



NEW YORK STATE SENATOR

Velmanette Montgomery

Senator Montgomery and the Senate Democratic Conference Release Report on the 2018-2019 Adopted Budget

SENATOR VELMANETTE MONTGOMERY April 4, 2018

| ISSUE: **NEW YORK STATE BUDGET, NYCHA, BQE DESIGN BUILD, HOUSING, EDUCATION**

**The Senate Democratic Conference
Report on the Adopted Budget**
Fiscal Year
April 1, 2018 to March 31, 2019
State of New York

The Senate Democratic Conference releases Report on the Adopted 2018-2019 New York State Budget.

Highlights include:

- **MTA Operating Aid** - the Adopted Budget (DOT ATL) concurs with the Executive recommendation to provide \$3.5 billion in operating aid to the MTA (see table on following

page). This includes a new \$194 million appropriation from financial settlement funds as part of the total \$428 million 'state- share' of the \$836 million Subway Action Plan. The MTA overall State funding level is reduced by over \$1.1 billion from FY 18 primarily due to the transfer of the Payroll Mobility Tax (PMT) off budget to be received directly by the MTA. The PMT provides an additional \$1.4 billion for the MTA annually, and the MTA will incur a one-time advance payment of \$60 million in PMT revenues associated with this collection transfer (the Executive counts this \$60 million as part of the State contribution to the NYC Subway Action Plan).

- **MTA Capital Funding** - the Adopted Budget concurs with the Executive recommendation to provide \$1.6 billion for MTA capital projects. Of this total capital appropriation, \$1.4 billion comprises the State's FY 19 contribution, as part of its overall \$8.6 billion commitment, to fund the MTA's 2015-19 capital plan (\$29.5 billion total). The remaining \$174 million represents a new appropriation comprising a portion of the state share (\$428 million total) of the \$836 million NYC Subway Action Plan.
- **City Match for Subway Action Plan** - the Adopted Budget requires the State and City to fund the \$836 million Subway Action Plan equally, setting forth a \$418 million share for each. The State must make monthly payments of \$46 million spanning April through December. The City must make monthly payments of roughly \$70 million spanning July through December. The Comptroller is authorized and directed to transfer General Fund local aid or any other City revenue source to make the City's required payments.
- **For-Hire Vehicle Surcharge** - the Adopted Budget includes a "congestion surcharge" on for-hire vehicles traveling south of 96th Street in Manhattan. The tax, whose imposition commences January 1, 2019, works as follows: (1) \$2.75 for for-hire vehicles that enter or start or stop in Manhattan south of 96th Street. (2) \$2.50 for medallioned yellow cabs in the same area. (3) \$.75 for every passenger in carpool-style rides.

- **Historic Properties Rehabilitation Tax Credit** - this new Part provides language to extend this credit for an additional five years, while decoupling from the federal tax provisions that reduced the effective value of the credit. Fiscal Impact: No impact to the State for the first three years; reduces State revenue by \$90 million in the fourth year and annually thereafter.
- **Extension of Close to Home Initiative (CTH)** - the Adopted Budget accepts the Executive's proposal to extend the juvenile justice "Close to Home" initiative for an additional five years until March 31, 2023. First implemented during FY 2012-2013, the "Close to Home" program was designed to keep New York City youth adjudicated as juvenile delinquents close to their home residence by placing them in the local custody and supervision of the city's Administration for Children's Services (ACS) for various residential and supportive services.
- **Closure of Ella McQueen Reception Center** - the Adopted Budget rejects the Governor's proposal to allow the Office of Children and Family Services (OCFS) to close the Ella McQueen Reception Center with thirty days' notice. The McQueen Reception Center is an initial intake center for all non-secure and limited secure juvenile delinquents placed with the Office for Children and Family Services (OCFS).
- **New York City Housing Authority Facilities Modernization Investment Act**- the Adopted Budget authorizes design-build for NYCHA. This provision includes MWBE requirements and project labor contract provisions, and would designate these projects as "public works." Specifically the act authorizes the use of a "best value" basis for awarding contracts, which includes an evaluation of past performance and compliance history and certification as a MWBE. Contracts would need to include a project labor agreement and meet all of the requirements of a project designated as public works. Contractor entities would be selected using a 2-step method. First, NYCHA will compile a list of eligible and capable contractors based on a wide range of criteria and then rate each entity. Second,

NYCHA will sort proposals based on best value criteria. This authorization expires in two years from the effective date.

- **(NYCHA) - New York City Emergency Management Act** - the Adopted Budget authorizes the governor to issue an executive order to govern the examination and remediation of conditions, including the construction or reconstruction of residential properties owned or operated by the authority and the development and implementation of a plan to remediate those conditions. The \$250 million appropriation for NYCHA in the budget is tied to this language, such that the use of the funds will be determined by an executive order governing the examination and remediation of conditions in residential properties. This authority is not tied to that appropriation though, and will remain in effect until it is repealed or replaced.
- **BQE Design-Build for New York City** - the agreed-upon proposal authorizes New York City to use design-build and best value on the Brooklyn-Queens Expressway Triple Cantilever project. The scope covers the BQE from the vicinity of Atlantic Avenue to the vicinity of Sands Street. Project Labor Agreements must be used and local MWBE laws must be followed. The City must receive approval from the State Department of Transportation before it can issue a request for qualifications, finalize a contract award, and execute a contract. The City of New York does not anticipate the State approval provision will cause any issues. The design-build authorization sunsets two years after taking effect.
- **\$8.5 million for the Neighborhood Preservation Program**, and \$3.5 million for the Rural Preservation Program, to support Preservation Companies that provide assistance including, but are not limited to, housing rehabilitation, home buyer counseling, tenant counseling, landlord/tenant mediation, community rehabilitation and renewal, crime watch programs, employment programs, legal assistance, and Main Street

Development.

- **\$10.3 million for the Homeless Housing and Assistance Corporation (HHAC)** to support Homeless Housing Programs including, the Supportive Housing program, the solutions to end homelessness program (STEHP) or the operational support for AIDS housing programs.
- **Health Care Facility Transformation Program** - the Adopted Budget accepts the proposal to create a third round of funding for the Health Care Facility Transformation Program and makes available \$475 million (up from the Governor's proposal of \$425 million) in capital support for healthcare facilities. Funds will be used to support capital projects, debt retirement, working capital, and other non-capital projects that lead to the transformation of the health care system. Of this amount, \$60 million must be available for community based health care providers, \$20 million for assisted living programs, and \$45 million for nursing homes. However, Part UUU of the Revenue bill increases the total amount available for this program to \$525 million.
- \$9 million for the expansion of Early College High Schools
- \$18 million for the My Brother's Keeper Initiative.
- Increases funding for Liberty Partnership Program by \$3 million to \$18.3 million.
- Increases funding for the Higher Education Opportunity Program by \$5.9 million to \$35.5 million.
- Restores \$4 million for Aid to Public Libraries, and provides an additional \$1 million for total aid of \$5 million
- Increases Library Construction Aid by \$20 million to \$34 million.

To read the full report, download the PDF or contact Senator Montgomery's office at 718-643-6140 for a copy.