



THE 2014-2015 STATE BUDGET:
**Giving All New Yorkers the
Opportunity to Succeed**



The 2014-2015 State Budget: Giving All New Yorkers the Opportunity to Succeed

The Senate Republican Conference is committed to working together to give all New Yorkers the opportunity to succeed.

From a quality education... to a good job with real opportunity for economic success and security... to local communities that offer an outstanding quality of life.

We're working together in a bi-partisan way to:

- Create new job opportunities
- Make college more affordable
- Ensure great schools and a quality education
- Protect and enhance our environment

The new State Budget for 2014-15 helps accomplish each of these goals.

The following pages provide a brief overview of some of the new State Budget's highlights. For additional details, please visit our NYSENATE.GOV website.



The 2014-2015 State Budget: Overview and Highlights

The new State Budget for 2014-15 clearly reflects our key goal of working together in a bi-partisan way to give everyone the opportunity to succeed. Important highlights of the plan include the following:

- New tax relief for hardworking families, including a new property tax rebate;
- More than \$1.1 billion in additional state education aid – helping to ensure a quality education for every child throughout New York State;
- Increased funding to help young New Yorkers and their families afford college;
- More tax relief so that small businesses and manufacturers can succeed, grow and help create new job opportunities;
- Job training initiatives that can open the door to a successful career and a bright, rewarding future;
- Funding for critical road, bridge and transit upgrades to keep our economy moving; and
- Millions of dollars in new support for women’s and children’s health...to help our seniors lead healthy, independent lives... and to ensure clean air and water and a healthy environment in communities across our State.



This commonsense budget plan is not only the fourth consecutive, on-time State Budget -- it’s also the fourth consecutive budget that reduces taxes and keeps overall spending growth below two percent.

Perhaps most importantly, our new budget will keep New York State moving in the right direction -- while opening doors and giving all New Yorkers the opportunity to succeed.



CONTROLLING SPENDING TO PROTECT TAXPAYERS

In order to protect taxpayers and keep our state moving in the right direction, the new State Budget keeps spending growth below two percent. This marks the fourth consecutive year that spending growth has been below two percent, which is consistent with the local spending cap that applies to school districts and local governments.

control spending. And while this year's budget does keep a tight lid on spending, the Senate Republican Conference also wants to help ensure ongoing spending discipline in the years to come. That's why we have consistently supported a state spending cap constitutional amendment that would help guarantee fiscal discipline going forward.

Overall, the new budget reflects our commitment to spending restraint, because we fully recognize that the only way to reduce the tax burden on New Yorkers is to

A GREAT BUDGET FOR FAMILIES

Working together to help families pursue their dreams and aspirations has always been one of the Senate Republican Conference's top priorities.



The new State Budget for 2014-15 helps realize this important goal in several key ways:

- An increase in education aid of more than \$1.1 billion -- helping to ensure that our communities have great schools that help our kids learn, grow and succeed;
- A \$92.5 million increase in funding for our local parks, and \$162 million to ensure clean air and water in communities across the state;
- New assistance to help families and young New Yorkers afford college;
- Record funding for new day care and pre-K opportunities statewide;
- A new \$1.5 billion property tax rebate initiative that will help families across New York State save, invest and pursue their dreams;
- A new \$277 million energy tax cut, helping families save on their utility bills;
- Record funding for women and family health initiatives, and an expanded EPIC program to help our seniors afford their prescription medications; and
- More direct aid for local road and bridge improvements, helping to improve the local quality of life in communities all across our state.

NEW PROPERTY TAX REBATES FOR FAMILIES ACROSS NEW YORK

Senate Republicans have always worked together in a bi-partisan way to help reduce property taxes, and to provide real relief for our local families and seniors. In 2011, for example, we led the effort to enact the landmark two percent property tax cap that has helped rein-in skyrocketing tax increases that were hurting middle class families and seniors on fixed incomes.

The new 2014-15 State Budget will build upon this progress in three important ways -- ensuring that millions of hardworking New Yorkers and their families will see meaningful property tax relief this year -- helping them save, invest in their futures, and pursue their dreams and aspirations:

1. New Property Tax Rebates

The budget plan includes an important new initiative that will encourage local governments and school districts to operate efficiently, and hold the line on tax increases. In return, local

homeowners in these communities will receive a new property tax rebate check in the mail. This important new law simplifies Governor Cuomo's original tax freeze proposal, and will provide direct tax relief to millions of New York homeowners this year.

2. More than \$1.1 billion in Additional School Aid

The new budget provides a state school aid increase of more than \$1.1 billion. This major funding increase is not only great news for our local schools, teachers and children across the state -- but it will also help to reduce pressure at the local level for property tax increases.

3. Record Funding for STAR

The new 2014-15 State Budget provides \$3.4 billion to help fully fund STAR and Enhanced STAR -- two outstanding programs which deliver major tax relief to millions of middle class families and seniors each year.



MAJOR NEW INVESTMENTS IN OUR SCHOOLS: PREPARING NEW YORK'S CHILDREN FOR SUCCESS

Every child deserves outstanding schools and a quality education. That's why Senate Republicans fought to secure more than \$1.1 billion in additional State Education Aid in the new State Budget.



This new funding, which reflects an increase of hundreds of millions of dollars over the original Executive Budget, will support important programs and services that help educate our children. This education aid will also help counter the negative impacts of the Gap Elimination Adjustment (GEA) measure that was imposed by Senate Democrats in 2010-11.

In addition, Senate Republicans worked to ensure that these critical education dollars were distributed fairly and equitably to various regions of the state. Overall, the new budget helps deliver:

- More funding for our schools;
- Fair and equitable funding for each region; and
- Lower property taxes.

To ensure that our schools and classrooms are fully equipped to meet the challenges of a dynamic and rapidly changing 21st century global economy, the budget also includes a new School Technology Bond Act measure. Under this proposal, New York voters will be empowered to approve \$2 billion in new technology and computer upgrades in local schools across the state.

The budget also includes a "Parent's Bill of Rights" to fix the serious problems caused by the State Education Department's flawed roll-out of the Common Core standards.

These are all real positives for our schools, our community, and -- most importantly -- our children.

The Gap Elimination Adjustment, also known as the GEA, was first imposed on New Yorkers in 2010 by former Governor David Paterson and the Democrats who controlled the Senate and Assembly.

Senate Republicans voted against the Democrats' GEA because we knew that it would result in severe budget cuts that would hurt schools, taxpayers and children all across the state. And since it was first approved in 2010-11, our Conference has been leading the charge to abolish the GEA, and to deliver major funding increases to help mitigate its impact.

This year, Senate Republicans approved a one-house budget resolution that sought to restore

GEA funding by up to \$686 million. This is more than double the amount proposed by the Governor, and eight times more than what the State Assembly Democrats proposed in their one-house budget.

The final 2014-15 State Budget negotiated with the Governor and Assembly includes \$602 million to help our schools address and overcome the GEA challenge created by Democrats in Albany.

While this funding represents another major step forward, we will continue leading the charge in Albany to eliminate the notorious GEA once and for all.



REDUCING
THE DAMAGE
OF THE
DEMOCRATS'
GEA FIASCO



HIGHER EDUCATION: OPENING DOORS TO A BRIGHTER FUTURE

The new State Budget makes major new investments in New York's higher education system, ensuring strong support for tuition assistance programs, public and private universities, and community colleges across the State. Specific elements include:

- **Increased Support for Community Colleges:** The new budget increases full-time equivalent (FTE) funding by \$75. Base aid will be \$2,497 per FTE for the 2014-15 Fiscal Year. This represents a \$15.1 million increase for SUNY and CUNY community colleges combined.
- **Tuition Assistance:** The budget increases funding for TAP by \$34.2 million, helping thousands of young New Yorkers afford a quality higher education.
- **Public University Investment:** Total operating investments for the State's public universities are substantially increased in the new budget. It provides \$411 million in new capital funding for strategic initiatives. In addition, \$1.2 million was restored for child care centers on SUNY and CUNY campuses.
- **SUNY and CUNY as Economic Engines:** The budget includes \$55 million for the next round of the SUNY 2020 program and \$55 million for the next round of the CUNY 2020 program to provide competitive grants for projects that connect economic development and academic excellence.

BOOSTING MANUFACTURING TO CREATE JOBS

The Senate Republican Conference wants to help New York manufacturers compete, grow and create new jobs. That's why the new State Budget includes key elements of our Tax Policy Review and Reform Initiative.



The new State Budget includes:

- **Lower Taxes on Manufacturers** – The budget includes major new tax cuts for manufacturers throughout the state, helping them reduce costs and compete more effectively. It eliminates the following corporate tax calculations for manufacturers:
 - the business income tax (0% ENI)
 - the capital base
 - alternative minimum tax
- **Energy Tax Relief** – The budget further reduces the 18-a energy surcharge by an additional \$100 million for commercial and industrial users over the next three years, providing our energy intensive manufacturing sector with major savings.
- **Manufacturer's Property Tax Credit** – The budget includes a 20 percent property tax credit saving manufacturers \$100 million annually. This will reduce their cost of operations -- helping them compete, grow and create new jobs.
- **Additional Reforms** – The budget also includes an additional \$496 million in new business tax reforms and simplifications.
- **Job Training Investments** – The new budget increases funding for key job training programs, helping to ensure a highly skilled and well educated workforce.

The new State Budget is not only on-time for the fourth consecutive year, it's also a solid budget for small businesses – the engine of New York's private sector economy.

To help New York's small businesses succeed, grow and create new jobs, the new State Budget:

- Controls spending and avoids new tax increases;
- Reduces energy taxes by accelerating the phase-out of the 18-a surcharge on utility bills; and
- Reforms the Estate Tax – providing major support for family-run firms.



**HELPING
OUR
SMALL
BUSINESSES
SUCCEED**

JOB TRAINING: PREPARING ALL NEW YORKERS FOR SUCCESS

The Senate Republican Conference wants to ensure that every New Yorker -- in every region of the state -- has access to job training services that can help them succeed in a rapidly changing economy. That's why we've just approved a new State Budget that includes strong support for successful job training and workforce development initiatives. Highlights include the following:

- **Next Generation Job Linkage Program:** \$5 million for the Next Generation Job Linkage Program that works with employers to: identify the job; define the skill; and provide the training for it.
- **SUNY / CUNY Workforce Development Initiative:** This initiative provides targeted training to help employers refine the skills of their new hires, and enable more experienced employees to upgrade their skills.
- **Workforce Development Institute (WDI):** The WDI is a not-for-profit that works with businesses and the AFL-CIO to provide focused training for workers, and workforce transition support to help prevent jobs from being outsourced to other states. \$4 million in funding is provided for job training and an additional \$3 million is provided for a new manufacturing initiative.
- **Community Colleges:** A \$15.1 million increase for SUNY/CUNY community college base aid -- a \$75 per FTE increase.





CLEAN AIR, CLEAN WATER, HEALTHY COMMUNITIES

Healthy families and healthy communities depend on clean air, clean water and the quality of our natural environment. The 2014-2015 State Budget reflects the Senate Republican Conference’s strong commitment to protecting and enhancing New York’s natural resources. It does so by making major new investments in key environmental initiatives that will benefit communities throughout the entire state.

It includes \$162 million for New York’s vital Environmental Protection Fund (EPF), a major increase of \$9 million. This EPF

funding will be used to support a wide array of essential projects that help protect open spaces and ensure clean air and water for millions of New Yorkers.

The budget delivers an additional \$92.5 million in critical funding for improvements to parks and historic sites -- helping to improve the quality of life in communities across the state.

It also includes \$40 million in “NY Works” funding for additional environmental infrastructure improvements in areas such as flood control, clean-ups and restoration projects.

ENSURING QUALITY HEALTH CARE FOR ALL NEW YORKERS

Nothing is more important than the health and well-being of our families and loved ones, and New York State is fortunate to have some of the finest health care facilities and programs in the entire nation. The 2014-15 State Budget will help keep New Yorkers healthy by providing record support for a wide array of lifesaving health care services in communities across the state.



The new budget includes:

- \$25.3 million for Cancer Services Programs;
- \$26.3 million for Nutritional Information for Women, Infants and Children;
- \$2.3 million for the Prenatal Care Program;
- \$4.5 million for Maternal and Child Health;
- \$550,000 for Women’s Health Services;
- \$433,300 for the Adelpi Breast Cancer Support Program;
- \$1.8 million for the Prenatal and Postpartum Home Visitation Program;
- \$34,700 for the Safe Motherhood Initiative;
- \$10.6 million for Adolescent Pregnancy Prevention;

- \$1.8 million in increased funding for Rape Crisis Centers, bringing total funding to \$3.6 million;
- \$5 million in additional funding for the Spinal Cord Injury Research Board, bringing total funding to \$7 million; and
- An additional \$2.5 million for the Doctors Across New York Program.

The new budget will invest billions of dollars in funding to ensure quality hospitals and nursing home facilities in communities across New York State, and includes new legislation to help eliminate “surprise” out-of-network medical bills for consumers.

A GOOD BUDGET FOR OUR SENIORS

After devoting their lives to building up our local communities, and our state as a whole, New York's seniors deserve all the support we can provide.



The new budget reflects this strong commitment to our seniors, and includes:

- **EPIC Program:** New York's outstanding Elderly Pharmaceutical Insurance Coverage program will be expanded to cover the prescription drug needs of more New Yorkers. Approximately \$4.1 million in increased funding will be used to help expand the program by 10 percent – providing coverage to an additional 25,000 senior citizens across New York. Income eligibility is expanded from \$35,000 to \$75,000 for singles and from \$50,000 to \$100,000 for married seniors.
- **Property Tax Relief:** The budget will provide property tax rebates to seniors, and includes full funding for the Enhanced STAR program which provides crucial tax relief to tens of thousands of New York's seniors.

The budget also includes millions of dollars in additional funding for our local schools -- helping to hold down property taxes.

- **Senior Initiatives:** The budget also increases support for a wide array of programs and initiatives that serve seniors, including additional funding for the following:

| | |
|-------------|---|
| \$5 million | Community Services for the Elderly Program; |
| \$875,000 | Elder Health / Alzheimer's Programs; |
| \$200,000 | Lifespan for Elderly Abuse, Education and Outreach; |
| \$86,000 | New York Foundation for Seniors Home Sharing and Respite; and |
| \$31,500 | Senior Action Council Hotline. |



EARNED INCOME TAX CREDIT FOR FAMILIES (EITC): \$1 BILLION

The EITC is a combined federal, New York State and/or New York City EITC -- which can be as much as \$4,388 for a single parent with one child, \$7,252 for two children, and \$8,159 for three or more with incomes up to \$51,567 -- has proven to be one of the nation's most effective tools at increasing labor force participation of low skilled workers, as well as an efficient means of supplementing the low wages paid to such workers. (There is also an EITC for non-custodial parents).

- **New York State will invest \$1 billion on the EITC this year, a record amount.**

- New York's own EITC now represents the nation's largest state-level work incentive of its type.
- In 2010 there were 1.5 million claims totaling nearly \$945 million, with an average family benefit of \$608 per family.

Combined Federal and State EITC Refund Levels

| Number of Children | May be eligible for up to |
|--------------------|---------------------------|
| 0 | \$633 |
| 1 | \$4,225 |
| 2 | \$6,984 |
| 3 | \$7,857 |

Through the efforts of Senate Republicans, the new 2014-15 State Budget includes new measures to help protect taxpayers by cracking down on the misuse of welfare Electronic Benefits Transfer (EBT) cards.



Under these new rules, EBT cards can no longer be used at:

- liquor stores and beverage centers;
- casinos and racetracks;
- video lottery terminals and OTB parlors; or
- strip clubs.

This will help to ensure that public assistance dollars are used for their intended purpose, instead of being wasted on unnecessary or inappropriate items such as liquor, gambling and adult entertainment.



PROTECTING TAXPAYERS BY PREVENTING WELFARE ABUSE

New Yorkers are always willing to provide a helping hand to those in need, but they don't like seeing their tax dollars wasted or abused.



A STATE-OF-THE-ART INFRASTRUCTURE TO MOVE NEW YORK FORWARD

The strength and vitality of our state's economy is directly linked to the quality of our transportation infrastructure. That's why the new State Budget makes unprecedented new investments that will keep New York moving forward, while also creating jobs and improving the quality of life in communities throughout the State.

Highlights include the following:

- A second year of record funding -- \$438 million -- for important local highway, road and bridge repair projects. This funding for the Consolidated Local Street and Highway Improvement Program (CHIPS) will provide much needed support for key infrastructure projects statewide. These smart investments will benefit counties, cities, towns and villages throughout New York, and will help create jobs as municipalities undertake new infrastructure repair projects;
- \$40 million in new capital funds to help localities address the unique local infrastructure repair challenges presented by the severe 2013-2014 winter weather;
- Support for the second year of the two-year \$3.7 billion State DOT transportation capital plan -- ensuring a state-of-the-art infrastructure to carry people, goods and services, and to keep our economy moving forward. This funding will be used to improve roads, bridges, rail, aviation and transit; and
- \$4.8 billion will be used to support the operation of public transportation systems across New York State.

SUPPORTING AGRICULTURE AND THE FUTURE OF FARMING

The Senate led the way in providing record levels of funding for key agriculture research, marketing and education programs. The \$8 million in new budget funding is the highest level in six years.



The budget also includes key provisions of the Senate's "Young Farmers NY" initiative, which is designed to preserve family farming in New York by encouraging more young people to follow careers in agriculture. The following key components of this plan are included in the 2014-2015 State Budget:

- Expanding marketing of NY products like maple, apples and berries;
- Supporting more research, marketing and education;
- Saving lives with tractor rollover protection grants;
- Launching the Young Farmers plan to assist beginning farmers through start-up grants and loan forgiveness;
- \$615K -- new Beginning Farmer Innovation Grant Fund;
- \$100K -- new Young Farmers Loan forgiveness Program;
- \$158K increase to FFA (Future Farmers of America); and
- New Estate Tax reforms raise the exemption threshold from \$1 million to \$5.25 million over 3 years.

The Budget also provides funding for the following:

- \$544K Apple Growers Association;
- \$220K Dairy Profit Teams at Farm Viability;
- \$1.5 M Farm Viability Institute;
- \$100K Genesee Agriculture Academy;

- \$20K Island Harvest;
- \$150K Turfgrass Association;
- \$1 M Wine and Grape Foundation;
- \$150K Tractor Rollover Prevention program;
- \$510K Rabies programs at Cornell;
- \$5.4 M Cornell Animal Health Diagnostic Center;
- \$320K Berry Growers Association;
- \$75K Corn and Soybean Growers Associations;
- \$50K Honeybee research at Cornell;
- \$160K Hops and Barley research at Cornell;
- \$105K Cornell Maple Research;
- \$175K EEE program;
- \$500K Horticulture Society;
- \$500K local fair assistance;
- \$25K low-cost vaccine program;
- \$150K Maple Producers Association;
- \$600K Northern NY Agriculture Development Program;
- \$50K the Onion Growers Association;
- \$100K Vegetable Growers Association;
- \$216K Farm Net;
- \$100K Wood Products Council; and
- \$120K Christmas Tree Growers.

Last year, Senate Republicans approved new tax credits to encourage employers across the State to provide job opportunities to New York's courageous veterans.

To build upon this initiative, the Senate has just approved landmark new legislation to help New York's Service Disabled Veterans pursue successful new business ventures. Modeled after a highly successful federal initiative, New York's new law will establish a new contract preference "set-aside" for service disabled veterans.

These heroic individuals have sacrificed so much to serve our nation, and we owe them a debt of gratitude that can never truly be repaid.

This important new law will provide an enormous boost to our service disabled veterans, opening the door to major new business opportunities. It will also help send a loud and clear message that when New York's servicemen and women return home, they will be welcomed with the promise of economic opportunity.

In addition, the new State Budget includes:

- \$3.1 million for Veterans assistance programs;
- Expanded eligibility for the Gold Star Parent Annuity, to remove the income requirement to receive this \$500 annual state provided payment; and
- A new measure that will include veteran businesses within the Department of Economic Development's Entrepreneurial Assistance Program.



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