



NEW YORK STATE SENATOR

Jeffrey D. Klein

Senator Klein Announces Passage of Early 2012-2013 Budget

JEFFREY D. KLEIN March 28, 2012

| ISSUE: **BUDGET**

Spending Plan Helps Seniors, Helps People Stay in Their Homes, Helps Make Gov't More Efficient

Senator Jeffrey D. Klein announced the early passage of the 2012-2013 State **Budget** today, which restores prescription drug coverage for seniors, makes government more efficient and places a strong commitment to New York's transportation and mass transit systems.

Senator Klein and the Independent Democratic Conference also achieved a major victory with the continued funding of foreclose prevention and legal counseling programs.

"This is a non-nonsense **budget** that will help seniors struggling to cover their prescription drug costs, help people stay in their homes, and continue to move New York forward," Senator Klein said. "I commend Governor Cuomo and my colleagues in the legislature for working together, bringing this plan together, and making Albany work again."

The overall **budget** closes a multi-billion dollar deficit with no new taxes, fees or gimmicks and, limits spending growth to 2 percent, or below, for the second year in a row.

The **budget** also includes:

Restoration of EPIC Prescription Drug Coverage

The Budget restores \$30.6 million to the state's EPIC program, which helps cover the cost of prescription drugs for seniors. Under the budget agreement, seniors would go back to paying \$3 to \$20 for each prescription they receive through their federal Medicare Part D benefit. Previously, they were paying 25 percent of the cost of the drug.

Funding Foreclosure Relief

The Budget provides \$9 million for the continuation of mortgage foreclosure counseling services through Homes and Community Renewal, with additional services financed with proceeds of the National Mortgage Servicing Settlement Agreement. Additionally, the Attorney General's Office has agreed to continue to fund these programs in future years. The IDC has made funding these programs its top budgetary priority.

Fixing School Funding Inequalities for Religious and Independent Schools

The Budget righted a wrong and allowed these schools to once again be fully reimbursed under the Mandated Services Reimbursement program. An error several years ago by the State Education Department led to a formula that did not include all expenses religious and independent schools expend in complying with the mandate. The budget also adds an additional \$7 million in reimbursement to the Comprehensive Attendance Policy (CAP) mandate.

Rebuilding Roads and Bridges

The Budget funds the New York Works Program with \$232 million in state capital funds and \$917 million in new Federal funds for a total of \$1.2 billion in new spending to accelerate repair, replacement and improvement of deficient roads and bridges. This funding is over and above the \$1.6 billion already allocated this year to the core transportation capital program for roads and bridges. This program is in addition to the advancement of the Tappan Zee Bridge replacement project that will inject billions more into the regional and

state economy.

Thirty-two percent of the state's bridges are rated deficient and forty percent of the state's pavement surface is rated deficient. The additional \$1.2 billion in accelerated projects selected by the Department of Transportation will include \$212 million to address bridge deck and structural replacement or rehabilitation needs on approximately 115 bridges, \$250 million for more than 2,000 miles of low cost pavement preservation and pavement treatments, and \$700 million for transportation projects of regional or statewide significance throughout the state that had been delayed due to resource constraints.

The New York Works Program's Accelerated Bridge and Pavement program will expedite projects of regional significance to immediately create jobs, address critical infrastructure needs, and achieve savings. The Accelerated Bridge and Pavement program represents a different way of doing business for New York State. Rather than executing 100 different contracts for 100 different bridges, projects will be consolidated under regional contracts – a more efficient process that will enable the state to complete critical projects on time and underbudget.

Funding the MTA Capital Plan

The Budget supports full funding of the MTA with \$770 million of direct funding from the state. The five-year MTA capital plan contains \$22.2 billion for projects critical to transit in New York City, Long Island and the Hudson Valley, and that will produce tens of thousands of jobs. The first two years of the MTA capital plan were funded at \$9.1 billion. The Budget will help allow the MTA to obtain the full \$13.1 billion needed to achieve the five year capital plan and complete some of the largest construction projects in the history of New York. The MTA Capital Program will also continue to fund the four mega projects underway: 2nd Avenue Subway, Eastside Access for the Long Island Rail Road, the Fulton Street Transit

Center and the extension of the 7 Subway to the far Westside. The program will also fund new subway and rail cars, new energy-efficient "green" buses, station rehabilitation, enhanced communications and signals, new rail yards, as well as new elevators and escalators.

Making Government More Efficient

The **Budget** includes new measures to allow state agencies to purchase common goods and services through centralized contracts. The Office of General Services (OGS) will be able to buy in bulk – from pens to cars – harnessing the state's purchasing power to save \$100 million in 2012-2013 and a projected \$755 million over five years. The **budget** further eliminates the duplicative and wasteful review of statewide centralized contracts, accelerating the opportunity for agencies to use the new centralized contracts and achieve savings as soon as possible. Local governments and not-for-profits will be able to participate in the new centralized contracting process, increasing the state's purchasing power, while passing down reduced costs to localities and multiplying the savings OGS will achieve for the taxpayers.

State Relief for Local Medicaid Expenses

The **Budget** provides significant mandate relief in Medicaid spending for all counties and New York City. The **Budget** includes a state takeover of growth in the local share of Medicaid costs and implements a phased takeover of local government Medicaid administration expenses. In 2013-14, local government Medicaid growth will be reduced to two percent, and then reduced by an additional one percent annually over the subsequent two years so that in 2015-16, counties and New York City will no longer have to contribute toward the growth of Medicaid expenses. The takeover of the three percent Medicaid growth factor will save counties and New York City \$1.2 billion over five state fiscal years. The phased takeover of local government administrative costs of Medicaid will accomplish statewide economies of

scale, lead to associated savings and help New York achieve reforms proposed at the State and Federal levels.

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