

The Senate Democratic Conference Report on the Adopted Budget

Fiscal Year

April 1, 2018 to March 31, 2019

State of New York



Senator Andrea Stewart-Cousins
Democratic Conference Leader

Senator Liz Krueger
Ranking Member, Senate Finance Committee



The Senate Democratic Conference

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Senate Finance Committee Democratic Conference Members

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Agriculture, Environmental Conservation and Parks

Adirondack Parks Agency

State Operations

The Adopted Budget concurs with the Executive recommendation of \$4.5 million.

Department of Agriculture and Markets

State Operations

The Adopted Budget provides a \$1 million increase to the Executive Budget recommendation, for a total of \$115.4 million. This increase pertains to additional personal service expenses within the Department's agricultural business services program (agricultural regulatory, development, and marketing activities). On a year-to-year basis, the Adopted Budget increases State Operations funding by \$5.8 million. This year-to-year increase includes a new \$2.6 million appropriation to digitize and centralize the Department's food inspection reporting system to improve inspector communication and minimize time spent on clerical work.

The Department expects this new digital reporting system to increase site inspections of regulated food service establishments by expanding a recent DAM technology upgrade within its smaller plant inspection unit, which, through disseminating tablets and digitizing its reporting system, achieved productivity gains among a decentralized staff. This food inspection initiative also follows the Department's recent conversion to a letter grading system (similar to that used for restaurants) to increase compliance evaluation accessibility to the public.

Aid to Localities

The Adopted Budget provides \$34.4 million for State-funded agricultural Aid to Localities programs, fully restoring programs at or above their respective FY18 funding levels (\$32.9 million in total). This \$34.4 million represents a \$13 million increase over the Executive proposal—which recommended an \$11.5 million cut to Agriculture ATL programs—and includes full restoration of multiple Cornell research and core diagnostic lab programs, as well as 20 prior legislative addition eliminated by the Executive. Additionally, it funds six new programs. Notable program funding levels include:

- Cornell Ag Education Programs- \$1.6 million (full restoration);
- Cornell Diagnostic Lab- \$8.4 million (full restoration);
- Ag Migrant Childcare Services- \$9.3 million (full restoration);
- FarmNet- \$872,000 (\$72,000 increase over FY 18);
- Cornell Pro-Dairy- \$1.2 million (full restoration);
- Cornell Ag Labor Law Compliance Assistance- \$200,000 (full restoration);
- Taste NY- \$1.1 million (same level as FY 18); and
- Farm to School- \$750,000 (same level as FY18, additional \$750,000 in SED).

New programs include:

- Cornell Concord Grape Research- \$300,000;
- Cornell Hard Cider Research- \$300,000;
- American Farmland Trust New Generation Research Center- \$200,000;

- American Farmland Trust New Generation Regional Navigator- \$200,000;
- Cornell Milk Testing for Salmonella Dublin Bacteria- \$200,000; and
- State Fair Wool Center- \$25,000.

Capital

The Adopted Budget provides \$16.9 million for Department of Agriculture and Markets capital projects, a \$10.7 million increase over the Executive (which had eliminated two legislative adds from prior years). This appropriation level represents a \$49.3 million decrease from FY 18, primarily due to a non-recurring, \$50 million appropriation in FY18 for a State Fairgrounds Exposition Center (slated for completion this summer).

FY 19 capital appropriations include:

- \$6.2 million for general State Fair facility maintenance and energy efficiency projects;
- \$5 million restoration for humane society/animal shelter capital grants; and
- \$5 million restoration for local fair capital grants.

Department of Environmental Conservation

State Operations

The Adopted Budget concurs with the Executive recommendation of \$447.8 million. This represents a \$2.2 million (0.5%) decrease from FY 18.

Regional Greenhouse Gas Initiative (RGGI) Sweep

The Adopted Budget concurs with the Executive recommendation to transfer \$23 million from “off-budget” DEC and NYSERDA proceeds collected from the auction of carbon credits to the General Fund. The Assembly had proposed redirecting this \$23 million sweep to NYSERDA residential solar and energy efficiency programs in low-income communities. The \$23 million sweep was opposed by multiple environmental organizations; however, this sweep has become standard in recent budgets. The RGGI sweep is not contained in DEC’s operational budget.

Aid to Localities

The Adopted Budget provides \$1.8 million in Aid to Localities funding for various legislatively added projects, an increase from \$1.2 million in FY 18. The Executive Budget provided no Aid to Localities funding within the Department of Environmental Conservation. FY 19 legislatively added projects include:

- Sustainable South Bronx- \$140,000;
- Research Applied Tech Education and Service, Inc.- \$200,000;
- Chautauqua Lake Association- \$150,000;
- Chautauqua Lake Partnership- \$95,000;
- Town of North Elba/ORDA- \$250,000;
- Adirondack Lake Survey Corp- \$250,000;
- Atlantic States Marine Fisheries Commission- \$100,000;
- Seneca Lake Watershed Manager- \$200,000;
- Lime Lake Cottage Owners Association- \$41,000;
- Water Quality Monitoring in Manhasset Bay, Hempstead Harbor, Oyster Bay Harbor, and Cold Spring Harbor- \$125,000;

- Long Island Commission for Aquifer Protection- \$200,000; and
- OSS Project, Inc. - \$25,000.

Capital

The Adopted Budget concurs with the Executive recommendation of \$796.4 million for Department of Environmental Conservation capital projects, a decrease of \$2.6 billion from last year, largely due to a non-recurring \$2.5 billion appropriation in FY 18 for drinking and wastewater infrastructure. This State funding is carried forward as a reappropriation in FY 19.

The Adopted Budget accepts the Executive recommendation for a \$300 million EPF—with multiple modifications to internal spending accounts and line items—funding the EPF at its highest level for the third consecutive year. It is worth noting that the Adopted Budget includes a \$28 million General Fund transfer to the EPF, as it did in the FY 18 Budget. The financial plan projects similar transfers moving forward as EPF revenues will continue to fall well short of supporting the EPF, which has been the case since it was increased by \$123 million (without a new revenue stream) three years ago.

Notable EPF program funding includes:

- \$15 million - Zoos, Botanical Gardens and Aquaria (\$2.5 million restoration);
- \$7 million - Environmental Justice (\$1 million decrease from FY 18, community impact grants remain at \$3 million);
- \$3.2 million - Hudson River Park Trust;
- \$2.7 million - Albany Pine Bush;
- \$2 million - Long Island Pine Barrens;
- \$2 million - municipal and non-profit food donation and food scrap recycling; and
- \$1 million - Bronx Zoo.

Long Island Water Quality Programs:

- \$5 million - Bay Park wastewater treatment (includes \$400,000 suballocation for monitoring and testing wells, and \$250,000 for Long Island Nitrogen Management Plan);
- \$1 million - Stony Brook 1,4 Dioxane filtration research and pilot projects;
- \$900,000 - Long Island South Shore Estuary Reserve;
- \$500,000 - Stony Brook new lab testing facility for PFOA and other chemicals;
- \$250,000 - Stony Brook “Seagate” study for a storm surge barrier for LI’s south shore;
- \$250,000 - Long Island Commission for Aquifer Protection; and
- \$200,000 - Long Island pesticide pollution prevention.

Olympic Regional Development Authority

State Operations

The Adopted Budget concurs with the Executive recommendation of \$10.1 million for ORDA, a \$6 million increase over FY 18.

Capital

The Adopted Budget concurs with the Executive recommendation of \$60 million for ORDA capital improvements at the Olympic Sports complex in Lake Placid and the three State-operated

ski facilities in the Adirondack and Catskill parks. This \$60 million is an addition to the \$38 million appropriated in FY 18 as well as smaller FY 19 suballocations of \$2.5 million from OPRHP NY Works funding, \$1 million from the EPF for Belleayre Ski Center, and a \$250,000 legislative add in DEC's ATL budget for the Town of North Elba/ORDA.

Office of Parks, Recreation and Historic Preservation (OPRHP)

State Operations

The Adopted Budget concurs with the Executive recommendation of \$225.9 million for OPRHP operations, the same amount of funding provided in FY 18.

Aid to Localities

The Adopted Budget concurs with the Executive's proposed \$9.5 million in Aid to Localities appropriations for the Office of Parks, Recreation, and Historic Preservation, and provides line-item carve outs for the following recipients:

- Poppenhouse Institute- \$125,000;
- Friends of Cunningham Park- \$20,000;
- Nassau County Museum of Art- \$15,000; and
- Sinfonietta of Riverdale- \$10,000.

Capital

The Adopted Budget concurs with the Executive Recommendation of \$200.7 million for OPRHP capital projects. This funding includes a \$90 million NY Works appropriation for State Park System infrastructure improvements, representing the latest installment in a long-term initiative to invest \$900 million in State Park facility, access, and amenity upgrades by 2020.

The Adopted Budget returns the annual NY Works Parks Capital appropriation to the traditional \$90 million level following a one-year spike to \$120 million in FY 18. This is the seventh consecutive year of significant NY Works Parks appropriations (totaling \$634 million) as part of the Governor's Parks 2020 program, for a total investment of \$634 million for the State Park System. The investment over the course of the program will total over \$900 million by 2020. The State Capital Plan projects \$176 million in OPRHP contractual commitments in FY 19, suggesting that the disbursements of prior year appropriations are ramping up. To name a specific project, ORHP capital re-appropriation authority has been (unofficially) identified for the completion of Phase 1 of the new Jamaica Bay State Park (projected \$15 million State investment), tentatively slated to open in 2019.

Green Thumb

State Operations

The Adopted Budget concurs with the Executive recommendation of \$3.3 million.

Greenway Heritage Conservancy for the Hudson River Valley

State Operations

The Adopted Budget concurs with the Executive recommendation of \$166,000.

Hudson River Park Trust (HRPT)

Capital

The Adopted Budget concurs with the Executive recommendation of \$50 million for Hudson River Park Trust (HRPT) capital projects. The Adopted Budget also provides a \$3.2 million EPF sub-allocation for the HRPT. This new \$50 million appropriation is a significant increase from recent State support for the park, which has been limited to the EPF sub allocations providing \$3.2 million in FY 18 and \$2.5 million in FY 17.

The Adopted Budget contains both appropriation language and separate Article VII legislation requiring New York City to provide a \$50 million matching payment to the Hudson River Park Trust for further park development. The Governor announced in October of 2017 that the State would commit resources to begin completion of the 4.5 mile park and protect its marine estuary. Trust members have previously indicated that finishing the remaining thirty percent of park development would cost upwards of \$200 million. OPRHP had stated during the March Budget Hearing that total costs could be much higher, and that it expects additional contributions from New York City as well as public-private partnerships.

Hudson River Valley Greenway Communities Council

State Operations

The Adopted Budget concurs with the Executive recommendation of \$185,000.

Aid to Localities

The Adopted Budget concurs with the Executive recommendation of \$136,000.

Article VII - Transportation, Economic Development and Environmental Conservation

Administration of Agricultural and Dairy Market Order Programs- Part Z

The Adopted Budget extends the authority of the Empire State Development Corporation (ESDC) to administer agricultural and dairy market order programs for an additional three years. The administration has been handled by ESDC for the last two years, having previously been administered by the Department of Agriculture and Markets. Market orders agreements by agricultural or dairy producers authorize a compulsory assessment on their goods to support common benefits such as research and development and marketing. In addition to dairy, there are four agricultural market orders in place for apples, sour cherries, onions, and cabbage.

Spending of the Clean Water Infrastructure Act- Part AA

The Adopted Budget makes clarifications related to the spending of \$2.5 billion in funds from the 2017 Clean Water Infrastructure Act. The language clarifies that no more than \$25 million should be spent on solid waste mitigation and no more than \$20 million annually on the drinking water response program. The Adopted Budget also requires a status report by March 31 of each year with information regarding the number of sites referred to the inactive hazardous waste disposal site remedial program, as well as an account of all spending from the Clean Water Infrastructure account.

Long Island Pine Barrens Expansion- Part CC

The Adopted Budget adds new land to the Central Pine Barrens of Long Island, exempting certain sections of private property. In addition, the Suffolk County Planning Department is required to compile a list of industrial or business zoned properties of over five acres to determine if they are suitable for solar projects. These lands may be municipally or state owned, and must have been cleared prior to January 1, 2016. DEC is also directed to develop a management plan for the Shoreham parcel of land being added. This management plan is to include public commentary, community engagement, inventory of existing natural resources, opportunities for partnerships, and specifically must prohibit commercial logging and the use of firearms for hunting.

Financial Assistance for Soil and Water Conservation Districts- Part MM

The Adopted Budget modifies how financial assistance is distributed to soil and water conservation districts. Funds were previously granted on a competitive basis. Under the Adopted Budget, funds will be distributed equally to any district that qualifies. Qualification standards include: sufficient board activity and board training for financial oversight; annual reporting requirements; quality of the delivery of state natural resource conservation programs; and the promotion of partnerships with local governments and non-government organizations.

Diesel Emission Reduction Act (DERA) Compliance Deadline- Part NN

The Adopted Budget extends the DERA compliance deadline by one year, from December 31, 2018 to December 31, 2019. DERA relates to retrofitting state-owned, state-leased, and primary state-contracted diesel powered heavy duty vehicles in order to reduce the emission of pollutants including fine particulate matter and low-level ozone. The proposal also extends the waiver period for soon-to-be retired vehicles by four years until 2020 and pushes back a required DEC report on the status of DERA compliance by two years until 2020. The Senate Democratic Conference and advocacy organizations such EANY and the American Lung Association have regularly opposed this annual extension.

Fee and Certificate Parity for Pesticide Applicators- Part OO

The Adopted Budget grants parity to ornamental and turf commercial pesticide applicators in respect to the length of time for which their pesticide applicator certificate is good. Previously, their certificates were only valid for one year at a rate of \$200 per year, whereas all other certificates were valid for three years at a cost of \$450 for the three years. The Adopted Budget allows for ornamental and turf commercial pesticide applicators also to obtain a three year certificate at a cost of \$450. This programmatic change will result in the loss of between \$175,000 and \$400,000 to DEC operational support.

Beverage Container Connectors- Part PP

The Adopted Budget authorizes the Department of Environmental Conservation to set rules and regulations pertaining to bottle and can holders made from post-consumer recycled material content. This includes setting hole diameter limitations for the packaging, requiring the material be recyclable, and requiring resin numbers to be noted. Current standards require beverage container connectors to be composed of photodegradable or biodegradable plastic.

Hudson River Park Trust Funds Match- Part UU

The Adopted Budget requires New York City to match the \$50 million State investment in the Hudson River Park Trust for a total \$100 million in new capital support for completion of the Park. The Park was originally scheduled to be completed in 2003.

Miscellaneous

Proposals not included in the Adopted Budget include the Empire State Forests for the Future proposal (Part Z of TEDE), which reformed an existing forest tax exemption to encourage sustainable management of privately owned forests and open space; and the food waste diversion program (Part BB of TEDE) to donate excess edible food and organically recycle food waste.

Economic Development and Energy

Department of Economic Development

State Operations

The Adopted Budget concurs with the Executive recommendation of \$26.2 million.

Aid to Localities

The Adopted Budget modifies the Executive recommendation by providing a \$9.4 million increase for a total of \$65.8 million.

The Adopted Budget concurs with the following Executive proposals for Aid to Localities programs:

- \$921,000 for the Industrial Technology Extension Service;
- \$3 million for the SUNY Polytechnic Institute Colleges of Nanoscale Science and Engineering Focus Center and RPI Focus Center;
- \$6 million for the High Technology Matching Grants Program;
- \$5 million for the New York State Innovation Hot Spots and New York State Incubators;
- \$3.57 million for Taste NY Program;
- \$13.8 million for Centers for Advanced Technology;
- \$196,000 for the Gateway Information Center at Beekmantown, New York;
- \$196,000 for the Gateway Information Center at Binghamton, New York;
- \$343,000 for the Science and Technology Law Center Program; and
- \$9.47 million for the Training and Business Assistance Program.

The Adopted Budget provides additional support for the following Aid to Localities programs:

- \$872,000 each for the Rochester Center for Sustainable Manufacturing and Rochester Center for Excellence in Data Science;
- \$2.3 million for Centers of Excellence (CoE) which includes:
 - \$127,667 in additional allocations for each CoE;
 - \$250,000 for the Albany Center of Excellence in Data Science in Atmospheric and Environmental Prediction and Innovation; and
 - \$750,000 for the New York Medical College to operate a Center of Excellence in Precision Responses to Bioterrorism and Disaster;

- \$609,000 for the Technology Development Organization Matching Grants Program for a total of \$2 million;
- \$500,000 for the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Technical Assistance Program;
- \$593,000 and \$500,000 for the Local Tourism Promotion Matching Grants Program for a total of \$4.9 million;
- \$100,000 for East Hampton Tourism Initiatives;
- \$80,000 for Dream It Do It Western New York, Inc.;
- \$100,000 for Regional Economic Gardening Program to develop pilot programs that will stimulate investment in the state economy by providing technical assistance for expanding businesses in the Finger Lakes region;
- \$300,000 for Chautauqua Regional Economic Development Corporation related to the 2018 LECOM/PGA Health Challenge Golf Tournament;
- \$3 million for Broome County Community Charities related to a 2018 professional golf tournament;
- \$200,000 for Finger Lakes Tourism Alliance;
- \$150,000 for North Country Chamber of Commerce related to the North American Center of Excellence for Transportation Equipment program; and
- \$100,000 for Thousand Islands and Lake Ontario Tourism.

Urban Development Corporation

Aid to Localities

The Adopted Budget modifies the Executive proposal by providing an \$11.2 million increase for a total of \$104.1 million.

The Adopted Budget concurs with the following Executive proposals for Aid to Localities:

- \$4.6 million for the retention of professional football in Western New York;
- \$3.4 million for the Urban and Community Development Program in economically distressed areas;
- \$1.8 million for the Entrepreneurial Assistance Program;
- \$44.5 million for Tourism/Economic Development Promotion funding;
- \$26.2 million appropriation for the Empire State Economic Development Fund; and
- \$10.3 million for Market NY.

The Adopted Budget provides additional support for the following Aid to Localities programs:

- \$365,000 for the Minority-and-Women-Owned Business Development Lending Program for a total of \$1 million;
- \$300,000 for the Federal Community Development Financial Institutions Program for a total of \$1.8 million;
- \$700,000 - Center State CEO Grants for Growth;
- \$670,000 - Stony Brook Medicine National Cancer Institute;
- \$550,000 - Bronx Overall Economic Development Corporation;
- \$500,000 - Brooklyn Chamber of Commerce;
- \$500,000 - Queens Chamber of Commerce;
- \$200,000 - Canisius College;
- \$150,000 - North Country Chamber of Commerce;

- \$125,000 - Dubois Bunche Center of Public Policy at Medgar Evers College;
- \$50,000 - Buffalo Niagara International Trade Gateway Organization;
- \$50,000 - World Trade Center Buffalo Niagara;
- \$25,000 - Sullivan Renaissance;
- \$50,000 - Auburn Welcome Center;
- \$200,000 - Adirondack North Country Inc.;
- \$110,000 - Watkins Glen International;
- \$3 million - Military Base Retention;
- \$1 million - Beginning Farmers NY Fund;
- \$75,000 - Association of Community Employment Programs for the Homeless, Inc.;
- \$75,000 - Black Institute Inc.;
- \$100,000 - New Bronx Chamber of Commerce;
- \$250,000 - Kingsbridge Riverdale Van Cortland Development;
- \$400,000 - Center State CEO;
- \$150,000 - Staten Island Economic Development Corporation;
- \$115,000 - Bayside Business Association;
- \$400,000 - Community Development Revolving Loan Fund;
- \$125,000 - Chamber of Commerce of the Borough of Queens;
- \$125,000 - NY Women's Chamber of Commerce;
- \$25,000 - Queensborough Community College Auxiliary Enterprise;
- \$25,000 - Sunset Park District Management Association;
- \$100,000 - Wildcat Service Corporation;
- \$10,000 - Care Center of NY;
- \$50,000 - Caribbeing, Inc.;
- \$25,000 - East River Development Alliance;
- \$25,000 - Centro Civico Cultural Dominicano, Inc.;
- \$20,000 - Inwood Art Works; and
- \$350,000 - Bronx Overall Development Corporation.

Capital Projects

The Adopted Budget concurs with the Executive Budget proposal for total Capital Projects funding for the Urban Development Corporation (UDC) in the amount of \$1.27 billion. The Adopted Budget concurs with the following Executive proposals for Capital Projects:

- \$5 million for the Clarkson-Trudeau Partnership;
- \$2.3 million for the retention of professional football in Western New York;
- \$8 million for Market New York;
- \$200 million for the New York Works Economic Development Fund;
- \$150 million for Regional Economic Development Council Initiative;
- \$600 million for the Life Science Laboratory Public Health Initiative; and
- \$300 million for the new program High Technology Innovation and Economic Infrastructure program.

Department of Public Service

State Operations

The Adopted Budget concurs with the Executive recommendation of \$89.7 million.

Aid to Localities

The Adopted Budget concurs with the Executive recommendation of \$5.75 million.

New York State Energy Research and Development Authority (NYSERDA)

Capital Projects

The Adopted Budget concurs with the Executive recommendation of \$17.0 million.

New York Power Authority

State Operations

The Adopted Budget concurs with the Executive recommendation of \$215 million.

Article VII – Transportation, Economic Development and Environment

The Adopted Budget omits the Executive's proposed Parts FF and GG, which would allow the New York Power Authority (NYPA) to offer energy management related services to its customers and authorize NYPA to develop, purchase, and sell renewable energy to its current customers.

Economic Development Fund Extender- Part O

The Adopted Budget extends the authorization of the Urban Development Corporation (UDC) to administer the Empire State Economic Development Fund for one year, to July 1, 2019. This authorization has been renewed annually since FY 13.

General Loan Powers of the Urban Development Corporation Extender- Part P

The Adopted Budget extends the general loan powers of the UDC for an additional year, to July 1, 2019. This authorization has been extended annually since FY 98.

Small Business Innovation Research and Technology Technical Assistance Program- Part RR

The Adopted Budget places this program within the Urban Development Corporation and repeals similar language in the Public Authorities Law authorizing the NYS Science and Technology Foundation to run a similar program. This provision will allocate funds to eligible entities to give technical assistance to New York-based small businesses of less than 100 employees for the purpose of helping them compete successfully for federal grant money. This provision came out of the Assembly One-House Budget.

Cable Television/Utility Assessment Extender- Part DD

The Adopted Budget authorizes certain expenses associated with the Department of Health's public service education program to be reimbursed by a cable television assessment and authorize expenses of the Departments of Agriculture and Markets, Environmental Conservation,

State, and the Office of Parks, Recreation and Historic Preservation associated with the oversight of utilities to be reimbursed by a utility assessment. This provision will sunset on April 1, 2019. All of the provisions are the same as SFY 2017-18's Enacted Budget.

Utility Assessment to Fund Certain NYSERDA Programs and for Other Purposes- Part EE

The Adopted Budget authorizes the New York State Energy Research and Development Authority (NYSERDA) to finance its Energy Research, Development and Demonstration Program, its Energy Policy and Planning Program, the Department of Environmental Conservation's (DEC) climate change program, and the Department of Agriculture and Markets' Fuel NY program, from an assessment on gas and electric corporations, not to exceed \$19.7 million. In addition, NYSERDA is authorized to transfer \$825,000 to the University of Rochester laboratory for laser energetics. The FY 18 Enacted Budget included the same provisions.

Article VII – Revenue

MWBE Extender- Part OOO

The Adopted Budget extends Article 15-A of the Executive Law until December 31, 2019. This extender implicitly rejects all of the Executive's MWBE amendment proposals, such as extension of MWBE program to December 31, 2023, creation of a Workforce Diversity Program, increasing the Personal Net Worth cap via authority of the Director of the Minority and Women Business Development division of Empire State Development, and authorizing the Director to enact rules and regulations to implement the 2016 Disparity Study.

Education

State Operations

The Adopted Budget concurs with the Executive proposal of \$602 million for State Education Department operational support in the 2018-19 fiscal year.

Aid to Localities

School Aid

The Adopted Budget for School Year (SY) 2018-19 provides an overall increase of \$913.2 million, or 3.5%, over SY 2017-18. This brings total aid from \$25.1 billion to \$26.0 billion. The increase is a result of several factors including a \$619.3 million or 3.6% increase in Foundation Aid, a \$285.3 million net increase in expense-base aids; and \$8.5 million net increase in other State Aid categories.

State Aid Comparison of School Year 2017-18 and 2018-19				
<i>Category</i>	<i>School Year 17-18</i>	<i>School Year 18-19</i>	<i>\$ Change</i>	<i>% Change</i>
Foundation Aid	\$17,172,763,848	\$17,792,041,314	\$619,277,466	3.6%
Full Day Kindergarten Conversion	\$1,646,745	\$649,150	-\$997,595	-153.7%
Universal Pre-Kindergarten	\$413,066,981	\$415,560,878	\$2,493,897	0.6%
BOCES	\$904,970,892	\$931,860,025	\$26,889,133	2.9%
Special Services	\$251,191,015	\$248,818,346	-\$2,372,669	-1.0%
High Cost Excess Cost	\$638,481,379	\$615,051,514	-\$23,429,865	-3.8%
Private Excess Cost	\$393,330,632	\$405,428,751	\$12,098,119	3.0%
Hardware & Technology	\$37,053,970	\$37,772,370	\$718,400	1.9%
Software, Library, Textbook	\$239,760,067	\$242,326,120	\$2,566,053	1.1%
Transportation	\$1,811,884,263	\$1,911,373,142	\$99,488,879	5.2%
Building & Building Reorg.	\$2,950,658,920	\$3,120,980,561	\$170,321,641	5.5%
Operating Reorganizational	\$7,341,219	\$6,464,267	-\$876,952	-13.6%

Charter School Transition	\$38,622,316	\$45,687,226	\$7,064,910	15.5%
Academic Enhancement	\$28,271,832	\$28,271,832	\$0	0.0%
High Tax Aid	\$223,298,324	\$223,298,324	\$0	0.0%
Supplemental Public Excess Cost	\$4,313,167	\$4,313,167	\$0	0.0%
Total	\$25,116,655,570	\$26,029,896,987	\$913,241,417	3.5%

Foundation Aid

The Adopted Budget increases Foundation Aid from \$17.2 billion in SY 2017-2018 to \$17.8 billion for SY 2018-19, an increase of \$619.3 million, or 3.6%. The formula provides additional funding based on factors such as English Language Learners enrollment, wealth, Federal Reduced Price Lunch (FRPL) and sparsity.

State Aid Comparison of Executive Budget and Adopted Budget				
<i>Category</i>	<i>Executive School Year 18-19</i>	<i>Enacted School Year 18-19</i>	<i>\$ Change</i>	<i>% Change</i>
Foundation Aid	\$17,510,389,872	\$17,792,041,314	\$281,651,442	1.6%
Full Day Kindergarten Conversion	\$648,526	\$649,150	\$624	0.1%
Universal Pre-Kindergarten	\$415,560,878	\$415,560,878	\$0	0.0%
BOCES	\$922,410,051	\$931,860,025	\$9,449,974	1.0%
Special Services	\$249,166,950	\$248,818,346	-\$348,604	-0.1%

High Cost Excess Cost	\$626,065,239	\$615,051,514	-\$11,013,725	-1.8%
Private Excess Cost	\$415,747,736	\$405,428,751	-\$10,318,985	-2.5%
Hardware & Technology	\$38,015,716	\$37,772,370	-\$243,346	-0.6%
Software, Library, Textbook	\$243,742,607	\$242,326,120	-\$1,416,487	-0.6%
Transportation	\$1,909,090,557	\$1,911,373,142	\$2,282,585	0.1%
Building & Building Reorg.	\$3,126,421,396	\$3,120,980,561	-\$5,440,835	-0.2%
Operating Reorganizational	\$6,464,267	\$6,464,267	\$0	0.0%
Charter School Transition	\$48,413,074	\$45,687,226	-\$2,725,848	-5.6%
Academic Enhancement	\$28,271,832	\$28,271,832	\$0	0.0%
High Tax Aid	\$223,298,324	\$223,298,324	\$0	0.0%
Supplemental Public Excess Cost	\$4,313,167	\$4,313,167	\$0	0.0%
Total	\$25,768,020,192	\$26,029,896,987	\$261,876,795	1.0%

Community Schools

The Adopted Budget provides an overall community schools appropriation of \$200 million, an increase of \$50 million over SY 2017-18. Community schools funding is folded into Foundation Aid funding. The set-aside will continue to target failing and persistently failing schools and districts with an extraordinary growth in English Language Learners. The Adopted Budget includes language that would increase the minimum award to \$75,000 as school districts begin implementing community school plans.

In addition, the Adopted Budget includes \$1.2 million for community school regional technical assistance centers. These centers will provide technical assistance to school districts establishing community school programs.

Expense-Based Aids

The Adopted Budget provides current law funding for expense-base aids. These funds reimburse school districts for costs already incurred in areas such as transportation, school construction, special education, and cooperative services. For SY 2018-19, the Adopted Budget provides funding for all expense-base aids at \$240.4 million over SY 2017-18.

Charter School Transitional Aid

The Adopted Budget provides funding for school districts to address enrollment loss to charter schools. The School Aid run provides \$45.7 million for this school aid category, an increase of \$7.1 million over SY 2017-18.

Competitive Programs

The Adopted Budget concurs with the Executive proposal to fund several initiatives as follows:

- \$45 million for the Empire State After-School Program: this program would provide an additional 6,250 after school slots for students of districts within the 16 Empire State Poverty Reduction Initiative communities. In addition, the Adopted Budget provides a \$2 million set-aside of the \$10 million increase for at-risk students in districts in Nassau and Suffolk County;
- \$9 million for the expansion of Early College High Schools;
- \$20 million to expand the State's investment in prekindergarten for 3 and 4 year-olds;
- \$4 million to fund the remaining AP or IB exams fees for low-income students;
- \$2 million to fund additional Master Teacher Program awards for 115 master teachers; and
- \$18 million for the My Brother's Keeper Initiative.

Charter Schools

The Adopted Budget includes \$139 million for supplemental basic tuition assistance. This is a 3% increase in per pupil tuition reimbursement, calculated to provide parity with public schools in the Executive Budget. In addition, the State provides \$22.6 million to Charter Schools located in New York City to be allocated based on February 2019 enrollment figures.

Nonpublic Schools

The Adopted Budget includes \$111.6 million to reimburse the actual expenditures, as approved by the Commissioner of Education, incurred by nonpublic schools for specified State testing and data-collection activities, pursuant to the provisions of Chapters 507 and 508 of the Laws of 1974. The Adopted Budget also provides:

- \$15 million for nonpublic schools for school safety equipment, the same as last year;
- \$922,000 to continue support for an academic intervention services program designed to enhance the educational performance of students attending nonpublic schools;
- \$15 million related to the payment of salaries for nonpublic school STEM programs, an increase of \$10 million; and

- \$7 million for additional mandated services associated with complying with the State School Immunization Program for the 2017-2018 School Year.

Special Education

The Adopted Budget provides additional funding for the following initiatives:

- \$1 billion for Preschool Special Education. The State is responsible for 59.5% of the overall costs associated with Section 4410 of the Education Law with counties paying for the remaining 40.5%;
- \$6.2 million for a direct salary cost for preschool special education programs;
- Restores \$34 million for Summer School Programs that provide services to students on a year-round basis associated with Section 4408 of the Education Law. The Adopted Budget omitted an Executive proposal changing this formula to make it wealth equalized;
- \$105 million for Private Schools for the Blind and Deaf, an increase of \$2.3 million;
- \$500,000 for the Mill Neck School for the Deaf;
- \$903,000 for the Henry Visconti Schools; and
- \$903,000 in additional funding for the School for the Blind and Deaf in Rome, New York.

Grant Programs and Additional Aid Categories

The Adopted Budget provides restorations for the following programs reduced or eliminated in the Executive Budget proposal:

- Restores \$1.2 million in funding for Buffalo City and Rochester City School District school health services; and
- Provides \$20 million for Teacher Resources and Computer Training Center.

The Adopted Budget provides funding for the following programs:

- \$3 million for the East Ramapo School District;
- \$40 million in Bullet Aid for the Senate;
- \$1.5 million increase for the Consortium for Workers Education (CWE) for overall funding of \$13 million;
- \$475,000 for the Executive Leadership Institute; and
- \$40 million in Bullet Aid for the Assembly.

Office of Higher Education and the Professions

The Adopted Budget increases funding for higher education opportunity programs as follows:

- 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;
- Increases funding for the Science and Technology Entry Program by \$2.6 million to \$15.7 million;
- Increases funding for the Collegiate Science and Technology Entry Program by \$1.9 million to \$11.9 million;
- Increases funding for the Foster Youth Initiative by \$4.5 million for overall funding of \$6 million; and
- Restores the Bundy Aid program, and restores funding to \$35.1 million.

Office of Cultural Education

The Adopted Budget restores \$4 million for Aid to Public Libraries, and provides an additional \$1 million for total aid of \$5 million. The budget also approved an additional \$250,000 for the Schomburg Library and \$75,000 for the Langston Hughes library.

Office of Adult Career and Continuing Education Services

The Adopted Budget provides \$1.5 million for additional competitive grants for adult literacy.

Capital Projects

The Adopted Budget increases Library Construction Aid by \$20 million to \$34 million.

Article VII – Education, Labor and Family Assistance

School Aid- Part A

The Adopted Budget omits the entirety of Part A and instead places provisions related to school aid in Revenue, Part CCC.

Ban on Meal Shaming and Breakfast after the Bell- Part B

The Adopted Budget accepts the Executive proposals banning meal shaming and providing for breakfast after the school day has begun. The proposal banning meal shaming generally requires all schools, including charter and nonpublic schools, participating in the national school lunch program or school breakfast program to adopt policies to prevent students from being shamed or treated differently than other students because of unpaid school meal fees. This proposal also establishes policies for schools and districts regarding the handling of unpaid meal charges.

The second proposal accepted in the Adopted Budget mandates that all public elementary and secondary schools, excluding charter schools, 70% or more of whose students are eligible for the Free and Reduced Price Lunch program, must offer all students a school breakfast after the instructional day has started. Charter schools would still provide free breakfast but would not face the same in-class after the bell mandate as would be imposed on public schools.

School Bus Stop Cameras- Part C

The Adopted Budget rejects the Executive proposal that would have authorized school districts to enter into agreements with third parties to install or operate school bus stop-arm cameras and increase the fines for passing a stopped school bus.

Recovery High Schools- Part D

The Adopted Budget accepts the Executive proposal that permits Boards of Cooperative Educational Services (BOCES) to collaborate with non-component school districts to participate in the districts Recovery High School Program.

CPA Minority Ownership- Part F

The Adopted Budget rejects the Executive proposal that would have allowed non-CPA ownership of up to 49% in public accounting firms.

Computer Science Education Standards- Part R

The Adopted Budget accepts the Senate's proposal convening a workgroup to develop and draft statewide computer science standards for kindergarten through grade 12.

Foster Care Education- Part CC

The Adopted Budget adds a new provision ensuring that children placed in foster care are permitted to either continue education in their home school district (school district of origin) or the school district in which they are placed (school district of residence). Social service agencies will make a best interest determination on where the child should attend school. This provision includes pre-school education and provides for only public school placement.

Article VII – Revenue

School-Level Budget Reporting- Part CCC

The Adopted Budget modifies the Executive proposal related to school-level reporting mandates. The mandate would begin in the upcoming 2018-2019 SY with certain larger school districts, those receiving over 50% of their school funding from state aid, and add additional districts in following years until all school districts in the state are covered. The mandate requires school districts submit an annual statement to SED and DOB that provides the total funding allocation for each school. Each school will submit this information by a standardized form developed by the Director of the Budget. DOB and SED will have 30 days to review the submissions and send acknowledgement of completion to the district. If SED or DOB fails to review the material in the allotted 30 days, it will be considered approved. If the school district submits a non-compliant form, they may remedy it at any time. Failure to submit a form allows other prescribed parties, including the city comptroller or chief financial officer, to complete the form on the school's behalf. While the penalty remains the loss of state aid increases, this version of the proposal both allows schools to cure their failure and makes it more difficult for schools to fail in their compliance with the mandate.

School Aid- Part CCC

The Adopted Budget includes the following provisions:

- Rejects the Executive proposal to cap charter school facilities aid at \$10 million for NYC;
- Rejects the Executive proposal to expand the definition of actual rental costs as it applies to charter schools;
- Rejects the Executive proposals to modify the Supplemental Basic Tuition and Charter School Basic Tuition Formulas for charter schools in NYC;
- Accepts the Executive proposal continuing Foundation Aid essentially unchanged from the prior year while also providing for the community schools funding increase;
- Rejects the Executive proposal to cap expense based aids at two percent;
- Accepts the Executive proposal extending additional building aid for school safety equipment;
- Modifies the Executive proposal to provide full funding conversion aid for school districts implementing full-day kindergarten in the first year and an additional two years of partial aid (65% in year two and 35% in year three);

- Modifies the Executive proposal relating to Universal Pre-kindergarten and adds expansion grants awards for all school districts to establish new full-day and half-day pre-kindergarten placements;
- Accepts the Executive proposal extending the Universal Pre-kindergarten program;
- Accepts the Executive proposal extending maximum class size for special education classes in Big 5 school districts;
- Rejects the Executive proposal to alter the rate at which districts are reimbursed for summer school special education state aid;
- Modifies the Executive proposal relating to the workforce education program by slightly increasing the reimbursement rates per contact hour and raising the cap on reimbursable contract hours;
- Rejects the Executive proposal to allow for waivers of special education requirements with only parental notification;
- Continues to allow the Commissioner of Education to appoint up to three state monitors to the East Ramapo Central School District to provide oversight, guidance, and technical assistance related to the educational and fiscal policies, practices, programs, and decisions of the school district, as well as supplementary funding;
- Modifies the Executive proposal to allow school districts to purchase from associations of ten or fewer producers or growers, or to make purchases of less than \$50,000, without applying for permission from the Commissioner when no other producers or growers have offered to sell to such school.

Part CCC also includes the following provisions:

- Accepts the Executive proposal to continue the Contracts for Excellence program for school districts that submitted contracts in the 2017-18 School Year and where all schools in the district are not in good standing;
- Accepts the Assembly proposal for the SED commissioner to conduct a report on teacher diversity throughout the state and make recommendations to improve teacher diversity;
- Rejects the Executive proposal to have the commissioner of the Division of Human Rights to establish an 8th and 9th grade Respect for Diversity program;
- Restores the Employment Preparation Education (EPE) appropriation;
- Continues existing provisions for the Teachers of Tomorrow program in the New York City school district;
- Extends special education class size provisions for school districts for one year;
- Continues current provisions for school bus driver training for one year;
- Extends the provisions of State law that conform to federal No Child Left Behind requirements;
- Continues existing provisions for the support of public libraries;
- Continues Chapter 1 Advance provisions;
- Continues existing provisions for a lottery accrual due to a change made by the Government Accounting Standards Board regarding the Teacher Retirement System pension contribution;
- Extends the Rochester City School District's ability to purchase health services from BOCES;

- Continues Magnet School, Attendance Improvement and Dropout Prevention, and Teacher Support allocations within Foundation Aid; and
- Several miscellaneous one-year program extenders.

Considering Substantial Equivalence - Part SSS

The Adopted Budget adds a new provision outlining the criteria for certain nonpublic schools to be considered compliant with education standards for substantial equivalency. This only applies to nonpublic schools that are non-profit corporations, utilizing a bilingual program, and specific instruction day lengths. These standards suggest that this section is a Yeshiva specific provision. The provision also dictates that the commissioner of the State Education Department (SED) will be the entity that determines whether nonpublic elementary and secondary schools are in compliance. The provision mandates the department take into account multiple broad elements in the fields of language arts, math, science, and history over the course of the entire curriculum to be considered when making a determination on substantially equivalent in elementary and middle school. For students in high school, the determination is even more broad as the only consideration is whether instruction results in a “sound basic education” when taking into account the entire curriculum.

General Government

Alcoholic Beverage Control, Division of

State Operations

The Adopted Budget concurs with the Executive recommendation of an All Funds appropriation of \$13.3 million.

Audit and Control, Department of

State Operations

The Adopted Budget increases the State Operations funding appropriation by 1.5% from FY 18, providing an increased budget allocation of \$317.6 million.

Aid to Localities

The Adopted Budget concurs with the Executive recommendation of \$32 million.

Capital

The Adopted Budget provides \$4.7 million for Audit and Control Capital Projects, fully funding the Payroll System replacement project.

Budget, Division of

State Operations

The Adopted Budget provides a total of \$50 million for the Division of the Budget State Operations budget including a restoration of \$527,000 for membership dues in various organizations and an appropriation of \$300,000 for the Eastern Regional Conference and Policy Forum of the Council of State Governments in Rye Brook.

Executive Chamber

State Operations

The Adopted Budget concurs with the Executive recommendation of an All Funds appropriation of \$17.9 million, maintaining FY 18 budget allocation levels.

Financial Services, Department of

State Operations

The Adopted Budget provides a total of \$368.1 million for Department of Financial Services, an increase of \$18.9 million from FY 18. This increase is largely reflective of personal services related with collective bargaining agreements and IT upgrades.

Aid to Localities

The Adopted Budget concurs with the Executive's All Funds appropriation recommendation of \$65.2 million, which is a \$4 million increase over FY 18 budget.

General Services, Office of

State Operations

The Adopted Budget concurs with the Executive Budget recommendation of \$1.02 billion, reflecting a decrease of \$4 million from the prior year's budget.

Capital

The Adopted Budget provides a total allocation of \$179 million for the Office of General Services capital projects, reflecting a \$70.6 million decrease from FY 18. The \$179 million includes funding for Design and Construction Supervision, Facilities Maintenance and Operations, Flood Recovery, and for Maintenance and Improvement of Real Property Facilities.

Information Technology Services, Office of

State Operations

The Adopted Budget provides a total State Operations Budget of \$768.9 million, the same amount of funding included by the Executive. This is an increase of \$500,000 from FY 2018 due primarily to the administration of Federal grant funds for Geographic Information System functions transferred to the agency.

Capital

The Adopted Budget concurs with the Executive Budget recommendation of an \$85.7 million funding allocation associated with the IT Initiative Program.

Lieutenant Governor, Office of the

State Operations

The Adopted Budget concurs with the Executive recommendation of an All Funds appropriation of \$630,000, the same amount of funding as in FY 18.

Department of State

State Operations

The Adopted Budget provides increased funding for the Department of State and allocates \$70.7 million for the State Operations budget, which is an \$111,000 increase over the Executive Budget proposal. This increase reflects additional funds allocated for the Administration Program.

Aid to Localities

The Adopted Budget concurs with the Executive's recommendation of \$83.1 million, which is an increase of \$5.85 million over FY 2018. This increase is associated with the following:

- \$5 million in additional funding for the Office of the New Americans to support programs that assist non-citizens with limited to legal services, case management, English-as-a-second-language, job training, placement assistance, and post-employment services necessary to ensure job retention;
- \$600,000 for the Public Utility Law Project;
- \$150,000 for the New York Immigration Coalition; and,
- \$100,000 for the Doe Fund.

Capital

The Adopted Budget concurs with the Executive recommendation of \$100 million, a \$98 million increase from FY 18 budget allocations. The increase results from additional capital funding allocated for a third round of the Downtown Revitalization Initiative.

State Board of Elections

State Operations

The Adopted Budget increases the Executive All Funds recommendation by \$23 million, bringing the total appropriation to \$40.6 million. This increase is associated with \$23 million in federal grants to the Help America Vote Act Implementation Account to improve the administration of elections, with its expenditure conditioned on a vote by the State BOE. The Adopted Budget also includes a \$5 million appropriation for the purpose of securing election infrastructure from cyber-related threats.

Aid to Localities

The Adopted Budget decreases the Executive All Funds recommendation by \$7 million, which reflects the elimination of \$7 million that was proposed for services and expenses related to early voting and other voting reforms as proposed in Article VII language.

Article VII – Revenue

Require Disclosure of Online Political Communications & Digital Ads- Part JJJ

This new proposal amends the definition for what is considered a “political communication” to include paid internet and digital advertising. The proposal also requires digital and internet ads to clearly display the name of the person or entity who paid for the ad and whether or not the ad was authorized by the candidate when the expenditure is made by an independent expenditure committee. Those entities that purchase digital & online ads that are conveyed to 50 or more members of a general public audience would also be required to register as an independent expenditure committee. Foreign entities are prohibited from registering as an independent expenditure committee, and as such would be prohibited from placing these types of ads altogether.

The State Board of Elections (SBOE) must maintain and make available online for public inspection a complete record of these digital advertisements for at least five years. The SBOE is also empowered to promulgate rules and regulations on this issue. Any broadcast medium must require that a copy of the independent expenditure committee registration form on file with the SBOE be submitted in conjunction with the advertising content. The SBOE would promulgate regulations defining the term “online platform”, subject to certain criteria and considerations. Any provider that fails to comply with these provisions would be subject to a civil penalty of up to \$1,000 per violation.

This act takes effect immediately and applies to all communications made on or after the 30th day following the date in which the regulations have been promulgated.

Legislative & State Officer Compensation Committee (I.E. “Pay Raise Commission”) Part HHH
The Agreed-Upon Budget includes a new proposal to create a compensation committee to examine, evaluate, and make recommendations for compensation, benefits, and lulus for members of the Legislature, statewide elected officials, and certain state officers. The Committee will consist of the Chief Judge of the Court of Appeals (Janet DiFiore), the State Comptroller (Tom DiNapoli), the Chair of the SUNY Board of Trustees (H. Carl McCall), the NYC Comptroller (Scott Stringer), and the CUNY Board of Trustees Chair (Bill Thompson).

The Committee must submit its report to the Governor and Legislature by December 10, 2018, and any recommended changes would be applicable January 1, 2019 by operation of law. The committee’s report must be adopted by a majority vote of all members. The committee’s recommendations shall have the force of law and override the Legislative Law unless modified by statute prior to the pay raises going into effect.

The Committee may recommend a phase-in or cost of living adjustment over the course of up to three years. Such COLAs must be conditioned on factors such as timely passage of the budget. The committee must hold at least one public hearing. Recommendations shall have the force of law and shall supersede current statutorily set salaries for various officials. The committee would sunset on December 31, 2018.

Gaming Commission

State Operations

The Adopted Budget concurs with the Executive proposal with a recommended All Funds appropriation of \$114 million.

Aid to Localities

The Adopted Budget concurs with the Executive recommendation for an All Funds appropriation of \$246 million.

Tribal State Compact

The appropriation for the Tribal State Compact for FY 2019 is \$186 million, which represents an increase of \$57 million over FY 2018. Currently, the State and the Seneca Nation are in arbitration since the Seneca Nation has stopped making payments in FY 2018. The FY 2019 Financial Plan assumes that the Seneca arbitration will be successfully resolved by March 2018. The appropriation levels for the Seneca Niagara, Seneca Allegany, and Seneca Buffalo Creek casinos reflect the possibility of the three remaining local payments being rolled over into FY 2019. Additionally, due to the opening of a new Oneida casino (Pointe Place), the appropriation amount has been increased.

Article VII – Revenue

Changes to NYRA Operating Provisions- Part EE

In consideration of the franchise to run thoroughbred racing at New York's three tracks (Aqueduct, Belmont, and Saratoga), NYRA must remit an annual fee to the state. The fee is commonly referred to as the NYRA franchise fee and is due by April 5th of each year. The method for calculating this fee is contained in statute and based off several factors such as net income, amounts received by NYRA for capital expenditures, debt payments, and operating cash. Under current law, NYRA is only allowed to keep up to 45 days worth of operating cash before paying any remaining funds over to the state as part of its franchise fee agreement.

The Adopted Budget will now permit NYRA to deduct 90 days worth of actual operating expenses, rather than just 45 days from the amount of money sent to the state as part of NYRA's franchise fee, as proposed. The Adopted Budget also denies authorization to conduct thoroughbred night racing at Belmont Park. The final budget also accepts the Executive proposal to create a new committee to review equine testing and research.

Use of Breeding Funds for Equine Aftercare- Part FF

The agreed-upon budget denies the Executive proposal to amend the Racing law to allow funds from the Thoroughbred Breeding and Development Fund as well as the Agriculture and NYS Horse Breeding Development Fund ("Breeding Fund") to be used for the aftercare of retired racehorses, up to 3%.

Simulcasting Rate Extension- Part GG

The agreed-upon budget extends the state's current simulcasting rates for another year. These rates are extended on an annual basis.

Eliminate Transfer Language for Video Lottery Gaming- Part HH

The Adopted Budget concurs with the Executive proposal to repeal the “hold harmless” transfer language in current law, which was initially included as part of the Upstate Gaming Economic Development Act of 2013. At the time of its enactment, this statute was intended to maintain base revenue from video lottery gaming for education in light of casino gaming coming online and affecting revenue generated from VLTs. The Executive successfully argued the transfer is cumbersome and does not have the intended effect. Moreover, since gaming revenue ultimately goes towards education aid anyway, the provision is redundant.

Streamline & Amend Tax Rates That Apply For VLT Operators- Part II

The Adopted Budget denies the Executive proposal and amends various statutes that set the tax rates for Video Lottery Terminals (VLT) and the distribution of monies derived from Video Lottery Gaming. The Executive proposed to overhaul this entire section of law, consolidate several of these statutory funding streams into one category, and update several provisions that currently relate to an excess distribution to the Saratoga and Finger Lakes facilities.

Workers Compensation Insurance for Horsemen- Part NN

Last year’s 2017-18 Enacted Budget included language to give the jockey compensation fund, upon the approval of the Gaming Commission, the option to elect to expand the mandate to secure workers’ compensation insurance for employees of licensed trainers. At the time, employees of licensed trainers were covered by the workers’ compensation policy of their respective trainers, which resulted, for example, in an exercise rider and hot walker who work together for the same trainer at the track being covered by different workers’ compensation policies.

The 2018-19 Adopted Budget includes a new proposal to build off of last year’s changes, which is similar to S7745a/Bonacic. This part will allow the New York Racing Association (NYRA) to establish a separate account to be held on deposit in trust for the New York Thoroughbred Horsemen’s Association (NYTHA) to use as collateral to secure workers’ compensation insurance coverage. The funds would come from the unpaid purse cushion, and the amount to be transferred would be agreed upon by NYRA and NYTHA.

The proposal also allows JICF in 2018 to continue to use up to \$2 million from the NYRA unpaid purse cushion account without it counting against the 2% of purses that may be deducted from the owners’ share of purses to pay for workers’ compensation procured by JICF.

This part was a legislative add that both houses included in their own house budget proposals, which the Executive ultimately agreed to include in the final budget.

Disposition of Regional OTB Revenue to Counties- Part OO

The budget includes a new proposal, which is similar to S7532/Bonacic to allow OTBs to distribute net revenue to counties on a date of their choosing, as determined at their respective organizational meetings. Such distributions would still have to occur on an annual, bi-annual, or quarterly basis, not later than 30 days after the close of the calendar year, close of the bi-annual

year, or calendar quarter. Local counties within an OTB region would have to approve of this new distribution calendar.

Extends the VLT Capital Awards Program for an Additional Year- Part TT

The Adopted Budget extends for one additional year the capital awards program provided to VLT vendors throughout the state. This program allows VLT facilities to keep an additional percentage of winnings to be used exclusively for capital upgrades at the facilities. If not otherwise extended, this program would expire. The program was first enacted in 2008 and allows VLT facilities to keep up to an extra \$2.5 million a year in VLT receipts to be used exclusively for capital upgrades. The two new VLT facilities authorized under the Upstate Economic Gaming Act of 2013 for Nassau and Suffolk OTB's are not eligible for this program.

Article VII- Transportation, Economic Development and Environmental Conservation

Student Loan Servicer Licensing and Regulation- Part W

The Adopted Budget modifies the Executive's recommendation to provide certain protections to student loan borrowers. The Budget rejects language that would have established a regulatory framework to license student loan servicers as well as language that would have established prohibited practices for student debt consultants. The Budget accepts language that prohibits state agencies from suspending or denying the issuance of professional licenses for individuals behind or in default of their student loans.

Health and Mental Health

Department of Health

State Operations

The Adopted Budget provides \$3.88 billion in All Funds support for State Operations, which is a net \$4.9 million decrease from the Executive Budget. Notable modifications include:

- Restores \$1.1 million to support hospital resident audits;
- Reduces Executive proposed funding by \$68.85 million and eliminates the New York State of Health Program (Exchange), but provides \$62.8 million in increased funding under the Medical Assistance Administration program for the operation of the Exchange. This change is part of an annual negotiation between the Executive and the Senate Majority over the nature of the Exchange's existence within the budget language; and
- Rejects the Executive's proposal to allow the Department of Health to study the impact of regulated marijuana.

Aid to Localities

The Adopted Budget provides \$148.08 billion in All Funds support for Aid to Localities, a decrease of \$881.3 million from the Executive recommendation. Notable programmatic changes include:

AIDS Institute Program

The Adopted Budget provides \$1.5 million in additional funding for various programs, including:

- \$525,000 for HIV education, prevention, outreach, legal, and supportive services to high risk groups;
- \$525,000 for community based organizations that operate in a neighborhood with high concentration of at risk populations to provide HIV education prevention outreach and legal programs; and
- \$475,000 for health and social services sexuality-related programs.

Center for Community Health Program

The Adopted Budget provides \$31.8 million in additional funding for various public health programs including:

- \$9.2 million to reject the Executive's proposal to consolidate 30 public health programs into four funding pools and provides discrete appropriations for these programs at the FY 2018 Enacted Budget levels;
- \$3.2 million increase for the Early Intervention program, a rejection of the Executive's cost saving proposals;
- \$50,000 for ALS Association Greater New York Chapter;
- \$750,000 for Family Planning Services;
- \$500,000 for Hunger Prevention and Nutrition Assistance Program;
- \$600,000 for New Alternatives for Children;
- \$84,000 for New York School Based Health Alliance;
- \$50,000 for New York State Breast Cancer Network;
- \$500,000 for Nurse-Family Partnership;
- \$250,000 for Safe Motherhood Initiative;
- \$3.8 million for School Based Health Centers;
- \$120,000 for St. Joseph's Neighborhood Center;
- \$350,000 for ALS Association Greater New York Chapter;
- \$20,000 for American-Italian Cancer foundation to provide mobile care services;
- \$15,000 for American-Italian Cancer foundation to provide mobile care services;
- \$5,000 for Cattaraugus County Department of Health - Veggie Mobile;
- \$150,000 for Chai-Life Line;
- \$25,000 for Chayim Aruchim Center for Culturally Sensitive Health Advocacy and Counseling;
- \$1 million for Children and Recovering Mothers Program;
- \$1.1 million for Comprehensive Care Centers for Eating Disorders Program;
- \$25,000 for Congregation Chasdei Lev;
- \$50,000 for the Epilepsy Foundation of Northern Eastern New York;
- \$200,000 for Evidence Based Cancer Services Programs located in Cattaraugus, Chautauqua, Wyoming, Livingston and Allegany Counties;
- \$25,000 for Guardians of Sick, Inc.;
- \$125,000 for Heartscan Services, Inc.;
- \$350,000 for Four Infant Recovery Pilot Programs;
- \$200,000 for Integrated Medical Foundation, Inc.;
- \$10,000 for Jewish Crohn's and Colitis Support Group;

- \$5,000 for Lupus Alliance of Upstate New York;
- \$50,000 for Mekimi;
- \$100,000 for New York Cancer Center, Inc.;
- \$20,000 for New York Community Hospital of Brooklyn;
- \$250,000 for New York State Dental Association for free dental clinics;
- \$300,000 for the Nurse-Family Partnership;
- \$372,000 for the Rural Dentistry Pilot Program;
- \$1 million for the Senate Task Force on Lyme and Tick Borne Diseases (Based on a resolution with allocation to be determined by the Temporary President of the Senate);
- \$300,000 for the Sexual Assault Forensic Examiner (SAFE) Telehealth Pilot Program;
- \$10,000 for Sparks PPD;
- \$1.5 million for the Sunset Park Health Council, Inc.;
- \$100,000 for the Urban Health Plan, Inc.;
- \$25,000 for the Westchester Jewish Community Services; and
- \$5 million for Women's Health Services (based on a resolution with allocation to be determined by the Temporary President of the Senate).

Child Health Insurance Program

- The Adopted Budget provides a \$3.6 million reduction to the Child Health Insurance Program (CHP) and rejects the Executive proposal to authorize the CHP program to contract with outside entities to recover third party liabilities.

Health Care Reform Act

The Adopted Budget provides \$400.7 million, which is \$965.8 million below the Executive recommendation. Notable changes are detailed below:

- \$3.5 million to restore funding to the Empire Clinical Research Investigator Program (ECRIP);
- \$500,000 for the Diversity in Medicine Program;
- \$1.1 million for the Rural Health Care Access Development Program;
- \$1.1 million for the Rural Health Network Development Program; and
- \$1 billion reduction to eliminate the Health Care Shortfall Account.

Medical Assistance Program (General Fund):

The Adopted Budget includes \$260.6 million in reductions or spending efficiencies for the Medical Assistance Program as follows:

- \$13.9 million in savings from Medical Assistance programs including administrative expenses;
- \$10 million in savings from Dental services;
- \$109.95 million in savings from non-institutional services;
- \$122.8 million in savings from the Mental Hygiene Stabilization Account; and
- \$3.9 million in savings from long term care services for the point of entry.

The Adopted Budget offsets the spending reductions of \$260.6 million and provides \$1.39 billion in funding for the Medical Assistance Program. This results in a net increase of \$1.28 billion in General Fund spending for the Medical Assistance Program. Details are as follows:

- \$650,000 for hospital outpatient services;
- \$12.6 million for Clinic Services;
- \$24.9 million for Other Long Term Care Services;
- \$1.2 billion for Managed Care Services;
- \$30 million for Pharmacy Services;
- \$43 million for Transportation Services;
- \$14 million for Emergency and Rural Transportation Services;
- \$3.1 million for long term care services for the point of entry;
- \$700,000 for payments to Crouse Community Center Residential Health Care Facility;
- \$50 million for Enhanced Safety Net Hospitals;
- \$10 million for Critical Access Hospitals and Sole Community Hospitals as Safety Net Hospitals; and
- \$12 million for Independent Living Centers.

Office of Health Insurance Programs

- \$1.4 million for the Consumer Assistance – Independent Health Insurance Consumer Assistance Designee Community Service Society of New York for Community Health Advocates Statewide Consortium; and
- \$225,000 for the Alzheimer's Disease Resource Center, Inc.

Office of Primary Care and Health Systems Management

The Adopted Budget includes \$6.4 million in additional funding as follows:

- \$150,000 for the Coalition for the Institutionalized Aged and Disabled;
- \$409,000 for Finger Lakes Health Systems Agency;
- \$250,000 for the Long Term Care Community Coalition for an advocacy program on behalf of seniors with long term care needs;
- \$450,000 for the Primary Care Development Corporation;
- \$725,000 for the Alliance for Donation;
- \$225,000 for the Center for Liver Transplant;
- \$50,000 for Ezras Cholim Yad Ephraim;
- \$300,000 for Forme Medical Center;
- \$500,000 for Iroquois Healthcare Association for an opioid alternative pilot project;
- \$150,000 for Iroquois Healthcare Association "Take a Look" Tour for physician residents;
- \$20,000 for the Jewish Family Services of Rockland County;
- \$40,000 for Maimonides Medical Center;
- \$500,000 for Nassau and Suffolk counties related to the establishment of one court-ordered guardianship demonstration program to be located in each of the counties of Nassau and Suffolk, which shall facilitate the use of geriatric social workers, retired senior volunteers, and/or other non-attorneys to serve as guardians appointed by a court;
- \$450,000 for the New York Center for Kidney Transplantation, Inc.;
- \$250,000 for the Northern Oswego County Health Services;

- \$1 million for People Inc.;
- \$500,000 for Premium Health, Inc. to support integrated and comprehensive primary, specialty and preventive care services; and
- \$400,000 for Premium Health, Inc. to support integrated and comprehensive primary, specialty and preventive care services.

Wadsworth Center for Laboratories and Research Program

- The Adopted Budget includes \$250,000 for the International Lymphatic Disease and Lymphedema Patient Registry and Biorepository.

Capital

The Adopted Budget provides \$727.9 million in Capital funding, which represents a \$100 million increase over the Executive recommendation. This increase is attributed to an increase of \$100 million for the Health Care Facility Transformation Program for a total of \$525 million. This appropriation of \$525 million for the Health Care Facility Transformation Program includes the following sub allocations:

- \$60 million for community based health care providers;
- \$45 million for residential health care facilities; and
- \$20 million Assisted Living Programs.

Article VII – Health and Mental Hygiene

Hospital Medicaid Programs- Part A

The Adopted Budget takes the following actions with regard to the hospital-related Medicaid proposals:

- Accepts the proposals to:
 - Create a penalty pool for hospitals that fail to meet targets to reduce potentially preventable emergency department visits;
 - Extend the Indigent Care Pool through December 31, 2019 and increase the year-to-year loss ceiling transition provisions to 17.5%; and
 - Increase the cap on the number of physical therapy visits from 20 to 40;
- Rejects the proposals to cut hospitals and nursing homes capital Medicaid rates; and
- Adds new language to provide enhanced Medicaid reimbursement rates for Crouse Community Center (a nursing home in Madison County).

Long-Term Care Medicaid Proposals- Part B

The Adopted Budget takes the following actions with regard to the long-term care proposals:

- Accepts the proposals to:
 - Impose a 2% penalty on poorly performing nursing homes;
 - Authorize current Assisted Living Programs to create 9 additional slots each, create another 1000 beds in high need counties;
 - Require continuous MLTC plan enrollment;
 - Restrict MLTC enrollment to those who require 120 days of continuous care;
 - Transition nursing home residents from MLTC to fee-for-service if in a nursing home for more than 3 months;

- Increase free-standing clinic rate for Medicare beneficiaries in the TBI waiver program; and
 - Study of home and community based services in rural areas;
- Rejects proposals to:
 - Eliminate spousal refusal protections and reduce the community spouse resource amount; and
 - Restrict MLTC eligibility to those with a UAS score of 9 or higher; and
- Includes new language to:
 - Impose limitations on the number of Licensed Home Care Services Agencies including ratios on the number of LHCSAs in a given region, gives DOH Commissioner authority to expand number of LHCSAs if needed, gives the public health and planning council authority over approving LHCSAs based on public need, requires LHCSAs to register with DOH, and places a moratorium on any new approvals of LHCSAs;
 - Prohibits fiscal intermediaries from advertising;
 - Extends prohibition on moving TBI waiver enrollees from the waiver to managed care until Jan. 1, 2022; and
 - 10% rate increase for hospice providers.

Health Home Medicaid Provisions- Part C

The Adopted Budget takes the following actions with regards to the Health Home Medicaid proposals:

- Accepts proposals to:
 - Assess penalties on health homes and managed care plans that fail to meet enrollment targets for complex needs patients; and
 - Require criminal background checks for health home employees and make these employees mandated reporters for child abuse and maltreatment;
- Rejects proposals to:
 - Allow non-cash incentive payments to managed care enrollees who are members of Health Homes; and
 - Penalize managed care plans with a .85% reduction in monthly reimbursement rate for failing to submit a performing provider partnership plan; and
- Adds new language to affirmatively reject DOH's administrative cut to the Patient Centered Medicaid Home program by freezing rates.

Pharmaceutical Medicaid Provisions- Part D

The Adopted Budget takes the following actions with regards to the Pharmaceutical proposals:

- Accepts the proposals to:
 - Increase the dispensing fee from \$10 to \$10.08 to match federal level;
 - Extend Medicaid Drug Cap for a year, while adding more transparency; and
 - Require treatment plan for opioid prescriptions over 3 months long under Medicaid, and expands requirement to all insurance plans;
- Rejects the proposals to:
 - Increase Medicaid enrollees co-pay for over-the-counter drugs;
 - Eliminate prescriber prevails protections; and
 - Establishing Comprehensive Medication Management provisions.

Transportation Medicaid Provisions- Part E

The Adopted Budget rejects the proposals to carve-out transportation from MLTC plans, eliminate the supplemental ambulance rate, and eliminate the supplemental payment to rural transportation networks.

Clawback of Medicaid Managed Care Reserves- Part F

The Adopted Budget rejects the proposal to allow the Department of Health to make rate adjustments to Managed Care Plans that have accumulated reserves in excess of the mandatory minimum. However, a separate proposal (Part FFF of Revenue Bill S7509C) allows DOH to clawback contingent reserves in excess of 150% of the minimum from certain non-profit Medicaid managed care plans.

Retail Practices- Part G

The Adopted Budget rejects the proposal to authorize the creation of retail practices that provide limited health services in a retail business operation, such as a pharmacy, grocery store, or shopping mall.

Scope of Practice for CRNA's- Part H

The Adopted Budget rejects the proposal to expand the scope of practice of Certified Registered Nurse Anesthetists.

OMIG Recovery Expansion- Part I

The Adopted Budget rejects the proposal to expand the Office of Medicaid Inspector General's (OMIG) authority to recover improper Medicaid payments from Managed Care Organizations and impose penalties on MCOs for failing to report fraud and abuse.

Increase Penalties for False Claims Act- Part J

The Adopted Budget accepts the proposal to update the penalties under New York State's False Claims Act to automatically adjust to the amounts set in Federal law. The Adopted Budget makes this change effective September 30, 2018 (instead of the original proposal's immediate effective date). The Adopted Budget also includes new language to require the Attorney General's Office to report annually to the Legislature on the amount of monies recovered by the Medicaid Fraud Control Unit.

Medicaid Global Cap and Miscellaneous Medicaid Provisions- Part K

The Adopted Budget extends the Medicaid Global cap for an additional year, through 2020. The Adopted Budget adds new language that requires health homes, licensed home care services agencies and fiscal intermediaries to report costs to DOH. In addition, language is added to create a new enhanced safety net hospital designation to provide supplemental payments to hospitals that serve a high percentage of uninsured and Medicaid patients.

Changes to Child Health Program- Part L

The Adopted Budget rejects the proposal to allow the Director of Budget to make cuts and administrative changes to the Child Health Program in the event of elimination or reduction in federal funding.

Physicians Excess Medical Malpractice Program- Part M

The Adopted Budget accepts the proposal to extend the Physicians Excess Medical Malpractice program for one year.

Department of Health COLA- Part N

The Adopted Budget accepts the proposal to discontinue the cost of living adjustment (COLA) for certain Department of Health providers.

Early Intervention Reforms- Part O

The Adopted Budget rejects the changes to the screening and insurance reimbursement for the Early Intervention Program.

Elimination of Health Care Reform Act Programs- Part P

The Adopted Budget rejects the proposal to eliminate the ECRIP program and the hospital resident work hour audits.

Health Care Facility Transformation Program- Part Q

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.

Lead Inspections and Remediation- Part R

The Adopted Budget rejects the proposals to reduce exposure to lead paint by requiring municipalities to increase inspections and remediations of lead-based paint hazards in residential and non-residential buildings.

Regulatory Modernization Initiatives- Part S

The Adopted Budget accepts the proposals to allow DOM, OMH, and OASAS to provide integrated primary care without having to get extra licenses and the expansion of telehealth provisions to include residential health care facilities for people with special needs, credentialed alcoholism and substance abuse counselors, early intervention providers, certified day and residential OPWDD programs, and other OPWDD programs certified by the OPWDD commissioner.

Extenders- Part T

- The Adopted Budget accepts the proposals to:
 - Extend authorization for spousal budgeting in long-term waiver programs and the Care at Home I waiver through March 31, 2023;
 - Eliminate a trend factor for hospitals reimbursement; and
 - Extend DOH Commissioners authority to require supplemental rebates when generic drug process exceed a 75% price ceiling.

- The Adopted Budget adds language to:
 - Extend the authority of the Commissioner of Health to negotiate directly with drug manufacturers for supplemental rebates until 2023; and
 - Extend authorization for the Committee for Physicians' Health through March 31, 2023.

Adding Fentanyl and Synthetic Cannabinoids to Controlled Substance List- Part BB

The Adopted Budget modifies the proposal to add fentanyl and synthetic cannabinoids to the list of controlled substances by adding two new fentanyl analogs (instead of 19), ten synthetic cannabinoids (instead of 19), three new hallucinogens, and 20 new cannabimimetic agents to the list of controlled substances.

Physician Misconduct Provisions- Part CC

The Adopted Budget modifies the physician misconduct proposals to reject the increase of powers of the Commissioner of Health to investigate physician misconduct, but accepts the provisions that allow the suspension of a physician's license when they are "charged" with a felony (currently they must plead or been found guilty).

Pharmacists Authorized to Give Flu Shots to Children- Part DD

The Adopted Budget accepts the proposal to authorize pharmacists to give flu shots to children, but sunsets these provisions by July 1, 2020 (instead of making it permanent). In addition, new language is added to require a pharmacist who administers a flu vaccine to report it to the Department of Health within 14 days of administering it.

Storage of Forensic Rape Kits- Part HH

The Adopted Budget modifies the proposal in the Governor's Women's Agenda to require hospitals to store forensic rape kits for 20 years. Instead, the Adopted Budget requires all rape kits to be stored at a centralized location for up to 20 years. DCJS, DOH, and the Office of Victim Services must develop a plan for the storage of all rape kits in the state by 2020. Until that time, Hospitals must store the forensic rape kits. In addition, this new part adds provisions that ensure that sexual assault survivors are not charged for forensic rape exams and are notified before the destruction of the rape kits after the 20 year period.

Public Water System Consolidation Study- Part LL

The Adopted Budget includes a new provision to require the Department of Health to establish a study on ways for public water systems to consolidate into a single (or multiple) water systems.

Multiple Provisions- Part MM

The Adopted Budget includes several new provisions that:

- Place limits on audits of pharmacies by Pharmacy Benefit Managers (PBM);
- Prohibit clauses in contracts between pharmacies and PBMs that penalize pharmacists from disclosing the cost of a prescription to a consumer;
- Prohibit prior authorization for outpatient substance abuse treatment;
- Create a "Children and Recovering Mothers" program that provides care to expectant mothers with substance use disorders;

- Authorize schools to check the statewide immunization registry for the purpose of confirming that a student has been screened for lead when enrolling in child care, preschool or kindergarten;
- Establish a statewide plan for lead service line replacements; and
- Require insurance coverage of pasteurized human donor milk when ordered by a prescriber as medically necessary.

Opioid Stewardship Act- Part NN

The Adopted Budget includes a new provision that requires all manufacturers and distributors that sell opioids to pay an “opioid stewardship payment” based on their “ratable share” of the total amount of opioids sold in New York State, with a total payment capped at \$100 million. The manufacturer/distributor may not pass the cost of their ratable share payment along to the purchaser of the opioid. This payment is to be deposited into an Opioid Stewardship Fund, which shall be used to support programs operated, authorized, or approved by OASAS.

Article VII – Transportation, Economic Development, and Environmental Conservation

Lactation Rooms in Public Buildings- Part JJ

The Adopted Budget includes a new provision to require all public buildings owned by the state of New York, under the control and supervision of OGS, to have a private lactation room available for members of the public to express breast milk or breastfeed an infant.

Adult Changing Stations in Public Buildings- Part KK

The Adopted Budget includes a new provision to direct the Department of State and Office of General Services to issue a report by February 15, 2019 on the feasibility of installing at least one adult change station for persons with a physical disability in public buildings.

Diaper Changing Stations in Newly Constructed Buildings- Part LL

The Adopted Budget accepts the Governor’s Women’s Agenda proposal to require all newly constructed (or substantially renovated) buildings open to the public to contain at least one diaper changing station accessible to both male and female occupants on each floor that contains a public toilet.

Health Insurance Continuation Demonstration Program Extension- Part QQ

The Adopted Budget includes a new provision to extend the health insurance continuation demonstration program for Entertainment Industry Employees until July 1, 2019. This program assists employees in maintaining health insurance during episodic employment by providing assistance equal to 50% of the employees COBRA/continuation premiums.

Article VII – Education, Labor and Family Assistance

Feminine Hygiene Products in Schools- Part Q

The Adopted Budget includes the Governor’s Women’s Agenda proposal to require all public schools serving students in grades 6-12 to provide feminine hygiene products in the restrooms of the school buildings at no charge to the students.

Expert on Women’s Health on State Board of Medicine- Part S

The Adopted Budget includes the Governor’s Women’s Agenda proposal to require the State Board of Medicine to include at least one of the physician appointees to be an expert on reducing health disparities among demographic subgroups and one who is an expert on women’s health.

SUNY Stony Brook Eastern Long Island Hospital Affiliation Escrow Fund- Part Z

The Adopted Budget includes a new provision that creates a SUNY Stony Brook Eastern Long Island Hospital Affiliation escrow fund that will consist of all monies generated from Stony Brook Eastern Long Island Hospital and will only be able to be expended for the use of Stony Brook at Eastern Long Island Hospital.

Article VII – Revenue

Health Care Transformation Fund and Clawback of Excess Reserves- Part FFF

Subpart A: Creates a new Health Care Transformation Fund that will consist of any monies generated from the clawback of contingent reserves or any other transfer, grant, or contribution from any agency or other source. The moneys of the fund will be available for transfer by the Director of Budget for the purposes of supporting health care delivery, including capital investment, debt retirement or restructuring, housing and other social determinants of health, or transitional operating support to health care providers. The Legislature must be notified within 15 days after the transfer is complete.

Subpart B: Authorizes the Commissioner of Health to “redeploy” the contingent reserves of a not-for-profit Medicaid managed care plan if the reserves are above 150% of the mandatory minimum for two consecutive quarters, limited to an annual maximum of \$750 million. Proceeds from this proposal must be deposited into the newly created “Health Care Transformation Fund.” In addition, no plan may transfer or loan any funds on or after August 1, 2018 for the purpose of avoiding this proposal.

Increase in Healthcare Transformation Capital Program Funding- Part UUU

The Adopted Budget includes a new part to amend Part Q of the HMH bill to increase the amount of funding available for the Healthcare Transformation Program to \$525 million (up from \$475 in the HMH bill, and \$425 in the Executive Budget proposal).

Office of Medicaid Inspector General

State Operations

The Adopted Budget concurs with the Executive recommendation of \$50 million.

Developmental Disabilities Planning Council

State Operations

The Adopted Budget concurs with the Executive recommendation of \$4.8 million.

Justice Center for the Protection of People with Special Needs

State Operations

The Adopted Budget concurs with the Executive recommendation of \$55.8 million.

Aid to Localities

The Adopted Budget concurs with the Executive recommendation of \$649,000.

Office of Alcoholism and Substance Abuse

State Operations

The Adopted Budget concurs with the Executive recommendation of \$121.2 million.

Aid to Localities

The Adopted Budget provides \$561.5 million in All Funds support for Aid to Localities, which is an increase of \$11.9 million over the Executive recommendation. Notable changes include the following:

- \$2 million to restore Substance Abuse Prevention and Intervention Specialist (SAPIS) in New York City through the Department of Education;
- \$1.5 million for services and expenses of substance use disorder programs and services;
- \$250,000 for the Saratoga Hospital Medical Management Program;
- \$100,000 for the Addicts Rehabilitation Center Foundation, Inc.;
- \$50,000 for the YES Community Counseling Center;
- \$600,000 for the Family and Children's Association;
- \$425,000 for Save the Michaels of the World, Inc.;
- \$425,000 for Thomas Hope Foundation, Inc.;
- \$225,000 for New York State Alliance of Boys and Girls Club, Inc.;
- \$175,000 for Our Lady of Lourdes Memorial Hospital, Inc.;
- \$70,000 for the Council on Alcohol and Substance Abuse of Livingston County, Inc.;
- \$70,000 for Chenango County Community Services Board d/b/a Chenango County Behavioral Health Services;
- \$50,000 for the National Committee for the Furtherance Jewish Ed;
- \$50,000 for Rockland Council on Alcoholism, Inc.;
- \$40,000 for the Safe Foundation, Inc.;
- \$25,000 for Camelot of Staten Island, Inc.;
- \$350,000 for the development and implementation of a Recovery Community and Outreach Center; and
- \$250,000 for the development and implementation of an Adolescent Clubhouse.

Capital

The Adopted Budget provides \$100 million in Capital funding for OASAS, an increase of \$10 million over the Executive recommendation. This increase is to expand community substance abuse services including treatment recovery and prevention services.

Article VII – Health and Mental Hygiene

Independent Substance Use Disorder and Mental Health Ombudsmen- Part FF

The Adopted Budget adds a new part that creates an Independent Substance Use Disorder and Mental Health Ombudsman that will assist consumers and providers with mental health and substance use disorder insurance issues.

Certified Peer Recovery Advocate Program- Part GG

The Adopted Budget adds a new part that codifies the certified peer recovery advocate program that provides certification for peer advocates who are in recovery to provide services such as helping peers self-monitor, teaching coping skills, attending court and other hearings for support, facilitating peer support groups, and helping peers develop recovery plans.

Office of Mental Health

State Operations

The Adopted Budget provides \$2.29 billion in All Funds support, which is an increase of \$2.5 million over the Executive recommendation. This is attributed to the continuation of hospital-based restoration units.

Aid to Localities

The Adopted Budget includes \$1.5 billion in All Funds support, an increase of \$7 million over the Executive recommendation. Notable changes include the following:

- \$3.7 million for the Joseph P. Dwyer Veteran Peer to Peer Services Program;
- \$1 million for a School Mental Health Resource Training Center;
- \$925,000 for Crisis Intervention Teams and other mobile crisis programs;
- \$500,000 for Children's Prevention and Awareness Initiatives;
- \$450,000 for the Veterans Mental Health Training Initiative;
- \$400,000 for FarmNet;
- \$200,000 for Comunilife, Inc.;
- \$175,000 for the North Fork Mental Health Initiative;
- \$175,000 for the South Fork Mental Health Initiative;
- \$100,000 for the North Country Behavioral Healthcare Network;
- \$100,000 for the Mental Health Association in New York State, Inc.; and
- \$50,000 for Masaskim Corp.

In addition, the Adopted Budget also rejects the Executive \$850,000 proposal for the Jail Based Restoration Program.

Capital

The Adopted Budget includes \$434.5 million in Capital funding, which is an increase of \$10 million over the Executive recommendation. This increase supports the preservation, restructuring, or expansion of Children's Behavioral Health Services.

Article VII – Health and Mental Hygiene

Community Reinvestment for State Psychiatric Bed Closures- Part V

The Adopted Budget accepts the proposal to extend the requirement that the savings from the closure of State psychiatric center beds must be reinvested back into community resources until March 31, 2021.

Jail Based Restoration- Part W

The Adopted Budget rejects the proposal to authorize local jails or state correctional facilities to operate a mental health pod in the jail for the restoration to competency of felony defendants awaiting trial instead of sending these defendants to state psychiatric hospitals.

OMH and OPWDD Facility Directors Authorized to Serve as Representative Payees- Part X

The Adopted Budget accepts the proposal to extend the authority of facility directors of OMH and OPWDD facilities to act as representative payees to cover the cost of residents' care and treatment without violating their fiduciary duty.

Clarification of Tasks Performed By Unlicensed Mental Health, Social Work and Psychology Workers- Part Y

The Adopted Budget accepts the proposal to clarify the tasks that may be undertaken by unlicensed mental health, social work, and psychology practitioners. The Adopted Budget also extends the exemption for one year after the regulations are published in the State Register, but requires all state employees hired after such time to be licensed if performing services that require licensure.

Deferral of Human Services COLA- Part AA

The Adopted Budget accepts the proposal to defer the Human Services COLA for one year for OMH, OPWDD, OASAS, OTDA, NYSOFA, and OCFS providers.

Office for People with Developmental Disabilities

State Operations

The Adopted Budget includes \$2.19 billion in All Funds support for State Operations, which reflects an increase of \$250,000 over the Executive recommendation. These funds are for the development of a training program to provide instruction and information to firefighters, police officers, and emergency medical services personnel on appropriate recognition and response techniques for addressing emergencies involving individuals with autism spectrum disorders or other developmental disabilities.

Aid to Localities

The Adopted Budget includes \$2.4 billion in All Funds Support for Aid to Localities funding, an increase of \$2.3 million over the Executive recommendation. Notable modifications include:

- \$500,000 for the New York Alliance For Inclusion and Innovation;
- \$315,000 for Women's League Community Residences, Inc.;
- \$310,000 for Jawonio, Inc.;
- \$200,000 for New York Special Olympics, Inc.;

- \$150,000 for Project Refuah, Inc.;
- \$150,000 for ACHIEVE!;
- \$100,000 for Best Buddies International, Inc.;
- \$100,000 for Syracuse University;
- \$100,000 for In the Driver's Seat;
- \$75,000 for Bonim Lamokom Zichron Moshe Dov, Inc.;
- \$75,000 for Pesach Tikvah — Hope Development, Inc.;
- \$55,000 for the Developmental Disabilities Alliance of Western New York;
- \$50,000 for the YES Community Counseling Center;
- \$50,000 for the HASC Center, Inc.;
- \$50,000 for Life's Worc, Inc.;
- \$50,000 for the ARC Foundation of Rockland, Inc.; and
- \$25,000 for Otsar Family Services. Inc.

Capital

The Adopted Budget concurs with the Executive's proposed \$96.4 million in Capital funding.

Article VII – Health and Mental Hygiene

Extension of Demonstration Programs for People with Developmental Disabilities- Part U

The Adopted Budget accepts the proposal to extend time-limited demonstration programs for specialized in-patient psychiatry units for children and adults with intellectual or developmental disabilities to March 31, 2021.

OPWDD Waiver Authority- Part Z

The Adopted Budget accepts the proposal to update the authority of OPWDD to transition services to a newly submitted federal waiver and extends various authorizations relating to managed care and long-term care for people with developmental disabilities until 2023.

Medicaid Reimbursement for Independent Practitioners for Developmental Disabilities- Part EE

The Adopted Budget includes new provisions that authorize Independent Practitioner Services for people with Developmental Disabilities program to be eligible for reimbursement for individuals dually enrolled in Medicaid and Medicare.

Notice Requirements for Closure of Individualized Residential Alternatives- Part II

The Adopted Budget includes new provisions that expand the time frame for when the State must notify labor organizations about the closure of an Individualized Residential Alternatives from 45 days to 90 days.

Autism Awareness Training for First Responders- Part JJ

The Adopted Budget includes new provisions that develops a training program for police officers, firefighters, and emergency medical services personnel on emergency situations involving people with autism spectrum disorder and other developmental disabilities.

Insurance

Increased Penalties for Violations of the Insurance Law- Part O

The Adopted Budget omits Part O in its entirety, which had proposed increased penalties for violations of the Insurance Law. Current law authorizes the Superintendent of the Department of Financial Services to assess penalties on any insurer, broker, adjuster, or agent who they find has willfully violated any of the provisions of the Insurance Law. The Governor proposed to increase the penalties for failure to pay a claim or making a false statement to the Superintendent by at least 1,000% (from \$1,000 to the greater of \$10,000) for each offense, a multiple of two times the aggregate damages attributable to the violation, or a multiple of two times the aggregate economic gain attributable to the violation.

Higher Education

State Operations

CUNY

The Adopted Budget modifies the Executive proposal by including the following:

- An additional \$4.7 million for the SEEK Program, bringing total funding to \$28.1 million;
- \$1.2 billion in tuition revenue, reflecting an increase of \$31.3 million in tuition revenue for Phase II of the \$200 tuition increase;
- The budget allows for proceeds from the sale of a certain CUNY building to replace State support up to \$60 million if the building should sell;
- An additional \$4 million for Senior Colleges and Community Colleges to provide open educational resources for students enrolled in high enrollment courses; and
- Increases funding by \$1.5 million for the School of Labor and Urban Studies, bringing total funding to \$3.6 million.

SUNY

The Adopted Budget modifies the Executive proposal by providing funding for the following programs:

- \$1.9 billion in tuition revenue, reflecting an increase of \$21.8 million in tuition revenue for Phase II of the \$200 tuition increase;
- \$7 million restoration for the SUNY Educational Opportunity Centers, \$2 million of this restoration would go to the ATTAIN Labs Program;
- \$5.4 million restoration for the Educational Opportunity Programs, bringing total funding to \$32.2 million;
- \$1.5 million for Small Business Development Centers, a restoration of a prior-year legislative add;
- \$1.4 million in operating support to various programs in member's districts;
- \$92 million restoration for SUNY Hospitals. This restores a \$78.6 million cut and provides an additional \$13.4 million; and
- \$4 million increase for Senior Colleges and Community Colleges to provide resources for students enrolled in high enrollment courses.

The Adopted Budget modifies the Executive proposal by increasing various Opportunity Programs as follows:

State Operations Opportunity Programs				
Program	Executive	Adopted	\$ Change	% Change
SEEK	\$23,397,000	\$28,077,000	\$4,680,000	20%
Educational Opportunity Program	\$26,808,000	\$32,170,000	\$5,362,000	20%
Educational Opportunity Centers	\$55,036,300	\$62,036,000	\$7,000,000	13%
Graduate Diversity Fellowship	\$6,039,300	\$6,639,000	\$600,000	10%

Higher Education Services Corporation

The Adopted Budget concurs with the Executive proposal of \$61.7 million.

Aid to Localities

The Adopted Budget modifies the Executive proposal by increasing Community College Base Aid by \$100 per FTE. The appropriations for both SUNY and CUNY, as well as the total aid per FTE are seen in the table below.

Community College Base Aid					
Program	Executive Per FTE	Executive Appropriation	Adopted Per FTE	Adopted Appropriation	\$ Change
CUNY	\$2,747	\$232,214,000	\$2,847	\$238,531,000	\$6,317,000
SUNY	\$2,747	\$441,420,000	\$2,847	\$453,485,000	\$12,065,000

The Adopted Budget modifies the Executive proposal by increasing various Opportunity Programs as follows:

Aid to Localities Opportunity Programs				
Program	Executive	Adopted	\$ Change	% Change
College Discovery	\$1,124,400	\$1,349,400	\$225,000	20%
ASAP	\$0	\$2,500,000	\$2,500,000	100%

CUNY Pipeline	\$0	\$187,500	\$187,500	100%
GAPP	\$0	\$0	\$0	0%

CUNY

The Adopted Budget modifies the Executive proposal by providing additional funding for the following programs:

- \$902,000 restoration for child care services bringing total funding to \$1.7 million; and
- \$1.1 million for the CUNY School for Labor and Urban Studies, bringing total funding to \$1.6 million.

SUNY

The Adopted Budget modifies the Executive proposal by providing additional funding for the following programs:

- \$1.1 million restoration for child care services bringing total funding to \$2.1 million;
- \$3 million for the Next Generation Jobs Linkage program; and
- \$1.9 million for workforce development and contract courses at SUNY Community Colleges.

Higher Education Services Corporation

The Adopted Budget modifies the Executive proposal by rejecting appropriation language that would allow undocumented immigrants to become eligible for TAP awards. The Adopted Budget provides \$118 million for phase-II of the Excelsior Scholarship, and \$23 million for the second phase of the Enhanced Tuition Award.

The Adopted Budget modifies the Executive proposal by providing funding for the following programs:

- \$4 million for STEM Incentive Scholarships for students attending private degree granting institutions;
- \$3.1 million for the New York State Part-Time Scholarship Award Program; and
- \$1 million for the Teacher Loan Forgiveness Program.

Capital Projects

CUNY

The Adopted Budget concurs with the Executive Capital Projects recommendations with funding distributed as follows:

Institution	Executive 2018-19	Enacted 2018-19
Baruch College	\$2,511,000	\$2,511,000
Brooklyn College	\$5,433,000	\$5,433,000
City College	\$8,136,000	\$8,136,000
Graduate School and University Center	\$25,000	\$25,000
Honors College	\$25,000	\$25,000
Hunter College	\$5,799,000	\$5,799,000
John Jay College of Criminal Justice	\$3,193,000	\$3,193,000
Lehman College	\$2,438,000	\$2,438,000
Medgar Evers	\$3,096,000	\$3,096,000
New York City College of Technology	\$3,485,000	\$3,485,000
Queens College	\$5,433,000	\$5,433,000
College of Staten Island	\$2,877,000	\$2,877,000
York College	\$3,899,000	\$3,899,000

Health and Safety Needs	\$9,270,000	\$9,270,000
Preservation of Facilities	\$12,463,000	\$12,463,000
Mechanical & Infrastructure Needs	\$7,210,000	\$7,210,000
ADA Needs	\$6,180,000	\$6,180,000
Occupancy/ Public Assembly Needs	\$2,060,000	\$2,060,000
Energy Conservation Needs	\$4,120,000	\$4,120,000
Science Lab Upgrade Needs	\$2,060,000	\$2,060,000
Bathroom Upgrade Needs	\$1,030,000	\$1,030,000
Educational Technology Initiatives	\$6,695,000	\$6,695,000
Science & Technology Upgrade Needs	\$5,047,000	\$5,047,000
CUNY TV Renovations	\$515,000	\$515,000
University-Wide Priority Projects	\$181,222,000	\$181,222,000
Senior College Total	\$284,222,000	\$284,222,000
City Community College State Share	\$48,483,000	\$48,483,000
Community College Total	\$48,483,000	\$48,483,000

SUNY

The Adopted Budget concurs with the Executive Capital Projects recommendations, and provides an additional \$200 million for Senior Colleges, and \$35.6 million for Community Colleges with funding distributed as follows:

Institution	Executive 2018-19	Enacted 2018-19	\$ Change
Albany	\$9,685,000	\$22,312,000	\$12,627,000
Alfred Ceramics	\$857,000	\$1,974,000	\$1,117,000
Alfred State	\$2,358,000	\$5,432,000	\$3,074,000
Binghamton	\$10,762,000	\$24,793,000	\$14,031,000
Brockport	\$5,521,000	\$12,719,000	\$7,198,000
Brooklyn Health Center	\$3,681,000	\$8,480,000	\$4,799,000
Buffalo College	\$6,476,000	\$14,917,000	\$8,441,000
Buffalo University	\$18,002,000	\$41,473,000	\$23,471,000
Canton	\$1,827,000	\$4,209,000	\$2,382,000
Cobleskill	\$1,927,000	\$4,439,000	\$2,512,000
Cornell	\$9,924,000	\$22,863,000	\$12,939,000
Cortland	\$4,799,000	\$11,056,000	\$6,257,000
Delhi	\$1,849,000	\$4,260,000	\$2,411,000
Empire State	\$411,000	\$947,000	\$536,000

Environmental Science and Forestry	\$2,423,000	\$5,582,000	\$3,159,000
Farmingdale	\$4,999,000	\$11,517,000	\$6,518,000
Fredonia	\$3,763,000	\$8,669,000	\$4,906,000
Geneseo	\$3,571,000	\$8,227,000	\$4,656,000
Maritime	\$1,809,000	\$4,168,000	\$2,359,000
Morrisville	\$2,316,000	\$5,336,000	\$3,020,000
New Paltz	\$4,898,000	\$11,284,000	\$6,386,000
Old Westbury	\$2,521,000	\$5,808,000	\$3,287,000
Oneonta	\$4,016,000	\$9,252,000	\$5,236,000
Optometry	\$901,000	\$2,076,000	\$1,175,000
Oswego	\$5,760,000	\$13,270,000	\$7,510,000
Plattsburgh	\$3,756,000	\$8,653,000	\$4,897,000
Potsdam	\$3,896,000	\$8,976,000	\$5,080,000
Purchase	\$4,183,000	\$9,637,000	\$5,454,000
State University Plaza	\$1,479,000	\$3,407,000	\$1,928,000
Stony Brook (including Health Science Center and Long Island Veterans Home)	\$21,315,000	\$49,105,000	\$27,790,000

Syracuse Health Science Center	\$2,676,000	\$6,165,000	\$3,489,000
SUNY Polytechnic	\$1,039,000	\$2,394,000	\$1,355,000
Alterations & Improvements	\$196,600,000	\$196,600,000	\$0
Senior Colleges Total	\$350,000,000	\$550,000,000	\$200,000,000
Upstate University Hospital	\$50,000,000	\$50,000,000	\$0
Stony Brook University Hospital	\$50,000,000	\$50,000,000	\$0
Hospital Total	\$100,000,000	\$100,000,000	\$0
Community College State Share	\$38,666,000	\$74,270,000	\$35,604,000
Community College Total	\$38,666,000	\$74,270,000	

Higher Education Capital Matching Grants Program (HECAP)

The Adopted Budget includes an additional \$30 million for a new round of HeCap Grants. This program allows independent institutions to apply for capital projects funding from the State. Institutions must provide a 3:1 match for State funding.

Article VII – Education, Labor and Family Assistance

DREAM Act- Part E

The Adopted Budget rejects the Executive proposal to establish the DREAM Act.

SUNY and CUNY Chargeback Methodology- Part P

The Adopted Budget accepts the Senate proposal repealing change to the methodology for calculating chargeback rates by SUNY and CUNY.

Excelsior Scholarship- Part T

The Adopted Budget accepts the Assembly proposal allowing students to qualify for excelsior scholarship awards if a student's income during the year falls to a level that would make them eligible.

Free Tuition Course at CUNY for Firefighters - Part U

The Adopted Budget accepts the Senate proposal permitting NYC firefighters to take one tuition-free course at CUNY if it is related to their employment.

Foster Youth College Success Initiative- Part V

The Adopted Budget adds a new provision providing supplemental housing and meals for foster youth not enrolled in a SUNY post-secondary opportunity program as part of the Foster Youth College Success Initiative.

Enhanced Tuition Awards- Part W

The Adopted Budget accepts the Senate and Assembly proposal allowing enhanced tuition awards to be available to students who are enrolled in proprietary (for-profit) colleges.

NYS Teacher Loan Forgiveness Program- Part AA

The Adopted Budget accepts the Senate proposal granting student loan forgiveness awards of up to \$5,000 to certain teachers. To qualify for the grant award a teacher must be working in either an area with a teacher shortage, a hard to staff district, or must be economically disadvantaged.

NYS STEM Incentive Program- Part BB

The Adopted Budget accepts the Senate and Assembly proposal extending grant awards for undergraduate students pursuing careers in science, technology, engineering, or mathematics to include students attending private degree-granting institutions of higher education. Currently, these awards are only available to students at state public institutions. For students attending public institutions the grant awards will be available for all who qualify. For students attending private degree-granting institutions, however, their awards will come from a separate budget appropriation and the number of awards will be contingent on the availability of funds based on that year's appropriation.

Housing, Construction and Community Development

Division of Housing and Community Renewal

State Operations

The Adopted Budget decreases the Executive All Funds recommendation by \$4.5 million, bringing the total All Funds appropriation to \$92.9 million. The \$4.5 million reduction reflects the deletion of the explicitly lined-out appropriation for the Tenant Protection Unit; however, the Tenant Protection Unit is funded through additional DHCR internal resources.

Aid to Localities

The Adopted Budget increases the Executive All Funds recommendation by appropriating an additional \$6.3 million, bringing the total All Funds appropriation to \$90.1 million. The \$6.3 million in additional funding is broken down as follows:

- \$75,000 for the Neighborhood Housing Services of Queens, CDC Inc.;
- \$20,000 for the North Brooklyn Development Corporation;
- \$4.4 million for the Neighborhood Preservation Program, including a \$150,000 set-aside for the Neighborhood Preservation Coalition; and

- \$1.8 million for the Rural Preservation Program, including a \$150,000 set-aside for the Rural Housing Coalition.

The Adopted Budget amends reappropriation language relating to the Access to Home for Heroes Program, which originally appropriated \$19.6 million in FYs 16 and 17, to coincide with new Article VII language. This program is available to disabled veterans to retrofit their homes to improve disability access.

Capital Projects

The Adopted Budget increases the Executive All Funds recommendation by appropriating an additional \$250 million, bringing the total All Funds appropriation to \$479.2 million. Capital funds are broken down as follows:

- \$1 million for Access to Home;
- \$26 million to the Affordable Housing Corporation;
- \$14 million for the Homes for Working Families Program;
- \$1.4 million for the Housing Opportunities for the Elderly (HOPE) Program;
- \$132 million for the five-year, \$2.5 billion overall Housing Program;
- \$44.2 million for the Low Income Housing Trust Fund; and
- \$4.2 million for the Main Street Program.

The appropriation below was not included in the Executive recommendation, but is part of the Adopted Budget:

- \$250 million for the New York City Housing Authority Program (“NYCHA”) to address issues relating to conditions of governance and habitability, including, but not limited to, heating, mold, or lead. The utilization of these funds is contingent on new Article VII language, which establishes a new §402-d of the Public Housing Law.
 - Note: the \$200 million appropriated to NYCHA as part of last year’s budget can only be spent once the plan is established under §402-d for this appropriation.

Article VII – Public Protection and General Government

Mobile Home Resident Registration- Part D

The Adopted Budget omitted the Executive Budget proposal to require mobile home park owners to file registration statements on a more frequent basis, and to include the names of all residents and tenants residing in the park, for purposes of administering the STAR credit and STAR exemption programs.

Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE) Program- Part X

The Adopted Budget codifies the Residential Emergency Services to Offer Home Repairs to the Elderly (RESTORE) Program and makes changes to the existing program. The program allows DHCR to contract with entities to issue grants or loans for the actual costs of the Residential Emergency Services to Offer (HOME) Repairs to the RESTORE Program. Under the current program, which is administered on the local level by municipalities and not-for-profit organizations, homeowners must be 60 years of age or older and must have a household income of up to 80% AMI. Work on 1-4 unit dwellings cannot exceed \$5,000 per building. The new

program allows loans or grants of up to \$10,000 per building to be distributed to homeowners 60 years of age or older with a household income of up to 100% AMI.

Access to Home for Heroes- Part Y

The Adopted Budget creates the Access to Home for Heroes program, which authorizes HCR to administer grants to local organizations for retrofitting housing to be accessible for income eligible disabled veterans. The Housing Trust Fund Corporation will contract with cities, towns, villages, or not-for-profit corporations for those entities to make grants to retrofit the primary residence of disabled veterans. Under current law, veterans disabled during their war service, with an income at or below 120% AMI, are eligible for Access to Home program loans or grants, which are also available to non-veteran disabled residents with incomes at or below 80% AMI who need financial help to retrofit their homes to be accessible. The new program provides residential retrofit grants or loans to a larger pool of veterans.

Decoupling the SLIHTC from the Federal LIHTC- Part PP

The Adopted Budget authorizes the state low-income housing tax credits (SLIHTCs) to be allocated without regard to, and in a separate manner from, any federal low income housing tax credits (LIHTC). Taxpayers who receive SLIHTCs may transfer their SLIHTC to another person or entity separately from any LIHTC the taxpayer is allowed, regardless of whether the transferee has any ownership interest in the building. The transferee may not transfer the SLIHTC acquired from the original taxpayer and the parties would need to execute a transfer contract. Prior to the transfer, the taxpayer must submit a detailed statement describing the amount of the SLIHTC, the proposed recipient, and any other information required by the commissioner of HCR. The original taxpayer remains solely liable for the obligations and liabilities of the SLIHTC, none of which will apply to the transferee.

State of New York Mortgage Agency

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$76.8 million.

Aid to Localities

The Adopted Budget concurs with the Executive All Funds recommendation of \$145.9 million.

Article VII – Revenue

Excess MIF Reserves- Part WW

The Adopted Budget authorizes the following uses of excess Mortgage Insurance Fund (MIF) reserves:

- \$23.6 million for the Homes and Community Renewal (HCR) Rural Rental Assistance Program (RRAP) to provide direct rent subsidies to affordable housing project owners for low-income elderly and family tenants residing in multifamily projects in rural areas of New York State;
- \$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; and
 - \$9 million in municipal relief for the City of Albany (for a total of \$12 million for Albany, with the \$3 million appropriated in the ATL bill).

Attorney General

Article VII – Transportation, Economic Development and Environmental Conservation

Adds “Reverse Mortgage” as Home Loans- Part HH

The Adopted Budget adds “reverse mortgages” to the definition of home loans, for purposes of providing foreclosure protections to homeowners. There is an exception if the default is triggered by the death of the last surviving borrower unless their spouse or last successor in interest reside on the property. This proposal adds a new notice requirement on mortgage loan services who commence legal action against the borrower with regard to a reverse mortgage home loan.

New York City Housing Authority (NYCHA)

Article VII – Revenue

New York City Housing Authority Facilities Modernization Investment Act- Part LLL

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.

New York City Emergency Management Act- Part PPP

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.

Human Services

State Office for the Aging (SOFA)

State Operations

The Adopted Budget concurs with the Executive recommendation of \$11.3 million.

Aid to Localities

The Adopted Budget provides \$245.6 million for SOFA Aid to Localities programs, an increase of \$9 million above the Executive proposal. This is attributed to legislative adds for various aging programs including:

- Community Services for the Elderly (CSE) - \$29 million;
- Additional Funding for Services and Expenses of CSE - \$1.5 million;
- Expanded In-home, Case Management and Ancillary Community Services for the Elderly (EISEP) - \$50.1 million
- Caregiver Resource Centers-\$353,000
- Wellness in Nutrition (WIN) Program (formally SNAP) - \$27.5 million
- Long-Term Care Ombudsman Program - \$1.2 million
- Respite Services to the Elderly - \$700,000
- Social Model Adult Day Services - \$1 million
- Transportation Services for the Elderly - \$1.1 million
- Health Insurance Information, Counseling and Assistance Program - \$1 million
- Naturally Occurring Retirement Communities (NORCs)- \$2 million
- Additional Funding for Existing NORCs Contracts - \$2 million
- Neighborhood Naturally Occurring Retirement Communities (NNORCs)- \$2 million
- Additional Funding for Existing NNORCs Contracts - \$2 million
- Medicare Rights Center - \$793,000
- Lifespan of Greater Rochester, Inc. (Elder Abuse Outreach Program) - \$200,000
- Elder Abuse Education and Outreach Programs (other than Lifespan) - \$745,000
- Congregate Services Initiative (CSI) - \$400,000
- Lifespan of Greater Rochester, Inc. for Sustainability and Expansion of Enhanced Multidisciplinary Review Teams - \$500,000
- Older Adults Technology Services, Inc. - \$250,000
- New York State Senior Action Council, Inc. - \$354,000
- New York State Senior Action Council, Inc. Hotline - \$32,000

Division of Human Rights (DHR)

State Operations

The Adopted Budget concurs with the Executive recommendation of \$18 million.

Nonprofit Infrastructure Capital Improvement Program (NICIP)

Capital Projects

The Adopted Budget does not provide new funding for the Nonprofit Infrastructure Capital Improvement Program. This program funds human services organizations to assist in various capital and technological upgrades.

Office of Children and Family Services (OCFS)

State Operations

The Adopted Budget provides \$479.7 million, an increase of \$5.7 million above the Executive recommendation, associated with the delayed closure of the Ella McQueen Reception Center in Brooklyn.

Capital Projects

The Adopted Budget concurs with the Executive recommendation of \$92.7 million.

Aid to Localities

The Adopted Budget provides \$3.4 billion for OCFS aid to localities programs, an increase of \$200 million above the Executive proposal. The increase is attributed in part to a \$130 million increase for child care and \$1.5 million for child care facilitated enrollment for NYC (\$500,000-Manhattan, Bronx, Brooklyn, Staten Island, and Queens), Onondaga (\$500,000), and Erie (\$500,000) counties. The remaining \$68.5 million in increased funding is attributed to program restorations and legislative adds for various children and families programs.

The Adopted Budget provides the following funding allocations for OCFS programs:

- Child Care Subsidies (General Fund) - \$285.8 million
- Advantage Afterschool Program - \$22.3 million (\$5 million add)
- Youth Development Delinquency Prevention (YDDP)/Special Delinquency Prevention Program (SDPP) Programs - \$15.6 million (\$1.5 million add)
- Post Adoption Services - \$7 million
- Runaway and Homeless Youth (RHY) Program - \$4.5 million
- Foster Care Block Grant - \$383.5 million
- Child Care Facilitated Enrollment - \$1.5 million
 - \$500,000 for child care facilitated enrollment in New York City;
 - \$500,000 for child care facilitated enrollment in Onondaga County; and,
 - \$500,000 for child care facilitated enrollment in Erie County.
- Close to Home Initiative - \$0
- Adoption Subsidies - \$187.9 million
- Child Welfare Services Programs - \$635.1 million
- Community Optional Preventive Services (COPS) Program - \$12.1 million
- Kinship Programs - \$660,000
- Kinship/Relative Caregiver Program - \$1.9 million
- Home Visiting Program - \$23.3 million
- Child Care Professional Development (UFT) - \$2.5 million
- Child Care Quality (UFT) - \$2 million

- Child Care Professional Development (CSEA) - \$1.5 million
- Child Care Quality (CSEA) - \$2.5 million
- Settlement Houses - \$2.5 million (No TANF appropriation in the OTDA Budget)
- Safe Harbor Sexually Exploited Youth Programs - \$3 million
- 2-1-1 - \$1.25 million
- New York State YMCA Foundation - \$400,000
- Helen Keller Services for the Blind - \$50,000
- Child Advocacy Centers - \$7.2 million (\$2 million add)
- Child Protective Services Staff to Client Ratios - \$758,000
- Community Reinvestment Programs - \$700,000;
- Minimum Wage Increases for Nonprofit Humans Services Agencies - \$15 million
- Nonprofit Human Services Organizations- for Services and Expenses - \$5 million

The Adopted Budget provides spending authorization for \$130 million in anticipated new Federal funding for child care, as follows:

- Makes up to \$80 million available for activities needed to comply with the Federal Child Care Development Block Grant Reauthorization Act of 2014; and
- Makes at least \$10 million available to expand the availability of child care subsidies.

Other Initiatives

- The Adopted Budget does not include the Executive proposal to cap reimbursement to New York City for various child welfare services at \$320 million.
- The Adopted Budget concurs with the Executive proposal to shift the full cost of the Close to Home Initiative to New York City. There is no new funding included in the Adopted Budget for the Close to Home Initiative.
- The Adopted Budget concurs with the Executive recommendation of \$100 million in all funds for Raise the Age related expenses.

Office of Temporary and Disability Assistance (OTDA)

State Operations

The Adopted Budget concurs with the Executive recommendation of \$435 million.

Capital Projects

The Adopted Budget concurs with the Executive recommendation of \$64 million.

Aid to Localities

The Adopted Budget provides \$5.3 billion for OTDA Aid to Localities programs, an increase of \$4.5 million above the Executive proposal. The increase is attributed to a \$1.5 million restoration to the Disability Advocacy Program, various legislative adds, and the restoration of TANF programs.

The Adopted Budget provides the following funding allocations for OTDA programs:

- Refugee Resettlement Agencies - \$2 million (restoration)
- New York City Shelter Allowances - \$15 million
- Disability Advocacy Program - \$4.1 million (\$1.5 million add)

- Comprehensive Support and Case Management Services for Unaccompanied at-risk Youth within Nassau and Suffolk Counties - \$1 million

The Adopted Budget provides the following funding allocations for TANF programs:

- Public Assistance - \$1.4 billion
- Child Care Subsidies (TANF) - \$308 million
- Summer Youth Employment Program (SYEP) - \$40 million (This is an increase of \$4 million in program funding over last year to cover the minimum wage increase and will not be used to create additional program participant slots)
- Non-residential Domestic Violence - \$3 million
- Flexible Fund for Family Services - \$964 million
- ACCESS Welfare-to-Careers - \$800,000
- ATTAIN (Advanced Technology Training and Information Networking) - \$4 million
- Career Pathways - \$2.9 million
- Centro of Oneida - \$25,000
- Child Care Demonstration Projects in NYC/Monroe County - \$5.9 million
- Child Care Demonstration Projects in the Capital Region/Oneida County - \$2.5 million
- Child Care SUNY - \$193,000
- Child Care CUNY - \$141,000
- Preventive Services for Foster Care Families - \$1.57 million
- Rochester-Genesee Regional Transportation Authority - \$82,000
- Strengthening Families Through Stronger Fatherhood - \$200,000
- Wage Subsidy - \$475,000
- Wheels for Work - \$144,000

TANF Programs	FY 19 Adopted Budget (Thousands)
ACCESS - Welfare-to-Careers	\$800
Advanced Technology Training and Information Networking (ATTAIN)	\$4,000
Career Pathways	\$2,850
Centro of Oneida	\$25
Child Care CUNY	\$141
Child Care Demonstration Projects (UPS)	\$2,549

Child Care Demonstration Projects (NYC)	\$6,000
Child Care Subsidies	\$307,691
Child Care SUNY	\$193
Flexible Fund for Family Services	\$964,000
Non-residential Domestic Violence	\$3,000
Preventive Services	\$1,570
Rochester-Genesee Regional Transportation Authority	\$82
Strengthening Families through Stronger Fathers	\$200
Summer Youth	\$31,000
Wage Subsidy	\$475
Wheels for Work	\$144
Total TANF Initiatives	\$1,324,720

The Adopted Budget concurs with the Executive proposal to include appropriation language to allow the State to withhold funds from, or deny reimbursement to, local social services districts who fail to develop, submit, or implement an approved outreach plan or an approved homeless services plan.

Office of the Welfare Inspector General (OWIG)

State Operations

The Adopted Budget concurs with the Executive recommendation of \$1.4 million.

Pay for Success Contingency Reserve

Aid to Localities

The Adopted Budget concurs with the Executive recommendation of \$69 million.

Article VII – Education, Labor and Family Assistance

Extension of Close to Home Initiative (CTH) - Part G

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- Part H

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).

Youth Development Program Extender- Part I

The Adopted Budget accepts the Executive’s Budget proposal for a straight three-year extender of the Youth Development Program until December 31, 2021. In 2013, two delinquency programs within OCFS were consolidated into a new Youth Development Program, with restructured administration and increased program flexibility. The program was slated to expire on December 31, 2018.

Extender of OCFS Authority to Contract with BOCES- Part J

The Adopted Budget accepts the Executive proposal to extend OCFS’ authority to contract with the Board of Cooperative Educational Services (BOCES) for educational services for three more years, until June 30, 2021. BOCES provides special education, music, art, foreign language, and technical education services to youth in OCFS’ custody. As the overall contract for services was slated to expire on June 30, 2018, the budget allows for a three-year extender.

Authorization Granted to DASNY to Provide Capital Construction Services to OCFS- Part K

The Adopted Budget accepts the Governor’s proposal to include the Office of Children and Family Services (OCFS) to the list of eligible entities to whom the Dormitory Authority of the State of New York (DASNY) is authorized to provide capital design and construction services. This authorization is linked to the Raise the Age implementation.

Savings Plan Program for Public Assistance Recipients (City of New York)- Part DD

The Adopted Budget accepts the Assembly’s proposal to create a savings plan program for public assistance recipients in the City of New York only. Temporary housing assistance recipients are required to contribute a portion of their earned income to a savings account, in an effort to help them save money and transition to permanent housing. Failure to participate in the program will result in a loss of temporary housing assistance. A comprehensive report is due to the Governor and legislative leaders by December 31, 2021, and the program is deemed expired as of March 31, 2022.

Article VII – Revenue

Pass-Through Authorization of any Federal SSI and COLA- Part YY

The Adopted Budget accepts the Governor's proposal to statutorily raise the personal needs allowance (PNA) and monthly Supplemental Security Income (SSI) standard of need for various New Yorkers who receive this assistance, based upon the recent cost of living increase (COLA) at the federal level. This annual budgetary occurrence will take effect December 31, 2018.

Rental Subsidy Cap for HIV/AIDS Public Assistance Recipients (Rest of State)- Part ZZ

The Adopted Budget accepts the Governor's proposal to allow all local social services districts, outside of New York City, to opt-in to limit a public assistance recipient's rental contribution to 30% of their unearned/earned income if the recipient is diagnosed with HIV or AIDS. Under current Social Services law, only New York City is permitted to offer this rental benefit. This benefit will be offered at local option and in accordance with a plan approved by the Office of Temporary and Disability Assistance.

Increased Bond Authorization of NY Urban Development Corporation (Raise the Age)- Part BBB

The Adopted Budget authorizes the New York Urban Development Corporation to issue bonds, notes and other obligations in an aggregate principal amount not to exceed \$8,082,899,000 in relation to Raise the Age (section 32 of the Part). The previous bond cap was \$7,741,199,000. The proceeds of such bonds shall be paid to the state to pay for appropriations (or reappropriations) made to the Department of Corrections and Community Supervision for capital projects.

The Adopted Budget also authorizes the New York Urban Development Corporation to issue bonds, notes and other obligations in an aggregate principal amount not to exceed \$769,615,000 in relation to Raise the Age (section 45 of the Part). The previous bond cap was \$682,915,000. The proceeds of such bonds shall be paid to the state to pay for appropriations (or reappropriations) made to the Office of Children and Family Services for capital projects.

Judiciary

The Adopted Budget for the Judicial Branch provides a total appropriation of \$3.06 billion to support the New York State Unified Court System. This appropriation includes an all funds appropriation of \$2.27 billion and a General State Charges appropriation of \$788.6 million.

Article VII – Public Protection and General Government

Indigent Defense Plans- Part MM

The Adopted Budget requires bar associations that provide indigent legal defense and required representation in Family and Surrogate's Courts for a county to have their representation plan approved by the Office of Indigent Legal Services, rather than the Office of Court Administration. The proposal also requires public defender agencies to file annual reports with the Chief Administrator of the Courts and the Office of Indigent Legal Services, rather than the judicial conference.

Article VII – Transportation, Economic Development and Environmental Conservation

Extension of Secretary of State Fees for Expedited Handling of Documents- Part S

The Adopted Budget extends for one year the Secretary of State's authorization to charge extra fees for the special handling and expedited service of documents filed or issued by the division of corporations. The authorization is now set to expire on March 31, 2019.

Article VII – Revenue

New Supreme Court Justices- Part XX

The Adopted Budget creates five new State Supreme Court Justices. One Justice will be added in each of the following districts:

- 9th District (Dutchess, Orange, Putnam, Rockland, & Westchester)
- 10th District (Nassau & Suffolk)
- 11th District (Queens)
- 12th District (Bronx)
- 13th District (Staten Island)

Rejected Proposals

The Adopted Budget rejected the following Executive proposals:

- Certifications of full workdays for state trial judges (PPGG)
- Civil asset forfeiture reform (PPGG)
- Child Victims Act (PPGG)
- Lower interest rate on judgments (PPGG)
- Shifting burden of mailing service on business entities to plaintiffs instead of Secretary of State (TEDE)
- Requiring real property transfer report filings for cooperative unit transfers (REV)

The Adopted Budget rejected the following Assembly proposals:

- Civil asset forfeiture reform (PPGG)
- Direct a percentage of civil forfeiture proceeds to diversion purposes (PPGG)
- Require reporting on misdemeanors, violations, and arrest-related deaths (PPGG)
- Authorize service of process on business entities through the Secretary of State's New York City office (TEDE)

The Adopted Budget rejected the following Senate proposals:

- Cap on tobacco company undertakings for appeals (REV)

Labor and Workforce

Department of Labor

State Operations

The Adopted Budget increases the Executive All Funds recommendation by \$1 million, bringing the total All Funds appropriation to \$571 million. The additional \$1 million is to be used for personal service expenses relating to wage theft investigations.

Aid to Localities

The Adopted Budget increases the Executive All Funds recommendation by \$14.5 million, bringing the total All Funds appropriation to \$3.06 billion. The \$14.5 million added to the Adopted Budget is broken down as follows:

- \$1.6 million for Displaced Homemaker Services;
- \$200,000 for the New York Committee for Occupational Safety and Health (NYCOSH), located on Long Island;
- \$200,000 for a Building Trades Pre-Apprenticeship Program (BTPAP) in Rochester administered by the Workforce Development Institute (WDI);
- \$200,000 for a BTPAP in Nassau County administered by WDI;
- \$200,000 for a BTPAP in Western New York administered by WDI;
- \$3 million for a manufacturing initiative administered by the NYS AFL-CIO WDI;
- \$100,000 for the Rochester Tooling and Machining Institute, Inc.;
- \$400,000 for a logger job training program administered by the AFL-CIO WDI in partnership with the North American Logger Training School at Paul Smith's College;
- \$150,000 for the NYS AFL-CIO Cornell Leadership Institute;
- \$150,000 for the Domestic Violence Program of the Cornell University School of Industrial and Labor Relations in partnership with the NYS AFL-CIO;
- \$300,000 for the Worker Institute at Cornell University;
- \$50,000 for the Industrial Labor Relations School at Cornell University;
- \$400,000 for YouthBuild programs located in NYS;
- \$200,000 for the Western New York Council on Occupational Safety and Health;
- \$750,000 to the Manufacturers Association of Central New York, Inc.;
- \$140,000 to the Tioga County Chamber of Commerce;
- \$140,000 to the Greater Olean Chamber of Commerce – Cattaraugus County;
- \$140,000 to the Hornell Chamber of Commerce – Steuben County;
- \$140,000 to the Plattsburgh North Country Chamber of Commerce;
- \$140,000 to the Tompkins County Chamber of Commerce;
- \$140,000 to the Greater Binghamton Chamber of Commerce – Broome County;
- \$140,000 to the Brooklyn Chamber of Commerce – Kings County;
- \$350,000 for the New York Committee on Occupational Safety and Health (NYCOSH);
- \$30,000 for the Office of Adult and Career Education Services;
- \$100,000 for Jubilee Homes of Syracuse, Inc.;
- \$300,000 for the Summer of Opportunity Youth Employment Program – Rochester;
- \$500,000 for The Solar Energy Consortium;
- \$4 million for the NYS AFL-CIO WDI;
- \$140,000 for the NYS Pipe Trades solar thermal technology training pilot programs;
- \$42,000 to the Buffalo office of the Cornell University School of Industrial and Labor Relations to study labor and its impact on Western New York's economy; and
- \$150,000 for the Cornell University Sexual Harassment Prevention Program.

Language has been added to the Adopted Budget relating to the \$5 million appropriated to the Federal Workforce Investment Act Account that requires “[s]ervices and expenses for workforce development [to] be administered in consultation with the state workforce investment board . . . and state agencies responsible for administration of workforce development programs”. In

addition, the \$5 million appropriation includes an additional \$2.8 million over the Executive proposal, which reflects a shift of \$2.6 million in funds from dislocated workforce investment area programs and statewide rapid response activities.

Department of Civil Service

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$55.5 million.

Aid to Localities

The Adopted Budget concurs with the Executive All Funds recommendation of \$1 million, to be used to provide reimbursement for localities who provide sick leave to officers with qualifying World Trade Center conditions, pursuant to Chapter 273 of the Laws of 2017.

General State Charges

State Operations

The Adopted Budget modifies the Executive All Funds recommendation of a net of \$7.18 billion by providing a net All Funds appropriation of \$5.85 billion. The modifications are listed below:

- Adds \$2.7 million for employee fringe benefits, which reflects the costs of rejecting the Executive proposals to cap Medicare Part B payments and to end reimbursement for Medicare's Income-Related Monthly Adjustment Amount (IRMAA) for state retirees;
- Adds \$6 million for judgments against the state, which reflects the cost of rejecting the Executive proposal to adjust the interest paid thereon;
- Adds \$64,000 for state aid grants payable to certain towns; and
- Adds \$1.34 billion into the fringe benefit escrow account (thus, reducing the overall General State Charges appropriation by \$1.34 billion from non-General Fund state agencies) for certain state agencies' employee fringe benefits.

Public Employment Relations Board

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$4 million.

Workers' Compensation Board

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$196.5 million.

Capital Projects

The Adopted Budget concurs with the Executive All Funds recommendation of \$20 million, which, combined with \$51.5 million in reappropriations from FY 16, will be used to implement technology improvements (e.g., a web-based portal, new hearing room technology that would allow for virtual hearings, a medical portal, etc.) to the workers' compensation system.

Deferred Compensation Board

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$892,000.

Workers' Compensation Reserve

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$12.8 million.

Office of Employee Relations

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$4.9 million.

Article VII – Public Protection and General Government

Secure Choice Savings Program- Part X

The agreed-upon budget accepts a modified version of the Executive Budget proposal, which was substantially similar to legislation sponsored by Senator Savino that would enact a “public option” pension plan for private sector employees who lack retirement saving options.

This program essentially allows private-sector employees to opt-in to a defined contribution savings program, similar to an IRA or 401(k) account. The program would be managed by a new administrative board made up of the Commissioner of Tax and Finance, the State Comptroller, the Superintendent of the Department of Financial Services, one representative appointed by the Speaker, and one representative by the Temporary President (both would have expertise in retirement savings plan administration), and two other appointees by the Governor (one of whom would represent enrollees, another would represent participating employers).

An employer who does not offer a retirement plan could opt to be a “participating employer”, and offer an automatic payroll deduction for an employee who participated in the Secure Choices program. The automatic contribution rate would be set at 3% of wages. There is no clear maximum contribution, though administrative regulations are expected to limit the total contribution amount to \$7,000 per year (the maximum tax-exempt contribution by the IRS).

The Secure Choices program would be an investment-based plan, and beneficiaries would have no constitutional protection for specific amounts. Beneficiaries could set investment strategies, and similar to the state’s deferred compensation plan, the ultimate value of the plan would be the balance in the account based on savings and investment performance. The program would be administratively funded by a small surcharge on investment income (though the actual limit on charges is unspecified in the final language) and start-up costs would similarly be funded through a charge on the investment funds. The program is not slated to begin for two years, though the final language also allows the Board to delay implementation of this program for an additional year beyond the two-year effective date.

Various Sections Omitted- Parts W, Y, Z, and AA

The Adopted Budget omits several Executive proposals, including retiree healthcare cuts (Parts Z and AA), reforms to the State Insurance Fund (Part Y), and OITS hiring flexibility (Part W).

Article VII – Health and Mental Hygiene

Sexual Harassment in the Workplace- Part KK

The adopted budget bill includes a proposal that would enact a comprehensive set of initiatives addressing sexual harassment in the workplace. The following initiatives are put forward in this proposal agreed-to by the majority conferences and the Governor.

Mandatory Arbitration-Subpart B

The new law would ban the use of mandatory arbitration clauses signed after the effective date, except where inconsistent with federal law. This provision explicitly states that the proposal would be effective unless otherwise prohibited by federal law. Because the Federal Arbitration Act generally preempts state laws that treat arbitration less favorably than any other arrangements, it is unclear whether this proposal would survive judicial scrutiny.

The mandatory arbitration prohibition applies to all employers, and might, at least, prohibit arbitration requirements in the public sector or with small employers who do not do business outside the state (and are therefore outside the federal jurisdiction of interstate commerce). No other new protections related to forced arbitration are included.

Taxpayer Dollars for Sexual Harassment Judgments-Subpart C

The new law would hold any officer or employee of the state personally liable for intentional wrongdoing related to sexual harassment as determined by a court. This provision would apply to all employees of the state of New York and its political subdivision. Under this proposal, a judgment for a claim of sexual harassment would be paid by the public entity, and subsequently, the perpetrator would be personally liable for the cost of the settlement or paid judgment. After a period of time, the state could seek a judgment from a court allowing the state to garnish the employee's wages, or otherwise seek a judgment to recoup the expenditure if the individual is no longer a public employee. This subpart notably applies only to judgments in cases of sexual harassment that are addressed and disposed of on the merits, and does not apply to settlements of such cases. This means in practice that taxpayers will still bear 100% of the cost of settlements of sexual harassment cases where the perpetrator is an employee of the state or any municipality.

Non-Disclosure Agreements-Subpart D

The new law would restrict the use of a non-disclosure agreement to settle a case of sexual harassment to situations where the victim had expressed a preference for the confidentiality. This condition would be agreed to after 21 days, and the complainant could revoke the agreement for a seven day period following the signing of the agreement. This would conceptually allow a victim to choose to maintain their privacy while attempting to avoid forced gag orders and confidentiality clauses that protect serial abusers.

Adoption of Sexual Harassment Policies and Trainings-Subpart E

The new law would require all employers in the state to adopt a policy addressing sexual harassment in the workplace. Within six months of the effective date, DOL and DHR would draft a model policy. The policy, at a minimum, would state:

- A general administrative understanding of the definition of sexual harassment and a list of examples of what sexual harassment is;
- A statement that sexual harassment is prohibited;
- federal and state protections and remedies for victims of sexual harassment, and notice that additional local laws may apply;
- A standard complaint form for employees;
- Procedures for a timely and confidential investigation of complaints, which ensures due process for all parties;
- A clear statement of an employee's rights of redress and all available forums to seek a remedy;
- A clear statement that sanctions will be enforced against perpetrators and supervisors who knew and allowed the behavior to continue; and
- A clear statement that retaliation against victims or witnesses who assist in any legal proceedings addressing sexual harassment is prohibited.

Employers would either adopt the model policy or a policy deemed “equal to or exceeding” the minimum standards, though it is not clear how a policy would be deemed to exceed the model policy. There is no specific enforcement mechanism to ensure that employers would comply with this provision other than general enforcement authority of the Department of Labor; however, any entity bidding on a competitive state contract would also be required to certify their adoption of a policy or else the bid would be deemed void. This new law would also require all employers to establish an unspecified amount of annual trainings on sexual harassment prevention, based on a model training program promulgated by DOL and DHR.

One unintended consequence of the adoption of model policies is that the existence of such policies could make claims of vicarious liability against an employer due to the harassing conduct of a subordinate more difficult. This is due to the application of a federal standard for vicarious liability, which often requires an employee to utilize the administrative policy provided in an internal workplace prior to seeking a remedy with an administrative agency. Nothing in this legislation appears to protect the rights of an employee who fails to utilize the model policy if the harasser is not the actual employer but is a subordinate or co-worker.

Independent Contractors- Subpart F

The new law would add an entirely new provision of the Human Rights Law that would hold employers accountable in a case where they “permit” sexual harassment to occur towards “non-employees” in the workplace. Independent contractors could bring claims of discrimination on the basis of sexual harassment as a result. This section appears to focus primarily on vicarious liability for an employer where other individuals have harassed an independent contractor, not the employer themselves. While an employer might be directly covered by implication, the actual text does not clearly state this point and only covers an employer who “permits” sexual harassment where the employer, its agents, or supervisors “knew or should have known” that

they were subjected to sexual harassment in the workplace, and the employer failed to take immediate and appropriate sexual harassment.

The standard for employer vicarious liability would be based on an employer or their agents knowing, or the fact that they should have known, that a non-employee was subjected to sexual harassment, and the employer failed to take immediate and appropriate corrective action. This standard is actually different than both current federal law and state law, and would be more protective for independent contractors than other employees for purposes of solely state claims. The vicarious liability section also appears to include a defense for an employer, which states that the extent of an employer's control and any other legal responsibility which the employer may have with respect to the conduct of the harasser shall be considered. This appears to be a unique defense where an employer could claim that they had no actual control over an IC, so they cannot be held financially liable.

Missing Sections

The Senate Democratic Conference had emphasized other initiatives that have not been included in this legislation, including a strong definition of sexual harassment, addressing harassment in the case of the creation of a hostile work environment by lowering the “pervasive” harassment standard and providing stronger protections for claims of retaliation for participating in an investigation or complaining of acts of sexual harassment.

Article VII – Revenue

Agency Fees and Duty of Fair Representation for Public Sector Unions- Part RRR

The enacted budget includes new language that would provide operational assistance to public sector labor unions in advance of the expected negative impacts of the *Janus vs. AFSCME* case at the U.S. Supreme Court. This provision would end the so-called “duty of fair representation” doctrine for public sector unions, which requires unions to equally represent both members and non-members in arbitration and collective bargaining matters. Instead, the duty of fair representation would be limited to negotiation of the enforcement of the terms of the contract and would exclude pre-arbitration investigations, statutory or administrative proceedings, or a grievance claim where the non-member is allowed to proceed with outside counsel.

Additionally, the ability of a non-member to withdraw from the union would be limited to withdrawal in a manner specified by the signed authorization card. While this would need to be reasonable and available, this provision would limit the ability of withdrawal based on the terms set forward by any individual union and eliminate provisions that allow withdrawal of membership at any time under current law.

This proposal also includes provisions that are similar to S.5778/Alcantara. These provisions would standardize and expedite the process of remitting dues to the union, and give the union access to and information about all new employees in a bargaining unit. Within 30 days after receiving a signed dues card, the employer would begin deducting and remitting dues payments. The union would also receive notice if the employee is transferred to a new bargaining unit or is otherwise placed on any type of involuntary leave that would affect dues payments.

Youth Jobs Tax Credit- Part R

The Adopted Budget increases the value of the tax credits available to employers who hire at-risk youth under the New York Youth Jobs Tax Program (formerly the Youth Works program). The current credit of \$500 a month for the first six months of employment would be increased to \$750 per month for the first six months, or from \$250 per month to \$375 per month for a part-time employee. For the next six months of work, the credits would increase from \$1,000 to \$1,500 total, or from \$500 to \$750 for a part-time employee. For the next year after the first year of employment, the credits would increase from \$1,000 to \$1,500 total or from \$500 to \$750 for part-time employment. As a result, the total credit would increase for hiring an at-risk youth for two years of employment from \$5,000 or \$2,500 for part-time employment to \$7,500 or \$3,750 for part-time employment.

The Adopted Budget also provides a new requirement for the employer to be audited and approved for credits by the Department of Labor. DOL would be given access to tax and finance information, and would receive a report from the employer demonstrating that the employer had satisfied all eligibility requirements and information necessary to compute the credit. The Commissioner would make a specific determination confirming the employment of a qualifying individual and the value of the credit based on the employment of such individual. DOL would also be given new authority to establish guidelines and criteria for program participation, which includes the ability to give occupational/or regional preferences. This language suggests that clean energy, healthcare, advanced manufacturing, and conservation employers could receive preference, as well as employers offering advancement and employee benefit packages.

Legislature

The Adopted Budget for the Legislative Branch provides a total appropriation of \$230.9 million to support operations of the Legislature.

Local Government

State Operations

The Adopted Budget maintains a \$2.5 million appropriation for administration of the Financial Restructuring Board.

Aid to Localities

The 2019 Adopted Budget includes a \$1.05 billion All Funds appropriations for Local Government Assistance, including \$1.02 billion in General Fund support to Local Governments and \$30 million in Fiduciary Funds to cover contingency appropriation requirements. Overall, this represents an increase of \$230 million, or 28 percent, from SFY 2018 All Funds appropriation level, due largely to the provision of \$225 million in State matching funds for local savings under the County-wide Shared Services Initiative for 2018 and 2019.

Aid and Incentives to Municipalities

The Adopted Budget continues to maintain, as it has for the past several fiscal years, Aid and Incentives to Municipalities (AIM) funding to cities, towns and villages at \$754 million, including \$715 million in Base Level Grants to municipalities, \$35 million for Citizen

Empowerment Tax Credits (CETC) and Citizens Re-Organization Empowerment Grants (CREG), and \$4 million for the Local Government Efficiency Grant Program (LGEG).

Aid to Municipalities with Video Lottery Gaming Facilities (VLG)

Funding for municipalities hosting VLG facilities is maintained at \$28.9 million, with \$19.6 million going to the City of Yonkers and \$9.3 million going to other eligible municipalities that host VLT facilities.

County-Wide Shared Services State Matching Funds

The Adopted Budget provides \$225 million for the State's match of actual and demonstrated savings by approved County-Wide Shared Services Plans for 2018 and 2019.

Village Per Capita Aid

The Adopted Budget does not restore \$1.8 million in Village Per Capita Aid provided in the 2018 Budget.

Miscellaneous Financial Assistance

The Appropriation for Miscellaneous Financial Assistance in the Adopted Budget was \$12 million, an increase of \$6.8 million over the 2018 Budget. Appropriations include:

- \$2.25 million for payment to Madison County, to mitigate for funding it did not receive pursuant to a compact which includes similarly situated localities with regard to Yellow Brick Road Casino;
- \$3 million for the City of Albany;
- \$340,000 for payment to Seneca County to mitigate revenue shortfalls resulting from the non-payment of real property taxes by the Cayuga Indian Nation of New York;
- \$92,500 for payment to Cayuga County to mitigate revenue shortfalls resulting from the non-payment of real property taxes by the Cayuga Indian Nation of New York;
- \$310,000 for payment to Franklin County to mitigate revenue shortfalls resulting from the non-payment of real property taxes by the St. Regis Mohawk Tribe;
- \$27,000 for payment to the Village of Woodbury;
- \$300,000 for payment to the City of Syracuse;
- \$19,000 for payment to the Village of South Blooming Grove;
- \$2,000 for payment to the Village of Sagaponack;
- \$2.0 million for payment to Onondaga County for a school discipline pilot project with the Syracuse City School District;
- \$500,000 for payment to the Town of Ashford;
- \$1.6 million for payment to the Niagara County IDA for use to fund downtown economic development initiatives within the City of Niagara;
- \$200,000 for payment to the City of Cortland for expenses related to police and fire services associated with institutions of higher education;
- \$200,000 for payment to the City of Oneonta for expenses related to police and fire services associated with institutions of higher education;
- \$100,000 for payment to the Village of Cobleskill for expenses related to police and fire services associated with institutions of higher education;
- \$50,000 for payment to the City of Binghamton for expenses related to police and fire services associated with institutions of higher education;

- \$210,000 for payment to the Village of Brockport for expenses related to police and fire services associated with institutions of higher education;
- \$150,000 for payment to the Town of Vestal for expenses related to police and fire services associated with institutions of higher education;
- \$200,000 for payment to the Village of New Paltz for expenses related to police and fire services associated with institutions of higher education;
- \$200,000 for payment to the Village of Delhi for expenses related to police and fire services associated with institutions of higher education; and
- \$250,000 for payment to the Village of Depew for fire department expenses.

Small Government Assistance

- \$124,000 for payment to Essex County;
- \$72,000 for payment to Franklin County; and
- \$21,300 for payment to Hamilton County.

Aid to Localities Programmatic Funding				
Program	2018 Enacted Budget	2019 Adopted Budget	\$ Change	% Change
AIM	715,000,000	715,000,000	0	0.0%
CREG and CETC	35,000,000	35,000,000	0	0.0%
LGEF	4,000,000	4,000,000	0	0.0%
Aid to Municipalities VLG	28,885,313	28,885,313	0	0.0%
Miscellaneous Financial Assistance	5,220,350	12,000,500	6,780,150	130%
Small Government Assistance	217,300	217,300	0	0.0%
Village Per Capita Aid	1,800,000	0	0	-100.0%
Program Totals	790,122,963	790,122,963	4,980,150	.63%

Article VII – Public Protection and General Government

Citizen Empowerment Tax Credits Limitation- Part CC

The Adopted Budget limits eligibility for Citizen Empowerment Tax Credits to local governments formed prior to 2018 and to limit the amount of aid for villages that vote to dissolve after 2017. The Citizen Empowerment Tax Credit provides annual aid to local governments that are consolidating or dissolving. At least 70% of the aid must be returned to residents as property tax relief.

Shared Town Justices- Part DD

The Adopted Budget allows adjacent towns to share more than one town justice. Current law allows adjacent towns to share only a single town justice, with State Legislative approval. Legislative approval will continue to be required under the Adopted Budget provisions. The measure is intended to provide further avenues for shared services among local governments.

Countywide Shared Services Panels- Part EE

The Adopted Budget extends authorization for the Countywide Shared Services Panels created by the FY18 Budget through 2021. The Adopted Budget also continues state matching fund eligibility for local governments that find and implement new savings through the shared services plans produced by the panels. The Adopted Budget makes several changes to the panels:

- Fire districts and fire protection districts may now be included in the panel at the invitation of the county executive.
- The panels may revise and update their existing plan, rather than coming up with a completely new plan each year, and the panel may choose not to update their plan by majority vote. If the panel does not update the plan in any given year, the county executive must release a public statement explaining why the panel did not approve a plan, including the panel's vote and an explanation by each panel member of their vote.
- The law no longer prescribes the form of the panel reports, but the Secretary of State may recommend a form for panel submissions.
- The strict deadlines found in the FY18 Budget have been removed. Instead of each action being due on a certain date, the county executive must submit a plan to the county legislative body 45 days before the panel votes, transmit the approved plan to the Secretary of State within 30 days of the successful vote, and also make a public presentation on the plan within 30 days of the vote. The county executive must submit the plan by the end of the calendar year.

The Adopted Budget also directs the Department of State to prepare and submit a report on the shared services plans to the Governor, the Temporary President of the Senate, and the Speaker of the Assembly by June 30, 2022. The report will be posted on the Department's website. The report must include a detailed summary of projects included in the shared services plans by category and a county-by-county breakdown including summaries of the plan, anticipated savings, and demographic information about the county.

Town of Islip Resource Recovery Agency- Part FF

The Adopted Budget allows the Town of Islip Resource Recovery Agency to select its own outside independent auditors, rather than having the Director of the Division of the Budget nominate the auditors.

Article VII – Transportation, Economic Development and Environmental Conservation

Brownfield Opportunity Areas- Part U

The Adopted Budget modifies the Brownfield Opportunity Area (BOA) program in several ways. First, it adds non-profit organizations with a stated mission of “community revitalization” to the definition of “community based organization” eligible to apply for state assistance.

Previously, the organization had to have a stated mission of “promoting reuse of brownfield sites.”

Second, the Adopted Budget clarifies that a pre-nomination study of a proposed BOA is optional, and it adds a definition of “nomination” that would allow organizations and municipalities to receive state assistance to prepare a nomination without doing a pre-nomination study. The Adopted Budget also authorizes state assistance to fund a community participation strategy to maximize awareness and input from local stakeholders as part of the nomination process.

Third, the Adopted Budget makes clear that a community based organization must include the local government’s statement of support or lack of support for the BOA in their application, rather than simply requesting the municipal government to review and support. In New York City, the local Community Board would issue the relevant statement, rather than the City.

Finally, the Adopted Budget authorizes state assistance for activities to advance BOA revitalization. Municipalities and organizations could receive up to 90% of the cost for pre-development activities such as development and implementation of marketing strategies, development of plans and specifications, real estate services, building condition studies, infrastructure analyses, zoning and regulatory updates, environmental, housing, and economic studies, analyses, and reports, and public outreach.

Areas with economic distress or with brownfield sites presenting strategic opportunities would receive funding preference. The Secretary of State would notify the Temporary President of the Senate and the Speaker of the Assembly before making an award for pre-development assistance. The Secretary and the municipality or organization would have to sign a contract before the disbursement of funds establishing terms, such as the work scope, schedule, and deliverables.

Repeal of Local Share for Community Development Block Grants- Part V

The Adopted Budget repeals the local share requirement for federal Community Development Block Grants (CDBG). The CDBG State Program is a federal program run by the Department of Housing & Urban Development that allows States to award grants to smaller units of general local government. New York State set its own requirement that each recipient of funds must secure a local share equal to 25% of the federal funds, either in cash or in kind. This provision repeals that requirement.

Taxation of State Land in Bowman Lake State Park- Part VV

The Adopted Budget adds state lands in Bowman Lake State Park in the towns of McDonough and Preston in Chenango County to the list of state lands subject to property taxation for all purposes. The land in question is a new addition to Bowman Lake State Park. The Open Space Institute acquired 307 acres of natural meadow, farm fields and forest to donate to the State Parks Department, increasing the size of the park by nearly 50%.

Article VII – Revenue

Mandatory Participation in Income Verification Program for Enhanced STAR- Part B

The Adopted Budget mandates participation in the Income Verification Program for Enhanced STAR recipients (senior citizens) and eliminates the option for recipients to prove their income by bringing an income tax return to the assessor's office as part of the annual renewal application. The Department of Taxation and Finance administers the Income Verification Program, which does not require an annual reapplication for recipients who file personal income tax returns. Recipients must submit income documentation directly to the Department rather than their local assessor.

Property Tax Technical Changes- Part E

The Adopted Budget makes several technical changes to the Real Property Tax Law, as follows:

- Repeals expired property tax freeze credit provisions, which expired in 2016, and reenacts provisions allowing local governments and school districts to certify with the State Comptroller and Commissioner of Taxation and Finance that the local government or school district is in compliance with the tax cap;
- Removes out-of-date references;
- Requires county consent for local governments allowing partial payments of property taxes where the county provides property tax collection services, such as tax bill preparation or tax collection accounting software. In counties where the county collects taxes on behalf of its municipalities, the county would have sole authority to establish a partial payment program. The FY18 Budget broadened authority for municipalities to enact partial payment programs, but caused unexpected problems for counties that provide property tax services to municipalities;
- Prevents married couples from claiming STAR Credit benefits on two houses unless the couple is legally separated. This limitation already applies for the STAR Exemption;
- Extends the deadline for the Department of Taxation & Finance to apply inflation indexes to Enhanced STAR amounts in districts levying taxes on prior year assessment rolls. This is necessary due to the availability of inflation information from the federal government relating to such rolls; and
- Allows municipalities to grant a 5-day extension on property tax payment deadlines for Enhanced STAR Credit recipients. Under current law, municipalities may only grant the extension for those receiving the Enhanced STAR Exemption.

Statewide Telecommunications Mass Property Assessment Caps Extender- Part G

The Adopted Budget extends the authority of the State to determine assessment ceilings for telecommunications property for four years. It also accelerates the rate at which the assessment ceilings can deviate from the property's 2013 assessed value. Ceilings may deviate up to 25% in 2018, 50% in 2019, and 75% in 2020.

Local Sales Tax Extenders for Certain Counties- Part Z

Extends from November 30, 2019 for one year, the ability of Genesee County to impose an additional rate of sales and use tax. This part also extends certain disposition of these funds by one year in Monroe County. Extends authorization for Onondaga County to impose an additional rate of sales tax for one additional year from November 30, 2019 to November 30, 2020.

Electric Generating Facility Closure Local Assistance Funding- Part AAA

The Adopted Budget increases the amount of money available to assist local governments and school districts where an electric generating facility closed from \$45 million to \$69 million. The fund helps replace lost property taxes and the amount of assistance declines over 7 years.

Lake Ontario Flood Relief Fund Flexibility- Part DDD

The Adopted Budget provides flexibility in the use of funds between different grant programs within the Lake Ontario Flood Relief Program. Last year's \$45 million package included three programs: a commercial program for small businesses and rental properties, a residential program for homeowners, and a municipal program for local governments. The enacting legislation capped each program at \$15 million, but the Adopted Budget will allow unspent money in one program to be spent in another program.

Rejected Proposals

The Adopted Budget rejected the following Executive proposals:

- Authorization for localities to delegate zoning and land use to counties (PPGG)
- Uniform wireless facilities siting procedures and fees (TEDE)
- Cap on STAR benefit growth (REV)
- Cap on growth of property taxes on state lands (REV)

The Adopted Budget rejected the following Senate proposals:

- Modifying sick leave for certain municipal employees with a condition developed due to WTC rescue, recovery, or cleanup (PPGG);
- Providing for the election of town officers, adoption of town budget, and accelerated effective date of the Town of Palm Tree; building aid fix for Monroe-Woodbury School District (PPGG);
- Allowing local governments to recoup firefighter training costs when the firefighter goes to another municipality (PPGG);
- Paying volunteer firefighter/ambulance worker death benefits within 90 days (PPGG);
- Allowing school districts to more easily collect their own taxes, without agreement from the town (PPGG);
- Considering changes in value of PILOT property when calculating tax cap (PPGG);
- Creating an "Indian Point Tax Stabilization Fund" (TED);
- Expanding eligibility for combined heat & power generating equipment property tax exemption (TED);
- Allowing IDA assistance for agricultural producers (TED);
- Authorizing IDAs to provide loans, grants, and early-stage equity funding (TED);
- Significantly expanding the Lake Ontario Flood Relief program (ELFA);
- Authorizing school districts to freeze and eliminate school taxes for Enhanced STAR recipients (REV);
- Making the property tax cap permanent (REV);
- Creating a STAR Exemption for small businesses (REV);
- Creating a property tax exemption for security cameras on public utility property (REV); and
- Extending a property tax exemption for agricultural buildings for 10 years (REV)

Public Protection and Criminal Justice

Commission on Correction Services

State Operations

The Adopted Budget concurs with the Executive's Proposal providing an All Funds appropriation of \$2.9 million in State Operations funding.

Department of Correction and Community Supervision (DOCCS)

State Operations

The Adopted Budget provides \$2.9 billion in State Operations funding, including a \$1.8 million increase to support the following:

- \$1 million for facility safety initiatives, including but not limited to, pepper spray, K-9 units, body cameras, fixed cameras, metal detectors, body scanners and other security instruments; and
- \$750,000 to continue personal service reimbursement to counties for transporting state-ready inmates.

Aid to Localities

The Adopted Budget concurs with the Executive's Proposal providing \$29.5 million in Aid to Localities funding.

Capital Projects

The Adopted Budget concurs with the Executive's Proposal providing \$427 million in Capital Projects funding to support maintenance of facilities managed by DOCCS.

Division of Criminal Justice Services

State Operations

The Adopted Budget concurs with the Executive's Proposal providing an All Funds appropriation of \$100 million.

Aid to Localities

The Adopted Budget provides \$207.7 million in Aid to Localities funding, including a \$26.3 million increase to support the following notable programs:

- \$5.7 million for Alternatives to Incarceration, an increase of \$500,000;
- \$3.8 million for the establishment or continued operation of existing SNUG programs;
- \$615,000 for Regional SNUG Operations within Bronx County;
- \$300,000 for Regional SNUG Cure Violence within Poughkeepsie City;
- \$100,000 for Regional SNUG Cure Violence within Wyandanch (Suffolk County);
- \$3.7 million for Rape Crisis Centers to provide services for survivors of rape and programs to prevent rape, an increase of \$147,000;
- \$3 million for anti-drug, anti-crime and anti-violence prevention;
- \$1.9 million for Westchester Policing;
- \$1.1 million for New York State Defenders Association services;

- \$600,000 for Immigrant Legal Services provided by Albany Law, Legal Services NYC and Make the Road; and
- \$500,000 for Gang Prevention Youth Programs in Nassau and/or Suffolk counties with community-based organizations and schools.

In addition, the Adopted Budget concurs with the Executive's Proposal for the following program funding levels:

- \$44.9 million for Aid to Probation;
- \$14.3 million for Operation GIVE;
- \$13.8 million for Alternatives to Incarceration and Demonstration programs (TANF 200% of the federal poverty line);
- \$13.5 million for the Crimes Against Revenue Program (CARP);
- \$9.9 million for Aid to Prosecution;
- \$6.3 million for Crime Laboratories;
- \$6 million for Edward R Byrne Memorial;
- \$4.2 million for District Attorney Salaries;
- \$3.8 million for the Re-Entry Task Force; and
- \$1.3 million for soft body armor vests.

Division of Homeland Security and Emergency Services

State Operations

The Adopted Budget concurs with the Executive's Proposal All Funds appropriation of \$5.8 million.

Aid to Localities

The Adopted Budget provides \$1.46 billion in Aid to Localities funding, consisting of the following increases to the Executive's proposal:

- \$1.6 million for American Red Cross emergency preparedness.

Capital Projects

The Adopted Budget concurs with the Executive's Proposal providing \$3 million in Capital Projects funding.

Office of Indigent Legal Services

State Operations

The Adopted Budget concurs with the Executive's Proposal an All Funds appropriation of \$5.8 million.

Aid to Localities

The Adopted Budget concurs with the Executive's proposal providing \$155.6 million in Aid to Localities funding to support the following:

- \$81 million for Indigent Legal Services in counties;
- \$50.8 million for statewide implementation of Hurrell-Harring settlement; and

- \$23.8 million for Hurrell-Harring settlement agreement in the following counties: Ontario, Onondaga, Schuyler, Suffolk and Washington.

Office of State Inspector General

State Operations

The Adopted Budget concurs with the Executive's Proposal of \$7.5 million.

Interest on Lawyers Account

State Operations

The Adopted Budget concurs with the Executive's Proposal of \$2.1 million in State Operations funding.

Aid to Localities

The Adopted Budget concurs with the Executive's Proposal of \$45 million in Aid to Localities funding.

Commission on Judicial Conduct

State Operations

The Adopted Budget concurs with the Executive's Proposal of an All Funds appropriation of \$5.7 million.

Commission on Judicial Nomination

State Operations

The Adopted Budget concurs with the Executive's Proposal of \$30,000.

Judicial Screening Committee

State Operations

The Adopted Budget concurs with the Executive's Proposal of \$38,000.

Department of Law

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$262.9 million in State Operations funding.

Capital Projects

The Adopted Budget concurs with the Executive's Proposal providing \$1 million in Capital Project funding.

Division of Military and Naval Affairs

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$85.5 million in State Operations funding.

Aid to Localities

The Adopted Budget concurs with the Executive's proposal providing \$900,000 in Aid to Localities funding.

Capital Projects

The Adopted Budget concurs with the Executive's Proposal providing \$70.2 million in Capital Project funding to support the maintenance of armories managed by the Division of Military and Naval Affairs.

Office of the Prevention of Domestic Violence

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$3.9 million in State Operations funding.

Aid to Localities

The Adopted Budget concurs with the Executive's Proposal providing \$1.8 million in Aid to Localities funding to support the following:

- \$1.2 million for programs to prevent Domestic Violence, including operation of a hotline for survivors of domestic violence;
- \$500,000 in federal funding for Domestic Violence prevention programs; and
- \$170,000 for legal services conducted by the Domestic Violence and Women's Rights Clinic at SUNY Buffalo Law School.

Division of State Police

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$878.2 million in State Operations funding. The Division of State Police will support 5,742 FTEs in FY 19, an increase of 30 FTEs from FY 18. This increase is associated with additional resources needed by the State Police to combat the MS-13 gang (26 FTEs) and four FTEs for sexual offense kit processing.

Capital Projects

The Adopted Budget concurs with the Executive's Proposal providing \$116.5 million in Capital Projects funding.

Office of Victim Services

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$12.9 million in State Operations funding.

Aid to Localities

The Adopted Budget concurs with the Executive's Proposal providing \$106.8 million in Aid to Localities funding.

Article VII – Public Protection and General Government

Permits New York City District Attorneys to Retain a Portion of Financial Settlements Reached Prior to the Filing of Accusatory Instruments – Part F

The Adopted Budget includes a provision that allows the District Attorneys in New York City to retain a portion of any financial settlement that is reached prior to the filing of accusatory instruments. This would include, for example, a District Attorney reaching a financial settlement with a bank in lieu of filing charges. This provision expires at the end of Fiscal Year 2018-2019 and replaces an expiring provision allowing the New York City District Attorney to retain a portion of forfeited assets.

Prohibits Police from Having Sexual Contact with Detained or Arrested Persons – Part JJ

The Adopted Budget accepts the Executive Proposal that defines sexual contact between a law enforcement officer and a person who is detained or under arrest by a law enforcement agency as per se non-consensual. This applies to any sexual act, and thus makes criminal any sexual contact between a police officer and a detained or arrested person, regardless of the arrested person's apparent consent.

Creates a New Crime of Sexual Coercion – Part NN

The Adopted Budget accepts the Assembly's proposal to establish a Class E felony offense for coercing another person into performing a sexual act. This section also establishes sexual coercion as an aggravated family offense, a hate crime, and a predicate offense for the purposes of determining the degree of Stalking, all of which would elevate the available sentence for sexual coercion depending on the circumstances. This provision does not address revenge porn, which was included in the executive proposal.

Various Sections Omitted

The Adopted Budget omits several Executive proposals. These include speedy trial reform (Part A), bail reform (Part C), discovery reform (part D), expanded merit and limited credit time allowance programs (Part H), and geriatric parole (Part L).

Article VII – Revenue

Authorizes Design-Build to Replace Rikers Island – Part KKK

The Adopted Budget authorizes Design-Build for new construction and renovations necessary to replace the existing correctional facilities on Rikers Island. The City of New York specifically

requested Design-Build for this purpose as part of their plan to close Rikers Island within ten years. The authorization is not limited to any number or type of facility, as long as the construction is necessary for the timely closure of Rikers Island.

Article VII – Freestanding Bill S.8121

An Article VII proposal was removed from the Adopted Budget and was passed alongside the budget as a freestanding bill. This proposal is a modification of an Executive Budget proposal to expand the list misdemeanor crimes for which a person can be banned from possessing a firearm when the misdemeanor was committed against a member of the defendant's same family or household. The bill also clarifies language to specifically include rifles and shotguns as firearms to be surrendered when a person is subject to an order of protection and clarifies procedures to return firearms to their owners upon expiration of an order of protection.

Joint Commission on Public Ethics

State Operations

The Adopted Budget concurs with the Executive All Funds recommendation of \$5.6 million.

Revenue and Taxes

Article VII – Revenue

Executive Proposals Accepted in Enacted Budget:

Income Verification Program (IVP) for Enhanced STAR Recipients- Part B

Makes participation in the Income Verification Program (IVP) mandatory for enhanced STAR recipients. Prior to the passage of this bill, applicants were required to demonstrate their income eligibility by either bringing income documentation (e.g. an income tax return) to the assessor's office each year or enroll in the STAR IVP. This bill makes participation in the IVP mandatory, even for recipients of the senior citizens exemption.

Fiscal Impact: Reduces State General Fund spending by \$35 million annually.

Technical Amendments to Property Laws- Part E

Makes the following technical amendments to property tax laws:

- 1. Removes obsolete provisions that governed the property tax freeze credit and school tax relief fund. This bill would not allow a municipality to adopt a partial payment program without the county's consent.
- 2. Allows senior citizens an extra five days to pay their property taxes if they are receiving Enhanced STAR exemptions.
- 3. Allows the Tax Department to refrain from establishing STAR exempt amounts until Consumer Price Index data is released.
- 4. Clarifies that the STAR credit may only be claimed on one residence for a married couple, unless the couple is legally separated.

Fiscal Impact: None for the State.

Assessment Ceiling for Telecommunication Property Extender- Part G

Extends the law authorizing the State to determine the assessment ceiling for telecommunication property for four years. This bill will allow assessment ceilings to deviate from the 2014 assessments by as much as 25% in 2018, 50% in 2019, and 75% in 2020. In 2021, the assessment ceilings will no longer be tied to the 2014 assessments.

Fiscal Impact: None to the State.

Employee Wage Reporting Consistency- Part I

Provides for employee wage reporting consistency between the Departments of Taxation and Finance and Labor. This bill requires employers to file individual employee gross wages and withholding amounts on a quarterly basis instead of on annual basis.

Fiscal Impact: The fiscal impact for the State is minimal.

Tax on Food Products Purchased for Resale- Part J

Eliminates the requirement that businesses pay sales tax on food they resell and then apply for a tax credit from the state. Under this proposal, food service businesses would be able to purchase all products that they resell tax-free.

Fiscal Impact: None to the State.

Collection of Tax Debt from Unclaimed Funds- Part K

Allows warrantless tax debt to be assessed against unclaimed funds. This bill gives the State the ability to collect fixed and final tax debt from the unclaimed funds held by the State Comptroller without filing a warrant.

Fiscal Impact: Increases State revenue by \$3 million annually.

Empire State Child Credit- Part P

Maintains the current Empire State Child Credit benefit by using the calculation for the credit that was effective before the passage of Federal Tax Cuts and Jobs Act in December of 2017. The federal tax changes altered the refundability, eligible income ranges and value of the child credit.

Fiscal Impact: Eliminates the adverse fiscal impact (estimated at \$503 million) that this component of federal tax reform would otherwise have on the state.

Hire-a-Veteran Tax Credit- Part Q

Extends the Hire-a-Veteran Tax Credit for two years. The credit available to employers is capped at \$5,000 for each veteran hired, but that amount rises to \$15,000 for each disabled veteran that is hired. The credit would be extended through 2020.

Fiscal Impact: Reduces State revenue by \$37 million in FY 2019 and FY 2020.

Livestock Drug Sales Tax Exemption- Part W

Converts the veterinarian drug sales tax credit for livestock into a sales tax exemption for veterinarian and farmer livestock drug sales.

Fiscal Impact: None to the State.

LLC and LP Sales Tax Debt- Part X

Relieves non-controlling and non-managing members of limited liability corporations (LLCs) or limited partnerships (LPs) from liability for the entire sales tax debt of the business. The current statutory obligation is to hold all owners of the LLC or LP equally responsible for the sales tax debt. This proposal codifies current Tax Department practice.

Fiscal Impact: None to the State.

Local Sales Tax Distribution Laws- Part Z

Part Z: Makes technical changes to the local sales tax distribution laws to ensure conformity to the general provisions. This impacts Genesee, Monroe, Onondaga, and Orange counties.

Fiscal Impact: None to the State.

Federal Tax Code Adjustments- Part JJ

Decouples from certain personal income tax provisions in the federal tax code to allow taxpayers to utilize all the itemized deductions that were available in 2017. This bill will also allow New York tax filers to itemize deductions on their New York return, regardless of whether the taxpayer itemizes their deductions at the federal level or not. Additionally, the provision would preserve the standard deduction for single filers at the existing highest amount.

Fiscal Impact: None to the State. In aggregate, these reforms are estimated to generate more than \$1.5 billion in tax savings per year.

Executive Proposals Modified in Enacted Budget:

Statute of Limitations on Amended Tax Returns- Part H

Extends the statute of limitations on amended tax returns to one year. Previously, the Department of Taxation and Finance had three years to from the original filing date of a tax return to audit and assess additional tax. An amended tax return did not extend the statute of limitations. This bill modifies the Executive Proposal to extend the statute of limitations on amended tax returns to one year instead of the proposed three years.

Fiscal Impact: Increases State revenue by \$3 million

Taxpayer Residency Requirements- Part O

Clarifies residency requirements for taxpayers that spend part of the year as a resident and part of the year as a non-resident. This bill states that the days a person is present in New York State would count toward the “more than 183 days” needed to tax such a person as a statutory resident of the State, regardless of whether or not the person was actually domiciled in New York at some time during the same year. This bill modifies the Executive Proposal to only apply these residency requirements prospectively.

Fiscal Impact: Increases State revenue by approximately \$2 million annually

New York Youth Jobs Program- Part R

Modifies the Executive proposal to enhance the New York Youth Jobs Program to provide a 50% increase in the amount of tax credits available for employers who hire and employ at-risk youth on a full-time or part-time basis. This bill modifies the Executive Proposal by removing emergency regulation authority language.

Fiscal Impact: None to the State.

Repatriated Income Tax- Part KK

Insures the repatriated income that is taxed according to the 2017 Federal Tax reform cannot be used as both a deduction and exemption. This bill modifies the Executive Proposal to decouple from the Federal Tax Act on deduction for FDIC expenses.

Fiscal Impact: None to the State.

State Charitable Funds for Education and Health Care- Part LL

Creates State charitable funds for education and health care that will allow taxpayers to claim charitable contribution deductions if the taxpayer donates to these funds. This bill modifies the Executive Proposal by including SUNY, CUNY, and DOH foundations.

Fiscal Impact: None to the State

Employer Compensation Expense Tax (ECET) System- Part MM

Creates a voluntary Employer Compensation Expense Tax (ECET) system. This is an employer-side payroll tax system that will allow taxpayers to maintain some their state and local tax deductions. This bill modifies the Executive Proposal by changing the procedure for employer election.

Fiscal Impact: None to the State.

New Items Added to the Enacted Budget:

Low Income Housing Credit Transferability- Part PP

This new Part allows the allocation of the credit to investors in a different proportion than their pro rata share of the business, as well as investors without ownership in the company. The goal is to increase demand for the credit and therefore investment in low-income housing projects.

Fiscal Impact: None for the State.

NYC Personal Income Tax Technical Fix- Part QQ

This new Part provides language for a fix for a tax section that was not extended in conformity with other bill parts in the June 2017 omnibus bill.

Fiscal Impact: None for the State.

Historic Properties Rehabilitation Tax Credit- Part RR

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.

Charitable Contributions Deduction from NYC PIT- Part SS

This new Part allows charitable contributions to the newly created State charitable funds for education and health to be deducted from NYC Personal Income Tax.

Fiscal Impact: None for the State.

Sweep and Transfers- Part BBB

This new Part includes various sweeps and transfers provisions of the Enacted State Budget. These measures support the State's Financial Plan and ensure State Funds and State accounts viability throughout the State Fiscal Year. These accounts and Funds provide funding for numerous state spending programs. Furthermore, this part stipulates various bonds cap that ensure the viability of the State's FY 2019 Capital Plan and Financing Program (debt).

Online Tax System for Reimbursement Claims- Part EEE

This new Part requires the Department of Taxation and Finance to set up an application system for taxpayers to submit claims for reimbursements of payments of interest on fixed and final underpayments of federal tax liability for the 2019, 2020, and 2021 tax year.

Fiscal Impact: Minimal.

Musical and Theatrical Production Credit- Part III

This new Part extends the theater production credit for an additional four years without modification.

Fiscal Impact: Reduces State revenue by \$4 million annually.

Executive Proposals Omitted in the FY 2019 Enacted State Budget:

Part A: Permanently capping the annual growth in State STAR Program benefits to 0%.

Fiscal Impact: If enacted, this measure would have reduced spending by \$49 million annually.

Part C: Requiring filing RP-5217 for co-ops and co-op shares

Fiscal Impact: None.

Part D: Requiring manufactured home park owners/operators to report additional information to the Department of Housing and Department of Taxation and Finance.

Fiscal Impact: None.

Part F: Reforming the process for determining amounts of taxes due on taxable State-owned lands.

Fiscal Impact: None.

Part L: Allowing the Department of Taxation and Finance access to dependent and child care data from other State agencies.

Fiscal Impact: Would have increased State revenue by \$5 million annually.

Part M: Closing the carried interest tax loophole and the tax carried interest income of hedge fund and private equity investors as ordinary income.

Fiscal Impact: None.

Part N: Providing the Department of Taxation and Finance with the right to appeal adverse Tax Appeals Tribunal decisions.

Fiscal Impact: None.

Part S: Defer specified existing State business related tax-credit claims.

Fiscal Impact: Would have increased State revenue by \$82 million in FY 2019; \$278 million in FY 2020; \$199 million in FY 2021; \$164 million in FY 2022; and, reduce State revenue by \$298 million in FY 2023; \$173 million in FY 2024; and, \$49 million in FY 2025.

Part T: Amend the refund and joint liability provisions of the real estate transfer tax.

Fiscal Impact: None.

Part U: Improve cigar tax enforcement.

Fiscal Impact: Would have increased State revenue by \$12 million in FY 2019 and \$23 million annually thereafter.

Part V: Discontinuing the energy services company sales tax exemption and to collect sales tax from businesses that purchase energy from Energy Service Companies (ESCOs).

Fiscal Impact: Would have increased State revenue by \$12 million in FY 2019 and by \$23 million annually thereafter.

Part Y: Increasing the sales tax exemption for vending machines from \$1.50 to \$2.00 only for machines that have the option to collect payment from a credit or debit card.

Fiscal Impact: Would have increased State revenue by \$2 million in FY 2019 and \$3 million annually thereafter.

Part AA: Implementing an Internet fairness conformity tax.

Fiscal Impact: Would have increased State revenue by \$80 million in FY 2019 and \$159 million annually thereafter.

Part BB: Imposing a health tax on vapor products of 10 cents per liquid milliliter.

Fiscal Impact: Would have increased State revenue by \$3 million in FY 2019 and \$5 million annually thereafter.

Part CC: Imposing a surcharge on the first sale of an opioid in the state.

Fiscal Impact: Would have increased All Funds receipts by \$127 million in FY 2019; \$171 million in FY 2020; \$154 million in FY 2021; \$138 million in FY 2022; and, \$125 million in FY 2023.

Part DD: Imposing a 14 percent surcharge on the net underwriting gain from the sale of health insurance in New York State.

Fiscal Impact: Would have increased State revenue by \$140 million annually.

Transportation and Public Authorities

Metropolitan Transportation Authority

Aid to Localities

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).

Capital

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.

State-Share of the NYC Subway Action Plan

The State-share of Phase 1 of the NYC Subway Action Plan has alternately been characterized as \$418 million and \$428 million of the total \$836 million Subway Action Plan; however, the Executive has identified the following three revenue sources/appropriations totaling \$428 million as the State’s contribution:

- \$194 million operating appropriation to the MTA derived from financial settlement funds;
- \$174 million MTA capital appropriation; and
- \$60 million in one-time payment advances associated with authorizing the MTA to directly collect the Payroll Mobility Tax.

Associated Article VII legislation compels New York City to provide matching funds to support the full subway action plan and creates new surcharges on ride hails and yellow cabs operating within Manhattan’s central business district to fund MTA improvements. Initial statements indicate these new surcharges will generate approximately \$400 million annually for the MTA.

Department of Motor Vehicles

State Operations

The Adopted Budget concurs with the Executive recommended \$105.8 million in DMV State Operation appropriations. This funding level is \$16.5 million over FY 18, and is primarily due to shifting staff expenses associated with the DMV Seized Assets Program, Compulsory Insurance, Accident Prevention Course Program, and the Motorcycle Safety Program from the Dedicated Highway and Bridge Trust Fund (DHBTF) to DMV State Operations.

Aid to Localities

The Adopted Budget concurs with the Executive recommended \$22.3 million in ATL funding, and provides an additional \$375,000 to partially restore funding for local Stop-DWI Programs (\$1.6 million was provided in FY 18; \$355,000 of which is reappropriated in FY 19).

Capital

The Adopted Budget concurs with the Executive recommendation of \$234.4 million for DMV capital appropriations. This is a \$3 million increase over FY 18, that is primarily due to shifting \$19 million in staff expenses associated with the DMV Seized Assets Program, Compulsory Insurance, Accident Prevention Course Program, and the Motorcycle Safety Program from the Dedicated Highway and Bridge Trust Fund (DHBTF) to DMV State Operations- offset by a similar increase in personal service and fringe benefits, likely associated with the hiring of 89 FTEs as part of an expected upsurge in license renewals due to natural license issuance cycles.

Department of Transportation

State Operations

The Adopted Budget concurs with the Executive recommended \$386.6 million for DOT operating support. This funding level is a \$340.2 million increase over FY 18, and is associated with an accounting shift pertaining to snow removal and other Department operations as described below.

DHBTF

The Adopted Budget accepts the Executive proposal to shift support for multiple DOT (\$376m) operational programs from the Dedicated Highway and Bridge Trust Fund to State Operations (General Fund). The vast majority of this amount is related to DOT snow and ice removal (\$355 million), and additionally includes DOT bus, truck and rail inspections as well as DMV regulatory activities. The full amount of the shift differs (decreases) between the capital DHBTF and general fund state operations as fringe benefits are supported separately in general state charges rather than carried individually by DOT.

Aid to Localities

Non-MTA Mass Transit Operating Aid

The Adopted Budget appropriates \$530.3 million for non-MTA transit operating aid, which is \$5 million more than that provided in the Executive Budget and \$10 million (2%) more than FY 18. An additional \$8 million is provided for trans-Hudson public transportation services on the Gov. Mario M. Cuomo Bridge (new Tappan Zee), and \$500,000 is provided for commuter bus service on the Montauk Branch of the LIRR. Regionally, the Adopted Budget increases Downstate non-MTA transit operating aid by \$6.1 million and Upstate aid by \$4 million. Year over year operating aid changes are as follows:

State Transit Operating Aid ¹					
Mass Transit Operating Aid	FY 18 Enacted	FY 19 Adopted Budget	\$ Change Adopted over Enacted FY 18	% Change Adopted over Enacted FY 18	
MTA Total	\$4,618,829,000	\$3,494,171,800	(\$1,124,657,200)	(24.3)	

¹ Table excludes federal grants (\$73.3m) and State incentive payments (\$6.3m).

Rockland	\$3,432,900	\$3,500,700	\$67,800	2.0
Staten Island Ferry	\$33,488,300	\$34,151,000	\$662,700	2.0
Westchester	\$56,210,100	\$57,320,900	\$1,110,800	2.0
Nassau	\$67,985,200	\$69,328,700	\$1,343,500	2.0
Suffolk	\$26,443,700	\$26,966,300	\$522,600	2.0
NYC DOT	\$89,494,500	\$91,263,100	\$1,768,600	2.0
LoHudTranL	\$0	\$8,000,000	\$8,000,000	NA
Formulas	\$32,462,900	\$33,104,500	\$641,600	2.0
Non-MTA Downstate²	\$309,517,600	\$323,635,200	\$14,117,600	4.6
Downstate Total	\$4,928,346,600	\$3,817,807,000	(\$1,110,539,600)	(22.5)
Upstate				
CDTA	\$36,436,500	\$37,156,600	\$720,100	2.0
CNYRTA	\$33,260,300	\$33,917,600	\$657,300	2.0
RGRTA	\$40,384,800	\$41,182,900	\$798,100	2.0
NFTA	\$52,460,900	\$53,497,600	\$1,036,700	2.0
Formulas	\$40,106,300	\$40,898,900	\$792,600	2.0
Upstate Total	\$202,648,800	\$206,653,600	\$4,004,800	2.0
STOA Total	\$5,130,995,400	\$4,024,460,600	(\$1,106,534,800)	(21.6)
Non-MTA Total	\$512,166,400	\$530,288,800	\$18,122,400	3.5

Verrazano Toll Rebate Restoration

The Adopted Budget restores \$3.5 million for the Verrazano-Narrows Bridge toll rebate program to cover the \$0.24 toll increase for Staten Island Residents -\$13.8 million total.

Capital

The Adopted Budget provides \$207.7 million in additional capital appropriations over the Executive proposal to DOT, for a total of \$5.6 billion. The overall capital appropriation level is 1.3 billion (19.3%) below the FY18 funding level due to a \$1.2 billion non-recurring appropriation in FY18 that will be disbursed over multiple budget years, as well as the transfer of certain DOT operations from the DHBTF to State Operations as described previously.

\$20 million Non-MTA Transit Capital Assistance

The Adopted Budget restores \$20 million to non-MTA transit capital assistance, for an FY 19 total of \$104.5 million, which is the same level as FY 18.

CHIPS/Extreme Winter Recovery

The Adopted Budget restores \$65 million to CHIPS construction support for a total of \$542.8 million, the same level as FY 18.

X-Lite Guardrail Replacement

² Includes new \$8 million appropriation for Gov. Mario M. Cuomo Bridge transit services- increase is 2% excluding this appropriation

The Adopted Budget adds \$375,000 in municipal reimbursement grants to replace in-use X-Lite guardrails. The Senate majority had sought \$1 million for this program.

New \$122 million NY Works Appropriation

The Adopted Budget includes an additional \$122 million NY Works appropriation for the creation of a new catch-all capital development account called the NY State Capital Assistance Program for Transportation, Infrastructure and Economic Development, which may be used for services/expenses/grants/administration of projects pertaining to:

- transportation;
- aviation;
- water infrastructure;
- industrial/manufacturing water supply infrastructure renovations; and
- other economic development purposes.

\$3 million LIRR Diesel Train Engine Retrofits

The Adopted Budget accepts the Assembly proposal to create a line-item within a railroad capital improvement account for \$3 million to the MTA for upgrading diesel trains owned by the LIRR to improve emission standards. \$1 million is also provided for other diesel train engine retrofits.

Engineering Reallocation

The Adopted Budget accepts the Assembly proposal to reallocate \$13 million for design and construction contractual services within DOT's capital budget to instead provide resources to utilize the State workforce. This change has a net zero impact on the Adopted Budget.

Article VII – Revenue

DHBTF Swap/Shifting MTA Payroll Tax off-budget- Part UU

The Adopted Budget adopts Executive Budget language from TEDE Part K moving Payroll Mobility Tax revenues off-budget and shifting roughly \$24 million in DMV revenue streams to General Fund to cover operating costs to implement a shift of roughly \$390 million worth of operating expenses from the Dedicated Highway and Bridge Trust Fund over to the General Fund.

City Match for Subway Action Plan- Part VV

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.

MTA Sweeps & Transfers- Part BBB

The Adopted Budget includes the \$65 million reduction in support for the MTA, the \$17.4 million sweep from the downstate transit operating assistance fund to the Capital Projects Fund, and the \$265 million in transfer authority from the General Fund to the Highway and Bridge Trust Fund. This is a roughly \$478 million reduction from the transfer amount designated in the

2017 Enacted Budget Capital & Financing Plan. The MTA's February Financial Plan indicates that it expects the Executive to offset the \$65 million Payroll Tax reduction for an additional year, and then anticipates that this will be a structural deficit thereafter.

Penn Station Redevelopment- Part MMM

The Adopted Budget includes language declaring Penn Station to present an unreasonable safety risk to the public. It further declares that the conditions require action to repair or “redevelop” Penn in connection with existing renovation efforts of the LIRR portion of Penn Station and the new Moynihan Train Hall at Farley Station, and indicates that “planning” for the unidentified “surrounding areas” is ongoing to “position such areas to accommodate and attract passengers and evolving technological and business and commercial needs and practices.” The legislation further resolves that this is a pressing issue and provides that the MTA and Urban Development Corporation (“UDC”) should coordinate and consult with elected officials and local community and business leaders. Finally, the language indicates that the State will provide funds to UDC to begin the planning of any such redevelopment. The source and amount of funding are unidentified, as is the consultation process. There is also no definition for “surrounding areas” or how extensive the efforts to “redevelop” the area would be. The Governor has indicated in public remarks that this legislation is intended to give him bargaining leverage with two private owners, Penn Plaza and Madison Square Garden, in redeveloping the area if they oppose the State’s efforts to move the theater in adding new entrances for the rail hub. He argues the language “would support an eminent domain claim” on the property.

For-Hire Vehicle Surcharge- Part NNN

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:

- \$2.75 for for-hire vehicles that enter or start or stop in Manhattan south of 96th Street.
- \$2.50 for medallioned yellow cabs in the same area.
- \$.75 for every passenger in carpool-style rides.

Registration/Enforcement: The State Department of Taxation & Finance is responsible for assessing the surcharge and registering the transportation providers liable for paying the tax, and the surcharge shall be paid monthly. Vehicles that travel in the congestion zone once per month or less are not liable for paying the charge. Tax & Finance shall collect a \$1.50 fee for registrations and renewals, and cannot set the registration term for more than three years. Entities can be charged double damages for penalties, in addition to other tax enforcement actions available.

Local taxi regulatory agencies, such as the Taxi and Limousine Commission, must adjust their fares to reflect the surcharge and require meters and other instruments to account for the surcharge.

Exemptions/Definition Changes: The legislation modifies the definition of taxable “limousine” to include vehicles that carry up to 20 passengers, provided they have only two axles and four tires. Buses and ambulances are excluded from the surcharge. Green “HAIL” vehicles are included among the other “for-hire” vehicles subject to the \$2.75 fee.

The surcharge is not intended to increase the gross trip fare for purposes sales tax assessments on black cars or limousines in New York City or the 4% TNC surcharge outside of the City.

Revenues/Lockbox: Revenues are deposited with the Comptroller, in trust for the MTA. Of the total collections, the statute dedicates the revenues to a new New York City Transportation Assistance Fund, which is split into three accounts and funded in the following order:

- 1) Subway Action Plan Account – funds are intended to be used exclusively toward operating and capital costs of the MTA’s Subway Action Plan, including any debt service. MTA asserts that these funds are intended to offset the recurring costs related to hiring thousands of additional personnel to implement Phase I of the Subway Action Plan. The currently unitemized long-term capital costs—estimated at \$8 billion—for Phase II of the Subway Action Plan will be factored into either a capital program amendment or the next five-year capital program.
- 2) Outer Borough Transportation Account – the next \$50 million of surcharge-related revenues must be deposited into the Outer Borough Transportation Account, which shall fund MTA facilities, equipment, and services in the outer boroughs, as well as transportation connection projects that benefit the outer boroughs. The funds can also be used to reduce tolls. The account’s usage must be approved by the Capital Program Review Board’s (CPRB) representatives from the Governor’s Office, Senate Majority, and Assembly Majority. The City of New York’s representative—which normally gets a vote on the CPRB’s NYC-related capital expenditures—is excluded from the vote.
- 3) General Transportation Account – any remaining revenues shall be dedicated to general MTA operating and capital costs.

Part NNN sets forth the following funding schedule:

Dedicated to Subway Action Plan Account:	
Calendar Year	Amount
2019	\$362 million
2020	\$301 million
Every year thereafter	\$300 million
Dedicated to the Outer Borough Transportation Account:	
\$50 million per year after Subway Action Plan Account is funded.	
Dedicated to the General Transportation Account (“GTA”):	
Any amount remaining after revenues are provided to the Subway Action Plan Account and Outer Borough Transportation Account. Based on the Senate Majority’s \$421 million annual projection , the GTA would receive the following <i>estimated</i> revenues: <ul style="list-style-type: none">• \$9 million for Calendar Year 2019• \$70 million for Calendar Year 2020• \$71 million for Calendar Year 2021	

There is statutory—as opposed to constitutional—language prohibiting diversion of these funds for any other purpose, and a prohibition on using these funds to supplant other federal, state, or local sources. MTA is also directed to establish an accounting program to report on how the revenues generated pursuant to this tax were used to address subway system delays, similar to the Assembly one-house legislation.

Surcharges paid on Medicaid-related transportation trips shall go to a Medicaid Management Information System escrow fund.

Bus Lane Cameras: This section also expands the bus lane camera enforcement program to authorize MTA to install no less than 50 mobile bus lane camera devices below 96th Street, and changes the hours of program operation from 7:00 AM to 6:00 AM and 7:00 PM to 10:00 PM. The revenues collected from the mobile bus enforcement program must be deposited in the MTA’s General Transportation Account.

MTA Sustainability Advisory Workgroup: The legislation also creates an MTA Sustainability Advisory Workgroup, similar to the Assembly one-house bill, to focus on service adequacy, funding, congestion, environmental goals, bridge tolling, for-hire trips, and reduced fare programs. The group is composed of two gubernatorial appointees and one State DOT appointee, two appointees from each legislative majority leader, one appointee from each minority leader, one mayoral appointee and one NYC DOT appointee. It must report back by December 31, 2018, and is repealed on April 1, 2019.

BQE Design-Build for New York City- Part QQQ

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.

Article VII – Transportation, Economic Development and Environmental Conservation

Autonomous Vehicles- Part H

The Adopted Budget extends the autonomous vehicle pilot program for another year until April 1, 2019, and requires the Department of Motor Vehicles to submit an additional report on the implementation of the program by June 1, 2019 (there is already one due on or before June 1, 2018).

Finally, the Adopted Budget rejects the Executive Budget proposal eliminating direct state police supervision of every autonomous vehicle test, and instead permits the Superintendent of State Police to prescribe the manner and form of the direct supervision. It also requires a law enforcement interaction plan to inform law enforcement and first responders on handling autonomous vehicles in emergency and traffic enforcement situations.

Miscellaneous

The Adopted Budget enacts a variety of relatively non-controversial legislative proposals affecting transportation and public authorities. These include:

- Imposing mandatory suspension for motor carriers with US DOT-issued out of service orders, which remains until notice of correction. The Executive maintains this legislation is necessary to preserve eligibility for federal transportation grants. [Part A]
- Empowering the State Public Transportation Safety Board to enforce federal law with respect to fixed rail systems, including potential withholding of revenues. This includes the New York City subway system and the Buffalo subway system. [Part C]
- The Dormitory Authority (DASNY) will be permitted to provide financing and technical assistance to any non-for-profit affiliates or members of the Cerebral Palsy Associations of New York State, similar to a Senate one-house budget proposal. This enables DASNY to conduct bond issuances on behalf of the group(s), potentially reducing their borrowing costs. [Part TT]
- DASNY's authorization to create subsidiaries for the purpose of insulating it from liability in taking over distressed healthcare providers is extended for two years until July 1, 2020. [Part X]

Intentionally Omitted Items

The Adopted Budget intentionally omits the following items proposed in the Executive Budget:

- Expanding and extending the State's design-build law, which does not expire until April 13, 2019. [Part R]
- Expanding the MTA's value capture authority, easing different procurement protections, "clarifying" the City's responsibility for New York City Transit Authority expenses, and implementing the first phase of Fix NYC Panel recommendations. [Parts L, M, N, II]
- Expanding State highway rest stops permissible uses to include "commercial" purposes. [Part B]
- Exempting the Thruway Authority from public competitive bidding requirements for property disposal with respect to its fiber optic system. [Part D]
- Authorizing DOT to charge fiber optic utility companies to use DOT right of way and limiting fees and access restrictions that local governments can impose, as well as authorizing a small cell wireless program. [Part F]
- Authorizing DOT to charge \$120 biannual fee for inspection and re-inspection of non-public passenger carriers. [Part E]
- Creating an omnibus traffic safety bill, including mandatory seatbelt use, for all motor vehicle passengers. [Part G]
- Creating an internet-based "five-hour" training and exam program for driver license applicants. [Part J]

Article VII – Public Protection and General Government

DASNY Financing and Technical Assistance for OCFS- Part LL

The Adopted Budget authorizes the Dormitory Authority (DASNY) to provide financing and technical assistance for juvenile detention or residential facilities certified by OCFS or jointly certified by OCFS and the Commission of Correction. DASNY has been authorized to assist numerous non-profits with financing, since it can bundle financings and obtain more favorable

interest rates. Similar authorization was provided to OCFS in the ELFA Article VII bill. This is designed to assist in implementing the 2017 Raise the Age law.

2020 Census Commission- Part OO

The Adopted Budget includes legislation creating a Complete Count Commission to assist with ensuring accurate counting and preventing undercounts in the 2020 Census. The Commission will study the issues that caused past undercounts and create an action plan and proposed budget for accurately counting the 2020 Census by January 10, 2019. The Commission must submit an updated report on its activities by January 10, 2020. The language is almost identical to S.5809-A (Klein)/A.4348-A (Crespo), which has passed the Assembly with seven negative votes the past two sessions but not moved in the Senate. There are two differences in the Adopted Budget language: provisions permitting reimbursement of commission members' and assigned staff expenses has been removed, and the Commission's ability to access to public facilities and resources has been modified from "shall" to "may."

Veterans' Affairs

Division of Veterans Affairs

State Operations

The Adopted Budget concurs with the Executive's Proposal providing \$8.5 million in State Operations funding.

Aid to Localities

The Adopted Budget provides an appropriation of \$12.9 million in Aid to Localities funding. The \$2.2 million increase supports the following programs:

- \$500,000 for New York State Defenders Association Veterans Defense Program;
- \$250,000 increase for Veterans Outreach Center Monroe County, with overall program funding of \$500,000;
- \$220,000 for New York State Defenders Association Veterans Defense Program-Long Island Expansion;
- \$200,000 for Hudson Valley Veterans and Military Families Advocacy Project; and
- \$200,000 for Helmets-to-Hardhats;
- \$200,000 for Warrior Salute Program;
- \$125,000 for New York Veterans of Foreign Wars of the U.S Field Services Operations;
- \$100,000 for North County Veterans Association;
- \$100,000 for Veterans Justice Project;
- \$100,000 for SAGE Veterans' Project;
- \$50,000 Research and Recognition Project;
- \$50,000 for Vietnam Veterans of America New York State Council;
- \$35,000 for West Islip American Legion; and
- \$25,000 for Veterans Miracle Center.

The Adopted Budget concurs with the Executive's Proposal for the following programs:

- \$1.2 million for Aid to County and City Veterans' Services agencies;

- \$1 million for Veteran-to-Veteran program to provide support services for Veteran defendants;
- \$500,000 for Veterans Counseling Outreach;
- \$250,000 for Access to Justice Initiative; and
- \$100,000 for Congressional Chartered Veterans Service Organization for veteran burial services.

Article VII – Public Protection and General Government

Hire-A-Vet Tax Credit- Part Q

The Adopted Budget extends the Hire-A-Vet tax credit program for two years, through 2020. The credit would be available to qualified taxpayers for hiring veterans who commence employment on or after January 1, 2014 and before January 1, 2020. The credit available to employers is capped at \$5,000 for each veteran hired, up to \$15,000 for each disabled veteran hired.

Armory Rental Account- Part O

The Adopted Budget creates an armory rental account fund in joint custody of the State Comptroller and the Commissioner of Taxation and Finance. All moneys paid as rent for the use of military armories when they are not being used by the military will be deposited into this account. The moneys in the armory rental account will be used for the maintenance and operation of armories. Under current law, these moneys are deposited into a miscellaneous special revenue fund, not a fund specifically for the purpose of maintaining and operating armories.