIEW
OF THE FY 2020 EXECUTIVE BUDGET PROPOSAL**



DATE	LOCATION	TIME	TOPIC
January 23	Hearing Room B	9:30 AM	Environmental Conservation
January 24	Hearing Room B	9:30 AM	Human Services
January 28	Hearing Room B	11:00 AM	Higher Education
January 29	Hearing Room B	9:30 AM	Public Protection
January 30	Hearing Room B	9:30 AM	Transportation
February 4	Hearing Room B	11:00 AM	Housing
		3:00 PM	Workforce Development
February 5	Hearing Room B	9:30 AM	Health/Medicaid
February 6	Hearing Room B	9:30 AM	Elementary and Secondary Education
February 7	Hearing Room B	9:30 AM	Mental Hygiene
February 11	Hearing Room B	11:00 AM	Local Government Officials/ General Government
February 12	Hearing Room B	9:30 AM	Economic Development
	Hearing Room B	1:00 PM	Taxes



SUMMARY OF THE IMPLEMENTING BUDGET BILLS

This appendix contains a summary of the implementing legislation submitted with, and required to enact the FY 2020 Executive Budget. The Governor’s presentation consists of fourteen total bills, five appropriation and nine article VII bills. While this section provides a brief summary, any questions or additional information on any of the provisions contained in these bills should be addressed to the appropriate Senate Finance or Program and Counsel analyst, or through reference to the Executive’s more complete Memorandum in Support which provides additional detail.

FY 2020 EXECUTIVE BUDGET BILLS

Appropriation Bills

S.1500/A.2000	State Operations
S.1501/A.2001	Legislative & Judiciary
S.1502/A.2002	State Debt Service
S.1503/A.2003	Aid to Localities
S.1504/A.2004	Capital Projects

Article VII Bills

S.1505/A.2005	Public Protection & General Government
S.1506/A.2006	Education, Labor & Family Assistance
S.1507/A.2007	Health & Mental Hygiene
S.1508/A.2008	Transportation, Economic Development & Environmental Conservation
S.1509/A.2009	Revenue

Freestanding Article VII Bills

S.1510/A.2010	Good Government and Ethics Reform Concurrent Resolutions
----------------------	---

**PUBLIC PROTECTION AND GENERAL
GOVERNMENT
ARTICLE VII LEGISLATION
S.1505 /A.2005**



PART A – Implements differential health care premium contributions within the NYS Health Insurance Program (NYSHIP) for new civilian hires at retirement based on years of service

- Implements a sliding scale reimbursement of health care costs at retirement. Subsidies begin at 10 years of service and gradually increase until 30 years of service.
- Only applies to new civilian hires. Does not apply to individuals who retire with an ordinary, accidental, or performance of duty disability pension.

PART B – Ceases reimbursement of the Medicare Income Related Monthly Adjustment Amounts (IRMAA) to high income State retirees

- Eliminates IRMAA reimbursement effective January 1, 2019.

PART C – Freezes State reimbursement of the Standard Medicare Part B premium paid to eligible New York State Health Insurance Program retirees

- Freezes the current reimbursement at \$135.50 monthly, a rate established by the federal government.

PART D – Provides a Market-Based Interest Rate on Court Judgments and Accrued Claims

- Amends section 5004 of the Civil Practice Law and Rules, to change the legal rate of interest for post-judgment civil actions and accrued claims. Such change would be from the current legal rate of interest of nine per centum per annum, to a market rate, that is equal to the weekly average one year constant maturity treasury yield, during the calendar week preceding the date of the entry of judgment. This proposal would have the effect of reducing or increasing the current legal rate of interest, depending on whether such market rate is higher or lower than the current fixed rate of nine percent.

PART E – Prohibits State entities from disclosing personal contact information for all public employees, including State and local employees

- Prohibits public employers from disclosing home address, personal telephone or cell phone numbers, or email addresses of all public sector employees, except in matters under the Public Employment Relations Board regarding union enrollment and employee organization representation, and where compelled to do so by subpoena, court order, or as otherwise required by law.

PART F – Extends binding arbitration until July 1, 2024

- Implements a straight extender of binding arbitration for public safety unions, which is set to expire on July 1, 2019.

PART G – Removes the Sunset Date from the Real Property Tax Cap

- Makes the two percent real property tax cap, which was first enacted by the Legislature in 2011, permanent, presently, the real property tax cap is scheduled to expire on June 16, 2020.

PART H – Extends the Authorization of Certain Municipalities to Operate Red Light Cameras

- Extends the authorization of eight municipalities to continue to operate red light cameras until December 1, 2024.
- Such municipalities include the City of Albany, City of Mount Vernon, County of Nassau, City of New Rochelle, City of New York, County of Suffolk, City of White Plains, and City of Yonkers.
- All of these municipalities would have their authorization for these cameras sunset in 2019, except for the City of White Plains, which expires in 2020.

PART I – Eliminates Aid and Incentives to Municipalities (AIM) to 87 Percent of Towns and Villages

- Reduces the Aid and Incentives Program (AIM). This program presently provides \$715 million in state financial support to cities, towns and villages outside New York City. This reduction would permanently eliminate 1326 towns and villages (87 percent) from the program, and would reduce total state payments by \$59.2 million.
- After this proposal, only \$8 million (or 1.2 percent of the total amount of \$655.8 million in AIM funding) would be going to the state's towns and villages. The remaining \$647 million of the remaining funding (98.8 percent) would be distributed to the state's cities (other than New York City).

PART J – Authorizes Nassau County to Establish a Class One Assessment Exemption for Five Years

- Provides Nassau County with the local option to phase-in, over a five-year period, the effects of any assessment changes on class one properties, that will be reflected on the upcoming 2020-21 assessment roll.
- Authorizes Nassau County to create an exemption to phase-in assessment and tax bill changes for properties that would be facing increases with the 2020-21 assessment roll.

PART K – Authorizes Loans, Transfers, Interchanges and Deposits for Certain State Funds and Accounts

- New sweeping authority to authorize temporary loans and deposits for certain funds and accounts, authorize transfers and deposits of funds to and across various accounts, extend various provisions concerning certain capital projects and certifications, and modify various debt and bond provisions to adjust state cash flow.

- Seeks to reimburse projected Capital Projects Fund spending with the proceeds of bonds sold by public authorities, to ensure the continued borrowing necessary for certain State-supported debt issuances, and to permit the State to carry out presently unauthorized fiscal functions.

PART L – Extends the Service-Disabled Veteran Owned Business Act

- Extends the Service-Disabled Veteran Owned Business Act ("SDVOB") for an additional period of five years, until March 31, 2024. The Service-Disabled Veteran Owned Business Act, first established in 2014, allows six percent of state contracts to be set-aside for Service-Disabled Veteran Owned Businesses. Unless extended, the provisions of this act would expire on March 31, 2019.

PART M – Stabilize State Insurance Fund’s (SIF) investments

- This bill aims to expand the SIF’s investing opportunity – the fund will now be able to invest in certain index funds
 - Any surplus funds in the obligations of American companies that are rated “A” or higher as described in subdivision (2) of Insurance Law § 1404(a);
 - Up to 25 percent of surplus funds in obligations of American companies that are rated investment grade by a nationally recognized securities rating organization; and
 - Up to 50 percent of surplus funds in the equities of American companies irrespective of the rating of an institution’s obligations or qualitative standard described in § 1404(a).
- State law restricts SIF’s investment authority.

PART N – Strengthen compliance with State Insurance Fund (SIF) audits

- Permits NY SIF to cancel a workers’ compensation policy based on the policyholders’ failure to cooperate with a payroll audit.
- Current law allows SIF to cancel a workers’ compensation policy only for non-payment of policy.
- Authorizes SIF to cancel a workers’ compensation policy based on the policyholder’s failure to cooperate with a payroll audit when:
 - 1) The policyholder fails to keep at least two appointments with a payroll auditor; or
 - 2) Fails to furnish relevant business records in the course of a payroll audit.
- Prior to cancellation, SIF will be required to provide policyholders with 45 days advance notice, giving policyholders time to act and avoid losing coverage.

PART O – Extends various criminal justice and public safety programs that would otherwise sunset

- Extends for two years, 24 criminal justice and correctional service provisions/programs that are due to expire September 1, 2019, including:
 - Expansion of the geographical area of employment of local law enforcement when assisting state police
 - Alcohol and substance abuse treatment correctional annex programs
 - Incarceration fees

- Parole and conditional release fees
- Probation fees
- Alternatives to incarceration programs
- Two sections on mandatory surcharge and crime victim assistance fees
- Ignition interlock device program
- Merit time programs
- Reduced inmate civil litigation filing fee
- Order of protection registry and mandatory arrest in cases of domestic violence
- Closed-circuit television for vulnerable child witness system
- Sentencing Reform Act of 1995
- Electronic court appearance program
- Agreements for housing inmates and federal prisoners
- Armory rent
- Psychological testing for correction officer candidates
- Two related to work release and furlough programs
- Two related to earned eligibility programs
- Interstate compact for adult offenders
- Use of community treatment facilities
- Extends for two years a program allowing District Attorneys in New York City to retain a portion of settlement recoveries prior to the filing of an accusatory instrument against a defendant.

PART P– Child Victims Act

- Provides that a civil suit for damages incurred as a result of child sex abuse may be filed up until the victim’s 50th birthday.
- Provides a one-year window where time-barred claims can be filed.
- Includes provisions waiving “notice of claim” requirements for a lawsuit against public entities.
- Extends the starting time of the criminal statute of limitations for non-class A and B felony child sex crimes from the victims 18th birthday until their 23rd birthday.
- Requires the Office of Court Administration to provide specialized training for Judges handling these cases.

PART Q – Prohibiting a sexual orientation panic defense

- Prevents a defendant from requesting the jury charge of extreme emotional disturbance defense based upon a belief that a persons gender or sexual orientation is to blame for the defendants actions.

PART R – Amend the Rape Shield Law

- Adds the crime of sex trafficking (class B felony) to the prohibitions against using evidence of a victim’s prior sexual conduct.
- Prohibits the defense from introducing evidence of a victims prior Prostitution conviction.

PART S – Revenge Porn

- Creates the crime of Unlawful dissemination or publication of an intimate image.
- Creates a private right of action against any website or internet service provider that transmits a still or video image where a person had a reasonable expectation of privacy.

PART T - Eliminate the Statute of Limitations for Rape in the second and third degrees

- Eliminates the statute of limitations for rape in the second degree (class D felony) and rape in the third degree (class E felony).

PART U – Domestic Violence Survivors Justice Act

- Provides a new sentencing reduced sentencing structure for those convicted of crimes who can show that at the time of they committed the crime, they were a victim of domestic violence ‘subjected to substantial physical, sexual or psychological abuse’ by a member of the same household, and such abuse was a “significant contributing factor” in the commission of the offense, and considering the nature and circumstances surrounding the crime.
- Allows for a person previously convicted of an offense to access their pre-sentence report and apply for resentencing.
- Those convicted of murder in the first degree, aggravated murder, registerable sex offenses, or terrorism crimes are not eligible for the reduced sentencing.

PART V – Increase criminal penalties for assault on the press

- Adds “journalist” to the professions specially recognized for an enhanced penalty for an assault.

PART W – Eliminate the death penalty

- Eliminates statutory language that allows a jury to consider the death penalty, which was found unconstitutional by the Court of Appeals in 2004.

PART X – Prohibit Rapid-Fire Modification Devices

- Establishes a 10 day waiting period for the purchase or transfer of a firearm, shotgun, or rifle when the National Instant Criminal Background Check System come back without an approval or denial.

PART Y – Ten Day Waiting Period

Extends the waiting period for the purchase or transfer of a firearm, shotgun, or rifle when the National Instant Criminal Background Check System comes back without either an approval to sell or denial of sale from three days to 10 days.

PART Z – Establishes Extreme Risk Protection Orders

- Allows a member of law enforcement, family member or school official where a person matriculates, to petition the court for an extreme risk protective order upon a showing that subject is a danger to himself or others. The protective order would prohibit the individual subject to the order from purchasing any firearm, rifles, or shotguns in his or her possession and require them to surrender any he or she currently possesses.
- The initial application can be made ex parte, without notice to the subject order and the Judge can issue a temporary order. If there is a temporary order granted, the subject is entitled to a hearing within six business days.
- Provides for a hearing on the final protective order where the petitioner would need to prove by clear and convincing evidence that the subject of the order is “likely to engage in conduct that would result in serious harm to himself, herself or others.”
- If granted, the final protective order would last one year. At that time, the subject of the order would be entitled to a new hearing

PART AA – Pre-trial Justice Reform Act

- Proposes changes to three areas of the criminal procedure law: bail, discovery, and speedy trial.
- Bail
 - Requires law enforcement to issue an appearance ticket on misdemeanors and certain felony crimes.
 - Eliminates cash bail and provides that when deemed necessary, pre-trial release conditions be ordered.
 - Creates a procedure for District Attorneys to request a hearing to determine if a person should be held in jail prior to trial.
 - In order to detain an individual pre-trial, a court must find that the defendant is a high flight risk, poses a threat to the physical safety or another.
 - Defines a “pre-trial service agency” as a county probation department or a nonprofit pretrial agency.
 - Requires the Office of Court Administration to collect data on the type of release granted, sex and race of the defendant, effectiveness of the release type and the pretrial service agency utilized.
- Discovery
 - Repeals the existing criminal discovery provisions.
 - Provides for automatic discovery within 15 days of arraignment of numerous items, including: all written and recorded statements, transcripts of grand jury testimony, names and contact information for all persons known to have relevant information, all statements of persons who have evidence or information relevant to the charges, electronic recordings intended to be used at trial, photographs or drawings made by law enforcement intended to be used at trial, and any exculpatory information (Brady) that tends to negate the guilt of the defendant.
 - Allows the District Attorney to apply to the court for an order shielding certain otherwise discoverable information in order to protect the safety of witnesses.

- Requires the prosecution to provide a “certificate of compliance” stating that they have complied with the discovery rules.
- Adds a new criminal tampering with a witness crime and elevates the penalty of the existing offenses.
- Speedy Trial
 - Provides that upon an announcement that the prosecution is “ready for trial” the court may inquire about whether or not the prosecution is actually ready. Also requires, the court to note, where practicable, whether or not a period of time is to be included or excluded from a calculation of time.
 - Requires a waiver of a defendant’s speedy trial time be conducted in open court and on the record.

PART BB – FOIL Reform

- Subjects the Legislature to the provisions of FOIL that are currently applicable to State Agencies and the Executive. Repeals the provisions of FOIL solely applicable to the Legislature, and makes a number of respective amendments to various other provisions of the Public Officers Law to incorporate the Legislature.
- Requires collective bargaining agreements to be made public prior to ratification. Provides for attorney’s fees for baseless denials of FOIL requests.

PART CC – Workers’ Compensation Medical Providers

- Expands the types of health care providers and streamlining the process to authorize those providers under Section 13-b of the Workers’ Compensation Law.
- Expressly permit the Board to resolve disputes concerning any medical service or supply rendered under the broad authority of section 13 Workers’ Compensation Law

PART DD –Increases the Attorney Biennial Registration Fee and the Criminal History Search Fee

- Increases the biennial registration fee for attorneys and the criminal history search fee to support the expansion of the Hurrell-Harring Settlement reforms to all of the State's counties and the City of New York.
- Under this proposal, the biennial registration fee for attorneys would be increased by \$50 (from \$375 to \$425) and the criminal history search fee would be increased by \$25 (from \$65 to \$90 per search). The revenue generated from these fee increases would be directed to the Indigent Legal Services Fund.

PART EE – Grand Jury Reform

- Allows witnesses from out-of-state or more than 100 miles from the grand jury location to testify electronically.

- Provides for certification of certain business records kept and maintained in the ordinary course of business.
- Allows a certification for lack of consent in cases of identity theft.
- Allows a prosecutor to grant a witness “use immunity” with respect to their grand jury testimony.
- Eliminates the accomplice corroboration requirement to allow corroboration by an accomplice.

PART FF – Authorize the Alienation of Certain Parklands in Hastings, New York to Construct a New State Police Station

- Authorizes the Town of Hastings, located in the County of Oswego, to transfer ownership of certain real property to the state for the purpose of constructing a new State Police station.
- In order to effectuate such a transfer, the town must have such parcel alienated as parkland, and then dedicate the funds received from the transfer for the future acquisition of new parklands and/or the improvement of existing facilities.

PART GG – Permanently Provide Energy as a Centralized Service

- Makes permanent the current law that allows agencies and political subdivisions to acquire electricity as a centralized service through the Office of General Services (OGS).
- Authorize public authorities and public benefit corporations to acquire energy products as a centralized service from OGS.

PART HH – Establishes Permanent Emergency Construction Authority

- Makes permanent the authority of the Office of General Services (OGS) to perform emergency construction without formal competitive bidding, and increase the dollar threshold for such no-bid construction from \$600,000 to \$2,000,000.
- The present no-bid emergency construction authority is scheduled to sunset on June 30, 2019. This proposal would remove such sunset date.

PART II – Enact a Comprehensive Reentry Package to Improve Outcomes for Formerly Incarcerated Individuals

- Removes mandatory bans on employment for several occupations including; check cashers, bingo operators, notary public, real estate broker, public assistance worker and driver’s education teacher.
- Removes six months driver’s license ban for those convicted of a drug offense.
- Prevents the use of “mugshots” in a civil context.
- Provides for early release for those over age 55 facing health issue exacerbated by age.

PART JJ – Reform segregated confinement by creating a more progressive, therapy based sanction in an effort to reduce recurrent infractions

- Reduces the use of special housing units in continuation of principles of the settlement between the Department of Corrections and Community Supervision and the New York Civil Liberties Union.

- Uses “residential rehabilitation units” and “step down units” to reduce the use of solitary confinement.

PARK KK – Shock Incarceration

- Allows those convicted of subdivision two of Robbery in the second degree and subdivision two of Burglary in the second degree to be eligible for the shock incarceration program.

PART LL – Allows the NYS Civil Service Department to establish a continuing eligible list for any open-competitive class position

- Allows the NYS Civil Service Department, or municipal commission, to establish a continuing eligible list in connection with any class of positions, as it deems appropriate.

PART MM – Eliminates requirements for non-competitive and labor class promotional exams

- Eliminates requirements that the NYS Civil Service Department announce and hold an open-competitive examination to allow non-competitive and labor class employees to compete in promotional exams.

PART NN – Extends salary protections to certain employees

- Extends salary protections to provisional, temporary and permanent incumbents who take a lateral transfer to other positions, because of reclassification or reallocation.

PART OO – Reducing Misdemeanor Sentences to 364 days

- Reduces the sentence for a misdemeanor from one year to 364 days.

PART PP – Asset Forfeiture

- Requires all asset forfeiture funds be held in an escrow account.
- Requires claiming authorities to report demographic data on those who had their property seized.
- Requires the purchases made with asset forfeiture funds be disclosed.

PART QQ – Enacts the Child- Parent Security Act

- Part 1
 - Establishes short title “ child-parent security act” and provides definitions for terms including, but not limited to, “assisted reproductive technology,” “collaborative reproduction,” “payment,” “gestational carrier” and “intended parent”
- Part 2
 - Develops a Judgment of parentage process (assisted reproduction, pursuant to a gestational carrier arrangement, and intended parents who are spouses).

- Part 3
 - Establishes a “Child of assisted reproduction” process to set forth requirements, including but not limited to, consent to assisted reproductions, limitations on spouse’ dispute of parentage of a child of assisted reproduction, and effect of an embryo disposition agreement between intended parents which transfers custody and control to one intended parent.
- Part 4
 - Establishes a process for “Gestational Agreements” to include but not be limited to, authorized gestational agreements, eligibility, termination and disputes of such agreements.
- Part 5
 - Establishes criteria for compensation to donors and gestational carriers.
- Part 6
 - Requires remedial statute to be construed liberally to secure the beneficial interests and in the best interests of the child.
- Repeals language regarding legitimacy of children born by artificial insemination and surrogate parenting contract.

PART RR – Creates an Office of Special Investigation in the Attorney General’s office

- Section 1 gives primary jurisdiction to this office to investigate and prosecute “any case in which the death of an unarmed civilian is caused by a police officer in the performance of his or her duties.” The AG would thus replace local district attorneys in the prosecution of these cases, and the section further provides that the costs of such investigation and prosecution would be a charge upon the county. Essentially, the section enacts into law the previous executive order issued by the Executive in this area.
- Section 2 mandates every police department, county sheriff, and the state police to report to the DCJS, on forms prescribed by the division, every incident in which a police officer discharges a firearm “in the direction of another person” or where the officer’s actions result in the death or serious bodily injury of another person.
- Section 3 amends the Executive Law to authorize the Municipal Police Training Council to establish a “model law enforcement use of force policy” suitable to be adopted by all law enforcement agencies in the State. All law enforcement agencies are directed to implement a use of force policy, which is consistent with the policy established by the Council, provided the department may adopt a policy which is stricter than that of the Council.

**EDUCATION, LABOR AND FAMILY
ASSISTANCE
ARTICLE VII LEGISLATION
S.1506 /A.2006**



PART A – Amends the Education Law and makes changes to authorize school aid and implement education-related programs

- **Contracts for Excellence:** Requires school districts who submitted a contract for excellence in the 2018-2019 school year to submit a contract for the 2019-2020 school year and to provide for an expenditure of an amount not less than the amount approved by the Commissioner for the previous year unless all schools in the district and in “good standing”.
- **School Equity Funding:** Increases the time frames for school districts to submit and for the Division of Budget (DOB) and the Commissioner to review and determine completeness of the statement of total funding allocation; and requires school districts to dedicate a portion of their annual Foundation Aid increase to any of their neediest schools that are not already equitably funded, based on a plan submitted to and approved by the State Education Department (SED).
- **Foundation Aid and Community Schools:** Increases Foundation Aid by \$338 million, including an additional \$50 million for Community Schools, bringing the total investment in Community Schools to \$250 million. The Community Schools increase is targeted to school districts with failing and persistently failing schools as well as districts with significant growth in English language learners. Additionally, the Executive Budget increases the minimum Community Schools set-aside amount from \$75,000 to \$100,000.
- **School Aid Growth Cap:** Bases the School Aid Growth Cap on 10-year average annual income growth instead of annual income growth. This change is intended to reduce the volatility of the Growth Cap and improve its accuracy as a predictor of the State’s underlying fiscal capacity.
- **Expense-Based Aid Reforms:** Creates a new tier of Building Aid for newly approved projects and to consolidate several other aids into a single category that will grow based on inflation and enrollment.
- **Mayoral Control of New York City Schools:** Extends mayoral control of the New York City School District for an additional three years (through the 2021-22 school year).
- **Annual Professional Performance Reviews:** Reforms the teacher evaluation system so that schools will not be required to use a State test as the measure of student performance and instead will be able to locally select what assessments of student learning are the best way to measure growth.

PART B - Allow Public Accounting Firms to have Minority Ownership by individuals who are not Certified Public Accountants (CPA)

- Authorizes public accounting firms to incorporate in New York State with minority ownership by individuals who are not CPAs provided that the words, “Certified Public Accountant” or the abbreviation, “CPA” do not appear in the firm’s name.

PART C - School Bus Stop-Arm Cameras

- Authorizes school districts to enter into contracts with third parties for the installation and administration, operation, notice of processing, and maintenance of school bus stop-arm cameras.
- No costs associated with the installation, maintenance, administration and purchasing and/or leasing of cameras will be eligible for state aid, however, fines paid by violators will go to the districts.
- Districts may enter in memorandums of understanding with local law enforcement to share a portion of the fines collected provided such share does not exceed more the 20 percent of the total fines collected.
- Fees for violations are increased from:
 - \$250-\$400 to \$500-\$700 for a first offence
 - \$600-\$750 to \$1000 to \$1250 for a second offence that occurs within three years of the first
 - \$750-\$1000 to \$1250-\$1500 for a third offence that occurs within three years of the second.

PART D - Senator Jose R. Peralta New York State Dream Act

- Provides Tuition Assistance Program (TAP) awards to students without lawful immigration status who meet the following criteria:
 - The student must have attended a registered New York State high school for two or more years, graduated from such high school and applied for attendance to an undergraduate program at a New York State institution of higher education within 5 years of receiving their diploma; or attended an approved general equivalency program, received a general equivalency diploma (GED) and applied for attendance to an undergraduate program at a New York State institution of higher education within 5 years of receiving their diploma;
 - A student without lawful immigration status shall also be required to file an affidavit with the college stating that such student has filed an application for legalization of his or her immigration status or will file as soon as he or she is eligible to do so.
 - Provides Graduate Tuition Assistance Program (TAP) awards under the same criteria for undergraduate awards except that the student must apply to graduate school within ten years of receiving a high school diploma or GED.
- Extends all other criteria, exemptions or opportunities found within the education law pertaining to citizen students to those students without lawful immigration status such as:
 - Waiving residency requirements for TAP for members, spouses or dependents of a member of the armed forces.
 - Allowing currently enrolled college students who do not have New York State residence to claim their college's location as their residence for geographic eligibility.
 - Provides that students without lawful immigration status shall be eligible for any scholarship in Articles 13 or 14 of the education law. These include the Excelsior scholarship, an Enhanced Tuition Award, regents scholarships and any other named scholarship program such as the New York State Memorial Scholarship, Flight 587

Memorial Scholarship or any loan forgiveness or scholarship program awarded to certain professions such as the Social Worker or Nursing Loan forgiveness programs.

- Provides that students without lawful immigration status shall also be eligible for state aid to independent college programs including the Higher Education Opportunity Program (HEOP); and for undergraduate or graduate science and technology entry program funds.
- Provides that families of students without lawful immigration status may participate in the College Choice Tuition Savings program through the use of an employee identification number or individual taxpayer identification number.
- Provides that the President of the Higher Education Services Corporation (HESC) in consultation with the Commissioner of Education shall establish application procedures for TAP.

PART E - For Profit College Accountability Act

- Requires for-profit degree granting and non-degree granting colleges to meet minimum performance standards to participate in State supported student financial aid programs and to enroll students.
 - Requires proprietary schools to report their funding sources and demonstrate that they are not receiving more than 80 percent of their revenue from “limited revenue sources.”
 - “Limited revenue sources” are taxpayer funded sources including revenue derived from: (a) the tuition assistance program (TAP); (b) the Enhanced Tuition Award (ETA) program; (c) all federal student loan and grant programs; and, (d) any other local, state or federal government loan, grant or scholarship program utilized to pay tuition, fees, room and board, or other costs of attendance on behalf of students.
 - Requires the submission of a detailed financial statement including types of revenues and expenditures and a listing of total individual compensation certified by a Certified Public Accountant and the President of the institution.
 - Prohibits senior staff or board members from serving on the board of any accreditation agency or association that accredits such proprietary school.
 - Requires that at least 50 percent of annual expenditures be in the area of student instruction.
- Failure to comply with the provision of this act would ultimately lead to a loss of TAP and ETA funds and a revocation of the institutions authority to enroll new students.

PART F – Arts Capital Grants Fund

- Establishes the Arts Capital Grants Fund held in the custody of the State Comptroller and the Commissioner of Taxation and Finance.
- Amends the finance law to repurpose an arts capital revolving loan fund into a capital grants fund.
- Such fund will continue to be used by the New York State Council on the Arts (NYSCA) to provide capital grants to small-sized, not-for-profit arts organizations as opposed to granting loans to such organizations.

- The fund is supported by fees collected by the Department of Motor Vehicles (DMV) for distinctive license plates issued in support of the arts and cultural institutions and currently has an account balance of approximately \$900,000.

PART G – Sweeps the Reserves of the Mortgage Insurance Fund to Provide State Funding for the Neighborhood and Rural Preservation Programs

- Sweeps \$12 million projected to be available in excess Mortgage Insurance Fund (MIF) reserves to Provide State Funding for the Neighborhood and Rural Preservation Programs.
- The MIF, is a fund of the State of New York Mortgage Agency (SONYMA), created in 1978 to insure mortgage loans for projects that would not otherwise be able to obtain mortgage insurance. Its purpose is to encourage commercial and public investment of mortgage capital and to increase the supply of affordable housing in New York State.
- A similar sweep was done of these reserves in the FY 2019 Budget, to provide state funding for community development and other programs.
- The Neighborhood and Rural Preservation Programs, are community based housing organizations, established to provide various housing related services for low- and moderate-income populations.

PART H - Child Care Development Block Grant (CCDBG)

- Amends child-care inspection, training and background clearance requirements to comply with the federal Child Care and Development Block Grant Act of 2014 (CCDBG) and ease administrative burdens for child-care providers.
- Mandates expanded background clearances for licensed and registered child-care providers including:
 - FBI criminal background checks;
 - New York State and national sex offender registries; and the child abuse and neglect registry, and;
 - State criminal records for any state the provider has lived in within the last five years.
- The current clearances through the New York State criminal history and Statewide Central register of Child Abuse and Maltreatment (SCR) will still be required.
- Requires enrolled legally-exempt providers, except those exempted under federal law by being related to all children receiving care, to receive the same background clearance checks as licensed and registered child day care providers.
- Requires that licensed and registered providers, as well as legally exempt providers that are not relative legally exempt providers, be inspected at least once a year.
- Makes other conforming changes to be consistent with the federal requirements.

PART H – Authorizes compliance with Child Care Development Block Grant (CCDBG) health and safety requirements

- Amends current law to comply with the new Federal requirements of the Child Care and Development Block Grant (CCDGB) such as criminal background checks and provisions for legally exempt providers.

- Clarifies that the Office of Children and Family Services (OCFS) would pay for any required processing fee related to the criminal history or sex offender clearance.
- Provides that an initial childcare license would be valid for up to four years and authorizes OCFS to promulgate regulations setting forth training requirements and to provide such training through the purchase of services.
- Amends current law to reflect the new training requirements.

PART I – Authorize Family First Preventive Services Act background clearances

- Authorizes State and FBI criminal background checks for current and prospective employees of programs that provide residential foster care services.
- Authorizes OCFS to provide background clearance information to entities in other states that certify, license, or provide approval to residential foster care programs when they seek clearance from the Statewide Central Register of Child Abuse and Maltreatment (SCR) for a person who is employed or seeking employment in such program.
- Requires SCR clearances for all individuals employed in residential foster care without regard to regular and substantial contact with children.

PART J – Remove certain requirements for Domestic Violence Victims seeking Shelter in a Domestic Violence Shelter

- Removes the requirement that domestic violence victim seeking shelter apply for Public Assistance (PA).
- Eliminates the requirement that domestic violence shelters require payment for victims with sufficient resources.

PART K – Reform Persons In Need of Supervision (PINS)

- Eliminates the Family Court’s option to detain youth who alleged to be a PINS.
- Limits the Family Court’s ability to order residential foster care placement at the disposition of a PINS proceeding to only the case where the youth meets the definition of a “sexually-exploited child.”

PART L – Authorizes the pass-through of any federal Cost of Living Adjustment in relation to Supplemental Security Income (SSI) which becomes effective on or after January 1, 2010

- Establishes specific amounts for the monthly Personal Needs Allowance (PNA) and the monthly standard of need for SSI recipients in various living arrangements in the Social Services Law. The federal SSI benefit amount is increased annually, through a cost of living adjustment (COLA), and State Law must be amended accordingly to ensure accurate payments are made.
- Sets forth the actual dollar amounts for the 2019 PNA and the standard of need for eligibility and payment of additional State payments. It also authorizes those amounts to be automatically increased by the percentage of any federal SSI COLA which becomes effective within the first six months of the calendar year 2020.

PART M – Extend and expand temporary operator authority

- Subpart A
 - Authorizes the Office of Children and Family Service to appoint a temporary operator for a foster care program
- Subpart B
 - Extends temporary operator provisions for emergency shelters for homeless persons for three years.

PART N – Authorize time-limited job try-outs as an eligible work activity for Public Assistance recipients

- Establishes a time-limited, job try-out opportunities program with private for-profit, non-profit or public sector entities and authorizes districts to assign Public Assistance (PA) recipients to such program to satisfy PA work requirements. Such opportunities are limited to a 90-day timeframe and would likely lead to unsubsidized full-time or part-time employment after the 90 period.

PART P - Reduces penalties for unemployment insurance recipient working part time

- Permits a partially employed claimant to be eligible for reduced unemployment benefits.
- Eliminates forfeit day penalties and increases monetary penalties from 15 to 25 percent for the first occurrence and 50 percent for the second occurrence, within 5 years of the first determination.
- The difference in increased monetary penalties shall be deposited in the Unemployment Insurance Control Fund.

PART Q - Ensures equal pay

- Prohibits an employer or employment agency from relying on, or inquiring about salary history information, as a determining factor in employment.
- Expands pay equity provisions to include equal pay for substantially similar work and performed under similar work conditions, for all protected classes.

PART R – Adds the Term Gender Identity or Expression to the State’s Anti-Discrimination Laws

- Amends sections 291, 292, 295, 296, 296-a, and 296-b of the executive law (the state human rights law), section 40-c of the civil rights law, and section 313 of the education law, to add the terms gender identity or expression to the protected classes of age, race, creed, color, national origin, sexual orientation, military status, sex, marital status, or disability.
- Defines "Gender identity or expression" to mean “a person's actual or perceived gender-related identity, appearance, behavior, expression, or other gender-related characteristic, regardless of the sex assigned to that person at birth, including, but not limited to, the status of being transgender.”
- Adds “gender identity or expression” in the penal law sections for hate crimes and offenses against public order, and define the term as indicated above within these crimes.

- Provides for a subjective classification of gender identity that is perceived by the victim, which may raise constitutional issues.

PART S - New York Human Rights Law

- Extends the Human Rights Law’s anti-discrimination provisions, which afford protection against discrimination, harassment, and bullying for members of protected groups, to public educational institutions.

PART T - Prohibits source of income discrimination

- Adds lawful source of income as a protected class.
- Prohibits discrimination based on lawful source of income in the sale, rental, or leasing of housing accommodations, land, or commercial space by an individual, or group.
- Makes it an unlawful discriminatory practice to print or circulate any statement, advertisement or publication, or use any form of application for the purchase, rental or lease of a housing accommodation, or make any record or inquiry, which expresses limitation as to lawful source of income.

PART U - Limits security deposits

- Limits the amount that a landlord may charge a tenant at the beginning of a tenancy, to no more than two months’ rent, including the first month’s rent.

PART V - Prohibits harassment in the workplace

- Adds that judicial interpretations of similarly worded provisions of federal civil rights laws, establish a floor for interpretations of Human Rights Law, rather than a ceiling.
- Clarifies that harassment is not limited to actions that are severe and pervasive.
- Mandates language in non-disclosure agreements in employment contracts after January 1, 2020.
- Provides for the creation of a sexual harassment prevention poster to be conspicuously posted by employers.

PART W – Prohibits Entities From Charging for Veterans Services, Except as Permitted under United States Department of Veterans’ Affairs standards

- Amends the General Business Law to prohibit any entity from receiving compensation for helping veterans and their dependents prepare a claim, except as permitted under United States Department of Veterans’ Affairs (USDVA) standards.
- Prohibits charging unreasonable fees for services where the USDVA permits fees, and would ban pledging that an individual will receive a specific amount of veterans’ benefits money.
- Requires any entity offering these services to veterans and their dependents for a fee, to inform their customers that the New York State Division of Veterans’ Affairs (DVA) and their county Veterans Service Agencies, can provide them free services regarding veterans’ benefits.

PART X - Ensures breastfeeding is protected in the workplace

- Provides that lactation is a pregnancy-related condition entitled to a reasonable accommodation in the workplace.

PART Y - Conversion Therapy

- Prohibits physicians, physician assistants, specialist assistants and mental health professionals from engaging in the practice of conversion therapy with any patient under the age of 18 by mandating such practice be considered professional misconduct.

PART Z - Enacts provisions related to rent regulations

- Provides for the extension of rent regulation beyond the expiration date of June 15, 2019.
- Mandates reforms to the current system, including ending vacancy decontrol, amending preferential rent, and limiting capital improvement changes.
- Directs the Commissioner of NYS Housing and Community Renewal to deliver a report on rent regulation to the Governor by March 1, 2019.

**HEALTH AND MENTAL HYGIENE
ARTICLE VII LEGISLATION
S.1507 /A.2006**



PART A – Medicaid Redesign Team Recommendations- Transportation

- Carves out the transportation benefit from the Managed Long-Term Care benefit package. (The benefit to be provided using the State’s Transportation Manager) and excludes the Program of All-Inclusive Care for the Elderly (PACE) plans from such carve out.
- Eliminates the supplemental payment to Emergency Medical Transportation Providers (savings to be reinvested in higher rates)
- Eliminates the supplemental payment to rural transportation networks.

PART B – Medicaid Redesign Team Recommendations – Pharmaceutical

- Proposes an increase in Medicaid co-payment from \$0.50 to \$1 for drugs dispensed without a prescription.
- Eliminates prescriber prevails
- Extends Medicaid Drug Cap through 2021.
- Reduces costs to the Medicaid program by limiting payment to Pharmacy Benefit Managers (PBMs) for pharmacy benefit management services. Such payments shall include the actual ingredient costs, a dispensing fee, and an administrative fee for each claim processed. Such maximum administrative fees shall be established by the Department of Health.

PART C– Medicaid Redesign Team Recommendations- Managed Care

- Extends evidenced- based prevention and support services recognized by the federal Center for Disease Control (CDC), provided by a community- based organization, and designed to prevent diabetes from individuals who are at risk.
- Aligns Medicaid and Medicare payments for dual eligible members. Limits Medicaid payment of Medicare Part B deductibles to no more that the amount that Medicaid would pay for a service to a non-dual eligible Medicaid member.
- Aligns Medicaid payments for Medicare Part B coinsurance for ambulance and psychologist services by limiting the Medicaid payment to not exceed the amount that would usually be paid for a non-dual eligible member.

PART D – Extends the Medicaid Global Cap

- Extends the Medicaid Global Cap until 2021.

PART E– Extends various provisions of the Public Health and Social Service Laws

- Extends the NYS Medical Care Facility Act, which provides flexibility in contracting for goods and services by State-operated hospitals for six years.

- Extends for five years, Medicaid coverage to children who are 19 or 20 years old living with their parents and who meet certain criteria.
- Extends authorization of bad debt and charity care allowances for certified home health agencies for five years.
- Extends authorization for financing certain health care capital improvements for five years.
- Extends the authority to contract with a State transportation manager or managers for five years.
- Extends certain provisions related to the Statewide Patient Centered Medical Home program for five years.
- Permanently extends authorization for temporary operators of adult homes
- Extends provisions related to managed-long term care plans, the authorization of the Commissioner of Health to submit waivers necessary to continue Medicaid managed-long term care, and guidelines for patient assessment timeframes for five years.
- Extends the cash assessment program for health care facilities for five years.
- Extends the 1996-1997 trend factor projections or adjustment from nursing home and inpatient rates for five years.
- Extends the 0.25 percent trend factor reduction for hospitals and nursing homes for five years.
- Extends the cap on the reimbursement of long-term home health care programs and certified home health agencies administrative and general costs, to not exceed a Statewide average for five years.
- Extends the elimination of the trend factor for general hospital reimbursement for five years.
- Extends the cap on payment for nursing home appeals to eighty million dollars annually for five years.
- Extends authorization of episodic payment per sixty-day period of care for certified home health agencies for five years.
- Extends the current hospital capital methodology for five years.
- Extends adjusted rates paid to Article 31 (Services for the Mentally Disabled) and Article 32 (Chemical Dependence Services and Compulsive Gambling Services) to align with the current Medicaid APG methodology for three years.
- Extends the Commissioner of Mental Health’s authority, in consultation with the Commissioner of Health, to certify Mental Health Special Need Plan for six years.
- Permanently extends the authority of the Department of Health to make DSH/ IGT payments to hospitals outside of NYC.

PART F– Extends the Physicians Excess Medical Malpractice Program for one year

- Extends the hospital liability pool program for one year.

PART G– Medicaid Redesign Team Recommendations- Long Term Care

- Requires a responsible relative with sufficient income and resources residing with an applicant for Medicaid to contribute to such individuals’ cost of coverage.
- Consolidates Fiscal Intermediaries, which provide payroll and general administrative services for the Consumer Directed Personal Assistance Program.

PART H– Medicaid Redesign Team Recommendations- Hospital

- Eliminates the annual State only grant to non-major public academic medical centers. (provided as assistance during the rate reforms in the FY10 budget)
- Authorizes the Department of Health, the Office of Mental Health, the Office of People with Developmental Disabilities and the Office of Alcoholism and Substance abuse services to waive any regulatory requirements for providers involved with DSRIP projects to avoid duplication of requirements.
- Authorizes the Department of Health to use discretion regarding the hospital inpatient psychiatric payment methodology to simplify the calculation of the payment rate and allow alternatives to the All Patients Redefined Diagnosis related Group (DRG) classification system.
- Incentivizes the provision of preventative care to reduce preventable event and overall patient costs by reducing rates and payments to facilities with a higher percentage of potentially avoidable inpatient services. A portion of the savings shall be reinvested in initiatives and incentives for preventative care, maternity care, and other ambulatory services.

PART I– Authorizes the Regulation of Pharmacy Benefit Managers (PBM’s)

- Establishes a program to regulate PBM’s to include registration, licensure, examination, disclosure requirements, reporting requirements and penalties for non-compliance.

PART J– Amends Insurance law provisions related to the Affordable Care Act (ACA)

- Subpart A
 - Provides provisions for small group coverage to include large group coverage and requires health insurers to offer and accept coverage for all employers in the State.
 - Prohibits insurers from imposing any pre-existing condition exclusions
 - Prohibits minimum participation requirements for comprehensive group coverage
 - Requires newly issued health insurance coverage to Employer Welfare Funds after June 1, 2019 to comply with the requirements of the insurance law.
- Subpart B
 - Makes technical amendments to remove references to the ACA
 - Authorizes the Superintendent of the Department of Financial Services to designate, in regulation, other preventive care and screenings that are consistent with current or previous recommendations to be provided without cost-sharing.
 - Eliminates the annual dollar amount limit of two thousand five hundred dollars for enteral formulas.
 - Establishes Essential health benefits package levels and limits cost-sharing.
- Subpart C
 - Prohibits a policy delivered or issued for delivery, in this State that provides hospital, surgical, or medical expense coverage to limit or exclude coverage for abortions that are medically necessary.

- Subpart D
 - Requires health insurers that provide prescription coverage to publish an up-to-date formulary drug list and establish a process for an insured to request a formulary exception.
- Subpart E
 - Prohibits health insurers from discriminating based on sex, sexual orientation, gender identity or expression, transgender status, marital status, and sexual stereotyping.
- Subpart F
 - Prohibits employers from evading the State protections with respect to health insurance coverage issued to associations and to employers that have their principle place of business in the State and employers with the lesser of twenty-five percent or 25 employees that work in the State.
 - Aligns permissible blanket association requirements with the requirements for association groups.
 - Prohibits the sale of stop-loss insurance outside the State to a New York employer with 100 or fewer employees. A New York employer shall mean an employer who has at least one employee that works in New York.

PART K– Extends enhanced rates of the Medical Indemnity Fund (MIF) and transfers administration from the Department of Financial Services (DFS) to the Department of Health (DOH)

- Transfers custody and administration of the MIF from DFS to DOH.
- Extends provisions related to enhanced payment rates of the MIF program through December 31, 2020.

PART L– Requires insurance policies to provide coverage for medically necessary fertility preservation and large group insurance policies to provide coverage for in vitro fertilization

- Requires every large group, small group, and individual policy issued or delivered in the State to provide:
 - Coverage for standard fertility preservation services when a medical treatment may directly or indirectly cause iatrogenic infertility (iatrogenic infertility caused by surgery, radiation, chemotherapy or other medical treatment affecting reproductive organs or processes)
 - Coverage for three cycles of in-vitro fertilization used in treatment of infertility
 - Prohibits discrimination against an insured individual seeking such treatment.

PART M– Enacts the Comprehensive Contraception Coverage Act

- Establishes the Comprehensive Contraception Coverage Act.
- Requires coverage of all FDA approved contraceptive drugs, devices, and other products, including over the counter without cost sharing. Excluding male condoms.
- Requires coverage for emergency contraception without cost sharing; the dispensing of twelve-months of contraception at one time; voluntary sterilization procedures for women; patient

education and counseling on contraception; and any follow-up services related to the drugs, devices, products and procedures.

- Authorizes prescription contraceptives, when prescribed, based on generally accepted medical practice, to be dispensed at one time or up to twelve times within one year from the date of the prescription.

PART N– Establishes a commission to evaluate options for achieving universal access to high quality, affordable health care in New York

- Establishes a Universal Access Commission to evaluate options for achieving universal access to health care.
- Requires a report to the Governor by December 1, 2019.

PART O– Reduce the Department of Health’s General Public Health Work (GPHW) Program reimbursement to New York City from thirty-six percent to twenty percent

- Reduces the GPHW program reimbursement rate for non-emergent expenditures above the base grant for New York City from 36 percent to 20 percent.

PART P– Lower blood lead levels and establish lead based paint standards

- Requires the Commissioner to promulgate rules and regulations establishing a minimum standard for the maintenance of lead safe residential properties to include, but not be limited to, minimum standards for maintaining internal and external painted surfaces that contain lead-based paint and a schedule by which owners of residential rental property must implement and comply with such standards.
- Establishes a presumption that if original construction was prior to January 1, 1978, the structure contains lead based paint.
- Provides authority to local housing code enforcement officers for implementation.
- Provides that presumption of containing lead based paint may be overcome by a certification issued by a federally certified lead-based paint inspector or risk assessor, that the property has been determined to not contain lead based paint.
- Authorizes penalties if there is non-compliance with provisions. Such penalties include the authority to order the abatement of any lead condition present at such property and assess fines not to exceed two thousand dollars for each violation.

PART Q– Authorizes additional Awards for Statewide II Applications

- Authorizes the Department of Health to award up to \$300 million, made available under the Statewide III Healthcare Facility Transformation Program to applications that were previously submitted, but unfunded under the Statewide II Health Care Facility Transformation Program.

PART R– Establishes the Maternal Mortality Review Board

- Establishes the Maternal Mortality Review Board, within the Department of Health, for the purpose of reviewing and assessing the cause of death and factors leading to each death to reduce

the risk of maternal mortality and morbidity. The Board shall develop findings, recommendations, and best practices and shall provide such information to the Commissioner.

- The Maternal Mortality Review Board will consist of 15 members appointed by the Commissioner and shall submit a report every other year.
- Establishes an Advisory Council on Maternal Mortality and Severe Maternal Morbidity, within the Department of Health. Members of the Council will be appointed by the Commissioner and will consist of 20 members who are representative of the diversity of the women and communities disproportionately affected by Maternal Mortality and Morbidity. The Council may review the findings, recommendations and best practices of the boards; may use the findings, recommendations, and best practices to develop recommendations on policies, best practices, and strategies to prevent maternal mortality and morbidity; and may hold public hearings.

PART S– Enact the Reproductive Health Act

- Removes regulations regarding abortion from the State’s penal code, certain sections of the public health law, and education law.

PART T– Codifies the NY State of Health Marketplace

- Establishes the NY State of Health Marketplace within the Department of Health.
- Requires the Marketplace to maintain certain functions, including but not limited to, determine eligibility for certified health plans, including dental plans; assign an actuarial value to each Marketplace certified plans; utilize a standardized format for presenting health benefit options; implement a process for the certification, recertification, and decertification of health plans; establish minimum requirements an insure is required to meet in order to participate in the Marketplace; maintain a toll free number to provide assistance; and operate a small business health option program (SHOP); and offering at least one qualified health plan in each of the silver and gold levels.
- Establishes a process for appeals and appeal hearings.
- Establishes a Marketplace Advisory Committee to consider and advise the department and Commissioner on issue concerning the provision of health care coverage in the Marketplace. Such advisory committee shall consist of up to twenty-eight members with certain experience and of each geographical area.

PART U–Establishes an Optional Private Pay Model in the State Office of the Aging (SOFA)

- Authorizes the Director of the State Office of the Aging (SOFA) to implement private pay protocols for all programs administered by the office. Local Area Agencies on Aging may implement such protocols at their option.
- Requires that private payments supplement, not supplant funds by the State.
- Requires payments to support and enhance services or programs provided by the Area Agency on Aging.
- Prohibits cost-sharing for individuals below four hundred percent of the poverty level and for individuals receiving services that they were receiving at the time the protocols were implemented.

PART V– Office of Medicaid Inspector General (OMIG) Managed Care Program Integrity

- Creates authorization for the OMIG to recover overpayments and to insure program integrity within the Medicaid Managed Care and Managed Long Term Care Programs
- Clarifies that payments made by a Managed Care Organization (MCO) under the Medicaid Managed Care program are Medicaid payments, and would be subject to oversight and recovery.
- Authorizes imposition of penalties in the case of fraud or abuse where otherwise authorized by law.
- Requires the OMIG to conduct periodic Medicaid Program Integrity Reviews. If the OMIG determines that a managed care provider has not met their program integrity obligations, the OMIG may recover from the managed care provider up to two percent of the Medicaid premiums paid for the review period.
- Provides that if a Managed Care Organization’s compliance program meets federal requirements, they shall be deemed in compliance with the State requirements.
- Requires Home Care Services workers to obtain a National Identifier (NPI) number from the National Provider Plan and Provider Enumeration System (NPPES)
- Authorizes the State to have the right to recover overpayments from the subcontractors, providers, Managed Care Provider, or Managed Long Term Care Provider. If the State is unsuccessful in recovering the medical assistance overpayment from the subcontract or provider the OMIG may require the managed care provider or managed long term care provider to recover the medical assistance overpayment.

PART W– Extends provisions for the Office of Mental Health to continue to recover Medicaid exempt income from providers of community residences

- Extends the Office of Mental Health authority to recover Medicaid exempt income from providers of community residences and family based providers licensed by OMH, consistent with the contractual obligation of such providers.

PART X– Establishes voluntary jail-based restoration to competency programs within locally-operated jails

- Authorizes the establishment of a voluntary jail-based restoration to competency program, per terms of an agreement between the Commissioner of Mental Health, the Director of Community Services and the Sheriff for the respective locality. Such demonstration program shall be available for no more than two counties and excludes New York City. The authority would expire on March 31, 2024.

PART Y– Defer Human Services Cost of Living Adjustment (COLA)

- Defers the Human Services COLA for FY 2020.

PART Z– Eliminates duplicate license requirement to render integrated services for OPWDD providers and at Article 16 clinics

- Eliminates duplicative license requirement for providers of integrated services under the oversight of the Department of Health, Office of Mental Hygiene and Offices of Alcohol and Substance Abuse.

PART AA– Jurisdictional Changes to Eliminate Oversight of Article 28 Hospital and DOH Summer Camps

- Eliminates the Justice Center’s oversight of Article 28 Hospitals and Department of Health Summer Camps.

PART BB– Behavioral Health Insurance Parity Reforms

- Subpart A
 - Prohibits pre-authorization and concurrent review of Substance Use Disorders (SUD) services during the initial 21 days of treatment.
 - Prohibits pre-authorization and concurrent review of inpatient psychiatric services for youth services during the initial 14 days of treatment.
 - Prohibits multiple co-payments per day and requiring behavioral health copayment to be equal to a copayment for a primary care office visit.
 - Prohibits prior authorization for medication assisted treatment (MAT)
 - Prohibits insurers from retaliating against a provider that reports an insurance law violation to State agencies.
 - Authorizes OMH to review and approve clinical review criteria.
- Subpart B
 - Requires Emergency Departments to develop policies and procedures to provide medication assisted- treatment (MAT) prior to patient discharges.
- Subpart C
 - Requires Emergency Department practitioners to check the Prescription monitoring program registry (PMP) prior to dispensing a controlled substance.
- Subpart D
 - Requires coverage for court ordered treatment for substance use disorders.
- Subpart E
 - Amends the schedule of controlled substances to include fentanyl analogs.
 - Authorizes the commissioner to classify, by regulation a Schedule I controlled substance from any substance listed in Schedule I of the federal schedules of controlled substances in 21 USB §813 or 21 CFR §1308.11.

**TRANSPORTATION, ECONOMIC
DEVELOPMENT, AND ENVIRONMENTAL
CONSERVATION
ARTICLE VII LEGISLATION
S.1508 /A.2008**



PART A – Defines the authority of the Dormitory Authority of the State of New York relating to its Succession to NYS Medical Care Facilities Finance Agency and the Facilities Development Corporation

- Extensively defines the terms of succession, that were established in Chapter 83 of 1995, where the Dormitory Authority of the State of New York (DASNY) was empowered to take over the powers and duties of the NYS Medical Care Facilities Finance Agency and the Facilities Development Corporation in the financing of health care projects in New York State.

PART B – Removes the Sunset Date from the Authorization of Dormitory Authority of the State of New York to Enter into Certain Design and Construction Management Agreements

- Authorizes the Dormitory Authority of the State of New York (DASNY) to enter into design and construction management agreements with the Department of Environmental Conservation (DEC) and the Office of Parks, Recreation and Historic Preservation (OPRHP) permanent. Presently, this authority is scheduled to expire on April 1, 2019.

PART C – Authorizes a subsidiary of the Dormitory Authority of the State of New York (DASNY) to sell, exchange, transfer, lease and convey real property located in Brooklyn, New York

- Authorizes the Atlantic Avenue Healthcare Property Holding Corporation (a subsidiary of DASNY) to sell, exchange, transfer, lease and convey certain real property, located at 483-503 Herkimer Street, 1028-1038 Broadway, 528 Prospect Place and/or 1366 East New York Avenue, all in Brooklyn, New York, for the purpose of advancing the Vital Brooklyn Initiative, as may be directed by the commissioner of the NYS Division of Homes and Community Renewal, consistent with, and pursuant to, a plan to increase access and quality of health care services and to create affordable housing, so as to transform the Central Brooklyn region.

PART D – Removes the Sunset Date from the Infrastructure Investment Act of 2011 and Expands the Authorized Entities that May Utilize Design-Build Contracts

- Makes the Infrastructure Investment Act of 2011 permanent. This act, which authorizes the Dormitory Authority of the State of New York (DASNY) to award a contract to a single entity for both the design and construction (design-build) aspects of a project in order to optimize quality, cost and efficiency, would expire on April 13, 2019.
- Adds the New York State Urban Development Corporation (UDC – also doing business as the Empire State Development Corporation), the New York State Office of General Services (OGS), the New York State Department of Health (DOH), and the New York State Olympic Regional

Development Authority (ORDA), to the authorizations granted under the Infrastructure Investment Act of 2011.

- Expands the types of contracts that may be utilized under the Infrastructure Investment Act to also include construction manager-build and construction manager at risk contracts.

PART E – Eliminate the sunset applicable to the waste tire management and recycling fee

- Makes permanent the waste tire management and recycling fee which currently sunsets on December 31, 2019.
- The fee is \$2.50 which is collected on each new tire sold – revenue from this fee is used to regulate waste tire storage facilities and abatement of non-compliant waste tire stockpiles.

PART F – Expansion of the State’s Bottle Bill

- Expands the types of beverage containers subject to deposit requirements by adding: sports drinks, energy drinks, juices and ready to drink teas and coffees.
- Wine and liquor containers would not be included.
- Clarifies that small stores may limit the number of containers accepted for redemption to 72 per person, per day, without conditions.
- Projected revenue: Additional \$20 million.

PART G – Provide the Department of Environmental Conservation (DEC) with the authorization to accept gifts and enter into private-public partnerships

- Authorizes DEC to solicit funds or gifts, as well as enter into partnerships with private entities.
- Establishes an appropriation within DEC’s state operating budget to accept and spend these funds – currently Environmental Conservation Law does not provide DEC with this explicit authorization.
- The goal of this legislation is to enhance DEC’s ability to leverage private funding.

PART H – Ban Single Use plastic bags

- Ban single use plastic carryout bags provided to customers.
- Implemented March 1, 2020.
- Exceptions: plastic bags used to package meats, fish, vegetables, fruits, newspapers, garbage bags, plastic bags used by restaurants, plastic bags sold in bulk.

PART I – Prohibit offshore drilling and protect NYS’ waterways

- Prohibits the leasing of state lands, disallow condemnation of lands by corporations and prohibit the transport of oil or natural gas from the North Atlantic Planning Area.
- Petroleum bearing vessels would be banned from carrying crude from the North Atlantic Planning Area through navigable waters of NYS.

- Prohibit issuance of any license for any major facility storing or transferring petroleum produced in NYS navigable waters.

PART J – Update the notification process for wetland mapping

- Current law states DEC is required to hold a public hearing upon completion of tentative freshwater wetlands mapping or tidal wetlands mapping. The notification of the hearing is required to be mailed to each owner of land designated as wetlands and the chief administrative officer of each municipality impacted by the boundary change. This bill would allow the notices to be sent by standard mail instead of the current requirement of certified mail.

PART K – Consumer Chemical Awareness Act

- Requires manufacturers of certain consumer and personal care products to disclose information related to the human health and environmental effects of chemicals in such products and to authorize the Department of Environmental Conservation (DEC or
- Department) to establish standards for the labeling of consumer products. Enacts the “Consumer Chemical Awareness Act,” (CCAA) to provide consumers with real time access to product ingredient information so consumers can make informed decisions about which products to buy and use.
- Allows DEC, in consultation with the Department of Health and Department of State, to establish standards governing the labeling of consumer products in order to inform and warn consumers of the ingredients in these products including any carcinogen, mutagen, endocrine disruptor or other chemicals of concern identified by the Department.
- Authorizes the DEC Commissioner to require manufacturers of consumer products distributed, sold or offered for sale in New York to furnish information concerning the effects of their products on human health and the environment. This information would be made publicly available with the exception of confidential business information. The Commissioner would also be authorized to establish a public education program on the information collected from manufacturers.
- Amends the Public Health Law (PHL) to add a new article 48-a titled Regulation of Personal Care Products. This new article would require manufacturers of personal care products that are distributed, sold or offered for sale in New York State to furnish to the Commissioner of Health, and post on the manufacturer’s website, information regarding personal care products.

PART L – Expands Authority of the Superintendent to Regulate Contracted Servicers of Student Loans

- Expands the authority of the Superintendent of the Department of Financial Services, to allow the Superintendent to regulate the Servicers of Student Loans.
- The Student Loan Servicers proposed to be regulated under this new Article XIV-A of the banking law, would not include banking organizations, savings and loans, credit unions or trust companies, who are presently, already regulated under the banking law.

PART M –Provides DMV Phased-In Support for Autonomous Vehicles

- Extends the testing authorization for autonomous vehicles (self driving cars and trucks) for an additional two years (until April 1, 2021).
- Removes the sunset for the DMV report on such vehicles (June 1, 2019) to make such an annual requirement.
- Repeals the prohibition that an individual must maintain their hands or a prosthetic device on the steering mechanism as of April 1, 2021.

PART N – Extension of Ignition Interlock Program

- Extends the ignition interlock program for those convicted of Driving while Intoxicated offenses until 2021.

PART O – Extends the State Surcharge on Certain Motor Vehicle Infractions

- Extends the Mandatory State Surcharges on motor vehicle infractions for an additional two years until September 1, 2021.

PART P –Authorizes Local Governments to Allow Motorized Scooters and Bicycles

- Authorizes counties, cities, towns or villages to pass an ordinance to permit the use of certain motorized scooters and bicycles within their jurisdiction. These vehicles must be operated by an individual 16 years or older, may not carry any passenger other than the operator, may operate on roadways with a posted speed limit of 30 miles per hour or less, and must obey all vehicle and traffic laws applicable to the operation of a motor vehicle.

PART Q – Places responsibility for mailing a copy of service of process on plaintiffs rather than the Department of State (DOS)

- Amends the procedure for service of process through the Secretary of State by requiring plaintiffs to directly mail a copy to defendants. This is a role the Department of State has maintained since the 1840s to allow plaintiffs to serve corporations with certainty, and to allow corporations, through their registering agency, to receive proper notice of legal action against them. Despite the fact that corporations are one of the largest sources of tax revenue, this proposal would remove this protection based upon the argument that it would remove an administrative burden to the State.

PART R - Extends for one year the authority of the Secretary of State to charge increased fees for expedited handling of documents

- Extends for one year the ability of the Department of State to charge additional fees for expedited and special handling of documents. Current authority expires March 31, 2019. This authority has been extended continually since 2003.

PART S – Mandates the Payment of Access Fees for Fiber Optic Cables in Highway Right of Ways

- Authorizes the Department of Transportation (DOT) to charge fiber optic utilities for the use and occupancy of the right away of any state highway. This proposal would further prohibit such fiber optic utility from passing on this fee, so charged by DOT, to any person or entity that contracts with such fiber optic utility for service. Although this proposal would exempt any fiber optic utility that receives a state grant award through the New NY Broadband Program, from being charged this fee, it would also provide a significant disincentive for any such utility to expand and run fiber optic cable, if such utility does not receive such a New NY Broadband Program grant award.

PART T – Institutes New Limousine, Bus and Livery Safety Measures

- Expands and increases new safety measures for limousines, buses, and livery vehicles, as follows:
 - Provides that any person who knowingly and willfully violates an out-of-service order as provided for in the department of transportation's safety rules and regulations, or who knowingly and willfully removes an out-of-service sticker from a commercial motor vehicle shall be guilty of a class D felony.
 - Provides that any person, corporation, or other business entity, or any officer or agent thereof, who knowingly allows, requires or authorizes any person to operate a commercial motor vehicle that has been placed out-of-service, shall also be guilty of a class D felony.
 - Requires the Commissioner of Motor Vehicles to suspend the registration of all motor vehicles owned or operated by a person, who has been found to have vehicles that been placed out-of-service, with the exception of private passenger automobiles, until such time as the commissioner may give notice that the violation has been satisfactorily adjusted.
 - Authorizes the Commissioner of Motor Vehicles to direct any police officer to secure possession of the vehicle plates of any commercial vehicle placed out of service, with the failure of the holder, or person possessing the plates, to such police officer who requests the same, constituting a class A misdemeanor.
 - Authorizes the Commissioner of Transportation to take dangerous vehicles and operators off the road in a timely manner.
 - Creates a new D-Felony criminal offense of tampering with Tampering with a federal motor vehicle safety standard certification label, for the unauthorized removal or counterfeiting of such a label.
 - Establishes a new \$120 fee on inspections of for-profit buses, limousines, and other livery vehicles under the jurisdiction of the Department of Transportation, in order to provide more thorough and complete inspections in accordance to section 140 of the transportation law
 - Provides that the commissioner of the Department of Motor vehicles shall not register any motor vehicle that has been altered, and commonly referred to as a "stretch limousine", so as to add seating capacity beyond that provided by the original manufacturer by way of an extended chassis, lengthened wheel base, or an elongated seating area, and in the case of a truck, has been modified to transport passengers.

- Requires that owners of such "stretch limousine" that are registered, to surrender such registration to the commissioner of the Department of Motor vehicles, and requiring that such commissioner must revoke any such registration upon discovery thereof, so that in no way shall such a motor vehicle be registered for operation in New York (it should be noted that this provision of law would most likely be found to constitute a constitutional "taking", but that no monies have been appropriated with this language therefore).
- Prohibits U-Turns by any motor vehicle having an overall length of 18 feet or more, by a bus, or by a large livery vehicle.

PART U – Provides For a New Cable Television Assessment to Fund Health Campaigns and Utility Oversight Related Expenditures of Certain State Agencies

- Establishes a new cable television assessment to fund certain health campaigns conducted by the Department of Health, as well as utility related oversight expenses of the Office of Parks, Recreation and Historic Preservation, the Department of Agriculture and Markets, the Department of Environmental Conservation, and the Department of State.

PART V – Net Neutrality

- Prohibits state agencies from entering into contracts with internet service providers who do not observe principles of "net neutrality."
- Providers can not "block, throttle, or prioritize internet content or applications" or offer higher rates for specific content or applications.

PART W – Authorize the NYSERDA to finance a portion of its energy research, development and demonstration program, and its energy policy and planning program, as well as the Department of Environmental Conservation's climate change program and the Department of Agriculture and Markets' Fuel NY program, from an assessment on gas and electric corporations

- Authorizes NYSERDA to directly receive assessment revenue from a special assessment on gas and electric corporations for expenditures related to the energy research, development and demonstration program, local grants, the policy and planning programs, and the Fuel NY program.

PART X – Advancing the "Climate Leadership Act"

- Establishes the Climate Action Council which would be charged with developing a roadmap outlining recommendations to put the state on a path to carbon neutrality economy-wide
 - Roadmap would be aimed at reducing of greenhouse gas emissions of 40 percent by 2030 and 80 percent by 2050, from 1990 levels.
- 100 percent of state's electricity demand is supplied from clean energy by 2040.

PART Y – Extends the authorization of the New York State Urban Development Corporation to administer the Empire State Economic Development Fund

- Extends for one year the New York State Urban Development Corporation's (UDC) authority to administer the Empire State Economic Development Fund (EDF). UDC's authority to administer the EDF is set to expire on July 1, 2019. This authorization has been annually renewed the past several years.

PART Z – Extends the general loan powers of the New York State Urban Development Corporation

- Extends for one year the general loan powers of the UDC. UDC's general loan powers are set to expire on July 1, 2019. This authorization has been annually renewed the past several years.

PART AA – Reauthorizes and extends the provisions of law relating to participation by minority and women-owned business enterprises in state contracts and expands upon those provisions based upon the findings of the 2016 Disparity Study

- Extends for five years until 2024 Article 15-A of the Executive Law authorizing the Department of Economic Development's Division of Minority and Women's Business Development to promote employment and business opportunities on state contracts for minority and women-owned businesses (MWBE). The Division's authority and the requirements of the MWBE program are set to expire on December 31, 2019.
- Makes a number of significant programmatic amendments to MWBE requirements Article 15-A of the Executive Law, including:
 - Creates a new criminal offense of MWBE Fraud when a person "knowingly provides materially false information or omits material information" in order to be awarded a State contract or demonstrate compliance with MWBE participation requirements. This new crime would be punishable as a class E felony if the State contract is worth more than \$50,000 and a class D felony if the State contract is worth more than \$1M.
 - Expands MWBE program requirements to include all municipalities on contracts let with State dollars, and requires units of local government subject to Article 15-A to set MWBE goals on contracts and submit reports to the Division;
 - Creates a new "Workforce Diversity Program" to develop "aspirational goals" for the utilization of minority group members and women in each construction trade, profession and occupation;
 - Authorizes the Division to set the "personal net worth" requirement for MWBE certification via regulation;
 - Expands the authority of the Statewide MWBE Advocate to audit agencies and investigate complaints from MWBEs by State agencies and contractors; and
 - Amends various statutory dollar amount thresholds on contracts subject to MWBE participation requirements.

PART BB - Establishes a Congestion Tolling Program for Lower Manhattan

- Creates a congestion tolling program for all vehicles entering Manhattan south of 60th street, excluding FDR Drive. This proposed program would be created and administered by the Triborough Bridge and Tunnel Authority (TBTA), a subsidiary of the MTA, with all proceeds to be placed in a dedicated fund. The TBTA would be provided sole authority to determine the amount of the fee. It is projected that entry bridges and tunnels would have that portion of their bridge or tunnel fee, credited toward the payment of the congestion toll amount.

PART CC - Re-Authorizes and Expands the New York City School Zone Speed Enforcement Camera program

- Re-authorizes and expands the NYC school zone speed enforcement cameras program. This program, originally established in 2013, now would expire July 1, 2022. The previous statutory program expired on August 30, 2018, allowed for a speed camera to be placed one quarter of a mile (1320 feet) along a highway adjacent to a school. This new program would extend such placement area to a radial area from any school, would also expand the number of cameras from 140 to 290.
- It should be noted, that under this new proposal, the combination of the expansion of distance and the number of cameras (together with the fact that NYC is only 302 square miles), would effectively now allow for a camera to be placed anywhere, along any street, in New York City (as there is no sector of any street that is not within a 1320 foot radial distance from a school).

PART DD – Restructures the Gateway Development Corporation into the Gateway Development Commission

- Establishes a new bi-state commission with the state of New Jersey to facilitate the Gateway Project. Such project which would connect New York City to Newark, New Jersey via passenger rail line. Presently, the project is being overseen by the Gateway Development Corporation, which is a not-for-profit corporation established for such same purpose.
- The transformation of the Gateway Development Corporation into a governmental entity commission would help to promote federal funding, which would otherwise be unavailable. This new Commission would be managed by a three member board, with one appointed by the commissioner of the New York State Department of Transportation, one appointed by the board of directors of the New Jersey Transit Corporation, and one appointed by Amtrak.
- The purposes and powers of the Commission would be essentially the same as its predecessor Corporation. As a bi-state Commission, this proposal would also require passage of these same provisions into law by the state of New Jersey.

PART EE – Provides for Broad Metropolitan Transportation Authority (MTA) Organizational Reforms

- Provides sweeping, blanket authority to the MTA to assign, transfer, share, or consolidate any of its powers or duties between or within itself or its numerous subsidiaries and affiliates. Under present law, this proposed reorganization would require a resolution of the MTA board, adopted by a majority of its members.

PART FF – Metropolitan Transportation Authority (MTA) Aid Trust Fund Reforms

- Sends all revenues raised by the Metropolitan Commuter Transportation District supplemental taxes, surcharges and fees (taxi surcharges, supplemental license fees, supplemental registration fees, supplemental taxes on passenger car rentals) directly to the MTA without appropriation. Presently, all such revenues are directed to the Metropolitan Transportation Authority Aid Trust Account, and then remitted to the MTA on a quarterly basis.

PART GG – Expands the New York City Bus Lane Enforcement Camera Program and Creates a New Camera Enforcement Program

- Eliminates the current 10-route cap for installation of bus lane automated enforcement cameras, and allowing such cameras to be installed and used on all bus routes throughout NYC. Additionally, the Executive further proposes authorizing the use of automated enforcement cameras, for "block-the-box" violations, within the proposed congestion pricing zone, south of and including 60th street, in Manhattan.

PART HH – Binding Arbitration for disputes between MTA and its labor representatives

- Extends the expiration date, from July 1, 2019 to July 1, 2021, of the provisions of law authorizing the oversight of binding arbitration between the Public Employment Relations Board (PERB) for disputes between the MTA and its labor representatives.

PART II – Adds Transportation Workers to the List of Employees Protected By Higher Penalties for Assault, and Creates a New Crime for Work Zone Intrusion

- Amends the Penal Law and Vehicle and Traffic Law to increase penalties for assaults against Airport Workers; Highway Workers; train and bus station customer assistants; train and bus ticket collectors; train system, track, signal, yard, and station maintenance personnel; and motor vehicle and motor carrier inspectors.
- Present law, elevates penalties for assault against peace officers, police officers, prosecutors, registered nurses, licensed practical nurses, public health sanitarians, sanitation enforcement agents, New York city sanitation workers, firefighters, paramedics, emergency medical technicians, city marshals, school crossing guards, and traffic enforcement officers and agents.
- Establishes a new B-misdemeanor offense of active work zone intrusion, that prohibits any driver or vehicle from entering or intruding into an active work zone except upon direction from a flag-

person, police officer or other visibly designated person in charge of traffic control or direction from a traffic control device regulating entry therein. An "active work zone" would be defined as the physical area of a highway, street or private road on which construction, maintenance or utility work is being conducted, which area is marked by any signs, channeling devices, barriers, pavement markings, or work vehicles, and where workers are physically present.

PART JJ – Provides for Increased Toll Payer Notifications

- Provides customers of toll facilities that operate Electronic Tolling systems and deploy cashless tolling facilities with certain statutorily enumerated information regarding the notification of tolls and payment of tolls by mail. This proposal would thereby establish requirements for such toll facilities to provide relevant information, notification and electronic communication, in an effort to make toll-paying customers aware of their obligations in a more timely and transparent manner.

PART KK – Authorize the NYPA to provide energy related projects, programs and services to any of its power customers, and to take actions necessary to develop electric vehicle charging stations

- Authorizes NYPA to engage in energy-related projects, programs and services with any of its power customers, not just those customers who purchase power under currently authorized programs; and provide energy supply services to public entities.
- Provides NYPA with the authority to design, finance, develop, construct, install, lease, operate and maintain electric vehicle charging stations throughout the state for use by the public.
- Authorizes NYPA to offer energy management services to any of its customers, including state agencies and municipalities.

PART LL – Amend the public authorities law, relating to the provisions of renewable power and energy by the NYPA

- Authorizes NYPA to develop renewable energy projects and procure and sell renewable products to public entities, Community Choice Aggregation communities and NYPA customers.

PART MM – Establish a Parks, Recreation and Historic Preservation retail stores enterprise fund and a golf enterprise fund

- Establishes enterprise funds to properly classify the financial activities of retail stores and golf courses operated by the Office of Parks, Recreation and Historic Preservation (OPRHP).
- Park Retail Fund would include gift shops and camp stores – funds would be made available to OPRHP for services and expenses relating to the operation of the retail stores.
- Gold Course Fund would include all revenues collected from private entities and individuals for the use of state-owner golf courses and any other miscellaneous fees – these funds would be made available to OPRHP for services and expenses related to direct maintenance and operation of state-owned golf courses.

PART NN – Extend authority of NYS Olympic Regional Development Authority (ORDA) to enter into contracts or agreements containing indemnity provisions in order to host Olympic or other national or international games or events

- Expands ORDA’s authority to enter into contracts or agreements in anticipation of the state hosting the 2023 World University Games.
- ORDA will have to enter into contracts that include indemnification provisions to cover losses resulting from liabilities.

PART OO – Corrects a Map Point in the Highway Law for the State Air Train Project

- Makes a correction in the Highway Law to correctly identify a Map Block Number (from 789 to 1789) for the state Air Train Project.

**REVENUE
ARTICLE VII LEGISLATION
S.1509 /A.2009**



PART A – Removes the Sunset on the E-File Mandates

- Removes the December 31, 2019 sunset date on section 29 of the tax law, so as to make the mandates within such section regarding the e-filing of tax returns permanent.

PART B – Amends the Employee Training Investment Program (“ETIP”) in the Economic Development Law to expand the definition of eligible training

- Allows business entities to receive the tax credit associated with ETIP if they conduct training and are otherwise eligible;
- Expands the definition of the term "eligible training" to include an internship program in software development or the development of renewable or clean energy; and
- Eliminates the requirement that ETIP applicants procure training services from a third-party provider to be eligible to receive tax credits.

PART C – Codifies the Federal Receipts Factor Rule for the Net Amount of Global Intangible Low Taxed Income (“GILTI”) in State Law

- Codifies in state law, for state tax purposes Section 951 A (a) of Internal Revenue Code that requires GILTI, to be included in gross income. This proposal would provide that where GILTI is taxable business income, it would be included in the business apportionment factor so as to reflect the taxpayer’s business income and capital in the state.

PART D – Decouples the Internal Revenue Code Federal Basis for NYS Manufacturing Test

- Decouples New York State Law from the Internal Revenue Code for federal adjusted basis on property used to determine whether a manufacturer is a qualified New York manufacturer.
- Presently, the test for determining whether a manufacturer is a qualified New York Manufacturer (for purposes of the reduced corporate business income base tax rate, the reduced tax rate and cap on the capital tax base, lower fixed dollar minimum tax amounts, and the manufacturer’s real property tax credit) includes thresholds set at the amount of the taxpayer’s basis in its property in New York State.
- This present statutory test uses the federal adjusted basis of the taxpayer’s property in the state.
- Recent federal law, however, has increased the limitation on the amount expended on property that taxpayers may elect to treat as an expense under the Internal Revenue Code, thereby potentially reducing the federal adjusted basis of such property.
- As a result of this increased federal limitation, the basis amount used for purposes of the manufacturing test may not accurately reflect the extent of the taxpayer’s ownership of manufacturing property in New York State.
- Amends Tax Law and New York City Administrative Code to now use the New York State adjusted basis, instead of the federal adjusted basis.

PART E – Extends the Workers with Disabilities Tax Credit for Three Years

- Extends the sunset dates for the corporate and personal income tax credits for qualified employers that employ individuals with developmental disabilities until January 1, 2023. Current law provides for these tax credits to expire on January 1, 2020.

PART F – Extends the Three-Year Gift Addback Rule and Requires Binding NYS QTIP Election

- Amends the estate tax (sections 954 and 955 of the tax law) to require an executor to make a qualified terminable interest property (QTIP) election on a decedent's New York State estate tax return in order to claim a marital deduction for such property passing to the decedent's spouse, whether or not a federal estate tax return was required to be filed.
- Requires inclusion of the value of QTIP property remaining in the surviving spouse's New York estate if a previous marital deduction was allowed on a New York return with respect to the transfer of such property to the spouse.
- Extends to January 1, 2026 from January 1, 2019, the expiration of the requirement that gifts that are taxable for federal gift tax purposes and that are made within three years of death are to be added back when calculating the decedent's New York gross estate.

PART G – Imposes an Internet Fairness Conformity Tax

- Requiring marketplace providers to collect sales tax on all sales of tangible personal property facilitated by the provider regardless whether the seller has nexus in New York.
- Defines a marketplace provider as a person or entity, such as an internet website, that provides a forum connecting the sellers of personal property with purchasers and facilitates more than \$100 million in nationwide sales annually.
- Requires sellers and marketplace providers who do not collect such sales tax to file information returns with the Department of Taxation and Finance regarding sales of tangible personal property delivered to purchasers in New York, and to provide an annual statement of purchase to each New York purchaser who receives such purchases in the state.

PART H – Discontinues the Energy Services Sales Tax Exemption

- Repeals the sales tax exemption on the transportation and delivery of gas and electricity sold separately from the energy commodity when sold to commercial purchasers from energy service companies (ESCOs).

PART I – Provides for Adjustments After Equalization Rate Changes

- Amends section 1204 (3) of the Real Property Tax Law to change the provision “five percentage points” to “five percent” so as to require notice when a net disparity is five percent or more.
- Provides that when the Commissioner of Taxation and Finance has confirmed the locally stated level of assessment, he or she shall establish it as the final State equalization rate for the city, town

or village as soon thereafter as is practicable, so as to effectively eliminate a tentative rate or administrative review period.

- Allows a school district to ameliorate equalization rate impacts by directing school taxes to be apportioned based upon average property values over either a three-year or a five-year period. Current law requires the calculation to be based solely on current values, which can cause dramatic tax shifts within the school district. This averaging option could enable school districts to avoid these sudden shifts, to reduce or eliminate “sticker shock”.

PART J – Provides Changes in Real Property Tax Administration

- Authorizes local governments to provide real property tax assessment relief when a disaster is declared without the State Legislature having to pass special legislation.
- Authorizes counties and an assessing unit to agree that the local legislative body of a county may appoint the members of the Board of Assessment Review to hear and resolve assessment complaints within that assessing unit.
- Authorizes the Tax Department to approve assessor and county director training courses for credit without obliging the State to pay for the expenses of attendees, when the provider so requests.
- Authorizes the Tax Department to send certain statutory notices by email and/or by a website posting, rather than by postal mail.
- Changes the valuation date and taxable status date for special franchise property to January first of the prior year, so as to eliminate the need for mid-year reporting.
- Requires electric generating facilities to annually report inventory, revenue, and expense data to the Tax Department to assist the Department in valuing these highly complex properties.

PART K – Repeals Certain Tax Compliance Requirements

- Repeals certain tax cap compliance reporting requirements, that were left in place when the obsolete tax freeze credit statutes were repealed in 2018. As the primary statutes have been repealed, and have not been applicable for three years, such reporting requirement.

PART L – Creates the NYS Employer Child Care Credit

- Creates a NYS Employer-Provided Child Care Credit to assist employers in providing quality child care services to their employees. Section 45-F of the Internal Revenue Code allows a credit for qualifying expenditures paid or incurred in providing child care alternatives for their employees.
- Provides a similar state tax credit for New York employers to provide child care for their employees located in New York. This proposed credit would be equal to 25 percent of qualified child care expenditures related to a child care facility located in New York, plus 10 percent of qualified child care resources and referral expenditures, attributable to employees working in New York, and, like the federal credit, would be capped at \$150,000 per taxable year.
- Under the provisions of this credit, qualified child care expenditures would include operating costs of a qualified child care facility of the taxpayer or under contract with another taxpayer, as well as amounts paid or incurred to acquire, construct, rehabilitate, or expand property used as part of a care facility of the taxpayer. Qualified child care resource and referral expenditures would

constitute amounts paid or incurred under a contract to provide child care resource and referral services to an employee of the taxpayer.

PART M – Include certain NYS gambling winnings in nonresident NYS income

- Gambling winnings in excess of \$5,000 from wagering transactions within NYS would be included in the definition of nonresident NY source income.

PART N – Make technical changes to the Farm Workforce Retention credit

- Tax credit is equal to \$250-\$600 per employee depending on the taxable year for which the credit is claimed.
- Expands the workforce retention credit to additional farming operations that are currently eligible to receive the farmer's school tax credit such as cider production and Christmas tree farming.
- Allows the farm workforce retention credit to include farm cideries and farm wineries but only for those employees who are employed on qualified agricultural property.

PART O – Removes the Sunset from the Tax Shelter Reporting Provisions and Adjusts Penalties on Tax Preparers

- Removes the sunset provisions from New York's tax shelter penalty and reporting requirements. Such provisions are modeled after the federal tax shelter provisions in the Internal Revenue Code, and were first added to the New York State Tax Law as temporary provisions in 2005, and have been renewed several times thereafter on a temporary basis. Absent this proposal, which would make these tax shelter penalty and reporting requirements permanent, these provisions are scheduled to expire on July 1, 2019.
- Updates the Tax Law provisions governing penalties for tax preparers to:
 - Establish the penalties of between \$100 and \$1000 against preparers who take positions on returns or claims that are not properly supported by the Tax Law; and
 - Ensure that the penalties for failing to sign a return and for failing to provide a required identification number on a return apply to all tax preparers, regardless of whether they are required to be registered with Division of Taxation and Finance pursuant to section 32 of the Tax Law.

PART P – Provides for Higher Personal Income Tax Rates for Five Years

- Extends the top state personal income tax bracket of 8.82 percent under the tax law for five years (for taxable years 2020, 2021, 2022, 2023 and 2024). Such rate is presently scheduled to expire for taxable years beginning after 2019.

PART Q – Extends the Personal Income Tax Limitation on Charitable Contributions for Five Years

- Extends, for five years (through the 2024 tax year), the current limitation on the itemized charitable deduction under the NYS and NYC personal income tax for individuals with adjusted gross income of more than \$10 million.
- Presently, the NY itemized charitable deduction is limited to 50 percent of the federal deduction for individuals with adjusted gross income between \$1 million and \$10 million, and to 25 percent of the federal deduction for individuals with adjusted gross income over \$10 million. The 25 percent limitation, which has been in place since 2009, is set to sunset at the end of the 2019 tax year. Should these limitations be allowed to expire, all individuals with adjusted gross income over \$1 million would be subject to the 50 percent limitation, upon a reversion to pre-2009 law.

PART R – Extends the Clean Heating Fuel Tax Credit for Three Additional Years

- Extends the corporate and personal income tax credits for purchasing clean bioheating fuel for residential purposes until January 1, 2023.
- Clean bioheating fuel is home heating oil that contains at least 6% biodiesel per gallon. Biodiesel is a vegetable oil-or animal fat-based diesel fuel consisting of long-chain alkyl (methyl, ethyl, or propyl) esters, typically made by chemically reacting lipids (e.g., vegetable oil, soybean oil, animal fat (tallow)) with an alcohol producing fatty acid esters, and is reportedly better for the environment than burning conventional home heating diesel fuel.
- The clean heating fuel tax credit, provides a credit is equal to \$.01 per percent of biodiesel fuel, not to exceed 20 cents per gallon, purchased. These credits, under both the personal and corporate income tax law, are currently set to expire on January 1, 2020.

PART S – Removes the Sunset Provisions Concerning the Segregated Sales Tax Account Program

- Makes certain provisions concerning the segregated sales tax account program permanent. These provisions, first adopted in the 2011-2012 budget (as Sections 21 and 21-a of Part U of Chapter 61), concern authorizing the Tax Commissioner, where he deems it necessary to protect sales tax revenues, to debit segregated accounts, to require a vendor to deposit the sales tax moneys at least weekly, and to require the vendor to obtain a bond if the vendor fails to comply. These provisions are scheduled to expire on December 1, 2019. By removing this sunset, these provisions would be made permanent in law.

PART T – Repeals a ten-dollar annual fee paid by cooperative corporations and rural electric cooperatives

- Amends the cooperative corporations law and the rural electric cooperative law to eliminate a ten-dollar annual fee paid by cooperative corporations and rural electric cooperatives after 2020.
- Amends Cooperative Corporations Law § 77(3) and Rural Electric Cooperative Law § 66, respectively, to make the ten-dollar annual fee in lieu of franchise or license or corporation taxes, in the case of a cooperative corporation, and the ten-dollar annual fee in lieu of franchise, excise,

income, corporation, and sales and compensating use taxes, in the case of a rural electric cooperative, not payable after January 1, 2020.

- The Department of Tax and Finance has collected only \$250 in fees in the last two years.

PART U – Expands the Historic Rehabilitation Tax Credit to Include Certain Properties Outside Eligible Census Tracts

- Expands the Historic Rehabilitation Tax Credit to now include properties that are not in an eligible census tract, but that are within a state park, state historic site, or other land owned by the state, that is under the jurisdiction of the Office of Parks, Recreation and Historic Preservation (OPRHP).
- Under present law, the Historic Rehabilitation Tax Credit Program will cover 20 percent of qualified rehabilitation costs of historic properties, when such property is either listed on the State or National Register of Historic Places either individually or as a contributing building in a historic district or eligible for inclusion on the registers; and has an approved Federal Tax Credit Part I certification, and is located in a *qualifying census tract* (a federal census tract that is at 100 percent or below the State Family Median Income level or identified as a Qualified Census Tract in Section 143 (J) of the Internal Revenue Code, or is in an area designated as an Area of Chronic Economic Distress).
- The Executive suggests that this proposal would thereby incentivize private sector investment in unused and underutilized historic properties owned by the State in such expanded locations (such as Saratoga’s Gideon Putnam Hotel, the bathhouses at Jones Beach, and the historic estate buildings at Knox Farm State Park outside of Buffalo).

PART V – Extends for Two Years the sales tax exemption related to the Federal Dodd-Frank Act

- Extends for two additional years, until June 30, 2021, the exemption from sales and use tax for certain sales or services transacted between certain financial institutions and their subsidiaries, that are required under the Dodd-Frank Wall Street Reform and Consumer Protection Act. This provision is presently scheduled to expire on June 30, 2019.

PART W – Establishes A New Employer Recovery Hiring Tax Credit

- Creates a new tax credit for the employment of eligible individuals in recovery from a substance use disorder, within the Mental Hygiene Law and the Tax Law.
- This new tax credit provide tax incentives to certified employers for employing eligible individuals in recovery from a substance use disorder in part-time and full-time positions in New York State. Administered by the Office of Alcoholism and Substance Abuse Services, the credit would authorize the allocation of \$2 million in refundable tax credits computed on a 1 dollar per hour worked per eligible employee basis, with a minimum requirement for each employee of 500 creditable hours worked and a cap for each employee of 2000 creditable hours worked.
- Qualifying employers would be required to have a formal working relationship with a local recovery community organization and eligible employees must demonstrate that they have completed a course of treatment for a substance use disorder and are in a state of wellness. The credit may be claimed only one time for each eligible employee.

PART X – Excludes from Entire Net Income Contributions to the Capital of a Corporation by any governmental entity or civic group

- Amends the NYS Tax Law and the NYC Administrative Code to exclude from entire net income certain contributions to the capital of a corporation by any governmental entity or civic group. This would thereby decouple New York from the Internal Revenue Code, which now includes contributions by a governmental entity or civic group to the capital of a corporation in federal gross income, to restore New York’s favorable non-tax treatment of these important contributions.

PART Y – Closes the Carried Interest Loophole

- Treats an investment management services firm partner’s or shareholder’s share of compensation for management services rendered as income, instead of as capital gains.
- Creates a new tax, the “carried interest fairness fee” that is assessed at 17 percent of the difference in value between the partner’s or shareholder’s distributive share for performing investment services and that share when the person did not perform such services, with such fee to remain in effect until the federal tax law is amended to treat the provision of investment management services for federal tax purposes substantially the same as under this proposal.
- Takes effect only if Connecticut, New Jersey, Massachusetts and Pennsylvania all enact legislation having substantially the same effect.

PART Z – Makes Several Adjustments to the NYS Tax Law and the NYC Administrative Code

- Makes several adjustments to the Tax Law and New York City Administrative Code, as follows:
 - Amends Section 43(a)(3) of the Tax Law to specify that if a taxpayer is a partner in a partnership that is a life sciences company or a shareholder of a New York S corporation that is a life sciences company, then the life sciences research and development tax credit is applied at the level of the entity.
 - Amends Section 209(5) of the Tax Law to remove a reference for real estate investment trusts (“REITs”) concerning a definition of entire net income, that no longer is contained in the Federal Internal Revenue Code.
 - Amends Section 211(8)(a) of the Tax Law to remove a reference to a provision of law that was repealed by New York’s corporate tax reform in 2015, and a reference to the issuer’s allocation percentage.
 - Amends Section 213-b of the Tax Law to remove a provision related to estimated payments of the tax imposed under Tax Law Section 209-B (the “MTA surcharge”) that refers to S corporations, (since the MTA surcharge does not apply to S corporations), to correct a reference to New York S corporations; and to correct “third month” to “fourth month” for the end date for interest paid to taxpayers on estimated tax overpayments, consistent with the change in return due dates enacted in 2016.
 - Amends Section 1503 of the Tax Law to revise the treatment of policy holders surplus accounts, reflecting changes to federal law, under TCJA, for taxable years 2018-2025;
 - Amends Sections 11-525 and 11-676 of the New York City Administrative Code to replace “preceding” with “second preceding”, consistent with the change made in 2016 to use the second preceding year’s tax for purposes of estimated tax payments.

- Amends the effective date of Chapter 369 of the Laws of 2018, to assure that fringe benefits payments made by the non-profit between January 1, 2018 and the beginning of its next taxable year would not be required to be included in New York unrelated business taxable income.

PART AA – Establishes an Exemption from Real Property Taxation for Qualified Energy Systems

- Establishes a new exemption for certain energy systems from the local taxation requirement that the owner of property that comprises or includes an energy system enter into a PILOT agreement, if the property meets the eligibility requirements.
- Amends Section 487 of the Real Property Tax Law so that, beginning April 1, 2019, certain specified energy systems (specifically, solar or wind energy systems, farm waste energy systems, microhydroelectric energy systems, fuel cell electric generating systems, microcombined heat and power generating equipment systems, and electric energy storage systems) would be exempt from local taxation.
- Requires that the owner of property that comprises or includes such an energy system must also enter into a PILOT agreement, if the energy system is installed on real property that is owned or controlled by the State or a State Entity; and the State or a State Entity has agreed to purchase the energy produced by such energy system, or the environmental credits or attributes created by virtue of such energy system's operation, in accordance with a written agreement with the owner or operator of such energy system, so require.

PART BB – Gaming commission employment restrictions

- Allows the Gaming Commission to waive the existing pre-employment restriction in certain cases.
 - Commission may waive for good cause any pre-employment restriction of a prospective employee, by adopting a resolution at a properly noticed public meeting.
- Current law: applicants who have held a gaming occupational license are disqualified from Gaming Commission employment for three years from the date the license is terminated

PART CC – Retired racehorse aftercare

- Allows the Thoroughbred and Standardbred Breeding Funds to voluntarily contribute monies for the support and promotion of ongoing care of retired racehorses.

PART DD – Make technical changes to gaming provisions

- Moves the Gaming Inspector General Statute from Article 13 to Article 1.
- Clarify that Cornell University's Harry M. Zweig Memorial Fund for Equine Research can accept gift from donors.

PART EE – Simplify video lottery gaming (VLG) rates and eliminate additional commission provisions

- Restructures the current video lottery gaming distribution structure

- Under current law there is a separate distribution for capital award monies and for marketing allowance – marketing allowance is set at either 8 or 10% of net machine income
 - Under this bill, the marketing allowance and capital awards will be included as part of the operator commission
- Finger Lakes, Saratoga and Monticello are currently eligible to receive an additional commission to be “held harmless” from the impact of nearby competing casino – under current law Saratoga and Finger Lakes will receive an amount in excess of being held harmless. This bill would eliminate this provision and instead offer these facilities an additional commission rate that would reduce their current revenue but attempt to keep an incentive to perform.

PART FF — Impose a statutory cap on casino free play

- Establish a 19 percent cap on casino free play for FY 2019-2023 and reducing the cap to 15 percent in FY 2024.
- Free play would be excluded from the calculation of gross gaming revenue and any tax owed on free play above the cap would be due within 30 days of fiscal year end.
- Only free play credits issued pursuant to a written plan approved by the Gaming Commission shall be not taxable and the Gaming Commission may suspend the approval of any plan when it is jointly determined with the Budget Director that the use of free play credits under such plan is not effectively increasing revenue.

PART GG – Impose off track betting reforms

- Requires regional off track betting corporation board members to meet quarterly – current law states they must only meet annually.
- Imposes new reporting requirements for staff of the Board – financial plan/information for review of the members and quarterly report.
- Permits an OTB to operate a tele-theater at a casino.

PART HH – Extend certain tax rates and certain simulcasting provisions for five years

- Extends following provisions:
 - In home simulcasting.
 - Current percentage of total pools allocated to purses that a track located in Westchester County receives from a franchised corporation.
 - Simulcasting of out of state thoroughbred races on any day the Saratoga thoroughbred track is operating.
 - Simulcasting of races conducted at out of state harness tracks.
 - Distribution of revenue from out of state simulcasting during the Saratoga meet.
 - Binding arbitration of disagreements.
 - Current distribution of revenue from on-track wagering on NYRA races.

PART II – Mid-Atlantic Drug Compact

- Authorizes entry into the Interstate Compact on Anti-Doping and Drug Testing Standards.

- New commission that would take effect when any two state enact substantially similar compact language.
- Goal is to enable member states to act jointly to create more uniform, effective and efficient rules relating to drugs and medications for racehorses.
- Would allow the delegates to establish a breed specific equine drug and medication rules.

PART JJ – Extend Advisory Committee on Equine Drug Testing and Remove the Morrisville Equine Drug Lab Restriction

- One year extension for the advisory committee on equine drug testing to review the current state of equine drug testing in NYS, and make recommendations going forward.
- Current law requires the Gaming Commission to use a “state college within the state with an approved equine science program” – only such college is Morrisville College.
 - This bill would remove that language and replace it with “suitable laboratory”

PART KK – Streamline Occupational Licensing for Casino Employees

- Establish the classification and definition of non-gaming employees.
- Allows for an occupational license to be suspended, in addition to being denied or revoked.
- Disallow the denial or revocation of a license to key employees and employees of vendors, based on conviction of certain crimes if rehabilitation has been demonstrated.
- Provide only disqualified applicants with a copy of their criminal history information.
- Allow the applicant for registration to provide the Gaming Commission with evidence of good character, honesty and integrity as it pertains to their criminal history and prior gaming operation association.
- Extend the necessity of an “ancillary casino vendor enterprise” license for certain casino vendors.

PART LL – Caps Annual Growth in STAR benefit amounts at 0 percent

- Permanently caps the actual dollar amount of the basic and enhanced School Tax Relief (STAR) benefits to property owners, beginning with the 2019-20 school year, at the 2018-19 levels. Under this proposal, however, the existing two percent cap will remain in tact.

PART MM – Provides for the Disclosure of Certain Information on Cooperative Housing Corporation Information Returns

- Authorizes the sharing of certain information reported by cooperative housing corporations with local assessors for real property tax administration (principally STAR verification) purposes. This proposal would further provide, however, that the Commissioner of Tax and Finance, shall not disclose social security numbers or employer identification numbers.

PART NN – Specifies the Calculation of New York City Enhanced Real Property Tax Circuit Breaker Credit

- Amends the Tax Law to specify the calculation of the Enhanced Real Property Tax Circuit Breaker Credit applicable to New York City. Presently, this Credit sets forth the amount of the credit

allowable for taxable years 2014 to 2016, but does not provide how the credit will be calculated now that it has been extended through 2020. This proposal would specify that the credit would continue to be calculated the way it has previously been allowed.

PART OO – Establishes reporting requirement for manufactured home park owners

- Requires manufactured home park owners to file registration statements on a quarterly basis instead of on an annual basis, with such reports now including information on whether tenants own or lease their manufactured home and such other information as the State Division of Tax and Finance may deem necessary. Such information would be required to be filed through an internet-based online system.
- Authorizes the Commissioner of the Division of Housing and Community Renewal, in consultation with the Commissioner of Taxation and Finance, to promulgate regulations to require additional information in such quarterly registration statements.

PART PP – Expands the School Tax Relief Program Verification Protocols

- Expands the STAR Income Verification Program by providing that, effective with 2020 assessment rolls, the Commissioner of the Department of Taxation and Finance (DTF) would be required to annually verify that Enhanced STAR exemption recipients meet the residency and age requirements, thus requiring the same eligibility verification for the Enhanced STAR exemption that it has done for the basic STAR exemption.
- Extends this verification program to the STAR credit, to provide that anyone who is found to have put materially false information on a STAR exemption application is precluded from receiving the STAR exemption for six years. Such a person would also be precluded from switching to the STAR credit during that six year period.
- Provides that when a STAR check is inadvertently sent to someone whose primary residence was receiving a STAR exemption for the same year, the Commissioner may seek repayment of the check amount upon notice and demand. Under this provision, a notice of deficiency would not be required.

PART QQ – Allows the Sharing of Certain STAR Information with Assessors

- Authorizes the Commissioner of Tax and Finance to share certain STAR related information with local assessors for real property tax administration (principally STAR verification) purposes. This proposal would authorize the disclosure of the names of property owners who the Commissioner has found are not eligible for a STAR exemption or credit.
- Authorizes the Commissioner would further be authorized to disclose the names of property owners who he believes are not eligible for either the Enhanced STAR exemption or
- Enhanced STAR credit and whose federal adjusted gross income is above the maximum allowable amount set by Real Property Tax Law.
- Provides that when an income tax return is filed on behalf of a decedent, that the Commissioner may disclose to the Director of Real Property Tax Services of the county in which the decedent resided, the following information: the decedent's name, address, and date of death. Under this proposal, such County Director would be responsible for sharing such information with the assessor and tax collector, and if delinquent taxes are due, with the County Treasurer.

PART RR – Lowers the Income Eligibility Limit of the Basic STAR Exemption Program to \$250,000

- Lowers the income limit for the Basic STAR exemption to \$250,000, beginning with the 2019-20 school year. Under this proposal, the STAR credit, would continue to have the existing \$500,000 income limit remain unchanged.

PART SS – Amends the Language on STAR Check Tax Bill Notices

- Amends the language that on the notice that appears on the school tax bills of recipients of STAR credit checks.
- Presently, the law requires the notice to read that: "An estimated STAR check will be mailed to you by the upon issuance by NYS Tax Department. Any overpayment or underpayment can be reconciled on your next tax return or STAR credit check."
- Modifies such language to provide the qualification that such "check has been or will be mailed to you" and "[upon issuance] by the NYS tax department".

PART TT – Amends the STAR Administration Process

- Amends the STAR administrative process to allow for dispensations for late filing renewals of STAR applications for "good cause", and to facilitate renunciation of the STAR benefit.
- Since 2016 taxpayers with Enhanced STAR exemptions who fail to timely file their renewal applications may have their Enhanced exemptions restored if the Commissioner finds they had "good cause" for missing the filing deadline. This proposal would also extend such dispensations to renewal applications.
- Expedites the process for implementing the Commissioner's determination by empowering the school district to adjust the tax bill if the tax has not yet been paid or issue a refund if it has.
- Waives the \$500 processing fee for taxpayers who renounce their STAR exemptions before their tax bills are issued. It would further provide that when a STAR exemption is renounced the amount to be repaid is the "tax savings" shown on the taxpayer's school tax bill(s), which may not always equal the property's taxable assessed value times the school tax rate because the law has provided for the past several years that the STAR tax savings in any school district may not grow by more than two percent from one year to the next.
- Allows for a taxpayer to renounce a STAR exemption in order to switch to the STAR credit by permitting the switch to occur even when the payment is made after the end of the taxable year.

PART UU – Enacts Comprehensive Tobacco Policy

- Includes vapor products and electronic cigarettes within the regulation of Tobacco products.
- Increases the age to purchase such products from 18 years of age to 21 years of age.
- Prohibits price reduction instruments in any transactions related to such sales.
- Prohibits sales of tobacco products in all pharmacies.
- Prohibits the display of tobacco products or e-cigarettes in stores.
- Authorizes the Commissioner to promulgate regulations governing the sale and distribution of electronic cigarettes or vapor products.

- Prohibits smoking inside and on the grounds of all hospitals licensed or operated by the Office of Mental Health.
- Requires Vapor products dealers to register and pay a \$300 non-refundable application fee.
- Imposes a 20 percent excise tax on vapor products.

PART VV – Enacts the Cannabis Regulation and Taxation Act

- Article 1 Cannabis Law
 - Creates a program to legalize adult-use cannabis, consolidate governance of all forms of cannabis, establishes a regulatory structure to oversee licensure, cultivation, production, distribution, sale and taxation of cannabis.
- Article 2
 - Establishes the New York State Office of Cannabis Management within the Division of Alcohol Beverage Control
 - Authorizes the Executive Director to establish a State Cannabis Advisory Board, which may advise on cannabis cultivation, processing, distribution, transport, testing, sales, and consider all matters submitted by the Executive Director.
- Article 3 Medical Cannabis
 - Repeals provisions of the Medical Use of Marihuana in Public Health Law
 - Re-establishes program in the Office of Cannabis Management
- Article 4 Adult Use Cannabis
 - Establishes regulations and control processes in the cultivation, processing, manufacturing, distribution and sale of cannabis product for adults over 21 years of age.
 - Creates a social equity licensing and incubator program
 - Creates a program to review and seal prior cannabis convictions.
- Article 5 Hemp Cannabis
 - Establishes regulations and control processes related to hemp cannabis for licensing, cultivation, processing, extraction and distribution as well as the packaging and labeling and laboratory testing requirements. Hemp grown for industrial or food purposes will continue to be regulated by the Department of Agriculture and Markets.
- Article 6 General Provisions
 - Counties have the ability to opt-out of provisions in Article 4
 - Establishes three new taxes:
 - Imposed on cultivation at a rate of \$1 per dry weight gram of cannabis flower and \$0.25 per dry weight gram of cannabis trim
 - Imposed on sale by the wholesaler to a retail dispensary at the rate of 20 percent of the invoice price
 - Imposed on sale by the wholesaler to a retail dispensary at the rate of two percent, which is collected in trust for the county in which the retail dispensary is located.
 - Establishes a New York State cannabis revenue fund.

PART WW – Expands the Supplemental Auto Rental Surcharge

- Expands the special supplemental auto rental surcharge from the Metropolitan Commuter Transportation District (MCTD) to the remainder of the State.
- Present law imposes a six percent auto rental tax, statewide, the proceeds of which are directed to the State's highway and bridge program. An additional, supplemental surcharge of five percent is imposed in the MCTD only, the proceeds of which are directed to Downstate public transportation systems including the Metropolitan Transportation Authority.
- Provides a uniform 11 percent statewide tax, with the additional five percent in areas of the State north of Dutchess and Orange counties, being directed to Upstate public transportation systems.

**GOOD GOVERNMENT AND ETHICS
ARTICLE VII LEGISLATION
S.1510 / A.2010**



PART A – Disclosure of Tax Returns by Candidates for Public Office

- Requires candidates for statewide office to disclose past 10 years of tax returns
- Requires state legislators to disclose past 5 years of tax returns
- Public disclosure no later than 60 days before a general election
- Candidate can request particular redactions be made and the state BOE shall make necessary redactions

PART B – Public Campaign Financing and Additional Campaign Finance Reform

- Applies \$25,000 contribution limit to housekeeping accounts.
- Requires campaigns to disclose, within 60 days of receipt, any contribution or loan in excess of \$1,000
- Create a new system for public financing of campaigns and establishing contribution limits, as follows:
 - Statewide candidates would have a contribution limit of \$12,000 or \$6,000 each for the primary and general election.
 - State senate candidates would have a contribution limit of \$8,000 or \$4,000 for the primary and general election.
 - State assembly candidates would have a contribution limit of \$4,000 or \$2,000 each for the primary and general election.
- Amends contribution limits for candidates not participating in the public financing system, as follows:
 - Statewide candidates would have a contribution limit of \$25,000 or \$10,000 for the primary and \$15,000 for the general election.
 - State senate candidates would have a contribution limit of \$10,000 or \$5,000 each for the primary and general election.
 - State assembly candidates would have a contribution limit of \$6,000 or \$3,000 each for the primary and the general election.
- Establishing system requirements for public financing of campaigns.
- Establishes the “New York State Campaign Finance Fund” allowing certain transfers from the Abandoned Property Fund to the fund and allowing individuals to designate a portion of their tax liability for deposit into the fund.

PART C – Online Voter Registration

- Establishes an electronic voter registration system on the state BOE’s website.
- System allows voters to fill out applications and forms and then electronically transmit those forms to the state BOE which would then send them to the appropriate county BOE for processing
- The system integrates with other NYS voter registration agencies so applications from those state agencies can be accepted in electronic format.

PART D – Establishes a New System of Early Voting in New York

- Establishes a new process of early voting in all elections. Such proposal would provide:
 - That election inspectors or poll clerks, at polling places for early voting, would consist of either board of elections employees (appointed by the commissioners) or duly qualified individuals, appointed in accordance with the present provisions of section 3-400 of the election law, with such appointments being equally divided between the major political parties, and with the board of elections assigning staff, and providing the resources they require to ensure wait times at early voting sites do not exceed thirty (30) minutes.
 - That each board of elections must provide notice to voters about early voting and that such notice must include the dates, hours and locations of early voting for the general and primary election, and that such notice requirement may be satisfied by providing in the notice instructions to obtain the required early voting information from a website of the board of elections and providing a phone number to call for such information.
 - Provisions for handling ballots and scanners at the end of each day of early voting and after the polls close on election day, with such provisions employing most of the same process for canvassing, tabulating, and announcing results that currently apply to present election day voting, but that no results for early voting would be tabulated before the polls close on election day.
 - That early voting would begin on the eighth day prior to any general, primary or special election and would end and include the second day prior (i.e., on the Sunday before a Tuesday election day).
 - For the establishment of polling places for early voting, with such required number depending on the number of registered voters in each county, with one polling place for each full increment of 50,000 registered voters, but no fewer than one and no more than seven sites required in each county, but counties would be able to add additional polling places at their discretion.
 - That all voters to be able to vote at any early voting polling place in their county.
 - For the establishment of the hours for early voting that must be available in each county, requiring that polls must be open for early voting for at least 8 hours between 7:00 a.m. and 8:00 p.m. on weekdays, and providing that at least one site must remain open until at least 8:00 p.m. on at least two weekdays in the early voting period, and for at least 5 hours between 9:00 a.m. and 6:00 p.m. on Saturdays, Sundays, and legal holidays, with counties having the option of providing additional hours.
 - That each local board of elections to create a communication plan to inform eligible voters of the opportunity to vote early.
 - That existing requirements for paper ballots and voter challenges be applied to those to be used for early voting.
 - That challenges of voters on early voting days should be included on the same type of report that records challenges on election day.
 - That the state board of elections be authorized to make rules regarding early voting.
 - No state resources or appropriation to local boards of elections whatsoever for this enormous unfunded state mandate.

PART E – Unified Primary Election

- Consolidates the federal and state primaries so they both fall on the fourth Tuesday in June

- Changes several deadlines in the election calendar.

PART F – Ban on Corporate and LLC Contributions

- Prohibits corporate entities and LLCs from making campaign contributions or otherwise making political expenditures other than independent expenditures.
 - \$5,000 contribution limit in the aggregate for LLCs and corporations to independent expenditure committees.

PART G – Enacts an Automatic Voter Registration System

- Establishes an automatic voter registration, through which a citizen can be automatically registered to vote, unless they affirmatively opt out at the point of service. This new automatic voter system would provide:
 - That the state board of elections or county board of elections shall register to vote, or update the registration record of, any person in the state qualified to vote, who does not affirmatively decline to register to vote.
 - That an automatic registration would occur any time an individual does any of the following:
 - Applies for a new or renewed driver's license, non-driver identification card, pre-licensing course certificate, learner's permit or certification of supervised driving, with DMV, or notifies such DMV in writing of a change of their name or address.
 - Applies for services, renewal, registration, certification or recertification, or provides notification of a change of address with any of the following designated agencies (as currently listed in section 5-211 of the election law):
- State or local agencies that provide public assistance, or provide services to persons with disabilities.
- State agencies that provide programs primarily engaged in providing services, including:
 - The department of labor.
 - The office for the aging.
 - The division of veterans' affairs.
 - The office of mental health.
 - The office of vocational and educational services for individuals with disabilities.
 - The commission on quality of care for the mentally disabled.
 - The office of mental retardation and developmental disabilities.
 - The commission for the blind.
 - The office of alcoholism and substance abuse services.
 - The office of the advocate for the disabled.
 - All offices which administer programs established or funded by such agencies.
 - State agencies designated as voter registration offices, including the department of state and the division of workers' compensation, and agencies.
 - The State University of New York or the City University of New York.
 - The United States Immigration and Naturalization Service, upon request of the state board of elections.
- Presently voter registration is maintained and effectuated by local boards of elections and requires an affirmative act by the voter, either by filling out and sending in a voter registration form or by authorizing the local board to register the voter as part of another state application (such as a

drivers license application under motor voter). All such methods require the voter to personally subscribe and provide an original signature on the form.

- It should also be noted that this proposal, by failing to require an affirmative act of a voter to become registered by means of a voter application, calls into question whether such registration, actually meets the requirement of article two, section six, of the state constitution that provides that the *“legislature may provide by law for a system or systems of registration whereby upon personal application a voter may be registered”*.

PART H – Election Day Holiday

- Mandates that all employers give their employees up to three hours of paid time off to vote on Election Day.
 - This mandate would be applied to any election (primary, general, special).

PART I – Upstate Primary Voting Hours

- Expands polling hours in upstate districts for primary elections.
- Current hours in upstate districts are 12PM to 9 PM.
- This bill would expand the upstate districts’ polling hours to 6AM to 9PM and bring them in line with NYC, Nassau, Suffolk, Westchester, Rockland, Orange, Putnam, Dutchess and Erie counties.

PART J – Pre-registration of Minors

- Allows 16 and 17 year olds to pre-register to vote.
- Current law allows 17 year olds to register to vote.
- Pre-registration information would be held by the board until the individuals’ 18th birthday, at which point, they would automatically be registered to vote.

PART K – Prohibits vendor contributions during the procurement process

- Prohibits campaign contributions by persons or entities that are actively bidding on or have recently bid on any government procurement contract;
- Prohibition would apply to contributions made to both office-holders and candidates associated with the branch of government requesting the procurement.
- Prohibition would extend until the close of the bidding period, or until one year after the final contract award for the winner.
- Penalty not to exceed the greater of \$10K or an amount equal to 200 percent of the contribution.

PART L – Registration Portability

- Current law allows for automatic update of voter registration information when the BOE receives a change of address notification within the same county or city.
- This bill would expand that automatic update to include any change of address within the entire state.

PART M – Prohibits lobbyists, political action committees, labor unions, and anyone registered as an independent expenditure committee, from making loans to candidates for office or other political committees

PART N – Establishes a System of Electronic Poll Books

- Establishes a system of electronic poll books for the boards of elections across New York. In accordance with this proposal, printed or electronic lists of voters in alphabetical order for single election district or poll site would be required to be generated by boards of elections from a computer registration file for each election that contain for each voter listed a facsimile of the signature of the voter, with such lists being utilized in place of traditional registration poll records.
- Requires the state board of elections would be required to promulgate minimum security standards for any electronic device, and any network or system to which the electronic device is connected, and that is used to store or otherwise access a computer generated registration list, and shall also promulgate a list of devices that would be approved for use.
- It should be noted that nothing in this proposal would provide for a photograph of the voter to be included in the electronic poll book for verification purposes. Additionally, at present, the decentralized, non computerized nature of current paper poll books, provide a certain level of protection against fraud, hacking and unlawful intrusion. The only part of New York’s election systems that have seen an attack by hackers has been the statewide electronic voter database maintained by the state board of elections.

PART O – Requires lobbyist to disclose campaign contributions

- Adds to the legislative law a definition of “Fundraising Activities” that would include both the solicitation and collection of political contributions for a candidate for a state or local office or for a Political Action Committee in support of the same.

PART P- Prohibits political consultants from lobbying certain elected officials

- Prohibits consultants who work for political candidates from lobbying those same candidates after they are in elected office.
- Requires political committees to disclose those persons and organizations that provide political consulting services and the fair market value of such services.

PART R- Lowers the threshold expenses constituting a “reportable business relationship” and would trigger new filing and disclosure requirements for a lobbyist, increasing the number of lobbyists who would be required to file disclosure documents with the joint commission on public ethics

- Amends the term “reportable business relationship” from a relationship where compensation in excess of \$1000 is paid, to a relationship where compensation in excess of \$500 is paid.
- Requires a lobbyist to file a statement of registration when the lobbyist expends, incurs, or receives, over \$500 of reportable business, down from \$5000.
- Requires clients who retain a lobbyist to make a semi-annual report in the event that lobbying expenses exceed \$500, down from \$5000.

PART S – Imposes additional civil and criminal penalties on lobbyists who violate the law

- First time offenders would be subject to a Class A misdemeanor and a ban of up to two years from all lobbying activities.
- A second offense within 10 years of the first subjects the offender to a Class E felony, two to six years of being barred from lobbying activities and a civil penalty of up to \$25,000.
- Any second offense that occurs within the time period that a lobbyist has been barred from lobbying will result in a Class E felony, a ban of two to ten years and a civil penalty of up to \$50,000.
- Creates a penalty of \$10,000 for any failure to comply during an audit.
- Creates liability for public corporations, including municipalities, who fail to adhere to the filing and disclosure requirements.

PART T - Increases the length, from two to five years, of the existing ban on former state officers or employees, members of the legislature and executive chamber appearing or lobbying before certain state entities

- Prohibit policy makers from lobbying or registering as a lobbyist during that timeframe and would subject only policy makers in all branches of government to these restrictions.

PART U - Prohibits an employee of a statewide officer holder, a state senator or member of the assembly from volunteering for the campaign of that elected official

PART V – Requires financial disclosure for local officials

- Requires all County Executives, County Managers, Chairs of County Boards of Supervisors, as well as all other local elected officials who earn an annual government salary of more than \$50,000, to file annual statements of financial disclosure with the Joint Commission on Public Ethics.

PART W – Establishes a code of conduct for lobbyists

- Creates a penalty not to exceed \$25,000 for knowing and willful violations and lobbyist may be barred from engaging in lobbying activities for a minimum of six months and a maximum of five years.

PART X – Modifies Motor Voter to Require the Department of Motor Vehicles to Forward a Voter Registration Unless an Applicant Opt's Out

- Amends the motor voter registration provisions of section 5-212 of the election law to provide that any qualified person shall be automatically applied for registration and enrollment simultaneously with and upon application for a motor vehicle driver's license, a driver's license renewal, a change of address, or an identification card if such a card is issued by the department of motor vehicles in its normal course of business unless such qualified person declines such application for registration and enrollment at the time of making such an application.
- Presently, section 5-212 requires such an applicant at the Department of Motor Vehicles to be registered upon the affirmative request of an applicant, rather than an opt out.

CONCURRENT RESOLUTIONS



NO EXCUSE ABSENTEE VOTING

Amends the State Constitution to Authorize No Excuse Absentee Voting.

- The Executive proposes an amendment to section two, article two of the State Constitution, to remove the presently required qualifications and limitations for voters to cast an absentee ballot, so as to provide for no excuse absentee voting, and thereby allow any voter to vote by absentee, without having to declare any reason whatsoever.
- New York currently allows for the casting of an absentee ballot under limited circumstances. Section 2, article 2 of the state constitution sets forth qualifications and limitations for voters who seek to cast an absentee ballot. Such limitations and qualifications, are also presently in the state election law, and require that a qualified voter must either be absent from the county of their residence, or if they are residents of the city of New York, that they be absent from the city, on the occurrence of any election, or be unable to appear personally at their polling place, because of illness or physical disability.
- The section of the state constitution the executive seeks to amend, specifically provides that the “legislature may, by general law, provide a manner in which, and the time and place at which, qualified voters who, on the occurrence of any election, may be absent from the county of their residence or, if residents of the city of New York, from the city, and qualified voters who, on the occurrence of any election, may be unable to appear personally at the polling place because of illness or physical disability, may vote and for the return and canvass of their votes.” Such amendment would not only remove the presently required qualifications and limitations on absentee ballots, but would also mandate that the legislature must enact their removal into statute as well.

SAME DAY VOTER REGISTRATION

Establishes same day voter registration.

- The Executive proposes an amendment to article two, section five of the state would remove the presently required ten day advance period, between a voter’s registration and election day. This constitutional amendment would further explicitly add into the text of the constitution that “*citizens shall be entitled to apply for registration to vote on any day prior to and including the day of each election, and any citizen who is eligible to vote at such election and who applies to register on the day of or any day prior to such election shall be entitled to vote at such election.*”
- Presently, both the state constitution and the election law, prohibit same day registration, requiring a minimum 10 day advance period for registration before a citizen can vote. More specifically, under the election law (Section 5-210), mail in registration forms must be postmarked at least 25 days before the election and received by the board not less than 20 days before the election.

- No state resources or appropriation to local boards of elections whatsoever have been for this enormous unfunded state mandate, which also presents serious election integrity issues of potential voter fraud, as boards of elections now will have no time period at all in which to verify a voter's identity or eligibility to vote.

FEDERAL MANDATE OPPOSITION

Provides for a Concurrent Resolution of the Senate and the Assembly Opposing the Federal Requirement of An Enactment of State Law to Require the Suspension or Revocation of Drivers License For Any Individual Convicted of a Violation of the Federal Controlled Substance Act or Other Drug Law.

- The Executive proposes a concurrent resolution of the Senate and the Assembly, that would declare the senate's and assembly's opposition to a federal law (23 U.S.C. section 159(a)(3)(i)) that requires the revocation, suspension, issuance or reinstatement of drivers' licenses to convicted drug offenders regardless of whether the offense is related to the operation of a motor vehicle.
- The Executive contends that unless the Congress repeals such federal law, or the state enacts such a suspension or revocation law (to which the executive is opposed), New York will lose eight percent of its federal highway related funds.
- It should be noted, that in accordance to Rule VI, section 9b of the Rules of the Senate, as adopted on January 9, 2019, "*A resolution supporting or condemning, or proposing or urging a change in Federal law which is not directly germane to the affairs, business, rights, benefits and obligations of New York State shall be out of order and shall not be reported and any resolution recommending, urging, supporting, altering or condemning a position or change in foreign policy of the United States Government or the domestic or foreign affairs of any other government of the World shall be out of order and shall not be reported.*" As a result, this resolution, as offered by the Executive would be violative of a long standing Senate Rule and procedure of the house.

SEX AS A PROTECTED CLASS

Adds "sex" as a protected class.

- Amends the equal protection clause of the State Constitution to add "sex" as a protected class.
- Section 11 of Article 1 of the State Constitution currently prohibits discrimination based solely on race, color, creed, or religion.
- Refers amendment to the first regular legislative session convening after the next succeeding general election of the members of the assembly, and requires to be published for 3 months previous to the time of such election.