

News from STATE SENATOR

Liz Krueger

New York State Senate, 26th District

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Message from Liz . . .

On April 1st, the New York State Legislature provided final approval of the 2007-2008 fiscal year budget, only a few hours after the official deadline (see the Policy Spotlight below for a review of budget details). As important as passing on-time budgets are, I found the process leading up to this one's passage to be disappointing for a number of reasons.

Key negotiations that resulted in over a billion dollars in new spending, and the shifting around of billions more, occurred almost entirely behind closed doors, a continuation of Albany's culture of secrecy and back-room deals. This is not a new situation, but one I had hoped would change more with a new administration. Equally disturbing was that the combination of delayed negotiations and lack of transparency, combined with everyone's desire to have a third-year-in-a-row on-time budget, left the legislature and the public with no waiting-period in which to adequately review the final proposals, double check our agreements, and our math. In fact, this year no legislator can dare claim they had a chance to read the final budget bills before voting. The bills were passed with "messages of necessity" by the Governor, and they were literally still warm from the printing press when the votes were called.

Earlier this year the Governor and legislature agreed to a significant piece of budget reform legislation that was supposed to ensure a more deliberative and transparent process. Unfortunately, our first test of this law leaves great room for improvement. While the legislature held budget conference committee meetings as required by the budget reform bill, many of these conference committees were not utilized in the way that the law provided for, and little of substance was discussed in public. Most of the big dollar items were not discussed at the conference committees until after final numbers had already been decided in closed door meetings. Furthermore, we ignored the requirement in the budget reform bill that each house provide members with a summary report on each budget bill itemizing impacts of proposed budget changes, including impacts on local governments and on the state workforce. We can—and should—still do this in order to better explain to the public the outcome of our rushed endeavors.

Back when Governor Spitzer first introduced his budget he did something remarkable by bringing 19-million New Yorkers into the room and into the conversation. This was a significant shift away from the "three men in a room" Albany model. By the end of the process this year there were more people than usual in the room—I had more access to information than was made available in the previous administration—but we still deserve a failing grade when it comes to comprehensively improving the process. As problematic as the "three men in

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a room" model of previous years has been, the final days of this budget process saw only a slight improvement with six men (the minority leaders and the Lt. Governor were included), but still no public documents or public participation on many important decisions.

To preserve the integrity of our budget the process must stop being so rushed. Passing revised budget bills with huge changes, without explanatory memos, without time for anyone to review them, with the actual bills printed late at night (or early the next morning because the printers broke down), simply cannot be argued as responsible decision-making. It's more like impulse buying—particularly when the clock is striking midnight, noting the budget deadline, when votes are cast.

Maybe the same rules should apply to budgets as to food shopping: don't do it on an empty stomach.

I have proposed legislation requiring a 10-day waiting period from the time a budget bill is printed to the time it is voted on (S3288). This bill would provide the opportunity for real public participation in the budget process. Some might argue that if we did that this year, our budget would have been at least 10 days late. *Not if we had started negotiations earlier.*

Some people have argued that Governor Spitzer had the disadvantage of needing to move too quickly because it was his first year in office. I agree. The budget process needs to start sooner next year. If we follow the provisions of the budget reform bill, they outline an excellent process that we should adhere to. And, the legislature should begin its participation in the budget process as soon as the new session begins.

Annual revenue projections continue to be a problem each and every year. A later budget deadline, after tax returns are submitted on April 15th, would provide a better opportunity for more accurate fiscal analysis. This in turn would also remove some of the time pressures that lead to a closed door process. I have introduced a bill (S3281) that would change our fiscal year from April 1st to June 1st. I am also working on a bill that would require we pass revenue bills before expenditure bills each year—this year the revenue bill was printed and voted on last so if negotiations fell apart, or the numbers turned out to be wrong, we had already voted on how to spend the money! In my opinion this is a little backwards.

These proposals would improve on the changes implemented through the budget reform bill we passed earlier this year, and allow for the elements of that reform bill to be fully observed. In the meantime, I am counting on the legislature and the Governor to do a better job at implementing the requirements of the reform package for the post-budget period than we have done in our rush up to April 1st. The Governor is required to submit a financial plan and capital financing plan within thirty days of signing the budget, and to provide detailed quarterly financial plan updates with multiyear projections; I am looking forward to reviewing these.

Personally speaking, I am counting on the executive and legislative branches to learn from the mistakes of this year's budget process, and develop a more transparent and participatory process by next year that implements both the requirements as well as the spirit of the budget reform legislation. I've been in Albany for five years now, advocating for exactly these types of changes; in that time we have taken some steps forward. However, I am cognizant of the fact that it took a long time for Albany's process to get as bad as it did, and a lesson from the last few months is that it can't be changed overnight. We will need perseverance in continuing to move a reform agenda where the reality matches the rhetoric, so that next year we do better.

Congratulations to DEC Commissioner Pete Grannis!

I was extremely proud and pleased to have had the opportunity to speak on behalf of Pete Grannis on the floor of the Senate in seconding his confirmation as Commissioner of the New York State Department of Environmental Conservation, when he was finally brought up for a vote on March 31st. While I will miss his wisdom and advocacy as my colleague and representative in the Assembly, I know he will bring that same passion and intelligence to the Department of Environmental Conservation. I want to thank him for all his excellent work on behalf of the Upper East Side and Roosevelt Island, and I look forward to continue working with him in his new position, as he takes on the incredible environmental challenges facing our state.

**State Senator Liz Krueger's Senior Advisory Board
Presents a
RESOURCE FAIR FOR SENIORS & CAREGIVERS**

Date: Thursday, April 26th

Time: 1:30pm -4:30pm

Place: Temple Emanu-El

One East 65th Street (at 5th Avenue)

**Call (212) 490-9535 for further information, or to sign up for an
appointment to apply for reduced-fare MetroCard or non-driver's ID**

**NYC Volunteer EXPO
Sponsored by the Manhattan Chamber of Commerce
and Community Board 8**

Date: Saturday, April 28th

Time: 10:00am -4:30pm

Place: Lenox Hill Neighborhood House

331 East 70th Street (b/t 1st & 2nd Avenues)

For more information, please contact Brenda@manhattanc.org

Community Spotlight

Supporting Landmark Status for Manhattan House at 200 East 66th Street:

On April 10, I testified before the New York City Landmarks Commission in favor of landmarking for Manhattan House, located at 200 East 66th Street. As the first white brick apartment building in New York, Manhattan House was one of the most influential post-war buildings in the city and marked a significant development in architectural history. Erected in 1950 as part of an urban renewal project by the New York Life Insurance Company, the 581

unit structure was designed by Skidmore, Owings & Merrill and Mayer & Whittlesey. In a neighborhood previously characterized by tenements and the Third Avenue El, the architects designed a precedent-setting, light-filled building that fundamentally redefined the community. Manhattan House's innovative H-plan—which replaced the standard inner courtyard structure—provides significant access for all residents to light and air. In addition to setting new precedents in modern architecture through its materials and innovative shape, Manhattan House is uniquely integrated into the urban environment in which it is located. The building's Bauhaus-style balconies, glass lobby with floor to ceiling windows, common area on the rooftop, and an extensive block-long garden on the ground-level create a distinctive sense of openness and blur the strict distinctions between inside and outside so common to urban living. In a community that has one of the smallest amount of park space in the city, these amenities are exceedingly important to both the residents of Manhattan House and the surrounding neighborhood. Also testifying at the hearing were numerous other elected officials, community groups and preservationists, and I am hopeful that the Landmarks Commission will act to preserve this important part of the history of the Upper East Side.

Summer Youth Employment Opportunities:

Applications are now being accepted for the New York City Summer Youth Employment Program (SYEP). The program operates for seven weeks, from July 2nd through August 17, 2007, and is open to youth between the ages of 14 and 21 who reside in New York City. Selection of participants is by lottery, and jobs pay \$7.15 per hour. The deadline for applications is May 18, 2007. To obtain an application, call 311 or visit the Department of Youth and community Development Website at www.nyc.gov/dycd.

Deadline for Eligibility for Worker Compensation for 9/11 Recovery Workers

If you aided in the rescue, recovery or cleanup efforts at the World Trade Center on or after September 11th, 2001, it's important that you register with the New York State Workers' Compensation Board by Tuesday, August 14th, 2007. Registering preserves your right to file a Workers' Compensation claim should you get sick in the future.

Under New York State's Workers' Compensation Law, most workers would be barred from filing a claim two years after an injury. Last year, however, New York State enacted legislation that extended the filing deadline. To date, about 14,000 people have registered. Information on this program, along with the necessary forms, are available at www.nycosh.org, or by calling the New York Committee for occupational Safety and Health's toll-free hotline at 1-866-WTC-2556.

April 23rd is Reform Day in Albany:

On Monday, April 23, a number of good government groups are organizing a Reform Day meeting in Albany. Participants shall attend a rally, hear from various government officials and meet in small groups with legislators.

This year's Albany Day will focus on three issues: 1) Redistricting, 2) The need for more transparency in state government, and 3) Campaign finance reform and other election issues

Common Cause, Citizens Union, the New York Public Interest Group (NYPIRG), Women's City Club, and the League of Women Voters are some of the groups taking part in the event.

Buses will be leaving New York City Monday morning to arrive in Albany for the 11 AM kick-off. Trains are also available, and a few people plan to arrive in Albany on Sunday and spend the night in a hotel. To register, visit the following website:

<http://www.commoncause.org/site/pp.asp?c=dkLNK1MQIwG&b=2570895>.

Lifeline for the Homebound Program

The city is reviving a long dormant program to help postal workers alert the authorities when they suspect that a homebound or elderly person needs assistance. Under the program, the city will provide the elderly and those with disabilities with special stickers, or magnets, to place in their mailboxes if they wish to participate in the program. If mail piles up in those boxes, mail deliverers will alert their supervisors, who then report that a resident may be in distress. Workers at the Department for the Aging then attempt to make contact with the person's emergency contact or visit the home. Residents can register for the program through 311.

Scholarships for New York Students

There is a new publication which lists dozens of scholarship opportunities, how the scholarships work, eligibility, and how to apply. To download a PDF file, copy-and-paste the following link into your web browser:

http://www.newvisions.org/teaching_learning/downloads/scholarships_2007.pdf.

If you are unable to download PDF files, you can request a copy by responding to this email, or by calling Travis in my office at 212-490-9535.

Affordable Housing Opportunities on Roosevelt Island:

Riverwalk Landing #4 is now accepting applications for 25 studio and one- and two- bedroom apartments now under construction on Roosevelt Island for moderate income individuals and families. Rents for these units will be \$887-1142 per month depending on unit size. To be eligible, applicants must have incomes between \$37,223 to \$56,720, depending on unit and family size. Applications will be selected by lottery with preference given to New York City residents. Applicants residing in Community Board 8 will receive priority for 50% of the units. In addition, visual/hearing impaired applicants will receive priority for 2% of the units, applicants with mobility impairment will receive priority for 5% of the units, and applicants who are New York City municipal employees will receive preference for 5% of the units. You may request an application by regular mail only from Riverwalk Application Requests, 328 Eighth Avenue, Box 235, New York, NY 10001. Please include a self-addressed envelope with your application request. Applications must be postmarked no later than May 20, 2007 and must be returned by regular mail to the PO Box on the application, so you should request your application as soon as possible in order to ensure you have time to fill it out and return it by the deadline. Only one application per household will be accepted.

Spotlight on Policy

Budget Review

The final product of the less than ideal budget process successfully addressed a number of important issues, while falling short in other key areas. Overall, I will say this was the most responsible budget the legislature has passed since I was elected in 2002, in large part due to the number of ambitious proposals by the Governor in education, higher education, housing and the environment. Here is a brief review of some of the budget highlights, as well as some areas where we clearly have more work to do.

Education: Some of the most important achievements, as well as the biggest failures, occurred in the education arena. The budget includes an unprecedented additional \$600

million in operating aid for New York City schools, with accountability requirements that include a class size reduction plan for all grade levels. The budget also included an increase of \$142 million in funding for Universal Pre-kindergarten programs.

The budget also replaces the convoluted “shares” system that had unfairly limited the amount of funding to high needs districts, including New York City and many upstate communities, with a Foundation Aid formula based on a simple calculation of need. Unfortunately this critical reform was undermined, at least for this year, by the addition of \$400 million outside the Foundation Aid formula targeted primarily to schools in wealthy districts on Long Island. While breaking the shares system may be a critical reform in the long term, this year it must be seen as only a work in progress.

The budget was also particularly strong on higher education funding, including increases in funding for SUNY and CUNY of 3.1 percent and 8.3 percent, respectively, and an \$150 per pupil increase in funding for community colleges. The budget also increases funding levels for opportunity and student aid programs like HEOP, EOP and SEEK, which are increased by 5 percent, and TAP, which increases by \$17 million.

Please visit www.lizkrueger.com to view a PowerPoint presentation that was prepared by the Senate Democrats, which more fully explains the educational aspect of the budget. It can be found under "Featured Items" and is titled "2007 Budget Educational Brief."

Health care: While education funding formulas turned out to be the issue that delayed the budget for the longest, the Governor’s proposed Medicaid cuts certainly received the most public attention. In the end, the Governor got most of what he proposed - cuts and savings in Medicaid spending in the neighborhood of \$1 billion out of an original proposal of \$1.5 billion, but some of the most controversial cuts were significantly reduced, including almost half of the cuts to hospitals, and two-thirds of the cuts to nursing homes.

I think that in the public debate over the Governor’s proposals, the issue got simplified into a budget dollar fight when it really needs to be about how we are going to build a healthcare system that meets the needs of New Yorkers in the 21st century. The final proposal did include some important positive steps, including a significant expansion of Child Health Plus aimed at providing health insurance to the 400,000 uninsured children in the state, and the streamlining of the Medicaid application process, to decrease the number of Medicaid eligible uninsured adults. The budget also includes almost \$100 million in additional funding for preventive health care programs and an additional \$28 million for community based alternatives to long term care. Continued expansion of these programs will be essential in future budget years if the state is going to move toward the “patient centered” model of care the Governor has called for. The final budget also included \$100 million in funding for a new stem cell research program.

Environment: One of the biggest disappointments in this year’s budget was the failure to approve Governor Spitzer’s proposal to expand the bottle bill. The Senate majority rejected this item, which would have raised significant revenue for the Environmental Protection Fund, while at the same time reducing the amount of waste entering the environment. On the positive side, the budget does include funding for an additional 109 employees at the Department of Environmental Conservation, many of whom will staff the Governor’s new Climate Control Office, aimed at making New York a leader in the fight against global warming.

Housing: The final budget enacts the Governor’s proposal for \$50 million in funding for the Housing Finance Agency for the creation of a new statewide affordable housing program. The budget also includes the first funding increases for the Neighborhood Preservation and the

Rural Preservation Programs in two decades. On the negative side, the budget includes only minimal funding for the New York City Housing Authority, which has not received significant state funding since 1998. Funding for housing capital programs remains undetermined, as the capital funding portion of the budget was not included in the final budget deal and will presumably be worked out in the next few weeks.

Taxation: The Governor proposed an ambitious package that closed a number of business tax loopholes, and while the Senate rejected parts of this package, the final agreement included \$405 million in loophole closing, including a requirement for combined reporting of income for corporations, and the elimination of the Real Estate Investment Trust deduction for large banks.

The final budget also contains a significant expansion of the STAR Property Tax rebate program. While I am pleased that this expansion does have an income test and targets rebates to lower- and middle-income homeowners, I am concerned that the STAR program disproportionately benefits areas outside of New York City, and provides no benefit to renters who are also impacted by the costs of property taxes on their landlords which drive up rents. I hope in future years we can find ways to more equitably address the need for property tax relief.

Courts and Criminal Justice: I was disappointed that the legislature rejected the Governor's proposal for a judicial pay raise this year. New York's judges have not received a raise since 1999, and their pay has fallen substantially behind federal judges, as well as even very junior lawyers in private practice. This is making it increasingly difficult to recruit and retain quality judges for our court system. I am hopeful that this issue is one that we can finally resolve later this session, either through a direct pay raise or through a commission to set judicial salaries.

I was also deeply disappointed that the legislature rejected the Governor's proposals for a prison closing commission and a sentencing reform commission. As crime rates have dropped, it is clear we should be looking to create a criminal justice system that is both more efficient and more humane. I find it ironic that last year the legislature could recognize the need to address the difficult issues around creating a more efficient health care system by appointing a commission that would investigate hospital closings, but this year we refuse to do the same for our prisons.

While this review of the budget is necessarily incomplete, it does offer details on some of the more important and controversial components. We made significant progress on the substance of the budget this year, but there is still much room for improvement. I hope that we can build on what we did accomplish this year in the years ahead.